



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

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

BUKWO DISTRICT LOCAL GOVERNMENT

JULY 2023

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ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
BOQs	Bill of quantities
CC	Contracts Committee
CFO	Chief Finance Officer
EC	Evaluation Committee
FY	Financial Year
LG	Local Government
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SRVCS	Services
SPLS	Supplies
UGX	Uganda Shillings
VAT	Value Added Tax

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Bukwo District Local Government that covered a representative sample of 20 procurement transactions worth UGX. 1,577,470,684 under the Financial Year 2021/22.

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

From the findings of the procurement audit exercise, the performance of Bukwo District Local Government for the Financial Year 2021/22 was **Unsatisfactory** with overall weighted average risk rating of **76.8%** as detailed in chapter 3 of the report.

The unsatisfactory performance was attributed to the issues noted:

1. The Internal Audit Department did not review any of the procurement action files as was evidenced by the lack of audit reports prepared for the four quarters in FY 2021/22 in regard to review of the procurement and disposal processes during the period under review. Furthermore, there was no evidence of involvement of the Internal Auditor at the time of payment to ensure that all goods, services and works paid for were properly ordered, received and examined in all the sampled procurements.
2. The Entity did not fully implement 87.5% of the previous audit recommendations despite being issued with its previous audit report for the Financial Year 2019-2020 in June 2021 which weakened the internal systems and processes and compromised performance improvement.
3. There was failure to dispose several obsolete assets that were identified in the board of survey report for Financial Year 2020/2021. There was no documentary evidence of any efforts taken by the Entity to dispose the assets contrary to Regulation 122 (2) of the Local Governments (PPDA) Regulations 2006 which inhibits achievement of value for money as funds are held up in those assets and could suffer further loss in value due to depreciation.
4. Failure to maintain Force Account records on file thus no accountability for expenditure worth UGX. 171,105,699 released by Uganda Road Fund to the Entity and expenditures under framework contracts worth UGX. 345,500,000 which casts doubt on the transparency and accountability for works undertaken using Force Account.
5. Failure to complete the funds availability section by User Departments in all the twenty procurement transactions reviewed worth UGX. 1,577,470,684, User Departments left blank the funds availability section of the requisition form (LG PP Form 1) contrary to Regulation 65 (6) and (7) of the Local Governments (PPDA) Regulations, 2006.
6. There was bidder collusion in all the sampled twenty procurement action files reviewed worth UGX. 1,577,470,684. Only four bidders were awarded all the contracts done in the FY 2021-22 that were systematically involved in all the bidding processes and were awarded various contracts for each respective procurement activities sampled. These bidders included: -
 - i. Kortek General Agencies
 - ii. Chemuron Holdings Ltd
 - iii. Kapmayemay Investment Ltd
 - iv. Tegeres Hardware Ltd

7. Failure to report on both macro and micro procurements carried out by the Entity to the Authority on a quarterly basis both at District and Lower Local Government levels such as Sub Counties and Town Councils within the District.
8. Irregularities at evaluation of bids such as passing bidders non-compliant bidders against the criteria, in one case evaluating a bid received after the deadline of bid submission and failure to conduct detailed commercial and technical evaluation were noted in eight procurement transactions worth UGX. 765,489,950. Such practices deter completion and compromise the achievement of value for money.
9. Due diligence on all the information submitted by the bidders during evaluation and before signing contracts with bidders was not conducted in three procurements worth UGX 266,993,000 contrary to the PS/ST circular Ref: FAD154/308/01 issued on 7th August 2014. Specifically, the evaluation committee recommended award of contract to bidders that submitted invalid transaction tax clearance certificates.
10. Low bidder participation was noted in seven procurements worth UGX.564,193,750 as evidenced by only one or two bidders that responded to the invitation to by the Entity.
11. Non preparation and issuance of the issued Notice of Best Evaluated Bidder to all bidders was noted in all the twenty (20) procurement actions files that were reviewed worth UGX 1,577,470,684 contrary to Regulation 85(5) of the Local Government (PPDA) Regulations, 2006.
12. Poor records management was evident in the Entity as nineteen procurement action files worth UGX. 1,526,138,934 lacked some of the key records such as evidence of issue, receipt and opening of bids, best evaluated bidder notices, contract management and progress reports among others.

Recommendations:

1. The Head Internal Audit Department should ensure that periodic and comprehensive audits on all procurement and disposal transactions of the Entity are conducted including payments to ensure that all goods, services and works are properly procured, ordered, received, examined and paid for in accordance with Regulation 28 of the Local Governments (PPDA) Regulations, 2006.
2. The Accounting Officer should: -
 - i. Put in place a strong internal mechanism and a dedicated team of staff that will ensure full implementation and follow up of audit recommendations made by the Authority in order to improve the Entity's performance.
 - ii. Ensure that assets of the Entity are reviewed and disposed of following the methods recommended under Regulations 122-133 of the LG (PPDA) Regulations, 2006.
 - iii. Ensure that works undertaken using Force on Account Mechanism are implemented in accordance with circular No. 3 of 2012 to Local Governments on use of Force on Account Mechanism.
 - iv. User Departments should always indicate the amount of funds available at initiation from their budget allocation prior to confirmation of funding by the Accounting Officer.
 - v. Should take appropriate disciplinary action against parties that fail to conduct procurement and disposal activities in a manner that promotes open competition, fairness, and value for money in accordance with Section 46 of the PPDA Act, 2003.

- vi. Organize and mobilize a public procurement cadre forum inviting all district stakeholders and the Authority to intervene in all the procurement prevailing matters occurring at the District before close of the FY2022/2023.
 - vii. Ensure that the Entity submits quarterly reports on micro-procurements to the Authority in accordance with Regulation 7 of the Local Governments (PPDA) Regulations, 2006.
 - viii. Formally submit to the Authority the procurement action file in which Tegeres Hardware Ltd submitted a forged tax clearance certificates to commence the suspension process not later than 18th August 2023.
 - ix. Should ensure that all procurements are conducted in a fair, transparent and competitive manner in accordance with Section 45 and 46 of the PPDA Act, 2003.
3. The Head, Procurement and Disposal Unit and Contracts Committee should guide the Evaluation Committee members to strictly adhere to the criteria set out in the solicitation document as provided under Regulation 72 and 74 of the Local Governments (PPDA) Regulations, 2006.
 4. The Head Procurement Disposal Unit should ensure that the notices of Best Evaluated Bidders (BEBs) is displayed on the Entity's notice board and emailed to all bidders in accordance with Regulation 85(5) of the LG (PPDA) Regulations, 2006.
 5. Heads of User Departments should prevail over contract supervisors to submit progress reports/contract management reports and all contract implementation documentation to the Procurement and Disposal Unit in accordance with Regulation 119 (10) (f) of the Local Governments (PPDA) Regulations, 2006.

Bukwo District Local Government should implement the recommended action plan on pages 35-36.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Bukwo District Local Government that covered a representative sample of 20 procurement transactions worth UGX. 1,577,470,684 under the Financial Year 2021/22. The audit involved a review of the procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act 2003 and Local Governments (PPDA) Regulations 2006.

1.2 Overall Objective

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

The specific objectives were:

1. To establish the level of compliance by the PDE with the general provisions of the PPDA Act 2003 and Local Governments (PPDA) Regulations, 2006;
2. To establish the level of compliance with the PPDA Act, 2003 and Local Governments (PPDA) Regulations, 2006 in the conduct of procurement and disposal activities; and
3. To assess the level of efficiency and effectiveness in contract implementation.

1.3 Audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation on sample basis. The audit covered a representative sample of 20 procurement transactions under the Financial Year 2021/22. The list of sampled transactions is contained in **Annex 2**. Table 1 below details the distribution of the transaction population and sample.

Table 1: Distribution of the transaction population and sample

Procurement method	Popn Value(UGX)	Sample Value(UGX)	% Value	Popn no	Sample no	% no
Open National bidding	1,297,538,279	992,838,484	76.5	++12	4	33.3
Selective National bidding	261,032,200	169,132,200	64.7	13	11	64.7
Direct Bidding	70,000,000	70,000,000	100	1	1	100
Framework Contracts	345,500,000	345,500,000	100	4	100	
Total	1,974,070,479	1,577,470,684	79.9	26	20	38.5

1.4 Methodology

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

During the audit, the auditors held interviews with the staff from the Procurement and Disposal Unit (PDU) and User Departments that were necessary in obtaining crucial qualitative information about the internal control systems and processes in place.

A debrief meeting to clear all pending issues that arose during the audit was held with the Entity management and staff on **8th December 2022** before the auditors could embark on preparation of the management letter. The auditors prepared the management letter, which was sent to the Entity on **24th February 2023** with a request to submit a management response by **6th March 2023** which was submitted on **29th March 2023**. The exit meeting was held on **29th March 2023** at PPDA Eastern Regional Offices.

On completion of data collection and before writing the report, the audit manager reviewed the working papers for completeness. The working papers contain detailed chronology of findings on each of the sampled transactions. The audit report presents the key findings and conclusions arising from the audit.

1.5 Procurement Structure of the Entity

The key players in the procurement structure at Bukwo District Local Government included the Chief Administrative Officer (CAO) as Accounting Officer, the Contracts Committee (CC), the Procurement and Disposal Unit (PDU) and the User Departments.

1.5.1 Accounting Officer

Section 26 of the PPDA Act 2003 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. The Chief Administrative Officer ; Mr. Jimmy Jose Loeworwho was designated as the Accounting Officer of the Entity during the Financial Year 2021-2022.

1.5.2 Composition of the Contracts Committee

During the audit period, the Entity's Contracts Committee was not fully constituted contrary as it only had 4 members contrary to the provisions of Section 27 of the PPDA Act, 2003 and Regulation 15 of the Local Governments (PPDA) Regulations 2006 that require the Town Clerk to nominate five members among the public officers of the Procuring and Disposing Entity for approval by the Permanent Secretary/Secretary to the Treasury. Table 2 below indicates Contracts Committee members.

Table 2: List of Contracts Committee Members

No	Name	Title	Position on the Committee	Date of appointment	Date of expiry
1.	Mr. Walter Kibet	Senior Planner	Chairperson	10 th June 2022	10 th June 2025
2.	Mr. Simeon	Biostatistician	Member	10 th June 2022	10 th June 2025

	Onesmas Chemutai				
3.	Mr. Isaac Kusuro	Senior Education Officer	Member	10 th June 2022	10 th June 2025
4.	Mr. Harriet Chebet	Assistant Town Council Clerk-Butwo Town Council	Member	10 th June 2022	10 th June 2025

The audit team noted that the Contracts Committee consists of only four members instead of a maximum of five members contrary to Section 27 (1) of the PPDA (Amended) Act of 2021. The audit team observed that during audit review, the Entity used the Contracts Committee for Kween District Local Government without any documented evidence of such approval.

1.5.3 Staffing of the Procurement and Disposal Unit

The Authority noted that the Procurement and Disposal Unit was fully constituted with a Senior Procurement Officer (Head Procurement and Disposal Unit) and an Assistant Procurement Officer as shown in table 3 below:

Table 2: Compensation of the Procurement and Disposal Unit

No	Name	Qualification	Position in PDU	Date of appointment.
1.	Mr. Joseph Araptai	Bachelor's Degree in Commerce(Procurement)	Head Procurement & Disposal Unit	1 st July 2009
2.	Mr. Cherop Emily	Diploma in Procurement	Assistant Procurement Officer	5 th July 2015

CHAPTER TWO: KEY FINDINGS AND RECOMMENDATIONS

2.1 LEVEL OF COMPLIANCE BY BUKWO DISTRICT LOCAL GOVERNMENT WITH THE GENERAL PROVISIONS OF THE PPDA ACT, 2003 AS AMENDED AND THE LOCAL GOVERNMENTS (PPDA) REGULATIONS, 2006

2.1.1 Failure to fully implement 87.5 % of the previous audit recommendations

Bukwo District Local Government was issued with its previous audit report for the Financial Year 2019-2020 in June 2021. Out of eight recommendations made only one representing 12.5% was fully implemented while three representing 38.5% were not implemented and four representing 50% were partially implemented as detailed in table 4 below:

Table 4: Implementation of Previous Audit Recommendations

No.	Recommendation	Status
1.	The Accounting Officer and Management should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 to ensure improved performance.	Partially implemented
2.	i) The Accounting Officer should report on all micro procurements undertaken to the PDU for onward submission to the Contracts Committee and to PPDA in accordance with Regulation 41 (8) of the Local Governments (PPDA) Regulations, 2006. ii) The Accounting Officer should caution the User Departments and Divisions in writing for failure to submit monthly reports for the micro procurements conducted to the Contracts Committee.	Not implemented
3.	The Accounting Officer should ensure that the disposal process is expedited and carried out in line with the PPDA Act, 2003 and Regulations	Not implemented
4.	The Head procurement and Disposal Unit should ensure that the solicitation documents prepared define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity and have the most appropriate evaluation methodology and criteria in accordance with Regulations 48 (2) and 48 (4) of the Local Governments (PPDA) Regulations.	Partially implemented
5.	The Evaluation Committee(s) should ensure that the determination of a bid's compliance and responsiveness is based on the evaluation criteria in the solicitation document in accordance with Regulation 73 (1) and (2) of the Local Governments (PPDA) Regulations, 2006.	Partially implemented
6.	The Accounting Officer should ensure that each market is openly tendered out to co-operative societies individually so as to implement the Ministry of Local Government Policy on the sale of Market Land, Development and Management in the City, Municipalities and Towns and the revised policy	Not implemented

No.	Recommendation	Status
	guidelines on the management and levying of parking fees in Local Government's Public Service Vehicle Parking Areas.	
7.	The contract supervisors should ensure that the implemented works are technically assessed for quality before issuing payment certificates to pay the contractors.	Partially implemented

Implication

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

Management Response

Management acknowledged the anomaly and stated that it is going to gradually implement the recommendations.

Recommendation

The Accounting Officer should put in place a strong internal mechanism and a dedicated team of staff for implementation of audit recommendations that will always ensure full implementation of the Authority's previous audit recommendations.

2.1.2 Internal Controls

The audit team observed that the Internal Audit Department did not review any of the procurement action files as was evidenced by the lack of audit reports prepared for the four quarters in FY 2021/22 in regard to review of the procurement and disposal processes during the period under review. Furthermore, there was no evidence of involvement of the Internal Auditor at the time of payment to ensure that all goods, services and works paid for were properly ordered, received and examined in all the sampled procurements.

Implication

There is no assurance of value for money for all supplies, works or services procured and it is also an indicator of lack of controls (checks and balances) in the Entity.

Management Response

Management acknowledged the anomaly and stated that it is going to gradually implement the recommendations.

Recommendation

The Head of the Internal Audit Department should audit all payments to ensure that all goods, services and works are properly ordered, received, examined and paid for in accordance with Regulation 28 of the Local Governments (PPDA) Regulations, 2006.

2.1.3 Failure to dispose obsolete items

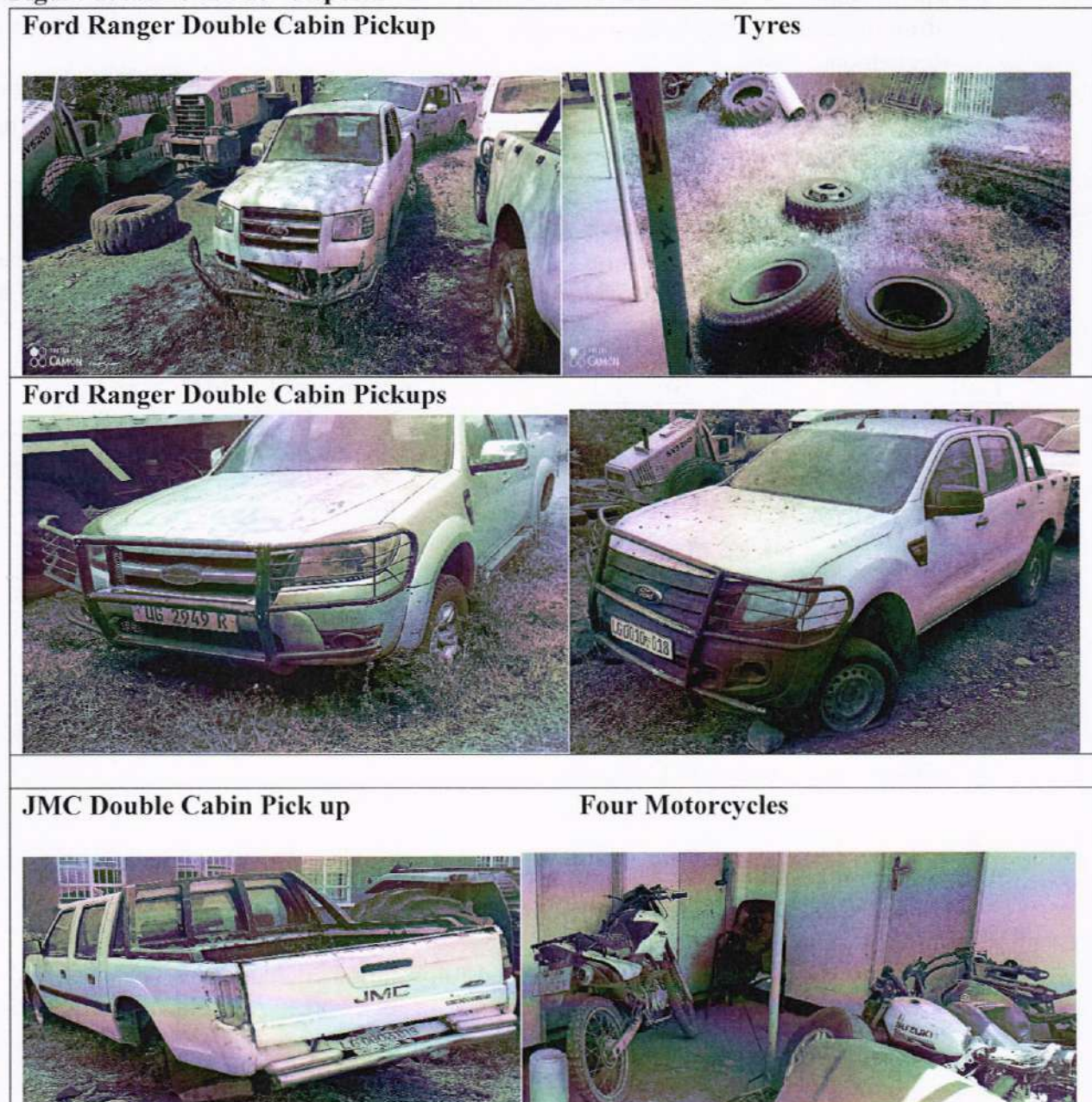
The audit team observed that the Entity had not carried out any disposal activity and neither was there any documentary evidence of efforts taken to dispose them contrary to Regulation 122 (2) of the Local Governments (PPDA) Regulations 2006. Assets were found lying idle in

the yard risking being vandalized and further loss in value due to depreciation. The details of the Assets are shown. in table 5 below:

Table 5: Items intended for disposal

No	Details of Asset	Quantity (No.)
1.	Motorcycles	4
2.	4WD Pickups	4
3.	Tyres	6

Figure 1: Items due for disposal



Implications

- This inhibits achievement of value for money as funds are held up in assets and also lost through depreciation of these assets.

- Assets are exposed to a risk of theft and vandalism.

Management Response

Management stated that it is true that the disposal of district assets were not done as expected due to strings attached to the assets. Many assets belong to sectors of government like NUSAF hence it became hard to dispose of before seeking waiver from them, also many of this assets were ferried to the district from Kampala, Mbale where the damage occurred this financial year (2022/23).

Recommendations

1. The Accounting Officer should ensure that assets of the Entity are reviewed and disposed of following the methods recommended under Regulations 122-133 of the LG (PPDA) Regulations, 2006.
2. The Accounting Officer should follow up with the the donating Entities to have all vehicle log books and authority to dispose of the assets handed over to them or else the Entity should write to the donor to dispose off their own assets. .

2.1.4 Irregular use of Force Account Mechanism

According to the procurement plan for financial year 2021/2022 routine manual, mechanised and periodic maintenance of Bukwo District Local Government roads was majorly funded by Uganda Road Fund as summarised in the table 6 below:

Table 6: URF Funding for Bukwo District Local Government FY 2021/2022

No.	Particulars	Value (UGX)
1.	Budget	366,667,665
2.	Total release; Quarterly releases; UGX 171,105,699 Special intervention Q1; UGX 50,202,568 Special Intervention Q2; UGX. 60,881,983 Special intervention Q3; UGX 33,817,648 Special intervention Q4 ; UGX 26,203,500	171,105,699
3.	Total expenditure: 171,105,699	

i. Failure to maintain Force Account records on file thus no accountability for the UGX. 171,105,699 released by Uganda Road Fund to the Entity.

The Authority noted that despite an established fully staffed engineering department, there were missing records for works undertaken using Force Account thus inhibiting accountability:-

- 1) Scope of works to be undertaken.
- 2) Estimated unit price and budget for the works.
- 3) List, specifications and quantities of supplies for the works to be undertaken.
- 4) Estimated duration of the works to be executed.
- 5) Personnel involved in the works

- 6) Equipment to be used in the works.
- 7) Detailed work programme for the execution of each of the works to be undertaken.
- 8) Works management plan
- 9) Daily worksheets to indicate the works executed.
- 10) Periodic progress reports.
- 11) Final report at the completion of the assignment including daily worksheets.
- 12) Schedule of allowances.
- 13) Powers of the force account supervisor.
- 14) Evidence of verification of works undertaken.
- 15) Performance and completion certificates in relation to the works executed.

Therefore because of lack of the above documentation the Authority could not ascertain how the total release from Uganda Road Fund worth. UGX. 171,105,699 was spent by the Entity which is an indicator of lack of accountability thus a risk of fraud and embezzlement

Implications

- This casts doubt on the transparency and accountability for works undertaken using force account.
- There was no achievement of value for money.
- This could be an indicator of fraud and embezzlement of public funds thus no accountability.

Management response

Management stated that the records were available.

Authority's Comment;

The Entity only submitted the Uganda Road Fund program tables and works performance report for FY2021-22 dated 6th July 2022 on roads done. The submission did not provide actual accountabilities of work activities done for the expenditure worth UGX. 171,105,699 as earlier queried by the audit team hence query was maintained.

Recommendations

1. The Accounting Officer should ensure that works undertaken using Force Account Mechanism are implemented in accordance with circular No. 3 of 2012 to Local Governments on use of Force on Account Mechanism.
2. The Office of the Inspectorate of Government should investigate this matter of the unaccounted for funds worth UGX. 171,105,699 and take appropriate action against those officers found culpable.

2.2 LEVEL OF COMPLIANCE WITH THE PPDA ACT, 2003 AND THE PPDA LOCAL GOVERNMENTS REGULATIONS 2006 IN THE CONDUCT OF PROCUREMENT AND DISPOSAL ACTIVITIES

2.2.1 Non implementation of 71.4% of the Procurement and disposal plan of the Entity

The Entity failed to implement 71.4% of the Entity's procurement plan during the financial year. The Entity's total procurement budget for the Financial Year 2021/2022 was UGX. 9,286,940,000 and the Entity's procurement implementation rate was 28.6% with a variance of UGX. 6,623,934,810 as summarized in the table 7 below:

Table 7 : Procurement plan implementation rate

Total procurement plan value (UGX)	9,286,940,000
Actual procurement spend (UGX)	2,663,005,190
Variance (UGX)	6,623,934,810
Percentage implementation rate (%)	28.6%
Percentage non implementation.(%)	71.4%

Implications

- This implies that only procurements worth UGX. 2,663,005,190 were implemented and this denied service delivery to the intended beneficiaries.
- This implies that the Entity lacks a monitoring system to track the Entity's procurement budget which affects effective planning and monitoring of the Entity's procurement budget and affects full service delivery.

Management response

Management acknowledged the anomaly and stated that Political unrests, malicious investigations, interdictions, arrests and intimidation of district staff severely delayed the implementation of procurement plan in general, eventually most of the project funds especially UGIFT program were returned back to MOFPED at the end of financial year 2021/2022. There were also delays caused by bureaucracies in the hybrid UGIFT program especially in the seed schools under MOES which led to the return of funds to treasury

Recommendation

The Authority noted the Entity's response and recommends that the Accounting Officer and Management should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 to ensure improved performance.

2.2.2 Failure to complete the funds availability section by User Departments.

The audit team observed that in all the procurement transactions reviewed worth UGX.1,577,470,684, User Departments left blank the funds availability section of the requisition form (LG PP Form 1) contrary to Regulation 65 (6) and (7) of the Local Governments (PPDA) Regulations, 2006.

Implication

Failure to confirm availability of funds exposes the Entity to a risk of conducting a procurement transaction for which funds are not available and may affect the Entity's ability to prioritize in the event the budget balance is found to be low.

Management response

Management acknowledged the anomaly and will rectify this in future requisitions.

Recommendation

User Departments should always indicate the amount of funds available at initiation from their budget allocation prior to confirmation of funding by the Accounting Officer.

2.2.3 Bidder collusion

The audit team observed that in all the sampled procurement action files reviewed worth UGX. 1,577,470,684, the Entity invited mainly four bidders that were systematically involved in all the bidding processes and were awarded various contracts for each respective procurement activities sampled. These bidders included: -

- i. Kortek General Agencies
- ii. Chemuron Holdings Ltd
- iii. Kapmayemay Investment Ltd
- iv. Tegeres Hardware Ltd

Implication

This created a bidder syndicate by the Entity and the contractors that led to award of contracts to non-compliant/ incompetent bidders and also hindered competition thus affecting attainment of value for money.

Management Response

Management acknowledged the anomaly and stated that it will implement the Authority's recommendations.

Recommendations

1. The Accounting Officer should ensure that all procurement activities are conducted in a manner that maximizes competition and achievement of value for money in accordance with Section 46 of the PPDA Act, 2003.
2. The Accounting Officer should organize and mobilize a public procurement forum/baraza inviting all district stakeholders and the Authority to intervene in all the procurement prevailing matters occurring at the District before close of the FY2022/2023.
3. The Accounting Officer should carry out disciplinary actions on parties who fail to conduct procurement activities that promote open competition, and value for money in accordance with Section 46 of the PPDA Act, 2003.

2.2.4 Failure to report on Procurements carried out by the Entity.

The Entity did not report to the Authority all procurements carried out during the FY2021-22 at the District and microprocurements handled at the lower Local Governments (Sub counties and Town Councils) contrary to the PPDA (Local Government) Guidelines No.8 of 2008.

Only the third and fourth quarter reports had been submitted to the Authority on 12th May 2022 and 12th June 2022. Furthermore, efforts by the audit team to get the quarter three and quarter four reports were futile.

Implication

Failure to report all procurements carried out by the Entity to the Authority is an indicator of lack of transparency which compromises the principle of accountability of public funds. This could lead to unethical tendencies within the Entity.

Management Response

Management acknowledged the anomaly and stated that it will implement the Authority's recommendations.

Recommendations

1. The Head Procurement and Disposal Unit should ensure that the Entity submits its quarterly reports for procurements carried out to the Authority in accordance with Regulation 7 of the Local Governments (PPDA) Regulations, 2006.
2. The Accounting Officer should ensure that procurements handled at sub counties and town councils are reported on a monthly basis to the Contracts Committee as required under Regulation 41 (8) of the Local Governments (PPDA) Regulations, 2006.

2.2.5 Irregularities during evaluation of bids

The Authority noted irregularities in the evaluation of eight procurement transactions worth UGX. 765,489,950 as indicated in the table below 8: -

Table 8: Procurement transactions with irregularities in their evaluation process

No	Subject of Procurement	Contract value (UGX)	PPDA Findings
1.	Rehabilitation of Taskya Intake works and construction of sedimentation tank Contractor: Kapmayemay Investment Ltd	99,828,750	<ul style="list-style-type: none"> ▪ Kapmayemay Investment Ltd's bid was received late on 12th October 2021 by the Entity after the deadline of bid submission that was 11th October 2021. This disadvantaged M/s Chemuron Holdings Ltd that had submitted in time. ▪ Irregular adjustment of bid price of Kapmayemay Investment Ltd from UGX. 99,828,750 to UGX. 85,184,750 without any detection of arithmetic errors by the Evaluation Committee. ▪ Kapmayemay Investment Ltd was irregularly awarded the contract yet had not complied with the evaluation criteria requirements i.e: <ol style="list-style-type: none"> i. it attached experience of supplying bulls and heifers and one for works only worth 177,950,000 which did not meet the

No	Subject of Procurement	Contract value (UGX)	PPDA Findings
			<p>criteria required of <i>at least three contracts carried out by the bidder in the last three years of similar nature,</i></p> <ul style="list-style-type: none"> ii. did not submit a bid security iii. did not submit the Powers of Attorney (POA) yet this was a requirement
2.	Renovation of Greater Chesower Sub County Contractor: Kortek General Agencies Ltd	125,000,000	<ul style="list-style-type: none"> ▪ The bid submission sheet and statement of requirements for Kortek General Agencies Ltd (BEB) was left blank. Only price was stated. ▪ Kortek General Agencies Ltd (BEB) did not submit a URA Tax Clearance Certificate (TCC) specifically addressed to Bukwo DLG) as was required.
3.	Renovation of Greater Kabei Sub County Contractor: Kortek General Agencies Ltd	120,841,000	<p>Irregular extension of bid submission date by PDU without Contracts Committee approval The bid Submission date was on 22nd April 2022 but was extended to 29th April 2022 without any justification and without Contracts Committee's approval.</p> <ul style="list-style-type: none"> ▪ Kortek General Agencies Ltd (BEB) submitted an expired URA Tax Clearance Certificate that was issued on 24/09/2021 (CRN MB01220058313 running 01/07/2020 to 30/06/2021 addressed to Bukwo DLG yet the Entity required one that was valid for the FY 2021/22.
4.	Extension of Water to Soho P/s and Kapse P/s Contractor: Kortek General Agencies Ltd	47,449,200	<ul style="list-style-type: none"> i. Kortek General Agencies Ltd was evaluated as a compliant yet it did not meet the evaluation criteria as indicated below; ii. Submitted an expired Tax Clearance certificate that was issued on 24/09/2021 (CRN MB01220058314 running 01/07/2021 to 30/06/2021 addressed to Kween DLG. iii. Did not submit evidence of proposed methods and schedule including drawings and charts' yet it was passed as compliant on this requirement.

No	Subject of Procurement	Contract value (UGX)	PPDA Findings
			iv. No detailed commercial and technical evaluation were carried by the EC team since only financial comparison was done.
5.	Renovation of Two Classrooms at Sennedet P/s Contractor: Tegeres Hardware Ltd	30,378,000	Tegeres Hardware Ltd (Best Evaluated Bidder) was irregularly awarded the contract yet; <ul style="list-style-type: none"> i. Its bid was received late on 31st May 2021 after bid closure on 29th April 2021 ii. The BEB did not submit a Bid Security in accordance with ITB Clause 18 and the Code of ethical conduct of bidders and providers.
6.	Renovation of School in Great Bukwo Contractor: Chemuron Holding Ltd	124,000,000	<ul style="list-style-type: none"> • Pasing a non-compliant bidder Cherumon Holding Ltd was awarded the contract irregularly as it lacked <i>Evidence of previous similar works (Certificates of completion) and also the following:-</i> <ul style="list-style-type: none"> ➤ <i>Technical Personnel Certificates</i> ➤ <i>Bank statement within the last 6 months.</i>
7.	Completion of Construction of Council Hall at Kenet Sub County Contractor: Tegrese Hardware Ltd	17,993,000	<ul style="list-style-type: none"> ▪ Tegrese Hardware Ltd was irregularly awarded a contract against a unauthentic URA Tax Clearance certificate that lacked a Certificate Reference Number and was purportedly issued on 23/09/2021 and running from 01/07/2020 to 30/06/2021 The certificate could not be authenticated on the URA Portal. ▪ Esso General Co. Ltd was irregularly eliminated at evaluation on grounds that it was not <i>pre-qualified for the same works</i> which was insufficient justification. ▪ Tegrese Holdings Ltd (BEB) was irregularly awarded the contract without meeting the following requirements; <ul style="list-style-type: none"> i. <i>Evidence of previous similar works (Certificates of completion).</i> ii. <i>Technical Personnel Certificates</i> iii. <i>Bank statement within the last 6 months</i>
8.	Framework contracts for supply of fuel and lubricants under framework contracts	200,000,000	Kapmayemay Investment Ltd (BEB) was irregularly awarded a contract yet it did not meet the following requirements: <ul style="list-style-type: none"> ▪ <i>Technical Personal Certificates</i>

No	Subject of Procurement	Contract value (UGX)	PPDA Findings
	Contractors Kamayemay Investment Ltd Kongasis Petroleum Dealer's Ltd		<ul style="list-style-type: none"> ▪ Evidence of previous similar works (Certificates of completion, Contract Certificate to prove performance in the previous similar works or supplies). <p>Both bidders (Kapmayemay Investment Ltd and Kongasis Petroleum Dealer's Ltd) did not attach any of the above requirements yet the passed the technical stage.</p> <p>The Evaluation Committee also passed both bidders yet they did not attach filled price schedules on the list of supplies and price schedules.</p>
	Total	765,489,950	

Implications

- Unfairness during evaluation leads to contract award to non-compliant bids and compromises the Entity's benefits of maximizing open competition and value for money.
- Evaluation irregularities indicate unethical and fraudulent tendencies within the Entity that expose the Entity to financial loss and failure to provide services of optimum quality, cost and time to the intended beneficiaries.

Management Response

Management acknowledged the anomaly and stated that there will be training to build capacity of all user departments.

Recommendations

1. The Accounting Officer should investigate all the Evaluation Committee members that participated in the procurements above and take appropriate disciplinary action against them for the unethical practices that were noted during evaluation processes.
2. In future, the Head, Procurement and Disposal Unit and Contracts Committee should guide the Evaluation Committee members to strictly adhere to the criteria set out in the solicitation document as provided under Regulation 72 and 74 of the Local Governments (PPDA) Regulations, 2006.

2.2.6 Failure to conduct due diligence

The Entity did not conduct due diligence on all the information submitted by the bidders during evaluation and before signing contracts with bidders contrary to the PS/ST circular Ref: FAD154/308/01 issued on 7th August 2014. The Evaluation Committee recommended award of contracts to bidders that submitted invalid transaction Tax Clearance certificates in three procurements worth UGX. 266,993,000 as indicated in Table 9 below:-

Table 9: Procurements where the Entity did not conduct due diligence

No	Procurement	Bidders	Areas that due diligence was not conducted	Contract Amount (UGX)
1.	Completion of Construction of Council Hall at Kenet Sub County; Contractor: M/s Tegrese Hardware Ltd	Tegrese Hardware Ltd	Transaction Tax Clearance Certificate lacked a Certificate Reference Number and was purported issued on 23/09/2021 and running from 01/07/2021 to 30/06/2021 ,being that this certificated could not be authenticated on the URA Portal, its deemed that it was not authentic.	17,993,000
2.	Renovation of School in Great Bukwo Contractor: M/s Cherumon Holding Ltd	Cherumon Holding Ltd	Lacked evidence of previous similar works (Certificates of completion). Technical Personnel Certificates Bank statement within the last 6 months.	124,000,000
3.	Renovation of Greater Chesower Sub County Contractor: Kortek General Agencies Ltd	Kortek General Agencies Ltd	Kortek General Agencies Ltd failed to attach a URA Tax Clearance Certificate (TCC) specifically addressed to Bukwo DLG as required by the issued solicitation document yet passed preliminary evaluation.	125,000,000
Total				266,993,000

Implication

Failure to conduct due diligence may result into award of contracts to firms which lack the capacity to execute the contract.

Management Response

Management acknowledged the anomaly and stated that due diligence on some of the statutory documents is now conducted instantly on line.

Recommendations

1. The Accounting Officer should ensure adherence to the PS/ST's guidance on conducting due diligence.
2. The Accounting Officer should formally submit to the Authority Tegreses Hardware Ltd that submitted an unauthentic Tax Clearance Certificates for blacklisting.

2.2.7 Low bidder participation

The Authority found that there was low bidder participation within the Entity in 7 procurements worth UGX. 564,193,750. The Entity had only one or two bidders submitting bids as indicated in Table 10 below:-

Table 10: Low bidder Participation

No	Procurement	Amount (UGX)	No. of bidders invited	No. of bids received
1.	Renovation of schools at Great Kabei	120,841,000	Open	1
2.	Completion of Riwo Sub County	15,503,000	1	1
3.	Construction of Chepkwasta Suub County Administration Hall	21,000,000	3	1
4.	Renovation of School in Great Bukwo	124,000,000	Open	1
5.	Completion of construction of Chesimat Health Centre	58,021,000	3	1
6.	Renovation of schools at Greater Chesower	125,000,000	Open	1
7.	Rehabilitation of Taskya intake works and construction of sedimentation tank	99,828,750	Open	1
	Total	564,193,750		

Implication

The Entity may not obtain competitive bid offers thus failure to achieve value for money.

Management response

Management noted the anomaly and stated that these particular procurements were subjected to competitive bidding however, the low bidder participation could be attributed to the capacity gaps of the potential bidders thus failing to meet the requirements.

Recommendation

The Accounting Officer should ensure that all procurements are conducted in a fair, transparent and competitive manner in accordance with Section 45 and 46 of the PPDA Act, 2003 and anomalies at solicitation document preparation such as inadequate specifications and also unfair evaluation should be addressed in order to rebuild the confidence that may have been lost by the bidders.

2.2.8 Non preparation and issuance of the issued Notice of Best Evaluated Bidder to all bidders

The Authority noted that in all 20 procurement actions files reviewed worth UGX 1,191,970,684, there were no Notices of Best Evaluated Bidder (NOBEB) issued by the Entity to all bidders in accordance with Regulation 85(5) of the Local Government (PPDA) Regulations, 2006.

Implication

This undermines the principle of transparency as bidders are not informed of the outcome of the bidding process and also deprives the bidders their right to complain in case they are dissatisfied with the outcome of the procurement process.

Management Response

Management noted the anomaly and stated that it had been brought to the attention of the Head Procuring and Disposal Unit to ensure its resolved going forward..

Recommendation

The Head Procurement Disposal Unit should ensure that the notices of Best Evaluated Bidders(BEBs)are displayed on the Entity's notice board andmailed to all bidders in accordance with Regulation 85(5) of the LG (PPDA) Regulations, 2006.

2.3 LEVEL OF EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION

2.3.1 Record Management.

The audit team observed that in nineteen procurement action files worth UGX. 1,526,138,934 lacked procurement cycle and contract management records as indicated in table below; -

Table 11: Missing records

No	Subject of procurement	Contract value (UGX)	Missing records
1.	Renovation of schools at Greater Chesower Sub county	125,000,000	<ul style="list-style-type: none"> Record of contract implementation plan and contract management reports. Record of completion certificate and handover certificate.
2.	Renovation of schools at Great Kabei	120,841,000	<ul style="list-style-type: none"> Lack of record of nomination and appointment of the Contractor Supervisor Evidence of contract implementation plan. Record of contract management records. Payment records. Evidence of completion and handover certificates.
3.	Renovation of Two Classrooms at Sennedet P/s	30,378,000	<ul style="list-style-type: none"> Evidence of completion and handover records.
4.	Extension of Water to Soho P/s and Kapse P/s	47,449,200	<ul style="list-style-type: none"> Evidence of receipt of bids and bid opening by PDU member and member of Contracts Committee. Evidence of completion and handover records.
5.	Construction of Chepkwasta Suub County Administration	21,000,000	<ul style="list-style-type: none"> Record of Bid issue (LG PP Form 8). Record of record of bids received (LG PP Form 9). Record of bid opening (LG PP Form 10). Record of signing of Ethical Code of Conduct by Evaluation Committee prior to commencement of evaluation process. Evidence of progress monthly reports on file Payment records are not on file

No	Subject of procurement	Contract value (UGX)	Missing records
			<ul style="list-style-type: none"> • Handover certificates and completion records are not on file. • Evidence of nomination and appointment of contract supervisor.
6.	Renovation of School in Great Bukwo	124,000,000	<ul style="list-style-type: none"> • Record of Notice of Best Evaluated Bidder (NOBEB). • Evidence of nomination and appointment of contract supervisor. • Record of Contract implementation plan. • Handover certificates and completion records are not on
7	Completion of Chemistat HCII	64,000,000	<p>Evidence of invitation of bidders.</p> <ul style="list-style-type: none"> • Evidence of issuance of bids to potential bidders. • Evidence of receipt of bids and bid opening by PDU member and member of Contracts Committee. • Records of signing of ethical code of conduct by the Evaluation Committee. • Evidence of Contracts Committee approval of evaluation report. • Record of Notice of Best Evaluated Bidder (NOBEB).
8.	Renovation of two (2) Classrooms at Chepkwasta P/s	40,102,000	<ul style="list-style-type: none"> • Evidence of issuance of bids to potential bidders. • Evidence of receipt of bids and bid opening by PDU member and member of Contracts Committee. • Records of signing of ethical code of conduct by the Evaluation Committee. • Evidence of Contracts Committee approval of evaluation report. • Record of Notice of Best Evaluated Bidder (NOBEB). • Evidence of nomination and appointment of contract supervisor. • Record of Contract implementation plan.

No	Subject of procurement	Contract value (UGX)	Missing records
			<ul style="list-style-type: none"> • Evidence of progress monthly reports on file. • Payment records are not on file. <p>Handover certificates and completion records are not on file.</p>
9.	Construction of Sub County Council Hall at Kortek S/c	14,700,000	<ul style="list-style-type: none"> • Evidence of Notice of Best Evaluated Bidder (NOBEB). • Evidence of nomination and appointment of contract supervisor. • Evidence of Contract Implementation plan. • Evidence of progress monthly reports on file.
10	Construction of Ten (10) Shallow Wells	86,338,984	<ul style="list-style-type: none"> • Evidence of invitation of bidders • Evidence of issuance of bids to potential bidders • Evidence of receipt of bids and bid opening by PDU member and member of Contracts Committee. • Signed of ethical code of conduct by the Evaluation Committee. • Evidence of Contracts Committee approval of evaluation report. • Record of Notice of Best Evaluated Bidder (NOBEB). • Evidence of nomination and appointment of contract supervisor. • Record of Contract Implementation Plan. • Evidence of progress monthly reports on file. • Payment records are not on file. • Handover certificates and completion records are not on file.
11.	Construction of Staff House at Mutushed Health Center HCIII	146,790,000	<ul style="list-style-type: none"> • Issuance of Notice of Best Evaluated Bidders NOBEB • Evidence of nomination and appointment of contract supervisor. • Record of Contract Implementation plan.

No	Subject of procurement	Contract value (UGX)	Missing records
			<ul style="list-style-type: none"> • Handover certificates and completion records were not on file.
12.	Completion of fencing of Bukwo General Hospital Phase II	192,018,750	<ul style="list-style-type: none"> • Record of Notice of Best Evaluated Bidder. • Evidence of nomination and appointment of contract supervisor. • Record of Contract Implementation Plan • Evidence of progress monthly reports on file.
13.	Construction ,Completion, and maintenance of road works (Bridges, supply of culverts and installation, supply of marrum/gravel and compaction (Under Framework Contract)	75,000,000	<ul style="list-style-type: none"> • Procurement requisition LG Form 1. • Solicitation document on file. • Evidence of PDU submission to Contracts Committee for approval of solicitation document, method of procurement, and members to constitute Evaluation Committee. • Evidence of invitation of bidders. • Evidence of issuance of bids to potential bidders. • Evidence of receipt of bids and bid opening by PDU member and member of Contracts Committee. • Records of signing of ethical code of conduct by the Evaluation Committee. • Evidence of Contracts Committee approval of evaluation report. • Record of Notice of Best Evaluated Bidder (NOBEB). • Evidence of nomination and appointment of contract supervisor. • Record of Contract implementation plan • Evidence of progress monthly reports on file. • Evidence of records of call off orders made. • Payment records of call off orders made are not on file. • Handover certificates and completion records are not on file.

No	Subject of procurement	Contract value (UGX)	Missing records
14.	Construction rehabilitation and extension of water works (gravity flow scheme,springs well boreholes) (Under framework contract)	30,500,000	<ul style="list-style-type: none"> • Procurement requisition LG Form 1. • Solicitation document on file. • Evidence of PDU submission to Contracts Committee for approval of solicitation document, method of procurement, and members to constitute Evaluation Committee. • Evidence of invitation of bidders. • Evidence of issuance of bids to potential bidders. • Evidence of receipt of bids and bid opening by PDU member and member of Contracts Committee. • Records of signing of ethical code of conduct by the Evaluation Committee. • Evidence of Contracts Committee approval of evaluation report. • Record of Notice of Best Evaluated Bidder (NOBEB) • Evidence of nomination and appointment of contract supervisor. • Record of Contract implementation plan. • Evidence of progress monthly reports on file. • Evidence of records of call off orders made. • Payment records of call off orders made are not on file. • Handover certificates and completion records are not on file.
15.	Supply of agricultural inputs ,veterinary drugs,livestock ,equipment ,and technologies (Under framework contract)	40,000,000	<ul style="list-style-type: none"> • Procurement requisition LG Form 1. • Solicitation document on file. • Evidence of PDU submission to Contracts Committee for approval of solicitation document, method of procurement, and members to constitute Evaluation Committee. • Evidence of invitation of bidders. • Evidence of issuance of bids to potential bidders.

No	Subject of procurement	Contract value (UGX)	Missing records
			<ul style="list-style-type: none"> • Evidence of receipt of bids and bid opening by PDU member and member of Contracts Committee. • Records of signing of ethical code of conduct by the Evaluation Committee. • Evidence of Contracts Committee approval of evaluation report. • Lack of NOBEB. • Evidence of nomination and appointment of contract supervisor. • Record of Contract implementation plan. • Evidence of progress monthly reports on file. • Evidence of records of call off orders made. • Payment records of call off orders made are not on file. • Handover certificates and completion records are not on file.
16.	Supply of fuel and lubricants (Under framework contract)	200,000,000	<ul style="list-style-type: none"> • Procurement requisition LG Form 1. • Solicitation document on file. • Evidence of PDU submission to Contracts Committee for approval of solicitation document, method of procurement, and members to constitute Evaluation Committee. • Evidence of invitation of bidders. • Evidence of issuance of bids to potential bidders. • Evidence of receipt of bids and bid opening by PDU member and member of Contracts Committee. • There are no records of signing of ethical code of conduct by the Evaluation Committee. • Evidence of Contracts Committee approval of evaluation report. • Record of Notice of Best Evaluated Bidder (NOBEB). • Evidence of nomination and appointment of contract supervisor.

No	Subject of procurement	Contract value (UGX)	Missing records
			<ul style="list-style-type: none"> • Record of Contract implementation plan. • Evidence of progress monthly reports on file. • Evidence of records of call off orders made. • Payment records of call off orders made are not on file. • Handover certificates and completion records are not on file.
17.	Supply of computers, Printers ,accessories ,related IT equipment and solar system (Under framework contract)	40,000,000	<ul style="list-style-type: none"> • Procurement requisition LG Form 1. • Solicitation document on file. • Evidence of PDU submission to Contracts Committee for approval of solicitation document, method of procurement, and members to constitute Evaluation Committee. • Evidence of invitation of bidders. • Evidence of issuance of bids to potential bidders. • Evidence of receipt of bids and bid opening by PDU member and member of Contracts Committee. • Records of signing of ethical code of conduct by the Evaluation Committee. • Evidence of Contracts Committee approval of evaluation report. • Record of Notice of Best Evaluated Bidder (NOBEB).. • Evidence of nomination and appointment of contract supervisor. • Record of Contract implementation plan. • Record of call off orders. • Records of delivery notes. • Payment records
18.	Procurement: Completion of construction of Chesimat Health Centre	58,021,000	<ul style="list-style-type: none"> • Record of evidence of hand over certificates completion.
19.	Completion of plant clinic for production department	70,000,000	<ul style="list-style-type: none"> • Record of contract implementation plan and contract management reports.

No	Subject of procurement	Contract value (UGX)	Missing records
			<ul style="list-style-type: none"> Record of completion certificate and handover certificate.
	Total	1,526,138,934	

Implication

Missing records affect the audit trail.

Management Response

Management acknowledged the anomaly and stated that it was going to gradually implement the recommendations.

Recommendations

1. Heads of User Departments should prevail over contract supervisors to submit progress reports/contract management reports and all contract implementation documentation to the Procurement and Disposal Unit in accordance with Regulation 119 (10) (f) of the Local Governments (PPDA) Regulations, 2006.
2. The Head Procurement and Disposal Unit should archive all documents pertaining to a particular procurement on each respective files in accordance with Section 31 (o) of the PPDA Act, 2003.
3. The Entity should follow the formal procurement procedure of having framework contracts in place through competitive open bidding method and ensure that all procurement proceedings are recorded in a manner that promotes transparency, accountability, fairness and fair competition in line with Sections 45 and 46 of the PPDA Act 2003 as amended.

2.3.2 Irregularities noted during physical verification of projects

The Authority conducted physical verification on six projects worth UGX. 702,098,950 on 22nd December 2022. From the exercise, two projects worth UGX. 245,841,000 were identified to have issues that required immediate attention of management. These works projects are indicated in table 12 below: -

Table 12: Physical verification of projects carried out

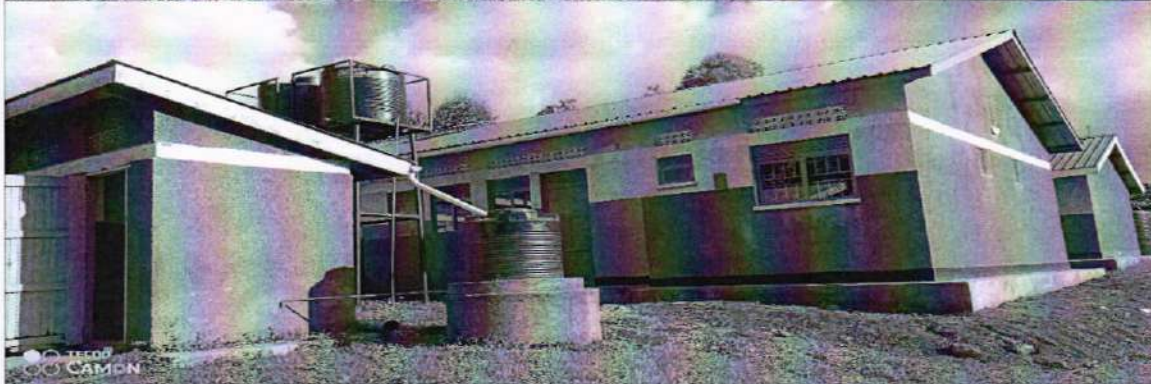
Construction of Staff House at Mutushet Health Center HCIII worth UGX. 146,790,000

Contractor Kortek General Agencies Ltd

Start: 4th February 2022

End: 10th May 2022

Defects Liability Period: 6 months



Observations

- The site had not been handed over by the contractor
- There was no retention wall.

Renovation of Greater Chesower Sub County worth UGX. 125,000,000

Contractor: Kortek General Agencies Ltd

Start date: 7th June 2022

End date: 9th September 2022

Defects Liability Period: 6 months

1. Muimet Primary School





Observations

- Classroom floors had cracks
- There was no splash apron
- There was no retention wall.
- Gutters fixed had broken off as shown above
- Lack of an Operation and maintenance plan.

Renovation of Greater Kabei Sub County worth UGX. 120,841,000

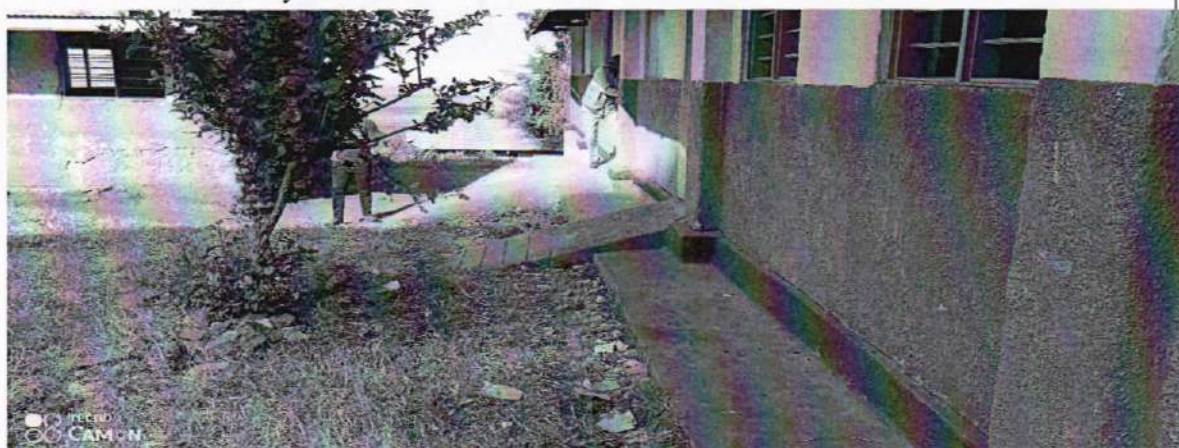
Contractor: Kortek Agencies Ltd

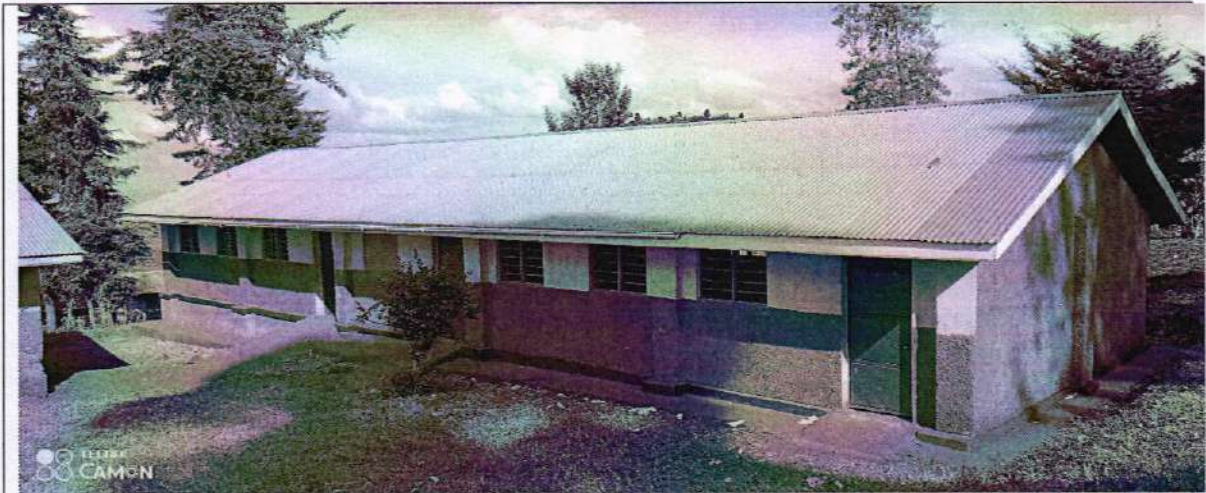
Start date: 1st May 2022

End date: 30th July 2022

Defects Liability Period: 6 months

1. Kamet Primary School





2. Tulel Primary School



Observations

- There was no guttering of the roof.
- There were no lightning conductors fixed
- The cramps were not thoroughly completed
- Cracks developed at floors and pavement of Tulel Primary School

Extension of Water to Soho P/s and Kapse P/s worth UGX. 47,449,200

Contractor/s Kortek Agencies Ltd
Start date: 7th June 2022
End date: 9th August 2022
Defects Liability Period: 6 months



Observation

- Fully installed and utilized
- Facility was not engraved.

Completion of fencing of Bukwo General Hospital Phase II worth UGX. 192,018,750
Contractor: Kapmayemay Investment Ltd
Start: 20th May 2022
End: 6th June 2022
Defects Liability Period: 6 months





Observation

- Fence was fully installed.

Completion of plant clinic for production department worth UGX. 70,000,000

Contractor: Kapmayemay Investment Ltd.

Start date:31st March 2022

End date:9th October 2022

Defects Liability Period: 6 months



Observations

- Gutter pipes connecting to the water reservoir had not been fully completed
- Facility had not yet been handed over to the Entity by contractor and was not utilized yet most works had been completed.

Implication

Failure to implement contracts as per BOQs and contract terms denies the desired effects of the projects to the intended beneficiaries and compromises value for money.

Management Response

Management noted the anomaly and stated that this has been brought to the attention of the District Engineer to ensure that all defects are done by the respective contractors within the defects liability period.

Recommendations

1. The Accounting Officer should ensure that the anomalies identified above are addressed and corrective action done to ensure that shoddy works identified are remedied by end of June 2023.
2. The Authority recommends that User departments should ensure effective contract management in accordance with Regulation 119 of the Local Governments (PPDA) Regulations, 2006.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

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

3.1 Overall Audit Conclusion

The performance of Bukwo District Local Government for the Financial Year 2021/22 was **Unsatisfactory** with overall weighted average risk rating of **76.8%**.

Table 13: Risk rating criteria

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

3.2 Entity's Risk Assessment

The table below shows the Entity's performance per risk category based on the sampled procurements:-

Table 14: Summary of risk assessment of Bukwo District Local Government

Risk Category	Number of Sampled Procurements	%Number	Value(UGX)	% Value
High	14	70	1,080,437,937	68.5
Medium	2	10	72,721,000	4.6
Low	4	20	408,808,750	26.9
Satisfactory	0	0	0	0
Total	20	100	1,577,470,684	100

3.3 Entity's Performance

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

Table 15: Weighted risk assessment of Bukwo District Local Government

Risk category	Rating (By Number)	Weights	Total weighted Average	Rating (By Value)	Weights	Total weighted Average
High	70	0.6	42	68.5	0.6	41.1
Medium	10	0.3	3	4.6	0.3	1.4
Low	20	0.1	2	26.9	0.1	2.7
Satisfactory	0	0.0	0	0	0.0	0.0
Total	100	1.0	47	100	1.0	45.2

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{47}{60} \times 100 = 78.3\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{45.2}{60} \times 100 = 75.3\%$$

$$\text{Combined Weighted Average} = \frac{78.3 + 75.3}{2} = 76.8$$

Figure 2: Graphical representation of the Entity's risk assessment by number

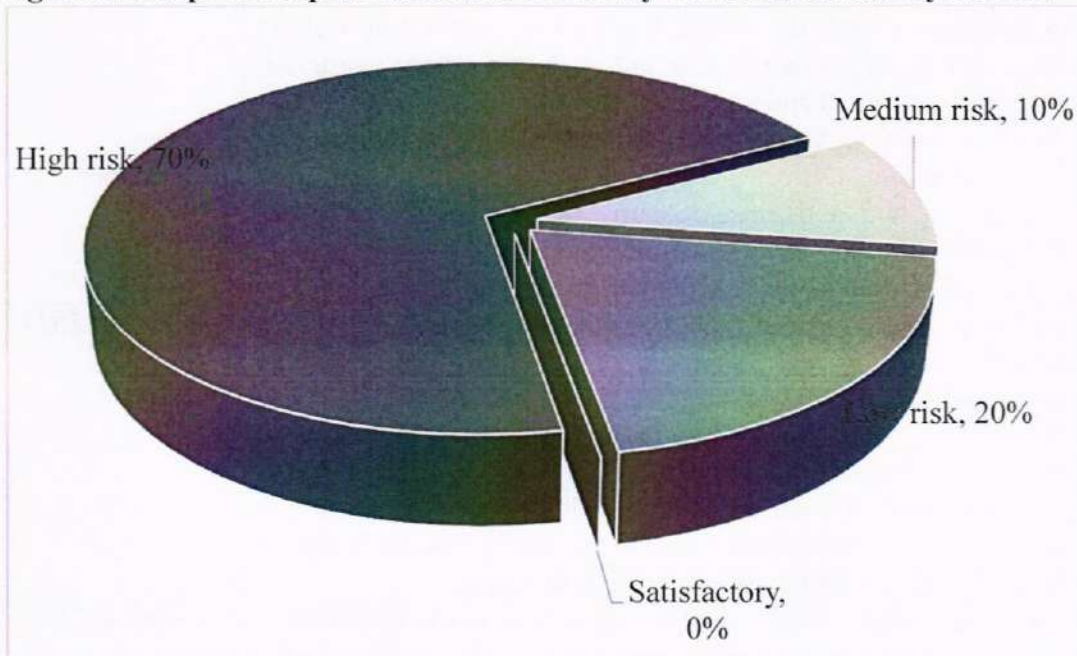
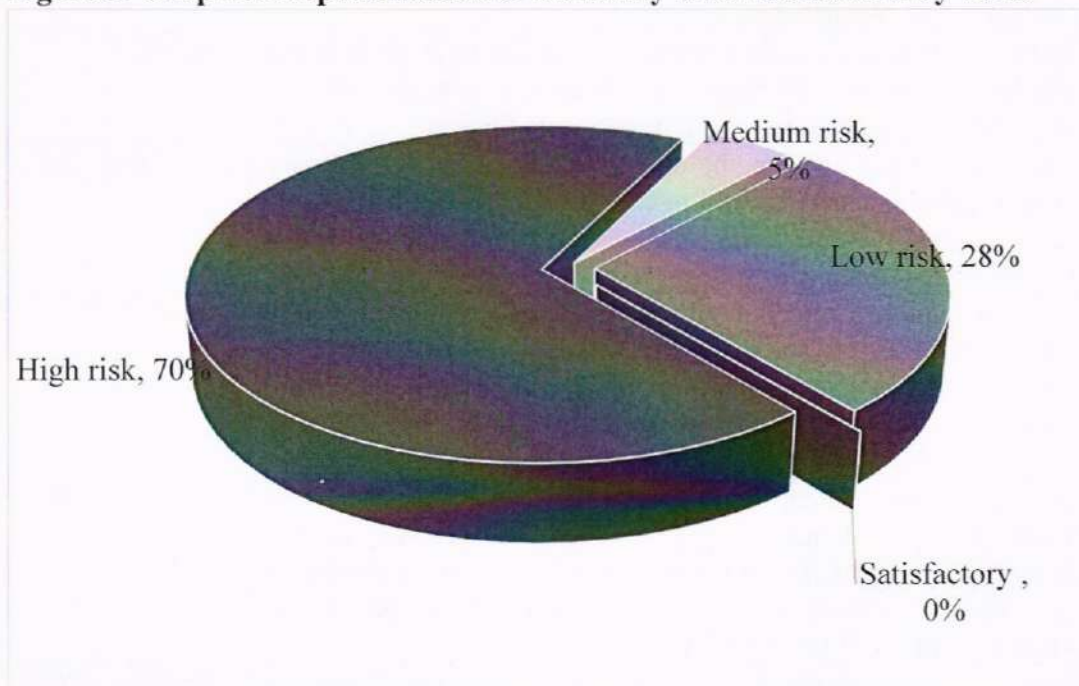


Figure 3: Graphical representation of the Entity's risk assessment by value



3.4 Recommended Action Plan

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

Table 18: Recommended Action plan

No.	Recommendation	Target Date
1.	The Head of the Internal Audit Department should regularly conduct comprehensive reviews / audit of the entire procurement process and procedures to ensure that they are done in compliance with the PPDA Regulations and Act as well as ensuring that all goods, services and works are properly ordered, received, examined and paid for in accordance with Regulation 28 of the Local Governments (PPDA) Regulations, 2006.	September 2023
2.	The Accounting Officer should put in place a strong internal mechanism and a dedicated team of staff (task force) for implementation of audit recommendations that will always ensure full implementation previous audit recommendations.	September 2023
3.	The Accounting Officer should ensure that assets of the Entity due for disposal are disposed of following the methods recommended under Regulations 122-133 of the LG (PPDA) Regulations, 2006. Where log books of assets for disposal are not with Entity, the Accounting Officer should formally write to the donor seeking their authority and log books to dispose and where this does not yield results, the Entity should write to donor handing over the assets for their disposal.	September 2023
4. 5.	The Accounting Officer should ensure that works undertaken using force account mechanism are implemented in accordance with circular No. 3 of 2012 to Local Governments on use of force account mechanism.	September 2023
6.	User Departments should always indicate the amount of funds available at initiation from their budget allocation prior to confirmation of funding by the Accounting Officer.	July 2023
7.	The Accounting Officer should take appropriate disciplinary action against parties that fail to conduct procurement activities in a manner that promotes open competition, and value for money in accordance with Section 46 of the PPDA Act, 2003.	September 2023
8.	The Accounting Officer should organize and mobilize a public procurement forum/ baraza inviting all district stakeholders and the Authority to discuss procurement and disposal matters with in the District before close of the FY2022-2023 in order to improve the Entity's performance	1 st July 2023
9.	The Head Procurement and Disposal Unit should ensure that the Entity submits its quarterly procurement and disposal reports reports on both macro and micro-procurements to the Authority in time in accordance with Regulation 7 of the Local Governments (PPDA) Regulations, 2006.	September 2023
10.	The Head, Procurement and Disposal Unit and Contracts Committee should guide the Evaluation Committee members to strictly adhere to the criteria set out in the solicitation document	September 2023

No.	Recommendation	Target Date
	as provided under Regulation 72 and 74 of the Local Governments (PPDA) Regulations, 2006.	
11.	The Accounting Officer should formally submit to the Authority M/s Tegreses Hardware Ltd that submitted a forged tax clearance certificates for blacklisting.	August 2023
12.	The Accounting Officer should ensure that all procurements are conducted in a fair, transparent and competitive manner in accordance with Section 45 and 46 of the PPDA Act, 2003.	September 2023
13.	The Head Procurement Disposal Unit should ensure that the notices of Best Evaluated Bidders (BEBs) is displayed on the Entity's notice board and emailed to all bidders in accordance with Regulation 85(5) of the LG (PPDA) Regulations, 2006.	September 2023
14.	The Entity should follow the formal procurement procedure of having framework contracts in place through competitive open bidding method and ensure that all procurement proceedings are recorded in a manner that promotes transparency, accountability, fairness and fair competition in line with Sections 45 and 46 of the PPDA Act 2003 as amended.	September 2023
15.	Heads of User Departments should prevail over contract supervisors to submit progress reports/contract management reports and all contract implementation documentation to the Procurement and Disposal Unit in accordance with Regulation 119 (10) (f) of the Local Governments (PPDA) Regulations, 2006.	September 2023
16.	The Office of the Inspectorate of Government should investigate unaccounted for funds worth UGX. 171,105,699 under speny under Uganda Road Fund on force account echnaism and funds worth UGX. 345,500,000 that was spent under framework contracts without any fomal procedures and accountbailities. Thus no value for money achived.	September 2023

Annex 1: Findings and rating on the individual contracts reviewed.

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	Reff:BUKW567/WRKS/21-22/00022 Subject of Procurement: Renovation of Greater Chesower Sub County Method of Procurement; Open National Bidding Provider: Kortek General Agencies Ltd Contract Value UGX. 125,000,000	<p>Passing a Non-Compliant Bidder</p> <ul style="list-style-type: none"> ▪ Bid submission sheet for Kortek General Agencies Ltd (BEB) was left blank. ▪ Statement of requirements was blank for the bid submitted by Kortek General Agencies Ltd (BEB) and it only the price stated that was UGX.35,000,000. ▪ Kortek General Agencies Ltd (BEB) did not submit a URA Tax Clearance Certificate (TCC) specifically addressed to Bukwo DLG) as was required. <p>Missing Records</p> <ul style="list-style-type: none"> • Record of contract implementation plan and contract management reports. • Record of completion certificate and handover certificate.
2.	Reff:BUKW567/WRKS/21-22/00021 Subject of Procurement: Renovation of Greater: Bukwo Sub County Method of Procurement; Open National Bidding Provider: Chemuron Holding Ltd Contract Value UGX. 124,000,000	<ul style="list-style-type: none"> • Low bidder Participation Only one firm Chemuron Holdings Ltd participated. • Passing a non-compliant bidder Cherumon Holding Ltd was awarded the contract irregularly as it lacked <i>Evidence of previous similar works (Certificates of completion) and also the following:-</i> <ul style="list-style-type: none"> ➤ <i>Technical Personnel Certificates</i> ➤ <i>Bank statement within the last 6 months.</i> <p>Missing records</p> <ul style="list-style-type: none"> • Record of Notice of Best Evaluated Bidder (NOBEB). • Evidence of nomination and appointment of contract supervisor. • Record of Contract implementation plan. • Handover certificates and completion records are not on.
3.	Reff:BUKW567/WRKS/21-22/00023 Subject of Procurement: Renovation of Greater Kabei Sub County Method of Procurement; Open National Bidding Provider: Kortek General Agencies Ltd	<ul style="list-style-type: none"> • Low bidder Participation Only one firm Kortek General Agencies Ltd participated. • Passing a Non-Compliant Bidder Kortek General Agencies Ltd (BEB) submitted an expired URA Tax Clearance

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
	Contract Value UGX. 120,841,000	<p>Certificate that was issued on 24/09/2021 (CRNMB01220058313 running 01/07/2020 to 30/06/2021 addressed to Bukwo DLG yet the Entity required one that was valid for the FY 2021/22.</p> <p>Missing records</p> <ul style="list-style-type: none"> • Lack of record of nomination and appointment of the Contractor Supervisor • Evidence of contract implementation plan. • Record of contract management records. • Payment records. • Evidence of completion and handover certificates.
4.	<p>Reff:BUKW567/SUPLSFR/21-22/00004</p> <p>Subject of Procurement: Supply of computers, Printers, accessories, related IT equipment and solar system (Under Frame work Contract)</p> <p>Method of Procurement; Open National Bidding</p> <p>Provider: Bukwo BM General Ltd M/s Kapmayemay Investment Ltd</p> <p>Contract Value UGX. 40,000,000</p>	<p>Missing records</p> <ul style="list-style-type: none"> • Procurement requisition LG Form 1. • Solicitation document on file. • Evidence of PDU submission to Contracts Committee for approval of solicitation document, method of procurement, and members to constitute Evaluation Committee. • Evidence of invitation of bidders. • Evidence of issuance of bids to potential bidders. • Evidence of receipt of bids and bid opening by PDU member and member of Contracts Committee. • Records of signing of ethical code of conduct by the Evaluation Committee. • Evidence of Contracts Committee approval of evaluation report. • Record of Notice of Best Evaluated Bidder (NOBEB).. • Evidence of nomination and appointment of contract supervisor. • Record of Contract implementation plan. • Record of call off orders. • Records of delivery notes. • Payment records •
5.	<p>Reff:BUKW567/WRKS/21-22/00008</p> <p>Subject of Procurement: Extension of Water to Soho P/s and Kapse P/s</p>	<ul style="list-style-type: none"> • Passing a non-compliant bidder <p>Kortek General Agencies Ltd was evaluated as a compliant yet it did not meet the evaluation report (BEB) as indicated below:</p>

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
	<p>Method of Procurement; Selective National Bidding Provider: M/s Kortek General Agencies Ltd Contract Value UGX. 47,449,200</p>	<p>Submitted an expired Tax Clearance Certificate that was issued on 24/09/2021 (CRN MB01220058314 running 01/07/2021 to 30/06/2021 addressed to Kween DLG.</p> <p>Missing records</p> <ul style="list-style-type: none"> • Evidence of receipt of bids and bid opening by PDU member and member of Contracts Committee. • Evidence of completion and handover records.
6.	<p>Reff:BUKW567/WRKS/21-22/000010 Subject: Renovation of two (2) Classrooms at Chepkwasta P/s Method of Procurement; Selective National Bidding Provider: Chemuron Holdings Ltd Contract Value UGX. 40,102,000</p>	<p>Missing records</p> <ul style="list-style-type: none"> • Evidence of issuance of bids to potential bidders. • Evidence of receipt of bids and bid opening by PDU member and member of Contracts Committee. • Records of signing of ethical code of conduct by the Evaluation Committee. • Evidence of Contracts Committee approval of evaluation report. • Record of Notice of Best Evaluated Bidder (NOBEB). • Evidence of nomination and appointment of contract supervisor. • Record of Contract implementation plan. • Evidence of progress monthly reports on file. • Payment records are not on file. • Handover certificates and completion records are not on file.
7.	<p>Reff:BUKW567/WRKS/21-22/000012 Subject of Procurement: Renovation of two (2) Classrooms at Senendet P/s Method of Procurement; Selective National Bidding Provider: Tegeres Hardware Ltd Contract Value UGX. 30,378,000</p>	<ul style="list-style-type: none"> • Passing a Non-Compliant Bidder Tegeres Hardware Ltd (Best Evaluated Bidder)was irregularly awarded the contract yet; <ul style="list-style-type: none"> a) Its bid was received late on 31st May 2021 after bid closure on 29th April 2021 b) it didn't submit the following requirement as per the evaluation criteria; <ul style="list-style-type: none"> i. Bid Security in accordance with ITB Clause 18 ii. The Code of ethical conduct of bidders and providers.

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
		<p>Missing records</p> <ul style="list-style-type: none"> • Evidence of completion and handover records.
8.	<p>Reff:BUKW567/WRKS/21-22/000001 Subject of Procurement: Rehabilitation of Taskya Intake works and construction of sedimentation tank Method of Procurement; Open National Bidding Provider: Kapamayemay Investment Ltd Contract Value UGX. 99,828,750</p>	<p>Low Bidder Participation</p> <ul style="list-style-type: none"> ▪ Only Kapamaymay Investment Ltd participated. ▪ M/s Kapmaymay Investment Ltd's bid was received late on 12th October 2021 by the Entity after the deadline of bid submission that was 11th October 2021. This disadvantaged Chemuron Holdings Ltd that had submitted in time. ▪ Irregular adjustment of bid price of Kapamaymay Investment Ltd from UGX. 99,828,750 to UGX. 85,184,750 without any detection of arithmetic errors by the Evaluation Committee. ▪ Kapmayemay Investment Ltd was irregularly awarded the contract yet had not complied with the evaluation criteria requirements; <ol style="list-style-type: none"> i. it attached experience of supplying bulls and heifers and one for works only worth 177,950,000 which did not meet the criteria required of <i>at least three contracts carried out by the bidder in the last three years of similar nature,</i> ii. did not submit a bid security iii. did not submit the Powers of Attorney (POA) yet this was a requirement
9.	<p>Reff: BUKW567/WRKS/21-22/000005 Subject of procurement: Construction, Completion, and maintenance of road works (Bridges, supply of culverts and installation, supply of marrum/gravel and compaction (Under Framework Contract) Method of Procurement; Open National Bidding Provider: Justosan Construction Co. Ltd Kamayemay Investment Ltd, Roller Rise Investment Ltd Musamali & Sons Ltd</p>	<ul style="list-style-type: none"> • Failure to prepare procurement requisition LG Form 1 • Failure to prepare the solicitation document by the User department. • Failure by the Contracts Committee to approve of solicitation document, method of procurement, and members to constitute Evaluation Committee. • Failure by Contracts Committee to approve the evaluation report. <p>Missing records</p> <ul style="list-style-type: none"> • Evidence of invitation and issuance of bids to bidders

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
	<p>Esso General Ent.Ltd Contract Value : 75,000,000</p>	<ul style="list-style-type: none"> • Evidence of receipt of bids and bid opening by PDU member and member of Contracts Committee. • Evaluation Committee did not sign the ethical code of conduct. • Record of Notice of Best Evaluated Bidder (NOBEB) • Evidence of nomination and appointment of contract supervisor. • Record of Contract Implementation Plan • Evidence of progress monthly reports on file. • Records of call off records made. • Payment records were not on file • Handover certificates and completion records were not on file.
10.	<p>Reff: BUKW567/PQ FN/WRKS/21-22/00001 Subject of procurement; Construction rehabilitation and extension of water works (gravity flow scheme,springs well boreholes) (Under Framework Contract) Method of Procurement; Open National Bidding Provider: Justosan Construction Co. Ltd Kamayemay Investment Ltd, Roller Rise Investment Ltd Musamali & Sons Ltd Esso General Ent.Ltd Contract Value : 30,500,000</p>	<ul style="list-style-type: none"> • Failure to prepare the procurement requisition LG Form 1 • Failure to prepare the solicitation document by the User Department. • Failure by the Contracts Committee to approve the solicitation document, method of procurement, and members to constitute Evaluation Committee. • Failure by the PDU to conduct invitation and issuance of bids to bidders • Absence of a member of Contracts Committee or User Department representative to witness bid opening. • Failure by the Evaluation Committee to sign the ethical code of conduct. • Failure by the Contracts Committee to approve the evaluation report. <p>Missing Records</p> <ul style="list-style-type: none"> • Record of Notice of Best of Evaluated Bidder (NOBEB) • Evidence of nomination and appointment of contract supervisor. • Record of Contract Implementation Plan • Evidence of progress monthly reports on file. • Record of call off orders made. • Payment records of call off orders were not on file.

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
11.	<p>Reff: BUKW567/PQ FN/WRKS/21-22/00001</p> <p>Subject of procurement; Supply of agricultural inputs ,veterinary drugs,livestock ,equipment ,and technologies (Under Framework Contract)</p> <p>Method of Procurement; Open National Bidding</p> <p>Provider: Bukwo General Ltd Kamayemay Investment Ltd, Esso General Investment Ltd Kortek General Agencies Ltd Contract Value : 40,000,000</p>	<ul style="list-style-type: none"> • Handover certificates and completion records are not on file. • Failure to prepare procurement requisition LG Form 1 • Failure to prepare solicitation document by User department. • Failure by Contracts Committee to approve of solicitation document, method of procurement, and members to constitute Evaluation Committee. • Failure to conduct invitation and issuance of bids to bidders by PDU. • Absence of a member of Contracts Committee or User department to witness bid opening. • Failure by the Evaluation Committee members to sign the ethical code of conduct. • Contracts Committee approval of the evaluation report. • Missing records • Failure to issue the Notice of Best Evaluated Bidder (NOBEB) • Evidence of nomination and appointment of contract supervisor. • Record of Contract Implementation Plan • Evidence of progress monthly reports on file • Payment records of call off orders were not on file. • Handover certificates and completion records are not on file.
12.	<p>Reff: BUKW567/PQ FN/WRKS/21-22/00003</p> <p>Subject of procurement; Supply of fuel and lubricants</p> <p>Method of Procurement; Open National Bidding</p> <p>Provider: Kamayemay Investment Ltd, Kongasis Petroleum Dealer's Ltd Contract Value: 200,000,000</p>	<ul style="list-style-type: none"> • Passing a non-compliant bidder Kapmayemay Investment Ltd(BEB)was irregularly awarded a contract yet it did not meet the following requirements; <ul style="list-style-type: none"> ▪ Technical Personal Certificates ▪ Evidence of previous similar works (Certificates of completion, Contract Certificate to prove performance in the previous similar works or supplies). ▪ Both bidders (M/s Kapmayemay Investment Ltd and M/s Chemuron Holdings Ltd) did not attach any of the

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
		<p>above requirements yet the passed the technical stage.</p> <ul style="list-style-type: none"> ▪ The Evaluation Committee also passed both bidders yet they did not attach filled price schedules on the list of supplies and price schedules. <p>Missing records</p> <ul style="list-style-type: none"> • Failure to prepare the procurement requisition LG Form 1 • Failure by User department to prepare the solicitation document. • Failure by the Contracts Committee to approve solicitation document, method of procurement, and members to constitute Evaluation Committee. • Failure to carry out invitation and issuance of bids to bidders • Absence of member of Contracts Committee or User department to attend bid opening. • Evaluation Committee members did not sign the ethical code of conduct. • Contracts Committee did not approve of evaluation report. • Issuance of Notice of Best Evaluated Bidder (NOBEB). • Evidence of nomination and appointment of contract supervisor. • Record of Contract Implementation plan. • Evidence of progress monthly reports on file • Payment records of call off orders are not on file.
13.	Ref:BUKW567/WRKS/21-22/000001 Subject of Procurement: Construction of Ten (10) Shallow Wells Method of Procurement; Open National Bidding Provider:Kortek General Agencies Ltd Contract Value UGX. 86,338,984	<p>Missing records</p> <ul style="list-style-type: none"> • Evidence of invitation of bidders • Evidence of issuance of bids to potential bidders • Evidence of receipt of bids and bid opening by PDU member and member of Contracts Committee. • Signed of ethical code of conduct by the Evaluation Committee. • Evidence of Contracts Committee approval of evaluation report. • Record of NOBEB.

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
		<ul style="list-style-type: none"> • Evidence of nomination and appointment of contract supervisor. • Record of Contract Implementation Plan. • Evidence of progress monthly reports on file. • Payment records are not on file. • Handover certificates and completion records are not on file.
14.	Ref:BUKW567/WRKS/21-22/00001 Subject of Procurement: Construction of Sub-County Office at Chepkwaasta Sub County Method of Procurement; Selective National Bidding Provider: Kapmayemay Investment Ltd Contract Value UGX. 21,000,000	Missing records <ul style="list-style-type: none"> • Evidence of invitation of bidders. • Record of Bid issue (LG PP Form 8). • Record of record of bids received (LG PP Form 9). • Record of bid opening (LG PP Form 10). • Record of signing of Ethical Code of Conduct by Evaluation Committee prior to commencement of evaluation process. • Evidence of progress monthly reports on file • Payment records are not on file • Handover certificates and completion records are not on file. • Evidence of nomination and appointment of contract supervisor.

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	Ref:BUKW567/WRKS/21-22/00002 Subject of Procurement: Construction of Sub County Council Hall at Kortek S/c Method of Procurement; Selective National Bidding Provider: Kortek General Agencies Ltd Contract Value UGX. 14,700,000	Missing records <ul style="list-style-type: none"> • Evidence of Notice of Best Evaluated Bidder (NOBEB). • Evidence of nomination and appointment of contract supervisor. • Evidence of Contract Implementation plan. • Evidence of progress monthly reports on file.
2.	Ref:BUKW567/WRKS/21-22/000003 Subject: Procurement: Completion of construction of Chesimat Health Centre Method of Procurement; Open National Bidding Provider: Jetcom Agencies Ltd Contract Value UGX. 58,021,000	<ul style="list-style-type: none"> • Lack of delegated authority of A.O confirmation of availability of funds Confirmation of availability of funds was done by Ms. Catherine Cleplani (Ag.DCAO) on 18th August 2021 without delegated authority of the Accounting Officer. • Low Bidder Participation Only M/s Jetcom Agencies Ltd Investment Ltd participated.

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
		<p>Missing records</p> <ul style="list-style-type: none"> Record of evidence of hand over certificates completion certificates.

No.	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1.	<p>Reff:BUKW567/WRKS/21-22/00004 Subject of Procurement: Construction of Sub County Council Hall at Riwo S/c Method of Procurement; Selective National Bidding Provider: Chemuron Holdings Ltd Contract Value UGX. 15,503,000</p>	<ul style="list-style-type: none"> Low Bidder Participation Only Chemuron Holding Ltd participated
2.	<p>Reff:BUKW567/WRKS/21-22/000004 Subject of procurement: Construction of Staff House at Mutushed Health Center HCIII Method of Procurement; Open National Bidding Provider: Kortek General Agencies Ltd Contract Value UGX. 146,790,000</p>	<p>Missing Records</p> <ul style="list-style-type: none"> Issuance of Notice of Best Evaluated Bidders NOBEB Evidence of nomination and appointment of contract supervisor. Record of Contract Implementation plan. Handover certificates and completion records were not on file.
3.	<p>Reff: BUKW567/WRKS/21-22/00005 Subject of procurement: Completion of fencing of Bukwo General Hospital Phase II Method of Procurement; Open National Bidding Provider: Kapmayemay Investment Ltd Contract Value UGX. 192,018,750</p>	<p>Missing records</p> <ul style="list-style-type: none"> Record of Notice of Best Evaluated Bidder. Evidence of nomination and appointment of contract supervisor. Record of Contract Implementation Plan Evidence of progress monthly reports on file.
4.	<p>Reff: BUKW567/WRKS/21-22/00030 Subject of procurement: Completion of plant clinic for production department Method of Procurement; Direct Bidding Provider:Kapmayemay Investment Ltd Contract Value UGX. 70,000,000</p>	<p>Missing records</p> <ul style="list-style-type: none"> Record of contract implementation plan and contract management reports. Record of completion certificate and handover certificate.

Annex 2: Procurement and Disposal audit sample list for Bukwo District Local Government for Financial Year 2021/2022

S/No	Reference No.	Subject of Procurement	Procurement method	Provider	Contract Value (UGX)	Risk Rating
1.	BUKW567/WRKS/21-22/00022	Renovation of Greater Chesower Sub County	Open National Bidding	Korteck General Agencies Ltd	125,000,000	High
2.	BUKW567/WRKS/21-22/000021	Renovation of Greater Bukwo Sub County	Open National Bidding	Chemuron Holding Ltd	124,000,000	High
3.	BUKW567/WRKS/21-22/000023	Renovation of Greater Kabei Sub County	Open National Bidding	Korteck General Agencies Ltd	120,841,000	High
4.	BUKW567/WRKS/21-22/00001	Construction of Sub-County Office at Chepkwaasta Sub County	Selective Bidding	Kapmayemay Investment Ltd	21,000,000	High
5.	BUKW/FRSUPLS/21-22/00004	Supply of computers, Printers ,accessories ,related IT equipment and solar system	Open National Bidding	Bukwo BM General Ltd Kapmayemay Investment Ltd	40,000,000	High
6.	BUKW567/WRKS/21-22/00008	Extension of Water to Soho P/s and Kapse P/s	Selective Bidding	Kortek General Agencies Ltd	47,449,200	High

S/No	Reference No.	Subject of Procurement	Procurement method	Provider	Contract Value (UGX)	Risk Rating
7.	BUKW567/WRKS/21-22/000010	Renovation of two (2) Classrooms at Chepkwasta P/s	Selective Bidding	Chemuron Holdings Ltd	40,102,000	High
8.	BUKW567/WRKS/21-22/000012	Renovation of two (2) Classrooms at Senendet P/s	Selective Bidding	Tegeres Hardware Ltd	30,378,000	High
9.	BUKW567/WRKS/21-22/00002	Construction of Sub County Council Hall at Kortek S/c	Selective Bidding	Kortek General Agencies Ltd	14,700,000	Medium
10.	BUKW567/WRKS/21-22/00004	Construction of Sub County Council Hall at Riwo S/c	Selective Bidding	Chemuron Holdings Ltd	15,503,000	Low
11.	BUKW567/WRKS/21-22/00001	Rehabilitation of Taskya Intake works and construction of sedimentation tank	Open National Bidding	Kapmayemay Investment Ltd	99,828,750	High
12.	BUKW567/WRKS/21-22/00002	Construction of Ten (10) Shallow Wells	Open National Bidding	Kortek General Agencies Ltd	86,338,984	High
13.	BUKW567/WRKS/21-22/00003	Completion of construction of Chesimat Health Centre	Open National Bidding	Jetcom Agencies Ltd	58,021,000	Medium

S/No	Reference No.	Subject of Procurement	Procurement method	Provider	Contract Value (UGX)	Risk Rating
14.	BUKW567/WRKS/21-22/00004	Construction of Staff House at Mutushed Health Center HCIII	Open National Bidding	Kortek General Agencies Ltd	146,790,000	Low
15	BUKW567/WRKS/21-22/00005	Completion of fencing of Bukwo General Hospital Phase II	Open National Bidding	Kapmayemay Investment Ltd	192,018,750	Low
16.	BUKW567/WRKS/21-22/00030	Completion of plant clinic for production department	Direct Bidding	Kapmayemay Investment Ltd	70,000,000	Low
17.	BUKW567/PQ FN/WRKS/21-22/00001	Construction ,Completion, and maintenance of road works (Bridges, supply of culverts and installation,supply of marrum/gravel and compaction (Under Framework Contract)	Open National Bidding	Justosan Construction Co. Ltd Kamayemay Investment Ltd, Roller Rise Investment Ltd Musamali & Sons Ltd Esso General Ent.Ltd	75,000,000	High

S/No	Reference No.	Subject of Procurement	Procurement method	Provider	Contract Value (UGX)	Risk Rating
18.	BUKW567/PQ FN/WRKS/21- 22/00003	Construction rehabilitation and extension of water works (gravity flow scheme,springs well boreholes) (Under Framework Contract)	Open National Bidding	Iota Group Co. Ltd Kamayemay Investment Ltd, Reberon Investment Ltd Kortek General Agencies Ltd	30,500,000	High
19.	BUKW567/PQ FN/SPLS/21-22/00003	Supply of agricultural inputs ,veterinary drugs,livestock ,equipment ,and technologies (Under Framework Contract)	Open National Bidding	Bukwo General Ltd Kamayemay Investment Ltd, Esso General Investment Ltd Kortek General Agencies Ltd	40,000,000	High
20.	BUKW567/ FRSPLS/21-22/00003	Supply of fuel and lubricants (Under Framework Contract)	Open National Bidding	Kamayemay Investment Ltd,	200,000,000	High

S/No	Reference No.	Subject Procurement	of	Procurement method	Provider	Contract Value (UGX)	Risk Rating
					Kongasis Petroleum Dealer's Ltd		
TOTAL						1,577,470,684	

Annex 3: Rating Criteria

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

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	issue and receipts of bids, usage of non-qualified firms and splitting procurement requirements.	
		Procurement Structures: Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General’s approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches	Planning: Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and lack of transparency.

RISK	DESCRIPTION	AREA	IMPLICATION
	current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.		

SATISFACTORY

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