



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

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

JINJA CITY

FEBRUARY 2023

Contents

LIST OF TABLES	3
ACRONYMS	4
EXECUTIVE SUMMARY	5
CHAPTER ONE: INTRODUCTION.....	7
1.1 Background	7
1.2 Main Audit Objectives	7
1.4 Audit Scope	7
1.5 Overall structure of the Entity	7
i. Accounting Officer.....	7
ii. Composition of the Contracts Committee.....	7
iii. Staffing of the Procurement and Disposal Unit.....	8
1.6 Audit Methodology	8
CHAPTER TWO: FINDINGS OF THE AUTHORITY.....	9
2.1 To establish the level of compliance by the Entity with the general provisions of the PPDA Act, 2003 and Local Governments (PPDA) Regulations, 2006	9
2.1.1 Lack of a mechanism for implementation of PPDA recommendations.	9
2.1.2 Failure to dispose obsolete items.....	10
2.2 Compliance with the PPDA Act 2003 and Regulations 2014 in the conduct of procurement and disposal activities.....	10
2.2.1 Failure to implement 21% of the procurement plan.....	10
2.2.2 Failure to state the exact date of expiry of bid validity	11
2.2.3 Irregularities during evaluation of bids	12
2.2.4 Low bidder participation.....	17
2.2.6 Signing a contract at Value Added Tax (VAT) inclusive prices with companies not registered for VAT causing a financial loss of shs 12,111,930.....	19
2.3 Overview of the level of efficiency and effectiveness in contract implementation.....	19
2.3.1 Slow progress of rehabilitation of roads, drainage works and installation of traffic signals in Jinja under USMID; JC854/USMID-WRKS/2021-2022/00057 worth UGX 16,536,240,976	20
2.3.2 Shoddy works at the Police Barracks Primary school	21
2.3.3 Irregularities during contract management	22
2.3.4 Lack of evidence of remittance of revenue.....	24

3.0 CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY	24
3.1 Entity's risk assessment	24
3.2 Entity's weighted Performance	25
3.3 Recommended Action Plan.....	27
ANNEX 1: CASE BY CASE ANALYSIS.....	28
ANNEX 2: PROCUREMENT AND DISPOSAL SAMPLE LIST FOR JINJA CITY FOR FINANCIAL YEAR 2021/2022	36
ANNEX 3: RISK RATING CRITERIA.....	39

LIST OF TABLES

Table 1: Contracts committee membership	8
Table 2: Staff in the Procurement and Disposal Unit	8
Table 3: Previous recommendations that were not implemented by the Entity.....	9
Table 4: Items due for disposal.....	10
Table 5: Procurement plan implementation rate.....	11
Table 6: Procurement where the bid validity wasn't stated.....	1Error! Bookmark not defined.
Table 7: procurements with irregularities during evaluation.....	Error! Bookmark not defined.2
Table 8: Low bidder participation.....	17
Table 9: procurements with delays at initiation.....	18
Table 10: Signing a contract with a company not VAT registered.....	19
Table 11: Progress of Jinja city USMID road	20
Table 12: Procurements with irregularities at contract management.....	22
Table 13: Procurements without evidence of remittances of revenue.....	23
Table 14: Summary of risk assessment of Jinja City	24
Table 15: Weighted score	26
Table 16: Risk rating criteria.....	27
Table 17: Action plan	27

ACRONYMS

AO	Accounting Officer
CC	Contracts Committee
EC	Evaluation Committee
FY	Financial Year
GPP	Government Procurement Portal
LPO	Local Purchase Order
BEB	Best Evaluated Bidder
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
CV	Curriculum Vitae

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Jinja City that covered a representative sample of twenty (20) procurement transactions worth UGX. **18,775,208,289** 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 Jinja City's procurement system and processes with the provisions of the PPDA Act, 2003 as amended 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 Jinja City for the Financial Year 2021/22 was **moderately satisfactory** with overall weighted average risk rating of **39.8%** as detailed in chapter 3 of the report.

Despite the highly satisfactory performance, the Authority noted the following exceptions for the attention of management:

1. Failure to implement 25% of the Authority's recommendations from the previous audit report for Financial Year 2020/2021 that was issued in April 2022 which exposes the Entity to the risk of failure to improve on its performance due to failure to make use of recommendations.
2. Failure to dispose obsolete items which inhibits achievement of value for money as funds are held up in assets and also lost through depreciation of these assets. More so, these assets are exposed to a risk of theft and vandalism.
3. Failure to implement 21% of the procurement plan. The procurement plan implementation rate was 79% implying that procurements amounting to UGX. 5,152,046,384 of the total procurement plan were not implemented which deprived service delivery to the intended beneficiaries.
4. Failure to state the exact date of expiry of bid validity in five procurements worth UGX 154,720,676 which may lead to disagreements between the Entity and the bidders on the start and end date of the bid validity periods.
5. Irregularities during evaluation of bids in 9 procurements worth UGX 308,890,983 including introduction of new criteria, poor quality of evaluation criteria, forged CV of key personnel by one contractor, Wakanira Investments Company Limited among others.
6. Low bidder participation which may deter the entity from obtaining competitive bid offers thus failure to achieve value for money.
7. Delayed initiation by the user departments at initiation in third quarter and delayed approvals by members of the contracts committee which creates a lengthy lead time that consequently impedes service delivery.
8. Signing a contract at value added Tax (VAT) inclusive prices with Wakanira Investments Company Limited, who is not registered for VAT causing a financial loss of UGX 12,111,930.
9. Slow progress of rehabilitation of roads, drainage works and installation of traffic signals in Jinja city under USMID; JC854/USMID-WRKS/2021-2022/00057 worth UGX 16,536,240,976 which risks the entity to delayed execution of the works that might escalate the project costs due to contract extensions.

10. Shoddy works at the Police Barracks Primary school by Kalumuino Uganda Limited as the drainage was poorly done which leads to flooding and may endanger the lives and general health of the students through water borne diseases like Bilharzia and the like.
11. Irregularities during contract management in two (2) procurements worth UGX 68,658,120 such as having no contract management records among others which affects the audit trail and proper accountability of the activities conducted.
12. Lack of evidence of remittance of revenue in two (2) procurements worth UGX 6,941,000 per month in terms of monthly or quarterly reports which affects the implementation of the Entity's planned activities that are funded by local revenues hence failure to deliver services to the intended beneficiaries.

Key Recommendations made:

1. The Accounting Officer should put in place a mechanism for implementation of audit recommendations.
2. 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.
3. 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.
4. The Procurement and Disposal Unit should state exact dates of expiry of bid validity periods when preparing solicitation documents as provided in the PPDA Circular No.1/2013.
5. The Head PDU should submit **Wakanira Investments Company Limited to PPDA for black listing** due to forgery of documents and the Head, Procurement and Disposal Unit 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
6. The Accounting Officer should establish the causes of low bidder participation 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.
7. The Accounting Officer should engage the Authority to train and build capacity on the various stakeholders in the procurement process such as the user departments, contracts committee so as to improve their performance in execution of their functions.
8. The Accounting Officer should recover UGX 12,111,930
9. The Accounting Officer should strengthen contract monitoring and ensure that the contractor expedites the execution of the works within the project duration time.
10. The contract supervisor should ensure that the implemented works are technically assessed for quality before issuing payment certificates to pay the contractors and in this case the Contract Management team should be held responsible for failing to manage the project efficiently and effectively
11. The Accounting Officer should task Heads of User Departments to ensure that contract supervisors prepare contract implementation plans in accordance with Regulation 119 (3) of the Local Governments (PPDA) Regulations, 2006
12. The Accounting Officer should enforce close supervision and monitoring of revenue collections in order to realize the planned amounts required for implementation of planned activities and prepare quarterly reports indicating progress of remittances.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Jinja City that covered a representative sample of twenty (20) procurement transactions worth UGX. **18,775,208,289** under the Financial Year 2021/22. The audit involved a review of procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act 2003 and Local Governments (PPDA) Regulations 2006.

1.2 Main Audit Objectives

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Jinja City'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.

1.3 The specific objectives were:

1. To establish the level of compliance by the PDE with the general provisions of the PPDA Act 2003 as amended and the Local Governments (PPDA) Regulations, 2006;
2. To establish the level of compliance with the PPDA Act, 2003 as amended and the 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.

1.4 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 twenty (20) procurement transactions worth UGX. **18,775,208,289** under the Financial Year 2021/22. The list of sampled transactions is contained in **Annex 2**.

1.5 Overall structure of the Entity

The key players in the procurement structure at Jinja City included the City Clerk as Accounting Officer, the Contracts Committee (CC), the Procurement and Disposal Unit (PDU) and the User Departments.

i. 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 City Clerk; Mr. Lorika Moses was designated as the Accounting Officer of the Entity during the Financial Year 2021-2022.

ii. Composition of the Contracts Committee

The PS/ST of Ministry of Finance, Planning & Economic Development approved the following members of the Contracts Committee who also acted during the period under review:

Table 1: List of Contracts Committee Members

No.	Name	Job Title	Position on Committee	Date of Appointment
1.	Mr. Muzusa Geoffrey	Principal Community Development Officer	Chairperson	30 th October 2020
2.	Dr. Kisiri Charles	Senior Medical Officer	Member	30 th October 2020
3.	Ms. Aryemo Florence	Draftsman	Member	30 th October 2020
4.	Mr. Odoi Tom	Senior Health Inspector	Member	30 th October 2020
5.	Ms. Lukalango Joseph	Accountant	Member	30 th October 2020

iii. Staffing of the Procurement and Disposal Unit

The Procurement and disposal Unit was manned by the following staff during the period under review:

Table 2: Staff in the Procurement and Disposal Unit

No.	Name	Position	Qualification
1.	Ms. Nabwonso Janet	Senior Procurement Officer	Master's degree in Procurement and Supply chain management

1.6 Audit 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/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 system 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 **25th November 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 **20th December 2022** with a request to submit a management response by **3rd January 2023**, which was submitted on **6th January 2023**. The exit meeting was held on **12th January 2023** at PPDA-URF Towers, Nakasero Road.

On completion of data collection and before writing the report, the senior 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.

CHAPTER TWO: FINDINGS OF THE AUTHORITY

2.1 To establish the level of compliance by the Entity with the general provisions of the PPDA Act, 2003 and Local Governments (PPDA) Regulations, 2006

2.1.1 Lack of a mechanism for implementation of PPDA recommendations.

Jinja city received its previous audit report for the Financial Year 2020-2021 in April 2022. Out of four (4) recommendations made, three (3) representing 75% were fully implemented, one (1) representing 25% was partly implemented as detailed in the table below:

Table 3: Implementation of Previous Audit Recommendations

No.	Recommended Action	Status
1.	The Accounting Officer should investigate the reasons behind the low bidder response and also institute measures to attract a higher number of bidders.	Partly implemented
2.	The Accounting Officer should ensure that a contract document is initialled on all pages by the contract signatories in accordance with Regulation 88 (3) of the PPDA (Local Governments) Regulations, 2006	Implemented
3.	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 in accordance with Regulation 65 (6) of the PPDA (Local Governments) Regulations, 2006.	Implemented
4.	The Accounting Officer should provide evidence that Babirye Mary Babalanda Enterprises remitted VAT worth UGX 1,884,203 to Uganda Revenue Authority as the URA certificate of registration submitted did not include VAT among the tax types registered for by the business	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

The Entity attracted more bidders in the last financial year compared to the previous year's however, the Entity will come up with more strategies to attract even more bidders.

Recommendations

1. The Accounting Officer should always ensure full implementation of the Authority's previous audit recommendations.
2. The Accounting Officer should put in place a mechanism for implementation of audit recommendations.

2.1.2 Failure to dispose obsolete items.

The board of survey report for Financial Year 2020/2021 identified several assets for disposal however there was no documentary evidence of efforts taken to dispose them contrary to Regulation 122 (2) of the Local Governments (PPDA) Regulations 2006. The details of the Assets are shown in the table below:

Table 4: Showing items intended for disposal

No	Details of Asset	Quantity (No.)
1.	Pickup	1
2.	Motorcycle	1
3.	Trailer/Truck	1
4.	Earth moving equipment/Tractor	1
5.	Desktop computers	12
6.	Laptop	1
7.	Printer	6
8.	Scanner	1
9.	Generator	1
10.	Photo Copiers	5

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

The Accounting Officer wrote to Ministry of works requesting for a valuer to come over and attach values to the identified items to be boarded off. Attached is evidence

Recommendation

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.

2.2 Compliance with the PPDA Act 2003 and Regulations 2014 in the conduct of procurement and disposal activities.

2.2.1 Failure to implement 21% of the procurement plan

The Entity's total procurement budget for the Financial Year 2021/2022 was UGX 24,118,565,916 as noted from the Entity's consolidated procurement plan submitted on 19th July 2021. The quarterly reports submitted to the Authority indicated a total procurement spend of UGX 18,919,519,532 implying that the Entity did not implement planned procurements worth UGX 5,152,046,384 (16.8%).

Table 5: Procurement plan implementation rate

Total procurement plan value (UGX)	24,118,565,916
Actual procurement spend (UGX)	18,919,519,532
Variance (UGX)	5,152,046,384

Percentage implementation rate (%)	79%
Variance (%)	21%

Implication

This implies that the Entity failed to fully deliver services to the public.

Management Response

True the procurement plan was not fully implemented. This was due to a short fall in releases from Central Government and yet those projects were to be implemented under the budgeted for funds from Central Government. However, those projects were forwarded to the current financial year for implementation.

Recommendation

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 state the exact date of expiry of bid validity

The Procurement and Disposal Unit did not state the exact date of the expiry of the bid validity period in the solicitation documents in five (5) sampled procurement transactions worth UGX 154,720,676 contrary to PPDA Circular No.1/2013 as indicated below

Table 6: Procurements where Bid validity dates were not stated.

No	Subject of Procurement	Contract value (UGX)	Bid validity period
1.	Construction of 5 stance VIP Latrine and urinal at Mafubira PS by Kalimuino Uganda Ltd	25,000,000	90 working days
2.	Construction of a 5 stance VIP Latrine and Urinal at Kisima 1 Island primary school by Kalimuino Uganda Ltd	35,000,000	90working days
3.	Construction of a boundary wall at Kyomya Health center 11 phase 1 by Interbuild Technical services Ltd	23,758,120	90working days
4.	Renovation of OPD unit at Jinja central Health Centre 111 by Kalimuino Uganda Ltd	45,988,918	90working days
5.	Construction of a 5 stance VIP Latrine in Loose soil and urinal at Police Barracks Primary school by Kalimuino Uganda Ltd	24,973,638	90 working days
	Total	154,720,676	

Implication

Failure to state exact dates may lead to disagreements between the Entity and the bidders on the start and end date of the bid validity periods.

Management Response

True the bidding document mentioned 90 working days from bid closure but did not state the exact date of expiry. The Entity will state the exact dates like we mentioned in the rest of the bidding documents.

Recommendation

The Procurement and Disposal Unit should state exact dates of expiry of bid validity periods when preparing solicitation documents as provided in the PPDA Circular No.1/2013.

2.2.3 Irregularities during evaluation of bids

The Authority noted irregularities in the evaluation of nine (9) procurement transactions worth UGX 308,890,983 as indicated in the table below:

Table 7: Procurement transactions with irregularities in their evaluation process

No	Subject of Procurement	Contract value (UGX)	PPDA Findings	Management response
1.	Construction of staff house at Musima Health centre 11 Wakanira Investments Company Ltd	79,400,430	<ul style="list-style-type: none"> • Forged CV of key personnel a case in point Mr. Nyaruhuma Samuel who was indicated as the Contract Manager who was contacted by the Auditors on 22nd November 2022 on Telephone Number 0759991694 and he denied having any relations with the said company or any knowledge of it. <p>There was no indication that he was a staff of Wakanira trade links company limited as his CV indicated that he is an employee of Afro General Builders and Carpentry U Limited from 2018 to date.</p> <ul style="list-style-type: none"> • Forged CV of key personnel a case in point Mr. Ogwal Felix Obala who was indicated as the Site Engineer who was contacted by the Auditors on 22nd November 2022 on 	<ul style="list-style-type: none"> • <i>The evaluation criteria for this procurement did not provide for post qualification exercise where the evaluation committee would go to verify information submitted by the BEB</i>

No	Subject of Procurement	Contract value (UGX)	PPDA Findings	Management response
			<p>Telephone Number 0773344548 and he denied having any relations with the said company or any knowledge of it.</p> <p>There was no indication that he was a staff of Wakanira trade links company limited as his CV indicated that he is an employee of Afro Amuria Farmers from 2015 to date.</p>	
2.	<p>Renovation of main registry and registry annex</p> <p>Interbuild technical services ltd</p>	24,649,657	<ul style="list-style-type: none"> The Evaluation criteria wasn't specific in regards to the qualifications / experience they needed and the key personnel they needed thus the Authority couldn't ascertain the basis for elimination of bidders. 	<ul style="list-style-type: none"> <i>There was no bidder that was failed on this parameter and the lowest bidder emerged the best evaluated bidder.</i>
3.	<p>Renovation of OPD Unit at Jinja Health Centre 111</p> <p>Kalimuino Uganda Ltd</p>	45,988,918	<ul style="list-style-type: none"> Introduction of new criteria the criteria considered during evaluation was qualification and experience of key personnel with at least a diploma in engineering but this was not stated in the bidding document Poor quality of evaluation criteria such as qualification and experience of key personnel. The criteria didn't state the basis of qualification therefore any experience and qualification was valid. 	<p><i>No Response</i></p> <ul style="list-style-type: none"> <i>The bidding document requested for qualification of key personnel though did not specify the qualification however, no bidder was disqualified over this parameter. Evidence availed</i>

No	Subject of Procurement	Contract value (UGX)	PPDA Findings	Management response
			<ul style="list-style-type: none"> The criteria needed two years of experience in similar supplies yet this was a works project. 	<ul style="list-style-type: none"> <i>This was a typo error however, the experience submitted was works projects.</i>
4.	<p>Construction of stance VIP Latrine in loose soil and urinal, at Police Barracks primary school</p> <p>Kalimuino Uganda Ltd</p>	24,973,638	<ul style="list-style-type: none"> Poor quality of evaluation criteria such as qualification and experience of key personnel. The criteria didn't state the basis of qualification therefore any experience and qualification was valid. The criteria needed two years of experience in similar supplies yet this was a works project Introduction of new criteria. The criteria considered during evaluation was qualification and experience of key personnel with at least a diploma in engineering but this was not stated in the bidding document One of the unsuccessful bidders Ms. G.K.K General Contractors was considered compliant at technical stage yet he didn't submit audited books of Accounts. 	<ul style="list-style-type: none"> <i>The bidding document requested for qualification of key personnel though did not specify the qualification however, no bidder was disqualified over this parameter. Evidence availed</i> <i>This was a typo error however, the experience submitted was works projects.</i> <i>No Response</i> <i>In the table of contents it is among the documents they mentioned to have submitted therefore the evaluation committee scored them compliant</i>

No	Subject of Procurement	Contract value (UGX)	PPDA Findings	Management response
				<p><i>however, this bidder was not the best evaluated.</i></p> <p>Evidence availed</p>
5.	<p>Construction of a boundary wall at Kyomya health center 11 phase 1</p> <p>Interbuild Technical Services Ltd</p>	23,758,120	<ul style="list-style-type: none"> • Poor quality of evaluation criteria such as qualification and experience of key personnel. The criteria didn't state the basis of qualification therefore any experience and qualification was valid. • The criteria needed two years of experience in similar supplies yet this was a works project • Introduction of new criteria. The criteria considered during evaluation was qualification and experience of key personnel with at least a diploma in engineering but this was not stated in the bidding document. 	<ul style="list-style-type: none"> • <i>The bidding document requested for qualification of key personnel though did not specify the qualification however, no bidder was disqualified over this parameter.</i> • <i>This was a typo error however, the experience submitted was works projects.</i> <p><i>No Response</i></p>
6.	<p>Construction of a 5 stance VIP Pit Latrine and urinal at Kisima 1 Island primary school</p> <p>Kalimuino Uganda Limited</p>	35,000,000	<ul style="list-style-type: none"> • Poor quality of evaluation criteria such as qualification and experience of key personnel. The criteria didn't state the basis of qualification therefore any experience and qualification was valid. 	<ul style="list-style-type: none"> • <i>The bidding document requested for qualification of key personnel though did not specify the qualification however, no bidder was</i>

No	Subject of Procurement	Contract value (UGX)	PPDA Findings	Management response
			<ul style="list-style-type: none"> • The criteria needed two years of experience in similar supplies yet this was a works project • Introduction of new criteria. The criteria considered during evaluation was qualification and experience of key personnel with at least a diploma in engineering but this was not stated in the bidding document. 	<p><i>disqualified over this parameter.</i></p> <ul style="list-style-type: none"> • <i>This was a typo error however, the experience submitted was works projects.</i> • <i>No Response</i>
7.	<p>Supply and delivery of laboratory equipment for kimaka HC 111</p> <p>Kevin and Nulu investments Ltd</p>	19,350,000	The BEBs bid ms. Kevin and nulu investments offered a warrant period of 3 months and not six months as required under GCC 28.3 in the solicitation document.	<i>The evaluation committee will be cautioned to be more careful while evaluating.</i>
8.	<p>Renovation of city halls and care takers office (education department, chambers toilet, main hall toilets and city hall care takers office)</p> <p>Muggaga Construction Company</p>	30,770,220	Introduction of a new criteria. The issued solicitation document didn't specify that the key project staff manager should at least have a diploma in Engineering but this was introduced during evaluation.	<p><i>It was requested for in the bidding document issued out though not clearly described and there was no bidder that failed on this parameter.</i></p> <p><i>Evidence availed</i></p>

No	Subject of Procurement	Contract value (UGX)	PPDA Findings	Management response
9.	Construction of 5 stance VIP Latrine and urinal at Mafubira Primary school. Kalimuino Uganda Limited	25,000,000	Introduction of a new criteria. The issued solicitation document didn't specify that the key project staff manager should at least have a diploma in Engineering but this was introduced	<i>It was requested for in the bidding document issued out though not clearly described and there was no bidder that failed on this parameter. Evidence availed</i>
	Total	308,890,983		

Implication

Unfairness during evaluation leads to contract award to non-compliant bids and compromises on benefits of maximum competition.

Management Response

Response has been provided in the table above

Recommendation

- The Head PDU should submit Wakanira Investments Company Limited to PPDA for black listing due to forgery of documents.
- The Head, Procurement and Disposal Unit 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.

2.2.4 Low bidder participation

The Authority found that there was low bidder participation within the Entity in two (2) procurements worth UGX 54,350,000. The Entity had only one or two bidders submitting bids.

Table 8: Low bidder Participation

No	Procurement	Amount (UGX)	No. of bidders invited	No. of bids received
1.	Construction of a 5 stance VIP Pit Latrine and Urinal at Kisima 1 island primary school by Kalimuino Investments Ltd	35,000,000	3	2
2.	Supply and delivery of Laboratory Equipment for Kimaka HC 111 by Kevin and Nulu Investments Ltd	19,350,000	3	1
	Total	54,350,000		

Implication

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

Management response

The Entity will come up with strategies to obtain competitive bid offers.

Recommendation

The Accounting Officer should establish the causes of low bidder participation 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.

2.2.5 Delayed initiation by the user departments

The Authority noted that there were delays at initiation (3rd quarter) in three procurements (3) worth UGX 145,366,462 by the user department as indicated below;

Table 9: Procurements with delays at initiation

No	Subject of procurement	Amount	Date of initiation (3rd Quarter)
1.	Construction of boundary wall at by Kyomya Health center 11 phase 1 Interbuild technical services Ltd	23,758,120	27/1/2022
2.	Construction of General ward at Walukuba Health center iv phase 1 by Nabitende Investments and Suppliers Limited	86,608,342	25/2/2022
3.	Construction of a 5 stance VIP Latrine and Urinal at Kisima 1 Island Primary school by Kalimuino investments Ltd	35,000,000	31/3/2022
	Total	145,366,462	

Delayed approvals by members of the Contracts Committee.

In the procurement for construction of a 5 stance VIP Latrine in Loose soil and urinal at Police Barracks primary school by Kalimuino Uganda Limited worth UGX 24,973,638, the procurement was approved by the deputy City clerk on **25th September 2021** but the bidding document, bidding method and Evaluation Committee were approved by CC on **2nd December 2021** thus there was a delay of fifty four (54) weeks.

In another procurement for the construction of a 5 stance VIP Latrine and urinal at Mafubira Primary school by Kalimuino Uganda Limited, the contracts committee approved the Evaluation committee, the bidding document and the bidding method on **2nd December 2021** which was 54 working days from when the procurement was approved by the Accounting officer on **20th September 2021**.

Implication

Delays in the procurement process creates a lengthy lead time which consequently impedes service delivery.

Management Response

True the user department delayed to initiate the procurement process however, the Accounting Officer shall prevail over the Heads of the user departments.

Recommendation

The Accounting Officer should engage the Authority to train and build capacity on the various stakeholders in the procurement process such as the user departments, contracts committee so as to improve their performance in execution of their functions.

2.2.6 Signing a contract at Value Added Tax (VAT) inclusive prices with companies not registered for VAT causing a financial loss of shs 12,111,930.

The Authority noted that in one procurement for the construction of a staff house at Musima Health centre 11 worth UGX 79,400,430, the Entity signed a contract at Value Added Tax (VAT) inclusive price with a company which did not have VAT as one of the taxes registered for. According to the certificate, the VAT registration was cancelled on 1st June 2012 and registered again on 1st July 2022, and yet the contract was signed on 4th May 2022.

Table 10: Procurements where BEB was not registered for VAT but signed a VAT inclusive contract

No	Subject of procurement	Provider	VAT inclusive contract value (UGX)	VAT (UGX)
1.	Construction of staff house at Musima Health centre 11	Wakanira Investments Company Ltd	79,400,430	12,111,930
	Total		79,400,430	12,111,930

Implication

The Entity incurred a financial loss of UGX 12,111,930

Management response

The contract was VAT inclusive and the Entity deducted the percentage of VAT whenever the contractor was paid and remitted it to URA therefore the Entity did not incur any Financial Loss.

Recommendation

The Accounting Officer should recover UGX 12,111,930

2.3 Overview of the level of efficiency and effectiveness in contract implementation

2.3.1 Slow progress of rehabilitation of roads, drainage works and installation of traffic signals in Jinja under USMID; JC854/USMID-WRKS/2021-2022/00057 worth UGX 16,536,240,976

The Entity entered into a contract with Zhongmei Engineering Group Ltd on 2nd March 2022 with a project completion date of March 2023. The scope included rehabilitation of clive road east and clerk road (1.891km), rehabilitation of Bell avenue east and west (1.466km), completion of busoga avenue (0.75km), installation of traffic signals (3no) and drainage works (1,782m)

According to the site meeting held on 8th September 2022, the inspector of works for m/s Professional Engineering Consultants (PEC Consultants), Mr. William Byaruhanga acknowledged that there were delays but that mechanisms would be sought to catch up with the lost time. The progress was as shown in the table below;

Table 11: Progress of the project as at 8th September 2022

Indicator	Planned (%)	Achieved (%)
Monthly Physical Progress	3.86	00
Monthly Financial progress	4.63	0.75

Figure 1: Physical status of works on Busoga Avenue road on 25th November 2022



The Authority found works ongoing on Busoga Avenue road during physical verification on 25th November 2022.

Implication

This implies that the contractor is behind schedule and the Entity risks delayed execution of the works which might escalate the project costs due to contract extensions.

Management response

The slow progress of works under the USMID project Batch 2 was due to a number of factors that were being the control of both the contractor and the consult. These included the following;

- 1. Design review of the original designs of the project took longer than planned due to major errors and omissions by the Design consultants that were procured and supervised by the Ministry of Lands, Housing and Urban Development. Major works could therefore not commence until these had been corrected.*
- 2. Relocation of Utilities like Water supply and sewerage infrastructure and UMEME power lines that lie within the road width has taken longer than had originally been planned due to high costs presented that were not provided for in the original design and documentation. Works could not commence in areas affected by these utilities and most of the roads under rehabilitation are affected by these utilities.*
- 3. Incremental weather. During the period under review, this region experienced heavy and continuous rainfall that equally affected the progress of work even where the above mentioned challenges had been circumvented.*

The contractor and consultant have put in place strategies to recover the lost time and be able to deliver the project within the planned time.

Recommendation

The Accounting Officer should strengthen contract monitoring and ensure that the contractor expedites the execution of the works within the project duration time.

2.3.2 Shoddy works at the Police Barracks Primary school

The Authority also noted that in the construction of a 5 stance VIP Latrine in loose soil and urinal at Police Barracks Primary school by Kalimuino Uganda Limited worth UGX 24,973,638, the drainage was poorly done which leads to flooding and thus requires immediate management attention.

Figure 2 showing the defects on the five (5) stance pit latrine



Implications

- This may endanger the lives and general health of the students through water borne diseases like Bilharzia and the like.
- Irregularities at contract implementation compromises quality and the intended beneficiaries do not get the desired effects of the services delivered thus compromising the achievement of value for money.
- This was as a result of a weak contract monitoring mechanism in the entity or unethical tendencies among the Contract Management team.

Management response

This was caused by the contractor not providing an outlet or sufficient gradient for the run off to sufficiently drain off the floor. This has however been rectified.

Recommendation

The contract supervisor should ensure that the implemented works are technically assessed for quality before issuing payment certificates to pay the contractors and in this case the Contract Management team should be held responsible for failing to manage the project efficiently and effectively

2.3.3 Irregularities during contract management

The Authority noted irregularities in contract management for two (2) procurements worth UGX 68,658,120 as indicated in the table below;

Table 12: Transactions with irregularities at contract management

No.	Subject of procurement	Contract Value (UGX)	Irregularities	Management response
1.	Supply of three seater desks to primary schools in Buyala, Kalunganami and Kyabirwa Nabitende investment and suppliers limited	25,550,000	No contract management records on file. The delivery note No. 0076 dated 17 th January 2022 indicated that the desks were delivered to one of the schools, Kalunganami who denied having received them. The Entity stated they delivered them to another school but there was no evidence on file to that effect.	<i>The desks were meant to be delivered at Kalunagami P/s but was not because the school had to space to accommodate more desks and the desks were instead delivered to another school (Nakanyoni Primary school) which was in need</i>
2.	Supply and delivery of laboratory equipment for kimaka HC 111 Kevin and Nulu Investments Ltd	19,350,000	<ul style="list-style-type: none"> •Introduction of new terms to the contract. According to GCC28.3, in the bidding document 6 months warranty period was required however in the contract, one year was required as per GCC 28.3. •The BEBs bid Ms. Kevin and nulu investments offered a warrant period of 3 months and not six months as required under GCC 28.3 in the solicitation document 	<i>The evaluation committee will be cautioned to be critical while evaluating.</i>
	Total	68,658,120		

Implications

- This affects the audit trail and proper accountability of the activities conducted.
- Lack of contract management reports/progress reports and other records such as activity reports, force account records casts doubt on whether contracts were executed in accordance with contractual requirements and terms and conditions.
- This denies the intended beneficiaries timely services.

Management response

Response provided in the table above.

Recommendations

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

2.3.4 Lack of evidence of remittance of revenue

The Authority noted that there was no evidence of remittance of revenue in two (2) procurements worth UGX 6,941,000 per month in terms of monthly or quarterly reports showing evidence of remittances.

Table 13: Procurements where evidence of remittance of revenue was not on file

No.	Subject of procurement	Contract price (UGX)
1.	Procurement for revenue collection from Amber court market	2,951,000 per month
2.	Revenue collection from bus and taxi parks kiosks	3,990,000 per month
3.	Total	6,941,000

Implications

Failure by the service provider to remit local revenues affects the implementation of the Entity's planned activities that are funded by local revenues hence failure to deliver services to the intended beneficiaries.

Management Response

The service providers paid the remittances to the Division and the local revenue remittances for the two revenue centers were availed at the action files.

Recommendations

The Accounting Officer should enforce close supervision and monitoring of revenue collections in order to realize the planned amounts required for implementation of planned activities and prepare quarterly reports indicating progress of remittances.

3.0 CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

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

3.1 Entity's risk assessment

The table below shows the Entity's performance per risk category based on the sampled procurement transactions

Table 14: Summary of risk assessment of Jinja City

Risk category	Number of sampled procurements	%Number	Value	%Value
High Risk	1	5	79,400,430	0.4
Medium Risk	11	55	16,773,572,872	89.3
Low Risk	2	10	111,257,999	0.6
Satisfactory	6	30	1,810,664,358	9.6
Total	20	100	18,774,895,659	100.0

3.2 Entity’s weighted 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 score

Risk category	Rating (By Number)	Weights	Total weighted Average	Rating (By Value)	Weights	Total weighted Average
High	5	0.6	3	0.4	0.6	0.24
Medium	55	0.3	16.5	89.3	0.3	26.8
Low	10	0.1	1	0.6	0.1	0.06
Satisfactory	30	0	0	9.6	0	0
Total	100	1	20.5	100.0	1	27.1

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{20.5}{60} \times 100 = 34.2\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{27.1}{60} \times 100 = 45.2\%$$

$$\text{Combined Weighted Average} = \frac{34.2 + 45.2}{2} = 39.8\%$$

Risk rating by number



Risk rating by value



Table 16: The risk rating criteria is as follows

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

The Entity's overall weighted performance was therefore assessed to be **moderately satisfactory** at **39.8%**.

Recommendation

Jinja City should implement the recommendations on pages 27-28 in order to further improve the Entity's performance.

3.3 Recommended Action Plan

Jinja City should implement the following recommendations within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 17: Action plan

No.	Recommended Action	Target Date
1.	The Accounting Officer should always ensure full implementation of the Authority's previous audit recommendations.	Immediately
2.	The Accounting Officer should put in place a mechanism for implementation of audit recommendations	Immediately
3.	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.	March 2023
4.	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.	Immediately
5.	The Procurement and Disposal Unit should state exact dates of expiry of bid validity periods when preparing solicitation documents as provided in the PPDA Circular No.1/2013.	Immediately
6.	The Head PDU should submit Wakanira Investments Company Limited to PPDA for black listing due to forgery of documents.	Immediately
7.	The Accounting Officer should establish the causes of low bidder participation 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.	Immediately
8.	The Accounting Officer should engage the Authority to train and build capacity on the various stakeholders in the procurement process such as the user departments, contracts committee so as to improve their performance in execution of their functions.	Immediately
9.	The Accounting Officer should recover UGX 12,111,930	Immediately
10.	The Accounting Officer should strengthen contract monitoring and ensure that the contractor expedites the execution of the works within the project duration time.	March 2023
11.	The contract supervisor should ensure that the implemented works are technically assessed for quality before issuing payment certificates to pay the contractors and in this case the Contract Management team should be	Immediately

	held responsible for failing to manage the project efficiently and effectively	
12.	The Accounting Officer should task Heads of User Departments to ensure that contract supervisors prepare contract implementation plans in accordance with Regulation 119 (3) of the Local Governments (PPDA) Regulations, 2006.	Immediately
13.	The Accounting Officer should prevail over contract supervisors to submit all contract management records in accordance with Regulation 119 (10) of the Local Governments (PPDA) Regulations, 2006	Immediately
14.	The Head of the Procurement and Disposal Unit should archive all documents pertaining to a particular procurement on their respective files in accordance with Section 31 (o) of the PPDA Act, 2003 as amended	Immediately
15.	The Accounting Officer should enforce close supervision and monitoring of revenue collections in order to realize the planned amounts required for implementation of planned activities and prepare quarterly reports indicating progress of remittances.	Immediately

ANNEX 1: CASE BY CASE ANALYSIS

NO	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	<p>Construction of staff house at Musima Health centre 11. JC854/Wrks/21-22/00073</p> <p>Procurement method: open national bidding</p> <p>Contractor: Wakanira Investments Company Ltd</p> <p>Contract value: 79,400,430</p>	<ol style="list-style-type: none"> 1. Forged cv of key personnel of the contract manager Mr. Nyaruhuma Samuel 2. Forged cv of key personnel of the site Engineer Mr. Ogwal Felix 3. Low bidder participation 4. The entity signed a contract at Value Added Tax (VAT) inclusive price with a company which did not have VAT as one of the taxes registered for causing a financial loss of shs 12,111,930

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	Rehabilitation of roads, drainage works and installation of traffic signals JC854/USMID-WRKS/20-21/00057 Open Domestic Bidding Zhongemi Engineering Group Ltd UGX 16,536,240,976	1. Slow progress of works which implies that the contractor is behind schedule and the Entity risks delayed execution of the works which might escalate the project costs due to persistent contract extensions.
2.	Construction of a boundary wall at Kyomya health centre 11 phase 1 JC854/Wrks/21-22/00077 Procurement method: Selective Domestic bidding Contractor: Interbuild technical services ltd Contract value: UGX 23,758,120	<ul style="list-style-type: none"> • Delayed initiation by the user department • Poor quality of evaluation criteria such as qualification and experience of key personnel. The criteria didn't state the basis of qualification therefore any experience and qualification was valid. • The criteria needed two years of experience in similar supplies yet this was a works project • Introduction of new criteria. The criteria considered during evaluation was qualification and experience of key personnel with at least a diploma in engineering but this was not stated in the bidding document Failure to state the exact date of bid validity
3.	Supply and delivery of laboratory equipment for kimaka HC 111 JC854/Supls/21-22/00082 Procurement method: Selective Domestic bidding Contractor: Kevin and Nulu Investment Ltd Contract value: UGX 19,350,000	<ul style="list-style-type: none"> • The BEBs bid Kevin and nulu investments offered a warrant period of 3 months and not six months as required under GCC 28.3 in the solicitation document. • Low bidder participation • Introduction of new terms to the contract. According to GCC28.3, in the bidding document 6 months warranty period was required however in the contract, one year was required as per GCC 28.3.

4.	<p>Revenue collection from Ambercourt market</p> <p>JC854/Srvcs/21-22/00013</p> <p>Procurement method: Open domestic bidding</p> <p>Contractor: Jinja Taxi park kiosks owners and operators</p> <p>Contract value: UGX 3,990,000</p>	<p>There was no evidence of remittance of revenue in two (2) procurements worth UGX 6,941,000 per month in terms of monthly or quarterly reports.</p>
5.	<p>Renovation of OPD Unit at Jinja Health Centre 111</p> <p>JC854/Wrks/21-22/00078</p> <p>Procurement method: Selective Domestic bidding</p> <p>Contractor: Kalimuino Uganda Ltd</p> <p>Contract value: UGX 45,988,918</p>	<ul style="list-style-type: none"> • Introduction of a new Evaluation criteria for experience of key personnel of a project manager which was not indicated in the standard bidding document • Poor quality of evaluation criteria such as qualification and experience of key personnel. The criteria didn't state the basis of qualification therefore any experience and qualification was valid. • Failure to state the exact date of bid validity
6.	<p>Construction of 5 stance VIP Latrine and urinal at Mafubira PS</p> <p>JC854/Wrks/21-22/00069</p> <p>Procurement method: Selective Domestic bidding</p> <p>Contractor: Kalimuino Uganda Limited</p> <p>Contract value: UGX 25,000,000</p>	<ul style="list-style-type: none"> • Introduction of a new criteria. The issued solicitation document didn't specify that the key project staff manager should at least have a diploma in Engineering but this was introduced • Delayed approvals by members of the Contracts Committee • Failure to state exact date of bid validity

7.	<p>Construction of a 5 stance VIP Pit Latrine and urinal at Kisima 1 Island primary school</p> <p>JC854/Wrks/21-22/00087</p> <p>Procurement method: Selective Domestic bidding</p> <p>Contractor: Kalimuino Uganda Limited</p> <p>Contract value: UGX 35,000,000</p>	<ul style="list-style-type: none"> • Delayed initiation by the user department • Low bidder participation • Poor quality of evaluation criteria such as qualification and experience of key personnel. The criteria didn't state the basis of qualification therefore any experience and qualification was valid. • The criteria needed two years of experience in similar supplies yet this was a works project • Introduction of new criteria. The criteria considered during evaluation was qualification and experience of key personnel with at least a diploma in engineering but this was not stated in the bidding document • Failure to state exact date of bid validity
8.	<p>Construction of stance VIP Latrine in loose soil and urinal, at Police Barracks primary school</p> <p>JC854/Supls/21-22/00068</p> <p>Procurement method: Selective Domestic bidding</p> <p>Contractor: Kalimuino Uganda Ltd</p> <p>Contract value: UGX 24,973,638</p>	<ul style="list-style-type: none"> • Poor quality of evaluation criteria such as qualification and experience of key personnel. The criteria didn't state the basis of qualification therefore any experience and qualification was valid. • The criteria needed two years of experience in similar supplies yet this was a works project • Introduction of new criteria. The criteria considered during evaluation was qualification and experience of key personnel with at least a diploma in engineering but this was not stated in the bidding document • Shoddy works at the Police Barracks Primary school • Failure to state exact date of bid validity
9.	<p>Renovation of city halls and care takers office (education department, chambers toilet, main hall toilets and city hall care takers office)</p> <p>JC854/Wrks/21-22/00060</p> <p>Procurement method: Selective Bidding</p> <p>Contractor: St.Muggaga Construction Company</p> <p>Contract value:30,770,220</p>	<ul style="list-style-type: none"> • Introduction of a new criteria. The issued solicitation document didn't specify that the key project staff manager should at least have a diploma in Engineering but this was introduced during evaluation.
10.	<p>Supply of three seater desks to primary schools in Buyala, Kalungami and Kyabirwa.</p> <p>JC854/Supls/21-22/00062</p>	<p>No contract management records on file. The delivery note No. 0076 dated 17th January 2022 indicated that the desks were delivered to one of the schools, Kalunganami who denied having received them. The Entity stated they</p>

	<p>Procurement method: Selective Bidding</p> <p>Contractor: Nabitende Investments and suppliers Ltd</p> <p>Contract value: 25,550,000</p>	delivered them to another school but there was no evidence on file to that effect.
11.	<p>Revenue collection from bus and taxi park kiosks.</p> <p>JC854/Srvcs/2021-2022/00032</p> <p>Procurement method: Open domestic bidding</p> <p>Contractor: Jinja Taxi park kiosks owners and operators</p> <p>Contract value: UGX 3,990,000</p>	<ul style="list-style-type: none"> There was no evidence of remittance of revenue in terms of quarterly or monthly reports.
LOW RISK CONTRACTS		REASONS FOR LOW RISKS
1.	<p>Construction of a General ward at Walukuba Health center iv phase 1</p> <p>JC854/Wrks/2021-2022/00075</p> <p>Procurement method: open domestic bidding</p> <p>Contractor: - Nabitende Investments and Suppliers Limited</p> <p>Contract value: UGX 86,608,342</p>	<ul style="list-style-type: none"> Delayed initiation by user department
2	<p>Renovation of main Registry and Registry Annex.</p> <p>JC854/Wrks/21-22/00059</p> <p>Procurement method: selective bidding</p> <p>Interbuild Technical Services Ltd</p> <p>Contract value: 24,649,657</p>	<ul style="list-style-type: none"> The Evaluation criteria wasn't specific in regards to the qualifications / experience they needed and the key personnel they needed thus the Authority couldn't ascertain the basis for elimination of bidders.
NO	SATISFACTORY CONTRACTS	REASONS FOR SATISFACTORY
1.	<p>Rehabilitation of mwangu Road(0.5km)</p>	Followed laid down procurement procedures and guidelines.

	JC854/wrks/21-22/00055 Procurement method: domestic bidding. Contractor: - Stirling civil engineering ltd Contract value: 639,943,800	
2.	Construction and rehabilitation of staff house at Kisima 1 and 11 primary school JC854/Wrks/2021-22/00065 Open Domestic Bidding Dehkon projects limited UGX 795,282,480	Followed laid down procurement procedures and guidelines
3.	Supply and delivery of brand new station wagon JC854/Supls/21-22/00064 Procurement method: Open Domestic bidding Cooper Motor Corporation Ltd Contract value: 237,533,495	Followed laid down procurement procedures and guidelines
4.	Supply and delivery of general stationary JC755/Supls/21-22/00049 Procurement method: Open Domestic bidding Unique Commodity Services Ltd Contract value: 100,000,000	Followed laid down procurement procedures and guidelines
5.	Construction of a 5 stance toilet block at Uganda railway primary school JC854/Wrks/21-22/00072 Procurement method: selective bidding Interbuild technical services ltd	Followed laid down procurement procedures and guidelines

	Contract value: 37,904,583	
6.	Supply of solar lights at dang Baxi road, Nile Avenue, Nalufenya Road and Bell Avenue	Followed laid down procurement procedures and guidelines.

ANNEX 2: PROCUREMENT AND DISPOSAL SAMPLE LIST FOR JINJA CITY FOR FINANCIAL YEAR 2021/2022

No.	Reference number	Subject of procurement	Procurement method	Provider	Contract value (UGX)	Risk rating
1.	JC854/WRKS/21-22/00075	Construction of a General ward at Walukuba Health Center	Open Domestic Bidding	Nabitende investments and suppliers limited	86,608,342	Low
2.	JC854/WRKS/21-22/00072	Construction of staff house at Musima health center 11	Open Domestic Bidding	Wakanira investments company limited	79,400,430	High
3.	JC854/WRKS/21-22/00087	Construction of a 5 stance VIP Latrine and urinal at Kisima 1 island primary school	Selective national bidding	Kalimuino Uganda limited	35,000,000	Medium
4.	JC854/SUPLS/21-22/00082	Supply and delivery of laboratory equipment for kimaka HC 111	Selective national bidding	Kevin and Nulu investments ltd	19,350,000	Medium
5.	JC854/SUPLS/21-22/00082	Rehabilitation of clerk road 1.891km Bell Avenue East and West 1.466km, completion of busoga avenue 0.75 km	Open Domestic Bidding	Zhongmei Engineering Group Ltd	16,536,240,976	Medium
6.	JC854/WRKS/21-22/00087	Construction of a boundary wall at kyomya health center 11 phase 1	Selective Bidding	Interbuild technical services ltd	23,758,120	Medium
7.	JC854/WRKS/21-22/00087	Renovation of OPD unit at Jinja central health center 111	Selective Bidding	Kalimuino Uganda ltd	45,988,918	Medium

No.	Reference number	Subject of procurement	Procurement method	Provider	Contract value (UGX)	Risk rating
8.	JC854/WRKS/21-22/00087	Construction and rehabilitation of staff house at Kisima I and II primary school	Open Domestic Bidding	Dehkon projects limited	795,282,480	Satisfactory
9.	JC854/WRKS/21-22/00087	Construction of a 5 stance VIP Latrine in loose soil and urinal at police Barracks primary school	Selective Bidding	Kalimuino Uganda ltd	24,973,638	Medium
10.	JC854/WRKS/21-22/00055	Rehabilitation of mwangu road	Direct Bidding	Stirling civil engineering ltd	639,943,800	Satisfactory
11.	JC854/WRKS/21-22/00060	Renovation of city hall toilets to include education department toilet, council chambers toilet, main hall toilets and care taker office.	Selective Bidding	Muggaga construction company ltd	30,770,220	Medium
12.	JC854/WRKS/20-21/00059	Renovation of main registry and registry annex	Selective Bidding	Inter build technical services ltd	24,962,287	Low
13.	JC755/SUPLS/21-22/00049	Supply and delivery of general stationary	Open Domestic Bidding	Unique commodity services ltd	100,000,000	Satisfactory
14.	JC755/SRVCS/20-21/00049	Revenue collection from Amber court market	Open Domestic Bidding	Amber court Traders development association	2,951,000	Medium
15.	JC755/SUPLS/21-22/00062	Supply of 3 seater desks to primary schools in Buyala, kalunganami and kyabirwa	Selective Bidding	Nabitende investment and suppliers limited	25,550,000	Medium
16.	JC755/SUPLS/21-22/00051	Revenue collection from bus and taxi park market	Open Domestic Bidding	Jinja taxi park owners and operators association	3,990,000	Medium

No.	Reference number	Subject of procurement	Procurement method	Provider	Contract value (UGX)	Risk rating
17.	JC854/SUPLS/21-22/00064	Supply and delivery of brand new station wagon	Open Domestic Bidding	Cooper Motor Corporation U Ltd	237,533,495	satisfactory
18.	JC854/WRKS/21-22/00069	Construction of 5 stance VIP latrine and urinal at Mafubira PS	Selective Domestic Bidding	Kalimuino Uganda Limited	25,000,000	medium
19.	JC854/WRKS/21-22/00072	Construction of stance toilet block at Uganda railway primary school	Selective Domestic Bidding	Interbuild Technical services Ltd	37,904,583	Satisfactory
20.		Solar lights at dang baxi road, Nile Avenu, Nalufenya road and bell avenue				Satisfactory
		Total			18,775,208,289	

ANNEX 3: RISK RATING CRITERIA

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

RISK	DESCRIPTION	AREA	IMPLICATION
	the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.	receipts of bids, usage of non-pre-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 current market best practice. Deviations from laid down detailed	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
	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.