



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

**PROCUREMENT AND DISPOSAL AUDIT REPORT FOR FINANCIAL YEAR
2022/23**

KARENGA DISTRICT LOCAL GOVERNMENT

JANUARY 2024

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ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
BOQs	Bill of quantities
CC	Contracts Committee
CIPS	Chartered Institute of Purchasing and Supply
EC	Evaluation Committee
FY	Financial Year
LPO	Local Purchase Order
LTD	Limited
MBA	Masters in Business Administration
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PM	Per- month
PPDA	Public Procurement and Disposal of Public Assets Authority
PGD	Post Graduate Diploma
SOR	Statement of requirements
DLG	District Local Government
TCC	Tax Clearance Certificate
UGX	Uganda Shillings
VIP	Ventilated Improved Latrine
HIV	Human Immunodeficiency Virus
UGIFT	Uganda Intergovernmental Fiscal Transfers Program

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Karenga District Local Government that covered a representative sample of 19 procurement transactions under the Financial Year 2022/23.

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Karenga District Local Government's procurement system and process 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 Karenga District Local Government for the Financial Year 2022/23 was **Unsatisfactory** with overall weighted average risk rating of 71% as detailed in chapter 3 of the report.

The Unsatisfactory performance was due to the following exceptions:

1. The PDU was inadequately facilitated as it lacked enough space and filing cabins to securely keep the procurement action files and other records. This exposes the records to destruction, theft and misplacement.
2. Delayed publication of the bid notice for all procurements under the open bidding procurement method worth UGX. 539,357,459. The Contracts Committee approved the bid notice, procurement method and bidding document on 15th July 2023, however, the bid notice was published on 26th August 2023, a delay of 40 calendar days.
3. The Internal Audit Department did not conduct comprehensive procurement and disposal audit or reviews of the Entity's transactions on a quarterly basis which weakened the Entity's internal controls and efficiency of the procurement system. Audit only focussed on verification of works, services and suppliers for purposes of payment.
4. Three contracts worth UGX 271,113,442 were signed above the assessed market prices. This is an indicator of poor market price assessment and could lead to procuring at exorbitant prices and creation of domestic arrears.
5. In two procurements worth UGX. 56,804,440, the Entity received bids from providers that had not been issued with the solicitation documents. This contravenes the principles of transparency and fairness to other bidders and could be a sign of unethical tendencies in the Entity.
6. The Entity failed to implement 36% of previous audit recommendations. Out of 11 recommendations made, two recommendations representing 18% of the total recommendations were not implemented, another two representing 18% were partially implemented and the remaining seven representing 64% were implemented.
7. The Entity did not implement 46% of the procurement plan thus denying services worth UGX. 1,530,848,853 to the intended beneficiaries.
8. The Contracts Committee approved inadequate solicitation documents in five procurements worth UGX. 291,973,113, that lacked clear specifications, detailed technical evaluation criteria and contract terms and conditions. Inadequate solicitation documents make it difficult for bidders to prepare and submit responsive bids, thus reducing the level of competition and can also result to awarding contracts to providers that are not capable of delivering as per the requirements of the User.
9. The Authority noted irregularities in the evaluation of eleven procurement transactions worth UGX. 1,504,357,520 which was contrary to Regulation 73 (1) (2) and (3) of the Local Governments (PPDA) Regulations, 2006 that provides that detailed evaluation shall be conducted to compare the details of the received bids with the terms, conditions and criteria stated in the bidding documents and that the detailed evaluation shall not be based on any terms,

conditions or criteria that was not included in the bidding documents. This led to award of contracts to non-compliant bidders which could result in to substandard work and failure to attain value for money.

10. The Entity failed to dispose of obsolete items, the Board of Survey report for the Financial Year 2021/2022 highlighted numerous assets slated for disposal, such as double cabin pickups, motorcycles and desktops among others, however, these were not disposed of. This contradicted Regulation 122 (1) of the Local Governments (PPDA) Regulations 2006.
11. There were no provisions for Gender, Environmental, Social Inclusion and cross cutting issues in the Bills of Quantities in the solicitation documents issued to bidders in three procurements worth UGX. 2,956,300,366 . Provisions for planting of trees, inclusion of vulnerable groups such as women and people with disabilities in the workforce, provision for personal protective equipment and a plan for HIV aids awareness and prevention during the execution of the project were not catered for.
12. The Authority noted missing contract management reports and records in 14 contracts entered into by the Entity worth UGX. **1,624,849,933**, contrary to Regulation 119 (1) of the LG PPDA Regulations, 2006. Lack of contract management reports/progress reports and other records casts doubt on whether contracts were executed in accordance with contractual requirements and terms and conditions.

Key Recommendations made:

1. The Accounting Officer should:
 - a. Ensure that the Procurement and Disposal unit is provided with adequate filing cabinets and an operating budget to properly execute its function in accordance with Section 26 (c) of the PPDA Act 2003;
 - b. Ensure that the Internal Auditor comprehensively reviews the procurement and disposal procedures of the Entity in accordance with Regulation 28 of the Local Governments (PPDA) Regulations, 2006;
 - c. Ensure that procurements are undertaken in a manner that enhances efficiency as required by Section 43 of the PPDA Act 2003;
 - d. Caution in writing the Head Procurement and Disposal Unit for failing to ensure that the bidding process is fair and transparent as required by Section 45 of the PPDA Act, 2003;
 - e. Direct the Finance Department to always share copies of payments records with the Procurement and Disposal Unit in order for procurement action files to be closed off;
 - f. Come up with a strong mechanism and task force that will ensure that all audit recommendations are regularly monitored and implemented so as to improve the Entity's performance. This could include sharing them with Internal Audit, training, including them among the key performance indicators, and discussing them in top management meetings, among others;
 - g. Along with Management 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 as amended to ensure improved performance;
 - h. Task the Head Procurement and Disposal Unit to ensure that the District Environmental Officer and the District Labor Officer are involved in the entire procurement process right from planning and initiation, bid document preparation and contract management process so that the ESHS are embedded in the procurements right from the design stage;
 - i. Formally request the Authority for a training of its procurement and disposal stakeholders within the Entity specifically their roles and responsibilities and also evaluation procedures;

- j. Consider inviting the Authority for a dissemination of the Authority's recommendations and training on how to strengthen the Entity's Internal Controls and Procurement Structures; and
 - k. Ensure that assets of the Entity are reviewed and disposed of following the methods recommended under Regulations 122-133 of the Local Governments (PPDA) Regulations, 2006.
2. The Contracts Committee should:
 - a. Ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 45 of the PPDA Act, 2003 before approving the evaluation reports; and
 - b. Ensure that the bidding documents approved are of quality in terms of having well defined specifications, evaluation criteria and contract terms and conditions in a manner that promotes competition in accordance with Regulation 48 of the LG (PPDA) Regulations, 2006.
 3. Evaluation Committees should ensure that evaluations are conducted according to the criteria set in the bidding document in accordance with Section 71 (3) of the PPDA Act, 2003.
 4. Heads of User Departments should charge all Contract Supervisors to submit progress reports/contract management reports and all contract implementation documentation in accordance with the Local Governments (PPDA) Regulations, 2006.

Karenga District Local Government should implement the recommended action plan on pages **31 and 32.**

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Karenga District Local Government that covered a representative sample of 19 procurement transactions under the Financial Year 2022/23. 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 the 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 Karenga District Local Government's procurement system and process 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 Entity with the general provisions of the PPDA Act, 2003 and Local Governments (PPDA) Regulations 2006 with regard to the performance of the procurement structures and the conduct of the procurement process.
2. To assess the degree of compliance of the Entity's disposal process with the provisions of the PPDA Act, 2003 and the Local Governments (PPDA) Regulations 2006.
3. To assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process.

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 19 procurement transactions under the Financial Year 2022/23. The list of sampled transactions is contained in **Annex 3**. 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	1,704,701,164	1,704,701,164	100	15	15	100
Selective National bidding	116,567,781	116,567,781	100	4	4	100
Total	1,821,268,945	1,821,268,945	100	19	19	100

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 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 **14th September 2023** before the auditors could embark on preparation of the management letter. The auditors prepared the management letter, which was sent to the Entity on **5th December 2023** with a request to submit a management response by **13th December, 2023** which was submitted on **13th December 2023**. The exit meeting was held on **15th December 2023** at PPDA Eastern Regional Offices.

On completion of data collection and before writing the report, the Regional 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: KEY FINDINGS AND RECOMMENDATIONS

2.1 COMPLIANCE BY THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, 2003 AND LOCAL GOVERNMENTS (PPDA) REGULATIONS 2006 WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND THE CONDUCT OF THE PROCUREMENT PROCESS

2.1.1 Procurement structures

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

The following was noted regarding the Entity's procurement structure:

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 Chief Administrative Officer; Mr. Charles Uma was designated as the Accounting Officer of the Entity during the Financial Year 2022-2023.

ii. Composition and tenure of the Contracts Committee

During the year under audit, the Entity's Contracts Committee was fully constituted. Table 2 below shows the Contracts Committee membership during the audit period:

Table 2: List of Contracts Committee Members

No	Name	Position on the Committee	Date of Appointment
1.	Mr. Andrew Ilukol Rews	Chairperson	3 rd October 2022
2.	Ms. Hellen Atim	Member	3 rd October 2022
3.	Mr. Francis Logwee	Member	3 rd October 2022
4.	Mr. John Bosco Okello	Member	3 rd October 2022
5.	Mrs. Jane Nangole Frances	Member	3 rd October 2022

iii. Staffing of the Procurement and Disposal Unit

During the year under inspection, the Entity's Procurement and Disposal Unit was fully staffed with two members of staff in the Unit at the level of Senior Procurement Officer and Procurement Officer. The details of the Procurement and Disposal Unit staff are shown in Table 3 below:

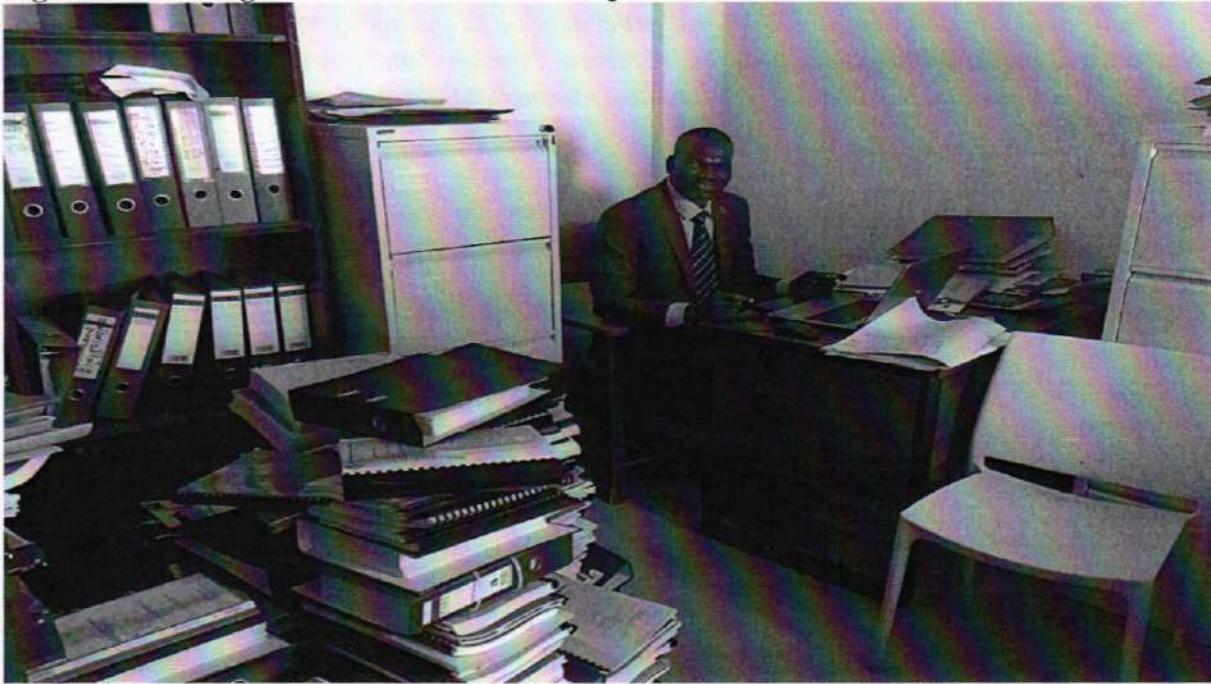
Table 3: Staff in the Procurement and Disposal Unit

No	Name	Position	Academic and professional qualifications	Years in appointment
1.	Mr. Moses Okumu	Senior Procurement Officer	Degree in Procurement and Supply Chain Management, a post Graduate Diploma in Procurement and Supply Chain Management	9 th March 2022
2.	Mr. David Longiro	Procurement Officer	Bachelor's Degree in Procurement and Supply Chain Management	7 th February 2020

iv. **Inadequate facilitation of the Procurement and Disposal Unit**

The audit noted that the Entity did not have enough space and filing cabins to securely keep the procurement action files and other records. The procurement files and documents were packed in one procurement and disposal unit office with documents precariously stacked on top of the other as evidenced in Figure 1 below:

Figure 1: Showing the Procurement and Disposal Unit Office



Furthermore, the unit did not have a sufficient budget to facilitate its smooth running as it lacked adequate toner, stationery and internet.

Implication

Failure to have adequate storage of procurement records exposes the records to destruction, theft and misplacement. Lack of a budget for the smooth running of the office compromises the principle of accountability of public funds.

Management Response

The Entity acknowledged the audit finding and stated that the District was in the process of constructing its Headquarters. The Entity further stated that interim arrangements have been made and the Procurement and Disposal Unit office has been availed with a small store in another block that is being used to keep some of its documents in a safer manner.

Recommendation

The Authority noted the Entity's response and appreciates the efforts by the Entity to ensure that the Unit obtains sufficient space. The Accounting Officer should in the meantime ensure that the Procurement and Disposal unit is provided with adequate filing cabinets and an operating budget to properly execute its function in accordance with Section 26 (c) of the PPDA Act 2003.

2.1.2 Failure by Internal Audit to audit the entire procurement function in the Financial Year under review

The Authority noted from the internal audit reports and the interviews conducted with the Internal Auditor, that the Department did not conduct comprehensive reviews of the procurement and disposal procedures of the Entity contrary to Regulation 28 of the Local Governments (PPDA) Regulations, 2006 which provides that; *“The head of the Internal Audit Department of a Procuring and Disposing Entity, in accordance with the Local Governments Act shall audit procurement and disposal procedures and payments to ensure that all goods, services and works are properly ordered, received, examined and paid for in accordance with these Regulations and the Local Governments (Financial and Accounting) Regulations.”*

Implication

Lack of reviews by the Internal Auditor denies the Entity an opportunity to identify and address weaknesses within the procurement function at the earliest opportunity therefore aiding weak internal controls.

Management Response

Management acknowledged the issue raised and stated that it was due to understaffing in the Internal Audit Department. It pledged to ensure that the issue is addressed in the next Financial 2023-2024 with improved budget allocation and after the planned recruitment.

Recommendation

The Accounting Officer should ensure that the Internal Auditor comprehensively reviews the procurement and disposal procedures of the Entity in accordance with Regulation 28 of the Local Governments (PPDA) Regulations, 2006.

2.1.3 Delayed publication of the open bid notice

The contracts committee approved the bid notice, procurement method and bidding document on 15th July 2023, however, the publication of the bid notice for seven procurements that were all open bidding projects worth UGX. 539,357,459 was done on 26th August 2023, causing a delay of 40 calendar days. These procurements are indicated in Table 4 below:

Table 4: Procurements for which the publication of the bid notice was delayed

No.	Subject of Procurement	Contract Amount (UGX)
1.	Construction of one block of two classrooms with an office at Kawalakol Primary School	114,078,548
2.	Supply of pipes and other plumbing materials	70,078,548
3.	Repair and maintenance of motorcycles, motor vehicles and generators	18,936,017
4.	Feasibility study and design of water supply system at Lokori RGC with provision of drilling and test pumping of production well	142,308,000
5.	Supply of office furniture	27,000,000
6.	Completion of a staff house at Kocholo HC III	86,956,346
7.	Supply of 8 motorcycles	80,000,000
Total		539,357,459

Implication

Inefficiency in the procurement process leads to delays in service delivery.

Management Response

Management acknowledged this anomaly and will improve by ensuring that the Procurement process timeline is adhered to according to PPDA Act, Regulations and Guidelines.

Recommendation

The Accounting Officer should ensure that procurements are undertaken in a manner that enhances efficiency as required by Section 43 of the PPDA Act 2003.

2.1.4 Poor market price assessment

The Authority noted that there was poor market price assessment by the Accounting Officer in three procurements worth UGX. 271,113,442. The details are provided in Table 5 below:

Table 5: Showing procurements with poor market price assessment

No.	Subject of Procurement	Estimated Amount (UGX)	Contract Amount (UGX)	Variance (UGX)
1.	Construction of one block of two classrooms with an office at Kawalakol Primary School.	76,000,000	114,078,548	38,078,548
2.	Construction of a four unit staff house at Kocholo HC III	54,643,668	86,956,346	32,312,678
3.	Supply of pipes and other plumbing materials for extension of water to Nakitoit in Karenga Sub county	100,000,000	70,078,548	(29,921,452)
Total		230,643,668	271,113,442	40,469,774

Implication

This may lead to signing of contracts at an inflated price and could also result into creation of domestic arrears.

Management Response

The Entity stated that the issue primarily arose because the District Council believed it was necessary to allocate the limited budget to cater to a larger population in need, although it was practically challenging. Management acknowledged the Audit findings and expressed the commitment to adhere to the recommendations outlined in the PPDA Act 2003 and LG PPDA Regulations 2006.

Recommendation

The Authority noted the Entity's response and recommends that the District Council should adhere to the Accounting Officer's market price estimates and should desist from allocating funds without thorough market price assessment by the Accounting Officer. Additionally, the Accounting Officer should desist from signing contracts for which funds are not adequate.

2.1.5 Receipt of bids from providers not issued with the solicitation document

In the procurement for partial fencing of Pire Health Centre II in Lobalangit Sub County worth UGX 42,229,000, bids from Damuliro Agencies and Komic Uganda Limited were opened but had not been issued as per the record of bid issue.

Furthermore, in the procurement for construction of two stances drainable latrine at Karenga Girls Primary School worth UGX 14,575,440, bids were issued to only two firms on the record of issue of bid documents which included: Biankot Enterprises Ltd and Engoba Ave Maria Enterprises Limited yet the record of receipt of bids indicated that four bids were received including: Stookhood Gen Traders Ltd, Nasigirot and Sons Ent, Engoba Ave Maria Enterprises Ltd and Nakidiir Enterprises Limited

Implication

Receipt of bids from providers not issued with the solicitation document contravenes the principles of transparency and fairness to other bidders as this is a sign of unethical tendencies in the Entity.

Management Response

Management acknowledged the Audit findings and stated that the issue arose due to omission by PDU in recording of transactions. This, however, has been corrected as the records for all bids issued and received have been captured and finally harmonised and can be verified.

Recommendation

The Authority found the Entity's response unsatisfactory since no records were availed for verification.

The Accounting Officer should caution in writing the Head Procurement and Disposal Unit for failure to ensure that the bidding process is fair and transparent as required by Section 45 of the PPDA Act, 2003.

2.1.6 Failure to fully implement 36% of previous audit recommendations

It was noted that the Entity had been issued its previous audit report for the Financial Year 2019-2020 in July 2021. Out of 11 recommendations made, two recommendations representing 18% of the total recommendations were not implemented, another two representing 18% were partially implemented and the remaining seven representing 64% were implemented as detailed in Table 6 below:

Table 6: Implementation of previous audit recommendation

No.	Recommended Action	Implementation Status
1.	The Accounting Officer should facilitate the Procurement and Disposal Unit with storage space to enable the proper storage of records as stipulated in Section 41 (1) of the PPDA Act, 2003.	Not implemented
2.	The Internal Audit Department should always carry out comprehensive periodic reviews of the procurement and disposal processes and system in accordance with Regulation 28 of the Local Governments (PPDA) Regulations, 2006	Not implemented
3.	Evaluation Committees should ensure that evaluations are conducted according to the criteria set in the bidding document in accordance with Section 71 (3) of the PPDA Act, 2003; The Contracts Committee should ensure that the principles of	Partially Implemented

No.	Recommended Action	Implementation Status
	fairness and transparency are observed in the evaluation process in accordance with Section 45 of the PPDA Act, 2003 before approving the evaluation reports; and the Accounting Officer should recover UGX 689,500 from the Evaluation Committee of the construction of new administration block at Sangar Sub County within four (4) months of receipt of this communication	
4.	The Head Procurement and Disposal Unit Karenga District Local Government should use the standard documents provided by the Authority as models for drafting all contract documents for each individual procurement or disposal requirement in line with Section 62 of the PPDA Act 2003 and	Partially implemented

Implication

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

Management Response

Management acknowledged the findings and pledged to ensure that the previous audit recommendations are implemented.

Recommendations

- The Accounting Officer with support from Internal Audit should come up with a strong mechanism and task force that will ensure that all audit recommendations are regularly monitored and implemented so as to improve the Entity's performance. This could include sharing them with Internal Audit, training, including them among the key performance indicators, and discussing them in top management meetings, among others.
- The Accounting Officer should engage the Authority for a dissemination of the Authority's recommendations and training on how to strengthen the Entity's Internal Controls and Procurement Structures.

2.1.7 Non implementation of 46% of the procurement plan

Table 7 below summarizes information about the procurement plan, budget, and utilization of funds for the Financial Year 2022/2023. The procurement plan implementation rate was 54% while the implementation variance was 46% worth UGX 1,530,848,853.

Table 7: Analysis of implementation of the procurement plan

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	3,352,117,798
Procurement spent value inclusive of VAT (UGX)	1,821,268,945
Procurement plan Absorption Rate	54%
Budget variance (UGX)	1,530,848,853

Implication

Failure to fully implement the procurement plan denies delivery of services to the intended beneficiaries and also exposes the Entity to risks of budgetary cuts for subsequent periods due to non-performance thus failure to meet planned objectives.

Management Response

Management acknowledged the Audit Findings and stated that some funds were not absorbed by the Entity leading to the variance.

Recommendation

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

2.1.8 Approval of poor-quality solicitation documents by the Contracts Committee

The Authority noted that in five procurements worth UGX. 291,973,113, the Contracts Committee approved inadequate solicitation documents that lacked clear specifications, detailed technical evaluation criteria and contract terms and conditions as shown in Table 8 below:

Table 8: Showing procurements with inadequate solicitation documents

No	Subject of Procurement	Contract Amount (UGX)	Observation
1.	Construction of one block of two classrooms with an office at Kawalakol Primary School.	114,078,548	<ul style="list-style-type: none">• Inadequate evaluation criteria: The Entity did not seek to assess the bidders' Financial capacity in form of audited books of accounts or bank statements.• Additionally, bidders were required to provide a proposal for the timely acquisition of equipment without stating the actual equipment required.
2.	Construction of a plant clinic at Kakwanga Sub County	46,651,000	Failure to maintain a complete bidding document on file. There was no evaluation criteria and statement of requirements in the document.
3.	Repair and maintenance of motorcycles, motor vehicles and generators	18,936,017	Failure to maintain an extensive solicitation document, the document lacked a statement of requirements, evaluation criteria, bidding forms among others. Additionally, the Entity did not use the standard solicitation document for use under framework contracts issued by the Authority.
4.	Partial fencing of Pire HC II	42,229,000	<ul style="list-style-type: none">• Restrictive evaluation criteria. The evaluation report indicated that bidders were assessed against possession of a 10 tonne dumper truck, pickup vehicle, concrete mixer, concrete porker vibrator,

No	Subject of Procurement	Contract Amount (UGX)	Observation
			carpentry and joinery kit among others which was exaggerated for a chain-link fence valued at UGX 42,229,000. <ul style="list-style-type: none"> • Additionally, bidders were required to provide evidence of possession of a Site Engineer with a degree, site foreman with a diploma, quantity surveyor, Foreman Masonry and Foreman carpentry which was restrictive.
5.	Supply of pipes and other plumbing materials for extension of water to Nakitoit in Karenga Subcounty	70,078,548	Lack of comprehensive evaluation criteria. The criteria failed to include a provision for bidders to showcase their financial capability, either by presenting their bank balances or providing audited books of accounts.
Total		291,973,113	

Implication

Inadequate solicitation documents make it difficult for bidders to prepare and submit responsive bids, thus reducing the level of competition and can also result to awarding contracts to providers that are not capable of delivering as per the requirements of the User.

Management response

Management acknowledged the audit findings and will ensure compliance by organising for training by PPDA so that the issue of capacity gaps is addressed amongst the key stakeholders in Procurement and Disposal process.

Recommendation

The Contracts Committee should ensure that the bidding documents approved are of quality in terms of having well defined specifications, evaluation criteria and contract terms and conditions in a manner that promotes competition in accordance with Regulation 48 of the LG (PPDA) Regulations, 2006.

2.1.9 Irregularities at bid evaluation

The Authority noted irregularities in the evaluation processes of 11 procurement transactions worth UGX. 1,504,357,520 which was contrary to Regulation 73 (1) (2) and (3) of the Local Governments (PPDA) Regulations, 2006 that provides that detailed evaluation shall be conducted to compare the details of the received bids with the terms, conditions and criteria stated in the bidding documents and that the detailed evaluation shall not be based on any terms, conditions or criteria that was not included in the bidding documents. These procurements are detailed in the Table 9 below:

Table 9: Procurements for which irregularities at evaluation were noted

No.	Subject of the procurement	Contracts Value (UGX)	Observation
1.	Feasibility study and design of water supply system at Lokori with provision of drilling and test pumping well	142,308,000	<ul style="list-style-type: none"> • The evaluation criteria required bidders to furnish proof of a Geologist/Hydrologist holding a Bachelor's Degree in Geology or Water Engineering with at least 5 years of experience, a requirement that Terracon Technical Works (Best Evaluated Bidder) failed to meet. • The evaluation criteria stipulated that bidders must present documentation of a Health and Safety Manager possessing a Bachelor's Degree in Engineering, Physical Sciences, or Environmental Science, along with a minimum of 5 years of experience. Terracon Technical Works did not comply with this requirement.
2.	Upgarde of Dodoth West Sangar Kalimon H/C III in Karenga District under Lot 12	917,079,435	Failure to submit bid security in form of a bank guarantee by Mangon Investments Limited worth UGX 25,000,000.
3.	Supply of pipes and other plumbing materials for extension of water to Nakitoit in Karenga Subcounty	70,078,548	V8 Consultancy (BEB) did not attach a bid security of UGX 750,000 in form of a Bank Guarantee as a requirement.
4.	Construction of two stances drainable latrine at Karenga Girls Primary School	14,575,440	<ul style="list-style-type: none"> • It was noted that under technical compliance evaluation criteria, bidders were required to attach evidence of key personnel such as a Site Engineer, site foreman, foreman masonry, foreman carpentry. However, Engoba Ave Maria Enterprises Ltd (BEB) simply attached academic documents without accompanying CVs • Under technical compliance evaluation criteria, bidders were required to provide evidence of possession of a 10 Ton dumper truck, concrete porker vibrator and carpentry and joinery kit. However, Engoba Ave Maria Enterprises Ltd (BEB) did not comply with this requirement.
5.	Construction of a plant clinic at Kakwanga Sub County	46,651,000	<ul style="list-style-type: none"> • Wrong evaluation committee recommendation. The evaluation committee recommended award to Ngona Enterprises at UGX 46,651,000 yet Number Seven General Supplies

No.	Subject of the procurement	Contracts Value (UGX)	Observation
			<p>Limited quoted UGX 45,431,729 and had made it to financial evaluation. The reason provided was that Number Seven General Supplies Limited quoted far below the Engineer's estimates.</p> <ul style="list-style-type: none"> • Failure to maintain a detailed evaluation report (Form 12) in the format prescribed in the guidelines. The Entity instead provided evaluation committee minutes without detailed assessment forms and background of the procurement. • Award of contract to non-compliant bidder. The Best Evaluated Bidder; Ngon Enterprises Limited did not provide any evidence to assess their competence including among others their level of experience in execution of similar works and availability of technical personnel in the form of signed CVs, academic transcripts and letters of availability of staff during the contract duration.
6.	Procurement of office furniture	27,000,000	<ul style="list-style-type: none"> • Evaluation criteria required bidders to attach a bank statement for the last six months and Yungwee Investment Ltd (BEB) attached a bank statement for 4 months to include April, May, June and July 2022 • Yungwee Investment Ltd (BEB) did not attach an income tax clearance certificate for the FY 2022-2023.
7.	Provision of catering services	6,000,000	<p>The evaluation criteria mandated bidders to include a bank statement covering the past six months, but Yungwee Investment Ltd (BEB) submitted a bank statement for a period of only four months.</p>
8.	Repair and maintenance of motor vehicles, motorcycles and generators	22,831,318	<ul style="list-style-type: none"> • Evaluation criteria required bidders to attach a bank statement for the last six months and Bed Ki Gen General Motor Garage (BEB) attached a bank statement for 4 months to include May, June, July and August 2022. • KK Motors Garage Ltd (BEB) did not attach audited books of Account by certified Public Accountant for the last two years as a requirement.

No.	Subject of the procurement	Contracts Value (UGX)	Observation
9.	Construction of a two stance drainable latrine at Nalakas Primary School	14,569,885	<ul style="list-style-type: none"> • Preliminary examination required the bidders to attach Environmental, Social, Health & Safety Management Plan (ESMP) that includes strategies and implementation plans. However, the BEB (Baba Kili Enterprises) did not meet this requirement. • Baba Kili Enterprises Ltd (BEB) did not attach CVs for the relevant personnel such as the Site Engineer, Site foreman, Quantity Surveyor, Health and Safety Manager and a foreman contrary to the requirements in the solicitation documents. • Mr. Nasur Charles (DWO) did not sign the evaluation report yet he was the technical personnel on the evaluation committee.
10.	Partial fencing of Pire H/C III	42,229,000	<ul style="list-style-type: none"> • Evidence of bid tampering of Mogos Services bid. The bid submission sheet, evidence of payment of a non-refundable fee and the schedule of works were not part of the main body of the bid instead these had been stapled on the first page of the bid. • Award of contract to a non-compliant bidder. The Best Evaluated bidder (Mogos Services Limited) did not provide any evidence of possession of personnel and equipment. Yet these were required i.e. a site engineer with a degree, site foreman with a diploma, quantity surveyor, Foreman Masonary and Foreman carpentry. • Failure to communicate arithmetic error corrections. Arithmetic error corrections were made on the bid of Mogos Services from UGX 42,229,000 to UGX 40,205,000 which made them the BEB compared to Yungwe Investment Limited's 42,086,000 but these were never communicated to the bidders.
11.	Construction of one block of two classroom with an office at Kawalakol Primary School	114,078,548	<ul style="list-style-type: none"> • Bidders were required to provide a proposal for the timely acquisition of equipment without stating the actual equipment required. • The contractor Kogated Technical Services limited submitted an invalid tax

No.	Subject of the procurement	Contracts Value (UGX)	Observation
			clearance certificates referenced MO01200010291 and MO01272931099 • The contractor Kogated Technical Services Limited did not comply with the requirement of a site engineer with a degree in either building or civil engineering. The contractor submitted Ochaya Fredrick with a diploma in civil engineering and Okello Daniel with a diploma in civil engineering. • The contractor did not provide evidence of possession of equipment. The Contractor only submitted evidence of possession of a station wagon yet at evaluation was rated compliant on possession of a dumper truck, concrete mixers, concrete poker vibrator among others.
12.	Construction of a four unit staff house at Kocholo HC III	86,956,346	No evaluation report provided. The team was provided with a list of projects and the evaluation committee recommendation without a detailed evaluation report.
Total		1,504,357,520	

Implications

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

Management Response

Management acknowledged the findings of the Audit team and clarified that the procurements under UGIFT funding were hybrid Procurement in which bid advertising, bid receiving and bid opening or even the award were done from different Entities and the beneficiary Local Government only received documents that only meant for it to implement the projects. This was the case with the Upgrade of Kalimon Health Centre II to Health Centre III, making it very hard to retrieve some of the documents like bid security.

Management further attributed irregularities, inconsistencies and laxity in handling the Procurement and Disposal processes by the different stakeholders to capacity gaps amongst the implementers. Management pledges to organise a capacity building training by PPDA in this Financial Year in order to address some of the identified gaps.

Recommendations

The Authority noted the Entity's response and found it unsatisfactory since the Entity has a duty to ensure that all UGIFT related records are retrieved from the lead Entity (Tororo DLG).

- Evaluation Committees should ensure that evaluations are conducted according to the criteria set in the bidding document in accordance with Section 71 (3) of the PPDA Act, 2003.
- The Contracts Committee should ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 45 of the PPDA Act, 2003 before approving the evaluation reports.
- The Accounting Officer should task the Head Procurement and Disposal Unit to ensure that all the necessary documentation is retrieved from the Lead Local Governments for all hybrid procurements in order to avoid missing records.
- The Accounting Officer should formally request for training of the members of the User Departments on the procedure for evaluation of bids.

2.2 COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, 2003 AND THE LOCAL GOVERNMENTS (PPDA) REGULATIONS 2006

2.2.1 Failure to dispose obsolete items

The Authority reviewed the Entity's Board of Survey report for the Financial Year 2021/2022 and noted that the Entity had some assets that were due for disposal such as double cabin pickups, motorcycles, and desktops among others. However, there was no effort by the Entity to ensure that these items were disposed of contrary to Regulation 122 (1) of the Local Governments (PPDA) Regulations 2006. The Items from the Entity's disposal plan are indicated in Table 10 below:

Table 10: Showing items due for disposal

No	Asset	Quantity
1.	Double cabin pickups	2
2.	Genrator	1
3.	Used iron sheets	20
4.	5000 Litres tank	1
5.	Solar panels	10
6.	BP Machines	2
7.	Gold star batteries	36
8.	Doors	8
9.	Mattresses	10
10.	Motorcycles	12
11.	Desk top computers	6
12.	Printers	2

Implications

- Failure to dispose of assets whose use ceased inhibits achievement of value for money as funds are held up in assets and also lost through depreciation of these assets.
- This also exposes the assets to possible theft, destruction or vandalism.

Management Response

Management acknowledges the concern of the Audit team and will ensure that all those assets that are identified and recommended for disposal are disposed off.

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 Local Governments (PPDA) Regulations, 2006.

2.3 LEVEL OF EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION INCLUDING THE APPLICATION OF ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY (ESHS) REQUIREMENTS IN THE PROCUREMENT PROCESS

2.3.1 Delayed commencement of works

The Authority noted from a letter dated 10th January 2023 from the Chief Administrative Officer to the contractor that the works had delayed in the procurement for construction of Kapedo Seed Secondary School worth 2,794,670,818. The site was handed over to the contractor on 29th November 2022 but works had not commenced by 10th January 2023. From our analysis this delay was occasioned by the following factors:

- a. **Failure to provide for advance payment.** GCC 60.1 stated that Advance payment shall not be applicable which is irregular and out of touch with best practice for a project of such magnitude (UGX 2,794,670,818 for Kapedo alone and UGX 8,395,440,754 for the entire LOT). Consequently, the Contractor requested for advance payment on 1st December 2022 but there was no feedback from the Entity.
- b. **Inadequate evaluation requirements regarding financial capacity:** The minimum average annual turnover required from bidders was UGX 2,000,000,000 for the Entire LOT against a project cost of UGX 8,395,440,754.
- c. Additionally, the requirement for specific experience was set at a mere UGX 2,500,000,000 for the Entire Lot valued at UGX 8,395,440,754.

Implication

The contractor may not have the capacity to handle all the sites at the same time due to the inadequate evaluation criteria thus leading to delayed implementation.

Management Response

Management acknowledged the audit finding, and stated that the procurement preparatory processes and documentation were done by the Ministry of Education and Sports under a hybrid Procurement and the Local Government had nothing to change in the criteria.

Recommendations

- The Accounting Officer should strengthen contract management of this project by ensuring regular site meetings in accordance with Regulation 120 (15) of the Local Governments (PPDA) Regulations 2006; and
- In future projects ensure that appropriate terms are included in the contract to ensure efficiency at contract implementation.

2.3.2 No provisions for Gender Environment and cross cutting issues in the BOQs

There were no provisions for Gender, Environmental, Social Inclusion and cross cutting issues in the Bills of Quantities in the solicitation documents issued to bidders in two procurements worth UGX. 161,629,548. i.e. provision for planting of trees, inclusion of vulnerable groups such as women and people with disabilities in the workforce, provision for personal protective equipment and a plan for HIV aids awareness and prevention during the execution of the project. The details are provided in Table 11 below:

Table 11: Procurements for with no provisions for environmental and crosscutting issues

No	Subject of Procurement	Contract Amount (UGX)	Observation
1.	Construction of one block of 2 classrooms with an office at Kawalakol Primary School	114,978,548	The Entity used the standard bidding document issued by PPDA in 2009 instead of the new bidding document for works issued by the Authority in 2020 consequently the document lacked clear provisions on Gender, environmental, social health and safety and cross cutting issues.
2.	Construction of a plant clinic at Kakwanga Subcounty	46,651,000	Provided for planting of trees but did not provide measures for protection and watering of the trees in the initial months.
Total		161,629,548	

Implications

- Failure to put in place environment and social mitigation measures puts the communities where the projects are located at risk of harmful effects of environmental degradation such as climate change, destruction of eco systems, air pollution and depletion of natural resources.
- Failure to ensure social inclusion for disadvantaged groups such as women puts them at risk of being left behind in terms of social and economic progress of society.

Management Response

Management acknowledged the findings of the Audit team and will ensure compliance where there is short fall. However, the Accounting Officer appointed the above key Officers on the 25th January 2023 as project implementation team and they have been providing progress reports in regards to implementation of this projects. Some of these reports are available for verification.

Recommendation

The Accounting Officer and the Head Procurement and Disposal Unit should ensure that the District Environmental Officer and the District Labor Officer are involved in the entire procurement process right from planning and initiation, bid document preparation and contract management process so that the ESHS are embedded in the procurements right from the design stage.

2.3.3 Failure to maintain complete procurement action files

The Authority noted missing contract management reports and records in fourteen contracts entered into by the Entity worth UGX. **1,624,849,933**, contrary to Regulation 119 (1) of the LG PPDA Regulations, 2006. These procurements are indicated in Table 12 below:

Table 12: Procurements with missing records

No	Subject of Procurement	Contract Amount (UGX)	Missing records
1.	Feasibility study and design of water supply system at Lokori with provision of drilling and test pumping of one production well	142,308,000	<ul style="list-style-type: none"> • Requisition LG Form1 not on file. • Final Feasibility report • Evidence of appointment of a Contracts Supervisor
2.	Upgrade of Dodoth West Sangar Kalimon H/C III in Karenga District Under Lot 2	917,079,435	<p>Missing document</p> <ul style="list-style-type: none"> • Monthly progress reports. It was noted that only two progressive reports dated 13th /04/2023 and 15th /06/2023 on file. • Site meetings records. • Clerks of works appointment. • Payment records • Land title • Contract period extensions
3.	Procurement of office furniture	27,000,000	Local Government Form 1 was not on file.
4.	Provision of catering services	6,000,000	<ul style="list-style-type: none"> • Local Government Form 1 was not on file. • Record of bid opening was not on file to ascertain how much each bidder quoted for this procurement. • Record of receipt of bids was not on file. • Record of issue of bids was not on file. • Payment documents
5.	Repair and maintenance of motor vehicles, motorcycles and generation	18,936,017	<ul style="list-style-type: none"> • Payment documents
6.	Construction of a two stance drainable latrine at Nalakas Primary School	14,569,885	<ul style="list-style-type: none"> • LG initiation Form was not on file. • Completion certificate • Payment document • Record of bid opening was not on file.
7.	Supply of stationery	7,400,000	<ul style="list-style-type: none"> • Bidding document • Bids • Payment records
8.	Supply of 8 motorcycles	80,000,000	<ul style="list-style-type: none"> • Requisition form • Advert • Records of issue, receipt and opening

No	Subject of Procurement	Contract Amount (UGX)	Missing records
			<ul style="list-style-type: none"> • Evaluation report • Evidence of delivery • Evidence of payment for the motorcycles. • Contract document.
9.	Partial fencing of Pire h/c ii	42,229,000	Payment records
10.	Construction of one block of two classrooms with an office at Kawalakol Primary School	114,078,548	<ul style="list-style-type: none"> • Completion certificate
11.	Construction of a plant clinic at Kakwanga Subcounty	46,651,000	Completion certificate Payment records
12.	Completion of a staff house at Kawalakol Sub County	114,078,548	Not reported to the Authority
13.	Supply of fuel oils and lubricants	83,519,500	Missing records <ul style="list-style-type: none"> • Record of issue • Requisition form 1
14.	Supply of tyres	11,000,000	Missing records <ul style="list-style-type: none"> • Record of issue • Requisition form 1
Total		1,624,849,933	

Implications

- Lack of contract management reports/progress reports and other records casts doubt on whether contracts were executed in accordance with contractual requirements and terms and conditions.
- This indicates failure by the Entity to account for public funds.

Management Response

The missing documents in the procurement action files were filed in separate files, which made it difficult for their readily identification and presentation to the Auditors. The missing documents during the time of audit were traced and are now available for verification.

Recommendations

The Authority found the Entity's response unsatisfactory as some documents were not provided for review. The Authority recommends that;

- Heads of User Departments should charge all Contract Supervisors to submit progress reports/contract management reports and all contract implementation documentation in accordance with the Local Governments (PPDA) Regulations, 2006.
- The Accounting Officer should direct the Finance Department to always share copies of payments records with the Procurement and Disposal Unit in order for procurement action files to be closed off.

2.3.4 Physical verification

The Authority conducted physical verification of nine projects worth UGX 4,009,701,928 on 7th September 2023 and the following issues were noted on five projects worth UGX 3,872,479,801

Table 13: Issues noted during physical verification

Contract name: Construction of Kapedo Seed Secondary School
Contract value: UGX 2,794,670,818
Contractor: Mangron Investment Ltd
Start date: 23rd November 2022
Contract end date: 23rd November 2024
Defects Liability period: 180 days



Slow progress on the construction of the Administration block due to delayed commencement of works



The following issues were noted

- Slow progress on the construction of the 2 classroom block due to delayed commencement of works. 9 months' later works were at 30% physical progress.
- Hoarding wasn't done
- Most of the workers were not in protective gear
- No first aid kit on site
- HIV aids sensitization wasn't done as noted from the site engineer.
- Site wasn't registered by the Ministry of Gender Labor and Social Development

Contract name: Construction of one block of 2 classrooms with an Office at Kawalakol Primary School

Contract value: UGX 114,078,548

Contractor: Kogated Technical Services Ltd

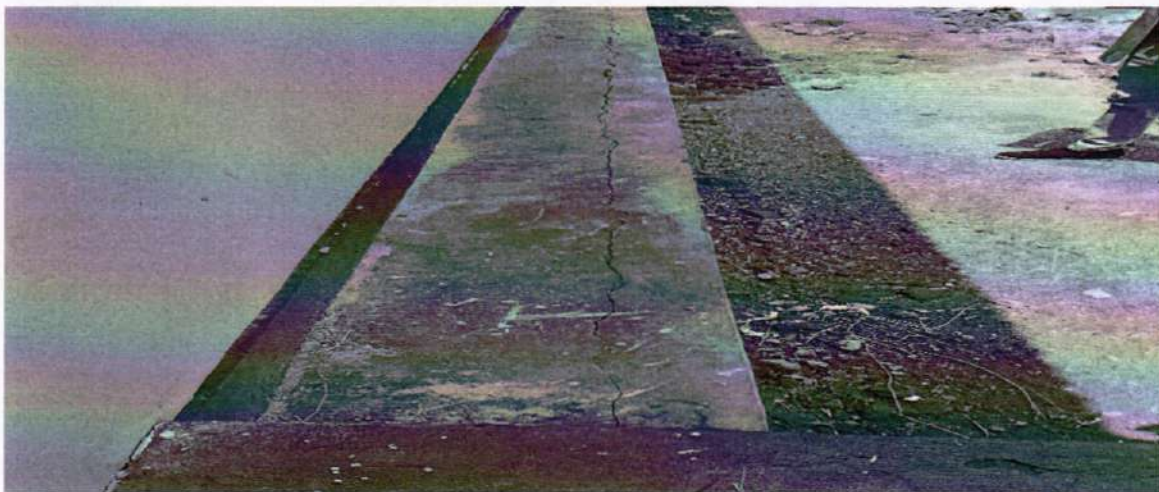
Contractual completion date: 30th /06/2023

Contract start date: 17th October 2022

Contract end date: 30th June 2023



Works were completed at one block of 2 classrooms with an office at Kawalakol Primary School however the verandah had developed cracks.



Cracks had developed on the verandah

Contract name: Upgrading of Dodoth West Sangar Kalimon HC III in Karenga District

Contract value: UGX 917,079,435

Contractor: Mangron Investment Ltd

Contract start date: 17th October 2022

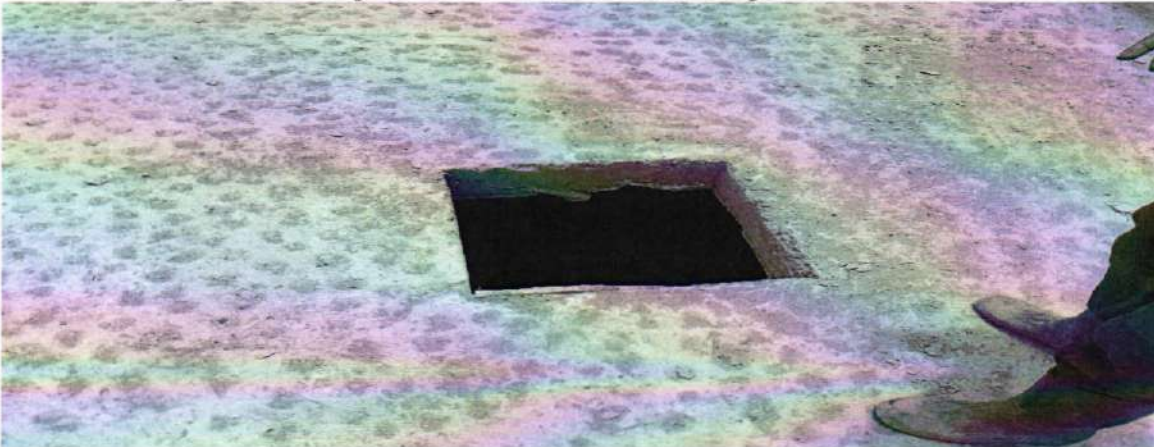
Contractual completion date: 30th September 2023



The Maternity ward was incomplete and had been abandoned due to funding shortfalls



The Medical pit was incomplete due to insufficient funding and there was lid cover missing



The pit was missing a lid cover making it dangerous to passersby



The pit latrine was at painting since the site had been abandoned due to insufficient funding

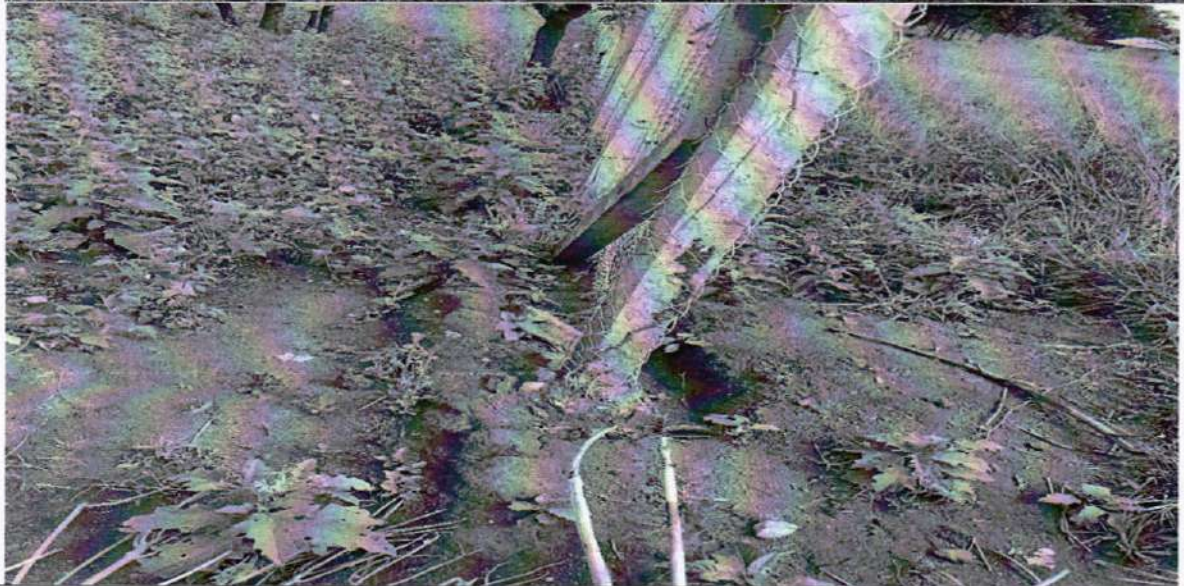
Subject: Partial Fencing of Pire Health Centre II in Lobalangit Sub county

Contractor: Mogos Services

Contract value: UGX 42, 229,000

Contract start date: 17th October 2022

Contract end date: 30th June 2023



- The concrete base had not been done
- The wires at the top had not been installed and some had not been stretched properly
- Contractor not on site yet works were incomplete

Subject: Construction of a plant clinic at Kakwanga Sub county

Contractor: Ngoni Enterprises Ltd

Contract value: UGX 46,651,000

Contract start date: 17th October 2022

Contract end date: 30th June 2023



The following issues were noted

- The floor was in poor condition
- No lightning arrestors
- No water harvest system

Implications

- Irregularities at contract implementation compromise quality and the intended beneficiaries do not get the desired effects of the services delivered.

- Additionally, delayed completion of projects increases project completion timelines resulting into commitment of more resources in terms of staff and time by the Entity to projects that ought to have been completed.

Management Response

The Entity stated that it had retained 10% of the total contract price to cater for defects that may occur during the project defects liability period. The Contractors have been notified and those who will not rectify within the defect liability period, will forfeit the 10% retention and the entity will apply this fund to correct the defects.

Recommendation

The Accounting Officer should task the District Engineer to ensure that the above defects are rectified and status report on all these projects provided to the Authority within three months of receipt of this report and should further caution the District Engineer for filing to ensure effective contract management.

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 Compliance Inspection Conclusion

The performance of Karenga District Local Government for the Financial Year 2022/23 was **Unsatisfactory** with overall weighted average risk rating of **71%**. The risk rating criteria is outlined in Table 14 below:

Table 14: Showing the 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 15 below shows the Entity's performance per risk category based on the sampled procurements:

Table 15: Showing summary of risk assessment of Karenga District Local Government

Risk Category	Number of Sampled Procurements	%Number	Value(UGX)	% Value
High	13	68.42105263	570,283,462	31.31242443
Medium	3	15.78947368	1,086,387,435	59.65002796
Low	3	15.78947368	164,598,048	9.037547609
Satisfactory				
Total	19	100	1,821,268,945	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 in Table 16 below.

Table 16: Showing weighted risk assessment of Karenga District Local Government

Risk category	Rating (By Number)	Weights	Total weighted Average	Rating (By Value)	Weights	Total weighted Average
High	68.4	0.6	41.1	31.3	0.6	18.8
Medium	15.8	0.3	4.7	59.7	0.3	17.9
Low	15.8	0.1	1.6	9.0	0.1	0.9
Satisfactory	0.0	0	0.0	0.0	0	0.0
Total	100	1	47.36842105		1	37.58621781

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{47.4 \times 100}{60} = 79\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{37.6 \times 100}{60} = 63\%$$

Combined Weighted Average = $\frac{79 + 63}{2} = 71\%$

Figure 1: Showing graphical representation of the Entity's risk assessment by number

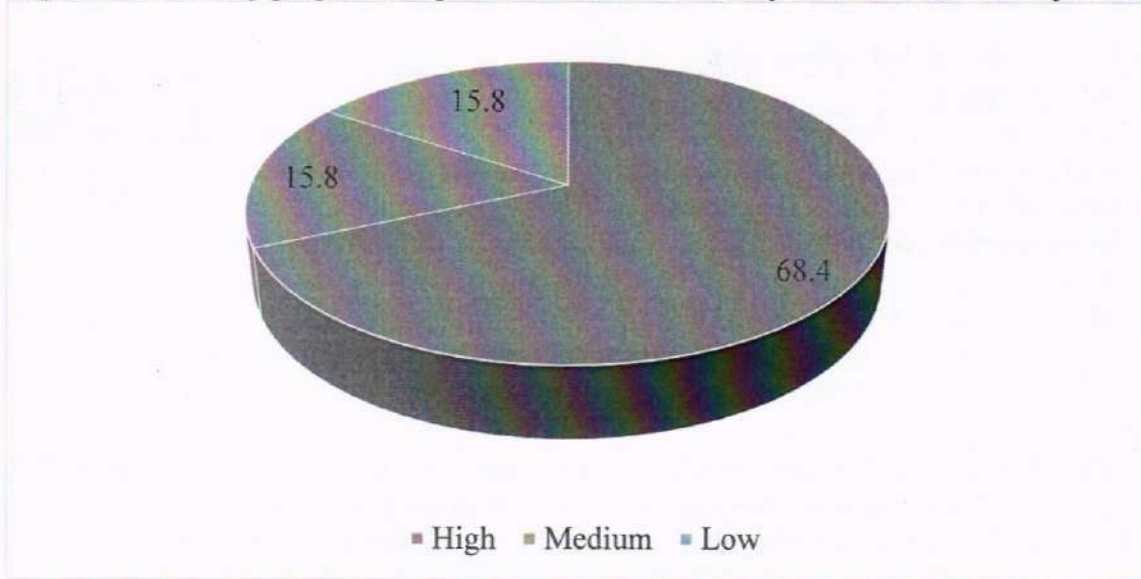
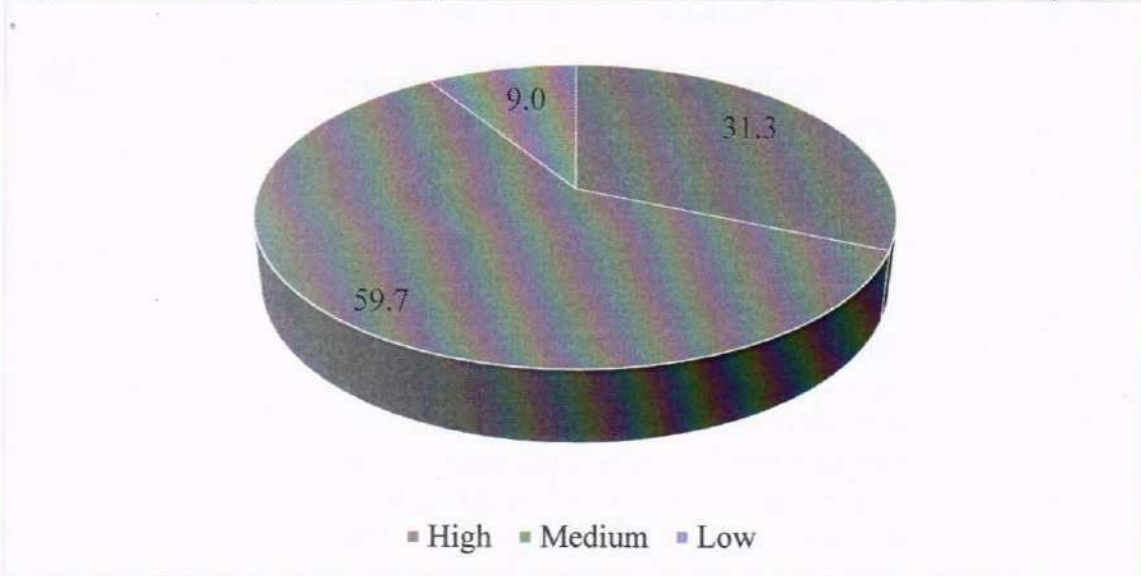


Figure 2: Showing graphical representation of the Entity's risk assessment by value



3.4 Recommended Action Plan

Karenga District Local Government should implement the following recommendations in Table 17 within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 17: Recommended Action plan

No.	Recommendation	Target Date
1.	The Accounting Officer should strengthen contract management in the Entity by ensuring regular site meetings in accordance with Regulation 120 (15) of the Local Governments (PPDA) Regulations 2006 and implementation of site meeting recommendations by the responsible action parties..	June 2024
2.	The Accounting Officer should ensure that the Procurement and Disposal unit is provided with adequate filing cabinets and an operating budget to properly execute its function in accordance with Section 26 (c) of the PPDA Act 2003.	June 2024
3.	The Accounting Officer should ensure that the Internal Auditor comprehensively reviews the procurement and disposal procedures of the Entity in accordance with Regulation 28 of the Local Governments (PPDA) Regulations, 2006.	June 2024
4.	The Accounting Officer should ensure that procurements are undertaken in a manner that enhances efficiency as required by Section 43 of the PPDA Act 2003.	June 2024
5.	The District Council should adhere to the Accounting Officer's market price estimates and should desist from allocating funds without thorough market price assessment by the Accounting Officer. Additionally, the Accounting Officer should desist from signing contracts for which funds are not adequate.	June 2024
6.	The Accounting Officer should caution in writing the Head Procurement and Disposal Unit for failure to ensure that the bidding process is fair and transparent as required by Section 45 of the PPDA Act, 2003.	June 2024
7.	<ul style="list-style-type: none"> • The Accounting Officer with support from Internal Audit should come up with a strong mechanism and task force that will ensure that all audit recommendations are regularly monitored and implemented so as to improve the Entity's performance. This could include sharing them with Internal Audit, training, including them among the key performance indicators, and discussing them in top management meetings, among others. • The Accounting Officer should consider inviting the Authority for a dissemination of the Authority's recommendations and training on how to strengthen the Entity's Internal Controls and Procurement Structures. 	June 2024
8.	The Accounting Officer along with 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 as amended to ensure improved performance.	June 2024
9.	The Contracts Committee should ensure that the bidding documents approved are of quality in terms of having well defined specifications, evaluation criteria and contract terms and conditions in a manner that promotes competition in accordance with Regulation 48 of the LG (PPDA)	June 2024

No.	Recommendation	Target Date
	Regulations, 2006.	
10.	<ul style="list-style-type: none"> • Evaluation Committees should ensure that evaluations are conducted according to the criteria set in the bidding document in accordance with Section 71 (3) of the PPDA Act, 2003. • The Contracts Committee should ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 45 of the PPDA Act, 2003 before approving the evaluation reports. • The Accounting Officer should formally request for training of the members of the User Departments on the procedure for evaluation of bids. 	June 2024
11.	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 Local Governments (PPDA) Regulations, 2006.	June 2024
12.	<ul style="list-style-type: none"> • Heads of User Departments should charge all Contract Supervisors to submit progress reports/contract management reports and all contract implementation documentation in accordance with the Local Governments (PPDA) Regulations, 2006. • The Accounting Officer should direct the Finance Department to always share copies of payments records with the Procurement and Disposal Unit in order for procurement action files to be closed off. 	June 2024
13.	The Accounting Officer and the Head Procurement and Disposal Unit should ensure that the District Environmental Officer and the District Labor Officer are involved in the entire procurement process right from planning and initiation, bid document preparation and contract management process so that the ESHS are embedded in the procurements right from the design stage.	June 2024
14.	The Accounting Officer should task the District Engineer to ensure that the above defects are rectified and status report on all these projects provided to the Authority within three months of receipt of this report and should further caution the District Engineer for filing to ensure effective contract management.	June 2024

Annex 1: Findings and rating on the individual contracts reviewed

	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	<p>Subject: Construction of one block of 2 classrooms with an office at Kawalakol Primary School Reference number: Kare854/Srvcs/2022-2023/00001 Procurement method: Open National bidding Contractor: Kogated Technical Service Ltd Contract value: UGX 114,978,548</p>	<ul style="list-style-type: none"> • Poor market price assessment: The assessed market price of UGX 76,000,000 was way below the contract price of UGX 114,078,548 causing a shortfall of UGX 38,078,548. • Delayed publication of the bid notice. Whereas the contracts committee minute approving the bid notice, procurement method and bidding document were dated 15th July 2023, the publication of the bid notice was made on 26th August 2023. Causing a delay of 40 calendar days. • Inadequate evaluation criteria: The Entity did not seek to assess the bidders' financial capacity in form of audited books of accounts or bank statements. • Bidders were required to provide a proposal for the timely acquisition of equipment without stating the actual equipment required. • The Entity used the standard bidding document issued by PPDA in 2009 instead of the new bidding document for works issued by the Authority in 2020 consequently the document lacked clear provisions on Gender, environmental, social health and safety and cross cutting issues. • The contractor Kogated Technical Services limited submitted an invalid tax clearance certificates referenced MO01200010291 and MO01272931099 • The contractor kogated technical services did not comply with the requirement of a site engineer with a degree in either building or civil engineering. The contractor submitted Ochaya Fredrick with a diploma in civil engineering and okello Daniel with a diploma in civil engineering. • The contractor did not provide evidence of possession of equipment. The Entity only submitted evidence of possession of a station wagon yet at evaluation was rated compliant on possession of a dumper truck, concrete mixers, concrete porker vibrator among others.

	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
		<ul style="list-style-type: none"> • Completion certificates • Physical verification • Major cracks noted on the splash apron
2.	<p>Subject: Minor Repair and maintenance Reference number: Buda571/Wrks/2022-23/000001 Procurement method: Open bidding Contractor: Gen Motors Bedi Ki Gen Motor Garage Contract value: UGX 18,936,017</p>	<p>Bidding document Failure to maintain an extensive solicitation document, the document lacked a statement of requirements, evaluation criteria, bidding forms among others. Additionally, the Entity did not use the standard solicitation document for use under framework contracts.</p> <p>Bidding Delayed publication of the bid notice. Whereas the contracts committee minute approving the bid notice, procurement method and bidding document were dated 15th June 2023, the publication of the bid notice was made on 26th August 2023. Causing a delay of 40 calendar days.</p> <p>Contracting and contract management The Entity did not sign the contract. The contract was unilaterally signed by the contractor.</p> <p>Missing document Payment records on file.</p>
3.	<p>Subject: Supply of IEC materials Reference number: Buda571/Supls2022-23/000003 Procurement method: Open bidding Contractor: Kawalakol General Traders and Komen Agencies Contract value: UGX 5,419,698</p>	<p>Missing records</p> <ul style="list-style-type: none"> • Requisition form • Original bids • Contract management records • Payment records
4.	<p>Subject: Construction of a two stance drainable latrine at Nalakas Primary School Reference number: Kare854/Wrks/20222023/00005 Procurement method: Open bidding Contractor: Baba Kili Enterprises Contract value: UGX 14,569,885</p>	<p>Bidding document</p> <ul style="list-style-type: none"> • Low bidder participation as two bids were received from Baba Kili Enterprises and Iteo Agencies. • No evidence of invitation of bidders and issue. <p>Evaluation</p>

	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
		<ul style="list-style-type: none"> • Preliminary examination required the bidders to attach Environmental, Social, Health & Safety Management Plan (ESMP) that includes strategies and implementation plans and the BEB did not attach it as a requirement. • Baba Kili Enterprises Ltd (BEB) did not attach Cvs for the relevant personnel such as the Site Engineer, Site foreman, Quantity Surveyor, Health and Safety Manager and a foreman as a requirement. • Mr. Nasur Charles (DWO) did not sign the evaluation report yet he was a substantive Engineer on this project. <p>Contracting and management</p> <p>Missing records</p> <ul style="list-style-type: none"> • Completion certificate • Payment document • Record of issue receipt and opening
5.	<p>Subject: Construction of a plant clinic at Kakwanga Subcounty</p> <p>Reference number: Kare634/Wrks/21-22/00001</p> <p>Procurement method: Open National bidding</p> <p>Contractor: Ngonza Enterprises Ltd</p> <p>Contract value: UGX 46,651,000</p>	<ul style="list-style-type: none"> • Failure to maintain a complete bidding document on file. There was no evaluation criteria and statement of requirements on the document. • No contract on file. • Failure to maintain a detailed evaluation report (Form 12) in the format prescribed in the guidelines. The Entity instead provided evaluation committee minutes without detailed assessment forms and background of the procurement. • Wrong evaluation committee recommendation. The evaluation committee recommended award to Ngonza Enterprises at UGX 46,651,000 yet Number seven general supplies limited quoted UGX 45,431,729 and had made it to financial evaluation. The reason provided was that Number seven general supplies limited quoted far below the Engineers estimates. • The Best Evaluated Bidder; Ngonza Enterprises Limited did not provide any evidence to assess their competence including among others their level of experience in execution of similar works and availability of

	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
		<p>technical personnel in the form of signed CVs, academic transcripts and letters of availability of staff during the contract duration.</p> <ul style="list-style-type: none"> • Provided for planting of trees but did not provide measures for protection and watering of the trees in the initial months. • No completion certificates and payment records on file <p>Physical verification</p> <ul style="list-style-type: none"> • The floor was in poor condition • No lightning arrestors • No water harvest system
6.	<p>Subject: Supply of 8 motorcycles Reference number: Kare634/Wrks/21-22/00008 Procurement method: Open National bidding Contractor: Ngona Enterprises Ltd Contract value: UGX 80,000,000</p>	<p>There was no procurement process carried out. Instead the Entity just received a quotation from CFAO motors without going through a competitive process Specific missing record include:</p> <ul style="list-style-type: none"> • Requisition form • Advert • Records of issue, receipt and opening • Evaluation report • Evidence of delivery • Evidence of payment for the motorcycles. • Contract document.
7.	<p>Subject: Partial Fencing of pire Health Centre II in Lobalagati Sub county Referencenumber: Kare854/WRKS/2021-22/00009 Procurement method: Selective Bidding Contractor: Mogos Services Contract value: UGX 42, 229,000</p>	<ul style="list-style-type: none"> • Record of issue did not have a subject. Consequently, Bid from Damuliro Agencies and Komic Uganda Limited was opened yet the firm had not been issued a bid as per the record of bid issue. • Restrictive evaluation criteria. The evaluation report indicated that bidders were assessed against possession of a 10tonne dumper truck, pickup vehicle, concrete mixer, concrete porker vibrator, carpentry and joinery kit among others which was exaggerated for a chain-link fence valued at UGX 42,229,000. • Additionally, bidders were required to provide evidence of possession of a Site engineer with a degree, site foreman with a diploma, quantity

	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
		<p>surveyor, Foreman Masonary and Foreman carpentry which was restrictive.</p> <ul style="list-style-type: none"> • Award of contract to a non-compliant bidder. The Best Evaluated bidder (Mogos Services Limited) did not provide any evidence of possession of personnel and equipment. Yet these were required i.e. a site engineer with a degree, site foreman with a diploma, quantity surveyor, Foreman Masonary and Foreman carpentry. • Arithmetic error corrections were made on the bid of Mogos Services from UGX 42,229,000 to UGX 40,205,000 which made them the BEB compared to Yungwe Investment Limited's 42,086,000 but these were never communicated to the bidders. • Evidence of bid tampering of Mogos Services bid. The bid submission sheet, evidence of payment of a non-refundable fee and the schedule of works were not part of the main body of the bid instead these had been stapled on the first page of the bid. • No Payment records. <p>Physical verification</p> <ul style="list-style-type: none"> • The concrete base had not been done • The wires at the top had not been installed and some had not been stretched properly • Contractor not on site yet works were incomplete
8.	<p>Subject: Supply of stationery Reference number: Kare854/Srvcs/2022-2023/00003 Procurement method: Open National bidding Contractor: Kawalakoi General Traders Contract value: UGX 7,400,000</p>	<p>Missing records</p> <ul style="list-style-type: none"> • Bidding document • Bids • Payment records

	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
9.	<p>Subject: Construction of four Unit staff house at Kocholo HC II</p> <p>Reference number: Kare854/WRKS/2021-22/00004</p> <p>Procurement method: Open National bidding</p> <p>Contractor: Mogos Services</p> <p>Contract value: UGX 86,956,346</p>	<p>Initiation</p> <ul style="list-style-type: none"> • Poor planning: The estimated amount was UGX 54,643,668 against a contract value of UGX 86,956,346 <p>Missing documents</p> <ul style="list-style-type: none"> • Evaluation report.
10.	<p>Subject: Provision of catering services</p> <p>Reference number: Kare854/Srvcs/2022-2023/00003</p> <p>Procurement method: Open national bidding</p> <p>Contractor: Odera Restaurant and Take Way Ltd</p> <p>Contract value: UGX 4,015,206</p>	<p>Planning and Initiation</p> <ul style="list-style-type: none"> • Local Government Form 1 was not on file. <p>Bidding</p> <ul style="list-style-type: none"> • Record of bid opening was not on file to ascertain how much each bidder quoted for this procurement. • Record of receipt of bids was not on file. • Record of issue of bids was not on file. <p>Evaluation</p> <p>Evaluation criteria required bidders to attach a bank statement for the last six months and Yungwee Investment Ltd (BEB) attached a bank statement for 3 months to include August, September and October with a book balance of UGX 140,873 and total credit of UGX 138,000.</p> <p>Missing records</p> <ul style="list-style-type: none"> • Payment documents
11.	<p>Subject: Construction of two stances drainable latrine at Karenga Girls Primary School</p> <p>Reference number: Buda571/Wrks/2022-2023/00004</p> <p>Procurement method: Selective bidding</p> <p>Contractor: Engoba Ave Maria Enterprises Ltd</p> <p>Contract value: UGX 14,575,440</p>	<ul style="list-style-type: none"> • Bids were received from Stookhood Gen Traders Ltd, Nasigiro and Sons Enterprises Ltd and Nakidiir Enterprises Limited, ye these had not been issued with thw bids <p>Evaluation</p> <ul style="list-style-type: none"> • Mr. Nasur Charles (DWO) did not sign the evaluation report. • It was noted that under technical compliance evaluation criteria, bidders were required to attach evidence of key personnel such as a Site Engineer, site foreman, foreman masonry, foreman carpentry. However, Engoba Ave Maria Enterprises Ltd (BEB) simply attached academic documents without accompanying CVs

	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
		<ul style="list-style-type: none"> It was noted that under technical compliance evaluation criteria, bidders were required to provide evidence of possession of a 10 Ton dumper truck, concrete poker vibrator and carpentry and joinery kit. However, Engoba Ave Maria Enterprises Ltd (BEB) did not comply with this requirement.
12.	<p>Subject: Repair and maintenance of motor vehicles, motorcycles and generators Reference number: Kare 854/Srvcs/2022-2023/00001 Procurement method: Open bidding method Contractor: KK Motors Garage Contract value: UGX 22,831,318</p>	<p>Bidding</p> <ul style="list-style-type: none"> Record of bidding opening was not on file to ascertain how much each bidder quoted for this procurement. Record of receipt of bids was not on file. Record of issue of bids was not on file. <p>Evaluation</p> <ul style="list-style-type: none"> Evaluation criteria required bidders to attach a bank statement for the last six months and Bed Ki Gen General Motor Garage (BEB) attached a bank statement for 4 months to include May, June, July and August 2022. KK Motors Garage Ltd (BEB) did not attach audited books of Account by certified Public Accountant for the last two years as a requirement. Contracting and contract management Delayed contract signature as the planned date was 17th /10/2022 while the actual contract was signed on 23rd /11/2022 and hence a delay of 33 days. <p>Missing records</p> <ul style="list-style-type: none"> Payment documents
13.	<p>Completion of staff house at Kawalakol Sub County</p>	<p>Procurement not reported to the Authority. No file was availed.</p>
14.	<p>Subject: Repair and maintenance of motor vehicles, motorcycles and generation Reference number: Kare 854/Srvcs/2022-2023/00001 Procurement method: Open bidding Contractor: Bed Ki Gen General Motor Garage</p>	<p>Evaluation</p> <ul style="list-style-type: none"> Evaluation criteria required bidders to attach a bank statement for the last six months and Bed Ki Gen General Motor Garage (BEB) attached a bank statement for 4 months to include May, June, July and August 2022. <p>Contracting</p>

	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
	Contract value: UGX 18,936,017	Missing records <ul style="list-style-type: none"> • Record of bid opening • Record of receipt of bids • Record of issue of bids • Payment documents

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	Subject: Procurement of office furniture Reference number: Kare854/Supls/2022-203/0004 Procurement method: Open domestic bidding Contractor: Yungwee Investment Ltd Contract value: UGX 27,000,000	Planning and Initiation <ul style="list-style-type: none"> • Local Government Form 1 was not on file. Evaluation <ul style="list-style-type: none"> • Yungwee Investment Ltd (BEB) did not attach an income tax clearance certificate 2022-2023.
2.	Subject: Upgrade of Dodoth West Sanga Kalimon H/C III in Karenga District Under Lot 12 Reference number: Buda571/Wrks/2022-23/000001 Procurement method: Open bidding Contractor: Mangon Investments Ltd Contract value: UGX 917,079,435	Contracting and contract management Physical verification <ul style="list-style-type: none"> • The building was at the level of fixing windows. • The placenta pit was at plastering stage. However, the lid cover lacked a lockable top. • The four stance pit latrine was at plastering stage and doors have been fixed. Missing document <ul style="list-style-type: none"> • Monthly progress reports. It was noted that only two progressive reports dated 13th /04/2023 and 15th /06/2023 on file. • Site meetings records. • Clerks of works appointment. • Payment records • Land title Contract period extensions

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
3.	<p>Subject: Feasibility study and design of water supply system at Lokori with provision of drilling and test pumping of one production well</p> <p>Reference number: Kara854/Srvcs/2022-23/00001</p> <p>Procurement method: Open National bidding</p> <p>Contractor: Terracon Technical Works Ltd</p> <p>Contract value: UGX 142,308,000</p>	<p>Bidding</p> <ul style="list-style-type: none"> • Low bidder participation as only two bids were received from Terracon Technical Works Ltd and Plako Consult Ltd under open invitation. <p>Evaluation</p> <ul style="list-style-type: none"> • The evaluation criteria required bidders to submit evidence of a Geologist/ Hydrologist with a Bachelors' Degree geology or Water Engineering with 5 years' experience which Terracon Technical Works did not provide. • The evaluation criteria required bidders to submit evidence of a Health and Safety Manager with a Bachelors' Degree in Engineering, physical Sciences, Environmental science with 5 years' experience which Terracon Technical Works did not provide.

No.	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1.	<p>Subject: Supply of pipes and other plumbing materials for extension of water to Nakitoit in Karenga Subcounty</p> <p>Reference number: Buda571/Spls/2022-2023/00001</p> <p>Procurement method: Open National bidding</p> <p>Contractor: V8 Consultancy Limited</p> <p>Contract value: UGX 70,078,548</p>	<p>Planning and Initiation</p> <ul style="list-style-type: none"> • There was poor planning. The supply was estimated at UGX 100,000,000 at both planning and initiation. However, the contract was awarded at UGX 70,078,548 and this affects budget absorption in terms of procurement plan implementation. <p>Evaluation</p> <p>Inadequate evaluation criteria. It did not require bidders to demonstrate their financial capacity either through asking for their bank balances or audited books of accounts.</p>
2.	<p>Kare854/Spls/2022-2023/0001</p> <p>Subject: Supply of fuel oils and lubricants</p> <p>Method: Open national bidding</p> <p>Contractor: Nakitoit pioneers and Rock Global oil</p> <p>Contract value: 83,519,500</p>	<p>Missing records</p> <ul style="list-style-type: none"> • Record of issue and opening • Requisition form 1
3.	<p>Subject: Supply of tyres, tubes and batteries</p> <p>Reference Number: Kare854/Spls/2022-2023/0002</p> <p>Procurement method: Open national bidding</p> <p>Contractor: Bed Ki General Motor Garage</p>	<p>Missing records</p> <ul style="list-style-type: none"> • Record of issue and opening • Requisition form 1

Contract Amount: 11,000,000

Issues noted in the construction of Kapedo Seed Secondary School FY 2021-22

1.	<p>Subject: Construction of Kapedo Seed Secondary School</p> <p>Reference number: MoES/UGIFT/WRKS/2021-22/0003/Lot 23</p> <p>Procurement method: Open National bidding</p> <p>Contractor: Mangron Investment Ltd</p> <p>Contract value: UGX 2,794,670,818</p>	<p>Evaluation</p> <ul style="list-style-type: none">• Failure to sign the evaluation report.• The following evaluation committee members did not sign the evaluation report: Owilli Joshua Oringo (Senior Procurement Officer Abim), Ochaya Fredrick (District Engineer Kotido), Longiro David (Senior Procurement Officer Karenga), Aidah Khala (Engineer MOES), Caroline Mbabazi (PDU MOES) and Martin Emilu (Engineer Ministry of works) <p>Contracting and contract management</p> <ul style="list-style-type: none">• Contractor requested for advance payment on 1st December 2022 but there was no feedback from the Entity.• There was no evidence that the AO appointed a contract management team• There was no reporting on GESI and ESHS requirements. All the progress reports were unilaterally approved by the Assistant Engineering Officer Mr. Okumu Willy without the input of the other parties such as the DEO, DCDO, among others.• Delayed commencement of works.• The Authority noted from a letter dated 10th January 2023 from the CAO to the contractor that the works had delayed: Whereas the site was handed over on 29th November 2022, works had not commenced by 10th January 2023. From our analysis this delay was occasioned by the following factors:• Failure to provide for advance payment. GCC 60.1 stated that Advance payment shall not be applicable which is irregular and out of touch with best practice for a project of such magnitude (UGX 2,794,670,818 for Kapedo alone and UGX 8,395,440,754 for the entire LOT).• Inadequate evaluation requirements regarding financial capacity: The minimum average annual turnover required from bidders was UGX 2,000,000,000 for the Entire LOT against a project cost of UGX
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		<p>8,395,440,754. Additionally, the requirement for specific experience was set at a mere UGX 2,500,000,000 for the Entire Lot valued at UGX 8,395,440,754.</p> <p>The following issues were noted during physical verification of the project:</p> <ul style="list-style-type: none"> • Slow progress on the construction of the 2 classroom block due to delayed commencement of works. 9 months' later works were at 30% physical progress. • Hoarding wasn't done • Most of the workers were not in protective gear • No first aid kit on site • HIV aids sensitization wasn't done as noted from the site engineer. • Site wasn't registered by the Ministry of Gender Labor and Social Development
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Annex 2: Transaction list and rating per case

KARENGA DISTRICT LOCAL GOVERNMENT SAMPLE LIST FOR FINANCIAL YEAR 2021/2022

No.	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk Rating
1.	Kare854/Wrks/2022-2023/00001	Construction of one block of two classrooms with an office at Kawalakol Primary School	Open bidding	Kogated Technical Services Ltd	114,078,548	High
2.	Kare854/Supls/2022-2023/00001	Supply pipes and other plumbing materials	Open national bidding	V8 Consultancy	70,078,548	Low
3.	Kare854/Srvcs/2022-2023/00001	Feasibility study and design of water supply system at Lokori RGC with provision of drilling and test pumping of production well	Open national bidding	Terracon Technical Works(U)Ltd	142,308,000	Medium

No.	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk Rating
4.	MOH-UGIFT/Wrks/21-22/00001	Upgrade of Dodoth west sangar kalimon HCIII in Karenga District	Open National bidding	Mangon Investments Ltd	917,079,435	Medium
5.	Kare854/Supls/2022-2023/00004	Supply of office furniture	Open National bidding	Yungwee Investment Ltd	27,000,000	Medium
6.	Kare854/Wrks/2022-2023/00007	Construction of 2 stances drainable pit latrine at Karenga Girls Primary school	Selective bidding	Engoba Ave Maria	13,117,896	High
7.	Kare854/Srvcs/2022-2023/0001	Repair and maintenance of vehicles and motorcycles	Open national bidding	CFAO Motors Bed Ki Gen Motor garage	22,831,318	High
8.	Kare854/Spls/2022-2023/0002	Supply of tyres, tubes and batteries	Open national bidding	Bed Ki General Motor Garage	11,000,000	Low
9.	Kare854/Supls/2022-2023/00003	Supply of stationery	Open national bidding	Kawalakol General traders	7,400,000	High
10.	Kare854/Srvcs/2022-2023/0003	Provision of hotel services	Open national bidding	Biankot Enterprises Ltd	4,015,206	High
11.	Kare854/Spls/2022-2023/0001	Supply of fuel oils and lubricants	Open national bidding	Nakitoit pioneers and Rock Global oil	83,519,500	Low
12.	Kare634/Wrks/21-22/00001	Construction of a plant clinic at Kakwanga Subcounty	Selective	Ngonza Enterprises Ltd	46,651,000	High
13.	Kare854/Srvcs/2022-2023/0001	Repair and maintenance of vehicles and motor cycles	Open national bidding	CFAO Motors Bed Ki Gen Motor garage	18,936,017	High
14.	Kare854/Supls/2022-2023/00003	Supply of stationery and IEC materials	Open national bidding	Kawalakol General Traders Komem Agencies Achedid links	5,419,698	High

No.	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk Rating
15.	Kare854/Wrks/2022-2023/00005	Completion of a staff house at Kocholo HC III	Open national bidding	Engoba Maria	86,956,346	High
16.	Kare854/Wrks/2022-2023/00009	Partial fencing of pire Health Centre II in Lobalangit Sub county	Selective	Mogos Services	42,229,000	High
17.	Kare854/Supls/2022-2023/00008	Supply of 8 motorcycles	Open national bidding	CFAO Motors(U)Ltd	80,000,000	High
18.	Kare85rks/20222023/00005	Construction of a 2 stance drainable latrine at Nalakas Primary School	Selective	Baba Kili Enterprises Ltd	14,569,885	High
19.		Completion of staff house at Kawalakol Sub County			114,078,548	High
Total					1,821,268,945	
PROCUREMENTS CONDUCTED IN THE FINANCIAL YEAR 2021-2022						
20.	MoES/UGIFT/Wrks/21-22/003	Construction of Kapedo Seed Secondary School	Open Domestic bidding	Mangon Investment Ltd	2,794,670,818	Medium

Annex 3 : Risk 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.