



PERFORMANCE AUDIT REPORT FOR FINANCIAL YEAR 2022/2023

KASSANDA DISTRICT LOCAL GOVERNMENT

APRIL 2024

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ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
CC	Contracts Committee
FY	Financial Year
GCC	General Condition of Contract
HC	Health Centre
HPDU	Head, Procurement and Disposal Unit
ITB	Instruction to the Bidders
LG PP Form	Local Government Public Procurement Form
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SCC	Special Conditions of Contract

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a performance audit of the procurement and disposal activities of Kassanda District Local Government that covered a sample of 20 procurement transactions for Financial Year 2022/2023.

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

From the findings of the performance audit exercise, the performance of Kassanda District Local Government for the Financial Year 2022/2023 was **Moderately Satisfactory** with overall weighted average risk rating of **50%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of this audit report.

Despite the moderately satisfactory performance, the following key exceptions were noted:

1. Failure to implement previous audit recommendations implying that there is no willingness within the Entity to improve the performance of the procurement and disposal function;
2. Failure to implement 53.77% of the Procurement Plan which hindered service delivery to the intended beneficiaries;
3. Failure to report timely to PPDA on procurements and disposals conducted on a quarterly basis which undermined transparency in the procurement process and denied the Entity appropriate advice from the Authority;
4. Failure to report on micro procurements which compromised the principle of transparency;
5. Failure by the Internal Audit Department to audit procurement and disposal function
6. Inconsistencies in referencing of procurements which affected the audit trail;
7. Issuance of solicitation documents with inadequate requirements which exposed the district to the risk of receipt of non-responsive bids;
8. Failure to precisely state the exact date of expiry of bid validity;
9. Failure to provide for margin of preference in the solicitation document which exposed the Entity to the risk of foreign bidders out competing local firms hence undermining the promotion of local content;
10. Delays in the procurement process which denied timely service delivery to the intended beneficiaries;
11. Low Bidder participation which hindered competition in the procurement process undermining the principle of value for money;
12. Appointment of one Evaluation Committee for the Financial Year which affected transfer of knowledge to other staff of the Entity;
13. Diversion from the evaluation criteria in the bidding document and approved by Contracts Committee;
14. Failure to dispose obsolete items which exposed the Entity to the risk of further loss in asset values due to continued deterioration, vandalism and theft;
15. Failure to request for performance securities from successful bidders which left the Entity with no remedy in case the provider failed to perform the contract; and
16. Failure to adhere to Environmental, Social, Safety and Health requirements which exposed the beneficiaries to the risk of accidents.

In light of the above exceptions, the Authority recommends the following.

1. The Accounting Officer should:
 - i) Put in place a strong internal mechanism and a dedicated team of staff to ensure full implementation of the Authority's previous audit recommendations;
 - ii) Regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 to ensure improved performance;
 - iii) Establish the possible causes of the low bidder response and devise mechanisms of increasing competition in the Entity's procurement processes to achieve value for money;
 - iv) Ensure that assets of the Entity are reviewed and disposed of following the methods recommended in line with Regulations Regulation 2(1) of the PPDA (Disposal of Public Assets) Regulations 2023;
 - v) Always ensure that Environmental, Social, Safety and Health requirements are taken care of in all Government projects; and
 - vi) Liaise with all relevant stakeholders such as Ministry of Finance, Planning and Economic Development to raise funds as complete the projects in order to achieve value for money.
2. The Contracts Committee should critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies in accordance with Regulation 10 of the PPDA (Procuring and Disposing Entity) Regulations, 2023.
3. The Internal Auditor should prioritize auditing of the procurement function as required under Regulation 27 of the PPDA (Procuring and Disposing Entity) Regulations, 2023.
4. The Head of PDU should:
 - i. Ensure that the Entity's quarterly procurement and disposal reports are submitted to the Authority in accordance with Regulation 15(1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023;
 - ii. Ensure that micro procurements are reported to Contracts Committee for approval;
 - iii. Ensure that a procurement register is in place and updated regularly for ease of tracking and tracing of procurement reference numbers;
 - iv. Adequately prepare and review solicitation documents in accordance with Regulation 48 and Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023;
 - v. State exact dates of expiry of bid validity periods when preparing solicitation documents as provided by Regulation 62(1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023;
 - vi. Ensure that the Evaluation Committees are adhoc in nature to attract various skills and expertise during the evaluation of the respective procurements; and
 - vii. Ensure that all records regarding procurement are properly kept and filed in their respective files in accordance with Section 41 of the PPDA Act 2003.
5. Evaluation Committees should always ensure that bids are evaluated based on the approved evaluation criteria stated in the bidding document.

Kassanda District Local Government should implement the recommended action plan on pages 25 and 26 of this report.

CHAPTER 1: INTRODUCTION

1.1. Background

The Public Procurement and Disposal of Public Assets Authority carried out a performance audit on the procurement and disposal activities of Kassanda District Local Government that covered a sample of 20 procurement transactions for the Financial Year 2022/2023. The audit involved a review of procurement and disposal structures, systems and 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. Main Audit Objectives

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

The specific objectives were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act 2003 and Local Governments (PPDA) Regulations 2006;
2. 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; and
3. 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. Scope of the Audit

The Audit involved a review of the procurement and disposal process, general compliance issues and contract implementation on sample basis. The exercise covered a sample of 20 procurement transactions worth UGX 1,554,301,515 conducted during the FY 2022/2023, review of procurement structures and review of the procurement plan performance. The list of sampled transactions is contained in **Annex 2**.

1.4. Audit Methodology

A sample of 20 procurement transactions was selected based on stratified random sampling using Contracts Committee minutes and quarterly procurement and disposal reports. Under supervision of the Regional Manager– Central Region, two senior auditors examined records and documents for each sampled procurement transaction and obtained the relevant evidence to derive audit conclusions. This involved a review of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and processes and Interview of key staff from the Procurement and Disposal Unit (PDU) and User Departments that were necessary for obtaining crucial qualitative information about the internal control system and processes in place. Physical verification was undertaken to ascertain the level of contractual delivery and fitness for purpose. A debrief meeting to discuss preliminary findings was held with the Entity management on 22nd November 2023. The management letter was sent to the Entity on 28th November 2023 and management submitted responses to the Management Letter on 12th December 2023. An exit meeting was held on 25th January 2024 to discuss management responses.

1.5. Procurement structures

The key players in the procurement structure at Kassanda District Local Government included the Chief Administrative Officer as Accounting Officer, the Contracts Committee (CC), the Procurement and Disposal Unit (PDU) and the User Departments. The Authority found that the Entity's procurement structures were functional at the time of Audit.

1. Accounting Officer

Section 26 of the PPDA Act, 2003 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. The Chief Administrative Officer Mr. Donath Eswilu was designated as the Accounting Officer of the Entity for financial year 2022/2023.

2. Composition of the Contracts Committee

During the period under review, the Entity's Contracts Committee was fully constituted as per the provisions of Section 27 of the PPDA Act, 2003 and Regulation 15 (1) of the Local Governments (PPDA) Regulations 2006 that require the Chief Administrative Officer to nominate five members among the public officers of the Procuring and Disposing Entity for approval by the Permanent Secretary/Secretary to the Treasury as indicated in the Table 1 below:

Table 1: Contracts Committee Membership

No	Name	Job Title	Position on Committee	Appointment Date
1	Dr. Jude Kiiza	Medical Doctor	Chairperson	25 th October 2021
2	Dr. Siraje Buyondo	Veterinary Doctor	Member	25 th October 2021
3	Mr. Benedicto Nalima	District Inspection Officer	Member	25 th October 2021
4	Ms. Hellen Nakato	Senior Assistant Chief Administrative Officer	Member	25 th October 2021
5	Mr. Robert Kasendwa	Senior Commercial Officer	Member	25 th October 2021

2.1.2. Staffing of the Procurement and Disposal Unit

Section 30 of the PPDA Act, 2003, provides that a Procuring and Disposing Entity shall establish a Procurement & Disposal Unit staffed at an appropriate level. The composition of the Procurement & Disposal Unit is indicated in Table 2 below:

Table 2: Staff in the Procurement and Disposal Unit

S/N	Name	Job Title	Academic Qualifications
1.	Ms. Jesca Nansinjo	Senior Procurement Officer	Master's Degree, Post Graduate Diploma and a Bachelors in Procurement, and CIPS
2.	Mr. Godfrey Mugisa	Procurement Officer	Bachelors in procurement

This report presents the key findings and conclusions arising from the performance audit exercise.

CHAPTER 2: FINDINGS AND RECOMMENDATIONS

2.1. COMPLIANCE BY THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT 2003, REGULATIONS 2006 WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT PROCESSES.

2.1.1 Failure to Fully Implement Previous Audit Recommendations

The Entity was issued with a compliance audit report for financial year 2020/21 with seven recommendations. Out of the seven recommendations, one recommendation (14%) was implemented, three recommendations (43%) were partially implemented while three recommendations (43%) were not implemented as indicated in Table 3 below:

Table 3: Status of Implementation of Previous Recommendations

S/N	Recommended Action	Comment	Status	Management Response
1	The Accounting Officer should ensure that all works under Force Account Mechanism are conducted in accordance with the PPDA (Force Account Mechanism) Regulations, 2014 and in such a way the realizes the best value for money for the Government of Uganda.	Some procurements under force account did not comply with the with the PPDA (Force Account Mechanism) Regulations, 2014	Partially Implemented	The Entity explained that projects implemented under force account were approved by Contracts Committee in adherence to PPDA circular referenced PPDA /006/001 issued 2008 and PPDA/4002 issued 2012 Authority Comment Force on account files were still incomplete.
2	The Evaluation Committees should adhere to the evaluation criteria outlined in the solicitation documents and firms that do not comply should be eliminated in accordance with Regulation 27 (8) of the of the Local Governments (PPDA) Regulations, 2006.	This was still prevalent in current year audit as evaluation teams did not follow the Evaluation Criteria in the bidding document	Not Implemented	Evaluation committee has always adhered to criteria outlined in the bid documents Authority Comment The Authority noted the Accounting Officers response, however this was still prevalent
3	The Head Procurement and Disposal Unit should obtain performance securities from the contracted providers when required in accordance with Regulation 102 (4) of the Local Governments (PPDA) Regulations, 2006.	Re-occurring	Not Implemented	Management acknowledged the issue and promised to improve in the subsequent years Authority comment Management response noted
4	The contract supervisors should be responsible for performance control of the providers to ensure that the general and special	Re-occurring	Partially Implemented	Management acknowledged the issue and promised to improve in the subsequent years

	conditions of time and place of delivery, payments, accountability, reporting, and others are being strictly followed in accordance with the Regulation 104 (b) of the Local Governments (PPDA) Regulations, 2006.			Authority comment Management response noted
5	The Accounting Officer should enforce close supervision and monitoring of procurements to ensure that works are completed and conducted in a manner which promotes economy, efficiency and value for money in accordance with Section 48 of the PPDA Act, 2003	Re-occurring in some files	Partially Implemented	Contract supervisors have always been appointed for every project Authority Comment Management response noted. However, Contract Supervisors were not appointed in 6 six of the sampled procurement in the current audit.

Implication

Non-implementation of audit recommendations hinders performance improvement of the Entity's procurement and disposal function and exposes the Entity to procurement risks.

Recommendation

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

2.1.2 Procurement Planning and Procurement Plan Management

Section 58 (4) of the PPDA Act, 2003 provides that a Procuring and Disposing Entity shall, on a quarterly basis and in any other case, wherever necessary, review and update its procurement plan.

A comparison of the consolidated procurement plan and the quarterly performance reports revealed that the Entity total procurements for the year were UGX 2,902,856,240 (4.23%) out of the planned procurements of UGX 6,278,796,023 leaving procurement worth UGX 3,375,939,782 (53.77%) unimplemented as indicated in Table 4 below:

Table 4: Procurement Plan Implementation Rate

S/N	Item	Amount (UGX)
1	Total procurement plan value	6,278,796,023
2	Actual procurement spends	2,902,856,240
3	Variance	3,375,939,782
4	Percentage implementation rate (%)	46.23%
5	Variance (%)	53.77%

Some of the key procurements not implemented include a renovation of Kikandwa UMEA primary school and phased construction of Kassanda Administration block among other as indicated in Table 5 below:

Table 5: Key Procurements not implemented

No	Subject of Procurement	Planned value (UGX)
1.	Renovation of Kikandwa Umea primary school Kalwana S/C- Education	500,000,000
2.	Renovation of 4 Classroom at Kigalama C.O.U primary school Myanzi S/C -Education	145,000,000
3.	Construction of 2 - 3 classroom block at Bweyongedde Primary School	300,000,000
4.	Phased construction of Kassanda Administration Block	800,000,000
Total		1,745,000,000

Implication

Non- implementation of key procurements such as those listed in table 4 above hinders service delivery.

Management Response

Management acknowledged the issue and explained that the variance was caused by non-realisation of the Budget cut.

Recommendation

The Authority noted the response; however, no evidence was provided to support management's explanation.

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

2.1.3. Failure to report on micro procurements.

Regulation 17 (3) (e) of the Local Governments (PPDA) Regulations, 2006 states that the Contracts Committee shall receive and consider micro procurement reports from the Procurement and Disposal Unit.

The Authority noted that the Entity did not report on micro procurement in all the quarterly reports submitted to the Authority during Financial Year 2022/2023.

Implication

This denies Contracts Committee information on micro procurements conducted hence compromising the principle of transparency.

Management Response

Management noted the Authority's observation and pledged to report on micro procurements in the current financial year 2023/2024.

Recommendation

The Head Procurement and Disposal Unit should ensure that micro procurements are reported to Contracts Committee for approval and reported to the Authority in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.1.4. Failure by the Internal Audit Department to Audit Procurement and Disposal Function

Regulation 28 of the Local Governments (PPDA) Regulations, 2006 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 the Regulations and the Local Governments (Financial and Accounting) Regulations.

The Authority noted that the Principal Internal Audit did not conduct any procurement audit throughout the entire Financial Year 2022/2023. An interview with the principal Internal Auditor also revealed that he is one in the internal audit department and thus was unable to cover procurement under his annual audit plan.

Implication

Failure to audit procurement and disposal procedures exposes the Entity to the risk of flouting procedures as required by the PPDA Act, 2003, the Local Governments (PPDA) Regulations, 2006 and guidelines.

Management Response

Management noted the Authority's observation and pledged to improve in subsequent financial years.

Recommendation

- The Accounting Officer should prioritise recruitment of more internal audit staff to ensure there is sufficient number of staff to conduct quarterly audits of the procurement function and;
- The Internal Auditor should prioritise auditing of the procurement function as required under Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023

2.1.5. Inconsistencies in Referencing of Procurements

Regulation 65 (3) of the Local Governments (PPDA) Regulations, 2006 a specific reference number shall be allocated to each procurement requirement at the initiation stage, using the numbering system given in the guidelines.

The Authority noted that there was lack of consistency in allocation of procurement reference numbers by the Procurement and Disposal Unit from initiation stage up to contracting in four procurements worth UGX 382,403,444. Different reference numbers were allocated at record of issue of bid documents, bidding documents, Ethical code of conduct, Best Evaluated Bidder Notice and in the advert as indicated in Table 7 below:

Table 7: Inconsistent Reference Numbers

	Subject of Procurement	Procurement stage	Reference number	Amount (UGX)
1	Phased Construction of Lilongwe Solar Piped Water System	LG PP Form 2	Kass855/Wrks/22/23/000 01	260,028,930
		LG PP Form 6 Record of Issue of bidding document	Kass855/Wrks/22/23/000 02	

		Bidding Document	Kass855/Wrks/22/23/00002	
		Form for the Ethical Code of conduct	Kass855/Wrks/22/23/00002	
2	Completion of the OPD Block at Makokoto health centre III	LG PP Form I	Kass855/WRKS/22/23/00022	65,323,414
		Advert	Kass855/WRKS/22/23/00030	
3	Procurement of 5100kg of Irish Potatoes	Best Evaluated Bidder Notice	Kass855/SplsS/22/23/00026	10,001,100
		Bidding Document	Kass855/SplsS/22/23/00027	
4	Procurement of 181 – 3-Seater Desks to the Education Department	LG PP Form I	Kass855/spls/22/23/00014	47,050,000
		Bidding document	Kass855/spls/22/23/00009	
Total				382,403,444

This was attributed to lack of a procurement register to track proper sequencing of the reference numbers and failure to indicate reference numbers on Procurement requisitions LG Form I

Implication

Inconsistency in procurement and disposal reference numbers complicates tracking of the procurement and disposal process hence compromising the principle of transparency.

Management Response

Management noted the Authority's observation and pledged to improve in the subsequent financial years.

Recommendation

The Head of Procurement and Disposal Unit should ensure that a procurement register is in place for proper referencing to facilitate identification, tracking and monitoring of procurement activities in accordance with Regulation 3 (6) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.6. Inadequate solicitation documents

Regulation 48 of the Local Governments (PPDA) Regulations 2006, provides for information that should be included in the bidding documents among others, a bid validity date, appropriate evaluation criteria, specific experience and financial capacity of the bidder.

The Authority noted that 15 procurements worth UGX 1,237,088,711 the Procurement and Disposal Unit prepared poor quality solicitation documents with shorter bid validity period, lack of specifications, inconsistencies in site location among others as detailed in Table 8 below:

Table 8: Procurements with Inadequate Solicitation Documents

S/N	Subject of Procurement	Value in UGX	Irregularity
1	Drilling of Eight Deep Boreholes in Selected sites in Kassanda District	183,655,200	The bidding document indicated a bid security of UGX 1,000,000; however, the advert had a contradictory bid security figure of UGX 2,000,000.
2	Phased Construction of Lugongwe Solar Piped Water System	260,028,930	The bidding document indicated a bid security of UGX 2,500,000; however, the advert had a contradictory bid security figure of UGX 3,000,000.
3	Procurement of Mubende She goats	20,915,000	<ul style="list-style-type: none"> The bidding document provided insufficient bid validity period of seven working days. The bidding document did not provide documents required to evaluate the bidder's eligibility. The bidding document had no specifications for the required goats.
4	Procurement of 5100kg of Irish Potatoes	10,001,100	<ul style="list-style-type: none"> The bidding document provided insufficient bid validity of seven working days The bidding document did not provide documents required to evaluate the bidder's eligibility. The bidding document did not indicate specifications for the required Irish potatoes
5	Procurement of Motor Cycle to Production Department	14,500,000	<ul style="list-style-type: none"> The bidding document provided insufficient bid validity of 7 working days The bidding document indicated no specifications for the Motor Cycle The bidding document indicated the bid submission date as 11th October 2022 yet bid closing was on 1 September, 2022
6	Supply and installation of Medical Equipment to Kiganda Health Centre	30,100,000	<ul style="list-style-type: none"> The bidding document provided insufficient bid validity of 7 working days The bidding document a shorter bidding period of 5 days The bidding document did not provide documents required to evaluate the bidder's eligibility.
7	Procurement of 181 – 3-Seater Desks to the Education Department	47,050,000	<ul style="list-style-type: none"> The bidding document provided insufficient bid validity date of seven working days. The bidding document had no specifications for the required goats
8	Construction of 2-stance drainable Latrine and 2 Bathrooms at Bbira Primary School in Makokoto Sub County	16,550,000	Insufficient bid validity of 20 days from closing date.
9	Construction of a 4 single roomed staff House Block at	94,989,240	<ul style="list-style-type: none"> ITB 12.1 stated that the Procuring and Disposing Entity will respond to any request for clarification provided that such request is

S/N	Subject of Procurement	Value in UGX	Irregularity
	Namaswanta Primary School		<p>received no later than 22th February 2022 yet the document was issued on 26th May 2022.</p> <ul style="list-style-type: none"> • Environmental, Social, Health and Safety Requirements were not provided for. • SCC GCC 1.1(cc) stated that the Site is located at Bukuya instead of Namaswanta P/S. • SCC GCC 9.1 stated that the Works consist of: Construction of a 4 single roomed staff house with 4 stores at Mweya Sengendo instead of Namaswanta Primary School which was misleading
10	Construction of a 2 Classroom Block at Kamwalo PS in Kijuna Sub County	88,923,044	Environmental, Social, Health and Safety Requirements were not stated
11	Construction of a 4 Unit staff houses and a 2-stance lined VIP Latrine at Kyasansuwa HC III at Manyogaseka SC	165,059,297	<ul style="list-style-type: none"> • Environmental, Social, Health and Safety Requirements were not stated • The document simply stated that the Bid Security or Bid Securing Declaration shall be valid until for at least 120days
12	Procurement of 2750 Banana Tissues	15,886,900	<ul style="list-style-type: none"> • Insufficient bid validity period of 7 working days • There were no clear specifications for the banana tissues
13	Supply and installation of irrigation Demo and protective gears Kas855/SUPLS/22-23/00026	67,200,000.	Incomplete statement of requirements. The User Department submitted a list of 13 sets of field equipment and protective gears but the bidding document captured 9 sets of items namely; GPS UNIT, Spirit Level (for farm / field visits), Tape measure for farm / field visits), Tool Box (for operation and maintenance), Protective boots (for farm field), Reflector Jacket (farm / field visit) Cupboard Steel, Lockable, Head Gear and Gum boots. The following items were not included; Hand side level, Telescopic Levelling staff soil testing kit and Soil water monitoring equipment
14	Renovation of an 8 Classroom block at Mpanga Primary School	164,630,000	<ul style="list-style-type: none"> • Environmental, Social, Health and Safety Requirements were not stated • ITB 12.1 stated that the Procuring and Disposing Entity will respond to any request for clarification provided that such request is received no later than 22th Feb 2022 before the document was issued
15	Supply of grader services on selected roads	57,600,000	Used request for quotation document instead of framework contract (Wrong bidding document)
	Total	1,237,088,711	

Implications

- Bids with insufficient bidding periods expose the Entity to the risk of signing of contracts based on expired bids and disagreement between the Entity and the bidders on the start and end date of the bid validity
- Unclear bid evaluation criteria expose the Entity to the risk of bidders preparing non-responsive bids.
- Failure to state clearly the specifications of required items exposes the Entity to the risk of procurement of items which do not meet the users' requirements and hinders fairness in the evaluation of bids.

Management Response

Management noted the Authority's observation and further explained that, the inconsistencies were discovered and corrected during the pre-bid meeting.

Recommendations

The Authority noted the Entity's response; however, evidence was not provided to confirm management's assertion such as pre-bid meeting minutes, the Authority therefore recommends that:

- The Head of Procurement and Disposal Unit should prepare adequate solicitation documents in accordance with Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023.
- The Contracts Committee should critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies in accordance with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.1.7. Failure to precisely state the exact date of expiry of bid validity.

PPDA Circular No.1/2013 advises the entities to compute and state in the bid document the actual date when the bid validity expires to avoid miscalculations by bidders. In eight procurements worth UGX 222,203,000, the Procurement and Disposal Unit did not state the exact date of the bid validity period expiry in the solicitation documents as indicated Table 9 below:

Table 9: Procurements where the Bid Validity Period was Stated in Days.

S/N	Subject of Procurement	Contract value (UGX)	Remark
1.	Procurement of Mubende She goats	20,915,000	Required bid validity of seven working days instead of the exact date
2.	Procurement of 5100kg of Irish Potatoes	10,001,100	
3.	Procurement of Motor Cycle to Production Department	14,500,000	
4.	Supply and installation of Medical Equipment to Kiganda Health Centre	30,100,000	
5.	Procurement of 2750 Banana Tissues	15,886,900	
6.	Procurement of 181 – 3-Seater Desks to the Education Department	47,050,000	

S/N	Subject of Procurement	Contract value (UGX)	Remark
7.	Construction of 2-stance drainable Latrine and 2 Bathrooms at Bbira Primary School in Makokoto Sub County	16,550,000	Required bid validity of 20 days instead of exact date.
8.	Supply and installation of irrigation Demo and protective gears	67,200,000	required bid validity of 20 days instead of exact date.
	Total	222,203,000	

Implication

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

Management Response

Management noted the Authority's observation and promised to state the exact dates of bid validity in subsequent procurements.

Recommendation

The Procurement and Disposal Unit should state exact dates of bid validity when preparing solicitation documents in accordance with Regulation 62 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.8. Failure to provide for Margin of Preference in the solicitation document.

Section 59A (1) (a) of the PPDA Act 2003 states that preference schemes shall be applied in respect of goods, works and non-consultancy services, where the open domestic or open international bidding methods are used, with a specified margin of preference being added during the financial comparison stage of the evaluation process to the evaluated.

The Authority noted that the Entity did not provide for Margin of Preference in the solicitation documents in five procurements worth UGX 862,296,471 as indicated in Table 10 below:

Table 10: Procurements without Provision for Margin of Preference.

No.	Subject of Procurement	Amount (UGX)
1	Drilling of Eight Deep Boreholes in selected sites in Kassanda District	183,655,200
2	Phased Construction of Lugongwe Solar Piped Water System	260,028,930
3	Construction of a 4 single roomed staff House Block at Namaswanta Primary School	165,059,297
4	Renovation of an 8 Classroom block at Mpanga Primary School	164,630,000
5	Construction of a 2 Classroom Block at Kamwalo PS in Kijuna Sub County	88,923,044
	TOTAL	862,296,471

Implication

Local firms or bidders are denied a competitive advantage over foreign firms in the event foreign bidders participate in the process hence undermining the promotion of local content

Management Response

Management noted the Authority's observation and pledged to improve in the subsequent financial years.

Recommendation

The Head of Procurement and Disposal Unit should provide for the margin of preference for procurements under open domestic or international bidding in line with Section 59A (1)(a) of the PPDA Act, 2003.

2.1.9. Delays in the procurement process.

Section 48 of the PPDA Act, 2003 states that all procurement and disposal activities shall be conducted in a manner which promotes economy, efficiency and value for money. The Authority noted delays in the procurement process in three procurements worth UGX 221,446,458 as in indicated in Table 11 below:

Table 11: Delays in the Procurement Process

No	Subject of Procurement	Amount	Stage of Delay	No of days delayed	Responsible Officer
1	Completion of the OPD Block at Makokoto Health Centre III worth	65,323,414	The User Department initiated on 4 th July 2022 and Accounting Officer approved on 21 st July 2022	17 days	Accounting Officer
			PDU presented the request to approve the method, Evaluation and solicitation to Contracts Committee for approval on 6 th January 2023	168 days	Head Procurement and Disposal Unit
2	Construction of a 2 Classroom Block at Kamwalo PS in Kijuna Sub County	88,923,044	The User department initiated on 28 th April, 2022 and Accounting Officer approved on 15 th September 2022	139 days	Accounting Officer
3	Supply and installation of irrigation Demo and protective gears	67,200,000.	The User department initiated on 27 th November 2022 and Accounting Officer approved on 28 th March 2023	120 days	Accounting Officer
Total		221,446,458			

Implication

- Procurement delays hinders timely service delivery to the intended beneficiaries
- Exposes the Entity to the risk of failure to fully utilise the budget which might lead to budget cuts.

Management Response

Management noted the Authority's observation and pledged to improve in the subsequent financial years.

Recommendation

The Head Procurement and Disposal Unit should ensure that the procurement processes are implemented according to the procurement plan and in a timely manner.

2.1.10. Low Bidder participation

Section 45 and 46 of the PPDA Act, 2003 states that all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money.

The Authority noted a low bidder response rate in 14 procurements worth UGX 1,193,109,934 in the Entity. The procurements attracted one or two bidders at an average response rate of 1.14 bids even when the Open National bidding procurement method or quotation method was used as indicated in the Table 12 below:

Table 12: Procurements with Low Bidder Participation

No.	Subject of Procurement	Method of Procurement	Contract Value (UGX)	Number of Bids Submitted
1.	Drilling of Eight Deep Boreholes in Selected sites in Kassanda District	Open Domestic Bidding	183,655,200	1
2.	Phased Construction of Lugongwe Solar Piped Water System		260,028,930	2
3.	Renovation of an 8 Classroom block at Mpanga Primary School		164,630,000	2
4.	Supply and installation of irrigation Demo and protective gears		67,200,000	1
5.	Construction of a 4 Unit staff houses and a 2 stance lined VIP Latrine at Kyasansuwa HC III at Manyogaseka SC		165,059,297	1
6.	Construction of a 4 single roomed staff House Block at Namaswanta Primary School		94,989,240	1
7.	Procurement of Mubende She goats	Selective National Bidding	20,915,000	1
8.	Procurement of 181 – 3 Seater Desks to the Education Department		47,050,000	1
9.	Supply and installation of Medical Equipment to Kiganda Health Centre		30,100,000	1
10.	Procurement of Irish Potatoes		10,001,100	1

No.	Subject of Procurement	Method of Procurement	Contract Value (UGX)	Number of Bids Submitted
11	Phase II of the Fencing of Kassanda Health Centre 1v		53,107,753	1
12	Completion of the OPD Block at Makokoto Health Centre III		65,323,414	1
13	Construction of 2-stance Drainable Latrine and 2 bathrooms at Bbira primary School in Makokoto sub-County		16,550,000	1
14	Procurement of Motor Cycle to Production Department		14,500,000	1
	Total		1,193,109,934	1.14

Implication

Limited number of bids hinders competition in the procurement process hence no value for money.

Management Response

Management explained that the procurement requirements were advertised under Open Domestic Bidding advertised in the Newspaper of wide circulation.

Recommendation

The Authority noted the Entity's response and recommended that Accounting Officer should establish the possible causes of the low bidder response and devise mechanisms of increasing competition in the Entity's procurement processes to achieve value for money.

2.1.11. Irregularities at Bid Evaluation Stage

i. Standing Evaluation Committee for the Financial Year

Regulation 27(1) of the Local Governments (PPDA) Regulations 2006 states that "there shall be an Evaluation Committee for each bid consisting of technical officers and persons recommended by the Procurement and Disposal Unit and approved by the Contracts Committee".

The Authority noted that the Procurement and Disposal Unit irregularly nominated a constant Evaluation Committees to handle works procurement, water related procurements and Production related procurements for the entire financial year as per the Accounting Officers Communication dated 23rd June 2022. Appendix 1

The details of members appointed on standing annual Evaluation Committees is indicated in tables 13 and 14 below.

Table 13: Evaluation Team for Works Related Projects

No.	Name of Member	Position	Department	Reason
1.	Mr. Ronald Kaweesa	Civil Engineer	Works	Technical Expertise
2.	Hajji Abdul Lukooya Sekabira	DEO	Education	Technical Expertise
3.	Ms. Veronica Nassuna	IO	Finance	Procurement Knowledge
4.	Ms. Jessca Nansinjo	SPO	Procurement	Procurement Expertise
5.	Mr. John Tumwebaze	SA	Finance	Technical
6.	Mr. Damascus Kiyoola	Health Inspector	Health	Technical

Table 14: Evaluation team for agricultural projects

No.	Name of Member	Position	Department	Reason
1.	Mr. Godfrey Kanya	Fisheries Officer	Works	Technical Expertise
2.	Ms. Ester Nanteza	Agricultural Officer	Production	User Department
3.	Ms. Jesca Nansinjo	Senior Procurement Officer	Procurement	Procurement Expert
4.	Ms. Veronica Nassuna	Inventory Officer	Finance	Procurement Knowledge

Implication

- This exposes the Entity to the risk of connivance among the evaluation committee members which limits value for money.
- Standing Evaluation Committees might also lead to delays of the evaluation in case some members are not available

Management Response

Management acknowledged the Authority's observation and explained that, there was an error in the subject of the appointment letter of the Evaluation Committee.

Recommendation

The Authority noted management's response, however, no evidence was provided to confirm that Evaluation Committee were adhoc. The Authority therefore recommends that: The Head of Procurement and Disposal Unit should ensure that the Evaluation Committees are adhoc in nature to attract various skills and expertise during the evaluation of the respective procurements in line with Section 37 of the PPDA Act, 2003.

ii. Diversion from the Evaluation Criteria Stated in the Bidding Documents

Section 71 (3) of the PPDA Act 2003, provides that no evaluation criteria other than that stated in the bidding documents shall be considered.

The Authority noted that a different evaluation criterion other than the one stated in the bidding document and approved by the Contracts Committee was used to evaluate bids in four procurements worth UGX 513,601,581 as detailed in the Table 15 below:

Table 15: Procurements with Irregularities at Evaluation Stage

No.	Subject of procurement	Value (Ugx)	Irregularity
1	Construction of a 4 single roomed staff House Block at Namaswanta Primary School	94,989,240	<ul style="list-style-type: none"> The Evaluation Committee changed the requirement for bid security from UGX 2,000,000 as required under ITB 20.2 to UGX 1,000,000 Introduction of new personal requirement not stated in the bidding document. The committee irregularly introduced and evaluated the requirement of a quantity surveyor and Foreman Electrical who were not among the personnel approved by Contracts Committee. Other requirements like Average Annual Turnover, Financial Resources, General Experience, Specific Experience as required in the bidding document were not evaluated
2	Construction of a 2 Classroom Block at Kamwalo PS in Kijuna Sub County	88,923,044	
3	Construction of a 4 Unit staff houses and a 2 stance lined VIP Latrine at Kyasansuwa HC III at Manyogaseka SC	165,059,297	
4	Renovation of an 8 Classroom block at Mpanga Primary School	164,630,000	
Total		513,601,581	

Implication

- This leads to award of contract to non-complaint bidders and unfair elimination of bidders based on requirements not originally requested for in the bidding documents.
- This may lead to administrative reviews and delays in the procurement process.

Management Response

Management noted the Authority's observation and pledged to improve in the current financial year 2023/2024.

Recommendation

Evaluation Committees should always ensure that bids are evaluated based on the approved evaluation criteria stated in the bidding document in accordance to Regulation 3(1) (b) of the PPDA (Evaluation) Regulations, 2023.

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 prepare a disposal plan

Section 58 (4) of the PPDA Act, 2003 states that a Procuring and Disposing Entity shall, on a quarterly basis and in any other case, wherever necessary, review and update its procurement and disposal plan.

The Authority noted that the Entity prepared and submitted a procurement plan for the year however, it did not include a disposal plan which contravenes Section 58 (4) of the PPDA Act, 2003.

Implication

Failure to prepare a disposal plan exposes the Entity to the risk of not disposing off items due for disposal or not following appropriate disposal procedures in case of a disposal.

Management Response

Management did not provide response.

Recommendation

The Accounting Officer should always prepare a disposal plan capturing all items identified in the Board of Survey as due for disposal in line with Section 58 (4) of the PPDA Act, 2003.

2.2.2. Failure to dispose obsolete items

Regulations 122(6) of the LG (PPDA) Regulations, 2006 requires the Accounting Officer to ensure that the assets of a council are reviewed on an annual basis, to identify those which are obsolete and should be subject to disposal.

The Authority noted that the Entity had not conducted any disposal process during Financial Year 2022/2023 and some assets were found grounded and vandalized at the Entity's premises and were due for disposal shown in the Figure 1 below:

Figure 1: Items due for disposal



Double cabin pickup parked Kassanda Town Council Offices and Suzuki parked at Kassanda Health Centre III



Double cabin pickup parked at Kassanda Police Station

Implications

- This inhibits achievement of value for money as funds are held up in assets and also lost through depreciation of these assets.
- Assets are exposed to a risk of theft and vandalism.

Management Response

Management explained that the Entity had concluded Board of survey exercise and that, absolute items were identified and recommended for disposal. Further to that, the Entity had invited the Government Chief Mechanical Engineer and Government Chief Valuer to provide a valuation report to guide the disposal process.

Recommendation

The Accounting Officer should expedite the process of Asset Disposal in line with Regulation 2(1) of the PPDA (Disposal of Public Assets) Regulations 2023 to avoid further loss of Asset value.

2.3. THE 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. Failure to request for performance Security from successful bidders.

Regulation 102 (1) of the Local Governments (PPPDA) Regulations, 2006 provides that a performance security may be requested to protect against non-performance of a contract

A review of the Special Conditions of Contract GCC 61.1 of the bidding documents issued to bidders noted that the Entity did not request for Bid Securities in six contracts worth UGX 857,979,125 indicated in Table 16 below:

Table 16. Signed Contracts without Performance Securities

No	Subject of Procurement	Contractor	Amount (UGX)	10% of Contract Sum
1.	Phased Construction of Lugongwe Solar Piped Water System	Winrar Services Ltd	260,028,930	26,002,893
2.	Drilling of Eight Deep Boreholes in Selected sites in Kassanda District	Icon Project Ltd	183,655,200	18,365,520
3.	Completion of the OPD Block at Makokoto Health Centre III	Zoom Structures Ltd	65,323,414	6,532,341
4.	Construction of a 4 single roomed staff House Block at Namaswanta Primary School Kas855/Wrks/22-23/00024	Bullen Construction and Supplies	94,989,240	9,498,924
5	Construction of a 2 Classroom Block at Kamwalo PS in Kijuna Sub County Kas855/Wrks/22-23/00006	Together as one Investments Limited	88,923,044	8,892,304
6	Construction of a 4 Unit staff houses and a 2-stance lined VIP Latrine at Kyasansuwa HC III at Manyogaseka SC	Winrar Services Limited	165,059,297	16,505,929
	Total		857,979,125	85,797,915

Implication

Failure to request for a performance security exposes the Entity to the risk of no remedy in case the Contractor failed to perform the contract according to the contractual obligations.

Management Response

Management noted the Authority's observation and pledged to improve in the subsequent financial years.

Recommendation

The Head, Procurement and Disposal Unit should ensure that the bidding documents states the requirement for a performance security or a performance securing declaration in accordance with Regulation 11(1) of the PPDA (Contracts) Regulations, 2023.

2.3.2. Failure to Prepare Contract Implementation Plans

Regulation 119 (3) of the Local Governments (PPDA) Regulations, 2006 requires that upon receipt of a copy of the contract, a contract supervisor shall prepare a contract implementation plan, and forward a copy to the Head of the user Department, Secretary Contracts Committee, Internal Audit department and Accounting Officer for monitoring purposes

The Entity did not prepare contract implementation plans in 10 procurements worth UGX 595,090,014 as indicated in the Table 17 below:

Table 17: Failure to Prepare Contract Implementation Plans

No.	Subject of Procurement	Amount (UGX)
1	Supply and installation of Training Medical Equipment at Kijuna HC III Lot 4	175,370,500.
2	Renovation of an 8 Classroom block at Mpanga Primary School	164,630,000.
3	Supply and installation of irrigation Demo and protective gears	67,200,000
4	Procurement of 5100kg of Irish Potatoes	10,001,100
5	Completion of the OPD Block at Makokoto Health Centre III	65,323,414
6	Procurement of Motor Cycle to Production Department	14,500,000
7	Supply and installation of Medical Equipment to Kiganda Health Centre	30,100,000
8	Procurement of 181 – 3-Seater Desks to the Education Department	47,050,000
9	Procurement of Mubende She goats	20,915,000
	Total	595,090,014

Implication

Failure to prepare the implementation plan exposes contract execution at the risk of the failure to meet the contractual requirements in a way that achieves value for money to the Entity.

Management Response

Management explained that Contract Supervisors prepared detailed contract implementation plans for each project and copies were available on procurement action files.

Recommendation

The Authority noted the Entity's response, however, only one contract implementation plan was provided for verification. The Contract Manager should always prepare the contract implementation plans in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.

2.3.3. Missing records on procurement action files

Section 41 of the PPDA Act 2003 states that the Procuring and Disposing Entity shall maintain records on its procurement and disposal proceedings for a period of seven years from the date of a decision to terminate the procurement and disposal action, or the date of contract completion, whichever comes later.

The Authority noted that there were missing records on four procurements action files worth UGX 275,550,200 such as Solicitation document, various LG PP Forms, Record of receipt of bids, Best Evaluated Bidder Notice, contract management records among others as indicated in the Table 18 below:

Table 18: Procurements with Missing Documents

No.	Subject of Procurement	Amount (UGX)	Missing Records
1.	Supply and installation of Training Medical Equipment at Kijuna HC III Lot 4 Procurement Reference No. MOH Ugift /SPLS/2022-23/00058/4	175,370,500	<ul style="list-style-type: none">• Bidding documents• Bidders' bids• Contract management record• LG PP Form 2 (Request for approval of the procurement method)• LG PP Form 5 (Request for approval of the bidding document and bid notice)• Record of issue of bidding documents• Record of receipt of bids• Record of bid opening• Bid documents• Evaluation report and minutes• Code of ethical conduct• Notice of Best Evaluated Bidder• Contract management records
2.	Supply of fuel for selected routine mechanised maintenance on selected roads under framework contract Procurement Reference No. Kass855/SPLS/2022-23/00003-2	31,322,500	
3.	Supply and installation of culverts on selected roads under framework contract Procurement Reference No. Kass855/SPLS/22-23/00005-1	11,257,200	
4.	Supply of grader services on selected roads Procurement Reference No. Kass855/SPLS/2022-23/00005-9	57,600,000	
	Total	275,550,200	

Implication

Poor record keeping limits the audit trail and hinders transparency and accountability in the procurement process.

Management Response

Management acknowledged the Authority's observation and promised to improve given the fact that the Procurement and Disposal Unit had been allocated enough space in the new Administration building.

Recommendation

The Authority noted the Entity's response and recommended that:

The Head, Procurement and Disposal Unit should ensure that all procurement records are properly kept and filed in their respective files in accordance with Section 41 of the PPDA Act, 2003.

2.3.4. Irregularities noted during physical verification

The Authority carried out physical verification and noted some irregularities in three projects worth UGX 523,912,784 as discussed below.


a) Failure to adhere to Environmental, Social, Safety and Health requirements.

The Authority visited the site for Renovation of an eight-classroom block at Mpanga Primary School worth UGX 164,630,000 and noted the following.

- The Contractor did not clear the site after construction and left Bricks debris and aggregate on site which exposes the students to the risk of accidents.
- The contract and all work were marked as complete; however, the building was not habitable for students.
- The Bills of quantities and contract did not provide for Environmental, Social and Health Safeguards such as site restoration, appropriate rain water drainage system, planting of trees which left the site exposed to environmental degradation.

These are illustrated in figure 2 below:

Figure 2: Photo of Classroom Block at Mpanga Primary School

Case 1	UGX: 164,630,000
Renovation of an 8 Classroom block at Mpanga Primary School	
Provider: Vision Experts (U) Ltd	Status of works: completed
	

Implication

- Failure to provide for environmental, social and health safeguards expose the building users to the risk of accidents and also leads to fast deterioration of the building hence reducing the useful life of the project.

- An inhabitable building exposes the Entity to the risk of failure to achieve value for money.

Management Response

Management acknowledged the Authority’s observation and explained that the highlighted issues would be taken care of in phase 2; completion of the 8-classroom block office and store at Mpanga Memorial Primary School.

Recommendation

The Authority noted management’s response and recommends that the Accounting Officer should:

- Always ensure that Environmental, Social, Safety and Health requirements are taken care of in all Government projects; and
- Liaise with all relevant stakeholders such as Ministry of Finance, Planning and Economic Development to raise funds to complete the project in order to achieve value for money.

b) None utilisation of the Medical Equipment

The Authority noted that the district procured medical equipment worth UGX 175,370,500 for Kijuna HC III, however, by the time of the audit in October 2023, the equipment was not in use and were still packed in boxes and shown in Figure 3 below:

Figure 3. Medical Equipment for Kijuna HC III Kept at the District Stores in Boxes

Case 2	UGX: 175,370,500
Supply and installation of Training Medical Equipment at Kijuna HC III Lot 4	
Provider: Cleaning & General Supplies Enterprises (U) Limited	Status of procurement: Medical Equipment lying idle at the district stores



Implication

Non-utilization of medical equipment hinders service delivery to the intended beneficiaries.

Management Response

Management explained that supplier had since installed the medical equipment at Kijuna HCIII and security had been put in place and medical staff attached.

Recommendation

The Authority noted the Entity's response; however, no evidence was provided to confirm that the equipment was in use. The Accounting Officer should always ensure that procured items are put to their rightful use in a timely manner to achieve value for money.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

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

3.1. Overall Audit Conclusion

The performance of Kassanda District Local Government for the Financial Year 2022/2023 was **moderately Satisfactory** with overall weighted average risk rating of **50%**.

The risk rating is as follows:

Table 19: Risk Rating Table

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

3.2. Entity's risk assessment

The table below shows the Entity's performance per risk category:

Table 20: Summary of risk assessment of Kassanda District Local Government

Risk category	Number of sampled procurements	%Number	Value	%Value
High	00	0	00	00
Medium	20	100	1,554,301,515	100
Low	00	0	00	00
Total	20	100	1,554,301,515	100

1.1 Entity's Performance

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

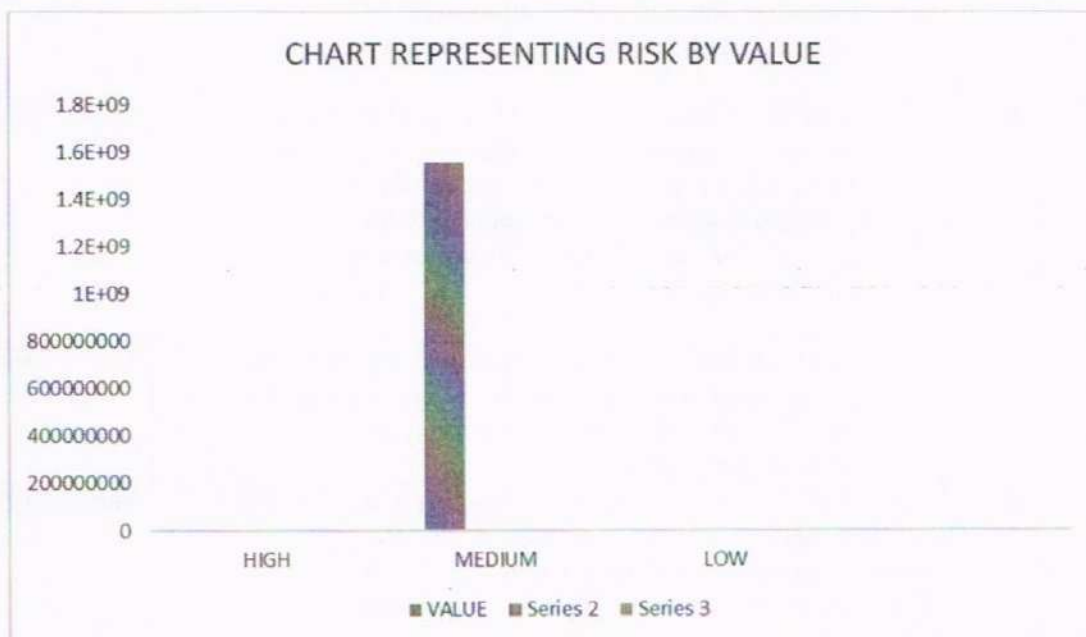
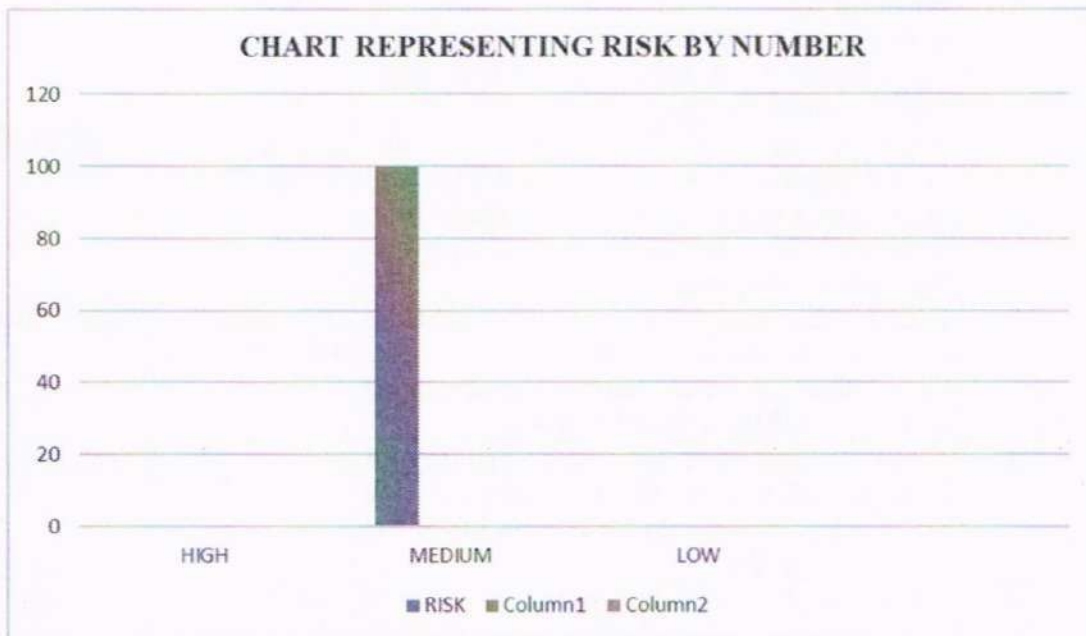
Table 21: Weighted score of Kassanda District Local Government

Risk category	Rating	Weights	Total weighted Average	Rating	Weights	Total weighted Average
	(By Number)			(By Value)		
High	00	0.6	00	00	0.6	00
Medium	100	0.3	30.0	100	0.3	30
Low	00	0.1	00	00	0.1	00
Total	100	1	30.0	100	1	30.0

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{30.0 \times 100}{60} = 50\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{30.0 \times 100}{60} = 50\%$$

$$\text{Combined Weighted Average} = \frac{50 + 50}{2} = 50.0\%$$



3.3. Recommended Action Plan

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

Table 22: Action plan

No.	Recommendation	Responsible Officer	Target Date
1	Put in place a strong internal mechanism and a dedicated team of staff for implementation of audit recommendations that will always ensure full implementation of the Authority's previous audit recommendations.	Accounting Officer	March, 2024
2	Regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 to ensure improved performance.	Accounting Officer	April, 2024
3	Establish the possible causes of the low bidder response and devise mechanisms of increasing competition in the Entity's procurement processes to achieve value for money.	Accounting Officer	March, 2024
4	Always prepare a disposal plan capturing all items identified in the Board of Survey as due for disposal in line with Section 58 (4) of the PPDA Act, 2003).	Accounting Officer	April, 2024
5	Ensure that assets of the Entity are reviewed and disposed of following the methods recommended in line with Regulations 122 of the Local Governments (PPDA) Regulations, 2006	Accounting Officer	May, 2024
6	The Contracts Committee should critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies in accordance with Regulation 17 of the Local Governments (PPDA) Regulations, 2006.	Contracts Committee	March, 2024
7	The Internal Auditor should prioritize auditing of the procurement function as required under Regulation 28 of the Local Governments (PPDA) Regulations, 2006	Internal Auditor	March, 2024
8	Ensure that the Entity's quarterly procurement and disposal reports are submitted to the Authority in accordance with Guideline No. 6 of the Local Governments (PPDA) Guidelines 2008.	Head PDU	March, 2024
9	Ensure that a procurement register is in place and updated regularly for ease of tracking and	Head PDU	March, 2024

No.	Recommendation	Responsible Officer	Target Date
	tracing of procurement reference numbers		
10	Ensure that micro procurements are reported to Contracts Committee for approval.	Head PDU	March, 2024
11	Prepare quality solicitation documents in accordance with Regulation 48 and Regulation 53 (4) of the Local Governments (PPDA) Regulations 2006.	Head PDU	March, 2024
12	State exact dates of expiry of bid validity periods when preparing solicitation documents as provided in the PPDA Circular No.1/2013.	Head PDU	March, 2024
13	Ensure that the procurement process is implemented according to the procurement plan and in a timely manner.	Head PDU	March, 2024
14	Ensure that the Evaluation Committees are adhoc in nature to attract various skills and expertise during the evaluation of the respective procurements.	Head PDU	March, 2024
15	Always include a requirement of a performance security for high value procurements in accordance with regulation 102 of the Local Governments (Public Procurement and Disposal of Public Assets) Regulations, 2006.	Head PDU	March, 2024
16	Ensure that all records regarding procurement are properly kept and filed in their respective files in accordance with Section 41 of the PPDA Act 2003.	Head PDU	March, 2024
17	Evaluation Committees should always ensure that bids are evaluated based on the approved evaluation criteria stated in the bidding document.	Evaluation Committees	March, 2024
18	Heads of User Departments should always ensure that Contract Supervisors prepare contract implementation plans.	User Departments	March, 2024

ANNEX 1: CASE BY CASE ANALYSIS

NO.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
	Nil	
NO.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1	<p>Drilling of Eight Deep Boreholes in Selected sites in Kassanda District</p> <p>Actual: UGX 183,655,200</p> <p>Method: Open Domestic Bidding</p> <p>Provider: Icon Project Ltd</p>	<p>Initiation stage</p> <ul style="list-style-type: none"> • Failure to indicate the Reference number on Form 1 • Submission to Contracts Committee to approve the method, bidding document as well as the evaluation Committee before the initiation and approval by the accounting Officer <p>Bidding stage</p> <ul style="list-style-type: none"> • Inconsistency in bid security amount where the bidding document indicates UGX 1,000,000 while the advert indicated UGX 2,000,000 • The validity of Bid Security stated as 120 days • No decision approving the method, bidding document as well as the evaluation Committee • The Entity failed to hold Pre Bid meeting as no record was available to the Entity. • Irregular appointment of Evaluation Team to conduct the evaluation exercise (Sebyatika Fred, Tumwebaze Joan, Nansijo Jesca, Nassuna Veronica, Sebulime Gonzanga Sebulime Gonzaga neither participated nor signed the evaluation report <p>Evaluation stage</p> <ul style="list-style-type: none"> • The evaluation team introduced a new evaluation criterion on personnel and Equipment other than the one approved by Contracts Committee. <p>Contract Management stage</p> <ul style="list-style-type: none"> • Failure to request for Performance Security as it clearly indicated under GCC 61.1 of the special conditions that a performance security shall not be required

2	<p>Phased Construction of Lugongwe Solar Piped Water System</p> <p>Actual: UGX 260,028,930</p> <p>Method: Open Domestic Bidding</p> <p>Provider: Winrar Services Ltd</p>	<p>Initiation stage</p> <ul style="list-style-type: none"> • Failure to indicate the Reference number on LG PP Form 1 • Inconsistencies in referencing in the documents (00001 on the form to contracts Committee to approve the method, Form for record of issue & 00002-Ethical Form and the bidding document. • Irregular appointment/ Failure to nominate Evaluation Team to conduct the evaluation exercise (Sebyatika Fred, Tumwebaze Joan, Nansijo Jesca, Nassuna Veronica, Sebulime Gonzanga) <p>Bidding stage</p> <ul style="list-style-type: none"> • Low Bidder Participation • The bidding document has UGX 2,500,000 as the amount for bid security contrary to 3,000,000 as indicated on the advert. • Icon Projects Ltd provided the Bid security of UGX 2,500,000 yet Winrar Services Ltd submitted a bid security worth UGX 3000,000. The inconsistencies were between the different amounts in the advert and bidding document <p>Evaluation stage</p> <ul style="list-style-type: none"> • The Evaluation Committee verified the Authenticity of the Bid Security for only Winrar Services Ltd leaving out Icon Projects Ltd • The evaluation team introduced a new evaluation criterion on personnel and Equipment other than the one approved by Contracts Committee. <p>Contract Management stage</p> <ul style="list-style-type: none"> • Failure to request for performance Guarantee by the contractor at it is clearly stated that it shall not be required in the Special Conditions GCC 61.1 of the bidding documents
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3	<p>Procurement of Mubende She goats</p> <p>Actual: UGX 20,915,000</p> <p>Method: Selective Bidding</p> <p>Provider: Together as one Investments Ltd</p>	<p>Initiation Stage</p> <ul style="list-style-type: none"> • Failure to indicate the Reference number on Form 1 • Delay of the procurement process (The user department and the Accounting Officer approved the requisition form on 1st July ,2022 however CC Approved the bidding document, method of procurement and evaluation team on 25th August,2022. <p>Bid preparation-stage</p> <ul style="list-style-type: none"> • The bidding document has a shorter bid validity of seven working days • The bidding document did not provide Documents evidencing eligibility (Trading Licence, Tax Clearance Certificate) • Failure to provide specifications in the bidding document (No clear description of the goats) • Failure to nominate the evaluation Committee <p>Bidding stage</p> <ul style="list-style-type: none"> • Low Bidder Participation • No Evidence that the shortlisted bidders were invited • Shorter bidding period • Irregular display of BEB (The display notice dated 6th September,2022 yet CC approving the evaluation report was on 8th September,2022 • No Ethical Code signed by the Evaluators <p>Contract Management stage</p> <ul style="list-style-type: none"> • No Appointment of the contract Manager • No Implementation Plan • No Progress Report
4	<p>Procurement of 5100kg of Irish Potatoes</p> <p>Actual: UGX 10,071,000</p> <p>Method: Selective Bidding</p> <p>Provider: Together as one Investments Ltd</p>	<p>Initiation stage</p> <ul style="list-style-type: none"> • Failure to indicate the Reference number on Form 1 • Inconsistencies in referencing (00025 ,00026, 00027) • Delay of the procurement process (The user department and the Accounting Officer approved the requisition form on 1st July ,2022 however CC Approved the bidding document, method of procurement and evaluation team on 25th August,2022.

		<p>Bid Preparation stage</p> <ul style="list-style-type: none"> • The bidding document has shorter bid validity of 7 working days • Failure to provide specifications in the bidding document (No clear description of irish potatoes • Failure to nominate the evaluation Committee <p>Bidding stage</p> <ul style="list-style-type: none"> • Low Bidder Participation • No Evidence that the shortlisted bidders were invited • Shorter bidding period • Irregular display of BEB (The display notice dated 6th September,2022 yet CC approving the evaluation report was on 8th September,2022. <p>Contract Management stage</p> <ul style="list-style-type: none"> • No Appointment of the contract Manager • No Implementation Plan
5	<p>Phase II of the Fencing of Kassanda Health Centre Iv</p> <p>Actual: UGX 53,107,753</p> <p>Method: Open Domestic</p> <p>Provider: Ssebu General Merchants</p>	<p>Initiation stage</p> <ul style="list-style-type: none"> • Failure to indicate the Reference number on Form 1 • Inconsistencies in referencing (00025,00021 and 00019 • Failure to conduct Market survey leading to under estimation of the budget • Failure to attach Bills of Quantities • Failure to fil the Fund availability section <p>Evaluation stage</p> <ul style="list-style-type: none"> • Failure to sign the Ethical code of conduct • Evaluation report signed by three members out of six members <p>Contract Management stage</p> <ul style="list-style-type: none"> • No Payment Record from the Entity • No Completion Certificates
6	<p>Completion of the OPD Block at Makokoto Health Centre III</p> <p>UGX 65,323,414</p> <p>Method: Open Domestic</p>	<p>Initiation stage</p> <ul style="list-style-type: none"> • Delay of the approval of Form 1(Requisition form) by Accounting Officer • Failure to complete the funds availability section • Failure to attach BOQs on Form 1

	<p>Provider: Zoom Structures Ltd</p>	<ul style="list-style-type: none"> • Delayed commencement of the procurement from the time the Accounting officer approved the Requisition. The Head PDU submitted the request to approve the method, solicitation document and the evaluation team on to CC on 5th January,2023 <p>Bid Preparation</p> <ul style="list-style-type: none"> • Inconsistence in the reference number Kass855/WRKS/22/23/00022 on Form 1 and the advert (00030) <p>Bidding stage</p> <ul style="list-style-type: none"> • Low Bidder Participation <p>Contract Stage</p> <ul style="list-style-type: none"> • Contract has no special conditions • No start date <p>Contract Management stage</p> <ul style="list-style-type: none"> • No Implementation Plan • No Payment Records • No completion certificate
7	<p>Procurement of Motor Cycle to Production Department</p> <p>Actual: UGX; 14,500,000</p> <p>Method: Direct Method</p> <p>Provider: Simba Automotive Limited</p>	<p>Initiation stage</p> <ul style="list-style-type: none"> • Failure to indicate the Reference number on Form 1 • Failure to complete the funds availability section <p>Bid Preparation</p> <ul style="list-style-type: none"> • Bid validity indicated as 7 working days • The Bidding document had no specifications for the Motor Cycle • The bidding document indicates that the bid submission date is 11th October 2022 yet bid closing was on 1 September ,2002 • No CC decision approving the method, shortlist and the evaluation • No Forms on file submitting to CC requesting for approval of the method, shortlist and the evaluation • No Record of shortlist

		<ul style="list-style-type: none"> • Aggregated Invitation Letter on file with Contradicting procurement schedules <p>Bidding stage</p> <ul style="list-style-type: none"> • Low Bidder Participation • No Ethical Code of conduct on file • BEB displayed on 6th September,2022 yet CC approved the evaluation report on 8th September,2022 <p>Contract Management stage</p> <ul style="list-style-type: none"> • No Appointment of contract manager • No Implementation • No Payment records
8	<p>Supply and installation of Medical Equipment to Kiganda Health Centre Actual: UGX 30,100,000</p> <p>Method: Selective Bidding</p> <p>Provider: RIMA EA Limited</p>	<p>Bid preparation</p> <ul style="list-style-type: none"> • Shorter Bid validity of 7 working days • Shorter bidding period of 5days • The Entity did include Documents Evidencing of Eligibility such as Tax Clearance Certificate, Trading Licence, Certificate of incorporation, PPDA Registers of Providers etc • No CC decision approving the method, shortlist and the evaluation team • No Record of shortlist <p>Bidding stage</p> <ul style="list-style-type: none"> • Low Bidder Participation • No Evidence that the shortlisted bidders were invited to participate • No Ethical Code of conduct on file <p>Contract Management stage</p> <ul style="list-style-type: none"> • No Appointment of contract manager • No Implementation
9	<p>Procurement of 181 – 3 Seater Desks to the Education Department Actual: UGX 30,100,000</p> <p>Method: Selective Bidding</p>	<p>Initiation stage</p> <ul style="list-style-type: none"> • Delay of the approval of Form I(Requisition form) by Accounting Officer from 28th April,2022 to 15th September,2022. • Failure to complete the funds availability section • The form I lacked quantities and the rate

	<p>Provider: RIMA EA Limited</p>	<p>they used while budgeting</p> <p>Bid Preparation</p> <ul style="list-style-type: none"> • Inconsistence in the reference number Kass855/spls/22/23/00014 on Form 1 and the Bidding document indicating 00009 • The User department did not provide the specifications • The document did not provide for specifications of the required desks • Inconsistencies in the required number/quantities. • The bidding document has a shorter bid validity date of seven working days <p>Bidding stage</p> <ul style="list-style-type: none"> • Low Bidder Participation • No Evidence that the shortlisted bidders were invited to participate <p>Evaluation stage</p> <ul style="list-style-type: none"> • No signing of the Ethical Code conduct • The Evaluation report indicates that bidding was closed on 11th October,2022 however the Contracts Committee decision approving the evaluation report took place on 8th September,2022. • The Best Evaluated Bidder Notice available on file indicates that it was issued to bidders on 6th September ,2022 <p>Contract Management stage</p> <ul style="list-style-type: none"> • No appointment of contract manager • No Implementation Plan • No Progress reports • No list of distribution to schools
10	<p>Construction of 2-stance Drainable Latrine and 2 bathrooms at Bbira primary School in Makokoto sub County</p>	<p>Initiation stage</p> <ul style="list-style-type: none"> • Failure to attach Bills of Quantities • Failure to fil the Fund availability section <p>Bid preparation</p> <ul style="list-style-type: none"> • Shorter bid validity of 20 days from closing date

	<p>Actual: 16,550,000</p> <p>Method: Selective Bidding</p> <p>Provider : Kabosi Farmers and Contractors Ltd</p>	<ul style="list-style-type: none"> • Failure to sign the Ethical code of conduct <p>Evaluation stage</p> <ul style="list-style-type: none"> • Evaluation report signed by three members out of six members <p>Contract Management stage</p> <ul style="list-style-type: none"> • No Implementation Plan
11	<p>Construction of a 4 single roomed staff House Block at Namaswanta Primary School</p> <p>Procurement Reference No. Kas855/Wrks/22-23/00024</p> <p>Contract Sum: 94,989,240</p> <p>Provider: Bullen Construction and Supplies</p>	<p>Initiation stage</p> <ul style="list-style-type: none"> • Delayed approval by the Accounting Officer of LG PP form 1 • Failure to fill the funds availability section • Failure to attach Bills of Quantities and drawings to LG PP Form 1 <p>Preparation of bidding document</p> <ul style="list-style-type: none"> • Poorly drafted bidding document <p>Bidding stage</p> <ul style="list-style-type: none"> • Low bidder participation <p>Evaluation stage</p> <ul style="list-style-type: none"> • No evaluation minutes on file. • Failure by all members to sign the Evaluation Report. • The Evaluation Committee recommended Rosco Contractors Ltd to be awarded a contract a bidder who never bided for the works. • Use of a different evaluation criteria from the one approved by the Contracts Committee. <p>Display of Best Evaluated Bidder Notice</p> <ul style="list-style-type: none"> • Delayed display of the BEB notice. <p>Contract document</p> <ul style="list-style-type: none"> • No BOQs and Drawings were attached. • No performance security was required as per SCC GCC 61.1. • Use of different GCC & SCC from the ones in the bidding document <p>Contract management</p> <ul style="list-style-type: none"> • Non appointment of contract supervisor. <p>Physical Verification</p> <ul style="list-style-type: none"> • Failure to occupy 2 rooms

		<ul style="list-style-type: none"> • Un cleared site • Incomplete electrical works
12	<p>Construction of a 2 Classroom Block at Kamwalo PS in Kijuna Sub County</p> <p>Procurement Reference No. Kas855/Wrks/22-23/00006</p> <p>Contract Sum: 88,923,044</p> <p>Provider: Together as one Investments Limited</p>	<p>Initiation stage</p> <ul style="list-style-type: none"> • Delayed approval by the Accounting Officer of LG PP form 1 • Failure to fill the funds availability section • Failure to attach Bills of Quantities and drawings to LG PP Form 1 <p>Preparation of bidding document</p> <ul style="list-style-type: none"> • Poorly drafted bidding document <p>Evaluation stage</p> <ul style="list-style-type: none"> • No evaluation minutes on file. • Failure by all members to sign the Evaluation Report. • Use of a different evaluation criteria from the one approved by the Contracts Committee. • Failure to seek confirmation of arithmetic error from Bullen Construction and Supplies Ltd • Failure by all members of the evaluation committee to sign the code of ethical conduct <p>Display of Best Evaluated Bidder Notice</p> <ul style="list-style-type: none"> • Delayed display of the BEB notice. • No evidence of sending the BEB notice to bidders <p>Contract document</p> <ul style="list-style-type: none"> • No performance security was required as per SCC GCC 61.1 <p>Physical Verification</p> <ul style="list-style-type: none"> • Leaking roof
13	<p>Construction of a 4 Unit staff houses and a 2 stance lined VIP Latrine at Kyasansuwa HC III at Manyogaseka SC</p> <p>Procurement Reference No. Kas855/Wrks/22-23/00018</p>	<p>Initiation stage</p> <ul style="list-style-type: none"> • Failure to fill the funds availability section • Failure to attach Bills of Quantities and drawings to LG PP Form 1 <p>Preparation of bidding document</p> <ul style="list-style-type: none"> • Poorly drafted bidding document

	<p>Contract Sum: 165,059,297</p> <p>Provider: Winrar Services Limited</p>	<p>Bidding stage</p> <ul style="list-style-type: none"> • Low bidder participation <p>Evaluation stage</p> <ul style="list-style-type: none"> • No evaluation minutes on file. • Failure by all members to sign the Evaluation Report. • Use of a different evaluation criteria from the one approved by the Contracts Committee. <p>Display of Best Evaluated Bidder Notice</p> <ul style="list-style-type: none"> • Delayed display of the BEB notice. <p>Contract document</p> <ul style="list-style-type: none"> • Delayed contract signing • No BOQs and Drawings were attached. • No performance security was required as per SCC GCC 61.1. • Use of different GCC & SCC from the ones in the bidding document
14	<p>Procurement of 2750 Banana Tissues</p> <p>Procurement Reference No. Kas855/Wrks/22-23/00027</p> <p>Contract Sum: 15,886,900</p> <p>Provider: Together as one Investments Ltd</p>	<p>Initiation stage</p> <ul style="list-style-type: none"> • Failure to fill the funds availability section • Failure to attach Specifications to LG PP Form 1 <p>Preparation of bidding document</p> <ul style="list-style-type: none"> • Poorly drafted bidding document <p>Bid notice No evidence of sending the bid notice to shortlisted bidders</p> <p>Bidding stage</p> <ul style="list-style-type: none"> • Low bidder participation <p>Evaluation stage</p> <ul style="list-style-type: none"> • No evaluation minutes on file. • Failure by all members to sign the Evaluation Report. <p>Display of Best Evaluated Bidder Notice</p> <ul style="list-style-type: none"> • Display of the BEB notice before Contracts Committee decision. <p>Contract document</p> <ul style="list-style-type: none"> • Poorly drafted contract document

		<p>Contract management</p> <ul style="list-style-type: none"> • Non appointment of contract supervisor.
15	<p>Supply and installation of irrigation Demo and protective gears</p> <p>Procurement Reference No. Kas855/SUPLS/22-23/00026</p> <p>Contract Sum: 67,200,000.</p> <p>Provider: Together as one Investments Ltd</p>	<p>Initiation stage</p> <ul style="list-style-type: none"> • Delayed approval by the Accounting Officer of LG PP form 1 • Failure to fill the funds availability section <p>Preparation of bidding document</p> <ul style="list-style-type: none"> • Poorly drafted bidding document <p>Bidding stage</p> <ul style="list-style-type: none"> • Low bidder participation <p>Evaluation stage</p> <ul style="list-style-type: none"> • No evaluation minutes on file. <p>Contract management</p> <ul style="list-style-type: none"> • Non appointment of contract supervisor.
16	<p>Renovation of an 8 Classroom block at Mpanga Primary School</p> <p>Procurement Reference No. Kas855/WRKS/22-23/00011</p> <p>Contract Sum: 164,630,000</p> <p>Provider: Vision Experts (U) Ltd</p>	<p>Initiation stage</p> <ul style="list-style-type: none"> • Failure to fill the funds availability section • Failure to attach Bills of Quantities and drawings to LG PP Form 1 <p>Preparation of bidding document</p> <ul style="list-style-type: none"> • Poorly drafted bidding document <p>Evaluation stage</p> <ul style="list-style-type: none"> • No evaluation minutes on file. • Failure by all members to sign the Evaluation Report. • Use of a different evaluation criteria from the one approved by the Contracts Committee. <p>Display of Best Evaluated Bidder Notice</p> <ul style="list-style-type: none"> • Delayed display of the BEB notice. • No evidence of sending the notice to bidders <p>Contract document</p> <ul style="list-style-type: none"> • No performance security was required as per SCC GCC 61.1. <p>Contract management</p> <ul style="list-style-type: none"> • Non appointment of contract supervisor. • Delayed issuance of order of commencement of works <p>Physical Verification</p> <ul style="list-style-type: none"> • Debris were not removed

		<ul style="list-style-type: none"> • The behind veranda was being covered by loose oils
17	<p>Supply and installation of Training Medical Equipment at Kijuna HC III Lot 4</p> <p>Procurement Reference No. MOH Ugift /spls/2022-23/00058/4</p> <p>Contract Sum: 175,370,500</p> <p>Provider: Cleaning & General Supplies Enterprises (U) Limited</p>	<p>Initiation stage</p> <ul style="list-style-type: none"> • Delayed approval by the Accounting Officer of LG PP form 1 • Failure to fill the funds availability section • Failure to attach specifications to LG PP Form 1 <p>Display of Best Evaluated Bidder Notice</p> <ul style="list-style-type: none"> • Poorly drafted BEB notice • No evidence of sending BEB notice to bidders. <p>Contract management</p> <ul style="list-style-type: none"> • Non appointment of contract supervisor. <p>Physical Verification</p> <ul style="list-style-type: none"> • The equipment is lying idle in the District stores <p>Missing records</p> <ul style="list-style-type: none"> • Solicitation document • LG PP Form 2 (Request for approval of the procurement method) • LG PP Form 5 (Request for approval of the bidding document and bid notice) • Record of issue of bidding documents • Bid documents • Contract management record
18	<p>Supply and installation of culverts on selected roads under framework contract</p> <p>Procurement Reference No. Kass855/spls/22-23/00005-1</p> <p>Contract Sum: 11,257,200</p> <p>Provider: Jolton World U Ltd</p>	<p>Initiation stage</p> <ul style="list-style-type: none"> • Failure to fill the funds availability section • Failure to attach specifications to LG PP Form 1 <p>Missing records</p> <ul style="list-style-type: none"> • LG PP Form 2 (Request for approval of the procurement method) • LG PP Form 5 (Request for approval of the bidding document and bid notice) • Record of issue of bidding documents • Record of receipt of bids • Record of bid opening • Bid documents • Evaluation report and minutes

		<ul style="list-style-type: none"> • Code of ethical conduct • Notice of Best Evaluated Bidder • Contract management records <p>Physical Verification</p> <ul style="list-style-type: none"> • Poorly installed culverts along Kassanda Kamuli road
19	<p>Supply of fuel for selected routine mechanised maintenance on selected roads under framework contract</p> <p>Procurement Reference No. Kass855/spls/2022-23/00003-2</p> <p>Contract Sum: 31,322,500</p> <p>Provider: Joskas Associated Industries</p>	<p>Initiation stage</p> <ul style="list-style-type: none"> • Failure to fill the funds availability section • Failure to attach specifications to LG PP Form 1 <p>Contract document</p> <ul style="list-style-type: none"> • Issuance of call off order before signing a framework contract <p>Missing records</p> <ul style="list-style-type: none"> • LG PP Form 2 (Request for approval of the procurement method) • LG PP Form 5 (Request for approval of the bidding document and bid notice) • Record of issue of bidding documents • Record of receipt of bids • Record of bid opening • Bid documents • Evaluation report and minutes • Code of ethical conduct • Notice of Best Evaluated Bidder • Contract management records
20	<p>Supply of grader services on selected roads</p> <p>Kass855/spls/2022-23/00005-9</p> <p>Contract Sum: 57,600,000</p> <p>Provider: Pehan Construction Ltd and CGH Establishments Limited</p>	<p>Initiation stage</p> <ul style="list-style-type: none"> • Failure to fill the funds availability section <p>Bidding document</p> <ul style="list-style-type: none"> • No evidence of sending the bidding document to shortlisted bidders. <p>Missing records</p> <ul style="list-style-type: none"> • LG PP Form 2 (Request for approval of the procurement method) • LG PP Form 5 (Request for approval of the bidding document and bid notice) • Record of issue of bidding documents • Record of receipt of bids • Record of bid opening • Bid documents • Evaluation report and minutes • Code of ethical conduct • Notice of Best Evaluated Bidder • Contract management records shortlisted bidders

**ANNEX 2: SAMPLE FOR KASSANDA DISTRICT LOCAL GOVERNMENT FOR FY
2022/2023**

No.	Subject of Procurement	Reference Number	Method of Procurement	Provider	Amount (UGX)
1	Supply and installation of Training Medical Equipment at Kijuna HC III Lot 4	MOH Ugift /spls/2022-23/00058/4	Open Bidding	Cleaning and General Enterprises Ltd	175,370,500
2	Supply and installation of 3 irrigation equipment and Protective gears	Kass855/spls/2022-23/00032	Open Bidding	Together as One Investment	67,200,000
3	Completion of an OPD at Makokoto HC III	Kass855/wrks/2022-23/00022	Open Bidding	Rosco Contractors Ltd	65,323,144
4	Phased Fencing of Kassanda Health Centre III	Kass855/spls/2022-23/00021	Open Bidding	Ssebu General Merchandise	53,200,000
5	Procurement of 188 – 3 seater Desks to the Education department	Kass855/spls/2022-23/00009	Selective bidding	Kabosi Farmers Supplies Ltd	47,050,000
6	Procurement of 5100 kg of irish Potatoes	Kass855/spls/2022-23/00026	Selective bidding	Together as One Investment	10,001,100
7	Procurement of 47 Mubende she goats	Kass855/spls/2022-23/00030	Selective bidding	Together as One Investment	20,915,000
8	Procurement of 2750 Banana Tissue	Kass855/spls/2022-23/00027	Selective bidding	Together as One Investment	15,886,900
9	Procurement of amotor cycle	Kass855/spls/2022-23/00029	Selective bidding	Simba Automotive (U) Ltd	14,500,000
10	Construction of 4-unit staff house and atwo stance lined VIP latrine at Kyansasuwa HC III in Manyogaseka	Kass855/wrks/2022-23/00018	Open Bidding	Winar Services Ltd	165,059,297
11	Construction of 2-	Kass855/wrks/2022-	Selective	Kabosi	16,550,000

	Drainable Latrine and 2 bathrooms at Bbira primary School in Makokoto sub County	23/00030	bidding	Farmers Supplies Ltd	
12	Supply of Medical Equipment at Kiganda HC III	Kass855/spls/2022-23/00001	Selective bidding	Rima East Africa Ltd	30,010,000
13	Construction of a two classroom block at Kamwalo Primary school in Kijuna Subcounty	Kass855/wrks/2022-23/00006	Open Bidding	Together as One Investment	88,923,044
14	Supply and installation of culverts on selected roads under framework contract	Kass855/spls/2022-23/00005-1	Selective bidding	Jolton World (U) Ltd	11,257,200
15	Supply of fuel for selected routine mechanised maintenance on selected roads under framework contract	Kass855/spls/2022-23/00003-2	Selective bidding	JOSKASS Associated Industries	31,322,500
16	Supply of grader services on selected roads	Kass855/spls/2022-23/00005-9	Selective bidding	Pehan Construction Ld	28,800,000
17	Phased Construction of piped water system at Lugongwe Trading centre in Mbirizi sub county	Kass855/wrks/2022-23/00001	Open Bidding	Winrar Services Ltd	260,028,930
18	Drilling and installation of 08 boreholes in selected places	Kass855/wrks/2022-23/00002	Open Bidding	Icon Projects Ltd	193,284,000
19	Phase 1 renovation of an 8 classroom block with office and store at Mpanga primary	Kass855/wrks/2022-23/00011	Open Bidding	Vision Experts	164,630,000

	school in Myanzi				
20	Construction of a 4 single roomed staff house block with stores at Namaswanta primary school in Ksanda sub county	Kass855/wrks/2022-23/00024	Open Bidding	Bullen Construction and supplies ltd	94,989,900
					1,554,301,515

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	Planning: Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		Bidding Process: Deviations	This implies lack of

RISK	DESCRIPTION	AREA	IMPLICATION
	damaging the regulatory system or the Entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.	from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	efficiency, standardisation and avoiding competition.
		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	Planning: Lack of procurement reference	This leads to failure to track the procurements

RISK	DESCRIPTION	AREA	IMPLICATION
	within the normal management framework is considered desirable to	numbers.	which leads to poor record keeping.
	improve efficiency or to ensure that the business matches 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.	Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and lack of transparency.

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.

PHYSICAL VERIFICATION FOR KASSANDA DLG



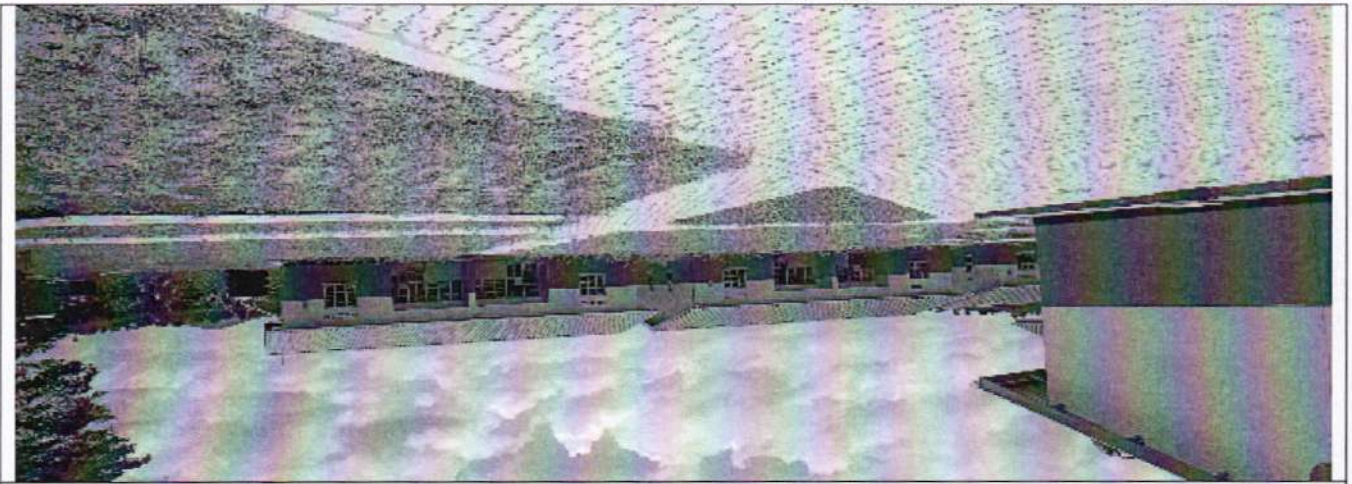
A photo showing un removed debris upon completion of renovation works at Mpanga Primary School



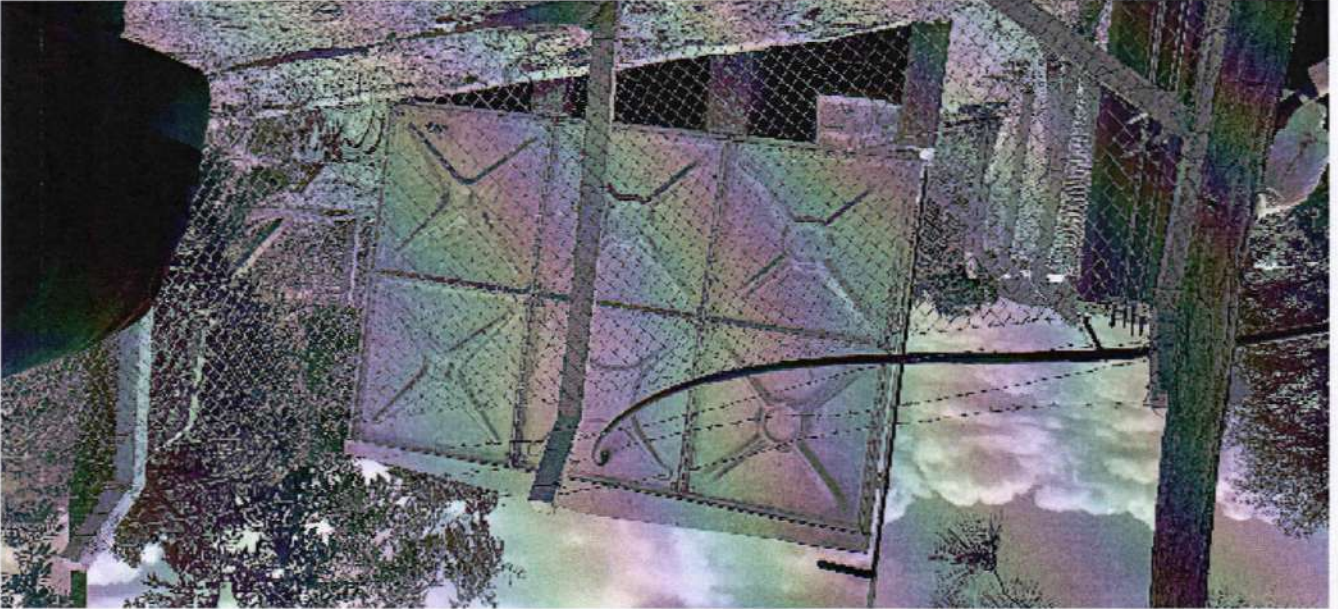
The behind veranda at Mpanga Primary School being covered by soils due to soil erosion



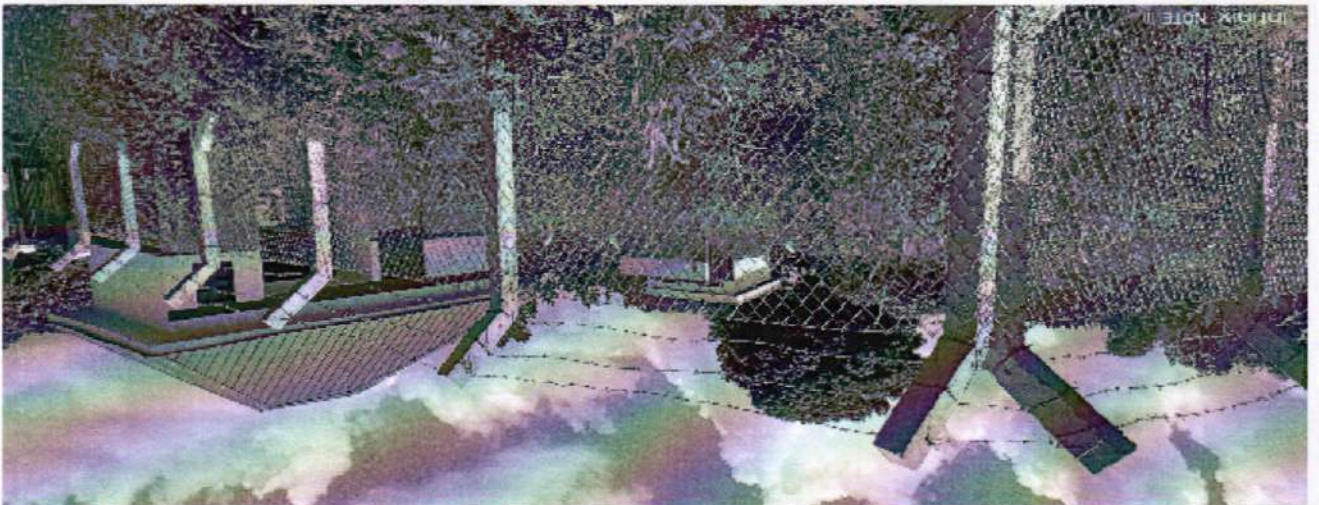
A completed Kijjuna Health Centre III where medical equipment has not been installed.



Water tank at Lugongwe at a risk of being stolen



Abandoned pump house at Lugongwe

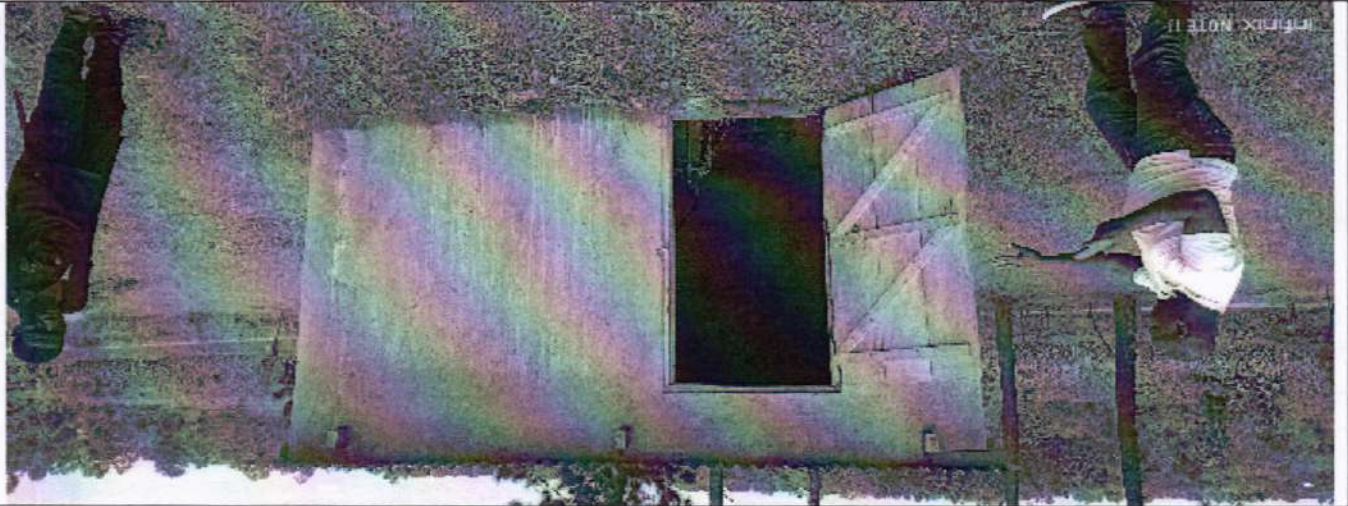




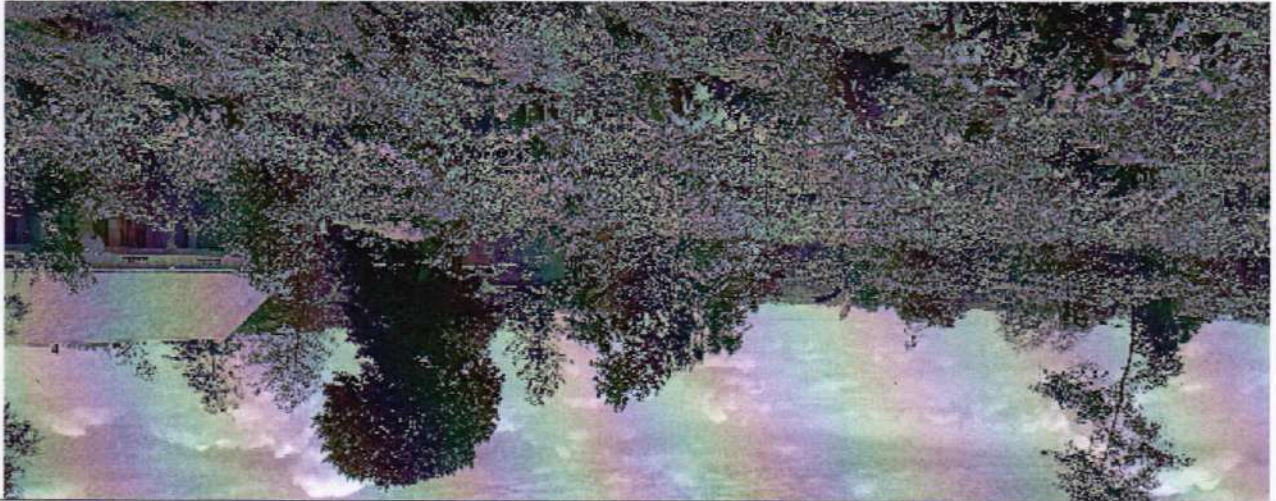
A two classroom block at Kamwalo Primary School with a leaking roof



A borehole at Kyanamungu with a dilapidated fence



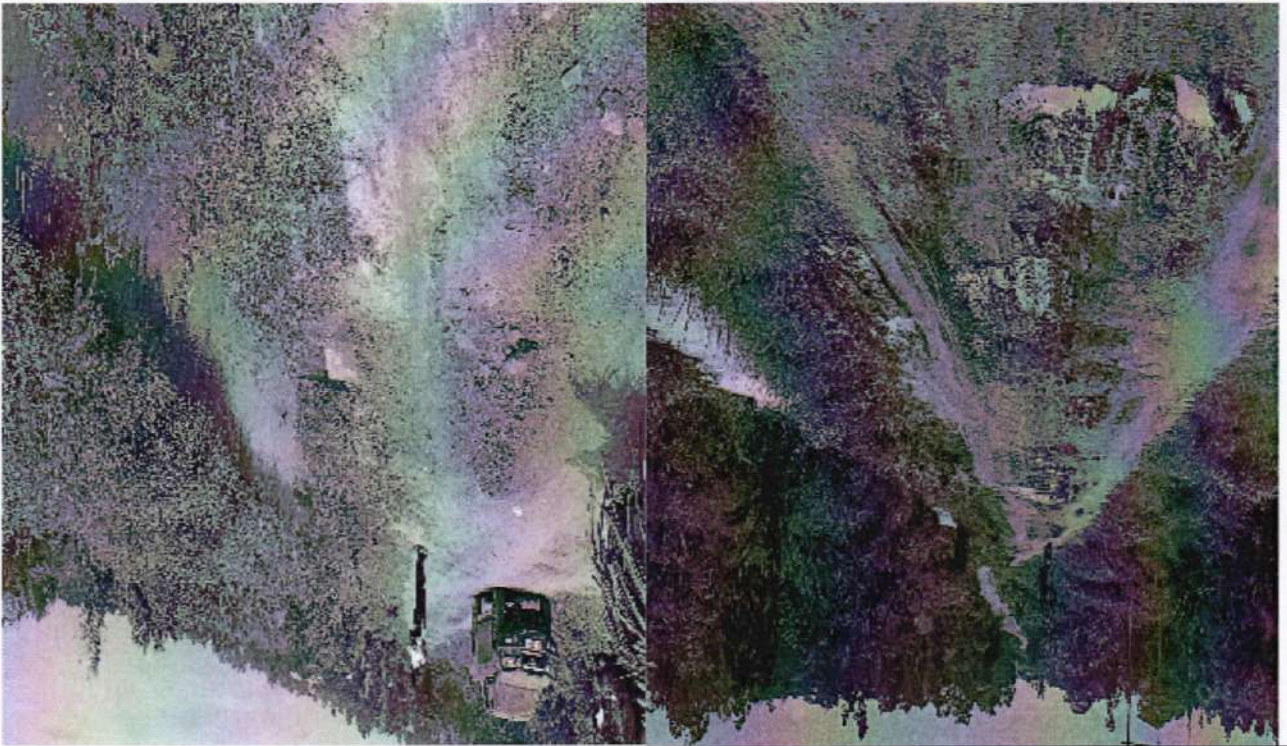
Demonstration site for irrigation at St. Theresa SS Kungu



Some of the goats that were procured.



Poorly installed culverts along Kassanda Kamuli Road that lead to flooding and damaging the Road



Management of Road Fund

Medical equipment for Kijuna HC III lying idle in the District Stores



Poorly constructed pump house for Demonstration site for irrigation at St. Theresa SS Kungu

Poorly spread murrum along Kassanda Kamuli Road



Appendix 1: Letter appointing evaluation team for the whole financial year

