



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

**PROCUREMENT AND DISPOSAL AUDIT REPORT  
FOR FINANCIAL YEAR 2018/19**

**LIRA DISTRICT LOCAL GOVERNMENT**

**AUGUST 2019**

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## ACRONYMS

AO	Accounting Officer
BOQs	Bills of Quantities
CC	Contracts Committee
DLG	District Local Government
EC	Evaluation Committee
FY	Financial Year
HPDU	Head Procurement and Disposal Unit
P/S	Primary School
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SRVCS	Services
SUPLS	Supplies
UGX	Uganda Shillings
WRKS	Works

## EXECUTIVE SUMMARY

### Introduction

The Public Procurement and Disposal of Public Assets Authority carried out the Procurement and Disposal audit of Lira District Local Government. The audit covered a representative sample of twenty eight (28) procurement transactions, one (1) procurement under force account mechanism and one (01) disposal transaction under Financial Year 2018/19. The audit involved a review of procurement system, procurement processes, asset disposal processes, and the procurement performance indicators following the Public Procurement and Disposal of Assets Act, 2003 and Local Governments (PPDA) Regulations, 2006.

From the findings of the procurement audit exercise, the summary results of your Entity revealed that the compliance score was 68.4%, the performance score was 63.13% and the overall weighted average score of **65%** which is **satisfactory** performance as summarised in the table below:

No.	Indicator	Score %	Weight	Weighted Score
1.	Average Compliance Indicator Score	68.40	0.4	27
2.	Average Performance Indicator Score	63.13	0.6	38
<b>Entity's Overall Weighted Score</b>				<b>65</b>

### Key exceptions leading to the above performance:

1. Failure to fully implement the previous PPDA audit recommendations.
2. Failure to report to the Authority all procurement undertaken by the Entity contrary to Regulation 7 (1) of the Local Governments (PPDA) Regulations, 2006.
3. Failure to provide for preference and reservation schemes in all solicitation documents under open national bidding contrary to Regulation 51 of the Local Governments (PPDA) Regulations, 2006.
4. Low bidder participation in which case only 32% of the sampled contracts had at least 3 bids received by the Entity contrary to 43 (4) of the Local Governments (PPDA) Regulations, 2006.
5. Failure to prepare evaluation reports in a standard format issued by the Authority.
6. Failure to include a requirement of performance securities in bidding documents to protect against non-performance of a contract contrary to Regulation 102 (1) of the Local Governments (PPDA) Regulations, 2006
7. Failure to prepare and provide the Procurement and Disposal Unit all contract management records during the course of implementation of contracts contrary to Regulation 119 (10) (vii) of the Local Governments (PPDA) Regulations, 2006.
8. Lack of evidence of completion of contracts, payments and handover as a result only 39% of the sampled contracts were assessed to have been completed within time and only 14% of the contracts were assessed to have been paid within contractual timelines.

### Recommendations

1. The Accounting Officer should institute mechanisms of implementation of PPDA audit recommendations in accordance with Regulation 14 (k) of the Local Governments (PPDA) Regulations, 2006.
2. The Accounting Officer should ensure that complete and accurate quarterly procurement and disposal reports and performance data are submitted to the Authority in accordance with Regulation 7 (1) of the Local Governments (PPDA) Regulations, 2006.

3. The Head, Procurement and Disposal Unit should provide for application of preference and reservation schemes in respect of goods, works and non-consultancy services where the open domestic or open international bidding methods are used in accordance with Section 59(A) of the PPDA Act, 2003.
4. The Accounting Officer should urgently address the issue of low bidder participation and conduct all procurement and disposal in a manner that maximizes competition and value for money.
5. The Head Procurement and Disposal Unit and the Chairperson Contracts Committee should ensure that all evaluation reports are prepared in standard formats issued by the Authority in the Local Governments (PPDA) Guidelines, 2008.
6. The Procurement and Disposal Unit should always apply sufficient and appropriate judgement and include a requirement for performance security when preparing bidding documents especially for high value and risky procurement requirements in accordance on Regulation 102 of the Local Governments (PPDA) Regulations, 2006.
7. The Accounting Officer should task all Heads of User Departments to ensure that all Contract Supervisors prepare, submit progress reports in the course of contract implementation as per their functions in accordance with Regulation 119 (10) and 46 (3) (f) Local Governments (PPDA) Regulations, 2006.
8. Contract supervisors should handle their duties in regard to contract performance in accordance with Regulation 119 (9) (b) of the Local Governments (PPDA) Regulations, 2006.

#### **Score rating**

<b>No.</b>	<b>Level (%)</b>	<b>Rating</b>
1.	90-100	Highly Satisfactory
2.	60-89	Satisfactory
3.	30-59	Unsatisfactory
4.	0-29	Highly Unsatisfactory

#### **Recommended Action plan**

Lira DLG should implement the recommended action plan on pages 36--37.

## **CHAPTER 1: INTRODUCTION**

### **1.1 Background**

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Lira District Local Government. The audit covered a representative sample of twenty eight (28) procurement transactions, one (1) procurement under force account mechanism and one (01) disposal transaction under Financial Year 2018/19. The audit involved a review of procurement system, procurement processes, asset disposal processes, and the procurement performance indicators following the Public Procurement and Disposal of Assets Act, 2003 and Local Governments (PPDA) Regulations, 2006.

### **1.2 Objectives of the Audit**

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of the Procuring and Disposing Entity (PDE)'s procurement system 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 audit period.

The specific objectives were:

- To establish the level of compliance of the internal procurement system with provisions of the PPDA Act, Regulations and Guidelines and the adequacy for effective procurements and disposals.
- To assess procurement, contracting, and implementation processes based on a representative sample of contracts to confirm the level of compliance with the PPDA Act, Regulations and Guidelines.
- To assess the level of compliance of the asset disposal contracts with the PPDA Act, Regulations, and Guidelines.
- To establish the level of procurement performance of the Entity and the achievement of value for money for each of the sampled contracts in terms of time, competition and cost.
- Based on the key findings on the procurement system, processes and performance, to offer an opinion on attainment of value for money and recommend measures to improve performance.

### **1.3 Scope of the Audit**

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Lira DLG from **29<sup>th</sup> April 2019** to **8<sup>th</sup> May 2019**. The Entity had a total procurement budget of **UGX 2,432,088,664** in the audit period.

The audit covered a representative sample of twenty eight (28) procurement transactions, one (1) procurement under force account mechanism and one (01) disposal transaction under Financial Year 2018/19. The list of sampled transactions is contained in Annex 1.

The audit questions and criteria were derived from the Public Procurement and Disposal of Assets Act, 2003 and Local Governments (PPDA) Regulations, 2006 as well as Local Governments (PPDA) Guidelines, 2008. The three audit tools used in the audit were: Procurement System Audit Criteria, Procurement Process Audit Criteria, and Asset Disposal Audit Criteria as contained in the PPDA Procurement Audit Manual.

### **1.4 Methodology**

Lira District Local Government was notified about the upcoming audit on **17<sup>th</sup> April 2019**. To prepare for the audit, the auditors reviewed the Entity's budget, procurement plan and quarterly reports.

The procured items in the transaction list were stratified by (a) category of works, supplies, consultancy, and non-consultancy services, (b) procurement method, (c) and contract value. A representative sample of the twenty eight (28) procurement transactions, one (1) procurement under force account mechanism and one (01) disposal transaction were selected for audit based on a stratified random sampling method.

Using guidelines in the Procurement Audit Manual, the sample size was assessed as representative of the population of transactions. The distribution of the transaction population and sample is in Table 1.

**Table 1. Distribution of the transactions population and sample for audit of Lira DLG 2018-2019**

Method	Value			Number		
	Population	Sample	% Value	Popn	Sample	% No
Open Domestic Bidding	808,105,099	808,105,099	100%	6	6	100%
Selective Bidding	1,006,878,635	589,865,890	59%	54	24	41%
Direct	-	-	-	-	-	-
Micro Procurement	-	-	-	-	-	-
Disposal ( Public Auction)	504,950,000	504,950,000	100%	1	1	100%
Force Account	33,792,000	33,792,000	100%	1	1	100%
<b>Total</b>	<b>2,353,725,734</b>	<b>1,936,712,989</b>	<b>82%</b>	<b>62</b>	<b>32</b>	<b>52%</b>

**NB:** *The Entity did not provide in their list of procurement and disposal undertaken during the FY 18/19 details on micro procurements, direct procurements, disposals and works under force account mechanism. The ones included in the table are those we came across during the course of the audit. The above population cannot be relied upon.*

An entry meeting was held on **29<sup>th</sup> April 2019**. At the meeting, the objectives of the audit were discussed as well as the timelines, roles and responsibilities. The Entity's management was requested to avail the required records in time for the audit, to which they agreed to give the necessary assistance to the auditors.

Two Procurement Audit Officers under the supervision of the Director, Performance Monitoring carried out the audit. During the audit, the auditors had interviews with the staff from the Procurement and Disposal Unit and User Departments. The meetings were necessary to obtain qualitative information that was crucial to understand the internal control system and processes. The list of the staff in the PDU during the audit is shown in **Annex 2**.

The examination of records and documents was done for each of the sampled transactions. The auditors obtained the relevant evidence to arrive at audit conclusions. Physical inspection was carried out at the end of the audit.

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

At the end of the field data collection, a debriefing meeting was held on **8<sup>th</sup> May 2019** with the Entity management and staff.

The auditors prepared the management letter, which was sent to the Entity on **17<sup>th</sup> June 2019** with a request to submit management response by **27<sup>th</sup> June 2019**, which was submitted on **19<sup>th</sup> July 2019**. The exit meeting was held on **24<sup>th</sup> July 2019** at PPDA.

## **CHAPTER 2: KEY FINDINGS AND RECOMMENDATIONS**

### **2.1 Accounting Officer**

The Accounting Officer during the financial year under review was the Chief Administrative Officer. The main areas of non-compliance for the Accounting Officer were:

#### **2.1.1. Failure to fully implement previous recommendations**

The audit revealed that the Accounting Officer failed to implement a number of the previous PPDA audit recommendations contained in the procurement and disposal audit report for FY 2015/16 and the inspection report for FY 2017/2018 contrary to Regulation 14 (k) of the Local Governments (PPDA) Regulations, 2006.

There were audit queries raised in the previous audit report that were still re-occurring in the Entity despite the Authority making recommendations to rectify them. These are:

1. Failure to undertake an assessment of the market price of the supplies, services or of unit costs of the works in respect of which the procurement is to be made by the procuring and disposing entity.
2. Issuance of incomplete bidding documents contrary to Regulation 48 of the Local Governments (PPDA) Regulations, 2006.
3. Failure to send Notices of the best evaluated bidders to all bidders participating in a procurement process.
4. Failure by contract supervisors to prepare contract implementation plans.
5. Failure by evaluation committees to adhere to evaluation criteria.
6. Failure by the internal auditor to audit the procurement function regularly.
7. Failure to maintain all procurement and disposal documents on their respective actions files in accordance with Regulation 46 of the Local Governments (PPDA) Regulations, 2006.
8. Failure by the District Chief Finance Officer to provide to the Procurement and Disposal Unit copies of payment records.
9. Failure by User Departments to provide information on their budgets in the LG PP Form 1 during the initiation of procurement transactions’.
10. Low bidder participation.
11. Failure to maintain proof of receipt of invitations by invited firms under selective national bidding.
12. Failure to use the standard evaluation forms as issued by the Authority.

#### **Implication**

This implies that inadequate effort is made by the Entity to improve performance of the procurement function.

#### **Management Response**

The recommendations that have not yet been implemented have been taken up for implementation immediately.

#### **Recommendation**

The Accounting Officer should institute mechanisms of implementation of PPDA audit recommendations which could include among others sharing the PPDA audit report with all User Departments.

### **2.1.2. Failure to report all procurement undertaken by the Entity**

The Authority found that;

- a) Whereas there was evidence of evaluation sheets, and adjudication by the Contracts Committee on tenders for the management of markets such as Wil Aswa Market, Amach market, Bal Pe Market, Onekaden Market, Ocamonyong market and Adyaka market, these were not reported to the Authority in the Entity's quarterly reports.
- b) A number of recurrent procurement transactions i.e. expected to occur every quarter were not reported on by the Entity. This include but are not limited to;
  - Fuel, oil and Lubricants,
  - Stationery and Printing,
  - Vehicle repairs & Maintenance; and
  - Micro Procurements.

#### **Implication**

Failure to report all procurement undertaken by the Entity is a red flag for deficient internal controls and handling procurements without following the public procurement legal and regulatory framework.

#### **Management Response**

This was because all the procurements cited are under framework contracts which may be difficult to aggregate their call off orders until the financial year ends so that they can be reported on but a copy of the comprehensive report is attached for verification.

**Authority's comment;** the list provided did not have stationery and printing, vehicle repairs & maintenance and any micro procurement.

#### **Recommendations**

- The Accounting Officer should prevail over the Contracts Committee and Procurement and Disposal Unit for comprehensive reports of all procurement transactions undertaken by the District in every quarter of the financial year.
- The Accounting Officer should ensure complete and accurate reports of all procurement and disposals handled by the Entity are reported to the Authority.

### **2.1.3. Failure to conduct market price assessment**

The Authority found that the Accounting Officer did not undertake an assessment of the market price for the supplies, services or for the unit costs of the works in respect of which procurement was to be made by the Entity contrary to Section 26 (4) of the PPDA Act, 2003.

#### **Implication**

Failure to conduct market survey leads to procuring the Entity's requirements at exorbitant and non-competitive prices.

#### **Management Response**

The Entity has always conducted market price assessment through the use of information on previously awarded contracts. It is our humble request that the Authority comes up with a standard guideline on carrying out market price assessment.

**Authority's comment;** There was no documentary evidence of efforts by the Entity to conduct market price assessment.

## **Recommendation**

The Accounting Officer should conduct an assessment of the market price for supplies, service and for unit costs of works in accordance with Section 26 (4) and (5) of the PPDA Act, 2003. In this regard, the Accounting Officer should use all appropriate sources of information including prices obtained on previous similar bids or contracts, prices published or advised by potential providers; and a buildup of estimates of components of the works, non-consultancy services or supplies.

### **2.1.4. Lack of provisions for gender and cross cutting issues**

The Authority reviewed bidding documents issued out by the Entity and could not satisfy itself on provisions therein on HIV awareness in communities where projects were undertaken among other cross cutting issues which affect vulnerable and marginalized groups with communities.

## **Implication**

This implies that the district leadership lacks concern for vulnerable and marginalized groups in the implementation of its projects.

## **Management Response**

The Entity has taken up HIV awareness and other crosscutting issues for future considerations.

## **Recommendation**

The Accounting Officer should task his team to include provisions for vulnerable and marginalized groups when developing project work plans.

## **2.2 Procurement and Disposal Unit**

The Head of Procurement and Disposal Unit during the financial year under review was the Senior Procurement Officer. The main areas of non-compliance were:

### **2.2.1 Failure to provide for reservation and preference schemes in the solicitation documents**

The Authority found that in six (6) procurement transactions worth UGX 808,105,099 indicated in **table 2** where open domestic bidding method was used there was no provision for preference schemes in the solicitation documents contrary to Section 59(A) of the PPDA Act, 2003.

**Table 2: Procurements without provision for preference schemes**

<b>No.</b>	<b>Subject of procurement</b>	<b>Amount (UGX)</b>
1.	Low cost sealing of Boroboro-Lira road 0.75km	183,282,969
2.	Siting, drilling and installation of four (4) deep boreholes	81,467,200
3.	Low cost sealing of Odokomit – Lira University	289,420,430
4.	Partial construction of Aler Solar Water Supply Scheme	144,000,000
5.	Renovation of DHOS resource center	79,204,500
6.	Supply of 24 bulls and animal drugs consisting of; isometamedin chloride 50,000, asfhafametrin and invemetrin for Agali Sub County and 8 bulls for Lira Sub County	30,730,000
<b>Total</b>		<b>808,105,099</b>

## Implication

This hinders Government of Uganda efforts to encourage Ugandan owned firms to do business with the Government of Uganda.

## Management response

All the procurements cited were bided for by Ugandan firms and no foreign firm submitted their bid in respect to those procurements and the Entity therefore found no need to apply for a preference scheme.

**Authority's comment;** The Entity at the time of soliciting bids could not have been aware of the firms that would show interest hence should have made necessary provisions for preference and reservation schemes furthermore, the Entity has to make provisions for preference and reservation schemes in the solicitation document in order for them to be applicable.

## Recommendation

The Head, Procurement and Disposal Unit should provide for application of preference and reservation schemes in respect of goods, works and non-consultancy services where the open domestic or open international bidding methods are used in accordance with Section 59(A) of the PPDA Act, 2003.

### 2.2.2 Quality of Solicitation Documents

The Authority found that in the Entity issued solicitation documents that had several gaps contrary to Regulation 48 of the Local Governments (PPDA) Regulations, 2006. Examples of such procurements were:-

**Table 3: Procurement files with inconsistencies within the bidding documents**

No	Subject of Procurement	Amount (UGX)	Findings
1.	Siting, drilling and installation of four (4) deep boreholes	81,467,200	The statement of requirements was left blank.
2.	Low cost sealing of Odokomit – Lira University	289,420,430	<ul style="list-style-type: none"><li>• GCC 1.1 (bb), (ee), (ii) on site location, start date &amp; works description were left blank, whereas GCC 2.3 indicated admeasurement contract ITB 15.4 &amp; 16.1 indicated that the contract would be lump sum.</li><li>• The statements of requirements lacked the drawings, equipment required, personnel qualifications, experience, work program and the measurements of the road.</li><li>• The evaluation criteria did not state the period for required documents such as trading license, tax clearance certificate and PPDA ROP certificate.</li></ul>
3.	Partial construction of Aler Solar Water Supply Scheme in Lira District	144,000,000	<ul style="list-style-type: none"><li>• The statements of requirements lacked the BoQ &amp; drawings, equipment required, personnel qualifications, experience and work program.</li><li>• The evaluation criteria did not state the period for required documents such as trading license, tax clearance certificate and PPDA ROP certificate</li></ul>

No	Subject of Procurement	Amount (UGX)	Findings
4.	Partial renovation of 4 classrooms with office block at Akore P/S	39,573,800	<ul style="list-style-type: none"> <li>The statements of requirements lacked the drawings, equipment required, personnel qualifications, and experience and work program.</li> <li>The evaluation criteria did not state the period for required documents such as trading license, tax clearance certificate and PPDA ROP certificate</li> </ul>
5.	Construction of a kitchen and energy saving stoves at Aballa HCIII at Agweng S/C	16,332,000	The statement of requirements were not included on the issued solicitation document, the section was left blank.
6.	Supply of Tree Seedlings	21,150,000	<ul style="list-style-type: none"> <li>The statement of requirements were not included on the issued solicitation document, the section was left blank.</li> <li>The evaluation criteria did not state the period for required documents such as trading license, tax clearance certificate and PPDA ROP certificate.</li> </ul>
7.	Completion of a staff house at Abala HCIII	27,819,680	Proposed Special Conditions of the Contract were missing from the issued bidding document.
<b>Total</b>		<b>619,763,110</b>	

### **Implication**

Incomplete statement of requirements could result into poor bid preparation by the bidders leading to a poor bid responsiveness and subsequently failure to deliver the required items.

### **Management Response**

The statements of requirements like bills of quantities are most times bulky so they are issued separately as an attachment to the solicitation documents but the Entity normally issues documents with their relevant statements of requirements.

Additionally, other matters other than statements of requirements which have been raised under this will be taken up by management.

### **Recommendation**

The Contracts Committee, Procurement and Disposal Unit should undertake that quality solicitation documents are prepared and issued in accordance with Regulation 48 of the Local Governments (PPDA) Regulations, 2006.

### **2.2.3 Low bidder participation**

The Authority found that there was low bidder participation within the Entity especially when selective bidding method was used. The audit revealed that in nineteen (19) procurements worth UGX 835,412,137, the Entity either had a sole bidder or two (2) bidders responding to the invitation to bid. These procurements include;

**Table 4: List of procurements with low bidder participation**

No.	Subject of procurement	Amount (UGX)	No. of bidders
1.	Completion of a staff house at Abala HCIII	27,819,680	2
2.	Partial construction of Aler Solar Water Supply Scheme	144,000,000	2
3.	Renovation of DHOS resource center	79,204,500	2
4.	Partial renovation of a 4 classrooms with office block at Akore P/S	39,573,800	2
5.	Construction of a kitchen and energy saving stoves at Aballa HCIII at Agweng Sub County	16,332,000	2
6.	Supply of a grinding mill, huller, water tank installation & shade	11,400,000	2
7.	Supply of 60 ox ploughs and chains for Adekokwok Sub County and 16 ox ploughs for Agali Sub County	23,440,000	2
8.	Supply of 60 Ox Ploughs Agweng Sub County	18,000,000	1
9.	Supply of Tree Seedlings	21,150,000	2
10.	Completion of a staff house at Abala HCIII	27,819,680	2
11.	Renovation of Doctors house in Amach HCIV	34,972,000	2
12.	Construction of 4 stance drainable latrine for girls at Akwiaworo P/S	19,408,640	2
13.	Partial renovation of 3 classrooms with offices at Anai P/S and a slaughter slab at note Ayabi market	48,506,968	2
14.	Supply of an executive table for office of the CAO, 4 filling cabinet for finance, 2 filling cupboards and office table for office of Clerk to Council, metallic chairs with cushions and executive office tables for production, filling cabinet for production Dept., wooden armed chairs for Amach S/C, sofa set, office table and office chair for SAS Agali S/C and 45 plastic chairs	24,000,000	2
15.	Supply of 2 desktop computers for ifms , 2 printers for cash office and expenditure , 1 laptop for Clerk to Council , a printer for production , 2 desktop for works , 2 printers for works , printer copier for Agali	29,950,000	1
16.	Construction of a loading rump and fencing of a pig slaughter slab and soak pit at Amach market , Partial construction of administrative block at Wiodyek and Construction of affordable staff house at Onyakide P/S	41,703,640	2
17.	Construction of 4 stance drainable toilet at Ongica P/S	19,958,520	1
18.	Low cost sealing of Boroboro-Lira road 0.75km	183,282,969	2
19.	Construction of a 5 stance drainable pit latrine at Ngetta boys P/S	24,889,740	2
<b>Total</b>		<b>835,412,137</b>	

**Implication**

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

**Management response**

The procurements cited had bidders who had been invited severally in other procurement requirements so it was upon the bidders to choose which procurement invitation to submit

their bids for because the cost of bidding would also be high for them to apply for several bid opportunities.

### Recommendation

The Accounting Officer should urgently address the issue of low bidder participation and conduct all procurement and disposal in a manner that maximizes competition and value for money.

#### 2.2.4 Use of the wrong format for evaluation reports

The Authority found that all the evaluation reports reviewed during the audit were not in the format as prescribed in LG PP Form 12 by the Authority. The report format used was in form of a Memo and therefore lacking in as far as provision of adequate information was concerned. It did not summarize preliminary, technical, financial evaluation & recommendations into one document. This in our assessment contributed to inadequate/ poor quality preliminary and technical evaluation as detailed in the table below;

**Table 5: Poor quality of evaluation of bids**

No.	Subject	Amount (UGX)	Findings
1.	Completion of a staff house at Abala HCIII	27,819,680	There were no preliminary evaluation sheets or a summary. According to a technical evaluation sheet seen, the only criteria applied was conformance with work schedule
2.	Partial renovation of 4 classrooms with office block at Akore P/S	39,573,800	According to a technical evaluation sheet seen, the only criteria applied was conformance with work schedule
3.	Construction of a kitchen and energy saving stoves at Aballa HCIII at Agweng Sub County	16,332,000	According to a technical evaluation sheet seen, the only criteria applied was conformance with work schedule
4.	Procurement of 60 ox ploughs and chains for Adekokwok Sub County and 16 ox ploughs for Agali Sub County	23,440,000	There was no technical evaluation conducted. The description of supplies & the technical & compliance sheet in the BEBs bid were blank.
5.	Procurement of a grinding mill, huller , water tank installation and shade	11,400,000	The BEBs bid had no list of supplies and price schedule and also had no specifications and compliance sheet
6.	Procurement of 60 ox ploughs Agweng Sub County	18,000,000	At preliminary evaluation, some criteria was not applied i.e. legal capacity to enter contract, not be insolvent, not be subject to suspension by PPDA
7.	Procurement of 65 pieces of ox ploughs in Aromo Sub County & 4	21,500,000	There was no technical evaluation conducted. The description of supplies & the technical

No.	Subject	Amount (UGX)	Findings
	ox ploughs and assorted accessories for Lira Sub County		& compliance sheet in the BEBs bid were blank.
8.	Renovation of doctors house in Amach HCIV	34,972,000	The preliminary evaluation criteria missed some criteria provided for in the bidding document i.e. possession of a general receipt, signed ethical code of conduct & legal capacity to enter a contract. From the technical evaluation sheets reviewed the Evaluation Committee did not assess the BoQ & other requirements on experience, CV's, equipment among others.
9.	Construction of a 3 stance ecosan toilet at Te - Okole P/S	30,982,245	According to a technical evaluation sheet seen, the only criteria applied was conformance with work schedule
10.	Construction of a 5 stance drainable pit latrine at Ngetta boys P/S	24,889,740	According to a technical evaluation sheet seen, the only criteria applied was conformance with work schedule
11.	Low cost sealing of Boroboro- Lira road	183,282,969	The technical evaluation criteria in the bidding document was changed by the evaluation committee. i.e. <ul style="list-style-type: none"> <li>• Plant/equipment minimum of two trucks and lists of relevant tools like wheel barrows whereas the bidding document required one truck.</li> <li>• Work schedule/activity schedules maximum of three months whereas bidding document required activity/work schedule and personnel schedule without specifying the number of months; and</li> <li>• Average annual turnover volume of UGX 200,000,000 whereas the bidding document required an average annual turnover volume of UGX 100,000,000.</li> </ul>
12.	Completion of renovation of 4 classrooms including office space at Abutoadi P/S	29,960,300	There was no evidence of technical evaluation conducted.
13.	Construction of 4 stance toilet at latrine P/S	19,958,520	
14.	Construction of a loading rump and fencing of a pig slaughter slab and	41,703,640	

No.	Subject	Amount (UGX)	Findings
	soak pit at Amach market, Partial construction of administrative block at Wiodyek and Construction of affordable staff house at Onyakide P/S		
15.	Procurement of 90 ox ploughs for Amach Sub County	25,200,000	
16.	Procurement of 24 bulls and animal drugs (Lira531/Supls/18-19/00021)	30,730,000	There was no evidence of technical evaluation conducted.
17.	Procurement of 2 desktop computers, laptops and printers (Lira531/Supls/18-19/00037)	29,950,000	The BEB i.e. Megatrends Computers & Accessories had a forged PPDA ROP certificate. Detailed technical evaluation criteria for example specifications for the items required, experience in the supply of similar items, financial capacity such as recent bank statement was not conducted.
18.	Procurement of field protective gear kits for production staff: overall, face mask, mouth/nose muzzles and hand gloves	11,362,000	Detailed technical evaluation criteria for example specifications for the items required, experience in the supply of similar items, financial capacity such as recent bank statement was not conducted.
19.	Procurement of office furniture (Lira531/Supls/18-19/00001)	24,000,000	
20.	Partial renovation of 3 classrooms with offices at Anai P/S and a slaughter slab at note ayabi market	48,506,968	Technical evaluation was not conducted on the BoQ and requirements such as equipment, personnel, experience, audited books of accounts.
21.	Construction of 4 stance drainable latrine for girls at Akwiaworo P/S	19,408,640	
22.	Renovation of wigweng P/S	41,288,857	Jenaco Limited the BEB did not submit a Tax Clearance Certificate yet it was a requirement under preliminary evaluation. Technical evaluation was not conducted on

No.	Subject	Amount (UGX)	Findings
			the BoQ and requirements such as equipment, personnel, experience, audited books of accounts.
23.	Procurement of tree seedlings (Lira531/Supls/18-19/00039)	21,150,000	There was no evidence of Technical evaluation by the evaluation committee.
<b>Total</b>		<b>775,411,359</b>	

### **Implication**

Failure to use the prescribed format exposes the Entity to the risk of the Contracts Committee taking decisions which are not adequately informed by the evaluation process.

### **Management Response**

All the above procurements cited except the low cost sealing of Boroboro –Lira Soroti road; the rest are under selective bidding method and all the issues raised were considered at prequalification stage and requiring them to resubmit the information would be double work except for requirements that keep changing. On the report format, all procurements under open domestic bidding are evaluated and reports prepared using the format in LG PP Form 12 but management has taken note and even procurements that fall within selective bidding threshold like the ones cited shall use LG PP Form 12 when preparing reports.

**Authority’s comment;** The Entity did not provide copies of evaluation reports for procurements under open domestic bidding prepared using the format in LG PP Form 12. Furthermore, where prequalified potential providers are not required to resubmit documentation during any bidding process, this must be explicitly stated in the solicitation document.

### **Recommendation**

All evaluation reports must be prepared using the format prescribed in LG PP Form 12.

### **2.2.5 Lack of evidence of issuance of Notices of Best Evaluated Bidder to all bidders**

In all the procurement transactions reviewed, there was no evidence on file to prove that the Notices of Best Evaluated Bidder were issued to all bidders that participated in the bidding process contrary to Regulation 85 (5) of the Local Governments (PPDA) Regulations, 2006.

### **Implication**

Failure to notify unsuccessful bidders denies them the right to appeal the decision of award in case they are aggrieved.

### **Management response**

The Entity will start using postal services to post the letters to bidders

### **Recommendation**

The Head, Procurement and Disposal Unit should send the Notice of Best Evaluated Bidder is sent to all bidders that participated in the procurement process in accordance with Regulation 85 (5) of the Local Governments (PPDA) Regulations 2006.

### 2.2.6 Failure to provide for requirement of a performance Security

The Authority found that the Entity did not provide for mitigation of risks of non-performance particularly for high value contracts by requiring successful bidders to furnish the Entity with a performance security in accordance with Regulation 102 (1) of the Local Governments (PPDA) Regulations, 2006. Such procurement transactions include:

**Table 6: Failure to provide for requirement of a performance Security**

No.	Subject	Amount (UGX)
1.	Siting, drilling and installation of four (4) deep boreholes	81,467,200
2.	Low cost sealing of Boroboro- Lira road	183,282,969
3.	Low cost sealing of Odokomit – Lira University	289,420,430
4.	Partial construction of Aler TC solar powered water scheme	144,000,000
5.	Renovation of DHOS resource center	79,204,500
	<b>Total</b>	<b>777,375,099</b>

### Implication

This exposes the Entity to the risk of lack of recourse in the event of non-performance of a contract.

### Management response

The Entity normally requires performance security in extremely high value projects. However the audit recommendation has been noted and shall be adhered to.

### Recommendation

The Procurement and Disposal Unit should always apply sufficient and appropriate judgement and include a requirement for performance security when preparing bidding documents especially for high value projects.

## 2.3 User Departments

During the audit, the key areas of non-compliance included:

### 2.3.1 Failure to fully complete the funds availability section of procurement requisition forms

The funds availability section of the LG PP Form 1 which acts as the budget tracker for any particular procurement transaction was left blank in eighteen (18) procurement transactions worth UGX 1,130,438,024 contrary to Regulation 65 (6) and (7) of the Local Governments (PPDA) Regulations, 2006.

**Table 7: List of procurements with the funds availability section of the LG PP Form 1 blank**

No.	Subject of procurement	Amount (UGX)
1.	Siting, drilling and installation of four (4) deep boreholes	81,467,200
2.	Low cost sealing of Odokomit – Lira University	289,420,430
3.	Partial Construction of Aler Solar Water Supply Scheme in Lira District	144,000,000
4.	Renovation of DHOS resource center	79,204,500

No.	Subject of procurement	Amount (UGX)
5.	Construction of a kitchen and energy saving stoves at Aballa HCIII at Agweng Sub County	16,332,000
6.	Procurement of a grinding mill, huller , water tank installation and shade	11,400,000
7.	Procurement of 60 ox ploughs and chains for Adekokwok Sub County and 16 ox ploughs for Agali Sub County	23,440,000
8.	Renovation of doctors house in Amach HCIV	34,972,000
9.	Low cost sealing of Boroboro-Lira road 0.75km	183,282,969
10.	Completion of renovation of 4 classrooms including office space at Abutoadi P/S	29,960,300
11.	Construction of 4 stance drainable toilet at Ongica P/S	19,958,520
12.	Construction of a loading rump and fencing of a pig slaughter slab and soak pit at Amach market , Partial construction of administrative block at Wiodyek and Construction of affordable staff house at Onyakide P/S	41,703,640
13.	Procurement of 24 bulls and animal drugs consisting of; isometamedin chloride 50,000, asfhsafametrin and invemetrin for Agali Sub County and 8 bulls for Lira Sub County	30,730,000
14.	Procurement of field protective gear kits for production staff: overall, face mask, mouth/nose muzzles and hand gloves	11,362,000
15.	Supply of an executive table for office of the CAO, 4 filling cabinet for finance, 2 filling cupboards and office table for office of Clerk to Council, metallic chairs with cushions and executive office tables for production, filling cabinet for production Dept., wooden armed chairs for Amach S/C, sofa set, office table and office chair for SAS Agali S/C and 45 plastic chairs	24,000,000
16.	Partial renovation of 3 classrooms with offices at Anai P/S and a slaughter slab at note Ayabi market	48,506,968
17.	Construction of 4 stance drainable latrine for girls at Akwiaworo P/S	19,408,640
18.	Renovation of 4 classroom block with office at Wigweng P/S	41,288,857
<b>Total</b>		<b>1,130,438,024</b>

### **Implication**

Failure to fill the budget tracker deprives the Accounting Officer information on funds availability which information helps in confirmation of funds.

### **Management Response**

Management has taken note of the recommendation and shall adhere to it strictly.

### **Recommendation**

User Departments during the initiation of procurement transactions should provide the budgetary information on all LG PP Form 1's.

### **2.3.2 Lack of evidence of nomination of contract supervisors**

The Authority found that in the following procurement transactions' worth UGX 444,266,750 there was no evidence of nomination of contract supervisors done by User Departments contrary to Regulation 119 (2) of the Local Governments (PPDA) Regulations, 2006.

**Table 8: Lack of evidence of nomination of contract supervisors**

No.	Subject	Amount (UGX)
1.	Renovation of 4 classroom block with office at wigweng P/S	41,288,857
2.	Construction of 4 stance drainable latrine for girls at Akwiaworo P/S	19,408,640
3.	Partial renovation of 3 classrooms with offices at Anai P/S and a slaughter slab at note Ayabi market	48,506,968
4.	Procurement of 2 desktop computers for ifms , 2 printers for cash office and expenditure , 1 laptop for Clerk to Council , a printer for production , 2 desktop for works , 2 printers for works , printer copier for agali	29,950,000
5.	Construction of a 5 stance drainable pit latrine at ngetta boys P/S	24,889,740
6.	Construction of a 3 stance ecosan toilet at Te - Okole P/S	30,982,245
7.	Renovation of doctors house in Amach HCIV	34,972,000
8.	Procurement of Tree Seedlings	21,150,000
9.	Procurement of 65 pieces of ox ploughs in Aromo Sub County & 4 ox ploughs and assorted accessories for Lira Sub County	21,500,000
10.	Procurement of 60 ox ploughs Agweng Sub County	18,000,000
11.	Procurement of 60 ox ploughs and chains for Adekokwok Sub County and 16 ox ploughs for Agali Sub County	23,440,000
12.	Procurement of a grinding mill, huller , water tank installation and shade	11,400,000
13.	Partial renovation of 4 classrooms with office block at Akore P/S	39,573,800
14.	Renovation of DHOS resource center	79,204,500
	<b>Total</b>	<b>444,266,750</b>

**Implication**

This could lead to unsuccessful execution of contracts.

**Management Response**

The contract supervisors were nominated and appointed formally but their letters were filed separately and evidence is attached for verification.

**Authority's comment;** The evidence presented for verification did not include nominations of contract supervisors for the above listed contracts.

**Recommendation**

User Departments should nominate contract supervisors in accordance with Regulation 119 (2) of the Local Governments (PPDA) Regulations, 2006.

**2.3.3 Failure to prepare contract implementation plans**

The Authority found that in all procurement transactions reviewed, there was no evidence on file that contract implementation plans were prepared by these contract supervisors contrary to Regulation 119 (3) of the Local Governments (PPDA) Regulations, 2006.

**Implication**

This leads to poor contract management and failure to attain efficient use of resources.

**Management Response**

Management has taken note of this recommendation and action shall be taken henceforth by contract supervisors.

**Recommendation**

Contract supervisors should prepare contract implementation plans in accordance with Regulation 119 (2) of the Local Governments (PPDA) Regulations, 2006.

**2.3.4 Failure to prepare and submit progress reports during the course of implementation of contracts**

The audit revealed that in all procurement contracts reviewed, there was no evidence of preparation and submission of progress reports to those charged with monitoring for review during the course of contract implementation contrary to Regulation 119 (10) (f) of the Local Governments (PPDA) Regulations, 2006. In some cases progress reports were prepared at the time of payment as a support document and had no proof of review and action taken hence defeating their primary purpose.

**Implication**

This casts doubt on whether the District was monitoring of projects effectively.

**Management Response**

Progress reports for mostly civil works projects were prepared but they were filed separately at the departmental level but they have been attached for verification. The recommendation is noted.

**Authority’s comment;** Progress reports were provided for only six (6) out of twenty eight (28) sampled contracts hence the finding was upheld.

**Recommendation**

The Authority recommends that the Contract Supervisor should submit progress reports in the course of contract implementation as per their functions in accordance with Regulation 119 (10) and 46 (3) (f) Local Governments (PPDA) Regulations, 2006.

**2.3.5 Lack of evidence of completion, payments and handover**

The Authority found that the following contracts had reached completion date however, there was no evidence of completion, payments and handover. Further still there was no evidence of extension of contracts to show that they were still ongoing contrary to Regulation 119 (10) (a) of the Local Governments (PPDA) Regulations, 2006. The cases include;

**Table 9: Missing evidence of completion, payments and handover**

No.	Subject of procurement	Contract value (UGX)	Findings
1.	Construction of 4 stance drainable latrine for girls at Akwiaworo P/S	19,408,640	Contract completion date was 14 <sup>th</sup> April 2019 i.e. 3 months from signing. There was no evidence of completion and payment.
2.	Procurement of office furniture (Lira531/Supls/18-19/00001)	24,000,000	Contract completion date was 14 <sup>th</sup> February 2019. There was no evidence of delivery

No.	Subject of procurement	Contract value (UGX)	Findings
			and payment.
3.	Procurement of field protective gear kits for production staff: overall, face mask, mouth/nose muzzles and hand gloves	11,362,000	Contract completion date was 14 <sup>th</sup> February 2019. There was no evidence of delivery, payment and handover to beneficiaries.
4.	Procurement of desktop computers, laptops and printers (Lira531/Supls/18-19/00037)	29,950,000	AN invoice was received from Megatrends on 12 <sup>th</sup> Feb 2019 however there was no evidence of delivery, inspection and payment.
5.	Procurement of 24 bulls and animal drugs (Lira531/Supls/18-19/00021)	30,730,000	Contract completion date was 14 <sup>th</sup> February 2019. There was no evidence of delivery, inspection, payment and handover to beneficiaries.
6.	Procurement of 90 ox ploughs for Amach Sub County	25,200,000	Contract completion date was 14 <sup>th</sup> February 2019. There was no evidence of delivery, inspection, payment and handover to beneficiaries.
7.	Procurement of tree seedlings (Lira531/Supls/18-19/00039)	21,150,000	Contract completion date was 14 <sup>th</sup> April 2019. There was no evidence of delivery, inspection, payment and handover to beneficiaries.
8.	Procurement of 65 pieces of ox ploughs in Aromo Sub County & 4 ox ploughs and assorted accessories for Lira Sub County	21,500,000	No evidence of handover to beneficiaries.
9.	Procurement of 60 ox ploughs Agweng Sub County	18,000,000	No evidence of handover to beneficiaries
10.	Procurement of 60 ox ploughs and chains for Adekokwok Sub County and 16 ox ploughs for Agali Sub County	23,440,000	No evidence of handover to beneficiaries
11.	Procurement of a grinding mill, huller , water tank installation and shade	11,400,000	No evidence of handover to beneficiaries
12.	Construction of a kitchen and energy saving stoves at Aballa HCIII at Agweng Sub County	16,332,000	No evidence of handover to beneficiaries
13.	Partial renovation of 4 classrooms with office block at Akore P/S	39,573,800	Whereas works had been certified and payment processing commenced, there was no evidence of actual payment
14.	Renovation of DHOS resource	79,204,500	Contract completion date was 14 <sup>th</sup>

No.	Subject of procurement	Contract value (UGX)	Findings
	center		April 2019. There was no evidence of completion and payment.
15.	Partial construction of Aler TC solar powered water scheme	144,000,000	Contract completion date was 12 <sup>th</sup> October 2019. There was no evidence of completion and payment.
16.	Siting, drilling and installation of four (4) deep boreholes	81,467,200	Contract completion date was 10 <sup>th</sup> December 2018. There was no evidence of completion, payment and handover.
<b>Total</b>		<b>596,718,140</b>	

### **Implication**

This raises doubt over efficient and effective internal controls within the Entity's monitoring function.

### **Management Response**

The contracts have now been completed, payments done and some have been handed over except for construction of kitchen at Aballa HCIII. Evidence is attached for verification.

**Authority's comment;** records were not provided for the above listed contracts.

### **Recommendation**

Contract supervisors should handle their duties in regard to contract performance in accordance with Regulation 119 (9) (b) of the Local Governments (PPDA) Regulations, 2006.

#### **2.4 Contracts Committee**

The main areas of non-compliance in regard to Contracts Committee were:

**NB:** *Issues related to Contracts Committee functions are covered under paragraphs 2.1.4, 2.2.1, 2.2.2, 2.2.4, 2.2.6, 2.3.4, 2.5.1, 2.5.2 and 2.9.*

#### **2.5 Evaluation Committees**

The main areas of non-compliance in regard to Evaluation Committee(s) were:

##### **2.5.1 Lack of evidence of communication of arithmetic corrections and failure to note errors in bids**

The Authority found that in the following procurement transactions' worth UGX 493,754,434 there was no evidence of communication of arithmetic corrections contrary to Regulation 74 (3) & (4) of the Local Governments (PPDA) Regulations, 2006. Further still, there was an instance of failure by the Evaluation Committee to note errors in the BEB's bid.

**Table 10: Failure to communicate arithmetic corrections and note errors in bids**

No	Subject of procurement	Amount (UGX)	Findings
1.	Renovation of wigweng P/S awarded to Jenaco Ltd	41,288,857	Arithmetic correction was made on the bid price of Luka Consortium Ltd from UGX 44,797,660 to UGX 46,537,660 but was not communicated to the bidders
2.	Partial renovation of 3 classrooms with offices at Anai P/S and a slaughter slab at note ayabi market awarded to Lotrado (U) Ltd	48,506,968	Arithmetic correction was made on the bid price of Megum Technical Services Ltd from UGX 47,701,000 to UGX 66,466,000 but was not communicated to the bidders
3.	Construction of a loading rumpand fencing of a pig slaughter slab and soak pit at Amach market , Partial construction of administrative block at Wiodyekand Construction of affordable staff house at Onyakide P/S awarded to Megum Technical services	41,703,640	Arithmetic correction was made on the bid price of Lotrado (U) Ltd from UGX 41,537,098 to UGX 41,822,598 but was not communicated to the bidders
4.	Low cost sealing of Boroboro- Lira road awarded to Empa Associates Ltd	183,282,969	Arithmetic correction was made on the bid price of Empa Associates Ltd and corrected the bid price from UGX 184,814,319 to UGX 183,282,969 but was not communicated to the bidders
5.	Renovation of doctors house in Amach HCIV awared to Wangi General Enterprises Ltd	34,972,000	In the BEB's bid, there was an error in casting bill 2 i.e. the total was UGX 4,200,000 instead of UGX 5,280,000. UGX 1,080,000 for structural timber trusses was not included & the EC did not note this error. Also bill 3 was wrongly cast i.e. it had a total of UGX 7,930,000 instead of UGX 9,280,000. there were also other corrections made by EC which changed the BEB's bid price form UGX 34,972,000 to UGX 37,402,000 however the contract was still awarded at UGX 34,972,00
6.	Partial construction of Aler TC solar powered water scheme awarded to Allianz Limited	144,000,000	A correction was made at evaluation which increased the bid price by UGX 8,668,160. There was no evidence of communication
	<b>Total</b>	<b>493,754,434</b>	

**Implication**

This exposes the Entity to the risk of complaints from bidders especially when the prices read out at bid opening differ after the evaluation process and also denies bidders opportunity to provide clarification on purported errors.

### **Management Response**

The audit team may have not reviewed the annexes to the evaluation report but otherwise all errors were communicated to the bidders and copies have been attached for verification.

**Authority's comment;** Whereas communication was made on arithmetic corrections in regard to the renovation of doctors house at Amach HCIV (example 5), the contract was not awarded at the corrected price and there was no correspondence to clarify this. There was no evidence of communication of arithmetic corrections for all other procurements listed above.

### **Recommendation**

The Chairpersons of evaluation committees should always communicate arithmetic corrections in accordance with Regulation 74 (3) & (4) of the Local Governments (PPDA) Regulations, 2006.

#### **2.5.2 Failure to conduct due diligence**

The Authority found that there was no evidence that the Entity at any time in the procurement processes conducted due diligence on documentation submitted by best evaluated bidders contrary to Regulation 59 of the Local Governments (PPDA) Regulations, 2006 and the PS/ST's circular to all Accounting Officers, Ref: FAD154/308/01 issued on 7<sup>th</sup> August 2014. Listed in the table below, are procurement transactions which were found to have invalid documentation.

**Table 11: Failure to conduct due diligence**

<b>No.</b>	<b>Subject of Procurement</b>	<b>Amount (UGX)</b>	<b>Best evaluated bidder (BEB)</b>	<b>Findings</b>
1.	Low cost sealing of Odokomit – Lira University	289,420,430	CME Enterprises Ltd	The list of equipment in the BEB's bid included a lot of equipment both owned and leased however this equipment (both owned & leased) was not reflected in the audited accounts and also the bid did not have copies of lease agreements.
2.	Partial construction of Aler TC solar powered water scheme	144,000,000	Allianz Limited	All the vehicle equipment in the BEBs bid did not belong to the BEB e.g. Isuzu forward UAE 640G was registered in the names of "Ocip Mobby" but initially belonged to Wegulo Ali, the Ashock Leyland UAH174Q was registered in the names of Galaxy Agro Tech (U) Ltd.
3.	Construction of a kitchen and energy	16,332,000	Alololo Investments	The equipment provided in the bid included a Komatsu UAH 304K

No.	Subject of Procurement	Amount (UGX)	Best evaluated bidder (BEB)	Findings
	saving stoves at Aballa HCIII at Agweng Sub County		Ltd	Roller (irrelevant to the requirement) and a Mitsubishi Fuso Truck, all these were not reflected in the Audited Accounts as at 30th June 2017.
4.	Construction of 4 stance toilet at latrine P/S	19,958,520	Kiwedde Holdings Ltd	Kiwedde Holdings Limited the BEB forged a TCC number LI021702505816 and should have been disqualified at the preliminary evaluation stage
<b>Total</b>		<b>469,710,950</b>		

### **Implication**

Failure to conduct due diligence results into award of contracts to firms which do not qualify or have no capacity execute government contracts ultimately affecting service delivery.

### **Management Response**

The Entity does diligence but mainly for high value procurements otherwise management has taken note for future improvements.

### **Recommendations**

- The Accounting Officer should always conduct due diligence on all the information submitted by bidders before signing contracts in accordance with the PS/ST circular Ref: FAD154/308/01 issued on 7<sup>th</sup> August 2014.
- The Entity should formally submit to the Authority for suspension all firms that submitted invalid tax clearance certificates from Uganda Revenue Authority in accordance with Section 8(f) of the PPDA Act, 2003. A formal letter together with the bids of such firms containing the invalid documentation should be submitted at the exit meeting.

### **2.6 Internal Controls**

The Authority found that there was no evidence that the Internal Audit department audited the procurement procedures during the financial year under review contrary to Regulation 28 of the Local Governments (PPDA) Regulations, 2006.

### **Implication**

This is an indicator that the internal controls are not functioning adequately hence affecting the Entity's performance over the years.

### **Management Response**

The District Internal Audit department periodically reviews procurement processes but evidence was not accessed by the audit team during the exercise but a copy of the evidence is attached for verification.

**Authority's comment;** The evidence presented for verification was a letter of invitation extended to the Senior Procurement Officer to attend the Internal Audit exit meeting but a copy of the internal audit report was not provided.

## Recommendation

The Internal Audit Department should review the procurement and disposal processes as required under Regulation 28 of the Local Governments (PPDA) Regulations 2006 and preferably within the first two quarters of the financial year so as to enable management address any issues that arise at the earliest opportunity.

## 2.7 Procurement Planning

### 2.7.1 Procurement plan implementation rate

The procurement planning of the Entity was assessed and Table 15 summarizes information about the plan, budget and utilization of funds. The procurement plan absorption rate was 87.82% with a variance of UGX 385,118,803.

**Table 12: Analysis of procurement spend**

Description	Amount (UGX)
Total procurement plan value inclusive of VAT (UGX)	3,162,993,537
Total procurement spend value inclusive of VAT (UGX)	2,777,874,734
Procurement plan Absorption Rate (%)	87.82%
Variance (UGX)	<b>385,118,803</b>

Factors affecting the absorption rate are;

There were quite a number of recurrent expenditures which were not reported in the quarterly reports. Some of these items include, Stationery and Printing, Force Account inputs, Micro procurements and Vehicle repairs & maintenance

### Implication

The Entity did not implement all the planned procurements and this denied service delivery to intended beneficiaries.

### Management Response

Like it has been observed by the audit team, most of the procurements were still ongoing but the procurement plan has been implemented fully.

**Authority's comment;** the amount of procurement spend i.e. UGX 2,777,874,734 was obtained from a list procurement transactions' provided by the Entity at the Exit meeting. We did not get confirmation that this list does include procurement activity for quarters 3 and 4 of FY 2018/2019. By the time of this report the quarter 3 & 4 reports had not been submitted.

### Recommendation

The Accounting Officer should ensure that the procurement plan is fully implemented by the end of the Financial Year.

## 2.8 Record keeping and reporting

### 2.8.1 Missing contract management records

These are listed under paragraph 2.3.5.

### Implication

The auditors could not ascertain whether the items or services delivered matched the required statement of requirements.

### **Management Response**

Most of the sampled procurements were still in progress during the audit period but copies of the documents cited have been attached for verification since the contracts have been concluded already.

**Authority's comment;** whereas the Entity provided documents for verification, not all the documentation was provided. Contracts where no additional documentation was provided are listed under 2.3.5.

### **Recommendation**

The Procurement and Disposal Unit should maintain copies of delivery documents, progress/inspection reports, works certificates and payments on procurement action files as proof of completion of contract execution in accordance with Regulation 46 (3) (e) of the Local Governments (PPDA) Regulations, 2006.

### **2.8.2 Missing contract implementation plans**

This highlighted under 2.3.3

### **2.8.3 Procurement transactions' without procurement requisition forms**

The Authority found that in the procurement for two (2) desktop computers for IFMS, two (2) printers for Cash Office and expenditure, one (1) laptop for Clerk to Council, a printer for Production department, two (2) desktop Computers for Works Department, two (2) printers for Works Departments, printer copier for Agali S/C worth UGX 29,950,000 was not formally requisitioned with clear statements of requirements (did not have the procurement requisition form i.e. LG PP form 1) contrary to Regulation 65 of the Local Governments (PPDA) Regulations, 2006.

### **Implication**

This may lead to procuring items that do not meet user requirements and whose funds are not available.

### **Management response**

The procurements in question were formally initiated using LG PP Form 1 and in strict compliance with Regulation 65 of LG PPDA Regulations, 2006. Copies of the initiation forms are attached for verification.

**Authority's comment;** of the four (4) queried procurements, the Entity provided requisition forms for only three (3) leaving the one listed above outstanding.

### **Recommendation**

All procurement transactions should be initiated in accordance with Regulation 65 of the Local Governments (PPDA) Regulations, 2006.

## **2.9 Disposal**

Although the Entity disposed some Land at Adekokwok Sub County in the Financial Year 2018/19 the Authority noted the following exceptions;

- a) The Authority was unable to verify whether this asset had been removed from the district asset register and whereas the process was reviewed and found highly satisfactory, it wasn't adequately representative given the number of grounded assets on District premises as noted in (b) below and in the section on physical verification.
- b) The Entity still had some obsolete assets which have not been disposed of such as vehicles in the Districts yard. (Refer to section on physical verification).

### **Implications**

- Failure remove assets from the district asset register implies that the district asset register does not give a true state of assets of the district and therefore is not reliable to form a basis for decision making.
- Failure to dispose all obsolete assets leads to loss of revenue by the Government of Uganda through depreciation in the value of such assets caused by their continued grounding.

### **Management Response**

Disposal of several assets was conducted during the year but for the assets cited above, their respective line ministries did not clear them for disposal since they were donated by those ministries but the District will continue engaging them to obtain clearances for disposal.

**Authority's comment:** Evidence provided was for only one vehicle i.e. a Toyota Hilux Double Cabin Pickup UAA 585E.

### **Recommendations**

- The Accounting Officer should remove all disposed assets from the Districts asset register and provide proof of such to the Authority.
- The Accounting Officer should follow through with line ministries whose assets lie grounded on District premises to have all such assets disposed.
- The Authority will farther assess the status of disposal of assets in the next audit.

### **2.10 Management of works under force account mechanism**

The Authority observed that:

- a) On 25 October 2018 a submission was made to the Contracts Committee to approve improvement of 3 roads in Adekokwok Sub County under Force Account Mechanism estimated at UGX 33,792,000. The submission had an attachment of a base line survey prepared by Ongala Geoffrey –Civil Engineer for the DDEG roads in Adekokwok S/C which included;
  - i. Anyangatir – Te'obwolo 2.8Km –Path road to be improved to community access.
  - ii. Owangomoko –Akia Society 2.4Km –path road improved to community access including culvert installation at swamp.
  - iii. Rind road Ongica –Balpe Market 2.2Km –New road passing through gardens.
- b) According to the release schedule from Uganda Road Fund, by the end of quarter 2 of FY 2018/2019 the District had received from URF UGX 320,654,687 for Lira District roads & UGX 177,786,045 for Lira Community access roads.

From the above observations the Authority found that:

- a) There was no reporting made in the quarterly reports to the Authority on any procurement of inputs for the works in Adekokwok S/C or works implemented using URF funds.

- b) There was no evidence to prove that a force account supervisor and public officers to manage works under force account had been appointed.
- c) There was no evidence of progress reports shared with the Procurement and Disposal Unit on works undertaken using the force on account mechanism.

**Implication**

There is a risk that works under force account mechanism did not realize value for money.

**Management Response**

All materials used in the project were obtained from prequalified providers as a requirement in the force account implementation modality.

One Civil Engineer was also formally appointed as a force account supervisor.

**Authority's comment;** The Entity did not provide documentary evidence to support their management response.

**Recommendation**

The Accounting Officer should conduct all works under Force Account Mechanism in accordance with the PPDA (Force Account Mechanism) Regulations, 2014.

## CHAPTER 3: PROCUREMENT PERFORMANCE INDICATORS

### 3.1 Compliance score

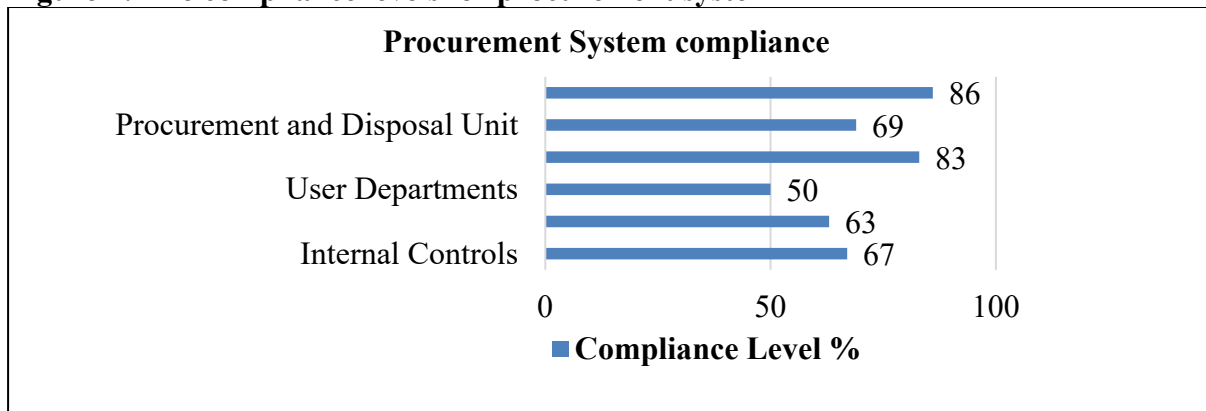
The compliance indicators for the Entity are summarized below:

#### 3.1.1 Procurement System Compliance Level

The compliance levels for each dimension of the procurement system are shown in Figure 1. The overall compliance level for procurement system was **70%**. Thus, the Entity's performance was **satisfactory** regarding procurement system.

**Figure 1** shows that the Entity had relatively higher compliance levels in the areas of Accounting Officer, Procurement and Disposal Unit, Contracts Committee and Internal Controls. However it had low compliance levels in the areas of Evaluation Committee and User Departments.

**Figure 1: The compliance levels for procurement system**

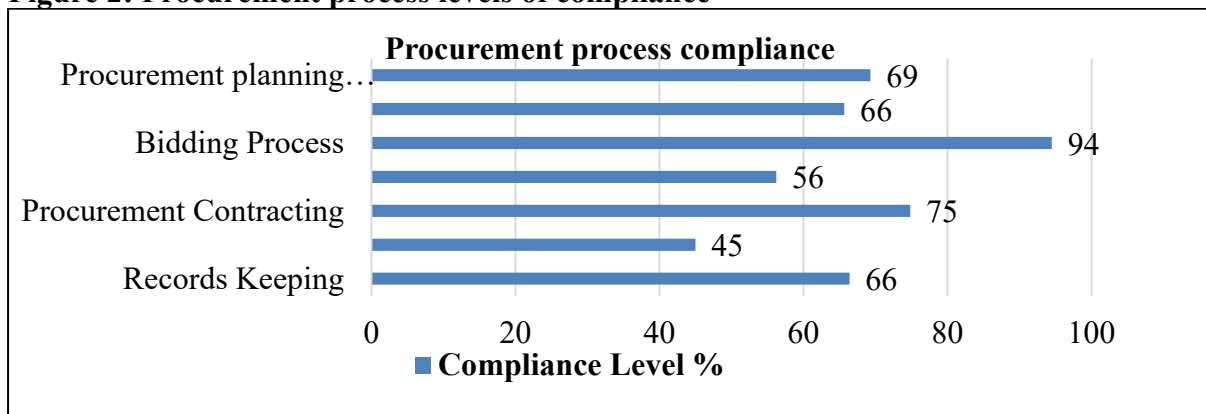


#### 3.1.2 Procurement process compliance level

The compliance levels for each stage in the procurement process are shown in **Figure 2**. The overall compliance level for procurement processes was **67.4%**. Thus, the Entity's performance was rated **satisfactory** regarding procurement processes.

**Figure 2** below shows that the Entity had relatively higher compliance levels in the areas of Procurement planning and initiation, bidding document, bidding process, contracting and record keeping. However, it had low compliance levels in the areas of bid evaluation and contract management.

**Figure 2: Procurement process levels of compliance**



**Table 14: Compliance scores**

No.	Compliance indicators	Average score (%)	Weights	Score (%)
1	Procurement process	67.4	0.5	33.7
2	Procurement system	70	0.3	21.0
3	Asset Disposal Process Compliance Level	NIL	0.2	NIL
<b>Compliance score</b>				<b>54.7</b>
<b>Weighted compliance score 54.7/80*100</b>				<b>68.4</b>

The Weighted Compliance Indicator was **68.4%** which is **satisfactory**.

### 3.2 Performance Score

The performance indicators for the Entity are summarized below:

**Table 15: Performance indicators**

No.	PERFORMANCE INDICATOR	Score (%)
1.	Procure Ratio: Actual procurement time divided by planned procurement time in days.	93
2.	Completion Ratio: Actual completion time divided by contractual completion time in days	39
3.	Payment Ratio: Actual payment time divided by contractual payment time in days.	14
4.	Number of Received Bids: [If the number of received bids is 3 or more, the score is 100%; if less the score is 0%]	32
5.	Bid Responsive Rate: [The number of bids that pass technical evaluation as a percentage of the number of received bids]	75
6.	Plan Ratio: [The total value of the awarded contract divided by the cost estimate in the procurement plan inclusive of VAT]	96
7.	Procurement Plan Implementation Rate: [The actual value of the procurement spend as a percentage of the procurement release]	88
8.	Cost Ratio: [The actual final contract amount paid divided by the original contract amount]	68
<b>Average Performance Indicator</b>		<b>63.13</b>

The above indicators are summarised here below:

**3.2.1 Efficacy (Procure Ratio).** This measured the ability to provide goods or services in accordance with the planned timelines. The audit revealed that **93%** of the procurements sampled were conducted in accordance with the planned timelines and **7%** were conducted outside the planned timelines. This implies that to a large extent, the timelines in the procurement plan were followed.

**3.2.2 Efficiency (Completion Ratio).** This analyzed the time required to execute tasks to avoid slow implementation of the contracts. The Entity completed **39%** of sampled procurements within the contractual time and did not complete **61%** of the sampled procurements within the contractual completion time.

**3.2.3 Effectiveness (Payment Ratio):** This assessed the Entity’s commitment to pay contractors within the contractual period of twenty eight (28) days after contract completion. The Entity paid **14%** of the contractors in the audited procurements within the contract payment period and **86%** of the payments either delayed or had no evidence of payments.

**3.2.4 Competition (Number of Bids Received)**

The audit revealed that in **32%** of the procurement transactions sampled, the Entity received three (3) or more bids. The audit also revealed that the Entity received less than three (3) bids in the bidding process for **68%** of the procurement transactions sampled. This is an indication of low competition levels within the Entity.

**3.2.5 The number of bids that passed technical evaluation (Bid Responsive Rate)**

The audit revealed that **75%** of the audited bids received, passed technical evaluation with **25%** being non-responsive. This implies that there are still cases of incompetent and incapable bidders who are not able to meet the Entity’s specifications and minimum requirements.

**3.2.6 The variance between the total value of the awarded contract and the cost estimate in the procurement plan (Plan Ratio):**

The audit revealed that **96%** of the sampled cases were awarded within the cost estimate in the procurement plan with **4%** awarded outside the estimated amounts. This implies that the Entity possibly made reliable estimates.

**3.2.7 The actual value of the procurement spend as a percentage of the procurement budget (Procurement Plan Implementation Rate)**

The audit revealed that the Entity implemented **88%** of its procurement plan. This implies that **22%** of the procurements planned to be undertaken during the financial year were not undertaken.

**3.2.8 This measured the final contract cost on completion as opposed to the total contract award price inclusive VAT (Cost Ratio):**

The audit revealed that the actual final contract amount paid did not vary from the original contract amount in **68%** of the sampled contracts. This implies that there were variations in **32%** of the procurements sampled. This was caused partly because some contracts had missing or partial payment records.

**3.3 Overall Score**

The overall score was the sum of the two weighted indicators as summarized below:

**Table 16: Overall Entity Score**

No.	Indicator	Score %	Weight	Weighted Score
3.	Average Compliance Indicator Score	68.4	0.4	27
4.	Average Performance Indicator Score	63.13	0.6	38
<b>Entity’s Overall Weighted Score</b>				<b>65</b>

From the above analysis, the audit team noted that, the Entity had a weighted average performance of **65%** in FY 2018/19 which was **satisfactory** performance.

**Summary of Performance Rating**

<b>Score (%)</b>	<b>Performance rating</b>
90-100	Highly Satisfactory
60-89	Satisfactory
30-59	Unsatisfactory
0-29	Highly Unsatisfactory

## CHAPTER 4: RECOMMENDED ACTION PLAN

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

### 4.1 Procurement process and system

Responsible Party	Recommended Action	Target Date
Accounting Officer	<ul style="list-style-type: none"> <li>• The Accounting Officer should institute mechanisms of implementation of PPDA audit recommendations</li> <li>• The Accounting Officer should prevail over the Contracts Committee and Procurement and Disposal Unit for comprehensive reports of all procurement transactions undertaken by the District in every quarter of the financial year.</li> <li>• The Accounting Officer should conduct an assessment of the market price for supplies, service and for unit costs of works in accordance with Section 26 (4) and (5) of the PPDA Act, 2003. In this regard, the Accounting Officer should use all appropriate sources of information including prices obtained on previous similar bids or contracts, prices published or advised by potential providers; and a buildup of estimates of components of the works, non-consultancy services or supplies.</li> <li>• The Accounting Officer should urgently address the issue of low bidder participation and conduct all procurement and disposal in a manner that maximizes competition and value for money.</li> <li>• The Accounting Officer should always conduct due diligence on all the information submitted by bidders before signing contracts in accordance with the PS/ST circular Ref: FAD154/308/01 issued on 7<sup>th</sup> August 2014.</li> <li>• The Entity should formally submit to the Authority for suspension all firms that submitted invalid tax clearance certificates from Uganda Revenue Authority in accordance with Section 8(f) of the PPDA Act, 2003. A formal letter together with the bids of such firms containing the invalid documentation should be submitted at the exit meeting.</li> <li>• The Accounting Officer should ensure that the procurement plan is fully implemented by the end of the Financial Year.</li> <li>• The Accounting Officer should follow through with line ministries whose assets lie grounded on District premises to have all such assets disposed.</li> <li>• The Accounting Officer should conduct all works under Force Account Mechanism in accordance with the PPDA (Force Account Mechanism) Regulations, 2014.</li> </ul>	December 2019
Procurement and Disposal Unit	<ul style="list-style-type: none"> <li>• The Head, Procurement and Disposal Unit should provide for application of preference and reservation schemes in respect of goods, works and non-consultancy services where the open domestic or open international bidding methods are used in</li> </ul>	December 2019

<b>Responsible Party</b>	<b>Recommended Action</b>	<b>Target Date</b>
	<p>accordance with Section 59(A) of the PPDA Act, 2003.</p> <ul style="list-style-type: none"> <li>• All evaluation reports must be prepared using the format prescribed in LG PP Form 12.</li> <li>• The Head, Procurement and Disposal Unit should send the Notice of Best Evaluated Bidder is sent to all bidders that participated in the procurement process in accordance with Regulation 85 (5) of the Local Governments (PPDA) Regulations 2006.</li> <li>• The Procurement and Disposal Unit should always apply sufficient and appropriate judgement and include a requirement for performance security when preparing bidding documents especially for high value projects.</li> </ul>	
User Departments	<ul style="list-style-type: none"> <li>• User Departments should nominate contract supervisors in accordance with Regulation 119 (2) of the Local Governments (PPDA) Regulations, 2006.</li> <li>• Contract supervisors should prepare contract implementation plans in accordance with Regulation 119 (2) of the Local Governments (PPDA) Regulations, 2006.</li> <li>• Contract Supervisors should submit progress reports in the course of contract implementation as per their functions in accordance with Regulation 119 (10) and 46 (3) (f) Local Governments (PPDA) Regulations, 2006.</li> <li>• Contract supervisors should handle their duties in regard to contract performance in accordance with Regulation 119 (9) (b) of the Local Governments (PPDA) Regulations, 2006.</li> </ul>	December 2019
Contracts Committee	<ul style="list-style-type: none"> <li>• The Contracts Committee, Procurement and Disposal Unit should undertake that quality solicitation documents are prepared and issued in accordance with Regulation 48 of the Local Governments (PPDA) Regulations, 2006.</li> </ul>	December 2019
Evaluation Committee	<ul style="list-style-type: none"> <li>• The Chairpersons of evaluation committees should always communicate arithmetic corrections in accordance with Regulation 74 (3) &amp; (4) of the Local Governments (PPDA) Regulations, 2006.</li> </ul>	December 2019
Internal controls	<p>The Internal Audit Department should review the procurement and disposal processes as required under Regulation 28 of the Local Governments (PPDA) Regulations 2006 and preferably within the first two quarters of the financial year so as to enable management address any issues that arise at the earliest opportunity.</p>	December 2019

## ANNEXES

### Annex 1: Sample list

<b>No</b>	<b>Reference No</b>	<b>Subject of Procurement</b>	<b>Procurement method</b>	<b>Provider</b>	<b>Contract value UGX</b>	<b>Compliance Score</b>	<b>Performance Score</b>	<b>Overall Score</b>	<b>Rating</b>
1.	Lira531/Wrks/18-19/00001	Siting, drilling and installation of four (4) deep boreholes	Open National Bidding	East Africa Boreholes Ltd	81,467,200	16.4	22.5	50.1	Unsatisfactory
2.	Lira531/Wrks/18-19/00002	Low cost sealing of Boroboro-Lira road	Open National Bidding	Empa Associates Ltd	183,282,969	18.3	30.0	62.4	Satisfactory
3.	Lira531/Wrks/18-19/00003	Low cost sealing of Odokomit – Lira University	Open National Bidding	CME Enterprises Ltd	289,420,430	18.8	37.5	72.6	Satisfactory
4.	Lira531/Wrks/18-19/00004	Partial construction of Aler TC solar powered water scheme	Open National Bidding	Allianz Limited	144,000,000	16.1	22.5	49.8	Unsatisfactory
5.	Lira531/Wrks/18-19/00009	Renovation of DHOS resource center	Open National Bidding	Wangi General Enterprises Ltd	79,204,500	14.8	22.5	48.2	Unsatisfactory
6.	Lira531/Wrks/18-19/00012	Completion of renovation of 4 classrooms including office space at Abutoadi P/S	Selective National Bidding	Wangi General enterprises U Ltd	29,960,300	17.6	37.5	71.2	Satisfactory
7.	Lira531/Wrks/18-19/00015	Partial renovation of 4 classrooms with office block at Akore P/S	Selective National Bidding	Wangi General enterprises U Ltd	39,573,800	17.1	37.5	70.5	Satisfactory
8.	Lira531/Wrks/18-19/00020	Construction of 4 stance toilet at latrine P/S	Open National Bidding	Kiwedde Holdings Ltd	19,958,520	17.2	37.5	70.6	Satisfactory
9.	Lira531/Wrks/18-19/00021	Construction of a loading rumpand fencing of a pig slaughter slab and soak pit at	Open National Bidding	Megum Technical services	41,703,640	16.4	37.5	69.6	Satisfactory

<b>N o</b>	<b>Reference No</b>	<b>Subject of Procurement</b>	<b>Procurement method</b>	<b>Provider</b>	<b>Contract value UGX</b>	<b>Compliance Score</b>	<b>Performance Score</b>	<b>Overall Score</b>	<b>Rating</b>
		Amach market , Partial construction of administrative block at Wiodyekand Construction of affordable staff house at Onyakide P/S							
10.	Lira531/Wrks/18-19/00022	Construction of a kitchen and energy saving stoves at Aballa HCIII at Agwengscity	Selective National Bidding	Alololo Investments Ltd	16,332,000	17.6	30.0	61.4	Satisfactory
11.	Lira531/S upls/18-19/00011	Procurement of a grinding mill, huller , water tank installation and shade	Selective National Bidding	Okwongogum Enterprises Ltd	11,400,000	16.0	37.5	69.0	Satisfactory
12.	Lira531/S upls/18-19/00014	Procurement of 90 ox ploughs for Amach scty	Selective National Bidding	Alcom Investment Ltd	25,200,000	15.2	30.0	58.3	Unsatisfactory
13.	Lira531/S upls/18-19/00016	Procurement of 60 ox ploughs and chains for Adekokwok scty and 16 ox ploughs for Agaliscty	Selective National Bidding	Otuke private sector	23,440,000	18.3	30.0	62.3	Satisfactory
14.	Lira531/S upls/18-19/00021	Procurement of 24 bulls and animal drugs consisting of ; isometamedin chloride 50,000, asfhsafametrinand invemetrim for Agaliscty and 8 bulls for Lira Scty	Open National Bidding	PN Akwanga Abacha	30,730,000	14.9	30.0	58.0	Unsatisfactory
15.	Lira531/S upls/18-19/00022	Procurement of 60 ox ploughs Agwengscity	Selective National Bidding	Miromi general supplies ltd	18,000,000	18.2	30.0	62.2	Satisfactory
16.	Lira531/S upls/18-19/00034	Procurement of 65 pieces of ox ploughs in Aromo scty& 4 ox ploughs and assorted accessories for Lira scty	Selective National Bidding	Otuke Private sector ltd	21,500,000	17.5	22.5	51.7	Unsatisfactory

<b>No</b>	<b>Reference No</b>	<b>Subject of Procurement</b>	<b>Procurement method</b>	<b>Provider</b>	<b>Contract value UGX</b>	<b>Compliance Score</b>	<b>Performance Score</b>	<b>Overall Score</b>	<b>Rating</b>
17.	Lira531/S upls/18- 19/00037	Procurement of 2 desktop computers for ifms , 2 printers for cash office and expenditure , 1 laptop for Clerk to Council , a printer for production , 2 desktop for works , 2 printers for works , printer copier for agali	Selective National Bidding	Megatrends Computers & Accessories	29,950,000	15.8	15.0	39.7	Unsatisfactory
18.	Lira531/S upls/18- 19/00039	Procurement of 1915 tree seedlings for olil, agali, alikpot and abongorwot P/Ss, 3500 teak and 3200 pine seedlings for Agwengscty ,establishment of tree nurseries at Anai and Barapwoo parishes, 750 assorted tree seedlings for Adekokwokscity and 2 sites of pineapple multiplication and 2 sites of tree seedlings and planting at Ogur HC and scity	Selective National Bidding	Onywako general services ltd	21,150,000	14.8	22.5	48.1	Unsatisfactory
19.	Lira531/S upls/18- 19/00005	Procurement of field protective gear kits for production staff: overall, face mask, mouth/nose muzzles and hand gloves	Selective National Bidding	Bakatola Enterprises Ltd	11,362,000	16.9	30.0	60.6	Satisfactory
20.	Lira531/S upls/18- 19/00001	Supply of an executive table for office of the CAO, 4 filling cabinet for finance, 2 filling cupboards and office table for office of Clerk to Council, metallic chairs with cushions and executive office tables for production, filling cabinet for production Dept., wooden	Selective National Bidding	Alcom Investment Ltd	24,000,000	15.2	22.5	48.6	Unsatisfactory

<b>No</b>	<b>Reference No</b>	<b>Subject of Procurement</b>	<b>Procurement method</b>	<b>Provider</b>	<b>Contract value UGX</b>	<b>Compliance Score</b>	<b>Performance Score</b>	<b>Overall Score</b>	<b>Rating</b>
		armed chairs for Amach S/C, sofa set, office table and office chair for SAS Agali S/C and 45 plastic chairs							
21.	Lira531/Wrks/18-19/00008	Completion of a staff house at Abala HCIII	Selective National Bidding	Luka consortium Ltd	27,819,680	18.0	37.5	71.7	Satisfactory
22.	Lira531/Wrks/18-19/00010	Renovation of doctors house in Amach HCIV	Selective National Bidding	Wangi General Enterprises Ltd	34,972,000	17.5	37.5	71.0	Satisfactory
23.	Lira531/Wrks/18-19/00013	Renovation of 2 classroom block at Ayile P/S	Selective National Bidding	Todi Investments ltd	28,467,500	16.9	37.5	70.2	Satisfactory
24.	Lira531/Wrks/18-19/00014	Partial renovation of 3 classrooms with offices at Anai P/S and a slaughter slab at note ayabi market	Selective National Bidding	Lotradco U Ltd	48,506,968	15.4	30.0	58.5	Unsatisfactory
25.	Lira531/Wrks/18-19/00019	Construction of 4 stance drainable latrine for girls at Akwiaworo P/S	Selective National Bidding	Lotradco U Ltd	19,408,640	15.1	30.0	58.2	Unsatisfactory
26.	Lira531/Wrks/18-19/00016	Renovation of wigweng P/S	Selective National Bidding	Jenaco Ltd	41,288,857	17.9	45.0	81.2	Satisfactory
27.	Lira531/Wrks/18-19/00017	Construction of a 3 stance ecosan toilet at Te - Okole P/S	Selective National Bidding	Amen Enterprises Ltd	30,982,245	18.8	37.5	72.6	Satisfactory
28.	Lira531/Wrks/18-19/00018	Construction of a 5 stance drainable pit latrine at ngetta boys P/S	Selective National Bidding	Oyere Investments Company Ltd	24,889,740	19.0	37.5	72.9	Satisfactory
29.	NA	Periodic maintenance of district roads under force account mechanism (Improvement of 3	-	-	33,792,000	N/A	N/A	N/A	N/A

No	Reference No	Subject of Procurement	Procurement method	Provider	Contract value UGX	Compliance Score	Performance Score	Overall Score	Rating
		roads in Adekokwok Sub County)							
30.	NA	Disposal of Land at Adekokwok Sub County	Pubic Auction	-	504,950,000	-	-	97	Highly satisfactory

**Summary of case performance rating**

No	Performance Score (%)	Performance Rating	Number	Value(UGX)
1.	90-100	Highly Satisfactory	1	504,950,000
2.	60-89	Satisfactory	17	872,853,681
3.	30-59	Unsatisfactory	11	525,117,305
4.	0-29	Highly Unsatisfactory	-	-
5.	N/A	N/A	1	33,792,000
<b>Total</b>			<b>30</b>	<b>1,936,712,986</b>

## Annex 2. List of staff in the Procurement and Disposal Unit

No.	Name	Title
1.	Ebil Patrick	Senior Procurement Officer
2.	Adong Roseline Show	Procurement Officer

## Annex 3. List of the Contracts Committee members

Name	Designation	CC Role	Date of Appointment
Dr. Ocen Patrick Buchan	District Health Officer	Chairperson	1 <sup>st</sup> July 2016
Ario Mike	Sen. Agric Officer	Member	10 <sup>th</sup> Nov 2017
Alum Docus	Principal Agric Officer	Member	3 <sup>rd</sup> April 2017
Ekwang Henry Cilodyang	Senior Assistant Secretary	Member	1 <sup>st</sup> July 2016
Hellen Anyango	Senior Assistant Secretary	Member	1 <sup>st</sup> July 2016 (Final term)

## Annex 4: Physical verification of procurements undertaken by the district local government

**1.Reference number:** Lira531/Wrks/18-19/00017

**Procurement:** Construction of a 3 stance Ecosan toilet at Te-Okole P/S

**Provider:** Amen Enterprises Ltd

**Contract Supervisor:** No contract supervisor appointed

**Contract value:** UGX 30,982,245



**Status of works:** Not complete

### Exceptions Noted:

- The ramp was too steep to enable disabled pupils access the toilet using wheel chairs.
- The team noted that no labeling of the project was done by the contractor
- The ramp was too steep and therefore rails should be fixed on the sides of the ramp to protect the pupils especially the young ones from falling off the ramp
- No trees were planted yet it was part of environmental mitigation measures

### Management response

Planting trees was part of the BOQ and this has been complied with  
The project labeling has also been done after completion

**Authority's comment;** There was no evidence provided to support the Entity's response

**2.Referencenumber:** Lira531/Wrks/18-19/00022

**Procurement:** Construction of a kitchen and energy saving stoves at Aballa HCIII in Agweng S/C

**Provider:** Alololo Investments Ltd

**Contract Supervisor:** No contract supervisor appointed

**Contract value:** UGX 16,332,000



**Status of works:** The works were completed

**Exceptions Noted:**

- The team noted that the stoves were constructed so close to each other meaning there is limited space for people to cook
- The metal plates fixed inside the stoves were too weak and too thin meaning they can not withstand heat from the fire
- Project was not yet handed over to the school despite its completion
- The team noted that no labeling of the project was done by the contractor
- No trees were planted yet it was part of environmental mitigation measures


**Management response**

Planting trees was part of the BOQ and this has been complied with

The project labeling has also been done after completion

The project is still under defects liability period and the contractor has been instructed to correct the snags and evidence is attached.

**Authority's comment;** There was no evidence provided to support the Entity's response

<p><b>3.Reference number:</b> Lira531/Wrks/18-19/00001</p> <p><b>Procurement:</b> Siting, drilling and installation of four (4) deep boreholes</p> <p><b>Provider:</b> East Africa Boreholes Ltd</p> <p><b>Contract Supervisor:</b> No contract supervisor appointed</p> <p><b>Contract value:</b> UGX 81,467,200</p>	
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**Status of works:** The borehole at Alik Health Centre II was complete and in use

**Exceptions noted:**

- The team noted poor maintenance of the facility, it was very dirty and had not been cleaned in a long time. The district should train the users on proper usage and maintenance of boreholes.
- Project was not yet handed over to the users despite its completion

**Management response**  
Exceptions have been taken up by management and actions shall be taken immediately.

<p><b>4.Reference number:</b> Lira531/Wrks/18-19/00008</p> <p><b>Procurement:</b> Completion of a staff house at Abala HCIII in Agweng S/C</p> <p><b>Provider:</b> Luka consortium Ltd</p> <p><b>Contract Supervisor:</b> No contract supervisor appointed</p> <p><b>Contract value:</b> UGX 27,819,680</p>	
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**Status of works:** The works was not yet completed.

**Exceptions noted:**

- The facility was not yet completed
- The team noted that one of the door locks was faulty and needed to be worked on
- The team noted that no labelling of the project was done by the contractor
- No trees were planted yet it was part of environmental mitigation measures

**Management response**  
Planting trees was part of the BOQ and this has been complied with  
The project labeling has also been done after completion  
The project is still under defects liability period and the contractor has been instructed to correct the snags

**Authority's comment;** There was no evidence provided to support the Entity's response

**5.Reference number:** Lira531/Wrks/18-19/00018

**Procurement:** Construction of a 5 stance drainable pit latrine at Ngetta Boys P/S

**Provider:** Oyere Investments Company Ltd

**Contract Supervisor:** No contract supervisor appointed

**Contract value:** UGX 24,889,740



**Status of works:** The project was not yet complete

**Exceptions Noted:**

- The team noted that the project was not yet complete
- The team noted that no labelling of the project was done by the contractor
- No trees were planted yet it was part of environmental mitigation measures

**Management response**

Planting trees was part of the BOQ and this has been complied with  
The project labeling has also been done after completion

**Authority's comment;** There was no evidence provided to support the Entity's response

**6.Reference number:** Lira531/Wrks/18-19/00004

**Procurement:** Partial construction of Aler TC solar powered water scheme

**Provider:** Allianz Limited

**Contract Supervisor:** No contract supervisor appointed

**Contract value:** UGX 144,000,000



**Status of works:** The work was not yet completed

**Exceptions:**

- The building was poorly roofed in that the edges of the iron sheets had gaps. The roof will definitely leak whenever it rains
- The team noted that no labelling of the project was done by the contractor
- No trees were planted yet it was part of environmental mitigation measures

**Management response**

Planting trees was part of the BOQ and this has been complied with

The project labeling has also been done after completion

The project was handed over and evidence is attached

**Authority's comment;** There was no evidence provided to support the Entity's response

**Assets for disposal**



**These assets were noted in the audit of FY 2015/16 but are still grounded at the district parking yard**



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**Management response**

Disposal of several assets was conducted during the year but for the assets cited above, their respective line ministries did not clear them for disposal since they were donated by those ministries but the District will continue engaging them to obtain clearances for disposal.