



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

MITYANA MUNICIPAL COUNCIL

MARCH 2024

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ACRONYMS

AO	Accounting Officer
CC	Contracts Committee
EC	Evaluation Committee
FY	Financial Year
LPO	Local Purchase Order
BEB	Best Evaluated Bidder
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
CV	Curriculum Vitae
BOQs	Bills of Quantities
LG	Local Government
HQ	Head Quarters
ESHS	Environmental, Social Health and Safety
SBD	Standard bidding document
MC	Municipal Council
LTD	Limited

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Mityana Municipal Council that covered a representative sample of 18 procurement transactions worth UGX. **378,109,323** under the Financial Year 2022/23.

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

From the findings of the procurement audit exercise, the performance of Mityana Municipal Council for the Financial Year 2022/23 was **Moderately Satisfactory** with overall weighted average risk rating of **58.9%** as detailed in chapter 3 of the report.

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

1. The Municipality implemented procurements worth Ugx 677,116,889 (73%) out of the planned procurements of UGX 926,190,000 leaving procurements worth UGX 249,073,111 (27%) un-implemented depriving service delivery to the intended beneficiaries;
2. Failure to fully implement 83% previous audit recommendations in the procurement and disposal audit report for Financial Year 2018/19. This exposed the Entity to continued weak controls in the procurement function which affects the procurement performance;
3. Failure to dispose obsolete items, physical inspection around the Municipality revealed obsolete assets in the parking yard that's should have been disposed;
4. Irregularities in the bidding stage, in nine Procurements worth UGX 167,709,080. There were inconsistencies such as, bidding documents tailored to Mityana Municipal Council, inconsistent reference numbering, poorly prepared solicitation documents, failure to state/request technical staff and equipment;
5. Failure to fully adhere to the set evaluation criteria in 16 procurement transactions worth UGX 334,773,307 such as passing non-compliant bidders and evaluation criteria's missing key components among others;
6. Awarding VAT inclusive Contract to Vintage International Co. Ltd that is not VAT registered thus causing a financial loss of UGX 3,684,780;
7. Irregularities at contract management such as lack of contract management and payment records on file, unclear contract durations, lack of performance security in high value contracts, failure to appoint contract supervisors among other in 15 procurements worth UGX 356,209,323; and
8. Poor workmanship such as poor drainage, use of poor-quality materials, open earthing manholes, poor finishing of the floor and failure to utilize a completed project in three projects worth UGX 137,924,927.

In summary, the Authority observed that inefficiencies in the procurement process, evaluation irregularities and poor contract management affected the Entity's performance.

In light of the above, the Authority recommends the following:

1. Accounting Officer should:
 - i. Ensure that the Procurement and Disposal Unit is adequately staffed;

- ii. Continuously engage the Permanent Secretary/Secretary to the Treasury, Ministry of Finance Planning and Economic Development to ensure that the fifth member of the Contracts Committee is appointed for effective operation of the Contracts Committee;
 - iii. Regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003;
 - iv. Put in place a strong internal mechanism and a dedicated team of staff for implementation of audit recommendations that will always ensure full implementation of the Authority's previous audit recommendations;
 - v. Review the assets of the Entity to identify the public assets to be disposed of in the following financial year each Financial Year in line with Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023;
 - vi. Recover the VAT of UGX 3,684,780 paid to a non-VAT registered provider;
 - vii. Appoint the Contract Managers for all signed contracts in accordance with Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023; and
 - viii. Ensure that all the identified defects in construction projects are corrected within three months and send a report to the Authority detailing how the defects were corrected.
2. The Contract Committee should always review bidding documents for completeness before approving them;
 3. The Contract Managers should ensure that:
 - i. The providers meet all the performance or delivery obligations in accordance with the terms and conditions of the contract in line with Regulation 52 (3) (a) (1) of the PPDA (Contracts) Regulations, 2023; and
 - ii. Contract management records are kept and archived as required in line with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023.
 4. The Head Procurement and Disposal Unit should:
 - i. Always collaborate with the User departments to ensure that the statement of requirements, Bills of Quantities and the required experience, personnel and equipment is indicated in the solicitation document;
 - ii. Ensure that the bidding document states the date up to which a bid shall be valid in line with Regulation 62 (1) of the PPDA (Rules and methods for procurement of Works, Services and Non-Consultancy Services) Regulations, 2023; and
 - iii. Ensure that contractors for high value procurements provide performance securities to the Municipality to protect the Municipalities' interests in case the contract fails to perform in accordance with Regulation 11 (1) of the PPDA (Contracts) Regulations, 2023.

Mityana Municipal Council should implement the recommended action plan on pages 25 and 26 of this report.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Mityana Municipal Council that covered a representative sample of 18 procurement transactions worth UGX. 378,109,323 under the Financial Year 2022/23. The audit involved a review of procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act 2003 and Local Governments (PPDA) Regulations 2006.

1.2 Main Audit Objectives

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

1.3 The specific objectives were to:

- i. To Establish the level of compliance by the Entity with the general provisions of the PPDA Act 2003 and Local Governments (PPDA) Regulations 2006;
- ii. Assess the degree of compliance of the Entity's Disposal process with the provisions of the PPDA Act, 2003 and the Local Governments (PPDA) Regulations, 2006; and
- iii. Assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process.

1.4 Audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation on sample basis. The audit covered a representative sample of eighteen procurement transactions worth UGX. 378,109,323 under the Financial Year 2022/23. The list of sampled transactions is contained in **Annex 2**.

1.5 Overall structure of the Entity

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

i. Accounting Officer

Section 26 of the PPDA Act 2003 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. The Town Clerk; Mr. Godfrey K. Kateeba was designated as the Accounting Officer of the Entity during the Financial Year 2022-2023.

ii. Composition of the Contracts Committee

The PS/ST of Ministry of Finance, Planning & Economic Development approved four members of the Contracts Committee who also acted during the period under review: The list of approved Contracts Committee members is indicated in Table 1 below:

Table 1: Contracts Committee Members

No.	Name	Job Title	Position on Committee	Date of Appointment
1.	Mrs. Doreen Nabbosa Osillo	Principal Community Development Officer	Member	5 th February 2021
2.	Mr. Gerald Ssali	Principal Education Officer	Member	23 rd March 2023
3.	Miss. Grace Nakuya	Agriculture Officer	Member	23 rd March 2023
4.	Miss. Agnes Nalumaga	Senior Assistant Town clerk	Member	16 th June 2023

iii. Staffing of the Procurement and Disposal Unit

The Procurement and disposal Unit was staffed with only a Procurement Officer Ms. Rosette Nakanwagi who holds a Bachelor's Degree in Procurement and Logistics Management.

1.6 Audit Methodology

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

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

A debrief meeting to clear all pending issues that arose during the audit was held with the Entity management and staff on **23rd August 2023** before the auditors could embark on preparation of the management letter. The auditors prepared the management letter, which was sent to the Entity on **10th October 2023** with a request to submit a management response by **18th October 2023**, which was submitted on **27th October 2023**. The exit meeting was held on **2nd November 2023** at PPDA-URF Towers, Nakasero Road.

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

CHAPTER TWO: FINDINGS OF THE AUTHORITY

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

2.1.1 Under Staffing of the Procurement and Disposal Unit.

Section 26 (c) of the PPDA Act 2003 states that the Accounting Officer of a Procuring and Disposing Entity shall be responsible for causing to be established a Procurement and Disposal Unit staffed at an appropriate level.

The Mityana Municipal Council's staff establishment structure provides for three staff in the Procurement and Disposal Unit that is; a Senior Procurement Officer, a Procurement Officer and an Assistant Procurement Officer. The Authority however noted that the Procurement and Disposal Unit was staffed with only one staff, a Procurement Officer leaving the other two positions vacant.

Implication

Under staffing of the Procurement and Disposal Unit limits its effectiveness due to work overload of one staff in the PDU.

Management Response

Management acknowledged the observation and attributed it to wage constraints and a ban on recruitment of staff. Management also explained that recruitment of a Senior Procurement Officer had been prioritised as soon as the wage bill improves.

Recommendation

The Authority takes note of the Entity's response however the Accounting Officer should follow up with the relevant ministries to ensure that the Procurement and Disposal Unit is adequately staffed.

2.1.2 Failure to Fully Constitute the Contracts Committee

Section 27 (1) (Schedule 4) of the PPDA Act, 2003 provides that a Contracts Committee shall be composed of five members that is, the Chairperson, Secretary and a maximum of three other members appointed by Accounting Officer one of whom shall be a lawyer

The Authority noted that the Contracts Committee had four members instead of five contrary to the above requirement.

Implication

Failure to fully constitute the Contracts Committee hinders the efficiency and effectiveness of the operations of the Contracts Committee.

Management response

The Municipality has written to the Permanent Secretary/Secretary to the Treasury, Ministry of Finance Planning and Economic Development nominating a fifth member of the Contracts Committee.

Recommendation

The Accounting Officer should continuously engage the Permanent Secretary/Secretary to the Treasury, Ministry of Finance Planning and Economic Development to ensure that the fifth member of the Contracts Committee is appointed for effective operation of the Contracts Committee.

2.1.3 Failure to implement 27 % of the procurement plan.

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

The Municipality implemented procurements worth UGX 677,116,889 (73%) out of the planned procurements of UGX 926,190,000 leaving procurements worth UGX 249,073,111 (27%) unimplemented as indicated in Table 2 below:

Table 2: Procurement Plan Implementation Rate

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	926,190,000
Total procurement spend value inclusive of VAT (UGX)	677,116,889
Procurement plan implementation rate (%)	73
Implementation variance (UGX)	249,073,111

Implication

Failure to fully implement the procurement plan hinders service delivery to the public as the intended procurements are not made.

Management Response

Management acknowledged the issue and attributed it to Local Revenue /Non-Tax Revenue shortfall which was meant to fund procurements worth UGX. 249,073,111.

Recommendation

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

2.1.3 Failure to Fully Implement Previous Audit Recommendations

Mityana Municipal Council was issued an audit report for Financial Year 2018/19 On 23rd June 2020. Out of six recommendations made, five (83%) recommendations were partially implemented while one (17%) recommendation was implemented as indicted in the table 3 below:

Table 3: Implementation of Previous Audit Recommendations

No.	Recommended Action	Comment	Implemented Status
1.	The Accounting Officer should task the User Department responsible for the management of all obsolete assets that were valued and ear marked for disposal to initiate the disposal processes for them in accordance with Regulation 122 (10) of the Local Governments (PPDA) Regulations, 2006.	Action being taken Board of survey report prepared	Partially implemented
2.	The Evaluation Committee should conduct bid evaluation in accordance with the evaluation criteria stated in the bidding document in accordance with Regulation 78(3)(4) of the Local Governments (PPDA) Regulations, 2006.	Recurring	Partially implemented
3.	The members of the Contracts Committee should maintain signed hard copies of the Contracts Committee minutes to confirm CC proceedings in accordance with Regulation 84(3) of the Local Government (PPDA) Regulations, 2006.	Not recurring	Implemented
4.	The User Department should handle Force Account mechanism in accordance with PPDA circular on guidance to Local Government Entities on the use of Force Account and Section 95(A) of the PPDA Act, 2003.	Not recurring	Partially implemented
5.	Contract Managers should ascertain that the terms and contractual obligations towards its providers are in accordance with the terms and conditions specified in the Contract in accordance with Regulations 119 (9) (b) of the Local Governments (PPDA) Regulations, 2006.	Not recurring	Partially implemented
6.	The Procurement and Disposal Unit should maintain all records of the procurement and disposal processes on respective procurements action files in accordance with Regulation 25 (1) n) of the Local Governments (PPDA) Regulations, 2006.	Not recurring	Partially implemented

Implication

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

Management Response

Management acknowledged the observation and noted that the audit recommendations and guidance have enabled the Entity to improve over time. Management also promised to implement the PPDA’s recommendations going forward.

Recommendation

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

2.1.4 Inadequate Bidding Document

Regulation 48 (1-10) of the Local Governments (PPDA) Regulations, 2006 provides a manner in which solicitation documents should be prepared by Procuring and Disposing Entities.

The Authority noted that in nine procurements worth UGX 167,709,080, the Procurement and Disposal Unit prepared inadequate bidding documents as detailed in the table 4 below:

Table 4: Inadequate Bidding Documents

S/ N	Subject of Procurement	Contract value (UGX)	Inconsistency in the bidding document	Management Response
1.	Construction of Mityana MC Administration block phase II	109,072,580	<ul style="list-style-type: none">List of equipment not asked for in the bidding document.Eligibility requirements of (valid trading license, tax clearance, powers of attorney) not expressly stated in the SBD.Bid security valid for only 30 days yet contract completion is 4 months.	Management acknowledged the observation and explained that a standard bidding document was used as issued by PPDA in 2020 which required a bidder under Part1: Section 4 Bidding Forms under Form 3. Authority Comment. The standard bidding document was used but not edited appropriately.
2.	Construction of a 4-stance lined pit latrine at Busimbi HQ	21,083,000	<ul style="list-style-type: none">Shortlist of firms/bidders not indicated in the bidding document.Technical personnel & equipment required not indicated in the bidding document.	Management acknowledged the anomaly and promised to improve in subsequent years. subsequent procurements Management also explained that they considered personnel and equipment the firms had submitted during the prequalification stage. However, the Entity will include Personnel and equipment requirement in the bidding document in subsequent procurements.
3.	Renovation of Kabuwambo HC II	28,937,500	<ul style="list-style-type: none">The Bidding document was tailored to advantage only bidders who had previous contracts	Management acknowledged the observation and promised not to tailor experience to Mityana MC and to provide a list of personnel

S/ N	Subject of Procurement	Contract value (UGX)	Inconsistency in the bidding document	Management Response
			with Mityana MC which limited competition. <ul style="list-style-type: none"> No list of equipment and personnel required by the bidders. 	and equipment required in future procurements.
4.	Framework contract for general stationery		<ul style="list-style-type: none"> No specifications, terms of reference & BOQs on file Wrong bidding document used (pre-qualification) instead of ODB bidding document. Requirements of trading license, tailored to Mityana MC (limiting competition). No clear statement of requirements for supply of spare parts. 	Management acknowledged of use of wrong solicitation documents and promised to improve in future procurements.
5.	Framework contract for supply of culverts			Management explained that Specifications, Terms of Reference, statement of requirements and BOQs were available for verification.
6.	Framework contracts for spare parts			Authority Comment. The Specifications, Terms of Reference, statement of requirements and BOQs were not available for verification
7.	Framework contract for printed stationery			
8.	Framework for supply of fuel			
9.	Supply and delivery of 48 hardwood desks in selected schools (Kiyindi P/S, Katakala PS & Butega PS)	8,616,000	Delivery date was not stated in the bidding document.	Management noted the anomaly and promised to improve in the subsequent procurements
	TOTAL	167,709,080		

Implication.

Inadequate bidding documents hinder efficiency, transparency, fairness and competition in the procurement process.

Recommendation

- The Contract Committee should always review bidding documents for completeness before approving them.
- The Head Procurement and Disposal Unit should always collaborate with the User departments to ensure that the statement of requirements, Bills of Quantities and the required experience, personnel and equipment is indicated in the solicitation document.

2.1.5 Failure to state the exact date of expiry of bid validity

PPDA Circular No.1/2013 advises the entities to compute and state in the bid document the actual date when the bid validity expires to avoid miscalculations by bidders.

The bidding documents required bidders to state bid validity period as 90 days instead of requesting them to state the exact date of the bid validity in four procurements worth UGX 68,083,780. The procurements where the bid validity was stated as 90 days instead of the exact date are listed table 5 below:

Table 5: Procurements with Bid Validity Stated as 90 Days

S/N	Subject of Procurement	Contract value (UGX)
1.	Supply and delivery of 48 hardwood desks in selected schools (Kiyindi P/S, Katakala PS & Butega PS	8,616,000
2.	Renovation of Kabuwambo HC II	28,937,500
3.	Construction of a 5-stance pit latrine at Butega P/S	24,155,780
4	Maintenance of head teacher's office at Kabule C/U P/S.	6,374,500
	TOTAL	68,083,780

Implication

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

Management Response

Management acknowledged the anomaly and promised to address it in the subsequent procurements

Recommendation

The Procurement and Disposal Unit should ensure that the bidding document states the date up to which a bid shall be valid in line with Regulation 62 (1) of the PPDA (Rules and Methods for Procurement of Works, Services and Non-Consultancy Services) Regulations, 2023.

2.1.6 Inconsistencies in Bid Evaluation

Regulation 73(2) of the Local Governments (PPDA) Regulations, 2006 states that substantially compliant and responsive bid shall be one that conforms to all the instructions, requirements, terms and conditions of the bid document without material deviation, or omission

The Authority noted irregularities in the evaluation of 16 procurement transactions worth UGX 334,773,307 such as passing bidders that did not attach Tax Clearance certificates, members of Evaluation Committee not signing the evaluation report, evaluation criteria's missing key components among others as indicated in Table 6 below:

Table 6: Inconsistencies in Bid Evaluation

S/N	Subject of Procurement	Contract value (UGX)	PPDA Findings	Management response
1.	Supply and delivery of 48 hardwood desks in selected schools (Kiyindi P/S, Katakala PS & Butega PS	8,616,000	<ul style="list-style-type: none"> • BEB did not attach a Tax Clearance Certificate. • Ms. Lydia, Nakibuule a member of the Evaluation Committee didn't sign the evaluation report. 	Management acknowledged the anomaly and promised to address it in the subsequent procurements
2.	Construction of Mityana MC Administration block phase II	109,072,580	<ul style="list-style-type: none"> • The Evaluation Committee did not evaluate the following requirements that were part of the evaluation criteria in the Bidding Document: • ESHS code of conduct for contractor. • Environmental & social Management plan (ESMP) • Traffic management plans, water resource protection plan, boundary marking & protection strategy. • Requirement of bid security. • Audited books of accounts for FY 19/20, 20/21, 21/22. 	
3.	Construction of 5 stance lined pit latrine at Mityana Public School by Spatial Concepts Co Ltd.	23,025,647	<ul style="list-style-type: none"> • The BEB Ms. Spatial Concepts Co Ltd submitted un-registered Powers of Attorney yet it was a requirement. • The Provided did not provide a programme of works or works schedule yet commitment to perform the works in less than four months was a key requirement. • The provide did not provide evidence of adequate finance/credit to carryout works of not less than 25% of the contract which was a key requirement. 	<p>Management explained that they did not consider Powers of Attorney since the Contractor was pre-qualified and such requirements were considered at prequalification.</p> <p>Evidence of description of the work or activity schedule for performing the assignment of not more than 4 months is availed for verification A copy to confirm adequate finance</p>

S/N	Subject of Procurement	Contract value (UGX)	PPDA Findings	Management response
				<p>/credit to carryout works of not less than 25% of the contract is availed for verification</p> <p>Authority Comment The above documents were not provided for verification and the evaluation committees should strictly adhere</p>
4.	Construction of 4 stance lined pit latrine at Busimbi HQ by Kanaddi Trust Enterprise	21,083,000	BEB did not attach a valid trading license or equivalent, valid certificate of registration or equivalent, income tax clearance certificate	<p>Management explained that the documents were requested at pre-qualification stage.</p> <p>Authority Comments Preliminary documents such as a Trading licence or equivalent should be requested at the bidding stage.</p>
5.	Renovation of Kabuwambo HC II by Kabalega Constructors Co. Ltd	28,937,500	<ul style="list-style-type: none"> • BEB did not attach all the preliminary documents of trading license, Tax Clearance, certificate of incorporation as required. • Evaluation report lacks the preliminary stage details 	<p>Management noted the anomaly and promised to improve.</p>
6.	Framework contract for general stationery		<ul style="list-style-type: none"> • All the three bidders of Sebalamu Technical Services, Seamo Property Consults and Danrite Investments Ltd did not indicate unit prices for the culverts • Unnecessary requirements such “personal experience” were included in the evaluation reports for stationery. • Evaluation reports lacked technical, financial stages, recommendation and conclusion. • The Evaluation Committee did not sign the ethical code of conduct forms and the evaluation minutes 	
7.	Framework contract for supply of culverts			
8.	Framework contracts for spare parts			
9.	Framework contract for printed stationery			
10.	Framework for supply of fuel			

S/N	Subject of Procurement	Contract value (UGX)	PPDA Findings	Management response
11.	Construction of a 5 stance pit latrine at Butega P/S by Vintage international co Ltd	24,155,780	<ul style="list-style-type: none"> • Preliminary evaluation criteria were not stated in the bidding document • BEB did not provide a complete Priced Activity Schedule as required in the bidding document. • BEB did not provide evidence of satisfactory contract performance on similar projects awarded by Mityana Municipal Council of at least 80% completion (where applicable). 	Management acknowledged the observation and indicated that the Head PDU had been reminded in writing to avoid such anomalies in future.
12.	Maintenance of head teacher's office at Kabule C/U P/S by Kanaddi trust enterprises	6,374,500	<ul style="list-style-type: none"> • Inadequate evaluation criteria such as eligibility criteria, or evidence of past performance • Incomplete bid submission sheet didn't indicate issues conflict of interest nationality, etc. 	Management noted the anomaly and promised to improve.
13.	Construction of a two classroom block at Nkonya primary school, supply of 36 3 seater desks and 2 teacher's tables and chairs by Kanaddi Trust Enterprises	69,660,500	<ul style="list-style-type: none"> • The BEB did not submit audited books of accounts for the last three years demonstrate the current soundness of the bidder's financial position and its prospective long-term profitability as required in the SBD. What was submitted were only audited books for one year i.e. 2022 • No evidence that the bidder attached an Environmental Officer and a Social Development Officer as required in the bidding document. • The bidding document did not mention the type of equipment's needed by the bidder. 	Management indicated that a copy of the audited books is here for verification and copy of evidence of Environment Officer and Social Development Officer were available for verification. Management noted the anomaly of not requesting for equipment in the bidding document. Authority Comment The Documents were not provided for verification.
14.	Renovation of Nakaseeta Health Centre 11 by	29,747,800	Incomplete bid submission sheet not mentioning elements like the legal capacity to enter into a	Management noted the anomalies and promised to improve.

S/N	Subject of Procurement	Contract value (UGX)	PPDA Findings	Management response
	Rosco contractors		contract; not be insolvent, in receivership, bankrupt or being wound up or subject to legal proceedings for any of these circumstances etc.	
15.	Management and collection of revenue from road side business	8,000,000	No evidence of experience in revenue collection by Kibuka Abdul. What was on file was just a recommendation.	
16.	Management and collection of revenue from stone quarry loading fees at Bukoma and Mimama.	6,100,000	<ul style="list-style-type: none"> • No evidence of experience in revenue collection by the contractor Mr. Bakka Ronald. • No evidence of a social responsibility program. 	
	Total	334,773,307		

Implications.

- i. This hindered transparency and fairness in the Evaluation process and eposes the Entity to the risk of Administrative reviews.
- ii. Passing ineligible bidders exposes the Entity to the risk of award of contracts to competent bidders, non-tax complaint bidders hence hindering achievement of intended objectives.
- iii. Failure to prepare comprehensive evaluation criteria may hinder achievement of value for money from the procurement.

Recommendations.

- i. The Head Procurement and Disposal Unit should;
 - (a) Ensure that the Evaluation Committee members strictly adhere to the set criteria, use standard evaluation report template, and participate in the evaluation and sign the evaluation report; and
 - (a) Ensure that the evaluation criteria in the bidding document is adequate to cover all intended evaluation areas.
- ii. The Contracts Committee should always ensure that the evaluation Criteria in the solicitation documents is adequate and that the evaluation reports are fully signed before approving them.

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

2.2.1 Failure to Dispose of Obsolete Items

Regulation 122 (1) of the Local Governments (PPDA) Regulations, 2006 states that the disposal of council assets, including assets identified by a board of survey, shall be carried out in accordance with the Act, these Regulations and the guidelines.

Physical inspection around the Municipality revealed obsolete assets in the parking yard which included a road equipment that should have been disposed of as shown in Figure 1 below.

Figure 1: Un-disposed of Assets



Implications

Failure to disposal off obsolete assets inhibits achievement of value for money due to loss of asset value caused by further deterioration, theft and vandalism.

Management Response

Management acknowledged the observation and explained that measures have been put in place to identify assets due for disposal in subsequent years.

Recommendation

The Accounting Officer should review the assets of the Entity to identify the public assets due for disposal in the following financial year each Financial Year in line with Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023.

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

2.3.1 Payment of Value Added Tax (VAT) to a Non- VAT Registered Provider

The Authority noted that in the construction of a 5-stance pit latrine at Butega P/S worth UGX 24,155,780, the Entity paid the total contract sum VAT Inclusive to Vintage International Co. Ltd. However Vintage International Co. Ltd is a not VAT registered according to the Tax Registration Certificated provided by the Bidder.

Implication

This led to a financial loss of UGX 3,684,780

Management Response

Management noted the observation and promised to recover the funds paid as VAT.

Recommendation

The Accounting Officer should recover or refund the VAT of UGX 3,684,780 paid to a non-VAT registered provider.

2.3.2 Weaknesses in Contract Management

Regulation 119 (3) of the Local Governments (PPDA) Regulations, 2006 requires that all contract management records are kept and archived as required.

The Authority observed weaknesses in Contract Management such as lack of contract management and payment records on file, un clear contract durations, lack of performance security in high value contracts, failure to appoint contract supervisors among other in 15 procurements worth UGX 356,209,323 as detailed in table 7 below:

Table 7: Weaknesses in Contract Management.

No	Subject of Procurement	Contract value (UGX)	Remarks	Management Response
1.	Supply and delivery of 48 hardwood desks in selected schools (Kiyindi P/S, Katakala PS & Butega PS	8,616,000	<ul style="list-style-type: none">Contract duration was not clearly statedDid not request for a performance security for a high value contract of Construction of an Administration block.Did not have contract management records on file.Did not have a contract management plan	Management acknowledged the anomalies and promised to address it in the subsequent procurements Management asserted that copies of the payment records and other Contracts Management Records were available for verification Authority Comment These were not provided for verification
2.	Construction of Mityana MC Administration block phase II	109,072,580		
3.	Construction of 5 stance lined pit latrine at Mityana Public School	23,025,647		
4.	Construction of 4 stance lined pit latrine at Busimbi HQ	21,083,000		
5.	Renovation of Kabuwambo HC II	28,937,500		
6.	Construction of a 5-stance pit latrine at Butega P/S	24,155,780		
7.	Maintenance of head teacher's office at kabule C/U P/S	6,374,500		
8.	Renovation of Nakaseeta Health Centre II.	29,747,800		
9.	Construction of a two-classroom block at Nkonya primary school, supply of 36 3-seater desks and 2 teacher's tables and chairs	69,660,500		
10.	Renovation of a two-classroom block at Mityana public school	35,536,016		
11.	Framework contract for general stationery			

No	Subject of Procurement	Contract value (UGX)	Remarks	Management Response
12	Framework contract for general stationery		Framework Contract on file • Did not have contract management records on file. • Did not have a contract management plan	
13.	Framework contracts for spare parts			
14	Framework contract for printed stationery			
15.	Framework for supply of fuel			
	TOTAL	356,209,323		

Implications

- Inadequate contract management hinders effective service delivery and may lead to breach of contract.
- Missing records limits of transparency and accountability in the procurement process.
- Failure to request for performance securities from the contractor exposes the entity to risks of delays and non-performance by the provider.

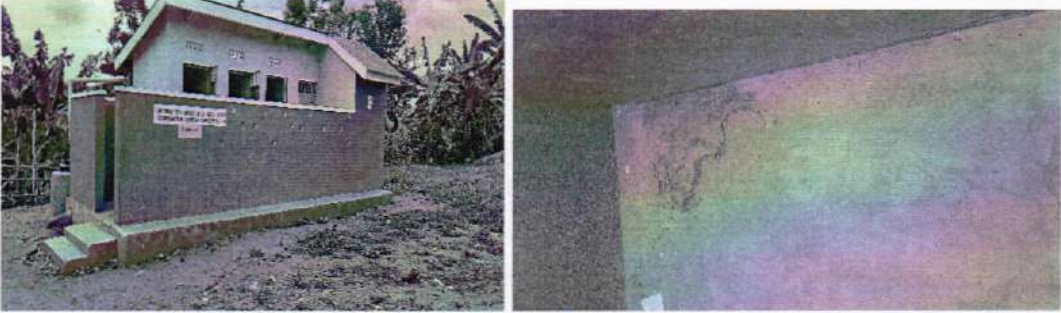
Recommendations


- The Accounting Officer should appoint the Contract Managers for all signed contracts in accordance with Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023.
- Contract Manager should ensure that contract management records are kept and archived as required in line with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023.
- The Head PDU should ensure that contractors for high value procurements provide performance securities to the Municipality to protect the Municipalities' interests in case the contract fails to perform in accordance with Regulation 11 (1) of the PPDA (Contracts) Regulations, 2023.

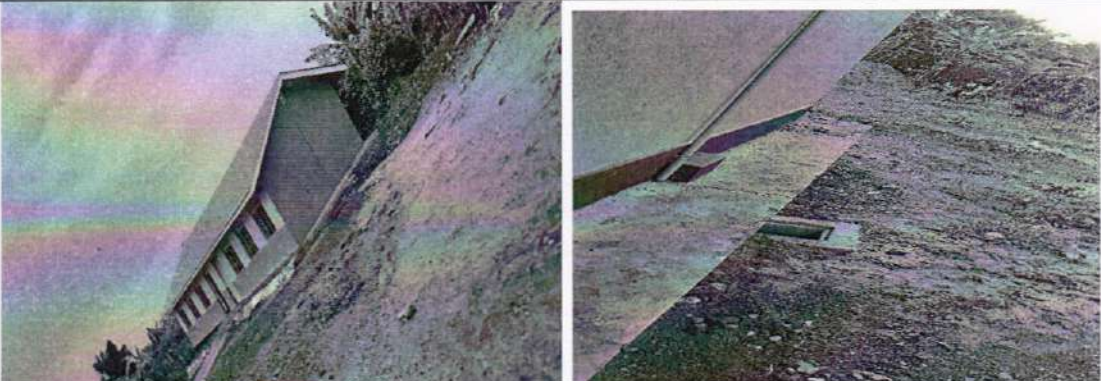
2.3.3 Irregularities noted during physical verification

The Authority carried out physical verification on 10 construction projects worth UGX 297,524,023 and noted some irregularities in four projects worth UGX 137,924,927 as indicated in the table 8 below:

Table 8: Procurements with irregularities noted during physical verification.

Case 1	UGX: 23,025,647
Contract: Construction of 5 stance lined pit latrine at Mityana Public School	
Provider: Spatial Concept Ltd	Status of works: completed
	
Irregularities noted Poor water drainage along the walkway which affected a section of the floor	

Case 2	UGX: 24,155,780
Contract: Construction of 5 stance lined pit latrine at Butega P/S	
Provider: Vintage international co Ltd	
Status of works: the works were at roofing stage plastering of the walls had been completed	
	
Irregularities noted <ul style="list-style-type: none"> • Poor quality bricks and aggregate found on site • Contractor has delayed on the site 	

Case 3	UGX: 69,660,500
Contract: Construction of 2 classroom block at Nkonya COU P/S	
Provider: Kanaddi Trust Enterprises	Status of works: Completed
	



Irregularities noted

- Poor water drainage outside the building
- Open earthing manholes
- Poor finishing of the floor
- No furniture had been delivered at the time of physical verification.

Case 4	UGX: 21,083,000
Contract: Construction of 4 stance lined pit latrine at Busimbi Division Headquarters	
Provider: Kanaddu Trust Enterprises Ltd	Status of works: completed
<p>Irregularities noted Facility completed but not in use</p>	

Implication

- Delayed completion of works for the 5-stance lined pit latrine at Butega P/S hindered service delivery as pupils could not utilise the facility.
- Irregularities at contract implementation compromise quality and the intended beneficiaries do not get the desired effects of the services delivered thus compromising the achievement of value for money
- Poor drainage management systems for construction projects leads to quick deterioration of the facilities.
- Open manholes may lead to accidents and legal costs to the Municipality.

Management response

Management acknowledged the defects identified by the Authority and promised to correct them.

Recommendation.

- The Contract Managers should ensure that the provider meets all the performance or delivery obligations in accordance with the terms and conditions of the contract in line with Regulation 52 (3) (a) (1) of the PPDA (Contracts) Regulations, 2023.
- The Accounting Officer should ensure that all the identified defects are corrected within three months and send a report to the Authority detailing how the defects were corrected.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

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

3.1 Entity's risk assessment

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

Table 9: Summary of risk assessment of Mityana Municipal Council.

Risk category	Number of sampled procurements	%Number	Value	%Value
High Risk	9	38.9	95,003,796	14
Medium Risk	6	44.4	261,205,527	80
Low Risk	2	11.1	14,100,000	3.7
Satisfactory	1	5.6	7,800,000	2.1
Total	18	100	378,109,323	100

3.2 Entity's weighted Performance

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

Table 10: Weighted score

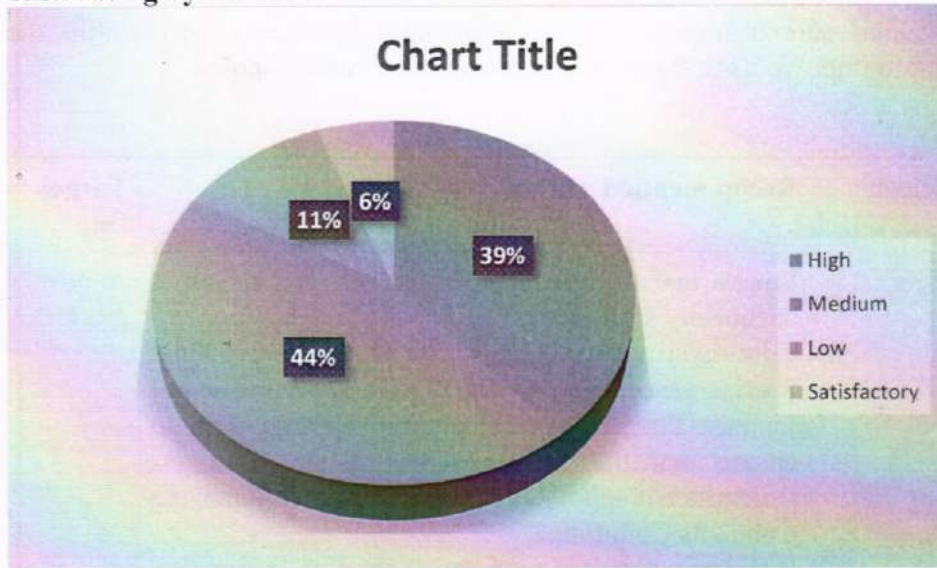
Risk category	Rating (By Number)	Weights	Total weighted Average	Rating (By Value)	Weights	Total weighted Average
High	38.9	0.6	23	14	0.6	8.4
Medium	44.4	0.3	13	80	0.3	24
Low	11.1	0.1	1	3.7	0.1	0.4
Satisfactory	5.6	0	0	2.1	0	0
Total	100	1	38	100.0	1	32.8

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{38 \times 100}{60} = 63\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{32.2 \times 100}{60} = 54.7\%$$

$$\text{Combined Weighted Average} = \frac{63 + 54.7}{2} = 58.9\%$$

Risk rating by number



Risk rating by value

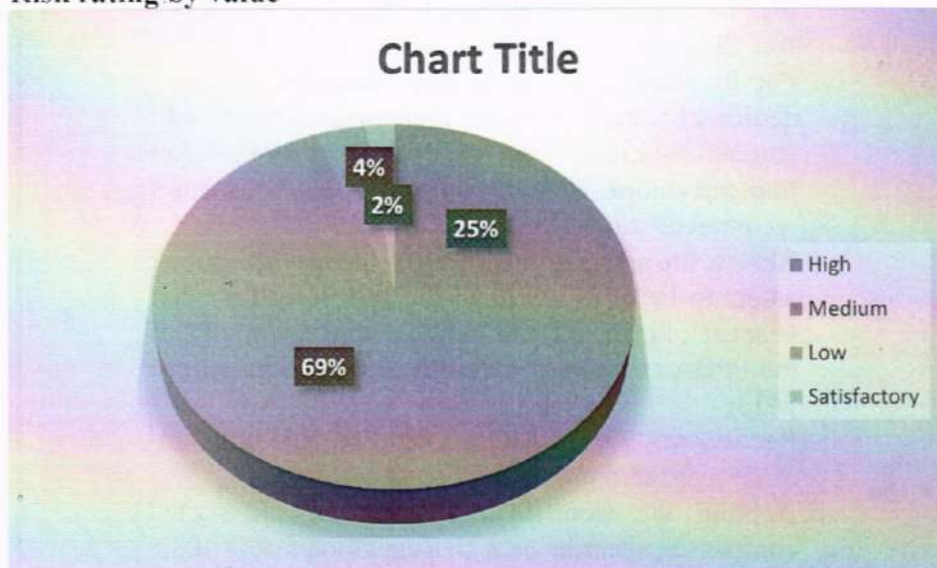


Table 11: The risk rating criteria is as follows

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

The Entity's overall weighted performance was therefore assessed to be **moderately satisfactory** at **58.9%**.

Recommendation

Mityana Municipal Council should implement the recommendations on pages 26-27 in order to further improve the Entity's performance.

3.3 Recommended Action Plan

Mityana Municipal Council should implement the following recommendations within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 12: Action plan

No.	Responsible Officer	Recommended Action	Target Date
1.	Accounting Officer	<ul style="list-style-type: none"> i. Ensure that the Procurement and Disposal Unit is adequately staffed; ii. Continuously engage the Permanent Secretary/Secretary to the Treasury, Ministry of Finance Planning and Economic Development to ensure that the fifth member of the Contracts Committee is appointed for effective operation of the Contracts Committee; iii. Regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003; iv. Put in place a strong internal mechanism and a dedicated team of staff for implementation of audit recommendations that will always ensure full implementation of the Authority's previous audit recommendations; v. Review the assets of the Entity to identify the public assets to be disposed of in the following financial year each Financial Year in line with Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023; vi. Recover the VAT of UGX 3,684,780 paid to a non-VAT registered provider; vii. Appoint the Contract Managers for all signed contracts in accordance with Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023; and viii. Ensure that all the identified defects in construction projects are corrected within three months and send a report to the Authority detailing how the defects were corrected. 	August, 2024
2.	Contracts Committee	The Contract Committee should always review bidding documents for completeness before approving them;	August, 2024
3.	Procurement and Disposal Unit should	i. Always collaborate with the User departments to ensure that the statement of requirements, Bills of Quantities and the required experience, personnel	August, 2024

No.	Responsible Officer	Recommended Action	Target Date
		<p>and equipment is indicated in the solicitation document;</p> <p>ii. Ensure that the bidding document states the date up to which a bid shall be valid in line with Regulation 62 (1) of the PPDA (Rules and methods for procurement of Works, Services and Non-Consultancy Services) Regulations, 2023; and</p> <p>iii. Ensure that contractors for high value procurements provide performance securities to the Municipality to protect the Municipalities' interests in case the contract fails to perform in accordance with Regulation 11 (1) of the PPDA (Contracts) Regulations, 2023.</p>	
4.	User Departments	<p>The Contract Managers should ensure that:</p> <p>i. The providers meet all the performance or delivery obligations in accordance with the terms and conditions of the contract in line with Regulation 52 (3) (a) (1) of the PPDA (Contracts) Regulations, 2023; and</p> <p>ii. Contract management records are kept and archived as required in line with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023.</p>	August, 2024

ANNEX 1: CASE BY CASE ANALYSIS

S/N	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	<p>Renovation of Kabuwambo HC II MITY721/WRKS/22-23/00022</p> <p>Procurement method: Selective bidding</p> <p>Contractor: Kabalega Constructors Co. Ltd</p> <p>Contract amount: UGX 28,937,500</p>	<ul style="list-style-type: none"> • Form 1 under approval of procurement by authorizing officer and Accounting Officer not signed. • Limited competition (Bid tailored to advantage only bidders who have contracts with Mityana MC) • Works completion date not indicated in the bidding document. • No list of equipment requested from the bidder. • Bid validity period not indicated. • BEB did not attach all the preliminary documents of (trading license, tax clearance, certificate of incorporation) as required. • Evaluation report lacks the preliminary stage details. • Contract supervisor not appointed • No contract management plan • No contract management records on file • Actual date of completion not stated. • Payment for works not executed leading to a loss of UGX 400,000 (labelling).
2.	<p>Framework contract for general stationery</p>	<ul style="list-style-type: none"> • No procurement requisition LG PP Form 1 • No specifications, terms of reference & BOQs on file • Wrong bidding document used (pre-qualification) instead of ODB bidding document. • Requirements of trading license, tailored to Mityana MC (limiting competition).
3.	<p>Framework contract for supply of culverts</p>	<ul style="list-style-type: none"> • No clear specifications for the general stationery
4.	<p>Framework contracts for spare parts</p>	<ul style="list-style-type: none"> • No clear statement of requirements for supply of spare parts
5.	<p>Framework contract for printed stationery</p>	<ul style="list-style-type: none"> • Inconsistencies in referencing • Evaluation reports lacked technical, financial stages, recommendation and conclusion.

6.	Framework for supply of fuel	<ul style="list-style-type: none"> • Unnecessary requirements such “<i>personal experience</i>” were included in the evaluation reports for stationery. • All the three bidders of Sebalamu Technical Services, Seamo Property Consults and Danrite Investments Ltd did not indicate unit prices for the culverts. • The Evaluation committee did not sign the ethical code of conduct forms and the evaluation minutes • No contract agreements on file • No contract management records on file
7.	<p>Construction of a 5 stance pit latrine at Butega P/S MITY721/WRKS/22-23/00019</p> <p>Procurement method: Selective Bidding</p> <p>Contractor: Vintage International Co. Ltd.</p> <p>Contract amount: UGX 24,155,780</p>	<ul style="list-style-type: none"> • Inadequate preliminary evaluation criteria. No criteria was stated in the bidding document. • No evidence of a complete Priced Activity Schedule as required in the bidding document. • No Evidence of satisfactory contract performance on similar projects awarded by Mityana Municipal Council of at least 80% completion (where applicable). What was attached was a contract dated 24th April 2023. • Tailoring requirements. That is experience on similar projects by Mityana MC and yet the company could have experience from other entities. • No evidence that the evaluation committee signed the ethical code of conduct. • Stating bid validity as 90 days instead of a date. • Signing contracts at Value Added Tax (VAT) inclusive prices with company not registered for VAT thus financial loss of UGX. 3,684,780 • No payment records on file • No contract management records on file. • Poor quality bricks and aggregate found on site • Contractor has delayed on the site

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	Supply and delivery of 48 hardwood desks in selected schools (Kiyindi P/S, Katakala PS & Butega PS.	<ul style="list-style-type: none"> • Delivery date was not stated in the bidding document. • Actual date of bid validity period not stated.

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	<p>MITY721/SUPLS/22-23/00018</p> <p>Contractor: Chaka & Brothers Carpentry</p> <p>Procurement Method: Selective Bidding.</p> <p>Contract amount: UGX 8,616,000</p>	<ul style="list-style-type: none"> • BEB didn't attach a Tax clearance certificate. • Ms. Nakibuule Lydia, a member of the evaluation committee didn't sign the evaluation report • No contract management records for the supply. • No payment records on file.
2.	<p>Construction of 5 stance lined pit latrine at Mityana Pubic school. MITY721/WRKS/22-23/00002</p> <p>Contractor: Spatial Concept</p> <p>Procurement method: Selective Bidding</p> <p>Contract Amount: UGX 23,025,647</p>	<ul style="list-style-type: none"> • The BEB Ms. Spatial Concepts Co Ltd submitted powers of attorney which were not registered by URSB yet it was a requirement. • No evidence on file to confirm "a description of the work or activity schedule for performing the assignment of not more than 4 months" • No evidence on file to confirm adequate finance/credit to carryout works of not less than 25% of the contract. • Contract completion date not expressly stated in the contract • No contract management plan on file. • Poor water drainage along the walkway affecting a section of the floor.
3.	<p>Construction of Mityana MC Administration block phase II MITY721/WRKS/2022-23/00013.</p> <p>Contractor: Danrite Investments Ltd.</p> <p>Procurement method: Open Domestic Bidding</p> <p>Contract Amount: UGX 109,072,580</p>	<ul style="list-style-type: none"> • Inconsistencies in the reference numbers • List of equipment's not asked for • Eligibility requirements of (valid trading license, tax clearance, powers of attorney) not expressly stated in the bidding document. • Bid security valid for only 30 days yet contract completion is 4 months • The evaluation report lacks the following yet they were part of the evaluation criteria in the bidding document: <ul style="list-style-type: none"> ➤ ESHS code of conduct for contractor. ➤ Environmental & social Management plan (ESMP) Traffic management plans, water resource protection plan, boundary marking & protection strategy. ➤ Requirement of bid security. ➤ Audited books of accounts for 19/20, 20/21, 21/22 • Date of contract duration not clear "as per contract duration"

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
		<ul style="list-style-type: none"> • Performance security not mentioned in the contract yet this is a high value procurement. • No contract management plan on file
4.	<p>Construction of 4 stance lined pit latrine at Busimbi HQ MITY721/WRKS/22-23/00002</p> <p>Procurement method: Selective bidding</p> <p>Contractor: Kanaddi Trust Enterprise</p> <p>Contract Amount: 21,083,000</p>	<ul style="list-style-type: none"> • Low bidder participation • Shortlist of firms/bidders not in the bid • Technical personnel & equipment not asked for in the SBD. • BEB didn't attach (a valid trading license or equivalent, valid certificate of registration or equivalent, income tax clearance certificate) • Intended completion date not stated on file. • No contract management records on file. • No contract management plan on file • Percentage of retention not stated in the bidding document. • Facility completed but not in use
5.	<p>Construction of a two classroom block at Nkonya primary school, supply of 36 3 seater desks and 2 teacher's tables and chairs MITY721/WRKS/22-23/00012</p> <p>Procurement method: Open Domestic Bidding</p> <p>Contractor: Kanaddi Trust Enterprises</p> <p>Contract Amount: UGX 69,660,500</p>	<ul style="list-style-type: none"> • The BEB did not submit audited books of accounts for the last three years demonstrate the current soundness of the bidder's financial position and its prospective long term profitability as required in the SBD. What was submitted were only audited books for one year i.e. 2022 • No evidence that the bidder attached an Environmental Officer and a Social Development Officer as required in the SBD. • The bidding document doesn't mention the type of equipment's needed by the bidder. • No payment records on file. • Poor water drainage outside the building • Open earthing manholes • Poor finishing of the floor • No furniture had been delivered by the time of physical verification.
6.	<p>Renovation of Nakaseeta Health Centre II MITY721/WRKS/22-23/00004</p> <p>Procurement method: Selective Bidding</p> <p>Contractor: Rosco Contractors</p> <p>Contract Amount: UGX 29,747,800</p>	<ul style="list-style-type: none"> • Incomplete bid submission sheet not mentioning have the legal capacity to enter into a contract; not be insolvent, in receivership, bankrupt or being wound up or subject to legal proceedings for any of these circumstances etc. • No contract management records on file • No payment records on file

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
7.	<p>Renovation of a two classroom block at Mityana Public School MITY721/WRKS/22-23/00020</p> <p>Procurement method: Selective bidding</p> <p>Contractor: Kabalega Constructors Co Ltd.</p> <p>Contract Amount: UGX: 35,536,016</p>	<ul style="list-style-type: none"> • No payment records on file • No contract management records on file.
8.	<p>Maintenance of Head Teacher's office at Kabule C/U P/S MITY721/WRKS/22-23/00005</p> <p>Procurement method: Selective bidding</p> <p>Contractor: Kanaddi Trust Enterprises</p> <p>Contract Amount: 6,374,500</p>	<ul style="list-style-type: none"> • Inadequate evaluation criteria such as eligibility criteria, or evidence of past performance • Incomplete bid submission sheet didn't mention issues conflict of interest nationality, etc. • Inadequate preliminary evaluation criteria. No criteria was stated in the bidding document. • No Evidence of satisfactory contract performance on similar projects awarded by Mityana Municipal Council of at least 80% completion (where applicable). What was attached was a contract dated 24th April 2023. • Tailoring requirements. That is experience on similar projects by Mityana MC and yet the company could have experience from other entities. • No contract management records on file • No payment records on file.

NO	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1.	<p>Management and collection of revenue from road side business MITY721/SRVC/2022-2023/000012</p> <p>Procurement method: Open Domestic Bidding</p> <p>Contractor: Kibuuka Abdul-</p> <p>Contract Amount: 8,000,000 annually</p>	<ul style="list-style-type: none"> • No evidence of experience in revenue collection by Kibuka Abdul. What was on file was just a recommendation.
2.	<p>Management and collection of revenue from stone quarry loading fees at</p>	<ul style="list-style-type: none"> • No evidence of experience in revenue collection by Bakka Ronald.

NO	LOW RISK CONTRACTS	REASONS FOR LOW RISK
	<p>Bukoma and Mimama stone quarry sites MITY721/SRVC/22-2023/000010</p> <p>Procurement Method: Open Domestic Bidding</p> <p>Contractor: Bakka Ronald</p> <p>Contract Amount: UGX 6,100,000 annually</p>	<ul style="list-style-type: none"> • No evidence of a social responsibility program. •

NO	Satisfactory	REASONS FOR LOW RISK
1.	<p>Management and collection of revenue from Mityana market entry fees MITY721/SRVC/22-23/000007</p> <p>Procurement method: Open Domestic Bidding</p> <p>Contractor: Mukakatale Sylvia</p> <p>Contract Amount: UGX 7,800,000 annually</p>	<ul style="list-style-type: none"> • Followed the laid down procurement procedure.

ANNEX 2: PROCUREMENT AND DISPOSAL SAMPLE LIST FOR MITYANA MUNICIPAL COUNCIL FOR FINANCIAL YEAR 2022/2023

No.	Reference number	Subject of procurement	Procurement method	Provider	Contract value (UGX)	Risk rating
1.	MITY721/SUPLS /22-23/00018	Supply and delivery of 48 hardwood desks in selected schools (Kiyindi P/S, Katakala PS & Butega PS	Selective bidding	Chaka & Brothers Carpentry	8,616,000	Medium
2.	MITY721/WRKS /22-23/00002	Construction of 5 stance lined pit latrine at Mityana Public School	Selective bidding	Spatial Concept Ltd	23,025,647	Medium
3.	MITY721/WRKS /2022-23/00013	Construction of Mityana MC Administration block phase II	Open Domestic Bidding	Danrite Investments Ltd	109,072,580	Medium
4.	MITY721/WRKS /22-23/00002	Construction of 4 stance lined pit latrine at Busimbi HQ	Selective bidding	Kanaddi Trust Enterprise	21,083,000	Medium
5.	MITY721/WRKS /22-23/00022	Renovation of Kabuwambo HC II	Selective bidding	Kabalega Constructors Co. Ltd	28,937,500	High
6.		Framework contract for general stationery	Open Domestic Bidding	Kannadi Enterprises Ltd, HBB Investments, Fronak Investments Ltd		High
7.		Framework contract for supply of culverts	Open Domestic Bidding	<ul style="list-style-type: none"> • Sebalamu Technical Services, Seamo Property Consults, • Danrite Investments Ltd & • Chibe Investments Ltd 		High
8.		Framework contracts for spare parts	Open Domestic Bidding	Middle East consults Ltd		High
9.		Framework contract for printed stationery	Open Domestic Bidding	Resteve Investments Ltd		High

No.	Reference number	Subject of procurement	Procurement method	Provider	Contract value (UGX)	Risk rating
10.		Framework for supply of fuel	Open Domestic Bidding	Joskass Associated Ltd & Total U Ltd		High
11.	MITY721/WRKS /22-23/00019	Construction of a 5 stance pit latrine at Butega P/S	Selective bidding	Vintage international Co Ltd.	24,155,780	High
12.	MITY721/WRKS /22-23/00005	Maintenance of head teacher's office at kabule C/U P/S.	Selective bidding	Kanaddi Trust Enterprises	6,374,500	Medium
13.	MITY721/WRKS /22-23/00012	Construction of a two classroom block at Nkonya primary school, supply of 36 3 seater desks and 2 teacher's tables and chairs	Open Domestic Bidding	Kanaddi Trust Enterprises	69,660,500	Medium
14.	MITY721/WRKS /22-23/00004	Renovation of Nakaseeta Health Centre 11	Selective bidding	Rosco Contractors	29,747,800	Medium
15.	MITY721/WRKS /22-23/00020	Renovation of a two classroom block at Mityana Public School	Selective bidding	Kabalega Constructors co Ltd.	35,536,016	Medium
16.	MITY721/SRVC/ 2022-2023/000007	Management and collection of revenue from Mityana market entry fees	Open domestic bidding	Mukakatale Sylvia	7,800,000 annually	Satisfactory
17.	MITY721/SRVC/ 2022-2023/000012	Management and collection of revenue from road side business	Open domestic bidding	Kibuuka Abdul-	8,000,000 annually	Low
18.	MITY721/SRVC/ 2022-2023/000010	Management and collection of revenue from stone quarry loading fees at Bukoma and Mimama stone quarry sites.	Open domestic bidding	Bakka Ronald	6,100,000 annually	Low
		Total				

ANNEX 3: RISK RATING CRITERIA

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

RISK	DESCRIPTION	AREA	IMPLICATION
	framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.	non-pre-qualified firms and splitting procurement requirements.	
		Procurement Structures: Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally	Planning: Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and lack of transparency.

RISK	DESCRIPTION	AREA	IMPLICATION
	be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.		

SATISFACTORY

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