



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

*"Regulating for Results"*

**PROCUREMENT AUDIT REPORT FOR SERERE DISTRICT LOCAL GOVERNMENT  
FOR THE FINANCIAL YEAR 2024/2025**

**MAY 2026**

**TABLE OF CONTENTS**

LIST OF TABLES ..... ii

LIST OF FIGURES ..... ii

ACRONYMS ..... iii

EXECUTIVE SUMMARY ..... iv

CHAPTER ONE: INTRODUCTION ..... 1

1.1. Background ..... 1

1.2. Objective of the procurement and disposal audit ..... 1

1.4. Scope of the procurement and disposal audit ..... 2

1.5. Methodology ..... 2

1.6. Reporting ..... 3

CHAPTER TWO: FINDINGS OF THE AUTHORITY ..... 4

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY ..... 37

3.1. Overall Procurement and Disposal Audit Conclusion ..... 37

3.2. Entity’s Performance ..... 37

3.3. Recommended Action Plan ..... 39

Annex B: Findings and rating on the individual procurements reviewed ..... 43

**LIST OF TABLES**

Table 1: Staffing of the Procurement and Disposal Unit..... 1  
Table 2: List of Contracts Committee Members ..... 2  
Table 3: Analysis of the population and sample selected for the audit of FY 2024/25 ..... 2  
Table 4: Implementation of Previous Audit Recommendations..... 5  
Table 5: Procurement plan implementation..... 8  
Table 6: Procurements with irregularities during initiation..... 9  
Table 7: Procurements with inadequate bidding documents ..... 13  
Table 8: Procurements with irregular issuance, receipt, and opening of bids ..... 14  
Table 9: Procurements without evidence of bidder invitation..... 16  
Table 10: Procurements with irregularities during evaluation..... 17  
Table 11: Delays in the procurement process ..... 21  
Table 12: Indicating some of the assets due for disposal ..... 24  
Table 13: Transactions with irregularities at contracting and contract management ..... 26  
Table 14: Missing Records ..... 31  
Table 15: Issues noted during physical verification ..... 33  
Table 16: Risk Score..... 37  
Table 17: Risk Rating ..... 37  
Table 18: Recommended Action Plan ..... 39

**LIST OF FIGURES**

Figure 1: Showing the PDU office ..... **Error! Bookmark not defined.**  
Figure 2: Showing graphical representation of the Entity’s risk assessment by number ..... 38  
Figure 3: Showing graphical representation of the Entity’s risk assessment by value ..... 38

## ACRONYMS

CAO	Chief Administrative Officer
BEB	Best Evaluated Bidder
CC	Contracts Committee
ESHS	Environmental, Social, Health and Safety
FY	Financial Year
Ltd	Limited
ODB	Open Domestic Bidding
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
RFQ	Request for Quotation
UGX	Uganda Shillings

## EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority conducted a procurement and disposal audit of Serere District Local Government that covered 20 sampled procurement transactions under the Financial Year 2024/2025. The list of sampled transactions is contained in Annex B.

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Serere District Local Government's procurement and disposal system and processes with the provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations and assess the level of procurement and disposal performance over the audit period.

From the findings of the procurement and disposal audit exercise, the performance of Serere District Local Government for the Financial Year 2024/25 was **moderately satisfactory** with an overall weighted average risk rating of **66.6%** as detailed in Chapter 3 of the report.

The following exceptions were noted despite the moderately satisfactory:

- 1. Poor storage of procurement records.** Section 33 (o) of the PPDA Act, Cap. 205 requires the Head, Procurement and Disposal Unit to maintain and archive records of the procurement and Disposal process. However, at the time of audit, it was noted that the Entity lacked sufficient storage space and filing cabins for procurement files and records. Documents were piled high on the floor while other were in boxes. Failure to have proper and safe storage of procurement records exposes them to potential damage, loss, theft and misplacement which could compromise the principle of accountability of public funds.
- 2. Failure to fully implement previous audit recommendations.** Section 10 of the PPDA Act, Cap. 205 requires Procuring and Disposing Entities to act on recommendations of the Authority. A review of the previous audit report for the Financial Year 2022/2023 revealed that the Entity failed to implement 38% of the audit recommendations, which was caused by laxity by the Accounting Officer. The low level of implementation undermines the effectiveness of the Procurement and Disposal function and points to weaknesses in the Entity's audit recommendation follow-up and implementation mechanisms.
- 3. Procurement Plan Implementation.** Section 60 (7) of the PPDA Act, Cap. 205 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 Authority assessed the Entity's procurement plan for the FY 2024-25. The review revealed that the procurement plan absorption rate was 120% with a budget overrun of UGX 1,030,894,958, representing 20% of the procurement plan, an indicator of over expenditure, unplanned procurements, or the failure to update the procurement plan.
- 4. Low bidder participation.** Section 49 of the PPDA Act, Cap. 205 states that "*all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money.*" The Authority observed low bidder participation; the Entity received an average of only 1.5 bids in response to invitations to bid in nine procurements worth UGX 478,581,502. This low bidder turnout suggests a lack of confidence in the Entity's procurement processes, which prevented competition and the effectiveness of the procurements undertaken.

5. **Irregularities during the evaluation of bids.** Regulation 19 of the PPDA (Evaluation) Regulations, 2023 requires a detailed evaluation to determine the responsiveness of bids to the terms, conditions, and criteria specified in the bidding documents. However, the Authority identified irregularities in the evaluation of 13 procurements valued at UGX 657,595,840, where non-compliant bidders were recommended for award of contract or non-compliant Evaluation Committees conducted evaluation, contrary to the conditions in the bidding document, thereby undermining fairness and transparency in the procurement process. The irregularities were attributed to inadequate knowledge among some members of the Evaluation Committees.
6. **Delays in the procurement process.** Section 51 of the PPDA Act, Cap. 205 states that “*All procurement and disposal shall be conducted in a manner which promotes economy, efficiency, and value for money.*” The Authority noted average delays of eight months in 12 procurements worth UGX 934,194,190 across different stages of the procurement process. Delays in the procurement process create lengthy lead times, which consequently impede timely service delivery.
7. **Failure to dispose of obsolete assets.** Regulation 2 of the PPDA (Disposal) Regulations, 2023 requires a Procuring and Disposing Entity to dispose of obsolete assets as identified by the Board of Survey. The audit revealed that Serere District Local Government had several obsolete items recommended for disposal but did not dispose of any assets during the Financial Year 2024/2025. This was attributed to the Entity’s failure to prioritize the disposal process and to prepare a disposal plan. As a result, the obsolete assets remain exposed to risks of theft and continued loss of value through further depreciation.
8. **Irregularities during contracting and contract execution.** Regulation 52 (1) of the PPDA (Contracts) Regulations, 2023 requires a contract manager to manage the obligations and duties of the Procuring and Disposing Entity as specified in the contract and to ensure that the provider performs the contract in accordance with its terms and conditions. The Authority observed irregularities in contracting and contract management across 18 procurements valued at UGX 1,165,974,950. The irregularities were largely attributable to lapses by contract managers in executing their roles, particularly in enforcing contractual obligations and holding parties accountable to agreed terms. This indicates weaknesses in compliance with the prescribed regulatory requirements governing contract management.

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

1. The Accounting Officer should:
  - i. Equip the Procurement and Disposal Unit with cabinets and storage space to maintain and archive records of the procurement and disposal process in accordance with Section 44 (1) of the PPDA Act, Cap. 205;
  - ii. Establish a robust system to confirm that all audit recommendations are consistently tracked and implemented, in order to enhance the Entity's performance in accordance with Section 10 of the PPDA Act, Cap. 205;

- iii. Regularly conduct or designate persons to conduct a review of the procurement plan to harmonize it with the existing circumstances at the Entity in accordance with Section 60 (7) of the PPDA Act, Cap. 205;
  - iv. Investigate the reasons behind the low bidder response and institute measures to attract a higher number of bidders;
  - v. Dispose of obsolete assets as recommended by the Board of Survey report in accordance with Regulation 2 of the PPDA (Disposal) Regulations, 2023; and
  - vi. Task the contract managers to execute their roles and responsibilities in line with Regulation 52 (1) & (2) of the PPDA (Contracts) Regulations 2023.
2. The Head Procurement and Disposal Unit should:
- i. Task the Evaluation Committee members to strictly adhere to the evaluation criteria in the bidding document in accordance with Section 76 (3) of the PPDA Act, CAP. 205. The Contracts Committee should confirm that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 48 of the PPDA Act, Cap. 205 before approving the evaluation reports.
  - ii. Conduct all procurements in a manner which promotes economy, efficiency and value for money in accordance with Section 51 of the PPDA Act, Cap. 205.
3. The Heads of User Departments should task contract supervisors to prepare monthly reports on the progress of a contract as required under Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.

A recommended action plan for Serere District Local Government is on page **39** of this audit report.

## CHAPTER ONE: INTRODUCTION

### 1.1. Background

The Public Procurement and Disposal of Public Assets Authority conducted a procurement and disposal audit of Serere District Local Government that covered 20 sampled procurement transactions worth UGX 1,761,889,450 under the Financial Year (FY) 2024/2025.

### 1.2. Objective of the procurement and disposal audit

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of the Serere District Local Government's procurement and disposal system and processes with the provisions of the PPDA Act, Cap. 205, attendant PPDA Regulations and assess the level of procurement performance over the audit period.

The specific objectives of the audit were to:

- a) Establish the level of compliance by the Entity with the general provisions of the PPDA Act, Cap. 205 and PPDA Regulations, 2023 with regard to the performance of the procurement structures and conduct of procurement processes;
- b) Assess the degree of compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap. 205 and PPDA Regulations, 2023; and
- c) Assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process.

### 1.3 Structure of the Entity

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

The Authority noted the following regarding the Entity's procurement structures:

#### a) Accounting Officer

Section 28 of the PPDA Act, Cap. 205 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. During the Financial Year 2024-2025, the Chief Administrative Officer, Mr. Okaka Geoffrey, served as the designated Accounting Officer.

#### b) Staff of the Procurement and Disposal Unit

The composition of the Procurement and Disposal Unit is detailed in Table 1 below:

**Table 1: Staffing of the Procurement and Disposal Unit**

No.	Name	Job Title	Academic Qualification
1.	Ms. Lovy Akello	Senior Procurement Officer	Bachelor's of Procurement and Logistics Management
2.	Ms. Martha Acen	Procurement Officer	Bachelor's in Procurement and Supply Chain Management

### c) Composition and tenure of the Contracts Committee

During the audit period, the Entity's Contracts Committee was fully constituted in accordance with Section 29 of the PPDA Act, Cap. 205. The Contracts Committee was comprised of five members, as shown in Table 2 below:

**Table 2: List of Contracts Committee Members**

NO.	NAME	POSITION	DATE OF APPOINTMENT	TITLE
1.	Dr. Collins Amonya	Chairperson	29 <sup>th</sup> February 2024	Principal Veterinary Officer
2.	Ms. Elizabeth Agemo	Secretary	11 <sup>th</sup> August 2023	Senior Community Development Officer
3.	Mr. Cyprian Okaso	Member	26 <sup>th</sup> October 2022	Inspector of Schools
4.	Mr. Peter Okello S	Member	26 <sup>th</sup> October 2022	Assistant Engineering Officer
5.	Ms. Lydia Omiat Asio	Member	29 <sup>th</sup> February 2024	Economist

### 1.4. Scope of the procurement and disposal audit

The audit involved a review of the procurement and disposal processes, general compliance issues and contract implementation on a sample basis. The audit covered a representative sample of 20 procurement transactions worth **UGX 1,761,889,450** conducted during the Financial Year 2024/2025. The list of sampled transactions is contained in **Annex A**, and an analysis of the population against the sample is also highlighted in Table 3 below:

**Table 3: Analysis of the population and sample selected for the audit of FY 2024/25**

Procurement method	Population Value (UGX)	Sample Value (UGX)	% Value	Population No.	Sample No.	% No.
Open Domestic Bidding	1,605,752,883	1,222,464,408	76	30	10	33.3
Request for Quotation	4,694,994,842	539,425,042	11.5	114	10	8.8
<b>Total</b>	<b>6,300,747,725</b>	<b>1,761,889,450</b>	<b>87.5</b>	<b>144</b>	<b>20</b>	<b>42.1</b>

### 1.5. Methodology

Serere District Local Government was notified about the audit exercise on **31<sup>st</sup> October 2025**. The audit was conducted from **25<sup>th</sup> November 2025** to **5<sup>th</sup> December 2025**. A sample of 20 procurement transactions worth **UGX 1,761,889,450** was selected based on stratified random sampling using Contracts Committee minutes, the contracts register, and quarterly procurement and disposal reports.

A Senior Performance Monitoring Officer and two Officers conducted the exercise under the supervision of the Regional Manager, Eastern Region. During the exercise, the team examined records and documents for each of the 20 sampled procurement transactions. The team also conducted a physical evaluation of verifiable procurement transactions and reviewed the procurement plan for the Financial Year 2024/2025.

On completion of data collection, the audit team met with various stakeholders such as the Accounting Officer, Contracts Committee members, Procurement and Disposal Unit staff, and User Department representatives to discuss and get clarifications on some of the preliminary findings. A management letter was sent to the Entity on **5<sup>th</sup> March 2026** with a request to submit the management response by **11<sup>th</sup> March 2026**, which was submitted on **12<sup>th</sup> March 2026**, and the exit meeting was held on the same date at the PPDA Eastern Regional Office.

Before writing the report, the Regional Manager reviewed the working papers for completeness. The working papers contained a detailed chronology of findings on each of the sampled transactions. The audit report presents the key findings and conclusions arising from the audit.

### **1.6. Reporting**

The findings are identified by exception, the level of risk and the recommendation. The procurements are rated in four categories according to the weaknesses identified, namely: high risk, medium risk, low risk and satisfactory. The definition of the risk rating is in **Annex B**.

## CHAPTER TWO: FINDINGS OF THE AUTHORITY

### 2.1 Compliance by the Entity with the general provisions of the PPDA Act, Cap. 205, and the PPDA Regulations, 2023 with regard to the performance of the procurement structures and conduct of procurement and disposal processes

#### 2.1.1 Poor storage of procurement records.

Section 44(1) of the PPDA Act, Cap. 205 states that “A *procuring and disposing entity shall maintain records on its procurement disposal proceedings for a period of seven years*” The audit revealed that the Procurement and Disposal Unit lacks a proper storage room for the bids received and the procurement action files. The files were piled on the floor exposing them to risks such as damage from moisture, dust and pests as well as misplacement or difficulty in retrieval as illustrated in Figure 1 below:

**Figure 1: Evidence of poor storage of procurement records at the Procurement and Disposal Unit**



#### **Implication**

Failure to have proper and safe storage of procurement records exposes them to potential damage, loss, theft and misplacement which could compromise the principle of accountability of public funds.

#### **Management response**

No management response provided by the Entity

#### **Recommendation**

The Accounting Officer should fully equip the Procurement and Disposal Unit with cabinets and storage space in order to maintain and archive records of the procurement and disposal process in accordance with Section 44 (1) of the PPDA Act, Cap 205.

### 2.1.2 Failure to fully implement the previous audit recommendations

Section 10 of the PPDA Act, Cap. 205 requires Procuring and Disposing Entities to act on recommendations of the Authority. Serere District Local Government was issued with its previous audit report for the Financial Year 2022/2023 in June 2024. The audit revealed that the entity failed to fully implement 38% of the previous audit recommendations as detailed in the Table 4 below:

**Table 4: Implementation of Previous Audit Recommendations**

No	Recommendation	Status
1.	The Accounting Officer should: -	
	<p>i. Task Internal Audit Unit to carry out comprehensive periodic reviews of the procurement and disposal processes and system right from planning to contracts management as opposed to only verification of supplies and works before payment in accordance with Regulation 28 of the Local Governments (PPDA) Regulations, 2006.</p> <p><b><u>Management Response</u></b>  <i>Previously this undertaking was not been done because of inadequate funding to the department. However, currently the department is receiving the audit grant and has planned to undertake a periodical review of the procurement and disposal process effective with FY 2025/26.</i></p> <p><b>Authority's comment</b>                      The Authority noted the Entity's response; However, inadequate funding does not negate the statutory responsibility of the Internal Audit Unit to conduct comprehensive reviews of procurement and disposal activities in accordance with Regulation 28 of the Local Governments (PPDA) Regulations, 2006. Failure to perform these reviews exposes the Entity to risks of non-compliance, weak internal controls, and undetected irregularities within the procurement and disposal system. The Accounting Officer should therefore prioritize the operationalization of periodic procurement audits and provide documentary evidence of implementation in subsequent periods</p>	Partially Implemented
	<p>ii. Address irregularities in the procurement process such as poor-quality bidding documents, failure to invite bidders, irregularities at evaluation and failure to fully pay providers in order to increase the Entity's attractiveness to potential bidders.</p> <p><b><u>Management response</u></b></p> <ul style="list-style-type: none"> <li>• PDU has adopted the use of standard procurement bid documents</li> <li>• Under request for quotation and open bidding a maximum of 6 and 3 for micro procurements are invited.</li> <li>• We shall pay keen attention to ensure that irregularities don't arise during evaluation</li> <li>• Failure to pay Kakise Holdings Ltd was occasioned by VAT exemption on UGiFT Projects that led to a shortfall. However, we had a supplementary budget for Olio Seed</li> </ul>	Not Implemented

<p><i>Secondary School in 2025/26 worth UGX 1,015,210,832, received UGX 507,605,416 during Quarter 3 and made payment thereof.</i></p> <p><b>Authority's comment</b> The Authority noted the measures undertaken by the Procurement and Disposal Unit, However, the partial payment to Kakise Holdings Ltd arising from VAT exemption constraints reflects deficiencies in procurement planning and financial coordination. Failure to fully address such irregularities may continue to undermine transparency, fairness, and the Entity's credibility among potential bidders, thereby limiting competition and value for money in future procurements.</p>	
<p>iii. Be held responsible with the District Engineer for failure to account for expenditure under Force on Account mechanism worth <b>UGX 686,502,344</b> for failure to comply with Regulations 6 (5) of the PPDA (Force Account Mechanism) Regulations No.15 of 2014.</p>	<p>Partially Implemented</p>
<p><b><u>Management response</u></b> <i>As per Regulations 6 (5) of the PPDA (Force on Account Mechanism)</i></p> <ul style="list-style-type: none"> <li>• <i>The daily work sheet to indicating works executed are available for verification</i></li> <li>• <i>Activity reports are periodically submitted to the supervisor and</i></li> <li>• <i>Completion reports are available for verification</i></li> </ul> <p><b>Authority's comment</b> The Authority noted the Entity's response; however, no documentation was availed for verification</p>	
<p>iv. Ensure that members of staff of the Procurement and Disposal Unit participate in bid evaluations to guide the evaluation committee members during the evaluation process to adhere to the set evaluation criteria.</p>	<p>Partially Implemented</p>
<p><b><u>Management response</u></b> <i>PDU staff participate and guide the evaluation committee proceedings (See attached attendance list).</i></p> <p><b>Authority's comment</b> The Authority notes the Entity's response; however, no documentation was availed for verification.</p>	
<p>v. Ensure that assets of the Entity are reviewed and disposed of following the methods recommended under Regulations I 22 - 133 of the LG (PPDA) Regulations, 2006.</p>	<p>Partially Implemented</p>
<p><b><u>Management response</u></b> <i>Whereas there is a Board of Survey report, disposal of assets has not been effected partly due to inadequate funds to facilitate the process</i></p> <p><b>Authority's comment</b></p>	

	<p>The Authority noted the Entity's response; however, funding constraints do not remove the obligation to timely dispose of obsolete or unserviceable assets once they have been recommended for disposal. Prolonged retention of such assets exposes the Entity to risks of continued depreciation, loss, misuse, or vandalism, and undermines the realization of value for money from public assets.</p>	
	<p>vi. Ensure that all defects and anomalies that were noted in four projects (Construction of one stance Ecological Sanitation Toilet at Apapai RGC by Obalanga Contractors Ltd. Drilling, pump testing, casting of apron/drainage channel and installation of six bore holes by East Africa Boreholes Ltd. Construction of a mini solar water and sanitation scheme at Pingire RGC by Arch Techno crafts Ltd and Construction of a Staff House at Kamod H/CIV by Sajo General Stores Ltd) are rectified immediately by the contractors.</p>	Partially Implemented
	<p><b>Management response</b>  <i>At the time of audit, all the cited projects were still under the defects liability period. The defects liability has now expired, defects addressed, retentions paid and facilities in use.</i></p> <p><b>Authority's comment</b>  The Authority noted the Entity's response; however, no documentary evidence, such as defect rectification reports, completion certificates, or handover reports, was availed to substantiate that all defects and anomalies were fully addressed in accordance with the contract requirements</p>	
2.	<p>The Head, Procurement and Disposal Unit should together with User Departments should in accordance with Section 58 (4) and (5) of the PPDA Act. 2003 ensure that on a quarterly basis and in any other case, wherever necessary. They review and update the procurement plan to include new procurement requirements and also ensure that the Secretary to the Treasury and the Authority are notified of any changes made to the procurement plan and submit the updated and approved plan to the Authority.</p>	Not implemented
	<p><b>Management response</b>  The entity did not provide a response</p>	
3.	<p>The Contracts Committee should ensure thorough scrutiny of all the bidding documents is done prior to approval of the same for invitation/issue to bidders to ensure that the appropriate quality in terms of having well defined specifications, evaluation criteria and contract terms and conditions are imbedded in the solicitation documents in a manner that promotes competition in accordance with Regulation 10 of the PPDA (PDE's) Regulations 2023.</p>	Not Implemented
	<p><b>Management response</b>  <i>Corrective action has been undertaken</i></p> <p><b>Authority's comment</b>  The Authority noted the Entity's response; however, no evidence was availed for verification</p>	

### **Implication**

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

### **Recommendation**

The Accounting Officer with the assistance of the Internal Audit Department, should establish strong mechanisms to implement recommendations made by the Authority so as to improve the Entity's performance in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205. This could include appointing a task force that will be responsible for full implementation of the Authority's recommendations.

#### **2.1.3 Procurement Plan Implementation**

Section 60 (2) of the PPDA Act, Cap. 205 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 Authority assessed the Entity's procurement plan for the FY 2024-25 and it was revealed that the procurement plan absorption rate was 120% with a budget overrun of **UGX 1,030,894,958**, representing 20% of the procurement plan. Table 5 below details information about the plan and utilization of funds.

**Table 5: Procurement plan implementation**

<b>Analysis of procurement spend</b>	
Total procurement plan value inclusive of VAT (UGX)	5,269,852,767
Total procurement spend value inclusive of VAT (UGX)	6,300,747,725
Procurement plan implementation rate (%)	120
Implementation variance (UGX)	-1,030,894,958
Budget overrun (%)	20

### **Implication**

The over-expenditure of UGX 1,030,894,958 could indicate the implementation of unplanned procurements, which could lead to cash flow shortages, impact other planned activities or obligations, and delay payment obligations, which could lead to domestic arrears.

### **Management Response**

*The procurement Plan was reviewed and updated. Going forward, Management will continue to review and update the procurement plan as and when supplementary budget is received.*

### **Authority's Response**

The Authority acknowledges the Entity's response but clarifies that the procurement plan was not updated to reflect the actual procurement plan performance as highlighted by the plan overrun of **UGX 1,030,894,958** in Table 5.

## Recommendation

- The Accounting Officer should confirm that the procurement plan reflects actual market conditions and realistic cost projections for each project. Where necessary, involve subject matter experts and cost engineers to assess major projects before they are budgeted.
- The Accounting Officer should on a quarterly basis and in any other case, wherever necessary, review and update the entity's procurement plan to harmonize it with the existing circumstances at the Entity in accordance with Section 60 (7) of the PPDA Act, Cap 205.

### 2.1.4 Irregularities during initiation

Section 36 (1) of the PPDA Act, Cap. 205 provides that the User Department of a Procuring and Disposing Entity is responsible for supporting the procurement and disposal process by liaising with and assisting the Procurement and Disposal Unit. The User Department is required to initiate procurement and disposal requirements, forward them to the Procurement and Disposal Unit, and provide the necessary technical inputs, including statements of requirements and technical specifications, to ensure that procurement needs are clearly defined and within the budget. The Authority noted varying irregularities during the initiation of 14 procurements worth **UGX 1,049,743,490** as indicated in Table 6 below:

**Table 6: Procurements with irregularities during initiation**

No	Procurement	Contract Value (UGX)	Irregularities
1.	Construction of Public Toilet at Serere Town Council in Serere District.	28,721,942	<ul style="list-style-type: none"><li>• The funds availability section was left blank.</li><li>• The bills of Quantities (BoQ) were not provided at initiation of the procurement</li></ul>
2.	Phase 3 Fixing of windows and doors in Kadungulu Sub-County Administration Block - DDEG.	28,129,000	
3.	Rehabilitation of 3 deep boreholes and Drilling of 2 motorized wells under - DWSCG	87,420,300	
4	Drilling, Pump testing and Installation of seven Deep Boreholes in the District.	153,139,338	
5	Supply and repair of Medical Equipment and Related Supplies to Serere HV IV and Apapai HC IV	55,479,000	
6	Phase 3 Construction of a mini solar at Pingire RGC and extension of piped water from Ocaapa -Freedom Square in Kamusala under Katete Sub County	146,579,800	

7	Supply of road materials and hire of road equipment	Not provided	
8	Supply of five motorcycles to Production Department	32,250,000	<ul style="list-style-type: none"> <li>The funds availability section was left blank.</li> <li>Issue of two Form 5 forms with different estimated costs and quantity without justification. First Form 5 was issued on 22<sup>nd</sup> April 2024 with quantity of one motorcycle at an estimated cost of UGX 6,000,000 whereas the second Form 5 was issued on 30<sup>th</sup> April 2024 with quantity of 3 motorcycles at an estimated unit cost of <b>UGX 6,400,000.</b></li> </ul>
9	Supply and maintenance of solar equipment and related supplies to Kagwara seed secondary school-UGFIT.	138,291,160	<ul style="list-style-type: none"> <li>The funds availability section was left blank.</li> <li>The market price at initiation was <b>UGX 17,704,000</b> and the contract value was <b>UGX 138,291,160</b> creating a variance of <b>UGX 120,587,160.</b></li> <li>There were no specifications of the solar equipment and related supplies required attached on file.</li> </ul>
10	Supply and delivery of science equipment and reagents for olio seed secondary school lot 2.	53,845,000	The funds availability section was left blank.
11	Drilling of Three Production wells in the District.	121,070,950	
12		162,922,000	

	Supply and delivery of ICT equipment for Olio Seed Secondary School Lot 1.		
13	Feasibility studies and design of piped water systems	41,895,000	Use of a wrong requisition form; the User Department used the PPDA Form 5 instead of Form 18 to request for consultancy services. Funds available section was left blank The Terms of Reference (ToRs) were not provided at initiation
14	Supply of fuels, oils, lubricants and other related supplies	Not provided	The procurement lacked a requisition form.
	<b>TOTAL</b>	<b>1,049,743,490</b>	

### **Implications**

- Failure to initiate procurement transactions with clear statement of requirements may result in the receipt of nonresponsive bids that do not meet the end users' requirements.
- Failure to fully fill the funds availability section on the Form 5 may lead to proceeding with a procurement, yet there are no funds available, thereby creating domestic arrears.

### **Management Response**

*We acknowledge that during audit time, the funds availability section was blank. Going forward we shall be submitting the procurement requisition forms to Chief Finance Officer (CFO) for his signature. On the issue of bills of Quantities (BoQs) not being provided at initiation of the procurement, we submit that they are available for verification (**See attached BoQs**).*

### **Authority's comment**

The Authority acknowledges the Entity's response but highlights that the Bills of Quantities should be provided at initiation to guide the process, not retrospectively after the process has been undertaken. Submitting these at the time of audit denies the purpose of the compliance requirement.

### **Recommendations**

- The Accounting Officer should task the heads of User Departments to always attach statement of requirements at initiation of their procurements in accordance with Regulation 36 (1) (c) of the PPDA Act, Cap. 205
- The Accounting Officer should always confirm funds availability before approval of the procurement.

### **2.1.5 Misuse of Direct Procurement Method**

Regulation 24 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023 provides that; *“When using direct procurement method, a Procuring and Disposing Entity shall use the appropriate documents from the standard documentation, with the necessary modifications, for the requirements of the procurement.”*

The Authority found that in the procurement of Rehabilitation of three deep boreholes and Drilling of two motorized wells under DWSCG, valued at **UGX 87,420,300**, the Entity applied the direct procurement method. The Contract Manager, Okolimong Daniel Joseph, wrote to the Chief Administrative Officer (CAO) requesting approval to use Direct Procurement, citing time limitations and the magnitude of the works. He indicated that if competent firms were engaged under the direct procurement method, the contract could be completed within the required timeframe. However, The Authority observed that there was no confirmation or approval from the Accounting Officer authorizing the use of the Direct Procurement method. Although the Contracts Committee approved the use of Direct Procurement on the justification that Aadhira Solutions Limited had previously executed works satisfactorily within time, no procurement process was subsequently carried out by the Entity.

#### **Implication**

This is an indicator of a lack of transparency and compliance in the conduct of the procurement.

#### **Management Response**

*The decision of Contracts Committee was communicated to the contract manager (Okolimong Daniel Joseph). Unfortunately, the letter got misplaced during audit and national assessment. Management is still looking for the letter.*

#### **Authority’s comment**

The Authority noted the Entity’s response and emphasizes that the misplacement of key procurement records weakens accountability, transparency, and the integrity of the procurement process, and reflects deficiencies in records management and document control systems within the Entity.

#### **Recommendations**

- The Accounting Officer should conduct all procurements in a manner that promotes transparency and accountability in accordance with Section 48 of the PPDA Act, Cap. 205.
- The Head, Procurement and Disposal Unit should ascertain that when using direct procurement method, a procurement process is followed in accordance with Regulation 24 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023.

### 2.1.6 Issuance of inadequate bidding documents.

Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 requires the bidding document to be prepared in a manner that defines the requirements precisely and leaves no doubt or assumption by a bidder.

The Authority found that the bidding documents issued to the bidders in three procurements worth **UGX 41,895,000** were inadequate. The details are provided in Table 7 below:

**Table 7: Procurements with inadequate bidding documents**

No	Subject of Procurement	Contract Amount (UGX)	Findings
1.	Feasibility studies and design of piped water systems	41,895,000	<ul style="list-style-type: none"> <li>• Use of wrong Standard Bidding Document; The document used was that for procurement of works under Open bidding method instead of the standard Request for Proposals document for procurement of consultancy services</li> <li>• The document lacked the weighted scores per criteria and the technical qualifying mark or score.</li> <li>• Use of wrong method of submission of proposals and wrong evaluation method- the method used was one stage single envelop instead of one stage 2 envelopes. Both the technical and financial bids were opened at once since they all were in a single envelope.</li> </ul>
2.	Supply of fuels, oils, lubricants and other related supplies	Not provided	The Bidding document issued did not state that the procurement was under the framework.
3.	Supply of road materials and hire of road equipment	Not provided	
<b>TOTAL</b>		<b>41,895,000</b>	

### Implication

Poor quality solicitation documents make it difficult for bidders to prepare and submit responsive bids, hence compromising the quality of service or product obtained by the Entity.

### **Management Response**

*Corrective actions will going forward be undertaken to ensure bid documents are critically reviewed by Contracts Committee upon submission by Procurement and Disposal Unit to avoid misunderstandings between the Entity and the bidders.*

### **Recommendations**

- The Head, Procurement and Disposal Unit should prepare statement of requirements that define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
- The Contracts Committee should critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies that could lead to misunderstandings between the Entity and the bidders.

#### **2.1.7 Irregularities in the issuance, receipt, and opening of bids**

Regulation 69 (6) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 states that “*The closure of the process of submission of bids shall be managed by at least one member of the Procurement and Disposal Unit and shall be witnessed by a member of the Contracts Committee or a member of the User Department nominated by the User Department.*” The Authority observed non-compliance in the issue, receipt and opening of bids for three procurements worth **UGX 258,662,000** as summarized in Table 8 below;

**Table 8: Procurements with irregular issuance, receipt, and opening of bids**

<b>No</b>	<b>Subject of procurement</b>	<b>Contract value (UGX)</b>	<b>Audit findings</b>
1.	Supply and delivery of science equipment and reagents for Olio Seed Secondary School lot 2.	53,845,000	The receipt and opening of bids were not witnessed by a member of the Contracts Committee or User department.
2.	Supply and delivery of ICT equipment for Olio Seed Secondary School Lot 1.	162,922,000	
3.	Feasibility studies and design of piped water systems	41,895,000	Use of wrong forms for consultancy services; the forms used were Form 8, 11, and 12 for Supplies, works and non-consultancy services instead of the following; <ul style="list-style-type: none"><li>• Form 20 — Record of issue of request for proposals or addenda</li></ul>

			<ul style="list-style-type: none"> <li>Form 22 — Record of receipt of expression of interest/proposals</li> </ul>
			<ul style="list-style-type: none"> <li>Form 23 — Record of opening of technical proposals</li> </ul>
	<b>TOTAL</b>	<b>258,662,000</b>	

**Implication**

The identified irregularities weaken transparency, accountability and fairness in the procurement process and expose the Entity to an increased risk of bid manipulation contrary to Section 48 of the PPDA Act, Cap. 205.

**Management Response**

*Bid receipts and opening forms are always acknowledged by a member of contracts Committee (the Chairperson attended the bid opening) as indicated in bid receipt and opening forms. We utilized wrong forms in respect to the feasibility studies and design of piped water systems. Going forward appropriate forms shall be utilized.*

**Authority’s comment**

The Authority noted the Entity’s response; however, failure to utilize the prescribed forms undermines the integrity, transparency, and reliability of the bid submission and opening process.

**Recommendations**

- The Head, Procurement and Disposal Unit should liaise with members of the Contracts Committee and the User Department to ensure that a designated representative is present to witness the closure of the process of submission of bids in accordance with Regulation 69 (6) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
- The Head, Procurement and Disposal Unit should conduct procurements and disposals in a manner which promotes transparency, accountability and fairness in accordance with Section 48 of the PPDA Act, Cap. 205.

### 2.1.8 Low bidder participation

Section 49 of the PPDA Act, Cap. 205 states that “all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money.” The Authority noted that in nine procurements valued at UGX 478,581,502, the entity received an average of 1.5 bids in response to invitations to bid, as detailed in Table 9 below:

**Table 9: Procurements without evidence of bidder invitation**

No	Subject of procurement	Contract value (UGX)	Number of invited bidders	Number of bids received
1.	Construction of Public Toilet at Serere Town Council in Serere District.	28,721,942	1	1
2.	Phase 3 Fixing of windows and doors in Kadungulu Sub-County Administration Block- DDEG.	28,129,000	1	1
3.	Supply of five motorcycles to Production Department	32,250,000	2	2
4.	Rehabilitation of 3 deep boreholes and Drilling of 2 motorized wells under - DWSCG.	87,420,300	1	1
5.	Supply and repair of Medical Equipment and Related Supplies to Serere HV IV and Apapai HC	55,479,000	2	2
6.	Phase 3 Construction of a mini solar at Pingire RGC and extension of piped water from Ocaapa-Freedom Square in Kamusala under Katete Sub County	146,579,800	1	1
7.	Design supply and installation of micro irrigation equipment to farmer Okiring Stephen- UGIFT	30,306,460	2	1
8.	Design supply and installation of micro irrigation equipment to farmer OMODING ABEL- UGIFT	27,800,000	2	2
9.	Feasibility studies and design of piped water systems	41,895,000	2	2
	<b>Total</b>	<b>478,581,502</b>		

### **Implication**

This encumbers competition, thus leading to failure to achieve value for money.

### **Management Response**

*Item 1, 2, 6, 7 & 8 bid invitation are available (See attached correspondences). Low bidder turn out is attributed to a number of reasons. For example, the bid prices for Serere are low compared to the other districts, construction materials are scarce and expensive, collusion among scheduled*

*service providers, lack of financial capacity to handle certain projects of high value etc. A combination of the aforementioned, contributes to the low bidder turn out. Some contractors have inadequate knowledge of IT and therefore find it difficult to timely check Emails and ably respond to the invitation. Undulating network effects both senders and recipients.*

#### **Authority's comment**

The Authority noted the Entity's response; however, low bidder participation may also be an indicator of weaknesses in pre-procurement planning, market engagement, and contractor sensitization. The Entity is therefore encouraged to adopt proactive measures to increase bidder participation, such as effective market research, advance notice of procurement opportunities, contractor capacity building, and improved communication channels, to strengthen transparency, fairness, and competitiveness in the procurement process.

#### **Recommendations**

- The Accounting Officer should investigate the reasons behind the low bidder response and also institute measures to attract a higher number of bidders.
- The Head Procurement and Disposal Unit should invite a minimum of six bidders for all procurements under Request for Quotation method and at least three bidders under micro procurement method in accordance with Regulation 53 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

#### **2.1.9 Irregularities at evaluation of bids**

Regulation 19 of the PPDA (Evaluation) Regulations, 2023 provides that detailed evaluation shall be conducted to assess the responsiveness of bids to the terms, conditions, and criteria stated in the bidding documents, and that such evaluation shall not be based on any terms, conditions, or criteria not included in the bidding documents. The Authority observed irregularities in the evaluation of 12 procurements valued at **UGX 657,595,840** in violation of the **Regulation**. The irregularities were attributed to inadequate knowledge among some members of the Evaluation Committees. The affected procurements are shown in Table 10 below;

**Table 10: Procurements with irregularities during evaluation**

<b>No</b>	<b>Subject of procurement</b>	<b>Contracts Value (UGX)</b>	<b>Audit findings</b>
1	Construction of Public Toilet at Serere Town Council in Serere District.	28,721,942	No CVs were submitted for the Project Manager and Site Foreman for Laten Technical Services U Limited but was considered compliant.

2	Phase 3 Fixing of windows and doors in Kadungulu Sub-County Administration Block- DDEG.	28,129,000	<ul style="list-style-type: none"> <li>• The CVs for key Personnel were not attached on the bid to show their experience i.e. the Site Engineer and Site Foreman as required in the bid document but was considered compliant.</li> <li>• General Conditions and SCC of the contract were not attached to the bid.</li> <li>• Asiom General Consultation and Supplies - SMC Ltd did not attach a valid NSSF Certificate. Rather attached Employer Registration Certificate from NSSF.</li> </ul>
3	Rehabilitation of 3 deep boreholes and Drilling of 2 motorized wells under - DWSCG	87,420,300	No bid document for Aadhira Solutions Ltd but was considered compliant.
4	Drilling, Pump testing and Installation of seven Deep Boreholes in the District.	153,139,338	One member of the Evaluation Committee did not sign on the Evaluation Report.
5	Supply and repair of Medical Equipment and Related Supplies to Serere HC IV and Apapai HC	55,479,000	The Best Evaluated Bidder, Circular Supply U Ltd did not attach an NSSF Certificate and was considered compliant
6	Supply of fuels, oils, lubricants and other related supplies	Not provided	The following individuals participated in the evaluation without obtaining Contracts Committee approval; Mr Elwelu Richard, Ms. Achen Martha, Mr Eyoku Denis, Mr. Ecabu Peter, and Mr. Egongu John Robert
7	Supply of road materials and hire of road equipment	Not provided	
8	Phase 3 Construction of a mini solar at Pingire RGC and extension of piped water from Ocaapa-Freedom Square in Kamusala under Kateta Sub County	146,579,800	<ul style="list-style-type: none"> <li>• The following individuals participated in the evaluation without obtaining Contracts Committee approval: Mr. Elwelu Richard, Ms. Achen Martha, Mr. Adotu Paul, Mr. Okilimong Daniel Joseph, and Mr. Ogwal Daniel.</li> <li>• The Best Evaluated Bidder (BEB), Sanitation Africa Ltd, submitted audited books of accounts prepared by a firm that is not registered with ICPAU (PM Associates), yet the submission was marked compliant.</li> <li>• The BEB did not submit evidence of a Power of Attorney authorizing Mr. Samuel Malinga as the signatory.</li> </ul>

9	Design supply and installation of micro irrigation equipment to farmer Okiring Stephen – UGIFT	30,306,460	The following individuals participated in the evaluation without obtaining Contracts Committee approval: Mr. Elwelu Richard, Ms. Achen Martha, Mr Adotu Paul, Mr. Okilimong Daniel Joseph, and Mr. Ogwal Daniel.
10	Design supply and installation of micro irrigation equipment to farmer OMODING ABEL-UGIFT	27,800,000	Sime Contractors Ltd submitted a PPDA Certificate with an invalid registration number: PRV/WRKS/SUPLS/21081617/AUG/24
11	Design supply and installation of micro irrigation equipment to farmer OIKO AMBROSE EDMOND	24,700,000	
12	Feasibility studies and design of piped water systems	41,895,000	<ul style="list-style-type: none"> <li>• Use of the wrong forms for evaluation; the forms used were for Supplies, works and non-cons services instead of the following; <ul style="list-style-type: none"> <li>- Form 19 — Evaluation report for expression of interest for consultancy services</li> <li>- Form 24 — Technical evaluation report for consultancy services</li> <li>- Form 25 — Record of financial proposal opening</li> <li>- Form 26 — Evaluation report for consultancy services</li> </ul> </li> </ul> <p>The following individuals participated in the evaluation without obtaining Contracts Committee approval: Mr Elwelu Richard, Ms. Achen Martha, Mr. Ateru Robert, and Mr. Okilimong Daniel Joseph</p>
<b>TOTAL</b>		<b>657,595,840</b>	

### **Implication**

Irregularities in the evaluation of bids can result in biased selection, potentially causing bidder dissatisfaction, and diminished trust in the procurement systems of the Entity, consequently leading to legal disputes and lower bidder participation.

### **Management Response**

*Corrective actions shall be taken as per the audit recommendation i.e the Contracts Committee will be required to scrutinize the evaluation reports and ensure that the principles of fairness and*

transparency are observed in the evaluation process in accordance with Section 48 of the PPDA Act, Cap. 205, before approving the evaluation reports. However, the Contracts Committee has been approving the nominated members of the Evaluation Committee (*See attached minutes*).

### **Recommendations**

- The Head, Procurement and Disposal Unit should task the Evaluation Committee members to strictly adhere to the evaluation criteria in the bidding document in accordance with Section 76 (3) of the PPDA Act, CAP. 205.
- The Contracts Committee should scrutinize the evaluation reports and ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 48 of the PPDA Act, Cap. 205, before approving the evaluation reports.

#### **2.1.10 Irregular Contract Awards by the Contracts Committee**

Section 40 of the PPDA Act, Cap. 205 states that “*the Accounting Officer, the Contracts Committee, the Procurement and Disposal Unit, the User Department and the Evaluation Committee shall act independently in relation to their respective functions and powers.*”

The Authority noted that in the procurement for the supply of road materials and hire of road equipment, the Evaluation Committee on 4<sup>th</sup> December 2024 recommended contract award to four firms; Badang Empire Co. Ltd, Goves Enterprises SMC Ltd, Vein Investments Ltd, and Shap Holding U Ltd. However, the Contracts Committee, on 11<sup>th</sup> December 2024, made an award decision to six firms, adding Ask, Seek and Knock Construction Ltd and Itiira Engineering and General Supplies Ltd, despite these two firms having failed at the technical evaluation stage. This action was contrary to the recommendations of the Evaluation Committee and as a result, the Accounting Officer on 14<sup>th</sup> January 2025 signed one year framework contracts with all the six firms.

### **Implications**

- The Contracts Committee usurped the powers of the Evaluation Committee an indicator of lack of independence in performance of functions.
- There is a risk of the Entity engaging with contractors without the required technical capacity, which may result in failure to deliver the required supplies.

### **Management Response**

*Upon review of the documents of the disqualified firms by the Evaluation Committee, the Contracts Committee discovered that they were erroneously eliminated yet they had the required documents. The Contracts Committee re-instated the firms instead of differing them to the Evaluation Committee for reconsideration. This was an oversight. To this effect, management will ensure that future occurrences, the right procedures are followed to rectify an erroneous decision taken.*

### **Authority’s comment**

The Authority noted the Entity’s response; however; the Authority emphasizes that any corrective action to address evaluation errors should follow proper procedures, including formal

reconsideration by the Evaluation Committee, to maintain transparency, accountability, and integrity in the procurement process.

### Recommendation

The Accounting Officer, the Contracts Committee, the Procurement and Disposal Unit, the User Department and the Evaluation Committees should act independently in relation to their respective functions and powers as outlined in Section 40 of the PPDA Act, Cap. 205.

#### 2.1.11 Delays in the procurement process

Section 51 of the PPDA Act, Cap. 205 states that “*All procurement and disposal shall be conducted in a manner which promotes economy, efficiency, and value for money.*”

Furthermore, Section 129 (1) (f) of the PPDA Act, Cap. 205 states that “*a person who delays the opening of bids, the evaluation of bids or making an award decision contrary to the requirements of the Act, commits an offence.*” The Authority noted average delays of eight months in 12 procurements worth **UGX 934,194,190** across different stages of the procurement process as shown in Table 11 below:

**Table 11: Delays in the procurement process**

No	Subject of Procurement	Contract Amount (UGX)	Audit finding
1.	Construction of Public Toilet at Serere Town Council in Serere District.	28,721,942	Delayed Contracts Committee decision on approval of the procurement method, shortlist and Evaluation Committee whereas confirmation of the availability of funds by the Accounting Officer was on 15 <sup>th</sup> April 2024, the Contracts Committee decision on approval of the same was on 11 <sup>th</sup> December 2024 implying a delay of <b>eight months</b> .
2.	Supply of five motorcycles to Production Department	32,250,000	Delayed Contracts Committee decision on approval of the method, Evaluation Committee and prequalified firms. Whereas confirmation of funds by the Accounting Officer was on 30 <sup>th</sup> April 2024, Contracts Committee decision of the same was on 29 <sup>th</sup> October 2024 implying a delay of <b>five months</b> .
3.	Drilling, Pump testing and Installation of seven Deep Boreholes in the District.	153,139,338	<ul style="list-style-type: none"> <li>Delayed Contracts Committee approval of the Method, shortlist and Evaluation Committee. Whereas Initiation was carried out on 25<sup>th</sup> April 2025, Contracts</li> </ul>

No	Subject of Procurement	Contract Amount (UGX)	Audit finding
			<p>Committee approval of the same was on 11<sup>th</sup> December 2025 implying a delay of <b>eight months</b>.</p> <ul style="list-style-type: none"> <li>The was delayed evaluation process. Bid closing was on 29<sup>th</sup> January 2025.and Evaluation Report was submitted to Contracts Committee on 18<sup>th</sup> February 2025 implying a delay of <b>21 days</b>.</li> </ul>
4.	Supply and repair of Medical Equipment and Related Supplies to Serere HV IV and Apapai HC.	55,479,000	Delays in the procurement. Initiation was on 11 <sup>th</sup> March 2024 whereas evaluation report was submitted for Contracts Committee approval on 15 <sup>th</sup> May 2025 implying a delay of <b>12 months</b> up to evaluation
5.	Supply and maintenance of solar equipment and related supplies to Kagwara seed secondary school-UGFIT.	138,291,160	Delayed start of the procurement process by <b>nine months</b> .
6.	Supply and delivery of science equipment and reagents for olio seed secondary school lot 2.	53,845,000	<ul style="list-style-type: none"> <li>Delayed start of the procurement process by <b>8 months</b>.</li> <li>Delayed approval of procurement by Accounting Officer by <b>12 months</b>.</li> </ul>
7.	Drilling of Three Production wells in the District.	121,070,950	Delayed start of procurement process by <b>nine months</b> .
8.	Supply and delivery of ICT equipment for Olio Seed Secondary School Lot1	162,922,000	Delayed start of the procurement process by <b>eight months</b> .
9.	Phase 3 Construction of a mini solar at Pingire RGC and extension of piped water from Ocaapa-Freedom Square in Kamusala under Katete Sub County	146,579,800	The Accounting Officer approved the funding on 15 <sup>th</sup> April 2024, but it took <b>12 months</b> for the bidding document to be issued to bidders on 5 <sup>th</sup> May 2025. Please note that the process that should have occurred in between were not documented.
10.	Feasibility studies and design of piped water systems	41,895,000	The Accounting Officer approved the funding on 15 <sup>th</sup> April 2024, but it took <b>11 months</b> for the bidding document to be issued to bidders on 6 <sup>th</sup> March 2025. Please note that the process that should have occurred in between were not documented.

No	Subject of Procurement	Contract Amount (UGX)	Audit finding
11.	Supply of fuels, oils, lubricants and other related supplies	Not provided	Delayed display of the NoBEB; the Contracts Committee award was on 11 <sup>th</sup> December 2024 but the display of NoBEB was from 30 <sup>th</sup> Dec 2024 to 13 <sup>th</sup> January 2025 implying a delay of <b>nine days</b> .
12.	Supply of road materials and hire of road equipment	Not provided	
	<b>TOTAL</b>	<b>934,194,190</b>	

### **Implication**

Delays in the procurement process create lengthy lead times which consequently impede timely service delivery.

### **Management Response**

*Delays in procurements are attributed to delayed preparation of BoQs which is not only elaborate but also takes time. This is worsened by a slim number of engineering staff who are required to visit every site and make assessment before producing the BoQs. This delays the procurement process even when it's commenced early.*

*As management we propose that MoPS and MoFPED unfreezes the recruitment in local governments to enable recruitment of enough technical staff to deliver the required services on a timely basis.*

### **Authority's comment**

The Authority noted the Entity's response and further notes that reliance on external approvals to address staffing constraints may prolong the resolution of these delays. The Entity is therefore encouraged to explore interim measures, such as prioritizing high-value or time-sensitive projects, improving workflow efficiency, and adopting technology-assisted planning tools, to reduce procurement lead times and enhance service delivery, even before additional technical staff are recruited.

### **Recommendation**

The Accounting Officer should ensure that all procurements are conducted in a manner which promotes economy, efficiency and value for money in accordance with Section 51 of the PPDA Act, Cap. 205.

## **2.2 Compliance of the Entity's disposal process with the provisions of the PPDA ACT, Cap. 205 and PPDA Regulations, 2023**

### **2.2.1 Failure to plan for disposal of assets**

Section 60 (2) of the PPDA Act, Cap. 205 states that "A Procuring and Disposing Entity shall plan its procurement and disposal in a rational manner." The audit revealed that although Serere District Local Government had a number of items due for disposal in the Financial Year 2024/2025, the Head Procurement and Disposal Unit did not prepare the Entity's disposal plan for the financial year contrary to Section 60 of the PPDA Act, Cap. 205.

**Implication**

Failure to prepare disposal plan inhibits the Entity from disposing the obsolete assets.

**Management Response**

*The Board of Survey report for the previous year is yet to be submitted to District Council for review and approval of the disposal plan as per recommendations embedded in the BoS report. Upon approval by Council of disposal of obsolete items, management will proceed to dispose of them.*

**Authority’s comment**

The Authority noted Management’s explanation that disposal of assets is pending approval of the Board of Survey report by the District Council. However, preparation of the disposal plan should have been completed prior to the commencement of the Financial Year 2024/2025, as required under Section 60 (2) of the PPDA Act, Cap. 205. Failure to plan in advance impedes timely disposal of obsolete assets, leading to continued depreciation, potential loss or misuse, and reduced value for money. The Authority emphasizes that proactive planning is essential to enable structured, accountable, and timely asset disposal.

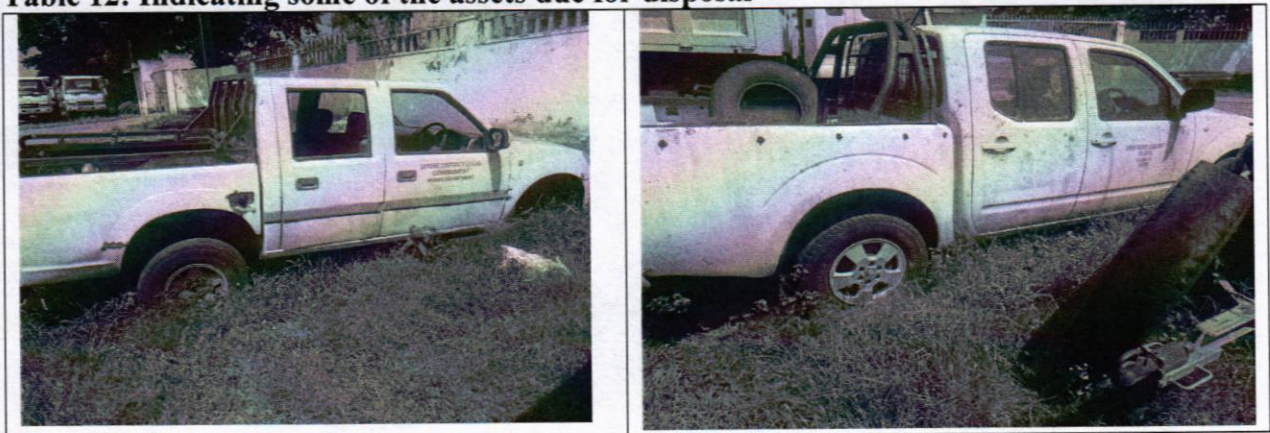
**Recommendation**

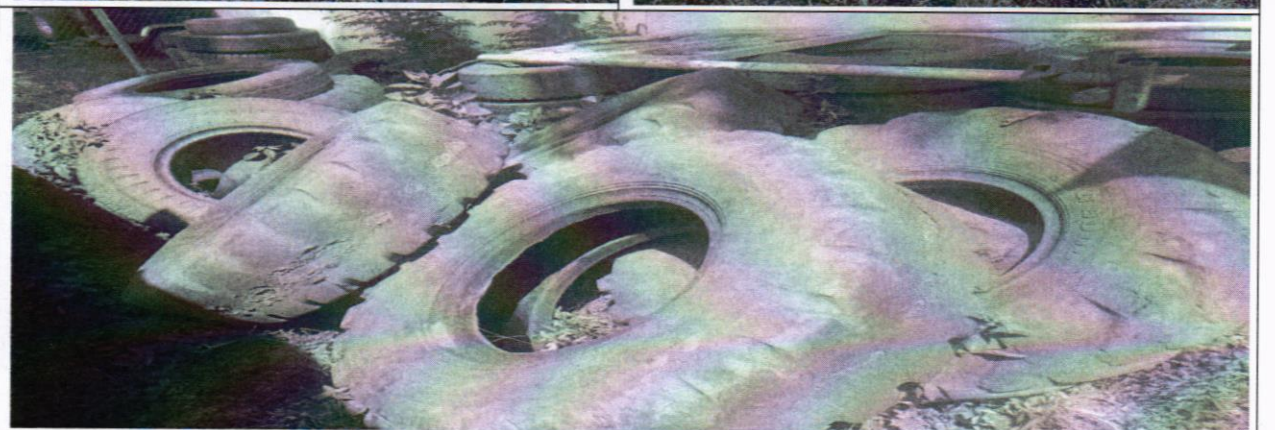
The Head Procurement and Disposal Unit should plan for all obsolete assets as recommended by the Board of Survey in accordance with Section 60 of the PPDA Act, 2003.

**2.2.2 Failure to conduct disposal**

Regulation 2 of the PPDA (Disposal) Regulations, 2023 requires a Procuring and Disposing Entity to dispose of obsolete assets identified by the Board of Survey. The audit revealed obsolete assets due for disposal, however, the Entity did not dispose of any asset during Financial Year 2024/2025 contrary to Section 60 of the PPDA Act, Cap. 205. The images in Table 12 below illustrate obsolete assets that were not disposed of:

**Table 12: Indicating some of the assets due for disposal**





### **Implication**

Failure to dispose of assets exposes them to theft and loss of value through further depreciation.

### **Management Response**

*Some vehicles cannot be disposed of as the District does not own them or lacks the Logbook i.e the Mitsubishi L200 model that belongs to MoLG, hydra form machine belonging to OPM and Land Rover – Defender 110 belongs to MAAIF (Lakimo project) and several others that are project-based assets.*

### **Authority’s comment**

The Authority noted the Entity’s response; however, all assets not owned by the District should be promptly returned to the rightful owners to prevent misuse, deterioration, or environmental degradation. Additionally, the Entity should proactively plan and manage the disposal of assets it fully owns to avoid idle accumulation, continued depreciation, and loss of value.

### **Recommendation**

The Accounting Officer should expedite the acquisition of the approvals by the different stakeholders and dispose of obsolete assets as recommended by the Board of Survey report in accordance with Regulation 2 of the PPDA (Disposal) Regulations, 2023 and Section 60 (2) of the PPDA Act, Cap. 205.

## **2.3 Efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process.**

### **2.3.1 Irregularities during contracting and contract execution**

Regulation 52 (1) of the PPDA (Contracts) Regulations, 2023 states that “(1) A contract manager shall (a) manage the obligations and duties of the procuring and disposing entity specified in the contract; and (b) make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract.” The Authority observed irregularities during contracting and contract management in the following 18 procurements worth **UGX 1,165,974,950** shown in Table 13 below:

**Table 13: Transactions with irregularities at contracting and contract management**

<b>No</b>	<b>Subject of Procurement</b>	<b>Contract value (UGX)</b>	<b>Observations</b>
1.	Construction of Public Toilet at Serere Town Council in Serere District.	28,721,942	<ul style="list-style-type: none"><li>No evidence for submission of program of works by the contractor as this was required in the Special Conditions of the Contract under GCC 27.</li></ul>

No	Subject of Procurement	Contract value (UGX)	Observations
			<ul style="list-style-type: none"> <li>• No evidence for submission of the program updates to the Entity as this was required in the Special Conditions of the Contract under GCC 27.</li> <li>• Failure to provide payment records.</li> <li>• No Evidence for completion</li> </ul>
2.	Phase 3 Fixing of windows and doors in Kadungulu Sub-County Administration Block-DDEG.	28,129,000	<ul style="list-style-type: none"> <li>• The contract was signed on 7<sup>th</sup> June 2025 before the expiry of the Notice of best evaluated bidder on 26<sup>th</sup> June 2025.</li> <li>• The contract lacked both General and Special Conditions of the Contract.</li> <li>• Failure to prepare a contract management plan and progress reports.</li> <li>• No evidence of completion.</li> </ul>
3.	Supply of five motorcycles to Production Department	32,250,000	<ul style="list-style-type: none"> <li>• Signing contract above the estimate. The requirement at initiation was for 4 motorcycles estimated to cost UGX 25,200,000 however the Accounting Officer signed a contract at <b>UGX 32,250,000</b> increasing the motorcycles to 5. There was no confirmation of the availability of additional funds worth <b>UGX 7,050,000</b>.</li> <li>• The General conditions and Special Conditions of the Contract were not attached to the contract.</li> <li>• Failure to prepare a contract management plan and progress reports.</li> <li>• No evidence of Payment records</li> <li>• No evidence of completion</li> </ul>
4.	Rehabilitation of 3 deep boreholes and Drilling of 2 motorized wells under - DWSCG	87,420,300	<ul style="list-style-type: none"> <li>• Inconsistencies in the Defects Liability period in the contract signed. GCC 1.1(M) states that the Defects Liability period is 180</li> </ul>

No	Subject of Procurement	Contract value (UGX)	Observations
			<p>days whereas GCC 34.0 states that the Defects Liability period is 90 days.</p> <ul style="list-style-type: none"> <li>• No evidence of submission of a program of works by the contractor to the Entity yet this was required in the Special Conditions of the Contract under GCC 26.1.</li> <li>• No evidence of submission of program updates between two weeks during contract execution yet this was required in the Special Conditions of the Contract under GCC 26.3.</li> </ul>
5.	Drilling, Pump testing and Installation of seven Deep Boreholes in the District.	153,139,338.	<ul style="list-style-type: none"> <li>• No evidence of submission of a program of works by the contractor to the Entity yet this was required in the Special Conditions of the Contract under GCC 26.1.</li> <li>• No evidence of Contract management plan and report</li> <li>• No payment records attached</li> <li>• No evidence for completion.</li> </ul>
6.	Supply and repair of Medical Equipment and Related Supplies to Serere HV IV and Apapai HC IV.	55,479,000	<ul style="list-style-type: none"> <li>• The General and Special Conditions of the Contract were not attached to the contract.</li> <li>• No evidence of contract management plan and reports.</li> </ul>
7.	Supply and maintenance of solar equipment and related supplies to Kagwara seed secondary school-UGFIT.	138,291,160	<ul style="list-style-type: none"> <li>• The contract signature date was not indicated on the contract.</li> <li>• No evidence for completion.</li> </ul>
8.	Supply and delivery of science equipment and reagents for olio seed secondary school lot 2.	53,845,000	
9.	Supply and delivery of ICT equipment for Olio Seed Secondary School Lot 1.	162,922,000	<ul style="list-style-type: none"> <li>• The contract signature date not indicated on the contract.</li> <li>• The Special conditions of the contract do not state the delivery period.</li> </ul>

No	Subject of Procurement	Contract value (UGX)	Observations
			<ul style="list-style-type: none"> <li>No evidence of completion.</li> </ul>
10.	Drilling of Three Production wells in the District.	121,070,950	<ul style="list-style-type: none"> <li>Failure to prepare contract management plan and progress reports.</li> <li>No evidence of completion</li> <li>Payment records were missing.</li> </ul>
11.	Phase 3 Construction of a mini solar at Pingire RGC and extension of piped water from Ocaapa - Freedom Square in Kamusala under Katete Sub County	146,579,800	<ul style="list-style-type: none"> <li>Inconsistency in contract duration; Completion by 30<sup>th</sup> August 2025 as per clause 6 of the Agreement and 3 months as per GCC 22.1 (SCC)</li> <li>Clause 4 of the agreement specified that the following contract documents shall constitute part of the contract, however they were not part of the contract, the documents include; drawings, Bills of Quantities, and Powers of Attorney</li> </ul>
12.	Design supply and installation of micro irrigation equipment to farmer Okiring Stephen - UGIFT	30,306,460	<ul style="list-style-type: none"> <li>Clause 26.1 in the SCC- The contractor shall submit a program of works within 7 days of the start date- no evidence that this was done</li> </ul>
13.	Design supply and installation of micro irrigation equipment to farmer Ejajuwai Julius Kokas- UGIFT	33,425,000	<ul style="list-style-type: none"> <li>Failure to submit program updates contrary to Clause 26.3 in the SCC which stated that the period between program updates is 30 days</li> </ul>
14.	Design supply and installation of micro irrigation equipment to farmer OMODING ABEL- UGIFT	27,800,000	<ul style="list-style-type: none"> <li>Missing contract management records; <ul style="list-style-type: none"> <li>Contract implementation plan</li> <li>Project supervision reports from both the contractor and the district water officer</li> </ul> </li> </ul>
15.	Design supply and installation of micro irrigation equipment to farmer OIKO AMBROSE EDMOND	24,700,000	<ul style="list-style-type: none"> <li>No Payment records</li> </ul>
16.	Feasibility studies and design of piped water systems	41,895,000	<ul style="list-style-type: none"> <li>The following documents were not part of the contract; TORs, Powers of attorney, Special conditions and general conditions of contract, price list, payment method per</li> </ul>

No	Subject of Procurement	Contract value (UGX)	Observations
			<p>stage, the contract only had the signed agreement</p> <p><b>Missing contract management records;</b></p> <ul style="list-style-type: none"> <li>• Contract manager appointment</li> <li>• Contract implementation plan</li> <li>• Progress reports</li> <li>• No Payment records</li> </ul>
17.	Supply of fuels, oils, lubricants and other related supplies	Not provided	<ul style="list-style-type: none"> <li>• The framework contracts issued to both bidders were incomplete, as they did not include the General Conditions of Contract (GCC), Special Conditions of Contract (SCC), or the Price List.</li> </ul> <p>Missing records;</p> <ul style="list-style-type: none"> <li>• Contract manager appointment</li> <li>• Contract implementation plan</li> <li>• Call off orders and Payment records</li> </ul>
18.	Supply of road materials and hire of road equipment	Not provided	
	<b>TOTAL</b>	<b>1,165,974,950</b>	

### **Implications**

- Lack of contract management records hinders verification of contract performance, compromises accountability, and delays corrective action.
- Failure to appoint contract supervisors exposes the Entity to the risk of poor contract management which results into failure to implement contracts in accordance with the agreed terms and conditions of the contract.

### **Management Response**

- *The appointments for contract managers and supervisor were issued (See attached correspondences)*
- *Activity reports and not monthly reports on the progress of each contract are available for verification.*
- *Contract managers have been executing their roles and responsibilities in line with Regulation 52 (1) & (2) of the PPDA (Contracts) Regulations, 2023, as indicated in the activity reports.*

### Authority's comment

The Authority noted the Entity's response; however, no documentary evidence was availed to substantiate the claims.

### Recommendations

1. The Heads of User Departments should;
  - For all contracts, nominate Contract Managers for appointment by the Accounting Officer in accordance with Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023.
  - Task contract supervisors to prepare monthly reports on the progress of each contract, and a copy is submitted to the Accounting Officer and the Procurement and Disposal Unit for record keeping as required under Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.
2. The Accounting Officer should task the contract managers to execute their roles and responsibilities in line with Regulation 52 (1) & (2) of the PPDA (Contracts) Regulations, 2023, as highlighted in Table 13 above.

### 2.3.2 Missing Records

Section 33 (o) of the PPDA Act, Cap. 205 requires the Procurement and Disposal Unit to maintain and archive records of the procurement and disposal process. The Authority noted that 17 procurements worth **UGX 1,133,724,950** had incomplete files as detailed in Table 14 below:

**Table 14: Missing Records**

S/no	Subject of Procurement	Contract value (UGX)	Missing records
1.	Construction of Public Toilet at Serere Town Council in Serere District.	28,721,942	<ul style="list-style-type: none"><li>• Form 5 Part II.</li><li>• Evidence of insurance.</li></ul>
2.	Rehabilitation of 3 deep boreholes and Drilling of 2 motorized wells under -DWSCG	87,420,300	<ul style="list-style-type: none"><li>• Contract management plan and report</li><li>• Payment record.</li><li>• Evaluation report.</li><li>• Form 5 part II.</li><li>• Evidence of insurance.</li></ul>
3.	Drilling, Pump testing and Installation of seven Deep Boreholes in the District.	153,139,338	<ul style="list-style-type: none"><li>• Form 5 part II</li><li>• Solicitation document.</li><li>• Evidence of insurance.</li></ul>
4.	Phase 3 Fixing of windows and doors in Kadungulu Sub-County Administration Block- DDEG.	28,129,000	
5.	Supply and repair of Medical Equipment and Related Supplies to Serere HV IV and Apapai HC.	55,479,000	

S/no	Subject of Procurement	Contract value (UGX)	Missing records
6.	Supply and maintenance of solar equipment and related supplies to Kagwara seed secondary school-UGFIT.	138,291,160	<ul style="list-style-type: none"> <li>• Contract management plan and report.</li> <li>• Form 5 Part II.</li> <li>• Bid notice.</li> <li>• Bidding document</li> </ul>
7.	Supply and delivery of science equipment and reagents for olio seed secondary school lot 2.	53,845,000	
8.	Supply and delivery of ICT equipment for Olio Seed Secondary School Lot 1.	162,922,000	
9.	Drilling of Three Production wells in the District.	121,070,950	<ul style="list-style-type: none"> <li>• Form 5 Part II</li> <li>• Bid notice.</li> </ul>
10.	Phase 3 Construction of a mini solar at Pingire RGC and extension of piped water from Ocaapa-Freedom Square in Kamusala under Katete Sub County	146,579,800	<ul style="list-style-type: none"> <li>• Form 5 Part II.</li> <li>• Bidding Document</li> <li>• The shortlist</li> </ul>
11.	Design supply and installation of micro irrigation equipment to farmer Okiring Stephen- UGIFT	30,306,460	<ul style="list-style-type: none"> <li>• Form 5 Part II.</li> <li>• Bidding Document</li> <li>• The shortlist</li> <li>• Record of sale, issue and receipt of bids</li> </ul>
12.	Design supply and installation of micro irrigation equipment to farmer OMODING ABEL- UGIFT	27,800,000	
13.	Design supply and installation of micro irrigation equipment to farmer Ejajuwai Julius Kokas-UGIFT	33,425,000	
14.	Design supply and installation of micro irrigation equipment to farmer OIKO AMBROSE EDMOND	24,700,000	<ul style="list-style-type: none"> <li>• Form 5 part II.</li> <li>• Shortlist of providers</li> </ul>
15.	Feasibility studies and design of piped water systems	41,895,000	
16.	Supply of fuels, oils, lubricants and other related supplies	Not provided	
17.	Supply of road materials and hire of road equipment	Not provided	
	<b>TOTAL</b>	<b>1,133,724,950</b>	

### Implication

Missing records affect the audit trail and compromise accountability for public funds.

**Management Response**

*Most of the stated missing documents are available for verification.*

**Authority’s response**

The Authority noted the entity’s response; however, the missing documents were not availed for verification.







**Recommendation**

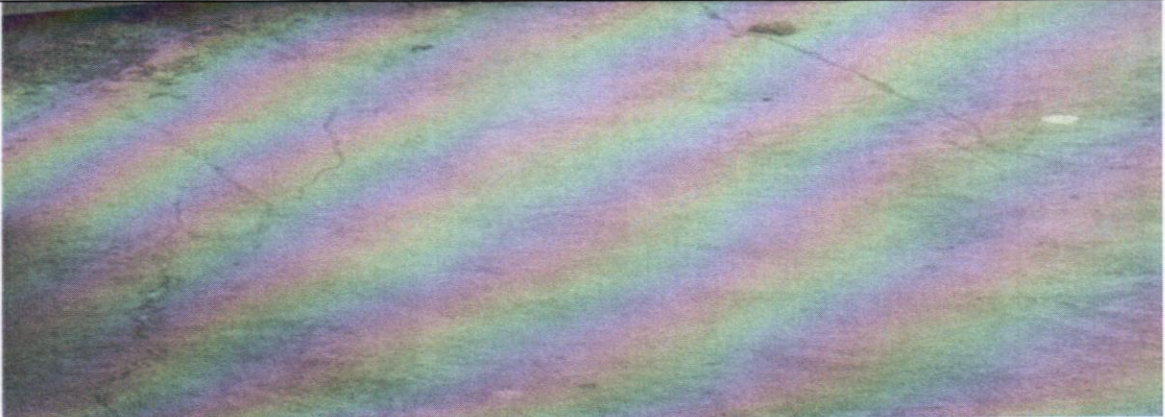

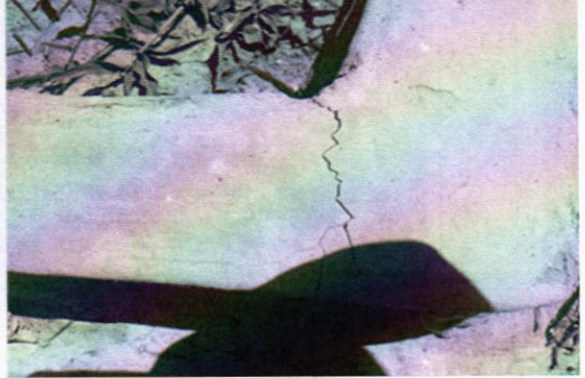
The Head Procurement and Disposal Unit should always maintain procurement and disposal records and reports on their respective action files in accordance with Section 33 (o) of the PPDA Act, Cap. 205.

**2.3.3 Physical verification**

The Authority conducted physical verification of 11 projects and noted the following irregularities for management’s attention as per Table 15 below:

**Table 15: Issues noted during physical verification**

NO	ISSUES NOTED				
1.	<p><b>SUBJECT;</b> Construction of Public Toilet at Serere Town Council in Serere District. <b>METHOD:</b> RFQ <b>REF:</b> SERE927/WRKS/2024-2025/0024 <b>PROVIDER:</b> Laten Technical Services <b>Contract date:</b> 6<sup>th</sup> May 2025 <b>Start date:</b> March 2025. <b>Intended completion date:</b> June 2025 <b>Contract manager:</b> District Engineer <b>Defects Liability Period:</b> 180 days</p> <p>The following issues were noted;</p>				
	<table border="0"><tr><td data-bbox="288 1406 858 1803"></td><td data-bbox="863 1406 1466 1803"></td></tr><tr><td data-bbox="288 1809 858 1865"><p><i>Drainage covers were not placed on the man holes</i></p></td><td data-bbox="863 1809 1466 1865"><p><i>Open drainage man hole at the female wing</i></p></td></tr></table>			<p><i>Drainage covers were not placed on the man holes</i></p>	<p><i>Open drainage man hole at the female wing</i></p>
					
<p><i>Drainage covers were not placed on the man holes</i></p>	<p><i>Open drainage man hole at the female wing</i></p>				

	
2	<p><b>SUBJECT:</b> Drilling of Three Production wells in the District  <b>Ref No.</b> Sere927/Works/2024-2025/00003  <b>Procurement method:</b> RFQ  <b>Contractor:</b> M/s Aadhira Solutions Ltd.  Project manager: District Water Officer  Contract Amount: UGX 87,420,300</p>
	<div style="display: flex; justify-content: space-around;"> <div data-bbox="292 907 863 1283">  </div> <div data-bbox="874 907 1460 1283">  </div> </div>
3	<p><b>Subject:</b> Supply and maintenance of solar equipment and related supplies to Kagwara seed school-UGFIT.  <b>Ref No:</b> Sere927/SUPPLIES/2024-2025/00012  <b>Procurement method:</b> RFQ  <b>Contractor:</b> M/s Relief Line Uganda Limited.  <b>Contract value:</b> UGX 138,291,160.  Bid validity: 90 working days from closing date.  Payment was done on 27<sup>th</sup> June 2025, Voucher No. 20320401.  Goods received on 19<sup>th</sup> June 2025</p>



*Generator delivered but not yet installed by the contractor therefore not in use*



*Fire extinguishers delivered but not yet installed by the contractor and not in use*



*Solar lights and panels installed at Kagwara Seed Secondary School*

### **Implication**

Incomplete or poorly managed projects impact the safety, compliance, and the overall success of the projects.

### **Management Response**

*Procurement audit was conducted while the projects were still under the defects liability period. To-date all the snag lists were generated, issued, and are being rectified (see attached correspondences to the Service providers to address the stated defects).*

### **Recommendations**

- Contract Managers for the above projects should execute their roles and responsibilities, particularly in ensuring that the defects are mitigated, irregularities are addressed and that the projects are completed in line with Regulation 52 (1) & (2) of the PPDA (Contracts) Regulations 2023.

- The Accounting Officer should ensure that all anomalies identified in the table above, per project, are rectified by the contractors within 1 month of receipt of this report. A report on the rectifications should be shared with the Authority within a month of receipt of this report.
- For environmental and safety issues, the Accounting Officer should task the Environmental and District Community Development Officers with ensuring compliance and reporting regularly on progress.

### CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This section presents the procurement and disposal audit scores.

#### 3.1. Overall Procurement and Disposal Audit Conclusion

The performance of Serere District Local Government for the Financial Year 2024/25 was **moderately satisfactory** with an overall weighted average risk rating of **66.6%**.

#### 3.2. Entity's Performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as detailed in Table 16 below:

**Table 16: Risk Score**

Risk Rating	No.	%No	Value (UGX)	%Value	Weights	Total Weighted Score	
						By No.	By Value
High	5	27.8	473,505,638	40.7	0.6	16	24.4
Medium	13	72.2	689,031,362	59.3	0.3	21.7	17.8
Low	0	0	0	0	0.1	0	0
Satisfactory	0	0	0	0	0	0	0
<b>Total</b>	<b>18<sup>1</sup></b>	<b>100</b>	<b>1,162,537,000</b>	<b>100</b>	<b>1</b>	<b>37.7</b>	<b>42.2</b>

$$\text{Performance by Number} = \frac{37.7 \times 100}{60} = 62.8\%$$

$$\text{Performance by Value} = \frac{42.2 \times 100}{60} = 70.3\%$$

$$\text{The average weighted risk rating} = \frac{62.8 + 70.3}{2} = 66.6\%$$

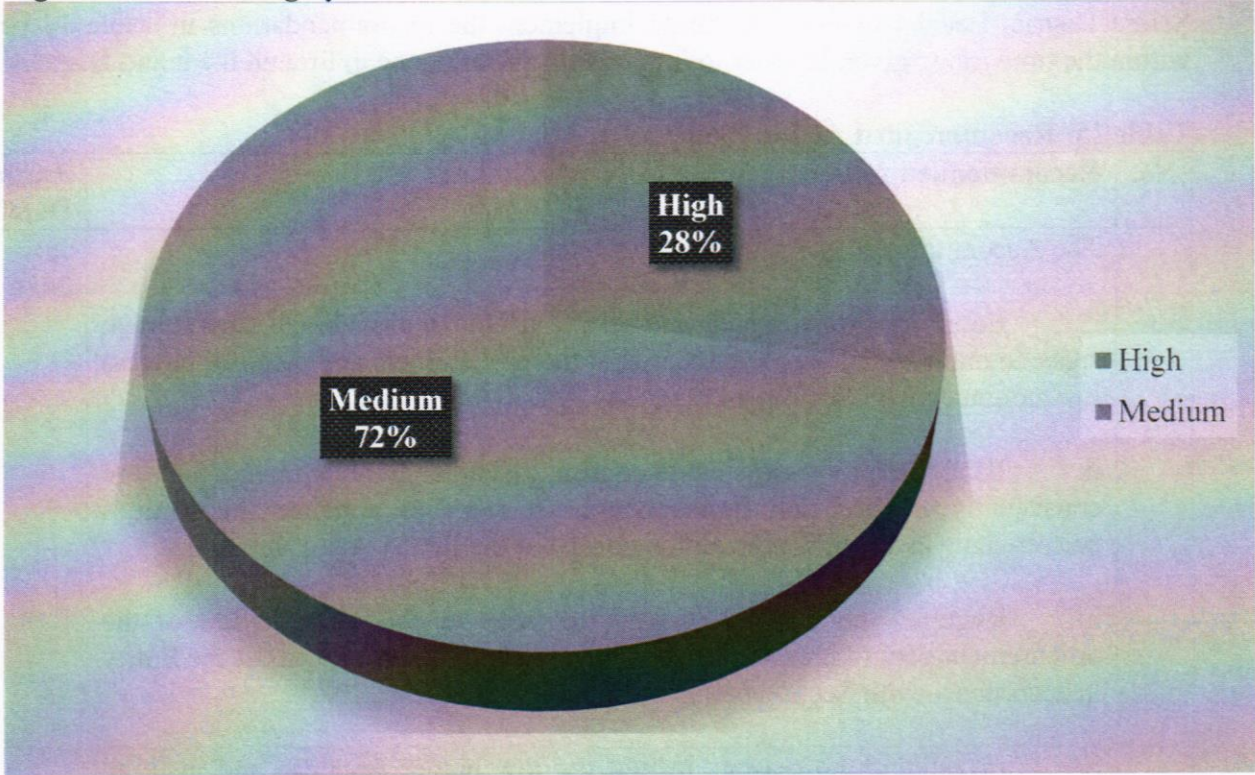
Since 66.6% falls within the 31% - 70% risk range, the performance of the Entity is rated **Moderately satisfactory** as detailed in Table 17 below:

**Table 17: Risk Rating**

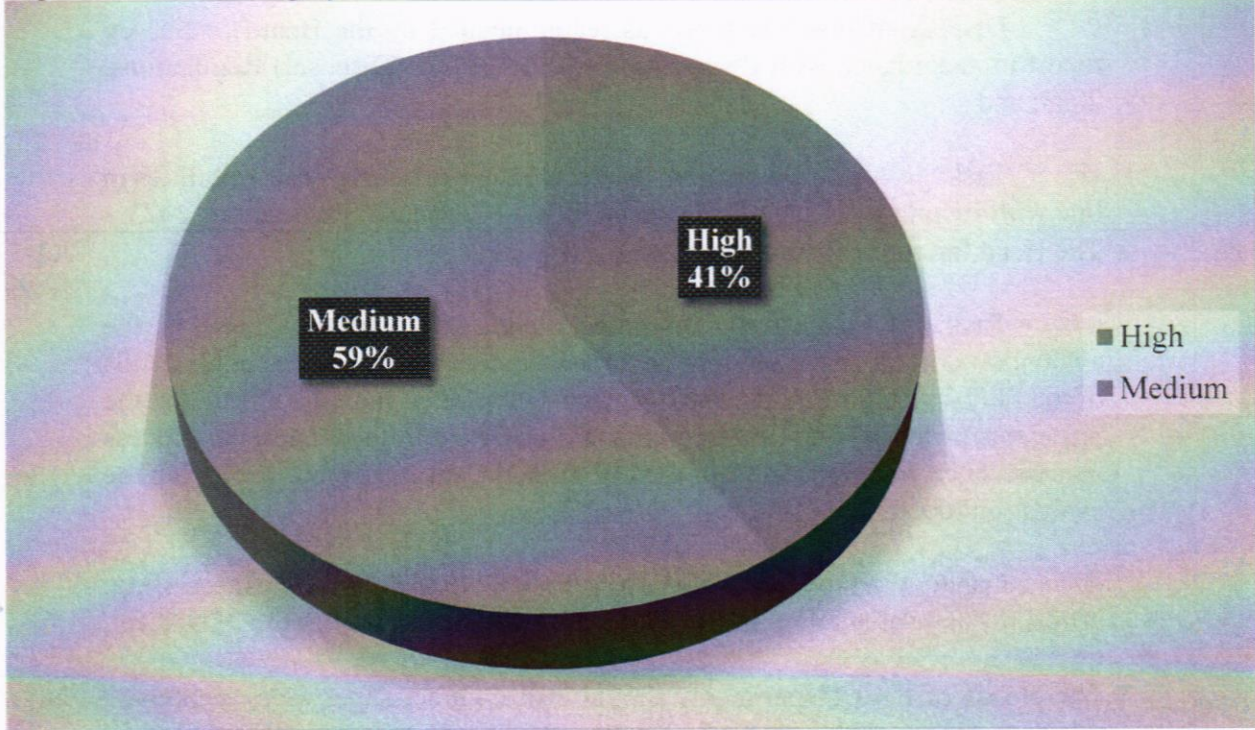
Risk Rating	Description of Performance
0-30%	Satisfactory
31-70%	Moderately Satisfactory
71-100%	Unsatisfactory

<sup>1</sup> Two procurement transactions were not included in the risk rating as they were handled as contract audits.

**Figure 2: Risk Rating by Number**



**Figure 3: Risk Rating by Value**



### 3.3.Recommended Action Plan

Serere District Local Government should implement the recommendations in Table 18 below within the time frame given in order to improve its performance in Procurement and Disposal.

**Table 18: Recommended Action Plan**

No.	Recommended Action	Target Date
1	<p>The Accounting Officer should:</p> <ul style="list-style-type: none"> <li>i. Equip the Procurement and Disposal Unit with cabinets and storage space to maintain and archive records of the procurement and disposal process in accordance with Section 44 (1) of the PPDA Act, Cap. 205;</li> <li>ii. Establish a robust system to confirm that all audit recommendations are consistently tracked and implemented, in order to enhance the Entity's performance in accordance with Section 10 of the PPDA Act, Cap. 205;</li> <li>iii. Regularly conduct or designate persons to conduct a review of the procurement plan to harmonize it with the existing circumstances at the Entity in accordance with Section 60 (7) of the PPDA Act, Cap. 205;</li> <li>iv. Investigate the reasons behind the low bidder response and institute measures to attract a higher number of bidders;</li> <li>v. Dispose of obsolete assets as recommended by the Board of Survey report in accordance with Regulation 2 of the PPDA (Disposal) Regulations, 2023; and</li> <li>vi. Task the contract managers to execute their roles and responsibilities in line with Regulation 52 (1) &amp; (2) of the PPDA (Contracts) Regulations 2023.</li> </ul>	July 2026
2	<p>The Head Procurement and Disposal Unit should:</p> <ul style="list-style-type: none"> <li>i. Task the Evaluation Committee members to strictly adhere to the evaluation criteria in the bidding document in accordance with Section 76 (3) of the PPDA Act, CAP. 205. The Contracts Committee should confirm that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 48 of the PPDA Act, Cap. 205 before approving the evaluation reports.</li> <li>ii. Conduct all procurements in a manner which promotes economy, efficiency and value for money in accordance with Section 51 of the PPDA Act, Cap. 205.</li> </ul>	July 2026
3	<p>The Heads of User Departments should task contract supervisors to prepare monthly reports on the progress of a contract as required under Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.</p>	July 2026

**Annex A: Transaction list**

**SERERE DLG SAMPLE LIST FOR FINANCIAL YEAR 2024/2025**

<b>No.</b>	<b>Reference Number</b>	<b>Subject of Procurement</b>	<b>Method of Procurement</b>	<b>Provider</b>	<b>Contract Amount (UGX)</b>	<b>RISK RATING</b>
1.	Sere927/Supls/24-25/00004	Supply of Motorcycles and Bicycles to the District	RFQ	M/s Simba Auto motives Limited	32,250,000	Medium
2.	Sere927/WOR KS/24-25/00027	Rehabilitation of 2 Solar Powered at Kidetok P/S & 3 deep Borehole	RFQ	M/s Aadhira Solutions Limited	87,420,300	High
3.	SERE927/WOR KS/2024-2025/00026	Phase Three Construction of a Mini Solar at Pingire RGC and extension of piped water from Ocaapa-Freedom Square in Kamusala under Kateta Sub County	ODB	M/s Sanitation Africa Limited	143,579,800	Medium
4.	Sere927/WOR KS/24-25/00004	Phase 2 Construction of the Solid Fence at Kagwara Seed Secondary School	ODB	M/s Mangron Investments	418,135,950	Contract audit
5.	Sere927/WOR KS/24-25/00025	Construction of Storm Water Management and Window Burglar Proofing at Kagwara Seed Secondary School	ODB	M/s Sajo General Stores	181,216,500	Contract audit
6.	Sere927/WOR KS/24-25/00002	Drilling, Pump Testing & Apron Casting of 7 Deep Boreholes	RFQ	M/s Mama Boreholes Africa Ltd	153,139,338	High
7.	Sere927/WOR KS/24-25/00008	Drilling of 3 Production Wells	RFQ	M/s Aadhira Solutions Limited	121,920,000	Medium
8.	Sere927/SUPLS /24-25/00012	Supply and Maintenance of Solar Equipment and Related Supplies	ODB	M/s Relief Line Uganda Limited	156,235,160	Medium

No.	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	RISK RATING
9.	Sere927/MoES/SUPLS/24-25/00001	Supply and Delivery of ICT Equipment for Olio Seed Secondary School Lot 1	ODB	M/s Angatel Investment Limited	162,922,000	High
10.	Sere927/SUPLS/24-25/54864	Design, Supply, Delivery and Installation of Micro-scale Irrigation Equipment to Okiring Stephen	ODB	M/s Hizment Services Ltd	30,306,460	Medium
11.	Sere927/SUPLS/24-25/62720	Design, Supply, Delivery and Installation of Micro-scale Irrigation Equipment to Okupa Elijah	ODB	M/s Hizment Services Ltd	26,966,000	Medium
12.	Sere927/SUPLS/24-25/117503	Design, Supply, Delivery and Installation of Micro-scale Irrigation Equipment to Omondi Abel	ODB	M/s Sime Contractors Soroti	27,800,000	Medium
13.	Sere927/SUPLS/24-25/0009	Supply of Road Construction Materials and Hire of Road Equipment	RFQ	M/s Sharp Holdings Uganda Limited & M/s Badang Empire Co Ltd	As per the price list	Medium
14.	Sere927/SUPLS/24-25/00008	Supply of Fuels, Oils Lubricants and other related Supplies	RFQ	M/s Fahaab Energies LTD & M/s Total Energies Marketing and (U) Ltd	As per the price list	Medium
15.	Sere927/WRKS/24-25/00013	Supply of Medical Equipment and Repair to Serere HCIV and Apapai HCIV	RFQ	M/s Circular Supply (U) LTD	55,509,000	Medium
16.	Sere927/SUPLS/24-25/118431	Design, Supply, Delivery and Installation of Micro-scale Irrigation Equipment to Ejajuwai Kokas	ODB	M/s Sime Contractors Soroti	33,425,000	Medium

No.	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	RISK RATING
17.	Sere927/WRKS /24-25/00030	Phase three Construction of Kadungulu S/C Administration Block (Window and Door Fixing)	RFQ	M/s Asiom General Construction & Supplies -SMC-LTD	28,129,000	High
18.	Sere927/WRKS /24-25/00024	Construction of a Public Toilet at Serere Town Council	RFQ	M/s Laten Technical Services (U) Ltd	28,721,942	Medium
19.	Sere927/SUPLS /24-25/115578	Design, Supply, Delivery and Installation of Micro-scale Irrigation Equipment to Oiko Ambrose Edmond	ODB	M/s Sime Contractors Soroti	32,318,000	Medium
20.	Sere927/Servcs/ 2024-2025/00003	Feasibility Studies and Design of piped water systems	RFQ	M/s Aquatech Ent (U) Ltd	41,895,000	High
				<b>TOTAL</b>	<b>1,761,889,450</b>	

## Annex B: Findings and rating on the individual procurements reviewed

### High risk contracts

No	High risk contracts	Reasons for high risk
1.	<p><b>SUBJECT;</b> Phase 3 Fixing of windows and doors in Kadungulu Sub-County Administration Block- DDEG.</p> <p><b>METHOD:</b> RFQ</p> <p><b>REF:</b> SERE927/WRKS/2024-2025/00030</p> <p><b>PROVIDER:</b> Asiom General Consultation and Supplies - SMC Ltd.</p> <p><b>CONTRACT VALUE:</b> UGX 28,129,000</p>	<ul style="list-style-type: none"> <li>• The funds availability section was not fully filled on the Form 5.</li> <li>• BoQs were not provided at initiation of the procurement by the User Department.</li> <li>• No Contracts Committee decision on approval of the method as this was missing on file.</li> <li>• Limited competition due to low bidder participation.</li> <li>• CVs for relevant Personnel were not attached on the bid to show their experience i.e. the Site Engineer and Site Foreman.</li> <li>• General Conditions and SCC of the contract were not attached to the bid.</li> <li>• Asiom General Consultation and Supplies - SMC Ltd did not attach a valid NSSF Certificate. Rather attached Employer Registration Certificate from NSSF.</li> <li>• No evidence of the appointment of the evaluation committee.</li> <li>• No evidence of signing the ethical code of conduct by the evaluation committee.</li> <li>• The contract was signed before expiry of the Notice of Best Evaluated Bidder. Removal of the NOBEB was on 16<sup>th</sup> June 2025 but the Contract was signed on 7<sup>th</sup> June 2025 implying a variance of 6 days before expiry of the Notice of Best Evaluated Bidder.</li> <li>• No conditions of the contract and SCC attached on the agreement.</li> <li>• Drawings were not provided by the Contractor to the Entity as these were required.</li> <li>• No evidence for Contract management plan and report.</li> <li>• No evidence for Payment records</li> <li>• No Evidence of completion.</li> </ul> <p><b>Missing records</b></p> <ul style="list-style-type: none"> <li>• Form 5 part II.</li> <li>• Solicitation document.</li> <li>• Evidence of insurance</li> </ul>

No	High risk contracts	Reasons for high risk
2.	<p><b>SUBJECT;</b> Rehabilitation of 3 deep boreholes and Drilling of 2 motorized wells under - DWSCG</p> <p><b>METHOD:</b> RFQ</p> <p><b>REF:</b> SERE596/WRKS/2024-2025/00027</p> <p><b>PROVIDER:</b> Aadhira Solutions Ltd.</p> <p><b>CONTRACT VALUE: UGX 87,420,300</b></p>	<ul style="list-style-type: none"> <li>• BoQs were not provided at initiation of the procurement and were missing in the bidding document as well.</li> <li>• The availability of funds was confirmed by Omwony Carwonyero and not the Accounting Officer, no evidence for formal delegation by the Accounting Officer.</li> <li>• The funds availability section was not fully filled on the Form 5.</li> <li>• There was use of Direct Procurement by the Entity. The Contract Manager, Okolimong Daniel Joseph wrote to the CAO in request for Direct Procurement in that the given time limitation and magnitude of the works contained therein, and if the competent firms are secured under Direct Procurement Method, he was optimistic that the contract could be completed.</li> <li>• There was no confirmation by the CAO for use of Direct Method of Procurement.</li> <li>• Contracts Committee approved the use of Direct Method with justification that Aadhira Solutions Limited had done previous works well and in time.</li> <li>• However, there was no procurement process carried out by the Entity.</li> <li>• No Contracts Committee minutes on file for approval of the Method and shortlist of providers.</li> <li>• Limited competition due to low bidder participation.</li> <li>• No bid document for Aadhira Solutions Ltd</li> <li>• Missing evaluation report, no evidence for evaluation.</li> <li>• No bidding process was carried out. There was use of Direct Method but no procurement process.</li> <li>• Contracts Committee awarded the contact to Aadhira solutions Ltd without submission of the evaluation report by the Evaluation Committee.</li> <li>• Defects Liability period; Inconsistencies about the defects liability period in the contract signed. GCC 1.1(M) states that the defects</li> </ul>

No	High risk contracts	Reasons for high risk
		<p>liability period is 180 days whereas GCC 34.0 states that the defects liability period is 90 days.</p> <ul style="list-style-type: none"> <li>• No evidence of Program of works submitted by the contractor to the Entity.as this was required in the SCC under GCC 26.1.</li> <li>• No evidence for submission of program updates between two weeks during the contract as this was required in the SCC under GCC 26.3.</li> </ul> <p><b>Missing records;</b></p> <ul style="list-style-type: none"> <li>• Contract management plan and report</li> <li>• Payment record.</li> </ul>
3.	<p><b>SUBJECT;</b> Drilling, Pump testing and Installation of seven Deep Boreholes in the District.</p> <p><b>METHOD:</b> RFQ</p> <p><b>REF:</b> SERE927/WRKS/2024-2025/00002</p> <p><b>PROVIDER:</b> Mama Bore Wells Africa LTD.</p> <p><b>CONTRACT VALUE: UGX 153,139,338</b></p>	<ul style="list-style-type: none"> <li>• Confirmation of the availability of funds was signed by Omwony Larwonyero and not by the Accounting Officer, no formal delegation of the Duties attached.</li> <li>• BoQs were not provided at initiation of the procurement.</li> <li>• The funds availability section was not fully filled on the Form 5.</li> <li>• Limited competition due to low bidder participation.</li> <li>• No evidence for program of works submitted by the Contractor as this was required in the SCC of the contract under GCC 26.1.</li> <li>• No evidence for Contract management plan and report</li> <li>• No evidence for completion</li> </ul> <p><b>Missing records;</b></p> <ul style="list-style-type: none"> <li>• Form 5 part II.</li> <li>• Bidding document.</li> <li>• Evidence of insurance.</li> </ul>
4.	<p><b>SUBJECT:</b> Supply and delivery of ICT equipment for Olio Seed Secondary School Lot 1.</p> <p><b>Ref No.</b> Sere927/MoES/Supplies/2024-2025/00001</p> <p><b>Procurement method:</b> RFQ</p> <p><b>Contractor:</b> M/s Angatel Investments Limited</p> <p><b>CONTRACT VALUE: UGX 162,922,000</b></p>	<ul style="list-style-type: none"> <li>• The funds availability section was not fully filled on the Form 5.</li> <li>• Individual assessment evaluation forms not attached on file.</li> <li>• Delayed start of the procurement process by 8 months.</li> <li>• Contract signature date not indicated on the contract.</li> <li>• The Special conditions of the contract do not indicate the delivery period.</li> <li>• No contract management plan and report.</li> </ul>

No	High risk contracts	Reasons for high risk
		<p><b>Missing records;</b></p> <ul style="list-style-type: none"> <li>• Part II Form 5</li> <li>• Bid notice.</li> <li>• Bidding document</li> </ul>
5.	<p><b>Subject:</b> Feasibility studies and design of piped water systems</p> <p><b>Procurement Method:</b> RFQ</p> <p><b>Contractor:</b> Aquatech Enterprises (U) Ltd</p> <p><b>CONTRACT VALUE:</b> UGX 41,895,000</p>	<ul style="list-style-type: none"> <li>• Use of a wrong requisition form; the User Department used the PPDA Form 5 instead of Form 18 to request for consultancy services.</li> <li>• Funds available section was left blank</li> <li>• The Terms of Reference (TORs) were not provided at initiation.</li> <li>• No Contracts Committee approval of the Method.</li> <li>• Use of wrong Standard Bidding Document; The document used was that for procurement of works under Open bidding method instead of the standard Request for Proposals document for procurement of consultancy services</li> <li>• The document lacked the weighted scores per criteria and the technical qualifying mark or score.</li> <li>• The payment terms were not clearly defined per stage deliverable.</li> </ul> <p>Use of wrong forms for consultancy services; the forms used were Form 8, 11, and 12 for Supplies, works and non-cons services instead of the following;</p> <ul style="list-style-type: none"> <li>• Form 20 — Record of issue of request for proposals or addenda</li> <li>• Form 22 — Record of receipt of expression of interest/proposals</li> <li>• Form 23 — Record of opening of technical proposals</li> <li>• Accounting Officer approved the funding on 15<sup>th</sup> April 2024, but it took 11 months for the bidding document to be issued to bidders on 6<sup>th</sup> March 2025. Please note that the process that should have occurred in between were not documented.</li> <li>• No evidence for PDU submission to the Contracts Committee to approve the method</li> <li>• No shortlist of providers.</li> <li>• No bid document.</li> </ul>

No	High risk contracts	Reasons for high risk
		<ul style="list-style-type: none"> <li>• Missing contract management records;</li> <li>• Contract manager appointment</li> <li>• Contract implementation plan</li> </ul>

#### Medium risk contracts

No	Medium risk contracts	Reasons for medium risk
6.	<p><b>SUBJECT;</b> Construction of Public Toilet at Serere Town Council in Serere District.</p> <p><b>METHOD:</b> RFQ</p> <p><b>REF:</b> SERE927/WRKS/2024-2025/0024</p> <p><b>PROVIDER:</b> Laten Technical Services.</p> <p><b>CONTRACT VALUE: UGX 28,721,942</b></p>	<ul style="list-style-type: none"> <li>• The funds availability section was not fully filled on the Form 5.</li> <li>• BoQs were not provided at initiation of the procurement.</li> <li>• Limited competition.</li> <li>• No evidence for submission of program of works by the contractor as this was required in the SCC under GCC 27.</li> <li>• Furthermore, no evidence for submission of the program updates to the Entity as this was required in the SCC under GCC 27.</li> <li>• No Evidence for completion.</li> <li>• Part II Form 5 was not attached</li> <li>• No evidence of insurance.</li> </ul>
7.	<p><b>SUBJECT;</b> Supply and repair of Medical Equipment and Related Supplies to Serere HV IV and Apapai HC</p> <p><b>METHOD:</b> RFQ</p> <p><b>REF:</b> SERE927/SUPLS/2024-2025/00013</p> <p><b>PROVIDER:</b> Circular Supply U Limited.</p> <p><b>CONTRACT VALUE: UGX 55,509,000</b></p>	<ul style="list-style-type: none"> <li>• BoQs were not provided at initiation of the procurement and were missing in the bidding document as well.</li> <li>• The funds availability section was not fully filled on the Form 5.</li> <li>• No Contacts Committee minutes on file for approval of the Method and shortlist of providers.</li> <li>• Limited competition where only two bidders were invited.</li> <li>• The GCC and SCC were not attached to the contract.</li> </ul> <p><b>Missing records;</b></p> <ul style="list-style-type: none"> <li>• Contract management plan and report</li> <li>• Form 5 part II.</li> <li>• Evidence of insurance.</li> </ul>
8.	<p><b>Subject:</b> Supply and maintenance of solar equipment and related supplies to Kagwara seed secondary school-UGFIT.</p> <p><b>Ref</b> <b>No:</b> <b>Sere927/SUPPLIES/2024-2025/00012</b></p>	<ul style="list-style-type: none"> <li>• The funds availability section was not fully filled on the Form 5.</li> <li>• There were no specifications of the solar equipment and related supplies required attached on file.</li> <li>• Delayed start of the procurement process by 9 months.</li> </ul>

No	Medium risk contracts	Reasons for medium risk
	<p><b>Procurement method:</b> RFQ  <b>Contractor:</b> M/s Relief Line Uganda Limited.  <b>CONTRACT VALUE: UGX 156,235,160</b></p>	<ul style="list-style-type: none"> <li>• Contract Signature date not indicated on the contract.</li> <li>• Delivery period missing in the special conditions of the contract.</li> <li>• No Contract management plan and report.  <b>Missing records;</b></li> <li>• Part II Form 5</li> <li>• Bid notice.</li> </ul>
9.	<p><b>SUBJECT:</b> Design, Supply, Delivery and Installation of Micro-scale Irrigation Equipment to Okupa Elijah  <b>Ref No.</b> Sere927/SUPLS/24-25/62720  <b>Procurement method:</b> ODB  <b>Contractor:</b> M/s Hizment Services Ltd  <b>CONTRACT VALUE: UGX 26,966,000</b></p>	<ul style="list-style-type: none"> <li>• Limited competition as only two bidders were invited to bid.</li> <li>• Clause 4 of the agreement specified that the following contract documents shall constitute part of the contract, however they were not part of the contract, the documents include; drawings, Bills of Quantities, and Powers of Attorney</li> <li>• Clause 26.1 in the SCC- The contractor shall submit a program of works within 7 days of the start date- no evidence that this was done</li> <li>• Failure to submit program updates contrary to Clause 26.3 in the SCC which stated that the period between program updates is 30 days</li> <li>• Contract implementation plan</li> </ul>
10.	<p><b>SUBJECT:</b> Drilling of Three Production wells in the District.  <b>Ref No.</b> Sere927/Works/2024-2025/00003  <b>Procurement method:</b> RFQ  <b>Contractor:</b> M/s Aadhira Solutions Ltd.  <b>CONTRACT VALUE: UGX 121,920,000</b></p>	<ul style="list-style-type: none"> <li>• The funds availability section was not fully filled on the Form 5.</li> <li>• Individual assessment evaluation forms not attached on file.</li> <li>• Delayed start of procurement process by 9 months.</li> <li>• No Contract management plan and report.  <b>Missing documents;</b></li> <li>• Part II Form 5</li> <li>• Bid notice.</li> </ul>
11.	<p><b>SUBJECT;</b> Supply of five motorcycles to Production Department  <b>METHOD:</b> RFQ  <b>REF:</b> SERE927/SUPLS/2024-2025/00004  <b>PROVIDER:</b> Simba Automotives Ltd.  <b>CONTRACT VALUE: UGX 32,250,000</b></p>	<ul style="list-style-type: none"> <li>• The funds availability section was not fully filled on the Form 5.</li> <li>• Issue of two Form 5 forms with different estimated costs and quantity without justification. First Form 5 was issued on 22<sup>nd</sup> April 2024 with quantity of one motorcycle at an estimated cost of UGX 6,000,000 whereas the second Form 5 was issued on 30<sup>th</sup> April 2024 with quantity of 3 motorcycles at an estimated unit cost of UGX 6,400,000.</li> </ul>

No	Medium risk contracts	Reasons for medium risk
		<ul style="list-style-type: none"> <li>• Limited competition due to low bidder participation.</li> <li>• There was delayed Contracts Committee decision on approval of the method prequalified firms. Confirmation of funds by the Accounting Officer was on 30<sup>th</sup> April 2024 whereas Contracts Committee decision was on 29<sup>th</sup> October 2024 implying a delay of 5 months.</li> <li>• The general conditions and Special Conditions of the Contract were not attached to the contract.</li> <li>• No evidence for Contract management plan and report</li> <li>• No Evidence of completion.</li> </ul>
12.	<p><b>Subject:</b> Phase 3 Construction of a mini solar at Pingire RGC and extension of piped water from Ocaapa-Freedom Square in Kamusala under Katete Sub County</p> <p><b>Procurement Method:</b> RFQ</p> <p><b>Contractor:</b> Sanitation Africa Ltd</p> <p><b>CONTRACT VALUE: UGX 143,579,800</b></p>	<ul style="list-style-type: none"> <li>• The costed BoQs were not provided during initiation which made it hard to ascertain what informed the estimate at initiation</li> <li>• The funds available section left blank.</li> <li>• No Contracts Committee approval of the Method.</li> <li>• Limited competition as there was only one bidder invited.</li> <li>• bid validity expired on 12<sup>th</sup> June 2025.</li> <li>• Inconsistencies in Contract Completion Period; Clause 6 of the Agreement required the works to be completed by 30<sup>th</sup> June 2025, yet the contract was signed on 13<sup>th</sup> June 2025, leaving only <b>17 days</b> for implementation, which is insufficient. Furthermore, Clause 1.1 (r) of the SCC states that the intended completion period for the works is one month, while the contractor's bid committed to completing the works within two months.</li> <li>• Clause 4 of the Agreement specified that certain documents would form part of the contract. However, these documents were not included. The missing documents were the performance guarantee, drawings, Bills of Quantities, and the Powers of Attorney.</li> <li>• There is no evidence of provision for insurance as required under Clause 13.0 of the SCC.</li> <li>• Clause 26.1 of the SCC requires the contractor to submit a program of works within 7 days of the start date; there is no evidence that this was done.</li> </ul>

No	Medium risk contracts	Reasons for medium risk
		<ul style="list-style-type: none"> <li>• The contractor failed to submit program updates, contrary to Clause 26.3 of the SCC, which requires updates every 2 weeks.</li> </ul>
13.	<p><b>Subject:</b> Supply of fuels, oils, lubricants and other related supplies  <b>Procurement Method:</b> RFQ  <b>Contractor:</b> Fahaab Energies Ltd &amp; Total Energies Ltd  <b>CONTRACT VALUE:</b>  <b>As per the price list</b></p>	<ul style="list-style-type: none"> <li>• The Bidding document issued did not state that this was a procurement under the framework arrangement.</li> <li>• Limited competition as only two bidders were invited to bid.</li> <li>• The framework contracts issued to both bidders were incomplete, as they did not include the General Conditions of Contract (GCC), Special Conditions of Contract (SCC), or the Price List.</li> <li>• Missing records; <ul style="list-style-type: none"> <li>- Contract manager appointment</li> <li>- Contract implementation plan</li> </ul> </li> </ul>
14.	<p><b>Subject:</b> Supply of road materials and hire of road equipment  <b>Procurement Method:</b> RFQ  <b>Contractor:</b>  -Sharp Holdings U Ltd  -Badang Empire Co Ltd  <b>CONTRACT VALUE:</b>  <b>As per the price list</b></p>	<ul style="list-style-type: none"> <li>• The costed BOQs were not provided during initiation which made it hard to ascertain what informed the estimate at initiation</li> <li>• The funds available section left blank.</li> <li>• The Bidding document issued did not state that this was a procurement under the framework arrangement.</li> <li>• The framework contracts issued to both bidders were incomplete, as they did not include the General Conditions of Contract (GCC), Special Conditions of Contract (SCC), or the Price List.</li> <li>• Missing records; <ul style="list-style-type: none"> <li>- Contract manager appointment</li> <li>- Contract implementation plan</li> </ul> </li> <li>• No evidence for PDU submission to the Contracts Committee to approve the method</li> <li>• No shortlist of providers.</li> <li>• No bid document.</li> </ul>
15.	<p><b>Subject:</b> Design supply and installation of micro irrigation equipment to farmer Okiring Stephen- UGIFT  <b>Procurement Method:</b> RFQ  <b>Contractor:</b> Hizmet Services Ltd- Okiring Stephen  <b>CONTRACT VALUE: UGX</b>  <b>30,306,460</b></p>	<ul style="list-style-type: none"> <li>• Limited competition as only two bidders were invited to bid.</li> <li>• Inconsistency in contract duration; Completion by – 30<sup>th</sup> Aug 2025 as per clause 6 of the Agreement and 3 months as per GCC 22.1 (SCC)</li> <li>• Clause 4 of the agreement specified that the following contract documents shall constitute part of the contract, however they were not part of the</li> </ul>

No	Medium risk contracts	Reasons for medium risk
		<p>contract, the documents include; drawings, Bills of Quantities, and Powers of Attorney</p> <ul style="list-style-type: none"> <li>• Clause 26.1 in the SCC- The contractor shall submit a program of works within 7 days of the start date- no evidence that this was done</li> <li>• Failure to submit program updates contrary to Clause 26.3 in the SCC which stated that the period between program updates is 30 days</li> <li>• Missing records;</li> <li>• Contract implementation plan</li> <li>•</li> </ul>
16.	<p><b>Subject:</b> Design supply and installation of micro irrigation equipment to farmer <b>Ejajuwai Julius Kokas-</b> UGIFT  <b>Procurement Method:</b> RFQ  <b>Contractor:</b> Sime Contractors Ltd  <b>CONTRACT VALUE: UGX 33,425,000</b></p>	<ul style="list-style-type: none"> <li>• Inconsistency in contract duration; Completion by 30<sup>th</sup> August 2025 as per clause 6 of the Agreement and 3 months as per GCC 22.1 (SCC)</li> <li>• Clause 4 of the agreement specified that the following contract documents shall constitute part of the contract, however they were not part of the contract, the documents include; drawings, Bills of Quantities, and Powers of Attorney</li> <li>• Clause 26.1 in the SCC- The contractor shall submit a program of works within 7 days of the start date- no evidence that this was done</li> <li>• Failure to submit program updates contrary to Clause 26.3 in the SCC which stated that the period between program updates is 30 days</li> <li>• Missing contract management records</li> <li>• No Contract implementation plan</li> <li>• No Project supervision reports from both the contractor and the district water officer</li> </ul>
17.	<p><b>Subject:</b> Design supply and installation of micro irrigation equipment to farmer <b>OMODING ABEL-</b> UGIFT  <b>Procurement Method:</b> RFQ  <b>Contractor:</b> Sime Contractors Ltd  <b>CONTRACT VALUE: UGX 27,800,000</b></p>	<ul style="list-style-type: none"> <li>• Inconsistency in contract duration; Completion by 30<sup>th</sup> July 2025 as per clause 6 of the Agreement and 3 months as per GCC 22.1 (scc)</li> <li>• Clause 4 of the agreement specified that the following contract documents shall constitute part of the contract, however they were not part of the contract, the documents include; drawings, Bills of Quantities, and Powers of Attorney</li> <li>• Clause 26.1 in the SCC- The contractor shall submit a program of works within 7 days of the start date- no evidence that this was done</li> <li>• Failure to submit program updates contrary to Clause 26.3 in the SCC which stated that the period between program updates is 30 days</li> <li>• Missing contract management records</li> </ul>

No	Medium risk contracts	Reasons for medium risk
18.	<p><b>Subject:</b> Design supply and installation of micro irrigation equipment to farmer OIKO AMBROSE EDMOND</p> <p><b>Procurement Method:</b> RFQ</p> <p><b>Contractor:</b> Sime Contractors Ltd</p> <p><b>CONTRACT VALUE:</b> UGX 32,318,000</p>	<ul style="list-style-type: none"> <li>• No Contract implementation plan</li> <li>• Limited competition as only two bidders were invited to bid.</li> <li>• Inconsistency in contract duration; Completion by 30<sup>th</sup> July 2025 as per clause 6 of the Agreement and 3 months as per GCC 22.1 (SCC)</li> <li>• Clause 4 of the agreement specified that the following contract documents shall constitute part of the contract, however they were not part of the contract, the documents include; drawings, Bills of Quantities, and Powers of Attorney</li> <li>• Clause 26.1 in the SCC- The contractor shall submit a program of works within 7 days of the start date- no evidence that this was done</li> <li>• Failure to submit program updates contrary to Clause 26.3 in the SCC which stated that the period between program updates is 30 days.</li> <li>• No Contract implementation plan</li> <li>• No Project supervision reports from both the contractor and the district water officer</li> </ul>

#### ANNEX C: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
<b>HIGH</b>	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry a risk to the regulatory system or the Entity's reputation. Such cases warrant immediate attention by senior management.	<b>Planning:</b> Lack of or failure to procure within the approved plan	This implies emergencies and the use of the direct procurement method which affects competition and value for money.
		<b>Bidding Process:</b> Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals, and usurping the powers of the PDU.	This implies the use of less competitive methods which affects transparency, accountability, and value for money.
		<b>Evaluation:</b> Use of inappropriate evaluation methodologies or	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by

RISK	DESCRIPTION	AREA	IMPLICATION
	generally accepted industry standards will normally be rated "high".	<p>failure to conduct an evaluation.</p> <p><b>Record Keeping:</b> Missing procurement files and missing key records on the files namely; solicitation documents, submitted bids, evaluation reports, and contracts.</p> <p><b>Fraud/forgery:</b> Falsification of Documents</p> <p><b>Contract Management:</b> Payment for shoddy work or work not delivered.</p>	<p>failure to recommend an award to a responsive bidder.</p> <p>This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.</p> <p>This implies a lack of transparency and value for money.</p> <p>This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries</p>
<b>MEDIUM</b>	Procurements that were considered to have weaknesses, 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 framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided	<p><b>Planning:</b> Lack of initiation of procurements and confirmation of funds.</p> <p><b>Bidding Process:</b> Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms, and splitting procurement requirements.</p> <p><b>Procurement Structures:</b> Lack of</p>	<p>This implies committing the Entity without funds thereby causing domestic arrears.</p> <p>This implies a lack of efficiency, standardization, and avoiding competition.</p> <p>This implies a lack of independence of functions and powers and</p>

RISK	DESCRIPTION	AREA	IMPLICATION
	that there is sufficient evidence of “hands-on management control and oversight” at an appropriate level of seniority.	<p>procurement structures</p> <p><b>Record Keeping:</b> Missing Contracts Committee records and incomplete contract management records.</p> <p><b>Contract and Contract Management:</b> 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.</p> <p>Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health, and safety.</p> <p>Aspects of gender, social inclusion, environment, health, and safety are not covered by the contractor during contract implementation.</p>	<p>interference in the procurement process.</p> <p>This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.</p> <p>This leads to unjustified contract amendments and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.</p>
<b>LOW</b>	Procurements with weaknesses where resolution within the normal management framework is	<b>Planning:</b> Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record-keeping.

RISK	DESCRIPTION	AREA	IMPLICATION
	<p>considered desirable to improve efficiency or to ensure that the business matches current market best practices. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.</p>	<p><b>Bidding Process:</b> Not signing the Ethical Code of Conduct</p>	<p>This leads to failure to declare a conflict of interest and a lack of transparency.</p>
<b>SATISFACTORY</b>	<p>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.</p>		