PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY

"Regulating for Results"

COMPLIANCE INSPECTION REPORT FOR FINANCIAL YEAR 2024/2025

BUTAMBALA DISTRICT LOCAL GOVERNMENT

JUNE 2026

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ACRONYMS

FY	Financial Year
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
UGX	Uganda Shillings
ESHS	Environmental, Social, Health and Safety

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Butambala District Local Government for Financial Year 2024/2025 and reviewed 12 sampled procurement transactions.

The overall objective of the inspection was to assess and establish the degree of compliance of the Entity's procurement system and processes with the provisions of the PPDA Act, Cap. 205, the Regulations, 2023, PPDA Regulations, 2014 on Force Account Mechanism, PPDA Guidelines, 2024 and the level of procurement performance over the inspection period.

From the findings of the compliance inspection exercise, the performance of Butambala District Local Government for the Financial Year 2024/2025 was **Moderately Satisfactory** with an overall weighted average risk rating of **47.95%.** The risk rating was weighted to determine the overall risk level of the Entity as detailed in chapter three of this report

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

1. Section 29(1) and (2) of the PPDA Act, Cap. 205 and the PPDA (Amendment of Schedule 4) Instrument, 2023 require an Entity's Contracts Committee to comprise a Chairperson, a Secretary, and up to three other members, approved by the Permanent Secretary/Secretary to the Treasury (PS/ST). The Authority found that the term of Ms. Josephine Namutebi expired on 3rd May 2025, but the Entity did not submit a request to the PS/ST for approval of a replacement. Consequently, the Contracts Committee was not fully constituted during financial year 2024/25 and in the subsequent financial year, operating with four members instead of five, although the PS/ST approved three members on 5th December 2025. This undermined the Committee's intended balance of skills, experience, and professional judgement needed for sound decision-making.

2. The Entity failed to submit monthly reports for October, November, December and April; and delayed to submit monthly reports for July, August, January, March, May and June of the financial 2024-2025, by an average of 40 working days, contrary to Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 that requires the Entity to submit to the Authority, by the fifteenth day of the following month, a report on the procurement activities undertaken by the Procuring and Disposing Entity. This facilitates weak oversight and accountability in the procurement function and may further lead to delayed detection of procurement and contract risks and reduced transparency and stakeholder confidence.

3. Section 59(1) of the PPDA Act, Cap. 205 requires all communication between an Entity and a bidder or provider to be in writing, and such communication may be transmitted electronically. The Authority found that, in eight procurements worth UGX 1,183,193,376, there was no evidence that invitations to bid were communicated to all shortlisted bidders, including via electronic means such as email. This limited bidder awareness, concealed bid opportunities, and contributed to low bidder participation.

4. Section 51 of the PPDA Act. Cap. 205 requires all procurement and disposal to be conducted in a manner which promotes economy, efficiency and value for money. In five procurements worth UGX 500,913,928, the Entity delayed to issue bidding documents by an average of 82

working days from the date of confirmation for the availability of funding by the Accounting Officer which impacted on the lead time of the procurement process and hence delay in service delivery to the intended beneficiaries.

5. The Entity did not dispose of obsolete assets, including motorcycles, beds and iron sheets, contrary to Regulations 2, 3 and 24 of the PPDA (Disposal of Public Assets) Regulations, 2023. This undermined value for money due to continued deterioration and loss in value, and exposed the assets to heightened risks of theft and vandalism.

6. Regulation 52 of the PPDA (Contracts) Regulations, 2023 requires a Contract Manager to ensure that the provider performs the contract in accordance with the terms and conditions of the contract. The Authority found that the Entity did not monitor contractor compliance with environmental, social and health safeguards (ESHS) for eight contracts worth UGX 1,697,709,744, despite an ESHS provision of UGX 16,364,000 in the Bills of Quantities. This exposed the projects to risks of environmental degradation and endangering the health and safety of workers and surrounding communities.

7. Section 130(5)(e) of the PPDA Act, Cap. 205 requires an Entity applying the Force Account mechanism to maintain and manage records, equipment, and supplies for the works to ensure value for money. The Authority found that, for the routine mechanised maintenance of Kikunyu–Buyenga, Kyabadaza–Ntula, Kasoso–Kyerima, and Lwamasaka–Lwanjiri–Butende–Ndibulungi roads covering supplies worth UGX 291,327,612 the Entity did not maintain separate procurement and contract management files for each road and lacked key implementation records, including call-off orders, Goods Received Notes (GRNs), payment records (including for culverts and other materials), equipment maintenance records, and progress/completion status reports. This weakened the audit trail and limited the Entity's ability to demonstrate transparency, accountability, and value for money in applying the Force Account mechanism.

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

1. The Accounting Officer should:
   (a) Nominate a member from among the public officers of the Procuring and Disposing Entity, submit to PS/ST for approval and formerly appoint the member using Form 1 of the Schedule to fully constitute the Contracts Committee as provided for under Regulation 4 of the PPDA (Procuring and Disposing) Regulations, 2023; and engage the Authority to induct the new Contracts Committee members on their roles and responsibilities so as to enhance their performance of the procurement function;
   (b) Submit the monthly procurement and disposal reports to the Authority by the 15th day of the following month, in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 and through electronic submissions via the E-Reporting Link (https://ereports.ppda.go.ug/) as provided in Circular No. 5 of 2025;
   (c) Disseminate the invitation to bid to all the shortlisted bidders for a specific procurement through the legal channels including the electronic means of transmission in accordance with Section 59 (1) of the PPDA Act, Cap. 205;

(d) Determine the reserve price of the assets to be disposed of by obtaining a valuation in accordance with Regulation 24 of the PPDA (Disposal of Public Assets) Regulations, 2023);

(e) Assign the District Environment Officer and the District Community Development Officer to prepare comprehensive ESHS implementation progress reports, supported with dated photographic evidence. Where ESHS items have been paid for but the corresponding ESHS activities were not implemented in accordance with the contract and the Bills of Quantities, the Entity should recover the amounts from the contractor or obtain a refund, and retain full documentary evidence of the recovery/refund on the contract file;

(f) Task the District Engineer to maintain complete records relating to the implementation of the Force Account mechanism, including progress/status reports and completion records. The Inventory Management Officer should prepare Goods Received Notes (GRNs) for all construction materials delivered to site, and copies of the GRNs and other key records should be shared with the Procurement and Disposal Unit for filing, in accordance with Section 130(5)(e) of the PPDA Act, Cap. 205. In addition, the Entity should ensure that these records are securely maintained and readily accessible to mandated stakeholders whenever required.

2. The Head Procurement and Disposal Unit should keep all documentation relating to a procurement on the procurement action file in accordance with Section 44 (1) of the PPDA Act, Cap. 205.

3. The Contract Managers should:
   (a) Keep and archive all contract management records and distribute copies to key stakeholders including the PDU as required in accordance with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023;
   (b) Always task the contractors to meet their contractual obligations as stipulated in the contracts including the contractor's adherence to environmental, health and social safeguard measures and its compliance in accordance with Regulation 52 of the PPDA (Contracts) Regulations, 2023.

Butambala District Local Government should implement the recommended action plan on pages **38** to **39** of this report.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Butambala District Local Government for the Financial Year 2024/2025 and reviewed 12 sampled procurement transactions. The inspection involved a review of procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the PPDA Act, Cap. 205, the PPDA Regulations, 2023 and PPDA Regulations, 2014 on Force Account Mechanism, and PPDA Guidelines, 2024.

1.2 Inspection Objectives

The overall objective of the compliance inspection was to assess and establish the degree of compliance of Entity's procurement system, process and disposal with the provisions of the PPDA Act, Cap. 205; the PPDA Regulations, 2023 and PPDA Regulations, 2014 on Force Account Mechanism; and PPDA Guidelines, 2024 and the level of procurement performance over the inspection period.

The specific objectives of the inspection were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act, Cap. 205 and PPDA Regulations 2014 and 2023 with regard to the performance of the procurement structures and conduct of procurement and disposal processes;
2. Assess the degree of compliance of the Entity' disposal process with the provisions of the PPDA Act, Cap. 205 and PPDA Regulations 2023;
3. Assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process;
4. Assess the implementation of the Force on Account Mechanism for road works; and
5. Assess the performance of Microscale Irrigation Projects under the UGIFT program.

1.3 Structure of the Entity

According to Section 28 of the PPDA Act, Cap. 205, the Accounting Officer has the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. The Accounting Officer of Butambala District Local Government during the Financial Year under review was Mr. Abdulnoor Muwonge Mbaagwa, the Chief Administrative Officer.

The Permanent Secretary/Secretary to the Treasury of the Ministry of Finance Planning & Economic Development approved the members of the Contracts Committee listed in Table 1 below:

Table 1: Contracts Committee Members for FY 2024/2025

No.	Name	Job Title	Position on Committee	Date of Appointment	Date of Expiry
1.	Ms. Josephine Namutebi	Senior Assistant Secretary	Chairperson	4th May 2022	4th May 2025
2.	Mr. Paul Lule	Education Officer	Secretary	13th March 2023	13th March 2026

3.	Ms. Winifred Namuli	Assistant District Health Officer	Member	21st May 2025	21st May 2026
4.	Mrs. Sarah Wamala	District Community Development Officer	Member	13th March 2023	13th March 2026
5.	Mr. Salian Tumwesigye	Principal Finance Officer	Member	13th March 2023	13th March 2026

According to Section 33 of the PPDA Act, Cap. 205, all procurement or disposal activities of the Procuring and Disposing Entity except adjudication and the award of contract were to be managed by the Procurement and Disposal Unit. The Procurement and Disposal Unit was fully staffed during the period under review in accordance with Section 32 of the PPDA Act, Cap. 205 as indicated in Table 2 below:

Table 2: Staff in the Procurement and Disposal Unit

No.	Name	Position	Qualification	Date of appointment
1.	Mr. Isaac Ssenyomo	Senior Procurement Officer	• Master's in Business Administration • Bachelor of Procurement & Logistics Management	3rd May 2011
2.	Ms. Olive Nansubuga	Procurement Officer	• Postgraduate Diploma in Procurement and Supply Chain Management • Bachelor of Procurement & Logistics Management	3rd May 2017

1.4 Scope of the Inspection

The compliance inspection involved a review of the procurement process, disposal process, general compliance issues and contract implementation of 12 transactions under the Financial Year 2024/2025 vide Appendix 1.

1.5 Methodology

Under the supervision of the Regional Manager, Central Region, two Senior Officers Performance Monitoring and an Officer Performance Monitoring conducted the exercise. They examined records and documents for each sampled procurement transaction and obtained relevant and sufficient evidence to derive the compliance inspection conclusions. This involved a review of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and management.

During the compliance inspection exercise, the inspection team met with the staff from the Procurement and Disposal Unit, Contracts Committee, Internal Audit and User Departments where necessary, to obtain crucial qualitative information about the internal control system and processes in place.

The compliance inspection commenced on 24th November 2025 and thereafter, a debrief meeting to discuss preliminary findings was held with the Entity's management and staff on 26th November 2025 before the team could embark on preparation of the management letter. The management letter was sent to the Entity on 27th March 2026 with a request to submit a Management Response by 7th April 2026 which was submitted on 10th April 2026.

On completion of data collection and before writing the report, the Inspection Manager reviewed the working papers for completeness. The working papers contained chronology of findings on each of the sampled transactions. The inspection report presents the key findings and conclusion arising from the inspection.

CHAPTER TWO: FINDINGS AND RECOMMENDATIONS

2.1 COMPLIANCE WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP. 205 AND PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS REGULATIONS 2014 AND 2023 WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT AND DISPOSAL PROCESSES

2.1.1 Expiration of the membership of one of the members on the Contracts Committee

Section 29 (1) and (2) of the PPDA Act, Cap. 205 and the PPDA (Amendment of Schedule 4) Instrument, 2023 provides that ''*a Contracts Committee of a Procuring and Disposing Entity shall be composed of a Chairperson; a maximum of three other members, one of whom shall be a lawyer, except for a Contracts Committee of a Local Government, where the members may not include a lawyer; and the secretary to the Contracts Committee and the committee shall be approved by the Permanent Secretary/Secretary to the Treasury*''.

The Authority found that the Contracts Committee Chairperson, Ms. Josephine Namutebi term expired in May 2025, almost two months before the end of the financial year 2024-2025, without approval for renewal or appointment of another member by the Permanent Secretary/ Secretary to the Treasury.

The Authority also noted that the membership for three members i.e., Mr. Paul Lule, Mrs. Sarah Wamala and Mr. Salian Tumwesigye was expiring in the March 2026 of the financial year 2025-2026. The details of the Committee are as indicated in Table 3 below:

Table 3: Contracts Committee Members for FY 2024/2025

No.	Name	Job Title	Position on Committee	Date of Appointment
1.	Ms. Josephine Namutebi	Senior Assistant Secretary	Chairperson	4th May 2022
2.	Mr. Paul Lule	Education Officer	Secretary	13th March 2023
3.	Ms. Winifred Namuli	Assistant District Health Officer	Member	21st May 2025
4.	Mrs. Sarah Wamala	District Community Development Officer	Member	13th March 2023
5.	Mr. Salian Tumwesigye	Principal Finance Officer	Member	13th March 2023

Implications

- Failure to fully constitute a Contracts Committee denied the Procuring and Disposing Entity a balance of skills and experience of persons of proven track record of sound judgment, decision-making and a recognised professional discipline in accordance with Regulation 4 (4) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.
- Failure to raise quorum impacts on timely execution of procurement decisions and therefore risking the Entity to delays in service delivery.

Management Response

Management noted the Authority's observation and explained that new members i.e., Ms. Joan Nayiga, Mr. Ibrahim Senkungu and Mr. Faisal Lubega were nominated and appointed by PS/ST on 5th December 2025. Ms. Winnie Namuli was re-designated Chairperson Contracts Committee.

Authority's comment: The Authority noted the Entity's response and the PS/ST approval of the three members. However, the Contracts Committee for FY 2025/26 remained not fully constituted, operating with four members instead of five. In addition, the Entity did not provide letters of appointment for the newly approved members or the re-designation letter for Ms. Winnie Namuli as Chairperson, and there was no evidence of induction of the new members. The composition for FY 2025/26 is therefore as presented in Table 4 below:

Table 4: Contracts Committee Members for FY 2025/2026

No.	Name	Job Title	Position on Committee	Approval by PS/ST
1.	Ms. Winifred Namuli	Assistant District Health Officer	Member/ Chairperson	21st May 2025
2.	Mr. Ibrahim Senkungu	Physical Planner	Member	5th December 2025
3.	Mr. Faisal Lubega	District Commercial Officer	Member	5th December 2025
4.	Ms. Joan Nayiga	Senior Records Officer	Member	5th December 2025

Recommendations

The Accounting Officer should:

a) Nominate a member from among the public officers of the Procuring and Disposing Entity, submit to PS/ST for approval and formerly appoint the member using Form 1 of the Schedule to fully constitute the Contracts Committee as provided for under Regulation 4 of the PPDA (Procuring and Disposing) Regulations, 2023;
b) Appoint the members of a Contracts Committee in writing, by letter of appointment in accordance with Section 28 (1) (b) of the PPDA Act, Cap. 205 and;
c) Engage the Authority to induct the new Contracts Committee members on their roles and responsibilities so as to enhance their performance of the procurement function.

2.1.2 Failure to fully implement 33.3% of the previous audit recommendations

Section 10 (1) (a) of the PPDA Act. Cap. 205 provides that; "*where there is persistent breach of this Act or Regulations or Guidelines made under this Act, the Authority may direct the concerned Procuring and Disposing Entity to take such corrective action as may be necessary in the circumstances, to rectify the breach*".

Butambala District Local Government was issued a compliance inspection report for the Financial Year 2022/2023 in May 2024. Out of 9 recommendations made, one recommendation representing 11.1% was not implemented, two recommendations representing 22.2% were partially implemented while six representing 66.7% were implemented as indicated in Table 5 below:

Table 5: Implementation of Previous Audit Recommendations

No.	Recommended Action	Status	Management Response
1.	The Accounting Officer should expedite the disposal process of the remaining items and liaise with Entities that have ownership of items due for disposal to ensure that they are disposed of in a timely manner in accordance to Regulation 2 (l) of the PPDA (Disposal of Public Assets) Regulations, 2023	Not implemented	*Management acknowledged the Authority's observation and explained that the Entity intends to dispose the items in the financial year 2026/2027 on conclusion of Valuation by the chief Government Valuer.* **Authority's comment:** The Authority noted the Entity's repsonse; however, there was no supporting evidence of the valuation exercise provided.
2.	The Head Procurement and Disposal Unit should Archive all documents pertaining to a particular procurement on their respective files in accordance with Section 3l (o) of the PPDA Act. 2003 as amended	Partially implemented	*Management acknowledged the Authority's observation and explained that the entity intends to improve on this and is in the process of allocating space to PDU.*
3.	The Contract Manager should ensure effective contract management in accordance with the terms and conditions of the contract in line with Regulation 52 (3) (a) (i) of the PPDA (Contracts) Regulations. 2023.	Partially implemented	*Management acknowledged the Authority's observation and explained that the Entity intends to train user departments on Contract Management once funds are availed.*

Implication

Failure to fully implement audit recommendations impacted on performance improvement of the procurement function and portrayed a weak implementation mechanism by the Entity.

Recommendation

The Accounting Officer should task the Internal Auditor to follow up with the full implementation of the Authority's previous audit recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205

2.1.3 Failure by the Internal Auditor to audit the procurement and disposal function

Regulation 27 (a) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 provides that; "*the internal audit department of a Procuring and Disposing Entity shall audit the method used for a procurement and the payment made to establish whether the supplies, works or services are properly ordered, received, verified and paid for in accordance with the Public Finance Management Act, 2015 and the other applicable laws*".

The Authority found that the Internal Auditor did not audit the methods used for procurements and the payments made to establish whether the supplies, works or services were properly ordered, received, verified and paid for, during the financial year under review, contrary to Regulation 27 (a) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

Implication
This hindered performance improvement of the Entity's procurement and disposal function with payment vouchers and required documentation before payments, missing on procurement action files.

Management Response
Management noted the Authority's observation and explained that the Internal Auditor had been auditing individual procurement files, including signing on payment certificates.

Authority's Comment: Noted the Entity's response; however, internal audit reports were not provided for verification.

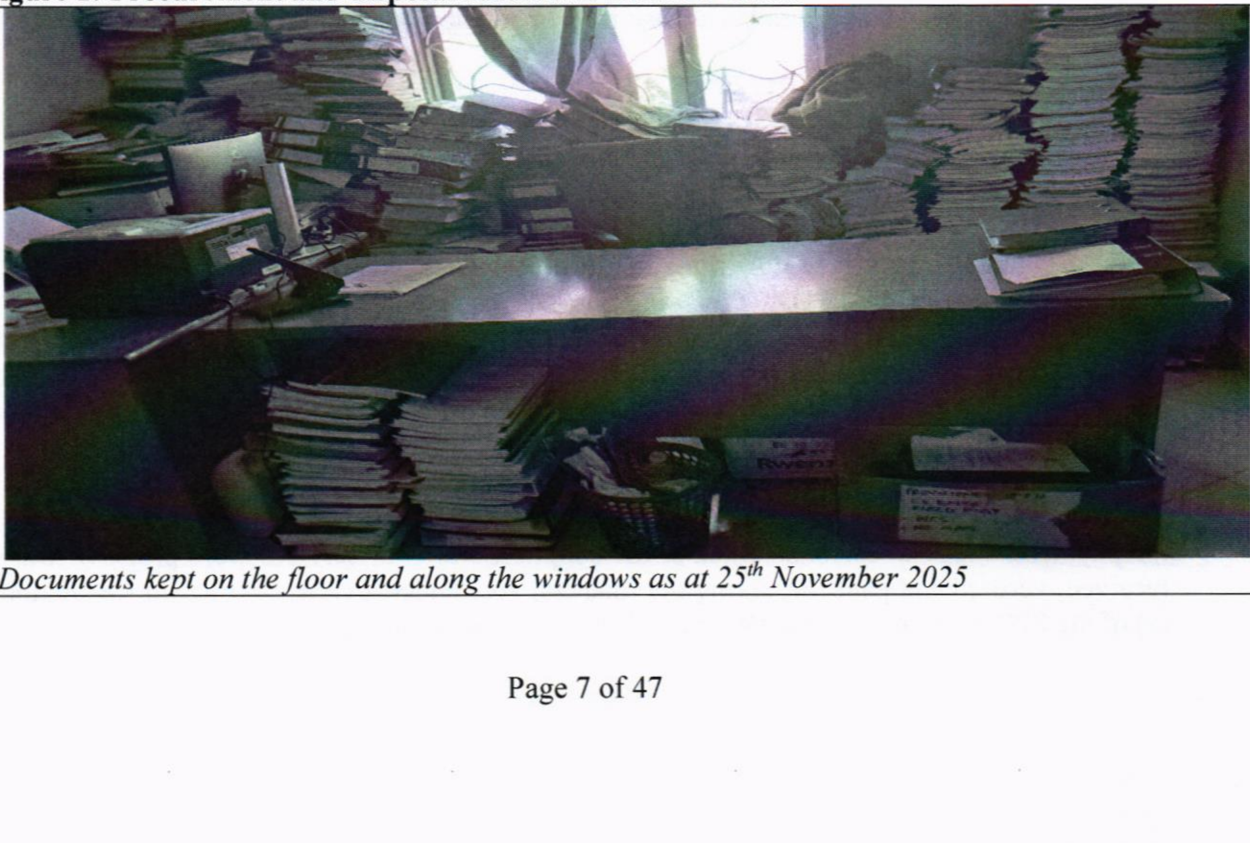
Recommendation
The Head of Internal Audit should audit the procurement and disposal procedures in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.1.4 Inadequate storage facilities for procurement and disposal records

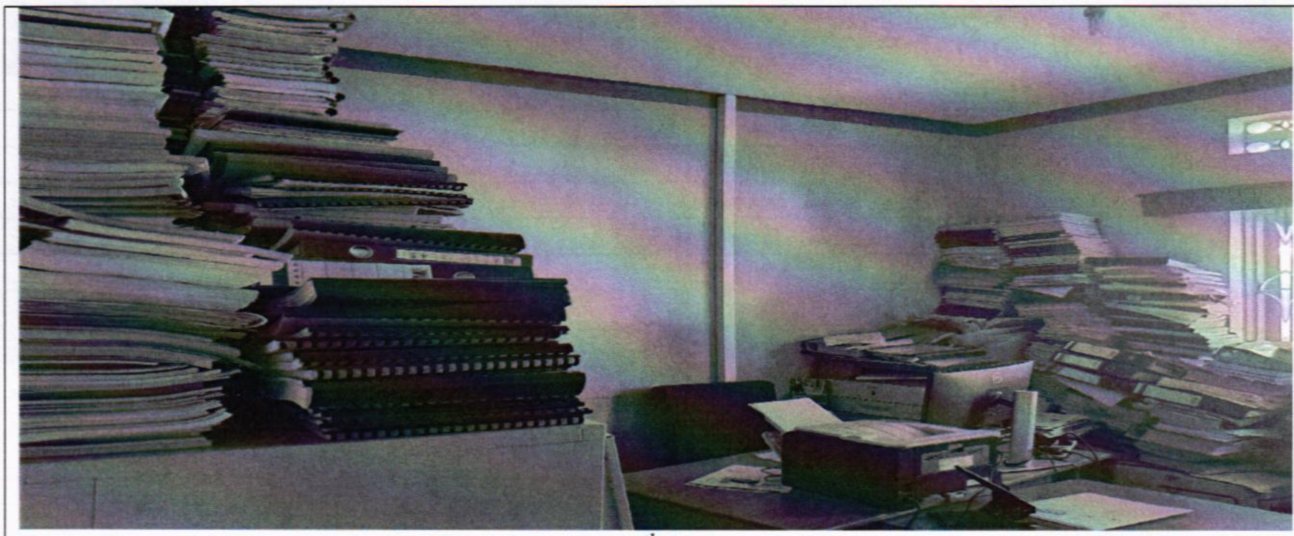
Section 44(1) of the PPDA Act Cap. 205 provides that; ''*a Procuring and Disposing Entity shall maintain records on its procurement and disposal proceedings for a period of seven years from the date of a decision to terminate the procurement or disposal action, or the date of the contract completion, whichever comes later, except where a contract is ongoing or is challenged, in which case, the records shall be kept for an additional year after the completion of the contract or the settlement of the dispute, whichever comes earlier*''.

The Authority found that the Entity did not have sufficient storage facilities to keep the procurement and disposal records. The procurement files and documents were kept on the floor in the Procurement and Disposal Unit, exposing them to the risk of dampness and attack by termites as evidenced in Figure 1 below:

Figure 1: Procurement and disposal records in the PDU Office



Documents kept on the floor and along the windows as at 25th November 2025



Some documents were on the bookshelves as at 25th November 2025

Implication
There was misplacement of procurement records with exposure to destruction, damage and theft of documentation which impacted on transparency and accountability.

Management response
Management acknowledged the Authority's observation and explained that space will be allocated in the District Health Officer's, Office building which is nearing completion.

Authority's Comment: The Authority noted the Entity's response; however, the Entity did not provide the expected timeline for completion and handover of the District Health Officer's office building, and therefore the date by which the required space will be made available could not be confirmed. Accordingly, the observation was maintained.

Recommendation
The Accounting Officer should provide a temporary space for maintaining and archiving records of the procurement and disposal process to preserve them from destruction in accordance with Section 44(1) of the PPDA Act, Cap. 205.

2.1.5 Failure to adhere to reporting timelines

Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 provides that; "*a Procuring and Disposing Entity shall for each month, using the format of Form 2 of the Schedule, submit to the Authority, by the fifteenth day of the following month, a report on the procurement activities undertaken by the Procuring and Disposing Entity*".

The Authority found that the Entity did not submit monthly reports for October, November, December and April; and delayed to submit monthly reports for July, August, January, March, May and June of the financial 2024-2025, by an average of 40 working days, contrary to Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023, as indicated in Table 6 below:

Table 6: Details of submission of monthly reports

No.	Reports	Date received by the Authority	No. of days delayed
1.	July, 2024	10th October 2024	39
2.	August, 2024	10th October 2024	17
3.	October, 2024	Not submitted	-
4.	November 2024	Not submitted	-
5.	December 2024	Not submitted	-
6.	January 2025	17th March 2025	20
7.	March 2025	22nd August 2025	87
8.	April 2025	Not submitted	-
9.	May 2025	22nd August 2025	49
10.	June 2025	22nd August 2025	28
Average			**40 working days**

Implication

Failure and delay to submit procurement monthly reports to the Authority and other relevant agencies facilitates weak oversight and accountability in the procurement function and may further lead to delayed detection of procurement and contract risks and reduced transparency and stakeholder confidence.

Management response

Management noted the Authority's observation and explained that the district faced a number of logistical challenges, however, with the introduction of e-reporting Link, there was an improvement.

Recommendation

The Accounting Officer should submit the monthly procurement and disposal reports to the Authority by the 15th day of the following month, in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 and through electronic submissions via the E- Reporting Link (https://ereports.ppda.go.ug/) as provided in Circular No. 5 of 2025.

2.1.6 Failure to implement 14.9% of the procurement plan

Section 60 (7) of the PPDA Act, Cap. 205 provides that "*a Procuring and Disposing Entity shall, on a quarterly basis and in any other case, wherever necessary, review and update its procurement plan*".

The Entity's total procurement budget for the Financial Year 2024/2025 was UGX 4,528,622,360 as noted from the Entity's consolidated procurement plan. The monthly reports submitted to the Authority indicated a total procurement spend of UGX 3,853,516,416 implying that the Entity did not implement planned procurements estimated at UGX 675,105,944 (14.9%). Details of implementation are summarized in Table 7 below:

Table 7: Procurement plan implementation rate

Total procurement plan value (UGX)	4,528,622,360
Actual procurement spends (UGX	3,853,516,416
Variance (UGX)	675,105,944
Percentage implementation rate (%)	86.1%
Variance (%)	14.9%

Notably, some of the planned procurements were also not implemented as indicated in Table 8 below:

Table 8: Planned procurements not implemented

No.	Subject of Procurement	Planned value (UGX)	Source of Funding
1.	Maintenance of plant and vehicles under works	74,000,000	UR & TDG
2.	Cleaning Service to Gombe Hospital	32,000,000	LRR
3.	Supply of printed stationery	25,000,000	LRR
4.	Renovation of Kilokora Epicentre Centre - Kalamba Sub County	17,000,000	PHC
5.	Supply of general goods to Gombe Hospital	15,000,000	PHC
	Total	**163,000,000**	

Implication

Failure to fully implement planned procurements impacted on service delivery to the beneficiaries.

Management Response

Management noted the Authority's observation and explained that items in Table 8 above were implemented with the exception of Renovation of Kilokora Epicentre Centre -Kalamba Sub County.

Authority's comment: Noted the Entity's response; however, no documentation was provided on implementation of the procurements in Table 8 above.

Recommendations

1. The Accounting Officer and Management should regularly carry out a review of the implementation of the procurement plan and update plan with justifications for projects not to be implemented in accordance with Section 60 (7) of the PPDA Act Cap. 205 to ensure improved performance.
2. The Head, Procurement and Disposal Unit should integrate its procurement budget with its expenditure programme and aggregate requirements for a realistic budget against more realistic procurement plan in accordance with Section 60 (2) (a) and Section 60 (2) (d) of the PPDA Act Cap. 205.

2.1.7 Incomplete Procurement Requisition Forms

Regulation 3 (2) (c) of the PPDA (Rules and Methods for procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023 provides that; "*initiation for a procurement requirement shall include confirmation of availability of funds to support the procurement*".

The Authority noted that in 11 transactions worth UGX 2,136,816,214, the procurement requisitions had sections not filled and the funds availability section not filled with Vote/head No., Programme, sub-programme, item and balance remaining; contrary to Regulation 3 (2) (c) of the PPDA (Rules and Methods for procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023 as indicated in Table 9 below:

Table 9: Incompleteness of the procurement requisition form

No.	Subject of Procurement	Amount (UGX)
1.	Construction of a 2 Classroom Block at Butawuka Umea Ps in Bulo Subcounty & Kitagobwa Umea Ps in Ngando Subcounty	166,063,878
2.	Renovation of a 4-classroom block at Kitagobwa sss-Ngando Sub County	141,212,370
3.	Construction of a 2 Classroom block at Gombe Umea Primary School in Gombe Town Council Using SFG Funds	82,982,000
4.	Construction of DHO offices phase III at the District Headquarter	339,757,748
5.	Sitting, Drilling and installation of 2 deep boreholes at Kibugga-Buligi Budde Subcounty and Bule Bulo Subcounty	57,206,400
6.	Construction of 2no. 5 stance lined pit latrine at Nawango COU PS and Kyerima UMEA PS-Bulo subcounty	53,449,280
7.	Extension of piped water system borehole pumped to Kitagobwa-Bugobango in Ngando Sub-County 2.5km	101,834,000
8.	Mechanised maintenance of Roads 18.7Km in Ngando Sub-County using Transitional Grant Funds (Nyamayaalo-Bukesa-Ngando TC Road 4.1Km, Bugobango-Kiteza Road 2.7Km, Kitagobwa-Lwezo-Kanoni Main Road 3.6Km, Kasozi-Ntenga-Muyanga Road 2.8km, Kitagobwa Primary -Bugobango Ring Road 1.6Km and Bukesa-Nababirye-Lwanjiri Main Road 3.9Km	382,000,000
9.	Design, supply and installation of irrigation equipment to Farmers in Butambala DLG co-paid funds	240,687,700
10.	Mechanised maintenance of Roads 11.3Km in Gombe Town Council using Transitional Development Grant Funds (Serene Ring Road 3km, Bugoye-Ring Road Namilyango-Segabi 5Km and Gombe Ring Road 3.3Km)	286,399,338
11.	Mechanised maintenance of Roads 13.7Km in Kibibi Town Council using Transitional Development Grant Funds (Katende Ring Road 1Km, Mulamuzi-Ssabagabo-Hidden Treasure Road 8.2Km and Kibibi-Simba A- Butaaka Road 3Km)	285,223,500
Total		**2,136,816,214**

Implication

Failure to complete funds availability section of the requisition Form 5 led to execution of procurement activities not on approved procurement plan.

Management Response

Management acknowledged the Authority's observation and explained that the User Departments were not yet fully conversant with requisition form 5, therefore, Sector Accountants were tasked to assist in completion of the sections omitted.

Recommendations

1. The Accounting Officer should verify funding availability before approving the initiation request in accordance with Regulation 4 (3) of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023.
2. The Head, Procurement and Disposal Unit should liaise with the User Department for complete submission of the procurement requisition in accordance with Regulation 3 (2) of the PPDA

(Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023.

2.1.8 Inadequate solicitation documents

Section 67 (2) of the PPDA Act Cap. 205 provides that; "*all solicitation documents shall detail the terms and conditions, which shall apply to any resulting contract; and contain the General Conditions of Contract, or a statement of the General Conditions of Contract which shall apply*".

The Authority found that in four procurements worth UGX 730,015,996, the Procurement and Disposal Unit prepared a bidding document requiring the bidder to submit equipment that were not required in the execution of the works and requesting for the submission of a bid securing declaration with a bid security simultaneously, contrary to section 67 (2) of the PPDA Act Cap. 205 as indicated in Table 10 below:

Table 10: Inadequate solicitation documents

No.	Subject of Procurement	Amount (UGX)	Irregularity
1.	Construction of DHO offices phase III at the District Headquarters	339,757,748	Both the Bid Securing Declaration and a Bid Security of UGX 6,800,000 were required, contrary to Regulation 63 (1) of the PPDA (Rules and Methods for procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023.
2.	Construction of a 2 Classroom Block at Butawuka Umea Ps in Bulo Subcounty & Kitagobwa Umea Ps in Ngando Subcounty	166,063,878	Excessive requirements for equipment, i.e., two Poker Vibrator and two Welding Machines. Construction works of this magnitude may not require all the equipment in the criteria and such requirements may deter local firms from bidding.
3.	Renovation of a 4-classroom block at Kitagobwa SSS-Ngando Sub County	141,212,370	
4.	Construction of a 2 Classroom block at Gombe Umea Primary School in Gombe Town Council Using SFG Funds	82,982,000	
Total		**730,015,996**	

Implication

The excessive requirement could have discouraged potential bidders leading to low bidder participation.

<u>Management Response</u>

Management acknowledged the Authority's observation and explained that corrective measures had been taken to ensure that all solicitation documents meet the desired standards.

Recommendation

The Head, Procurement and Disposal Unit should, during preparation of bidding documents, require bid securing declaration for all procurements under quotation method and require sufficient equipment that are proportionate to the works to be executed in accordance with Regulations 33-38 of the PPDA (Rules and Methods for procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023.

2.1.9 Failure to communicate the invitation to bid to all shortlisted bidders

Section 59 (1) of the PPDA Act. Cap. 205 provides that "*all communication between a Procuring and Disposing Entity, bidder, or provider, shall be in writing and may be transmitted electronically and communication in any other form shall be referred to and confirmed in writing*".

The Authority found there was no evidence of communication of the invitation to bid to all shortlisted bidders, including electronic means such as email in eight procurements worth UGX 1,183,193,376 as indicated in Table 11 below:

Table 11: Procurements with no evidence of communication of the invitation to bid

No.	Subject of Procurement	Value (UGX)
1.	Extension of piped water system borehole pumped to Kitagobwa-Bugobango in Ngando Sub-County 2.5km	101,834,000
2.	Design, supply and installation of irrigation equipment to Farmers in Butambala DLG co-paid funds	240,687,700
3.	Construction of a 2 Classroom Block at Butawuka Umea Ps in Bulo Subcounty & Kitagobwa Umea Ps in Ngando Subcounty	166,063,878
4.	Renovation of a 4-classroom block at Kitagobwa sss-Ngando Sub County	141,212,370
5.	Construction of a 2 Classroom block at Gombe Umea Primary School in Gombe Town Council Using SFG Funds	82,982,000
6.	Construction of DHO offices phase III at the District Headquarters	339,757,748
7.	Sitting, Drilling and installation of 2 deep boreholes at Kibugga-Buligi Budde Subcounty and Bule Bulo Subcounty	57,206,400
8.	Construction of 2no. 5 stance lined pit latrine at Nawango COU PS and Kyerima UMEA PS-Bulo subcounty	53,449,280
	Total	**1,183,193,376**

Implication

Failure to communicate the invitation to bid to all shortlisted bidders concealed bid opportunities, limited bidder awareness, thus leading to low bidder participation.

Management Response

Management has taken note of the Authority's observation and explained that mobile phone calls were used to communicate the invitations to bidders who in turn signed form 8 on issue of documents. Further explained that, in the current year 2025-2026, electronic mails were resorted to, as a means of communication to all the short-listed bidders.

Authority's comment: The Authority noted the Entity's response; however, the Entity did not provide verifiable evidence of the reported email communication to shortlisted bidders, such as printed email trail/screenshots (including recipients, subject lines, dates and attachments) or other proof of electronic transmission. Accordingly, the observation was maintained.

Recommendation
The Accounting Officer should disseminate the invitation to bid to all the shortlisted bidders for a specific procurement through the legal channels including the electronic means of transmission in accordance with Section 59 (1) of the PPDA Act, Cap. 205.

2.1.10 Delays in the bidding process
Section 51 of the PPDA Act. Cap. 205 provides that; "*all procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money*".

The Authority found that the Entity delayed to issue bidding documents by an average of 82 working days from the date of confirmation for the availability of funding by the Accounting Officer, in five procurements worth UGX 500,913,928, as indicated in Table 12 below:

Table 12: Irregularities observed during bidding

No.	Subject of Procurement	Amount (UGX)	PPDA Finding
1.	Sitting, Drilling and installation of 2 deep boreholes at Kibugga-Buligi Budde Subcounty and Bule Bulo Subcounty	57,206,400	• Delay of 90 working days in issuance of bidding documents. Confirmation for the availability of funding was done by the Accounting Officer on 19th September 2024, but the invitation and issue of bids was done on 29th January 2025.
2.	Construction of a 2 Classroom Block at Butawuka Umea Ps in Bulo Subcounty & Kitagobwa Umea Ps in Ngando Subcounty	166,063,878	• Delay of 80 working days in issuance of bidding documents. Confirmation for the availability of funding was done by the Accounting Officer on 16th September 2024 but the invitation and issue of bids was done on 10th January 2025.
3.	Construction of 2no. 5 stance lined pit latrine at Nawango COU PS and Kyerima UMEA PS-Bulo subcounty	53,449,280	• Delay of 80 working days in issuance of bidding documents. Confirmation for the availability of funding was done by the Accounting Officer on 16th September 2024 but the invitation and issue of bids was done on 10th January 2025.
4.	Renovation of a 4-classroom block at Kitagobwa sss-Ngando Sub County	141,212,370	• Delay of 81 working days in issuance of bidding documents. Confirmation for the availability of funding was done by the Accounting Officer on 16th September 2024 but the invitation and issue of bids was done on 13th January 2025.
5.	Construction of a 2 Classroom block at Gombe Umea Primary School in Gombe Town Council Using SFG Funds	82,982,000	• Delay of 81 working days in issuance of bidding documents. Confirmation for the availability of funding was done by the Accounting Officer on 16th September 2024 but the invitation and issue of bids was done on 13th January 2025.
Total		**500,913,928**	

Implication
Delays in the issue of bidding documents impacted on the lead time of the procurement process and hence delay in service delivery to the intended beneficiaries.

Management Response
Management acknowledged the Authority's observation and explained that User Departments initiated all the requisitions without first ascertaining availability of all the allocated funding. The Education Department, for example, after initiation, discovered that some funding had been allocated to UPDF Engineers Brigade. Other delays after initiation were due to changes in the Bills of quantities and scope of works. The Ministry of Education and Engineers Brigade were engaged to avoid such delays in subsequent procurements.

Recommendation
The Accounting Officer should task the Heads of User Departments to initiate procurements in accordance with the approved budgets and liaise with the District Engineer to prepare bills of quantities in line with the approved budget for each procurement expeditiously for efficiency in accordance with Section 51 of the PPDA Act, Cap. 205

2.1.11 Failure to sign the Evaluation Report by all the Evaluation Committee Members

Regulation 4 (15) of the PPDA (Evaluation) Regulations, 2023 provides that; "*where a member of the Evaluation Committee does not or is not able to sign the report, the member shall, in writing, give reasons why he or she did not or was not able to sign the report*".

The Authority found that in the procurement for the Supply, Delivery and Installation of ICT Equipment to Kibibi Seed Secondary School worth UGX 165,000,000, Mr. Siraje Muyomba, the ICT officer did not sign the evaluation reports and there was no written justification which was contrary to the above regulation.

Implication
The technical person may have not been actively involved in the evaluation, thus limiting technical input to the evaluation process which exposes the Entity to the risk of awarding contracts to non-responsive bidders.

Management Response
Management acknowledged the Authority's observation and explained that the officer was granted early retirement on political Grounds, however, the Evaluation Committee already had other members making quorum.

Authority's comment: Noted the Entity's response. However, the evaluation was conducted on 12th February 2025, before the request for early retirement had been approved. Notably the request for early retirement was approved on 31st May 2025.

Recommendation
The Contracts Committee should desist from approving Evaluation Committee recommendations not signed by all approved members including a technical, with no written justification in accordance with Regulation 4 (15) of the PPDA (Evaluation) Regulations, 2023.

2.1.12 Low bidder participation

Sections 48 and 49 of the PPDA Act, Cap. 205 provides that; ''*all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money*''.

The Authority found that, the Entity, shortlisted and approved six bidders under quotation method in accordance with Regulation 20 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. However, on average, two bids were received by the Entity for four procurements worth UGX 605,170,348, which reduced competition and value for money contrary to Sections 49 of the PPDA Act Cap. 205. The procurements are as indicated in Table 13:

Table 13: Procurements with low bidder participation

No.	Subject of procurement	Amount (UGX)	No. of bids received
1.	Design, supply and installation of irrigation equipment to Farmers in Butambala DLG co-paid funds	240,687,700	2
2.	Construction of a 2 Classroom Block at Butawuka Umea Ps in Bulo Subcounty & Kitagobwa Umea Ps in Ngando Subcounty	166,063,878	2
3.	Renovation of a 4-classroom block at Kitagobwa sss-Ngando Sub County	141,212,370	2
4.	Sitting, Drilling and installation of 2 deep boreholes at Kibugga-Buligi Budde Subcounty and Bule Bulo Subcounty	57,206,400	2
	Total	**605,170,348**	

Implications

This undermined the objective of the quotation method and reduced the Entity's ability to secure value for money, since the limited bidder response (an average of two bids) constrained price and quality competition despite a larger approved shortlist. This also increased the risk of inflated prices, collusion, and repeated awards to a narrow pool of providers.

Management response

Management acknowledged the Authority's observation and explained that this was due to limited budgets that could not attract bidders; and the entity was trying to look for alternative solutions including lobbying for more funds from the Central Government.

Recommendations

The Accounting Officer should:

a) Direct the Head, Procurement and Disposal Unit to strengthen competition under the quotation method by:
   i. Conducting market engagement to confirm supplier availability and capacity before issuing invitations, and
   ii. Reviewing and addressing factors that limit participation (e.g., restrictive specifications, short response periods, unclear requirements).

b) Where bidder response remains low, document the reasons and consider an alternative procurement method or re-invitation in line with Sections 48 and 49 of the PPDA Act, Cap. 205, to enhance competition and value for money.

2.2 COMPLIANCE OF THE ENTITY' DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, CAP. 205 AND THE PPDA REGULATIONS.

2.2.1 Failure to dispose obsolete assets

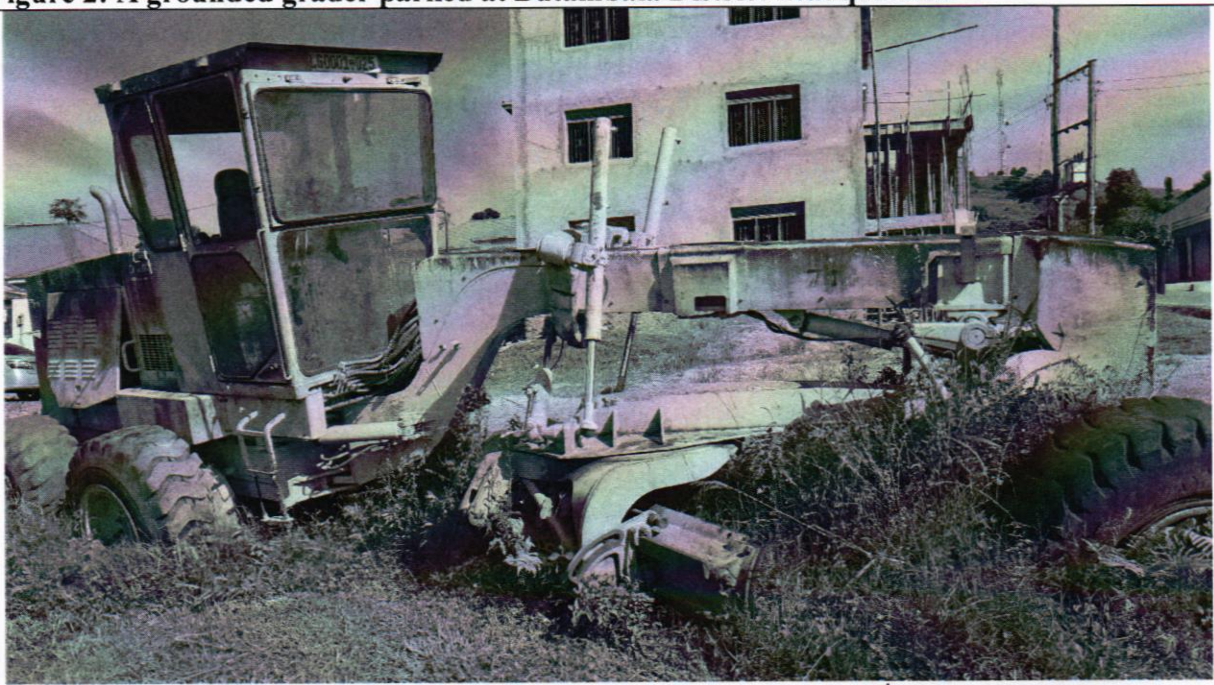
Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023 provides that; "*a Procuring and Disposing Entity may use the board of survey or a User Department to identify the public assets to be disposed of*".

A review of the Board of Survey report for the Financial Year 2023/2024 dated 14th August 2024 and received on 21st August 2024 by Ministry of Finance, Planning and Economic Development, the Authority found that a number of items were recommended for disposal. However, no action was taken to dispose of the assets as indicated in Table 14 and Figure 2:

Table 14: unserviceable items recommended for disposal

Item	Unique identifier (Tag/Registration Number)	Quantity	Location
Yamaha motorcycle	LG-0171-34	1	Natural Resource
Yamaha motorcycle	LG-0166-34	1	Natural Resource
Motorcycle	LG-0155-34	1	Kibibi Town Council
Motorcycle	LG00167-34	1	Gombe Town Council
Mettalic beds	-	15	District Hospital
Old delivery bed	-	2	District Hospital
Autoclaves	BUT/HL/AUC	3	District Hospital
Iron sheets	-	300	Gombe Umea P/S & Kalamba Town Council
FAW-Tipper	LG 0002-025	1	Works

Figure 2: A grounded grader parked at Butambala District headquarters



Non-functional motor grader parked at the district headquarter as at 25th November 2025

Implications

- Failure to dispose boarded off assets inhibited the achievement of value for money in the assets due to loss of value as a result of further deterioration and vandalism.
- Obsolete assets occupy space that could have been utilised for other purposes and pose a health and safety hazard.

Management Response

Management acknowledged the Authority's observation and explained that the Disposal had been planned for the coming financial year 2026/2027, upon valuation of assets by the Chief Government Valuer. Further to note, in the financial year 2023/2024, the Ministry of Works halted the planned disposal of the non-functional grader without providing clarity up to date.

Authority's comment: Noted the Entity's response; however, the Authority noted the following;

- There was no documentation on commitment to dispose of in the financial year 2026/2027, including attempt to invite the Chief Government Valuer for the valuation of obsolete motorcycles and vehicles.
- Having valued the Motor Grader on 22nd November 2022 with a reserve price of shs 45,000,000, the Entity advertised and received bidders however the process was halted with the aim of repairing it and as such, the Entity wrote to Ministry of works on 24th November 2024, seeking further guidance. The Authority found no response on file from Ministry of Works and the asset is still losing value. There was also no evidence that the Grader had been repaired as seen in Figure 2 above.

Recommendations

1. The Accounting Officer should:
   i) Determine the reserve price of the assets to be disposed of by obtaining a valuation in accordance with Regulation 24 of the PPDA (Disposal of Public Assets) Regulations, 2023);
   ii) Follow up with the Office of the Chief Mechanical Engineer, Ministry of Works on the next course of action regarding the Motor Grader and;
   iii) Prepare and submit to the Authority the Disposal Plan including all assessed and verified items for disposal in accordance with Section 60 (1) and (2) (c) of the PPDA Act, Cap. 205.
2. User Departments should initiate the disposal process by making a request for disposal on items recommended for disposal after the Board of Survey with the approval by Accounting Officer in accordance with Regulation 3 of the PPDA (Disposal of Public Assets) Regulations, 2023.

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 Failure to Maintain Contract Management Records

Section 44(1) of the PPDA Act, Cap. 205 provides that "*a Procuring and Disposing Entity shall maintain records on its procurement and disposal proceedings for a period of seven years from the date of a decision to terminate the procurement or disposal action, or the date of the contract completion, whichever comes later, except where a contract is ongoing or is challenged, in which case, the records shall be kept for an additional year after the completion of the contract or the settlement of the dispute, whichever comes earlier*".

The Authority found that three contracts worth UGX 953,622,838 had missing contract management records including performance securing declaration and Evidence of Insurance cover among others contrary to Section 44 (1) of the PPDA Act, Cap. 205 as indicated in Table 15 below:

Table 15: Procurements with missing records on the Procurement Action Files

No.	Subject of Procurement	Amount (UGX)	Missing Records	Management Response
1.	Mechanised maintenance of Roads 11.3Km in Gombe Town Council using Transitional Development Grant Funds (Serene Ring Road 3km, Bugoye-Ring Road Namilyango-Segabi 5Km and Gombe Ring Road 3.3Km)	286,399,338	The following records were missing: • Evidence of Insurance cover from the contract start date to the end of the defects liability period as required under GCC 13.1 of the contract. • Performance Securing Declaration as required under GCC 52.3 of the contract.	*Management explained that the records were with other users and were being used by the national assessment team.* **Authority's comment**: The Authority noted the Entity's response; however, the Entity did not provide the outstanding records for this procurement for verification.
2.	Mechanised maintenance of Roads 18.7Km in Ngando Sub-County using Transitional Grant Funds (Nyamayaalo-Bukesa-Ngando TC Road 4.1Km, Bugobango-Kiteza Road 2.7Km, Kitagobwa-Lwezo-Kanoni Main Road	382,000,000	Evidence of Insurance cover from the start date to the end of the defects liability period as required under GCC 13.1 of the contract was missing	*Management explained that the records were with other users and were being used by the national assessment team.*

No.	Subject of Procurement	Amount (UGX)	Missing Records	Management Response
	3.6Km, Kasozi-Ntenga-Muyanga Road 2.8km, Kitagobwa Primary - Bugobango Ring Road 1.6Km and Bukesa-Nababirye-Lwanjiri Main Road 3.9Km			**Authority's comment**: The Authority noted the Entity's response; however, evidence of insurance was not submitted for verification.
3.	Mechanised maintenance of Roads 13.7Km in Kibibi Town Council using Transitional Development Grant Funds (Katende Ring Road 1Km, Mulamuzi-Ssabagabo-Hidden Treasure Road 8.2Km and Kibibi-Simba A- Butaaka Road 3Km)	285,223,500	Evidence of Insurance cover from the start date to the end of the defects liability period as required under GCC 13.1 of the contract was not submitted	*Management explained that the records were with other users and were being used by the national assessment team.* **Authority's comment**: The Authority noted the Entity's response; however, evidence of insurance cover was not submitted for verification.
Total		**953,622,838**		

Implication
Failure to maintain contract management records was a sign of non-transparency and weaknesses in the internal controls that illustrates an ineffective accountability system within the Entity.

Management Response
Management noted the Authority's observation and explained that the records were with User Departments for the attention of the National Assessment Team and had been retrieved for verification.

Recommendations
1. The Head Procurement and Disposal Unit should keep all documentation relating to a procurement on the procurement action file in accordance with Section 44 (1) of the PPDA Act, Cap. 205.

2. Contract Managers should keep and archive all contract management records and distribute copies to key stakeholders including the PDU as required in accordance with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023.

2.3.2 Failure by contractors to submit work programs

GCC 27.1 and 27.3 of the signed contract provides that "*the contractor shall submit the program for the works within 7 days/weeks of delivery of the letter of acceptance. The Period between program updates is 14 days and the amount to be withheld for late submission of an updated program is UGX 100,000*".

The Authority found that the contractors did not submit the program for the works in seven procurements worth UGX 1,469,540,776, contrary to GCC 27.1. Additionally, the Entity did not withhold the prescribed amount of UGX 100,000 for each of the contract as stipulated under GCC 27.3 for the late submission of an updated program. The procurements are as indicated in Table 16 below:

Table 16: Procurements without a works program

No.	Subject of procurement	Value (UGX)
1.	Extension of piped water system borehole pumped to Kitagobwa-Bugobango in Ngando Sub-County 2.5km	101,834,000
2.	Mechanised maintenance of Roads 18.7Km in Ngando Sub-County using Transitional Grant Funds (Nyamayaalo-Bukesa-Ngando TC Road 4.1Km, Bugobango-Kiteza Road 2.7Km, Kitagobwa-Lwezo-Kanoni Main Road 3.6Km, Kasozi-Ntenga-Muyanga Road 2.8km, Kitagobwa Primary -Bugobango Ring Road 1.6Km and Bukesa-Nababirye-Lwanjiri Main Road 3.9Km	382,000,000
3.	Mechanised maintenance of Roads 13.7Km in Kibibi Town Council using Transitional Development Grant Funds (Katende Ring Road 1Km, Mulamuzi-Ssabagabo-Hidden Treasure Road 8.2Km and Kibibi-Simba A- Butaaka Road 3Km)	285,223,500
4.	Construction of a 2 Classroom Block at Butawuka Umea Ps in Bulo Subcounty & Kitagobwa Umea Ps in Ngando Subcounty	166,063,878
5.	Renovation of a 4-classroom block at Kitagobwa SSS-Ngando Sub County	141,212,370
6.	Construction of DHO offices phase III at the District Headquarters	339,757,748
7.	Construction of 2no. 5 stance lined pit latrine at Nawango COU PS and Kyerima UMEA PS-Bulo subcounty	53,449,280
Total		**1,469,540,776**

Implication

This led to ineffective monitoring of the sequence of tasks, timelines, resource allocation and the implementation of key project milestones hence a higher risk of laxity in contract execution.

Management Response

Management noted the Authority's observation and explained that works programs were attached to all bids.

Authority's comment: Noted the Entity's response; however, copies of the program for the works and subsequent program updates were not submitted for verification.

Recommendations

Contract managers should:

a) Always task contractors to submit work programs as per the terms and conditions of the contract before contract execution in accordance with Regulation 52 (3) (ii) of the PPDA (Contracts) Regulations, 2023; and
b) Activate the penalty of UGX 100,000 for each of the contractors for the late/ non-submission of the work programs as required under GCC 27.3 of the Special Conditions of Contract.

2.3.3 Non-adherence to the Environmental, Social, Health, Safety Safeguards

Regulation 52 (1) (a) of the PPDA (Contracts) regulations, 2023 provides that; "*a contract manager shall make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract*".

The Authority found that the District Environment Officer and the District Community Development Officer did not prepare reports on the implementation of the Environmental, Health and Social safeguards (ESHS), yet a total provision worth UGX 16,364,000 was made in the bills of quantities for the eight contracts worth UGX 1,697,709,744 as indicated in Table 17 and Figures 3 & 4 below:

Table 17: Procurements without ESHS reports

No.	Subject of procurement	Value (UGX)	PPDA Finding	Management response
1.	Extension of piped water system borehole pumped to Kitagobwa-Bugobango in Ngando Sub-County 2.5km	101,834,000	No detailed report on the implementation of the environment concerns and safety social guards costed at UGX 800,000 in the contractor's bill of quantities, without specifying the exact details of the expected deliverables such as tree and grass planting, and HIV/AIDS provisions among others	*The Entity noted the Authority's observation and explained that the reports were with the User Departments for the National Assessment Team and had been retrieved for verification.* **Authority's comment:** The Authority noted the Entity's response however; the number of trees planted was not stated in the report prepared by the Environment Officer and the issues of Social and Health Safeguard were not addressed
2.	Mechanised maintenance of Roads 18.7Km in Ngando Sub-County using Transitional Grant Funds (Nyamayaalo-	382,000,000	No detailed reports on the implementation of the environment and social management issues, yet a lumpsum provision worth	*The Entity noted the Authority's observation and explained that the reports were with the User Departments for the*

No.	Subject of procurement	Value (UGX)	PPDA Finding	Management response
	Bukesa-Ngando TC Road 4.1Km, Bugobango-Kiteza Road 2.7Km, Kitagobwa-Lwezo-Kanoni Main Road 3.6Km, Kasozi-Ntenga-Muyanga Road 2.8km, Kitagobwa Primary - Bugobango Ring Road 1.6Km and Bukesa-Nababirye-Lwanjiri Main Road 3.9Km		UGX 2,600,000 was made in the contractor's bill of quantities for each section of the road as indicated below, without specifying the exact details of the expected deliverables such as tree and grass planting, and HIV/AIDS provisions among others: • Nyamayaalo-Bukesa-Ngando TC (4.1km) worth UGX 500,000 • Bugonango-Kiteza Road (2.7km) worth UGX 400,000 • Kitagobwa -Lweza - Kanoni main road (3.6km) worth UGX 500,000 • Kasozi-Ntenga-Muyanga Road (2.8km) worth UGX 400,000 • Kitagobwa-Primary-Bugobango Ring Road (1.6km) worth UGX 300,000 • Bukesa Nababirye-Lwangiri Main Road (3.9km) worth UGX 500,000	*National Assessment Team and had been retrieved for verification.* **Authority's comment:** The Authority noted the Entity's response however; the number of trees planted was not stated in the report prepared by the Environment Officer and the issues of Social and Health Safeguard were not addressed
3.	Mechanised maintenance of Roads 11.3Km in Gombe Town Council using Transitional Development Grant Funds (Serene Ring Road 3km, Bugoye-Ring Road Namilyango-Segabi 5Km and Gombe Ring Road 3.3Km)	286,399,338	No detailed reports on the implementation of the environment and social management issues, yet a lumpsum provision worth UGX 3,564,000 was made in the contractor's bill of quantities for each section of the road as indicated below, without specifying the exact details of the expected deliverables such as tree and grass planting,	*The Entity noted the Authority's observation and explained that the reports were with the User Departments for the National Assessment Team and had been retrieved for verification.* **Authority's comment:** No ESHS report was submitted for verification

No.	Subject of procurement	Value (UGX)	PPDA Finding	Management response
			and HIV/AIDS provisions among others: • Senene-Ring Road in Gombe TC (3km) worth UGX 1,166,000 • Bugooye Ring Road-Namilyango- Segabi Road (5km) worth UGX 1,342,000 • Gombe Ring Road (3.3km) worth UGX 1,056,000	
4.	Mechanised maintenance of Roads 13.7Km in Kibibi Town Council using Transitional Development Grant Funds (Katende Ring Road 1Km, Mulamuzi-Ssabagabo-Hidden Treasure Road 8.2Km and Kibibi-Simba A-Butaaka Road 3Km)	285,223,500	No detailed reports on the implementation of the environment and social management issues, yet a lumpsum provision worth UGX 400,000 was made in the contractor's bill of quantities for each section of the road as indicated below, without specifying the exact details of the expected deliverables such as tree and grass planting, and HIV/AIDS provisions among others: • Katende Ring Road in Kibibi TC (1km) worth UGX 100,000 • Mulamuzi-Sabagabo-Hidden Treasure Road (1.5km) worth UGX 100,000 • Kalenge-Bujumba-Kwezi-Kanoni Road (8.2km) worth UGX 100,000 • Kibibi-Simba A-Butaaka Road (3km) worth UGX 100,000	*The Entity noted the Authority's observation and explained that the reports were with the User Departments for the National Assessment Team and had been retrieved for verification* **Authority's comment:** The Authority noted the Entity's response however; the number of trees planted was not stated in the report prepared by the Environment Officer and the issues of Social and Health Safeguard were not addressed
5.	Construction of a 2 Classroom Block at Butawuka Umea Ps in Bulo Subcounty &	166,063,878	No detailed reports with pictorial evidence on the implementation of the environment and social	*The Entity noted the Authority's observation and explained that the reports were with the User*

No.	Subject of procurement	Value (UGX)	PPDA Finding	Management response
	Kitagobwa Umea Ps in Ngando Subcounty		safeguard, yet a lumpsum provision worth UGX 4,000,000 was made in the contractor's bill of quantities for school as indicated below, without specifying the exact details of the expected deliverables such as tree and grass planting, and HIV/AIDS provisions among others: • Kitagobwa Umea PS worth UGX 3,000,000 • Butawuka Umea PS worth UGX 1,000,000	*Departments for the National Assessment Team and had been retrieved for verification* **Authority's comment:** The Authority noted the Entity's response however; the number of trees planted was not stated in the report prepared by the Environment Officer and the issues of Social and Health Safeguard were not addressed
6.	Construction of a 2 Classroom block at Gombe Umea Primary School in Gombe Town Council Using SFG Funds	82,982,000	No detailed reports with pictorial evidence on the implementation of the environment and social safeguard, yet a lumpsum provision worth UGX 1,000,000 was made in the contractor's bill of quantities, without specifying the exact details of the expected deliverables such as tree and grass planting, and HIV/AIDS provisions among others	*The Entity noted the Authority's observation and explained that the reports were with the User Departments for the National Assessment Team and had been retrieved for verification* **Authority's comment:** The Authority noted the Entity's response however; the number of trees planted was not stated in the report prepared by the Environment Officer and the issues of Social and Health Safeguard were not addressed
7.	Construction of DHO offices phase III at the District Headquarters	339,757,748	No detailed reports with pictorial evidence on the implementation of the ESHS with a provision worth UGX 3,500,000 made in the contractor's bill of quantities, for all the necessary fencing, guards barriers, hoardings etc and all other safeguards necessary for protecting	*The Entity noted the Authority's observation and explained that the reports were with the User Departments for the National Assessment Team and had been retrieved for verification* **Authority's comment:** The Authority noted the

No.	Subject of procurement	Value (UGX)	PPDA Finding	Management response
			the public and for proper execution of the works.	Entity's response however; the number of trees planted was not stated in the report prepared by the Environment Officer and the issues of Social and Health Safeguard were not addressed
8.	Construction of 2no. 5 stance lined pit latrine at Nawango COU PS and Kyerima UMEA PS-Bulo subcounty	53,449,280	No detailed reports with pictorial evidence on the implementation of the environment and social safeguard, yet a lumpsum provision worth UGX 500,000 for Nawango CoU PS was made in the contractor's bill of quantities, without specifying the exact details of the expected deliverables such as tree and grass planting, and HIV/AIDS provisions among others; and there was no ESHS provision made for Kyerima UMEA PS	*The Entity noted the Authority's observation and explained that the reports were with the User Departments for the National Assessment Team and had been retrieved for verification.* **Authority's comment:** A The Authority noted the Entity's response however; the number of trees planted was not stated in the report prepared by the Environment Officer and the issues of Social and Health Safeguard were not addressed
Total		**1,697,709,744**		

Figure 3: Status of the Construction of a 2 Classroom block at Gombe UMEA P/S

- *Steep stairs and veranda without safety barriers which exposes the children to the risk of injuries from accidents; and*
- *Trees and grasses were not planted by the contractor as at 25th November 2025*

Figure 4: Status of the Construction of DHO offices phase III at the District Headquarters

The construction site was not hoarded as required under the contract as at 25th November 2025

Implication

Failure to prepare the ESHS reports signified the non-implementation of the ESHS aspects and mitigations which led to unaccounted expenditures.

Recommendations

1. The Contract Managers should always task the contractors to meet their contractual obligations as stipulated in the contracts including the contractor's adherence to environmental, health and social safeguard measures and its compliance in accordance with Regulation 52 of the PPDA (Contracts) regulations, 2023; and
2. The Accounting Officer should:
    a) Task the District Environment Officer and the District Community Development Officer to prepare comprehensive progress reports with pictorial evidences on the implementation of ESHS aspects; and
    b) Recover from the contractors, or obtain a refund of, amounts paid for ESHS items where the required ESHS activities were not implemented in accordance with the contract and the Bill of Quantities, and retain evidence of recovery/refund on the contract file.

2.4 IMPLEMENTATION OF FORCE ACCOUNT MECHANISM

2.4.1 Failure to maintain procurement and contract management files

Section 130 (5) (e) of the PPDA Act, Cap. 205 provides that, "*for the purpose of ensuring value for money in the application of the Force Account Mechanism, the Accounting Officer of a Procuring and Disposing Entity shall maintain and manage the records, equipment and supplies of the works in accordance with the Public Finance Management Act, 2015*".

During the review of the revised annual procurement and disposal plan 2024/2025 received on 16th May 2025, the Authority noted that the Entity, under Works Department, planned for among other requirements, procurement of supplies under framework; and repair and servicing of road equipment, some of which are as indicated in the Table 18 below:

Table 18: Planned supplies and services in the FY 2024-2025

No.	Subject of procurement	Amount (UGX)	Source of funding	Procurement Method
1.	Supply of fuel for works sector	1,000,000,000	URF & TGF	Open Domestic/ Framework
2.	Supply of road maintenance materials including, murram, culverts, cement, hardcore, coarse aggregates, signposts and gravel	1,000,000,000	URF & TGF	Open Domestic/ Framework
3.	Plant servicing, repair & maintenance of District Road Unit	25,000,000	URF	Open Domestic/ Framework
4.	Supply of fuel for Gombe Town Council Roads	81,000,000	URF	Open Domestic/ Framework
5.	Supply of fuel for maintenance of Community access roads (Sub-Counties)	54,000,000	URF	Open Domestic/ Framework
Total		**2,160,000,000**		

The Authority reviewed the procurement report for the month of June 2025 and noted that the Entity procured supplies for road works executed using Force Account Mechanism including the following:

i) Mechanised routine maintenance of Kikunyu-Buyenga Road (4.5km)
ii) Mechanised routine maintenance of Kyabadaza- Ntula Road
iii) Mechanised routine maintenance of Kasoso-Kyerima Road 2Km
iv) Lwamasaka-Lwanjiri-Butende-Ndibulungi Road (12km) in Ngando Sub-County

The Authority found that there were no procurement and contract management files for the road works executed using Force Account Mechanism and additionally the following records were missing, contrary to Section 130 (5) (e) of the PPDA Act, Cap 205.:

1) Quarterly reports to URF/Ministry of Works & Transport for all the roads implemented under Force Account Mechanism during the Financial Year 2024-2025;
2) Appointments of Force Account Supervisors and Force Account Managers in accordance with to Regulations 5 and 6 of the PPDA (Force Account Mechanism) Regulations, 2014;

3) Records of assessment on cost savings of the direct and overhead costs in use of Force Account contrary to Regulation 3 (1) of the PPDA (Force Account Mechanism) Regulations, 2014; and
4) Records for supplies in Table 19, acquired through framework contracts:

Table 19: Supplies for the road works under framework with missing records

No.	Procurement Ref. No	Subject of procurement	Amount (UGX)	Supplier	Missing Records
1.	Buta827/supls /24-25/00033	Supply of culverts for Lwamasaka-Lwanjiri-Butende-Ndibulungi Road (12km) in Ngando Sub-County	96,998,364	Ragmah Uganda Limited	• Delivery note • Goods Received Note
2.	Buta827/supls /24-25/00032	Supply of Granular materials for Lwamasaka-Lwanjiri-Butende-Ndibulungi Road (12km) in Ngando Sub-County	60,480,000	Ragmah Uganda Limited	• Procurement requisition (Form 5) • Call-off order • Delivery note • Goods Received Note • Payment Vouchers
3.	Buta827/supls /24-25/00040	Supply of Materials for Mechanised routine maintenance of Kikunyu-Buyenga Road (4.5km)	39,229,248	Enve Engineering Consults Uganda Ltd	• Procurement requisition (Form 5) • Call-off order • Delivery note • Goods Received Note • Payment Vouchers
4.	Buta827/supls /24-25/00036	Supply of Materials for Mechanised routine maintenance of Kyabadaza- Ntula Road	38,100,000	Enve Engineering Consults Uganda Ltd	• Delivery note • Goods Received Note
5.	Buta827/supls /24-25/00039	Supply of Granular materials for Mechanised routine maintenance of Kikunyu-Buyenga Road (4.5km) in Kalamba Sub-County	36,450,000	Enve Engineering Consults Uganda Ltd	• Delivery note • Goods Received Note • Payment Vouchers
6.	Buta827/supls /24-25/00030	Supply of Materials for Mechanised routine maintenance of Kasoso-Kyerima Road 2Km	20,000,000	Rina Operators Limited	• Delivery note • Goods Received Note
Total			**291,327,612**		

Implications

- Failure to maintain and manage records relating to Force Account Mechanism activities hindered transparency and achievement of value for money.
- Failure to appoint Force Account Managers and Supervisors limited the oversight and supervision which poses a risk of poor-quality works and potential mismanagement of resources

Management Response

The Entity noted the Authority's observation and explained that the records had been retrieved from officers who had issues with the Anti-Corruption Unit.

Authority's comment: The Authority noted the Entity's response; however, the referenced records were not provided for verification. In addition, review of the relevant Form 5s, call-off orders and payment vouchers for the Force Account supplies indicated inconsistencies between what was approved/ordered and what was paid for particularly in relation to culvert supplies and instances where procurements appeared to include works-related activities while payments were processed as supplies. Accordingly, the observation was maintained.

Recommendations

1. The Accounting Officer should:
   a) In writing, appoint a supervisor to supervise the works executed using the force account mechanism in accordance with Regulations 5 and 6 of the PPDA (Force Account Mechanism) Regulations, 2014;
   b) Task the District Engineer to maintain all records on the implementation of Force Account Mechanism including progress/status reports; engage the Inventory Management Officer to prepare the Goods Received Notes for all construction materials delivered on site; and share copies with the Procurement and Disposal Unit for filing in accordance with accordance with Section 130 (5) (e) of the PPDA Act, Cap. 205. Furthermore, the records should be made accessible efficiently whenever various mandated stakeholders require access; and
   c) Task the Head, Procurement and Disposal Unit to maintain Procurement and Contract Management file with complete records for each road works implemented using Force Account Mechanism in accordance with Section 44 (1) of the PPDA Act, Cap. 205.

2. The Head, Procurement and Disposal Unit should guide the Engineering Department, at the time of preparing Form 5, to correctly classify each requirement as supplies, works, or non-consultancy services, and ensure that all call-off orders issued under the framework contract correspond to the approved procurement type and scope (i.e., issued to the appropriate supplier or contractor).

2.5 PROGRESS AND PERFORMANCE OF THE MICRO-SCALE IRRIGATION PROGRAM IN BUTAMBALA DISTRICT LOCAL GOVERNMENT

Background

The Government of Uganda with support from World Bank's Uganda Intergovernmental Fiscal Transfer Program for Results Additional Financing (UgIFT-AF) project received funds to implement Micro Scale Irrigation Schemes to support low-income farmers. The objective was to enhance update of cost-effective micro-irrigation technology so as to improve farmer productivity and standard of living in line with the Uganda National Irrigation policy and vision 2040.

The Micro-scale Irrigation Program supports farmers to purchase and use individual irrigation equipment through a matching grant scheme, in which the cost of the equipment is co-financed by the farmer and the Government of Uganda. The Government subsidises between 25% and 75% of the total cost of the irrigation equipment (which can be sprinkler, drip and drag hosepipe methods using either solar or petrol energy sources). The level of the subsidy varies according to the choice of the irrigation equipment/ technology selected by the farmer as indicated below:

- For solar-powered irrigation equipment, the maximum Government co-payment is 75% of the total cost of equipment and is capped at UGX 18,000,000.
- For petrol-powered irrigation equipment the maximum Government co-payment is 25% of the total cost of equipment and is capped at UGX 5,000,000.

Butambala District Local Government received funds worth UGX 250,000,000 (as indicated in the amended procurement plan received by the Authority on 17th March 2025) for the design, supply and installation of the Solar power Micro-scale irrigation systems in the Financial Year 2024-2025. On 11th March 2025, the Entity initiated the procurement at an estimated cost of UGX 241,337,700.

The Authority noted that, 17 farmers were eligible in the financial year 2024-2025 for the design, supply and installation of the Solar power Micro-scale irrigation systems; however, records of farmers who expressed their interest were not provided by the Entity. Notably, only 11 farmers for the total contract value worth UGX 240,687,700, had their irrigation equipment successfully installed as indicated in Table 20 below:

Table 20: Summary and status of the procurement of microscale irrigation equipment

Level	Definition	Butambala DLG statistics by Number (FY 2024/25)
'Interested' Farmer	Those farmers who submitted an Expression of Interest (EOI) and met the basic self-assessed criteria	No details provided
'Eligible' Farmer	Those farmers who had a farm visit and were found to meet the eligibility criteria	17
'Approved' Farmer	Those farmers who made the co-payment, provided documentary proof of their land tenure (if possible) and signed an MOU with the Local Government	11
"Installation Accepted' Farmer	Those farmers who had the irrigation equipment installed and the Local Government and farmer	11

Level	Definition	Butambala DLG statistics by Number (FY 2024/25)
	verified the equipment and installation was as per quotation and standards	
'Completed' Farmer	Those Farmers where the irrigation equipment supplier was paid by the Local Government and all paperwork is complete	11
Total of microscale irrigation kits installed and completed in FY 2024/2025		11

2.5.1 Missing records on the Procurement Action Files

Section 44(1) of the PPDA Act, Cap. 205 states that ''*a Procuring and Disposing Entity shall maintain records on its procuring and disposal proceedings for a period of seven years from the date of a decision to terminate the procurement or disposal action or the date of the contract completion*''

The Authority found that in the procurement of design, supply and installation of micro-scale irrigation systems worth UGX 240,687,700 for 11 farmers contracted to Yistam Enterprises Limited, the Entity had no contract management records, contrary to Section 44(1) of the PPDA Act, Cap. 205 states that a Procuring and Disposing Entity shall maintain records on its procuring and disposal proceedings for a period of seven years from the date of a decision to terminate the procurement or disposal action or the date of the contract completion. The missing records were as below:

i) Copies of contracts signed between the Accounting Officer and the contractor, with each individual farmer as a witness for five farmers;
ii) Letter of appointment of the Contract Manager;
iii) Payment certificates;
iv) Payment of co-fund by the 11 farmers;
v) Substantial completion certificates for four farmers; and
vi) Contract management plan/plans (Form 49).

The details of farmers with missing records are as indicated in Table 21 below:

Table 21: List of farmers with missing records

No	Farmer	Bidder's quotation (UGX)	Payment/ Voucher (UGX)	Completion certificate (Date)	Contract Value (UGX
1.	Dagirira James	22,595,000	22,595,000	No records	No contract
2.	Kabuuka Jamir	12,519,000	12,519,000	20th May 2025	12,519,000
3.	Hajat Mukasa Nulu	21,995,000	21,345,000	No records	No contract
4.	Kato Julius	36,013,700	36,013,700	24th May 2025	36,013,700
5.	Lule Ibrahim	23,145,000	23,145,000	20th May 2025	23,145,000
6.	Mugisha Jimmy Maguru	19,595,000	19,595,000	20th May 2025	No contract
7.	Nantale Christine	23,245,000	23,245,000	20th May 2025	23,245,000
8.	Ndayondi John	23,945,000	23,945,000	14th May 2025	23,945,000
9.	Mukasa M Kakomo	21,995,000	21,995,000	No records	No contract

No	Farmer	Bidder's quotation (UGX)	Payment/ Voucher (UGX)	Completion certificate (Date)	Contract Value (UGX
10.	Mukasa Hamis ssewagudde	21,345,000	21,345,000	14th May 2025	21,345,000
11.	Ssemwezi Richard	14,945,000	14,945,000	No records	No contract
Total		**241,337,700**	**240,687,700**		

Implications

- Failure to maintain payment records was a sign of non-transparency and weaknesses in the internal controls that illustrates an ineffective accountability system within the Entity.
- Lack of monitoring and supervision reports casted doubt on whether contracts were executed in accordance with contractual requirements and terms and conditions.
- Without a contract management plan the Entity could not effectively manage, monitor and report on contractor performance.

Management Response

Management noted the Authority's observation and explained that the records had been with the National Assessment Team and were thereafter retrieved.

Authority's comment: Noted the Entity's response; however, the mentioned records and records in Table 20 above were not provided for verification.

Recommendations

1. The Contract Managers should keep and archive all contract management records and distribute copies to key stakeholders including the PDU as required in accordance with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023.
2. The Procurement and Disposal Unit should keep all documentation relating to a procurement on the procurement action file in accordance with Section 44(1) of the PPDA Act, Cap. 205.

2.5.2 Incomplete Microscale Irrigation Project at James Dagirira's Farm

Regulation 52 (1) (a) of the PPDA (Contracts) regulations, 2023 provides that; "*a contract manager shall make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract*".

During the verification exercise, the Authority found that James Dagirira's Farm was operational; however, the contractor supplied a signpost with no label, i.e., details of the project were not indicated on the signpost and as such the sign post had not been installed at the site as shown in Figures 5 below:

Figure 5: Solar powered Drip irrigation system with without complete project signpost

Sign post with no labelling stored in Dagirira James store 25th November 2025

Implication

Payments to contractor without substantial completion leading to financial loss and failure to achieve value for money on the funds spent.

Management response

Management acknowledged the Authority's observation and explained that the anomaly has since been rectified.

Authority's comment: The Authority noted the Entity's response; however, no records were provided with pictorial evidence on installation of a labelled signpost.

Recommendation

The Contract Manager shall make certain that the contractor performs the contract in accordance with the terms and conditions stipulated therein, in line with Regulation 52(1) of the PPDA (Contracts) Regulations, 2023.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall Inspection Conclusion

The performance of Butambala District Local Government for the Financial Year 2024/2025 was Moderately Satisfactory with an overall weighted average risk rating of **47.95%.**

3.2 Entity's risk assessment

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in Table 22 below:

Table 22: Risk Computation

Risk Category	No.	No.%	Value (UGX)	Value %	Weights	Total Weighted Average	
						By No.	By Value
High	0	-	0	-	0.6	0	-
Medium	11	91.67	2,136,816,214	92.83	0.3	28	27.85
Low	1	8.33	165,000,000	7.17	0.1	1	0.72
Satisfactory	0	-	0	-	0	0	-
Total	**12**	**100**	**2,301,816,214**	**100**	**1**	**29**	**28.57**

Weighted Average (By No.) = $\frac{\sum \text{Weighted Score} \times 100}{60} = \frac{29 \times 100}{60} = 48.3\%$

Weighted Average (By Value) = $\frac{\sum \text{Weighted Score} \times 100}{60} = \frac{28.57 \times 100}{60} = 47.61\%$

Combined Weighted Average = $\frac{48.3+47.61}{2} = 47.95\%$

Since **47.95%** falls within the 31-70 risk range, the performance of the Entity is rated **Moderately Satisfactory** as detailed in Table 27 below:

Table 23: Risk rating Table

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

Figure 6: Graphical Representation of the Entity's Risk Assessment by Number

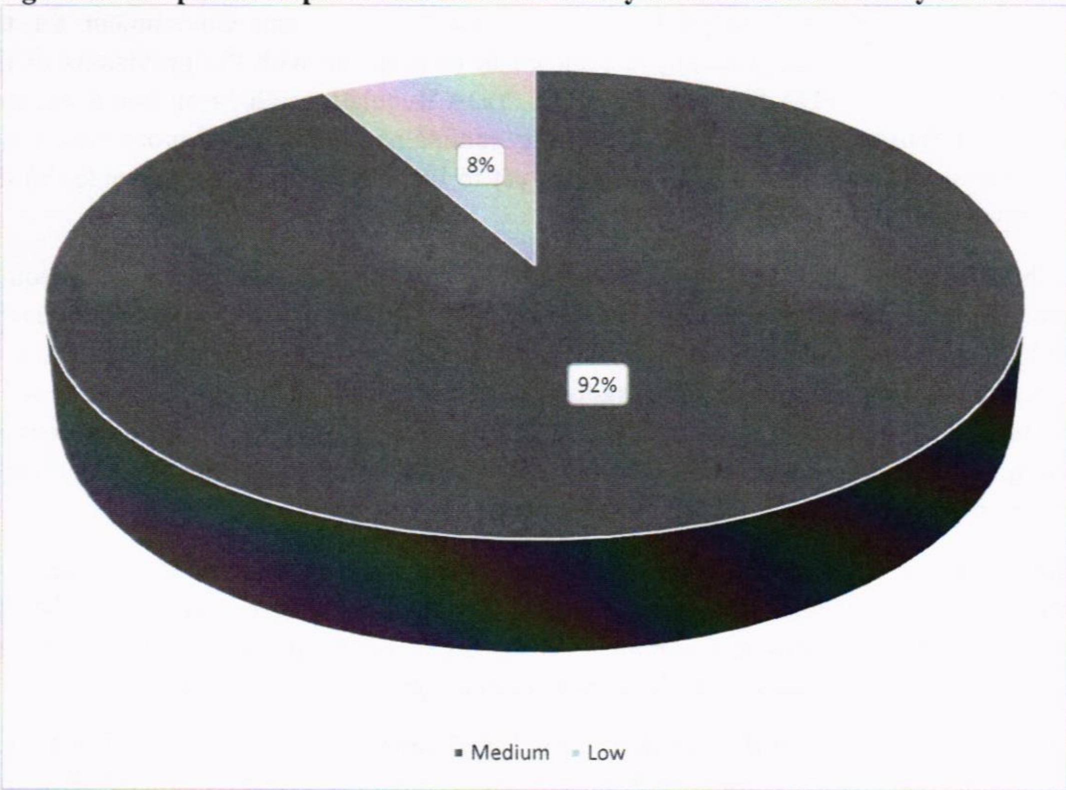
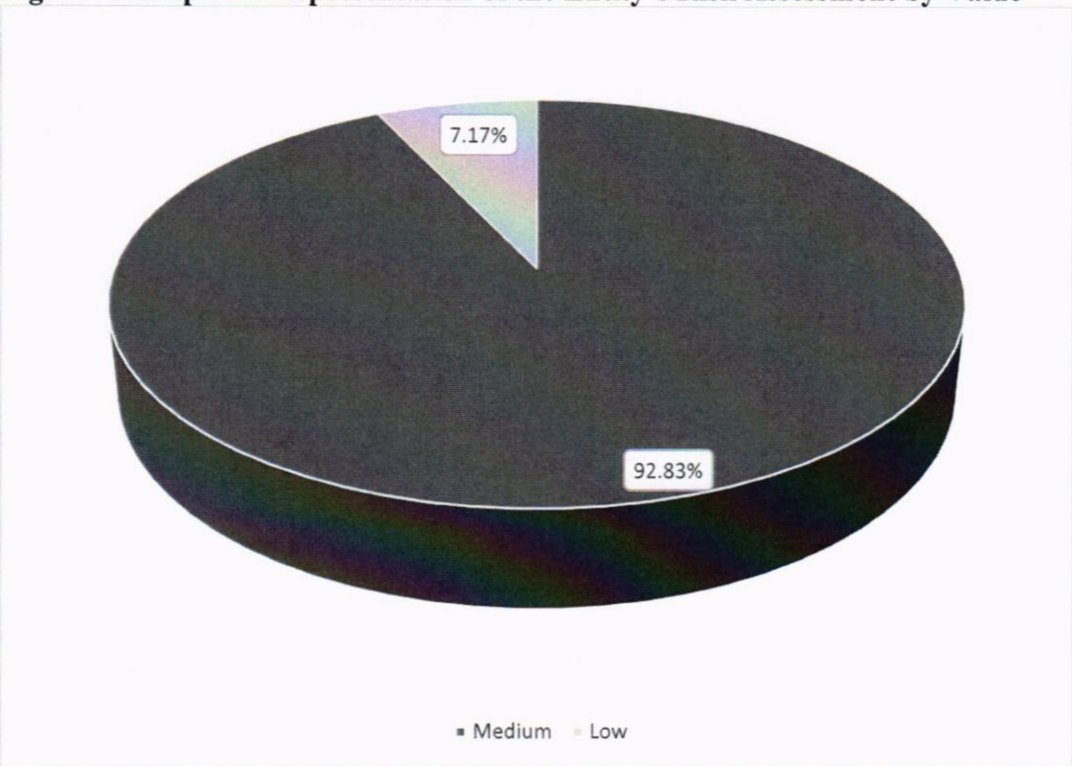


Figure 7: Graphical Representation of the Entity's Risk Assessment by Value



3.3 Inspection Opinion/Conclusion

The Procurement and Disposal activities of Butambala District Local Government for the Financial Year 2024/2025 were generally conducted in compliance with the provisions of the PPDA Act, Cap. 205, the PPDA Regulations, 2023, PPDA Regulations, 2014 on Force Account Mechanism, and PPDA Guidelines, 2024. The Entity maintained the required procurement and disposal structures, and with the disposal activities yet to be conducted as recommended in the board of survey report.

However, the inspection identified several control and performance weaknesses that require management attention. These include Contracts Committee not fully constituted during financial year 2024/2025 and in the subsequent financial year; non-submission and late submission of monthly reports; failure to communicate invitations to bid to shortlisted bidders; delayed issue of bidding documents; failure to dispose of obsolete assets; failure to maintain key procurement, Force Account and contract management records; and failure to monitor contractors' compliance with environmental, social, health and safety safeguards.

While these weaknesses did not materially undermine the overall integrity of the procurement system, they indicate deficiencies in procurement planning, contract management, disposal process and monitoring mechanisms that may adversely affect service delivery, value for money, supplier confidence and achievement of Government policy objectives if not addressed.

Accordingly, the performance of Butambala District Local Government for the FY 2024/2025 is assessed as **Moderately Satisfactory**, with an overall weighted average risk of **47.95%**, but requiring targeted management interventions to strengthen procurement efficiency, contract management and compliance with statutory and regulatory requirements.

3.4 Recommended Action Plan

Butambala District Local Government should implement the following recommendations in Table 24 below within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 24: Action Plan

Finding	Recommendation	Responsible Officer	Timeline
Expiration of the membership of one of the members on the Contracts Committee	Nominate a member from among the public officers of the Procuring and Disposing Entity, submit to PS/ST for approval and formerly appoint the member using Form 1 of the Schedule to fully constitute the Contracts Committee as provided for under Regulation 4 of the PPDA (Procuring and Disposing) Regulations, 2023; and engage the Authority to induct the new Contracts Committee members on their roles and responsibilities so as to enhance their performance of the procurement function.	Accounting Officer	September 2026
Failure to adhere to reporting timelines	Submit the monthly procurement and disposal reports to the Authority by the 15th day of the following month, in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 and through electronic submissions via the E- Reporting Link (https://ereports.ppda.go.ug/) as provided in Circular No. 5 of 2025.	Accounting Officer/ Head, PDU	Monthly
Failure to communicate the invitation to bid to all shortlisted bidders	Disseminate the invitation to bid to all the shortlisted bidders for a specific procurement through the legal channels including the electronic means of transmission in accordance with Section 59 (1) of the PPDA Act, Cap. 205.	Accounting Officer/ Head, PDU	Continuous
Non-adherence to the Environmental, Social, Health, Safety Safeguards	Assign the District Environment Officer and the District Community Development Officer to prepare comprehensive ESHS implementation progress reports, supported with dated photographic evidence.	Accounting Officer/ Environment Officer & Community Development Officer	Continuous
Non-adherence to the	Where ESHS items have been paid for but the corresponding ESHS activities were not	Accounting Officer	September 2026

Finding	Recommendation	Responsible Officer	Timeline
Environmental, Social, Health, Safety Safeguards	implemented in accordance with the contract and the Bills of Quantities, the Entity should recover the amounts from the contractor or obtain a refund, and retain full documentary evidence of the recovery/refund on the contract file.		
Failure to maintain procurement and contract management files	The District Engineer to maintain complete records relating to the implementation of the Force Account mechanism, including progress/status reports and completion records. The Inventory Management Officer should prepare Goods Received Notes (GRNs) for all construction materials delivered to site, and copies of the GRNs and other key records should be shared with the Procurement and Disposal Unit for filing, in accordance with Section 130(5)(e) of the PPDA Act, Cap. 205. In addition, the Entity should ensure that these records are securely maintained and readily accessible to mandated stakeholders whenever required.	Accounting Officer/ District Engineer	Continuous
Failure to Maintain Contract Management Record	The Head Procurement and Disposal Unit should keep all documentation relating to a procurement on the procurement action file in accordance with Section 44 (1) of the PPDA Act, Cap. 205.	Head, PDU	Continuous
Failure to Maintain Contract Management Record	Keep and archive all contract management records and distribute copies to key stakeholders including the PDU as required in accordance with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023.	Contract Managers/ User Department	Continuous
Non-adherence to the Environmental, Social, Health, Safety Safeguards	Task the contractors to meet their contractual obligations as stipulated in the contracts including the contractor's adherence to environmental, health and social safeguard measures and its compliance in accordance with Regulation 52 of the PPDA (Contracts) Regulations, 2023.	Contract Managers/ User Department	Continuous

APPENDIX 1: CASE BY CASE ANALYSIS

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	**Subject:** Design, supply and installation of irrigation equipment to Farmers in Butambala DLG co-paid funds **Ref:** Buta827/wrks/24-25/00009 **Actual:** UGX 240,687,700 **Method:** Request for quotation **Provider**: Yistam Enterprises Limited	• Incomplete Procurement Requisition Form • Failure to communicate the invitation to bid to all shortlisted bidders • Low bidder participation • Copies of contracts signed between the Accounting Officer and the contractor, with each individual farmer as a witness for five farmers; • Letter of appointment of the Contract Manager; • Payment certificates; • Payment of co-fund by the 11 farmers; • Substantial completion certificates for four farmers; and • Contract management plan(s) (Form 49)
2.	**Subject:** Mechanised maintenance of Roads 11.3Km in Gombe Town Council using Transitional Development Grant Funds (Serene Ring Road 3km, Bugoye-Ring Road Namilyango-Segabi 5Km and Gombe Ring Road 3.3Km) **Ref:** Buta827/wrks/24-25/00017 **Actual:** UGX 286,399,338 **Method:** Request for quotation **Provider**: Carrington Enterprises Limited	• Incomplete Procurement Requisition Form • No evidence of Insurance cover from the start date to the end of the defects liability period as required under GCC 13.1 of the contract • No performance Securing Declaration as required under GCC 52.3 of the contract • The District Environment Officer and the District Community Development Officer did not prepare reports on the implementation of the Environmental, Health and Social safeguards (ESHS)
3.	**Subject:** Construction of DHO offices phase III at the District Headquarters **Ref:** Buta827/Wrks/24-25/00002 **Actual:** UGX 339,757,748 **Method:** Request for quotation **Provider**: Vision Creative Co Ltd	• Both the bid securing declaration and a bid security of UGX 6,800,000 were a required in the SBD • Procurement requisitions had sections not filled • Failure to communicate the invitation to bid to all shortlisted bidders • Failure by contractors to submit work programs • The District Environment Officer and the District Community Development Officer did not prepare reports on the implementation of the Environmental, Health and Social safeguards (ESHS)
4.	**Subject:** Extension of piped water system borehole pumped to Kitagobwa-Bugobango in Ngando Sub-County 2.5km **Ref:** Buta827/wrks/24-25/00005 **Actual:** UGX 101,834,000 **Method:** Request for quotation **Provider**: Kanyenya Engineering Works Limited	• Incomplete Procurement Requisition Form • Failure to communicate the invitation to bid to all shortlisted bidders • Failure by contractors to submit work programs • The District Environment Officer and the District Community Development Officer did not prepare reports on the implementation of the Environmental, Health and Social safeguards (ESHS)

5.	**Subject:** Mechanised maintenance of Roads 18.7Km in Ngando Sub-County using Transitional Grant Funds (Nyamayaalo-Bukesa-Ngando TC Road 4.1Km, Bugobango-Kiteza Road 2.7Km, Kitagobwa-Lwezo-Kanoni Main Road 3.6Km, Kasozi-Ntenga-Muyanga Road 2.8km, Kitagobwa Primary -Bugobango Ring Road 1.6Km and Bukesa-Nababirye-Lwanjiri Main Road 3.9Km **Ref:** Buta827/wrks/24-25/00019 **Actual:** UGX 382,000,000 **Method:** Request for quotation **Provider**: Ragmah Uganda Limited	• Incomplete Procurement Requisition Form • Evidence of Insurance cover from the start date to the end of the defects liability period as required under GCC 13.1 of the contract • Failure by contractors to submit work programs • The District Environment Officer and the District Community Development Officer did not prepare reports on the implementation of the Environmental, Health and Social safeguards (ESHS)
6.	**Subject:** Mechanised maintenance of Roads 13.7Km in Kibibi Town Council using Transitional Development Grant Funds (Katende Ring Road 1Km, Mulamuzi-Ssabagabo-Hidden Treasure Road 8.2Km and Kibibi-Simba A-Butaaka Road 3Km) **Ref:** Buta827/wrks/24-25/00018 **Actual:** UGX 285,223,500 **Method:** Request for quotation **Provider**: Optech Uganda Limited	• Incomplete Procurement Requisition Form • No evidence of Insurance cover from the start date to the end of the defects liability period as required under GCC 13.1 of the contract • Failure by contractors to submit work programs • The District Environment Officer and the District Community Development Officer did not prepare reports on the implementation of the Environmental, Health and Social safeguards (ESHS)
7.	**Subject:** Construction of a 2 Classroom Block at Butawuka Umea Ps in Bulo Subcounty & Kitagobwa Umea Ps in Ngando Subcounty **Ref:** Buta827/Wrks/24-25/00001 **Actual:** UGX 166,063,878 **Method:** Request for quotation **Provider**: Lugaaga Technical services Limited	• Incomplete Procurement Requisition Form • Excessive requirements for equipment, i.e., two Poker Vibrator and two Welding Machines • Failure to communicate the invitation to bid to all shortlisted bidders • Delay of 80 working days to issue bidding documents • Low bidder participation • Failure by contractors to submit work programs • The District Environment Officer and the District Community Development Officer did not prepare reports on the implementation of the Environmental, Health and Social safeguards (ESHS)
8.	**Subject:** Renovation of a 4-classroom block at Kitagobwa sss-Ngando Sub County **Ref:** Buta827/Wrks/24-25/00007 **Actual:** UGX 141,212,370 **Method:** Request for quotation	• Incomplete Procurement Requisition Form • Excessive requirements for equipment, i.e., two Poker Vibrator and two Welding Machines • Failure to communicate the invitation to bid to all shortlisted bidders • Delay of 81 working days to issue bidding documents

	Provider: Optech U Ltd	• Low bidder participation • Failure by contractors to submit work programs
9.	**Subject:** Construction of a 2 Classroom block at Gombe Umea Primary School in Gombe Town Council Using SFG Funds **Ref:** Buta827/Wrks/24-25/00003 **Actual:** UGX 82,982,000 **Method:** Request for quotation **Provider**: Enve Engineering Consults (U) Ltd	• Incomplete Procurement Requisition Form • Excessive requirements for equipment, i.e., two Poker Vibrator and two Welding Machines • Failure to communicate the invitation to bid to all shortlisted bidders • Delay of 81 working days to issue bidding documents • The District Environment Officer and the District Community Development Officer did not prepare reports on the implementation of the Environmental, Health and Social safeguards (ESHS)
10.	**Subject:** Construction of 2no. 5 stance lined pit latrine at Nawango COU PS and Kyerima UMEA PS-Bulo subcounty **Ref:** Buta827/Wrks/24-25/00012 **Actual:** UGX 53,449,280 **Method:** Request for quotation **Provider**: Jererwe Construction Suppliers U Ltd	• Incomplete Procurement Requisition Form • Failure to communicate the invitation to bid to all shortlisted bidders • Delay of 80 working days to issue bidding documents • Failure by contractors to submit work programs • The District Environment Officer and the District Community Development Officer did not prepare reports on the implementation of the Environmental, Health and Social safeguards (ESHS)
11.	**Subject:** Sitting, Drilling and installation of 2 deep boreholes at Kibugga-Buligi Budde Subcounty and Bule Bulo Subcounty **Ref:** Buta827/Wrks/24-25/00006 **Actual:** UGX 57,206,400 **Method:** Request for quotation **Provider**: Sunrise Water Drilling Company	• Incomplete Procurement Requisition Form • Failure to communicate the invitation to bid to all shortlisted bidders • Delay of 90 working days to issue bidding documents • Low bidder participation
No.	**LOW RISK CONTRACTS**	**REASONS FOR LOW RISK**
1.	**Subject:** Supply, Delivery and Installation of ICT Equipment to Kibibi Seed Secondary School **Ref:** MOES/SUPLS/24-5/00008/LOT 1 **Actual:** UGX 165,000,000 **Method:** ODB **Provider**: Eba Business Solutions & Finance Co. Ltd	Mr. Siraje Muyomba, the ICT officer did not sign the evaluation reports

APPENDIX 2: PROCUREMENT SAMPLE LIST FOR BUTAMBALA DISTRICT LOCAL GOVERNMENT FOR THE FINANCIAL YEAR 2024/25

No.	Reference No.	Subject of procurement	Method of Procurement	Provider	Contract Value (UGX)
1.	Buta827/wrks/24-25/00005	Extension of piped water system borehole pumped to Kitagobwa-Bugobango in Ngando Sub-County 2.5km	Request for quotation	Kanyenya Engineering Works Limited	101,834,000
2.	Buta827/wrks/24-25/00019	Mechanised maintenance of Roads 18.7Km in Ngando Sub-County using Transitional Grant Funds (Nyamayaalo-Bukesa-Ngando TC Road 4.1Km, Bugobango-Kiteza Road 2.7Km, Kitagobwa-Lwezo-Kanoni Main Road 3.6Km, Kasozi-Ntenga-Muyanga Road 2.8km, Kitagobwa Primary -Bugobango Ring Road 1.6Km and Bukesa-Nababirye-Lwanjiri Main Road 3.9Km	Request for quotation	Ragmah Uganda Limited	382,000,000
3.	Buta827/wrks/24-25/00009	Design, supply and installation of irrigation equipment to Farmers in Butambala DLG co-paid funds	Request for quotation	Yistam Enterprises Limited	240,687,700
4.	Buta827/wrks/24-25/00017	Mechanised maintenance of Roads 11.3Km in Gombe Town Council using Transitional Development Grant Funds (Serene Ring Road 3km, Bugoye-Ring Road Namilyango-Segabi 5Km and Gombe Ring Road 3.3Km)	Request for quotation	Carrington Enterprises Limited	286,399,338
5.	Buta827/wrks/24-25/00018	Mechanised maintenance of Roads 13.7Km in Kibibi Town Council using Transitional Development Grant Funds (Katende Ring Road 1Km, Mulamuzi-Ssabagabo-Hidden Treasure Road 8.2Km and Kibibi-Simba A- Butaaka Road 3Km)	Request for quotation	Optech Uganda Limited	285,223,500
6.	Buta827/Wrks/24-25/00001	Construction of a 2 Classroom Block at Butawuka Umea Ps in Bulo Subcounty & Kitagobwa Umea Ps in Ngando Subcounty	Request for quotation	Lugaaga Technical services Limited	166,063,878
7.	Buta827/Wrks/24-25/00007	**R**enovation of a 4-classroom block at Kitagobwa sss-Ngando Sub County	Request for quotation	Optech U Ltd	141,212,370

No.	Reference No.	Subject of procurement	Method of Procurement	Provider	Contract Value (UGX)
8.	Buta827/Wrks/24-25/00003	Construction of a 2 Classroom block at Gombe Umea Primary School in Gombe Town Council Using SFG Funds	Request for quotation	Enve Engineering Consults (U) Ltd	82,982,000
9.	Buta827/Wrks/24-25/00002	Construction of DHO offices phase III at the District Headquarters	Request for quotation	Vision Creative Co Ltd	339,757,748
10.	Buta827/Wrks/24-25/00006	Sitting, Drilling and installation of 2 deep boreholes at Kibugga-Buligi Budde Subcounty and Bule Bulo Subcounty	Request for quotation	Sunrise Water Drilling Company	57,206,400
11.	MOES/SUPLS/24-25/00008/LOT 1	Supply, Delivery and Installation of ICT Equipment to Kibibi Seed Secondary School	ODB	Eba Business Solutions & Finance Co. Ltd	165,000,000
12.	Buta827/Wrks/24-25/00012	construction of 2no. 5 stance lined pit latrine at Nawango COU PS and Kyerima UMEA PS-Bulo subcounty	Request for quotation	Jererwe Construction Suppliers U Ltd	53,449,280

APPENDIX 3: RISK RATING CRITERIA

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

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

RISK	DESCRIPTION	AREA	IMPLICATION
	matches current market best practice. Deviations from laid down detailed procedures would normally be graded “low” provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.		

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