PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY
"Regulating for Results"

# REPORT ON COMPLIANCE INSPECTION OF EAST AFRICAN CIVIL AVIATION ACADEMY FOR THE FINANCIAL YEAR 2024/2025

JULY 2026

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## ACRONYMS

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

## EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority conducted a compliance inspection of the East African Civil Aviation Academy, covering 15 sampled procurement transactions worth UGX 14,612,124,956 for the Financial Year 2024/2025.

The overall objective of the procurement and disposal inspection was to assess and establish the degree of compliance of East African Civil Aviation Academy's procurement and disposal system and processes with the provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations, and assess the level of procurement and disposal performance over the inspection period.

The inspection revealed that the procurement and disposal activities of the East African Civil Aviation Academy for the Financial Year 2024/2025 were undertaken with a moderate level of compliance with the PPDA Act, Cap. 205, and the attendant Regulations. The review further noted that the Academy had established basic procurement structures and controls; however, these were constrained by notable capacity gaps. In particular, the Procurement and Disposal Unit operated below its approved staffing level, with one officer against an establishment of two. In addition, the absence of an Internal Audit function weakened internal oversight and limited the effectiveness of control and assurance mechanisms over procurement activities.

A notable positive finding was that physical verification of the sampled contracts confirmed that the projects were satisfactorily executed, in good condition, and free from material anomalies, indicating generally sound contract management practices.

Accordingly, the performance of the East African Civil Aviation Academy for the Financial Year 2024/25 was assessed as **Moderately Satisfactory**, with an overall weighted average risk rating of **58.5%,** as detailed in Chapter 3 of this report.

The following exceptions were noted despite the moderately satisfactory risk rating:

1. **Understaffing of the Procurement and Disposal Unit.** Section 28 (1) (c) of the PPDA Act, Cap. 205 provides for the Accounting Officer to cause the establishment of a Procurement and Disposal Unit staffed at an appropriate level. The audit revealed that the Entity's Procurement and Disposal Unit was inadequately staffed. The Unit was being managed by only one officer, Mr. Mugerwa Kizito, the Head Procurement and Disposal Unit. This may result in a heavy workload, which inhibits the principle of efficiency, leading to failure to effectively implement the procurement and disposal function;

2. **Failure to fully implement 100% of the previous audit recommendations.** Section 10 of the PPDA Act, Cap. 205 requires Procuring and Disposing Entities to act on recommendations of the Authority. The Authority observed that the Entity had been issued its previous audit report for the Financial Year 2022/2023 in January 2024. Out of eight recommendations made, four recommendations representing 50% were partially implemented and four recommendations representing 50% were not implemented. Failure to fully implement audit recommendations affects the performance of the procurement and disposal function and is an indicator of a weak implementation mechanism by the Entity;

3. **Failure to implement 5% of the Procurement plan.** Section 60 (2) of the PPDA Act, Cap. 205 states that "a Procuring and Disposing Entity shall plan its procurement and disposal in a rational manner." The Authority assessed the Entity's procurement plan for the FY 2024/25 and noted that the procurement plan absorption rate was 95% with a variance of UGX 841,613,648, representing 5% of the procurement plan not implemented. Failure to fully implement the procurement plan deprived service delivery to the intended beneficiaries;

4. **Failure to provide statements of requirements at initiation.** Section 36 (1) of the PPDA Act, Cap. 205 provides that the User Department of a Procuring and Disposing Entity is responsible for supporting the procurement and disposal process by liaising with and assisting the Procurement and Disposal Unit. The User Department is required to initiate procurement and disposal requirements, forward them to the Procurement and Disposal Unit, and provide the necessary technical inputs, including statements of requirements and technical specifications, to ensure that procurement needs are clearly defined and within the budget. The Authority noted that User Departments did not provide statement of requirements at the initiation of nine procurements worth UGX 12,131,694,627. Failure to provide statement of requirements at initiation hinders the Procurement and Disposal Unit from preparing bidding documents on time, thereby resulting in delays in the procurement process;

5. **Delays in the procurement process.** Section 51 of the PPDA Act, Cap. 205, requires that all procurement be carried out in a manner that ensures economy, efficiency, and value for money. However, the Authority noted an average delay of three months in two procurements worth UGX 253,975,688. Delays in the procurement process create lengthy lead times, which consequently impede timely service delivery;

6. **Issuance of an inadequate bidding document.** Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 requires the bidding document to be prepared in a manner that defines the requirements precisely and leaves no doubt or assumption by a bidder. The Authority noted that the Head, Procurement and Disposal Unit issued an inadequate bidding document to prospective bidders for the framework contract for the supply of spare parts and related services worth UGX 10,923,039,285. Poor-quality solicitation documents may lead to ambiguous interpretations by bidders, resulting in non-responsive bids, inconsistent pricing structures, and eventual award of contracts that do not fully meet the Entity's needs;

7. **Failure to invite at least six bidders.** Regulation 53 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 states that "*A shortlist shall have at least six bidders, except for micro procurement which shall have three bidders.*" Section 49 of the PPDA Act, Cap. 205 states that "*all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money.*" The Authority noted that the Entity failed to invite at least six bidders in three procurements worth UGX 838,884,685. The Head, Procurement and Disposal Unit shortlisted only one bidder. Shortlisting fewer firms than the required minimum of six encumbers competition, thus leading to failure to achieve value for money;

8. **Non- compliance with Evaluation Criteria during Evaluation.** Regulation 5 (2) of the PPDA (Evaluation) Regulations, 2023 provides that an Evaluation Committee shall not, during an evaluation, make an amendment or addition to the evaluation criteria stated in the bidding document, and shall not use any other criteria other than the criteria stated in the bidding document. The Authority noted that the Evaluation Committees recommended contract award to bidders that did not meet the criteria highlighted in the bidding documents issued in two procurements worth UGX 10,956,716,285. Unfair evaluation of bids can result in biased selection, potentially causing bidder dissatisfaction, and diminished trust in the procurement systems of the Entity, consequently leading to legal disputes and low bidder participation;

9. **Failure to conduct disposal.** Regulation 2 of the PPDA (Disposal) Regulations, 2023 requires a Procuring and Disposing Entity to dispose of obsolete assets identified by the Board of Survey. The audit revealed obsolete assets due for disposal, however, the entity did not dispose of any asset during Financial Year 2024/2025.Failure to dispose of items exposes them to theft and loss of value through further depreciation; and

10. **Irregularities during contracting and contract execution.** Regulation 52 (1) of the PPDA (Contracts) Regulations, 2023 states that *"(1) A contract manager shall (a) manage the obligations and duties of the procuring and disposing entity specified in the contract; and (b) make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract."* The Authority observed irregularities during contracting and contract management of 13 procurements worth UGX 3,468,786,983. Failure to appoint contract supervisors exposes the Entity to the risk of poor contract management, which results in failure to implement contracts in accordance with the agreed terms and conditions of the contract; and

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

1. **The Accounting Officer should:**
   i. Intensify engagement with the Ministry of Finance, Planning and Economic Development to expedite the deployment of the Senior Procurement Officer to address the staffing gap in accordance with Section 28 (1) (c) of the PPDA Act, Cap. 205;
   ii. Establish strong mechanisms to implement recommendations made by the Authority to improve the Entity's performance in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205. This could include appointing a task force that will be responsible for full implementation of the Authority's recommendations;
   iii. Regularly conduct or designate persons to conduct a review of the procurement plan to harmonize it with the existing circumstances at the Entity in accordance with Section 60 (7) of the PPDA Act, Cap. 205; and
   iv. Formally write to the Ministry of Works and Transport regarding the obsolete assets due for disposal in accordance with Regulation 2 of the PPDA (Disposal) Regulations, 2023.

2. **The Head, Procurement and Disposal Unit should;**
   i. Conduct procurement in a manner that promotes economy, efficiency, and value for money in accordance with Section 51 of the PPDA Act, Cap. 205;

ii. Ascertain that the statement of requirements in the prepared bidding documents define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023;
iii. Shortlist at least six bidders in accordance with Regulation 53 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023;
iv. Maintain and archive complete procurement records in accordance with Section 33 (o) of the PPDA Act, Cap. 205; and
v. Include clearly defined Special Conditions of Contract in all future contracts to strengthen enforceability, enhance accountability, and safeguard the Entity's interests.

3. **The Contracts Committee should;**
   i. Critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no omissions that could lead to misunderstandings between the Entity and the bidders in line with Regulation 10 of the PPDA (PDE) Regulations 2023;
   ii. Review and approve all shortlists before issuing bidding documents to enhance transparency, fairness, and value for money in the procurement process in accordance with Section 31 (1) (a) of the PPDA Act, Cap. 205; and
   iii. Scrutinize the evaluation reports and ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 48 of the PPDA Act, Cap. 205, before approving the evaluation reports.

4. The Heads of User Departments should always attach statement of requirements and terms of reference at initiation of their procurements in accordance with Section 36 (1) (c) of the PPDA Act, Cap.205.Nominate Contract Managers for appointment by the Accounting Officer for all contracts in accordance with Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023; and

5. The Evaluation Committee members should strictly adhere to the evaluation criteria in the bidding document in accordance with Section 76 (3) of the PPDA Act, Cap. 205.

East African Civil Aviation Academy should implement the recommended action plan on page 22 of the inspection report.

## CHAPTER ONE: INTRODUCTION

### 1.1 Background

The Public Procurement and Disposal of Public Assets Authority conducted a Compliance Inspection of East African Civil Aviation Academy that covered 15 sampled procurement transactions worth UGX 14,612,124,956 under the Financial Year 2024/2025 as attached in Annex A.

### 1.2 Objective of the procurement and disposal audit

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of the East African Civil Aviation Academy's procurement and disposal system and processes with the provisions of the PPDA Act, Cap. 205, attendant PPDA Regulations and assess the level of procurement performance over the audit period.

The specific objectives of the audit were to:

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

### 1.3 Methodology

East African Civil Aviation Academy was notified about the audit exercise on 11th September 2025. The audit was conducted from 22nd September 2025 to 25th September 2025. A sample of 15 procurement transactions worth **UGX 14,612,124,956** was selected based on stratified random sampling using Contracts Committee minutes, the contracts register, and quarterly procurement and disposal reports.

A Senior Performance Monitoring Officer and two Officers conducted the exercise under the supervision of the Regional Manager, Eastern Region. During the exercise, the team examined records and documents for each of the 15 sampled procurement transactions. The team also conducted a physical evaluation of verifiable procurement transactions and reviewed the procurement plan for the Financial Year 2024/2025.

On completion of data collection, the inspection team met with various stakeholders such as the Accounting Officer, Contracts Committee members, Procurement and Disposal Unit staff, and User Department representatives to discuss and get clarifications on some of the preliminary findings on **25th September 2025**. A management letter was sent to the Entity on **30th April 2026** with a request to submit the management response by **5th May 2026**, which was submitted on **11th May 2026**.

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

## CHAPTER TWO: FINDINGS OF THE AUTHORITY

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

#### 2.1.1 Procurement structure

The key players in the procurement structure at East African Civil Aviation Academy include the Chief Administrative Officer as Accounting Officer, the Contracts Committee, the Procurement and Disposal Unit and the User Departments.

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

**i. Accounting Officer**

Section 28 of the PPDA Act, Cap. 205 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. During the Financial Year 2024-2025, the Director, Lieutenant Colonel Ronald Turyamubona, served as the designated Accounting Officer.

**ii. Composition and tenure of the Contracts Committee**

Section 29 (1) of the PPDA Act, Cap. 205 states that "a Contracts Committee shall be composed of the members specified in Schedule 4 to this Act." Schedule 4 of the PPDA Act, Cap. 205 requires the Contracts Committee of a Procuring and Disposing Entity to be composed of five members, that is: a chairperson, a secretary, and three members. During the audit period, the Entity's Contracts Committee was fully constituted as shown in Table 1 below:

**Table 1: List of Contracts Committee Members**

| No. | NAME | POSITION | DATE OF APPOINTMENT | TITLE |
|---|---|---|---|---|
| 1. | Mr. Abel Mugisha | Chairperson | 12th March 2025 | Senior Engineering Instructor |
| 2. | Mr. Phillip Bamwine | Secretary | 26th July 2023 | Catering Officer |
| 3. | Mr. Isaac Kigaye | Member | 24th September 2024 | Records Officer |
| 4. | Mr. Aggrey Mazune | Member | 26th July 2023 | Aircraft Maintenance Engineer |
| 5. | Mr. Ezira Kahindo | Member | 26th July 2023 | State Attorney |

**N.B It was the first working term for all the Contracts Committee members in Table 1**

**iii. Understaffing of the Procurement and Disposal Unit**

Section 28 (1) (c) of the PPDA Act, Cap. 205 provides for the Accounting Officer to cause the establishment of a Procurement and Disposal Unit staffed at an appropriate level.

The audit revealed that the Entity's Procurement and Disposal Unit was inadequately staffed, as the Unit was being managed by only one officer, Mr. Mugerwa Kizito, the Head Procurement and Disposal Unit.

**Implication**
This may result in a heavy workload, which inhibits the principle of efficiency, leading to failure to effectively implement the procurement and disposal function.

**Management Response**
*It's usually the Ministry of Finance that deploys to the academy, but we have not yet received the SPO.*

**Authority's comment**
The Authority notes the Entity's response. However, no evidence was provided to demonstrate the efforts undertaken to follow up on the deployment of the Senior Procurement Officer.

**Recommendation**
The Accounting Officer should intensify engagement with the Ministry of Finance, Planning and Economic Development to expedite the deployment of the Senior Procurement Officer to address the staffing gap in accordance with Section 28 (1) (c) of the PPDA Act, Cap. 205.

### 2.1.2 Failure to fully implement the previous audit recommendations.
Section 10 of the PPDA Act, Cap. 205 requires Procuring and Disposing Entities to act on recommendations of the Authority. The Authority observed that the Entity had been issued its previous audit report for the Financial Year 2022/2023 in January 2024. Out of eight recommendations made, four recommendations representing 50% were partially implemented and four recommendations representing 50% were not implemented as detailed in Table 2 below:

**Table 2: Status of implementation of previous audit recommendations**

| No. | Recommendation | Status |
|---|---|---|
| 1. | The Accounting Officer should ensure that the Internal Audit department is staffed with an internal Auditor that will help review and audit procurement and disposal processes in the Entity in accordance with Regulation 32 (l) of the PPDA (Procuring and Disposing Entities) Regulations, 2014, and advise management on improvements and procurement risk detection and avoidance in the Entity. | Not Implemented |
| 2. | The Accounting Officer should take corrective action and also engage all stakeholders to develop strategies on the implementation of all the Authority's recommendations in accordance with Section 9(l) (a) of the PPDA Act,2003. | Not implemented |
| 3. | The Accounting Officer should ensure that disposal of obsolete items is expedited and conducted in accordance with the PPDA (Disposal) Regulations. 2014. | Not implemented |
| 4. | The Accounting Officer along with Management should regularly carry out a review and update of the implementation of the procurement plan in accordance with Section 58 (4) of the PPDA Act. 2003 as amended to ensure improved performance. | Partially implemented |
| 5. | Accounting Officer should ensure that all procurements and disposals in the Entity are conducted in a manner that maximizes | Partially implemented |

| No. | Recommendation | Status |
|---|---|---|
| | competition. transparency, fairness and achievement value of money in accordance with Sections 45, 46 and 48 of the PPDA Act.2003. | |
| 6. | The Contracts Committee, the Head, Procurement and Disposal Unit and User Departments adhere to Regulations 23,27 and 37 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014 in regards to the preparation of solicitation documents in order to come up with good quality, complete and accurate documents. | Partially implemented |
| 7. | The Head Procurement and Disposal Unit should ensure that all evaluations are conducted in line with the criteria set in the solicitation documents in accordance with PPDA (Evaluation) Regulations 2014 Regulation 7(l). | Partially implemented |
| 8. | Heads of User Departments should always prepare and avail contract management records to the Procurement and Disposal Unit to ensure that each procurement action file is complete in accordance with Regulation 53 (3) (vii) of the PPDA (Contracts) I Regulations. 2014. Copies of these should be submitted to the Authority as part of the Entity management response to this audit. | Not Implemented |

**Implication**

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

**Management response**

*This shall be implemented immediately the internal auditor is deployed to the academy and the Accounting Officer has written to the PS MoWT requesting for one.*

**Authority's comment**

The Authority noted the Entity's response; however, while the deployment of the internal auditor is expected to strengthen internal control and support implementation of prior audit recommendations, the Entity is reminded that responsibility for implementing audit recommendations is shared among all relevant stakeholders within the Entity. The Authority, therefore, urges Management to ensure that all responsible officers concurrently implement the outstanding recommendations within their respective areas, without awaiting the deployment of the internal auditor.

**Recommendation**

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

### 2.1.3 Procurement Plan Implementation

Section 60 (2) of the PPDA Act, Cap. 205 states that "*a Procuring and Disposing Entity shall plan its procurement and disposal in a rational manner.*" The Authority assessed the Entity's procurement plan for the FY 2024/25 and noted that the procurement plan absorption rate was 95% with a variance of UGX 841,613,648, representing 5% of the procurement plan not implemented. Table 3 below details information about the plan and utilization of funds

**Table 3: Procurement Plan implementation**

| **Analysis of procurement spend** | |
|---|---|
| Total procurement plan value inclusive of VAT (UGX) | 17,699,589,584 |
| Total procurement spend value inclusive of VAT (UGX) | 16,857,975,936 |
| Procurement plan implementation rate (%) | 95% |
| Implementation variance (UGX) | 841,613,648 |
| Non implementation rate (%) | 5% |

**Implication**

Procurements worth UGX 841,613,648 were not implemented, which deprived service delivery to the intended beneficiaries commensurate with the value.

**Management Response**

*This was due to budget cuts, since the academy doesn't have an independent vote and depends on releases from MoWT.*

**Authority's comment**

The Authority noted the entity's response. However, budget cuts do not absolve the Entity from the requirement to revise and update its procurement plan to reflect the approved resource envelope.

**Recommendation**

The Accounting Officer should regularly conduct or designate persons to conduct a review of the procurement plan to harmonize it with the existing circumstances at the Entity in accordance with Section 60 (7) of the PPDA Act, Cap. 205.

### 2.1.4 Failure to provide statements of requirements at initiation

Section 36 (1) of the PPDA Act, Cap. 205 provides that the User Department of a Procuring and Disposing Entity is responsible for supporting the procurement and disposal process by liaising with and assisting the Procurement and Disposal Unit. The User Department is required to initiate procurement and disposal requirements, forward them to the Procurement and Disposal Unit, and provide the necessary technical inputs, including statements of requirements and technical specifications, to ensure that procurement needs are clearly defined and within the budget.

The Authority noted that User Departments did not provide statement of requirements for procurement requirements during the initiation of nine procurements worth UGX 12,131,694,627 as indicated in Table 4 below:

**Table 4: Procurements with no statements of requirements during initiation**

| No | Procurement | Contract Value (UGX) |
|---|---|---|
| 1. | Framework contract for supply of spare parts and related services.<br>**Contractor:**<br>- Air Care Aero Services Ltd<br>- Avionicare East Africa Ltd<br>- Propulsion systems Ltd | 4,478,252,471<br>2,422,210,065<br>4,022,576,748.74 |
| 2. | Procurement of assorted stationery, office equipment and related supplies or services | 115,794,969 |
| 3. | Procurement of dining chairs and tables. | 77,700,000 |
| 4. | New Mini-Bus 30-Seater. | 373,184,685 |
| 5. | Supply of brand-new double cabin pick up motor vehicles. | 388,000,000 |
| 6. | Provision of Hanger Two (2) Internet Fiber Cable Extension | 33,677,000 |
| 7. | The Provision of the 14-Seater Commuter Van | 220,298,688 |
| | **TOTAL** | **12,131,694,627** |

**Implication**

Failure to provide statement of requirements at initiation hinders the Procurement and Disposal Unit from preparing bidding documents on time, thereby resulting in delays in the procurement process.

**Management Response**

*This was properly stated on form 5 during initiation.*

**Authority's comment**

The Authority noted the entity's response; however, no evidence was provided to substantiate the entity's claim

**Recommendation**

The Heads of User Departments should always attach statement of requirements at initiation of their procurements in accordance with Section 36 (1) (c) of the PPDA Act, Cap.205.

### 2.1.5 Delays in the procurement process

Section 51 of the PPDA Act, Cap. 205, requires that all procurement be carried out in a manner that ensures economy, efficiency, and value for money. However, the Authority noted an average delay of three months in two procurements worth UGX 253,975,688 as summarized in Table 5 below;

**Table 5: Delays in the procurement process**

| S/no | Subject of procurement | Contract value (UGX) | Delay |
|---|---|---|---|
| 1 | Provision of Hanger Two (2) Internet Fiber Cable Extension | 33,677,000 | There was a delay of **six months** between the Accounting Officer's confirmation of funding on 24th July 2023 and the Contracts Committee's approval of the procurement method, bidding document and Evaluation Committee on 13th February 2024. |
| 2 | The Provision of the 14-Seater Commuter Van | 220,298,688 | The Authority also noted a delay of **17 days** between the Accounting Officer's confirmation of funding on 12th May 2025 and the Contracts Committee's approval of the procurement method, bidding document and Evaluation Committee on 5th June 2025 |
| | **Total** | **253,975,688** | |

**Implication**

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

**Management response**

*Delay was caused by insufficient release of funds, where the accounting officer had to first confirm funding.*

**Authority's comment**

The Authority noted the entity's response; however, the delays occurred after the Accounting Officer had confirmed the availability of funds and not before, as indicated by the Entity.

**Recommendation**

The Head, Procurement and Disposal Unit should conduct procurement in a manner that promotes economy, efficiency, and value for money in accordance with Section 51 of the PPDA Act, Cap. 205.

### 2.1.6 Issuance of an inadequate bidding document.

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

The Authority noted that the Head, Procurement and Disposal Unit issued an inadequate bidding document to prospective bidders for the framework contract for the supply of spare parts and related services worth UGX 10,923,039,285 with the following anomalies:

i. Warranty requirements omitted: There was no requirement for bidders to provide a warranty for the supplies.
ii. Inconsistent Incoterms specifications: ITB 14.6 of the bidding document required bidders to quote prices using Incoterms 2010, whereas Section 8, Part 3, GCC 25.1 specified Incoterms 2020.

**Implication**
Poor-quality solicitation documents may lead to ambiguous interpretations by bidders, resulting in non-responsive bids, inconsistent pricing structures, and eventual award of contracts that do not fully meet the Entity's operational needs.

**Management Response**

- *Supply of spare parts is purchased from organizations that are approved by the regulator, the Uganda Civil Aviation Authority (UCAA).*

**Authority's comment**
The Authority noted the Entity's response. However, no evidence was provided to show that the bidding documents issued to bidders had been corrected. Furthermore, procuring supplies from Regulator-approved organizations does not relieve the Entity of its obligation to issue adequate bidding documents to bidders.

**Recommendations**

- The Head, Procurement and Disposal Unit should ascertain that the statement of requirements in the prepared bidding documents define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
- The Contracts Committee should critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no omissions that could lead to misunderstandings between the Entity and the bidders in line with Regulation 10 of the PPDA (PDE) Regulations 2023.

### 2.1.7 Failure to invite at least six bidders.

Regulation 53 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 states that "*A shortlist shall have at least six bidders, except for micro procurement which shall have three bidders.*" Section 49 of the PPDA Act, Cap. 205 states that "*all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money.*" The Authority noted that the Entity failed to invite at least six bidders in three procurements worth UGX 838,884,685. The Head, Procurement and Disposal Unit shortlisted only one bidder as summarized in Table 6 below:

**Table 6: Procurements with unfair shortlisting**

| No. | Procurement | Contract value (UGX) | Number Invited | Bids received |
|---|---|---|---|---|
| 1. | Procurement of dining chairs and tables. | 77,700,000 | 1 | 1 |
| 2. | New Mini-Bus 30-Seater. | 373,184,685 | 1 | 1 |
| 3. | Supply of brand-new double-cabin pick-up motor vehicles. | 388,000,000 | 1 | 1 |
| | **Total** | **838,884,685** | | |

**Implication**
Shortlisting fewer firms than the required minimum of six encumbers competition, thus leading to failure to achieve value for money.

**Management response**

- *For furniture, the notice of invitation was sent out by email on 14/02/2024, at 1:14pm, under email address olukcharles1@gmail.com, and this communication was printed and filed.*
- *This particular procurement falls under the Catering department, who amended their procurement plan accordingly and we were still using the old Regulations that's why we did not use the six (6) but instead three (3) firms.*
- *For the vehicles, this was open domestic bidding, only that there is one bidder who responded to the advert and there was no time to re-advertise as the financial year was closing.*

**Authority's comment**
The Authority noted the Entity's response. However, the response regarding the furniture procurement confirms that the notice of invitation was issued to only one provider.

Furthermore, the justification that the Entity was still using the old Regulations is not satisfactory, given that the revised Regulations became effective in 2023 and were therefore applicable during FY 2024/25. The Entity was consequently expected to comply with the prevailing legal and regulatory framework.

Regarding the procurement of vehicles, the Entity did not provide evidence to demonstrate that the procurement opportunity was advertised in at least one newspaper of nationwide circulation, as required under the Open Domestic Bidding method.

**Recommendations**
The Head, Procurement and Disposal Unit should shortlist at least six bidders in accordance with Regulation 53 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023

### 2.1.8 Non-Compliance with Evaluation Criteria during Evaluation.

Regulation 5 (2) of the PPDA (Evaluation) Regulations, 2023 provides that an Evaluation Committee shall not, during an evaluation, make an amendment or addition to the evaluation criteria stated in the bidding document, and shall not use any other criteria other than the criteria stated in the bidding document. The Authority noted that the Evaluation Committees recommended contract award to bidders that did not meet the criteria highlighted in the bidding documents issued in two procurements worth UGX 10,956,716,285, as detailed in Table 7 below:

**Table 7: Procurements with irregularities during Evaluation**

| No | Subject of the procurement | Contracts Value (UGX) | Findings |
|---|---|---|---|
| 1. | Framework contract for supply | 4,478,252,471<br>2,422,210,065<br>4,022,576,749 | • Aircare Aero Services Ltd did not provide a bid security yet it was required. |

| No | Subject of the procurement | Contracts Value (UGX) | Findings |
|---|---|---|---|
| | of spare parts and related services.<br>**Contractor:**<br>- Air Care Aero Services Ltd<br>- Avionicare East Africa Ltd<br>- Propulsion systems Ltd | | • Air Care Aero Services Ltd did not submit powers of attorney authorizing Simon Kiranga to act on its behalf but was considered compliant.<br>• Avionicare East Africa Ltd did not submit a bid submission sheet contrary to the requirement.<br>• Avionicare East Africa Ltd did not submit a bid security yet it was required.<br>• Propulsion systems Ltd did not submit a bid security yet it was required. |
| 2. | Provision of Hanger Two (2) Internet Fiber Cable Extension | 33,677,000 | Contradicting information: Evaluation committee recommended Beaufort Investments SMC Ltd in the Evaluation Committee minutes however the report to Contracts Committee indicated recommendation of Angatel Investment Ltd. |
| | **TOTAL** | **33,677,000** | |

**Implication**

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

**Management Response**

*Aircare Aero Services Ltd is an old provider at Academy; we had these documents on the previous submission that's why it was waived.*

*Avionicare East Africa and Propulsion Systems were based on AMO certificate issued by CAA Uganda and to enlist more providers for supply of aircraft spare parts to avoid crisis.*

**Authority's comment**

The Authority noted the Entity's response; however, bid security is specific to each procurement process and cannot be transferred from one procurement to another.

Further, where the Entity considers that shortlisted bidders do not require certain eligibility requirements on account of an established long-term working relationship, such requirements should not be included in the solicitation documents. The Authority therefore advises the Entity to consider, where appropriate, requesting a Bid Securing Declaration in place of Bid Security, particularly for local providers.

**Recommendations**

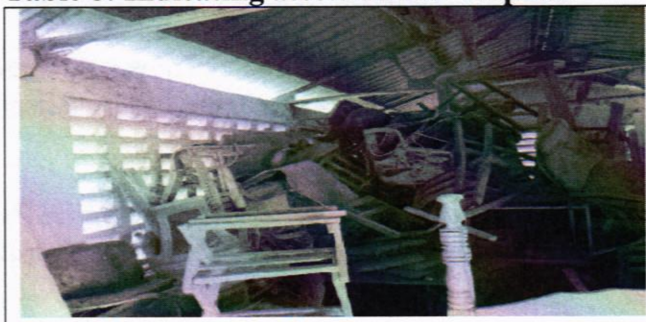
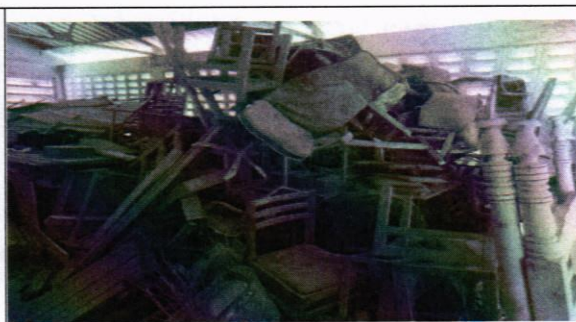
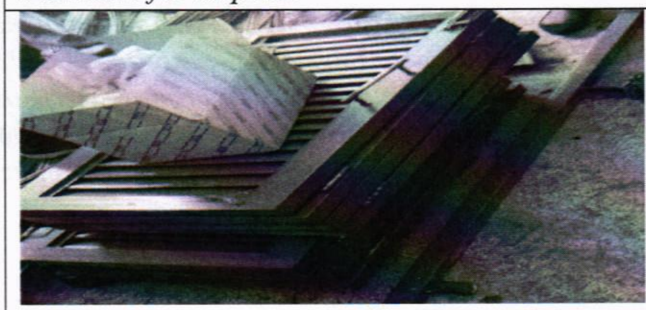
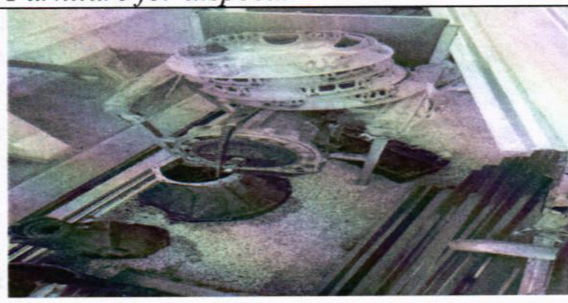
- The Evaluation Committee members should strictly adhere to the evaluation criteria in the bidding document in accordance with Section 76 (3) of the PPDA Act, Cap. 205.
- The Contracts Committee should scrutinize the evaluation reports and ensure that the principles of fairness and transparency are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

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

### 2.2.1 Failure to conduct disposal

Regulation 2 of the PPDA (Disposal) Regulations, 2023 requires a Procuring and Disposing Entity to dispose of obsolete assets identified by the Board of Survey. The audit revealed obsolete assets due for disposal; however, the entity did not dispose of any assets during Financial Year 2024/2025. The images in Table 8 below illustrate obsolete assets that were due for disposal:

**Table 8: Indicating assets due for disposal**

| | |
|---|---|
|  |  |
| *Furniture for disposal* | *Furniture for disposal* |
|  |  |
| *Wooden windows for disposal* | *Equipment for disposal* |

| | |
|---|---|
|  |  |
| *Desktop computers for disposal* | *Mattresses for disposal* |

**Implication**
Failure to dispose of items exposes them to theft and loss of value through further depreciation.

**Management response**
*All our disposals are done from MOWT, hence we do not have a Disposal Plan, and we do not Conduct Disposal as an Entity.*

**Authority's comment**
The Authority noted the Entity's response; however, no evidence was provided to demonstrate that the Entity formally communicated with the Ministry of Works and Transport regarding the obsolete items identified for disposal.

**Recommendation**
The Accounting Officer should formally write to the Ministry of Works and Transport regarding the obsolete assets due for disposal in accordance with Regulation 2 of the PPDA (Disposal) 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 Irregularities during contracting and contract execution

Regulation 52 (1) of the PPDA (Contracts) Regulations, 2023 states that *"(1) A contract manager shall (a) manage the obligations and duties of the procuring and disposing entity specified in the contract; and (b) make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract."* The Authority observed irregularities during contracting and contract management of 13 procurements worth UGX 3,468,786,983 as indicated in Table 9 below:

**Table 9: Transactions with irregularities at contracting and contract management**

| No | Subject of Procurement | Contract value (UGX) | Findings |
|---|---|---|---|
| 1. | Framework contract for supply of spare parts and related services.<br>Call off order No. – 1880 | 303,893,436 | • There is no evidence of delivery and receipt of spare parts. |

| No | Subject of Procurement | Contract value (UGX) | Findings |
|---|---|---|---|
| 2. | Framework contract for supply of spare parts and related services.<br>Call off order No. – 1806 | 193,696,800 | • The LPO lacked the special conditions of a contract.<br>• Payment records were not availed |
| 3. | Procurement of New Engine model IO-360-L2A | 462,805,694 | • No evidence of a procurement process that resulted in award of contract to AFRICAIR Inc<br>• There is no evidence of delivery and receipt.<br>• The LPO lacked the special conditions of a contract.<br>• Payment records were not availed |
| 4. | Procurement of Air Craft Spare parts | 180,033,386 | |
| 5. | Procurement of Air Craft seat belts and restraint assembly | 237,499,998 | |
| 6. | Procurement of Propeller P/N 3AF32C87-N1 | 146,079,670 | |
| 7. | Procurement of assorted stationery, office equipment and related supplies or services<br>Call off order No. – 1851 | 115,794,969 | The LPO lacked the special conditions of a contract. |
| 8. | Procurement of assorted stationery, office equipment and related supplies or services | 93,921,345 | • No evidence of a procurement process that resulted in award of contract to Jojohe Agencies Ltd<br>• There is no evidence of delivery and receipt.<br>• The LPO lacked the special conditions of a contract. |
| 9. | Aviation fuel and lubricants-AVGAS Fuel 100LL<br>**Call off order No. –** 1730 | 862,500,000 | • No evidence of a procurement process that resulted in award of framework contract to Hared Petroleum Ltd<br>• No framework agreement provided to show the agreed prices. |
| 10. | Procurement of dining chairs and tables. | 77,700,000 | • No evidence of Contract between EACAA and Furniture of Guarantee<br>• No Contract manager appointment letter.<br>• The Local purchase order(contract) does not have the special conditions of the contract attached to it.<br>• There is no evidence of goods delivery. |

| No | Subject of Procurement | Contract value (UGX) | Findings |
|---|---|---|---|
| | | | • There is no proof of payment. |
| 11. | New Mini-Bus 30-Seater. | 373,184,685 | • No contract management plan and report on file.<br>• There is no proof of final payment, only UGX 111,955,406 was paid.<br>• No evidence for delivery. |
| 12. | Supply of brand-new double cabin pick up motor vehicles. | 388,000,000 | • The Contract was not provided.<br>• Missing records; contract management appointment letter.<br>• There is no contract, contract management plan and report.<br>• No delivery note<br>• There is no proof of payment. |
| 13. | Provision of Hanger Two (2) Internet Fiber Cable Extension | 33,677,000 | • No SCC attached to the LPO provided |
| | **Total** | **3,468,786,983** | |

**Implications**

- Failure to appoint contract supervisors exposes the Entity to the risk of poor contract management which results into failure to implement contracts in accordance with the agreed terms and conditions of the contract.
- Without contract management records, auditors could not verify whether the works, items, or services delivered met the specified requirements.
- The absence of Special Conditions of the Contract limits contract enforceability of the contract and increases the risk of disputes and poor accountability.

**Management Response**

*All missing records are available as per attachments.*

- *There was a form5 signed which was generated using the quote from Africair, quote no.113776, dated 3/19/2025, since it's one of the Companies Accredited by PPDA.*
- *There was a form5 signed which was generated using the quote from Africair Inc., quote no.109746, dated 8/19/2024, since it's one of the Companies Accredited by PPDA.*
- *There was a form5 signed which was generated using the quote from Africair Inc., quote no.109746, dated 8/19/2024, since it's one of the Companies Accredited by PPDA.*
- *There was a form5 signed which was generated using the quote from Africair Inc., quote no.109746, dated 8/19/2024, since it's one of the companies Accredited by PPDA.*
- *This procurement is a framework contract and this particular file is derived from a mother file no EACAA/SULPS/SRVCS/23-24/00182, which has all the necessary documentations.*
- *This procurement is a framework contract, and this particular file is derived from a mother file no EACAA/SULPS/SRVCS/23-24/00182, which has all the necessary documentations.*

- *There are forms 5, under Regulation 3 of PPDA act 2003, where a the*
- *procurement was initiated bidding document was prepared and even forms 8,11, 12, 13and the same procurement advert was run on the New Vision of 20/01/2025, page 27.*
- *A frame work contract was drafted and cleared by the Solicitor General on the 02/04/2025.*
- *Aviation fuel at the Academy is delivered in bulk in drums at a fuel yard; the record of consumption is maintained in a register which is managed by the technical team supervised by a contract manager. At delivery point, the fuel is accompanied with delivery note, and invoice, and goods received note is issued after verification of the supply.*

**Authority's comment**

The Authority noted the Entity's response; however, no supporting documentation was provided for verification. In addition, Form 5 alone is not sufficient to evidence the entire procurement process. The procurement action file should be complete and include, among other key records, the approved bidding document, Contracts Committee submissions and minutes, bids received, the evaluation report, records of bid issuance, receipt and opening, as well as the signed contract(s).

**Recommendations**

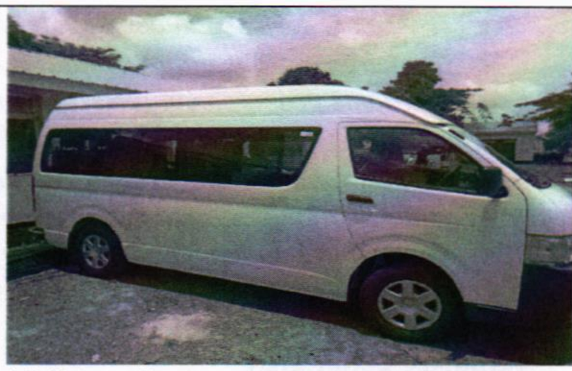
- The Accounting Officer should include clearly defined Special Conditions of Contract in all future contracts to strengthen enforceability, enhance accountability, and safeguard the Entity's interests.
- The Head Procurement and Disposal Unit should maintain and archive complete procurement records in accordance with Section 33 (o) of the PPDA Act, Cap. 205.

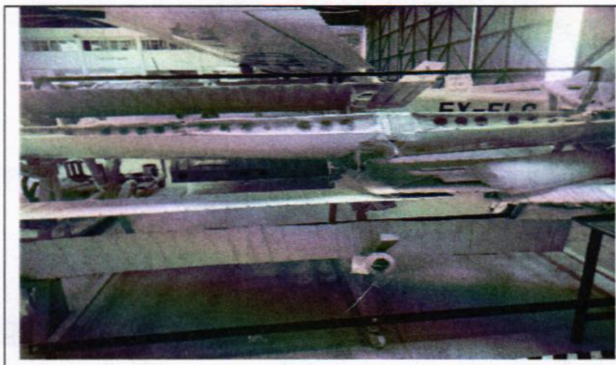
### 2.3.2 Physical Verification

On 25th September 2025, the Authority conducted a physical verification of the projects listed below. The verification confirmed that all projects were in good condition, and no anomalies were observed, as summarized in Table 10 below:

**Table 10: Physical verification**

| | |
|---|---|
|  |  |
| 30-seater mini bus | 30-seater mini bus |

| | |
|---|---|
|  14-Seater Commuter Van |  14-Seater Commuter Van |
|  Dining chairs and tables |  Dining chairs and tables |
|   Aviation fuel tanks |  Aviation fuel tanks |
|  Aircraft spare parts in stores |  Aircraft spare parts in stores |


Aircraft spare parts


Aircraft spare parts


Aircraft engine


Air craft

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

This section presents the procurement and disposal audit scores.

### 3.1 Overall Procurement and Disposal Audit Conclusion

The performance of East African Civil Aviation Academy for the Financial Year 2024/25 was **moderately satisfactory** with an overall weighted average risk rating of **58.5%.**

### 3.2 Entity's Performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as detailed in Table 11 below:

**Table 11: Risk Score**

| Risk Rating | No. | %No | Value (UGX) | %Value | Weights | Total Weighted Score | |
|---|---|---|---|---|---|---|---|
| | | | | | | **By No.** | **By Value** |
| High | 4 | 27 | 1,059,183,373 | 07 | 0.6 | 16.2 | 4.2 |
| Medium | 11 | 73 | 13,552,941,583 | 93 | 0.3 | 21.9 | 27.9 |
| Low | 0 | 0 | 0 | 0 | 0.1 | 0 | 0 |
| Satisfactory | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **15** | **100** | **14,612,124,956** | **100** | **1** | **38.1** | **32.1** |

**Performance by Number** $= \frac{38.1 \text{ X } 100}{60} = 63.5\%$

**Performance by Value** $= \frac{32.1 \text{ X } 100}{60} = 53.5\%$

**The average weighted risk rating** $= \frac{63.5 + 53.5}{2} = \mathbf{58.5\%}$

Since 58.5% falls within the 31% - 70% risk range, the performance of the Entity is rated **Moderately satisfactory** as detailed in Table 12 below:

**Table 12:Risk Rating**

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

### 3.3 Graphical representation of the entity's performance

**Figure 1: Showing performance by number of contracts**

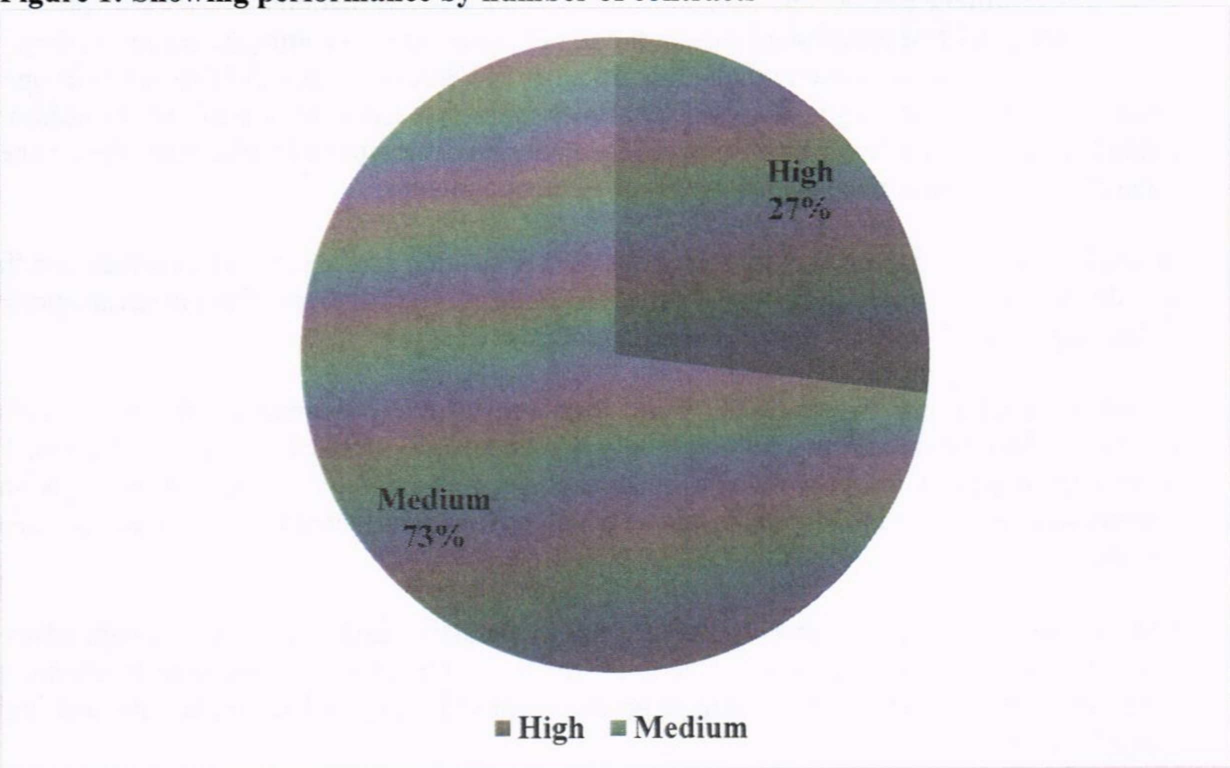
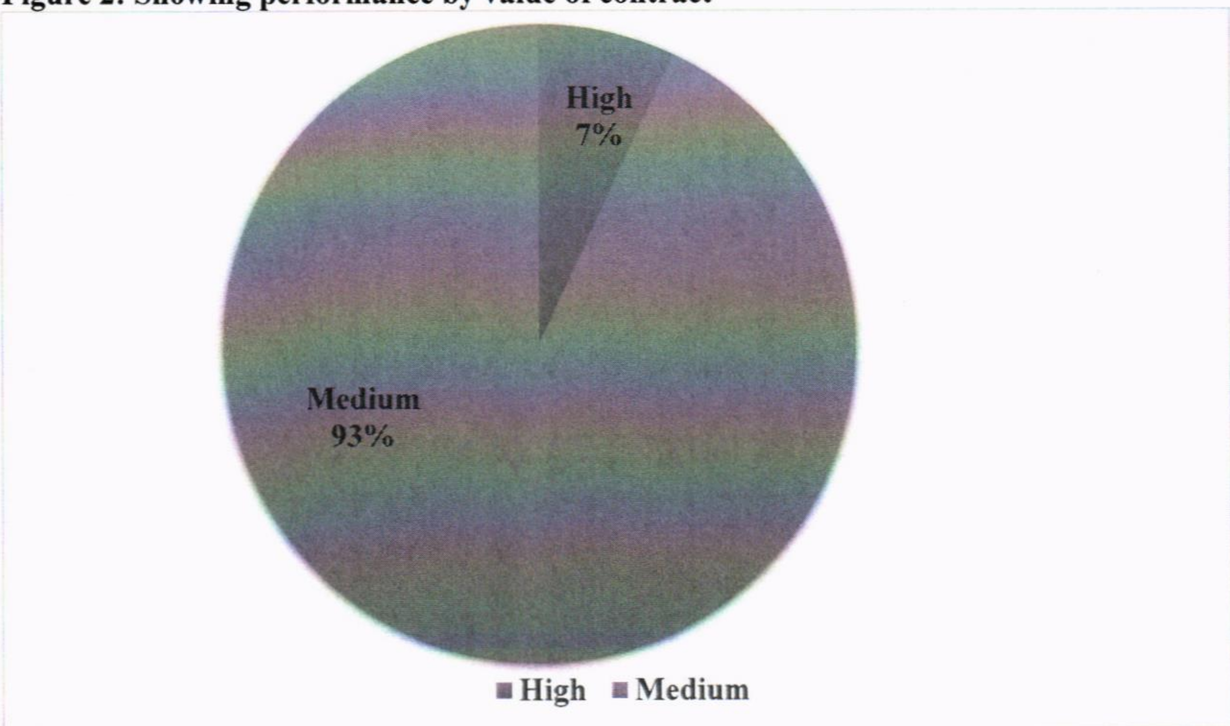



**Figure 2: Showing performance by value of contract**



### 3.4 Inspection Conclusion

The inspection revealed that the procurement and disposal activities of the East African Civil Aviation Academy for Financial Year 2024/2025 were undertaken with a moderate level of compliance with the PPDA Act, Cap. 205, and the attendant Regulations. The review further noted that the Academy had established basic procurement structures and controls; however, these were constrained by notable capacity gaps. In particular, the Procurement and Disposal Unit operated below its approved staffing level, with one officer against an establishment of two. In addition, the absence of an Internal Audit function weakened internal oversight and limited the effectiveness of control and assurance mechanisms over procurement activities.

A notable positive finding was that the physical verification of the sampled contracts confirmed that the projects were satisfactorily executed, in good condition, and free from material anomalies, indicating generally sound contract management practices.

However, operational weaknesses were observed in the procurement function, including inadequate bidding documents, failure to fully implement previous audit recommendations, delays at various stages of the procurement cycle, failure to dispose of obsolete assets, and limited competition in certain procurements, all of which adversely affected the attainment of value for money.

Overall, the entity's performance was assessed as moderately satisfactory, with a weighted average risk rating of 58%. Management is therefore urged to implement the recommendations in this report to strengthen compliance, enhance procurement efficiency and accountability, and improve value for money.

### 3.5 Recommended Action Plan

East African Civil Aviation Academy should implement the recommendations in Table 13 below within the given time frame to improve its performance in Procurement and Disposal.

**Table 13: Recommended Action Plan**

| Finding | Recommended action | Responsible officers | Timeline |
|---|---|---|---|
| Understaffed PDU | Intensify engagement with the MoFPED to expedite the deployment of the Senior Procurement Officer | Accounting Officer | Within seven days |
| Failure to fully implement previous audit recommendations | Establish an audit recommendation register and conduct quarterly monitoring | | Within 30 days |
| Failure to fully implement the procurement plan | Institute quarterly procurement plan reviews to align planned procurements with actual budget releases and revenue collection | | |
| Failure to dispose of obsolete assets | Formally write to the Ministry of Works and Transport to dispose of the identified obsolete assets | | Within seven days |
| Delays in the procurement process | Develop and implement a procurement tracking mechanism to monitor and promptly address delays across all stages of the procurement process | Head, PDU | Within 30 days |
| Failure to ensure competition | Shortlist at least six bidders for all procurements | | Within one day |
| Inadequate bidding documents | Critically review bidding documents submitted by the Procurement and Disposal Unit | Contracts Committee | |
| Non-compliance with the evaluation criteria | Scrutinise the evaluation reports | | |
| | strictly adhere to the evaluation criteria in the bidding document | Evaluation Committee | |

**Annex A: EAST AFRICAN CIVIL AVIATION ACADEMY SAMPLE LIST AND RISK RATING PER CASE FOR FINANCIAL YEAR 2024/2025.**

| No | Reference Number | Subject of Procurement | Procurement Method | Provider | Contract Amount (UGX) | Risk Rating |
|---|---|---|---|---|---|---|
| 1. | EACAA/SUPLS/24-25/00050 | Framework contract for supply of spare parts and related services. | RIB | Air Care Aero Services Ltd, Avionicare East Africa Ltd, Propulsion systems ltd | 4,478,252,471<br>2,422,210,065<br>4,022,576,749 | Medium |
| 2. | Call off Ref: EACCA/SUPLS/24-25/00027<br>Call off order No. – 1880 | Framework contract for supply of spare parts and related services. | RIB | Air care Aero Services Ltd | 303,893,436 | Medium |
| 3. | Call off Ref: EACCA/SUPLS/24-25/00063<br>Call off order No. – 1806 | Framework contract for supply of spare parts and related services. | RIB | Air care Aero Services Ltd | 193,696,800 | Medium |
| 4. | EACCA/SUPLS/24-25/000152 | Procurement of New Engine model IO-360-L2A | RIB | AFRICAIR INC | 462,805,694 | Medium |
| 5. | EACCA/SUPLS/24-25/00045 | Procurement of Air Craft Spare parts | 0BD | AFRICAIR INC | 180,033,386 | Medium |
| 6. | EACCA/SUPLS/24-25/00151 | Procurement of Air Craft seat belts and restraint assembly | DIRECT | AFRICAIR INC | 237,499,998 | Medium |
| 7. | EACCA/SUPLS/24-25/00021 | Procurement of Propeller P/N 3AF32C87-N1 | DIRECT | AFRICAIR INC | 146,079,670 | Medium |
| 8. | Call off order Ref: EACCA/SUPLS/24-25/00110<br>Call off order No. – 1851 | Procurement of assorted stationery, office equipment and related supplies or service | ODB | Kyopa General Merchandise Ltd | 115,794,969 | Medium |

| No | Reference Number | Subject of Procurement | Procurement Method | Provider | Contract Amount (UGX) | Risk Rating |
|---|---|---|---|---|---|---|
| 9. | Call off order Ref: EACCA/SUPLS/24-25/00110<br>Call off order No. – 1851 | Procurement of assorted stationery, office equipment and related supplies or services | ODB | Jojohe Agencies Ltd | 93,921,345 | Medium |
| 10 | Call off order Ref: EACCA/SUPLS/23-24/00304<br>Call off order No. – 1730 | Aviation fuel and lubricants-AVGAS Fuel 100LL | ODB | Hared Petroleum Ltd | 862,500,000 | Medium |
| 11 | EACAA/SUPLS/23-24/00121 | Procurement of dining chairs and tables. | DIRECT | Furniture of Guarantee. | 77,700,000 | High |
| 12 | EACAA/SUPLS/22-23/00231. | New Mini Bus 30-Seater. | ODB | CFAO Motors Uganda Limited. | 373,184,685 | High |
| 13 | EACAA/SUPLS/24-25/00252. | Supply of brand-new double cabin pick up motor vehicles. | ODB | CFAO Mobility Uganda Limited. | 388,000,000 | High |
| 14 | EACAA/SUPLS/23-24/00038 | Provision Of Hanger Two (2) Internet Fiber Cable Extension | RFQ | Angatel Investments Ltd | 33,677,000 | Medium |
| 15 | EACAA/SUPLS/24-25/00253 | The Provision of the 14-Seater Commuter Van | DIRECT | CFAO Mobility Uganda Limited | 220,298,688 | High |
| | | | | **TOTAL** | **14,612,124,956** | |

**Annex B: Findings and rating on the individual procurements reviewed**
**HIGH-RISK CONTRACTS**

| NO | HIGH RISK CONTRACT | REASONS FOR HIGH RISK. |
|---|---|---|
| 1. | Subject: Procurement of dining chairs and tables.<br>Reference Number: EACAA/SUPLS/23-24/00121.<br>Contractor: Furniture of Guarantee.<br>Contract value: UGX 77,700,000 | • The procured item was not on the procurement plan.<br>• The contract document is missing.<br>• The best evaluated bidder notice was signed by the head Procurement and Disposal unit yet it is supposed to be signed by the accounting officer.<br>• There was no appointment of the contract manager.<br>• There were no signed specifications attached to the Form 5 during the initiation of the procurement.<br>• There is no notice of invitation of bidders to bring in their quotations on file.<br>• There was a delay in the submission to the contracts committee of 4 months. The accounting officer confirmed funding on 27th September 2023, whereas the submission to the contracts committee was done on 12th February 2024.<br>• Low bidder response since only one bidder managed to return the bid hence limited competition.<br>• The best evaluated bidder notice was signed by the HPDU and no evidence of delegation by the AO.<br>• Local purchase order(contract) does not have the special conditions of the contract attached to it.<br>• The bid document is not attached on the procurement file.<br>• There is no evidence of goods delivery.<br>• There is no proof of payment. |
| 2. | Subject: Supply of brand - new double cabin pick up motor vehicles.<br>Reference No. EACAA/SUPLS/24-25/00252.<br>Contractor: CFAO Mobility Uganda Limited.<br>Contract value: UGX 388,000,000 | • Approved procurement method was direct procurement but was unjustified. The method of procurement should have been open domestic bidding.<br>• There was no contract on file.<br>• There was no appointment of a contract manager.<br>• There was no NoBEB on file.<br>• There were no specifications attached at initiation.<br>• There was a delay of the submission by the PDU to CC approving the procurement method of 2 weeks.AO approved to procure on 14th May 2025 and the submission was done on 5th June 2025.<br>• There are no individual evaluation assessment forms<br>• No contract management plan and report.<br>• There is no evidence of handover of the supply to the entity.<br>• There is no proof of payment. |

| NO | HIGH RISK CONTRACT | REASONS FOR HIGH RISK. |
|---|---|---|
| 3 | SUBJECT: The Provision of the 14-Seater Commuter Van<br>METHOD: DIRECT<br>REF: EACAA/SUPLS/24-25/00253<br>PROVIDER: CFAO Mobility Uganda Limited<br>AMOUNT: UGX 220,298,688 | • Not on the procurement plan.<br>• The issue of bid was carried out before CC approval.<br>• The CC approval was on 5th June whereas the issue and receipt of bids was on 4th June 2025.<br>• There was no NoBEB.<br>• No evidence for appointment of Evaluation committee and code of ethical conduct by the appointed members.<br>• SORs were not provided at initiation of the procurement.<br>• There was a delay in the approval of the method. Initiation was on 12th May 2025 whereas approval of the method by CC was on 5th June 2025 implying a delay.<br>• The entity used Direct Procurement with justification (Limited time) however this is not a clear justification for the use of direct procurement on procurement of vehicles. RIB was to be used.<br>• Limited competition where one bidder was invited<br>• The bid document was missing.<br>• Individual evaluation assessment forms were not on file<br>• Failure to follow the bidding document timelines. Evaluation was carried out with in one working day, however in the bidding document it states that evaluation should be carried out within 20 working days from bid closing.<br>• The bidding document further states that display will take 5 working days which was not followed.<br>• Contract management plan and report missing.<br>• Evidence of completion however payment was made. |
| 4 | Subject: New Mini Bus 30-Seater.<br>Reference No. EACAA/SUPLS/22-23/00231.<br>Contractor: CFAO Mobility Uganda Limited.<br>Contract value: UGX 373,184,685 | • Approved procurement method was direct procurement but was unjustified. The method of procurement should have been open domestic bidding.<br>• There was no contract on file.<br>• There was no appointment of a contract manager.<br>• There was no NoBEB on file.<br>• There were no specifications attached at initiation.<br>• There are no individual evaluation assessment forms<br>• No contract management plan and report.<br>• There is no evidence of handover of the supply to the entity.<br>• There is no proof of payment. |

| NO | MEDIUM RISK CONTRACT | REASONS FOR MEDIUM RISK. |
|---|---|---|
| 5. | Subject: Framework contract for supply of spare parts and related services<br>Reference Number: EACAA/SUPLS/24-25/00050<br>Procurement Method: RIB<br>Contractor:<br>- Air Care Aero Services Ltd<br>- Avionicare East Africa Ltd<br>- Propulsion systems ltd<br>Contract value: Various | • Funds availability section was left blank.<br>• No requirement for warranty for supplies in the bid document<br>• **ITB 14.6 of the bidding document** stated that, for supplies, bidders shall quote prices using **Incoterms 2010**, whereas **Section 8, Part 3, GCC 25.1** specified the use of **Incoterms 2020**. In addition, the category of Incoterms to be applied was not indicated in the bidding document, despite the fact that the supplies were to be procured from outside Uganda through the **Restricted International Bidding** method.<br>• Air Care Aero Services Ltd did not submit powers of attorney authorizing Simon Kiranga to act on its behalf but was considered compliant<br>• Avionicare East Africa Ltd did not submit a bid submission sheet<br>• Avionicare East Africa Ltd did not submit a bid security<br>• Propulsion systems Ltd did not submit a bid security yet this was required.<br>• NoBEB Signed by HPDU without formal delegation.<br>• No call off orders seen for this contract Dated 20th January 2025. |
| 6. | Framework contract for the supply of spare parts and related services.<br>Call off order No. – 1806<br>Provider- Air care Aero Services Ltd<br>Date- 10th July 2024<br>Amount- USD 55,200<br>Call off Ref: EACCA/SUPLS/24-25/00063 | • There is no evidence of delivery and receipt of spare parts.<br>• The LPO lacked the special conditions of a contract.<br>• No supervision reports were prepared.<br>• Payment records were not availed like invoice and proforma invoice. |
| 7. | Subject; Procurement of New Engine model IO-360-L2A<br>LPO No. – 003536<br>Provider- AFRICAIR INC<br>Date- 1st April 2025<br>Amount- USD 131,891.05<br>LPO Ref: EACCA/SUPLS/24-25/000152 | • No evidence of a procurement process that resulted in award of contract to AFRICAIR Inc<br>• No framework agreement provided to show the agreed prices<br>• There is no evidence of delivery and receipt of spare parts.<br>• The LPO lacked the special conditions of a contract.<br>• No supervision reports were prepared.<br>• Payment records were not availed like invoice. |
| 8. | Subject; Procurement of Air Craft Spare parts<br>LPO No. – 003507<br>Provider- AFRICAIR INC | • No evidence of a procurement process that resulted in award of contract to AFRICAIR Inc. |

| NO | MEDIUM RISK CONTRACT | REASONS FOR MEDIUM RISK. |
|---|---|---|
| | Date- 27th August 2024<br>Amount- USD 51,306.18<br>LPO Ref: EACCA/SUPLS/24-25/00045 | • No framework agreement provided to show the agreed prices. There is no evidence of delivery and receipt of spare parts.<br>• The LPO lacked the special conditions of a contract.<br>• No supervision reports were prepared.<br>• Payment records were not availed like invoice. |
| 9. | Subject; Procurement of Air Craft seat belts and restraint assembly<br>LPO No. – 003533<br>Provider- AFRICAIR INC<br>Date- 21st March 2025<br>Amount- USD 67,683.10<br>LPO Ref: EACCA/SUPLS/24-25/00151 | • No evidence of a procurement process that resulted in award of contract to AFRICAIR Inc.<br>• No framework agreement provided to show the agreed prices<br>• There is no evidence of delivery and receipt of spare parts.<br>• The LPO lacked the special conditions of a contract.<br>• No supervision reports were prepared.<br>• Payment records were not availed like invoice and proforma invoice. |
| 10. | Subject; Procurement of Propeller P/N 3AF32C87-N1<br>LPO No. – 003269<br>Provider- AFRICAIR INC<br>Date- 17th July 2024<br>Amount- USD 41,630<br>LPO Ref: EACCA/SUPLS/24-25/00021 | • No evidence of a procurement process that resulted in award of contract to AFRICAIR Inc<br>• No framework agreement provided to show the agreed prices.<br>• There is no evidence of delivery and receipt of spare parts.<br>• The LPO lacked the special conditions of a contract.<br>• No supervision reports were prepared.<br>• Payment records were not availed like invoice. |
| 11. | Subject; Procurement of assorted stationery, office equipment and related supplies or services<br>Call off order No. – 1851<br>Provider- Kyopa General Merchandise Ltd<br>Date- 20th February 2025<br>Amount- UGX 115,794,969<br>Call off order Ref: EACCA/SUPLS/24-25/00110 | • Funds availability section was left blank.<br>• No evidence of a procurement process that resulted in award of contract to Kyopa General Merchandise Ltd<br>• SCC not attached to the LPO |
| 12. | Subject; Procurement of assorted stationery, office equipment and related supplies or services<br>Call off order No. – 1852 | • No evidence of a procurement process that resulted in award of contract to Jojohe Agencies Ltd.<br>• No framework agreement provided to show the agreed prices. |

| NO | MEDIUM RISK CONTRACT | REASONS FOR MEDIUM RISK. |
|---|---|---|
| | Provider- Jojohe Agencies Ltd<br>Date- 20th February 2025<br>Amount- UGX 93,921,345<br>Call off order Ref: EACCA/SUPLS/24-25/00110 | • There is no evidence of delivery and receipt of spare parts.<br>• The LPO lacked the special conditions of a contract.<br>• No supervision reports were prepared. |
| 13. | Subject; Aviation fuel and lubricants- AVGAS Fuel 100LL<br>Call off order No. – 1730<br>Provider- Hared Petroleum Ltd<br>Date- 28th May 2024<br>Amount- UGX 862,500,000<br>Call off order Ref: EACCA/SUPLS/23-24/00304 | • No evidence of a procurement process that resulted in award of contract to Hared Petroleum Ltd<br>• No framework agreement provided to show the agreed prices. |
| 14. | Framework contract for the supply of spare parts and related services.<br>Call off order No. – 1880<br>Provider- Air care Aero Services Ltd<br>Date- 2ND Aug 2024<br>Amount- USD 86,604<br>Call off Ref: EACCA/SUPLS/24-25/00027 | • There is no evidence of delivery and receipt of spare parts.<br>• The LPO lacked the special conditions of a contract.<br>• No supervision reports were prepared.<br>• Payment records were not availed like invoice. |
| 15. | SUBJECT; Provision of Hanger Two (2) Internet Fiber Cable Extension<br>METHOD: RFQ<br>REF: EACAA/SUPLS/23-24/00038<br>PROVIDER: Angatel Investments Ltd<br>AMOUNT: UGX 33,677,000 | • The NOBEB was signed by the HPDU. This is supposed to be confirmed by AO<br>• Funds available section not filled.<br>• Delayed confirmation of request by the Head of User department, request for procurement by user department was raised on 24th April 2023 and confirmation by the Head of User Department was on 24th July2023 implying a delay of three months.<br>• Funds available section was not filled.<br>• No evidence for confirmation by CC. This was only evidenced by HPDU without the CC members.<br>• There was a delay in the Approval of the Method by CC. Head of User department confirmation was on 24th July 2023 whereas the CC approved the Method on 13th Feb 2024 implying a delay. |

| NO | MEDIUM RISK CONTRACT | REASONS FOR MEDIUM RISK. |
|---|---|---|
| | | • The CC approved a shortlist of three firms i.e.; Daph Ventures Ltd, Crima Uganda Ltd and Angatel Investment Ltd<br>• All the firms were invited to bid however on the receipt of bids, only two bids (Angile Business Solutions and Angatel Investment Ltd) were received. Angile Business Solutions was not shortlisted and not invited to bid.<br>• Miss information: Evaluation committee recommended Beaufort Investments SMC Ltd in the Evaluation Committee minutes however the report to CC indicated recommendation of Angatel Investment Ltd.<br>• Individual evaluation assessment forms were not on file<br>• The NOBEB was signed by the HPDU. This is supposed to be confirmed by AO<br>• No SCC attached to the LPO provided.<br>• No evidence for Contract management plan and report. |

**ANNEX C: Risk Rating Criteria**

| RISK | DESCRIPTION | AREA | IMPLICATION |
|---|---|---|---|
| **HIGH** | Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry a risk to the regulatory system or the Entity's reputation. Such cases warrant immediate attention by senior management.<br><br>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 the 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 the use of less competitive methods which affects transparency, accountability, and value for money. |
| | | **Evaluation:** Use of inappropriate evaluation methodologies or failure to conduct an evaluation. | This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend an award to a responsive bidder. |
| | | **Record Keeping:** Missing procurement files and missing key records on the files namely; solicitation documents, submitted bids, evaluation reports, and contracts. | 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 a 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 |

| RISK | DESCRIPTION | AREA | IMPLICATION |
|---|---|---|---|
| **MEDIUM** | Procurements that were considered to have weaknesses, although less likely to lead to material financial loss or to risk damaging the regulatory system or the Entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands-on management control and oversight" at an appropriate level of seniority. | **Planning:** Lack of initiation of procurements and confirmation of funds. | This implies committing the Entity without funds thereby causing domestic arrears. |
| | | **Bidding Process:** Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms, and splitting procurement requirements. | This implies a lack of efficiency, standardization, and avoiding competition. |
| | | **Procurement Structures:** Lack of procurement structures | This implies a 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 amendments and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal. |

| RISK | DESCRIPTION | AREA | IMPLICATION |
|---|---|---|---|
| | | Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health, and safety.<br><br>Aspects of gender, social inclusion, environment, health, and safety are not covered by the contractor during contract implementation. | |
| **LOW** | Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practices. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures. | **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 a conflict of interest and a lack of transparency. |
| **SATISFACTORY** | Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time. | | |