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

COMPLIANCE INSPECTION REPORT FOR FORT PORTAL CITY FOR THE FINANCIAL YEAR 2024/2025

JUNE 2026

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ACRONYMS

ESHS	Environmental, Social, Health and Safety
FY	Financial Year
HC	Health Centre
Ltd	Limited
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
PPDA Act, Cap. 205	Public Procurement and Disposal of Public Assets Act Chapter, 205
UGX	Uganda Shillings
VAT	Value Added Tax

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a Compliance Inspection on the procurement and disposal activities of Fort Portal City. This review covered a representative sample of ten procurement transactions worth UGX 5,984,743,658 during the Financial Year 2024/2025.

The overall objective of the compliance inspection was to assess and establish the degree of compliance of the Entity's procurement and disposal system and processes with the provisions of the PPDA Act, Cap. 205 and attendant Regulations. It also aimed to assess the level of procurement performance over the inspection period.

Some control, performance gaps and weaknesses were identified during the inspection, including understaffing in the PDU, a 20% failure rate in implementing previous audit recommendations, inconsistent bidding documents, flawed bid evaluations, contract awards executed on expired bids, and deficient record archiving. Furthermore, the inspection revealed inadequate asset protection, failure to dispose of obsolete items, widespread procurement delays, incomplete medical equipment deliveries and delayed social screenings of projects.

Although these weaknesses did not greatly undermine procurement system's baseline integrity, they demonstrate significant gaps in administrative planning, contract oversight, and asset protection. If left unaddressed, these deficiencies will continue to delay public service delivery, expose city assets to legal vulnerabilities, and hinder national socio-economic objectives.

Consequently, the overall performance of Fort Portal City for Financial Year 2024/2025 was rated as **moderately satisfactory** with an overall weighted average risk rating of **45.3%** as detailed in Chapter 3 of the report. This performance standing underscores the need for immediate, targeted management interventions to strengthen procurement efficiency, enhance contract performance, and enforce strict adherence to statutory requirements.

The following key exceptions were noted:

1. Under Section 28 (1) (c) of the PPDA Act, Cap. 205, Accounting Officers should ensure their Procurement and Disposal Units are adequately staffed. Despite the Entity's approved staffing structure by the Ministry of Public Service providing for two positions, Principal Procurement Officer and a Senior Procurement Officer, the unit was understaffed with no Principal Procurement Officer and was headed by the Senior Procurement Officer. This could compromise the efficiency and effectiveness of the procurement processes.
2. Regulation 42 of the PPDA (Rules and Methods for procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 mandates that bidding documents include clear requirements and evaluation criteria. Contrary to the above regulation, the solicitation documents for the design and build of USMID-AF infrastructure projects worth UGX 1,139,549,819 lacked clear requirements and evaluation criteria. The document had conflicting contract clauses, inadequate bid security validity periods, and vague qualification requirements for the quantity surveyor through the mention of a relevant degree with no experience stated. This non-compliance may resultant in to obtaining nonresponsive bids, undermines the transparency of the bidding process and increases the risks of administrative reviews, project delays, and service delivery failures.

3. Contrary to Regulation 6 (1) (c) of the PPDA (Contracts) Regulations, 2023, which mandates that a contract cannot be signed without a valid bid, the Accounting Officer signed a contract with Bresun Enterprises (U) Ltd for the supply of medical equipment worth UGX 319,147,242 on 11th March 2025, well after the supplier's bid validity had expired on 30th January 2025. Executing this agreement without a valid statutory extension invalidates its legal enforceability, leaving the city without legal recourse if the supplier defaults.

4. Contrary to Section 44 (1) of the PPDA Act, Cap. 205, which requires procurement and disposal records to be maintained for seven years after contract termination or completion, the Entity's records were disorganized, stacked, and improperly stored, putting critical documents at risk of loss, damage, tampering, or unauthorized access.

5. Section 60 (2) of the PPDA Act, Cap. 205 mandates that Procuring and Disposing Entities to plan disposal processes rationally. Fort Portal City's disposal plan for the FY 2024/2025 was restricted to motor vehicles, completely ignoring extensive categories of obsolete IT equipment, furniture, and machinery flagged by successive Boards of Survey. Furthermore, due to a prolonged lack of donor engagement, the city failed to clear donor-funded items and left 40 un-disposed assets worth UGX 77,134,000 to deteriorate on-site.

6. Contrary to Regulation 2 (1) and (2) of the PPDA (Disposal of Public Assets) Regulations, 2023, which requires the Accounting Officer to conduct annual reviews of all assets to identify those ready for disposal or use a Board of Survey or User department, the Authority found that the Board of Survey report for Financial Year 2023/2024 excluded Entity's assets across all markets, 30 primary schools, and eight secondary schools from the survey intended to identify obsolete items for Financial Year 2024/2025. Similarly, the Board of Survey report for FY 2024/2025 also revealed that three prime City properties (Kasusu Market, former Link Park, and Mwenge land) were not surveyed and titled, while various movable assets, including furniture and IT equipment, were not engraved, hindering verification while exposing them to theft and encroachment.

7. Furthermore, following the Entity's transition from Municipality to City status, the Eastern and Western Divisions omitted the mandatory formal asset handover to the Accounting Officer. As a result, some assets, including the land titles for the Division Offices, office equipment, and furniture items, were left undocumented. Consequently, City management could not verify the physical location, existence, or current condition of these assets.

8. Section 51 of the PPDA Act, Cap. 205 mandates that public procurements be conducted efficiently. The Entity failed to complete procurement processes within planned timelines across ten separate transactions worth UGX 5,984,743,658 as evidenced by an average delay of 39 working days between the planned and actual procurement timelines, resulting in delayed service to beneficiaries.

9. Contrary to Regulation 52(3)(a)(i) of the PPDA (Contracts) Regulations, 2023, which requires providers to meet all their performance and delivery obligations in accordance with the terms and conditions of the contract, Brusen Enterprises (U) Ltd delivered medical equipment to Kataraka HC IV, Kiguma HC III, and Rubingo HC III in three piecemeal deliveries between September and December 2025, resulting in delays by four months compared to the contractual delivery time deadline of 11th August 2025. Furthermore, medical equipment worth UGX

19,625,697 was not supplied. This denied the essential healthcare services to the intended beneficiaries.

10. Section 66 of the PPDA Act, Cap. 205 requires Procuring and Disposing Entities to integrate environmental protection, social inclusion, and innovation into every procurement transaction. Social screening for two projects worth UGX 1,324,651,996 was done after the procurement process was completed, an indicator that social risks were not included in the bidding and contract documents.

In light of the above findings, Fort Portal City Council should implement the following recommendations:

1. The Accounting Officer should:
   i. Recruit a Principal Procurement Officer to staff the Procurement and Disposal Unit to an appropriate level in accordance with Section 28 (1) (c) of the PPDA Act, Cap. 205 to improve the effectiveness and efficiency of the unit;
   ii. Sign all contracts within the active bid validity period in accordance with Regulation 6 (1) (c) of the PPDA (Contracts) Regulations, 2023, or seek extension of bid validity period from bidders if the procedures leading to contract signature have not been concluded yet, bid validity is running out;
   iii. Provide secure storage facilities and training to the Procurement and Disposal Unit on storage optimization and record organization best practices;
   iv. Instruct the Board of Survey to always conduct comprehensive surveys encompassing all city assets, including markets and schools, in accordance with Regulation 2(1) of the PPDA (Disposal of Public Assets) Regulations, 2023, to strategically guide the disposal process;
   v. Process land titles for all untitled city properties and have a comprehensive engraving exercise for unengraved assets in the City.
   vi. Instruct the Internal Auditor to conduct an immediate verification exercise to trace and account for all assets and property belonging to the former Eastern and Western Divisions;
   vii. Instruct User Departments to initiate procurement requisitions at least three months before the required delivery dates to promote efficiency of the procurement processes in accordance with Section 51 of the PPDA Act, Cap. 205;
   viii. Instruct the contractor Bresun Enterprises (U) Ltd to deliver and install all remaining medical equipment in accordance with Regulation 52 (1) (b) of the PPDA (Contracts) Regulations, 2023 and if the supplier fails to comply within the specified deadline, the Entity should procure the outstanding equipment from an alternative provider; and
   ix. Instruct the City Environment and Community Development Officers to always complete environmental and social screenings before procurements begin so that the identified safeguards can be costed and included in the project specifications and bills of quantities, resulting in easy monitoring and implementation of ESHS safeguards during project implementation in accordance with Section 66 of the PPDA Act, Cap. 205.

2. The Procurement and Disposal Unit should always prepare and submit a comprehensive Disposal Plan for all obsolete assets for each Financial Year to the Authority by 31st July of the new financial year in accordance with PPDA Circular No. 1 of 2024.
3. The Contracts Committee should quality assure and verify that all prepared solicitation documents have clear and consistent requirements, contractual clauses and payment terms in accordance with Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection of Fort Portal City that covered a representative sample of ten procurement transactions for the Financial Year (FY) 2024/2025 worth UGX 5,984,743,658. The inspection reviewed the procurement system, process, disposal of public assets and contract performance according to the provisions of the PPDA Act, Cap. 205 and attendant PPDA Regulations.

1.2 Inspection Objectives

The overall objective of the compliance inspection was to assess and establish the extent to which the Entity's procurement and disposal system, and its related processes, complied with the provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations.

The specific objectives of the inspection were to assess the:

1. Compliance of the Entity with the provisions of the PPDA Act, Cap. 205 and attendant PPDA Regulations concerning the performance of the procurement structures and the conduct of procurement processes;
2. Compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap. 205 and the PPDA (Disposal of Public Assets) Regulations 2023; and
3. Efficiency and effectiveness in contract implementation, including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process.

1.3 Structure of the Entity

According to Section 28 (1) of the PPDA Act, Cap. 205, the Accounting Officer of a Procuring and Disposing Entity shall have the overall responsibility for the successful execution of the procurement and disposal processes. During the 2024/2025 Financial Year, the City Town Clerk, Mr. Ambrose Ocen, served as the designated Accounting Officer for the City Council.

Section 28 (1) (a) and (c) of the PPDA Act, Cap. 205 specifically gives the responsibility to the Accounting Officer to establish a Procurement and Disposal Unit and Contracts Committee, both adequately staffed to fulfill their statutory mandates.

a) Procurement and Disposal Unit

Fort Portal City had an established Procurement and Disposal Unit staffed with a Senior Procurement Officer during the Financial Year 2024/2025, as indicated in Table 1 below:

Table 1: Staffing in the Procurement and Disposal Unit

No.	Name	Title	Qualifications	Appointment Date
1.	Mwajuma Kobusinge	Senior Procurement Officer	Master's in Business Administration, Bachelor's Degree in Procurement and Supply Chain Management, Post Graduate Diploma in Procurement and Supply Chain Management	Appointed as Procurement Officer on 23rd January 2009

b) Contracts Committee composition

The Entity had an established Contracts Committee consisting of five members during the Financial Year 2024/2025 and they were all serving their second tenure as indicated in Table 2 below:

Table 2: Contracts Committee Membership during the inspection period

No.	Name	Job title	Committee position	Date of appointment	Tenure
1.	Fred Njakatura	Senior Economic Planner	Chairperson	16th November 2023	2nd Term
2.	Rose M Kabahita	Community Development Officer	Secretary	16th November 2023	2nd Term
3.	James Bamuroho	Senior Clinical Officer	Member	16th November 2023	2nd Term
4.	Samuel Musana	Senior Physical Planner	Member	16th November 2023	2nd Term
5.	Patrick Ategeka	Principal Education Officer	Member	16th November 2023	2nd Term

1.4 Compliance Inspection Scope

The exercise covered a sample of 10 procurement transactions worth UGX 5,984,743,658 from the Financial Year 2024/2025. The list of sampled transactions is contained in Annex 1.

1.5 Inspection Methodology

The Public Procurement and Disposal of Public Assets Authority (PPDA) notified the Entity about the upcoming compliance inspection on 18th March 2026. Using a stratified random sampling technique, the inspection team selected a sample of ten procurement transactions for detailed review. The sample was drawn from core institutional records, including Contracts Committee minutes, the contracts register, payment registers, and monthly procurement and disposal reports. Fieldwork officially commenced on 23rd March 2026.

The exercise was conducted under the supervision of the Regional Manager. During the inspection, the team examined records and documents for each sampled procurement transaction. The team also reviewed the procurement plan for Financial Year 2024/25, as well as monthly procurement and disposal reports, among other documents, to evaluate planning and reporting consistency.

Upon completing data collection, the inspection team held consultative sessions with various stakeholders, including the Accounting Officer, Contracts Committee members, Procurement and Disposal Unit (PDU) staff, and User Department representatives, to seek clarifications on preliminary observations. A debrief meeting was held on 25th March 2026 with the Accounting Officer and management staff to share the preliminary findings.

Following the fieldwork, the Authority compiled a formal management letter and issued it to the Entity on 30th April 2026, with a request to submit a management response by 7th May 2026. The Entity subsequently submitted its official management response on 15th May 2026.

The findings are identified by exception, the level of risk and the recommendation. The procurements are rated in four categories according to the weaknesses identified, namely: high risk, medium risk, low risk and satisfactory. The definition of the risk rating is in Annex 2.

CHAPTER TWO: FINDINGS AND RECOMMENDATIONS OF THE AUTHORITY

2.1 COMPLIANCE WITH THE PPDA ACT, CAP. 205, AND ATTENDANT REGULATIONS REGARDING THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND THE CONDUCT OF THE PROCUREMENT PROCESSES

2.1.1 Procurement structures

The Authority assessed the procurement structures at Fort Portal City, identifying key players such as the City Town Clerk, Contracts Committee, Procurement and Disposal Unit, User Departments, and Internal Audit Department. The following anomalies were found in the performance of the functions of the procurement structures:

a) Under-staffing in the procurement and Disposal Unit

Section 28 (1) (c) of the PPDA Act, Cap. 205 requires the Accounting Officer of a Procuring and Disposing Entity to establish a Procurement and Disposal Unit with appropriate staffing.

While Fort Portal City's approved structure provides for two positions, a Principal Procurement Officer and a Senior Procurement Officer, the unit remained understaffed throughout the financial year. The principal position was vacant, leaving the unit to be led solely by Senior Procurement Officer Ms. Mwajuma Kobusinge.

Implication

Under-staffing of the Procurement and Disposal Unit results in inefficiency and ineffectiveness of the procurement processes.

Management response

Management acknowledged the query and pledged to prioritize the recruitment of the Principal Procurement Officer at the beginning of the next financial year.

Recommendation

The Accounting Officer should recruit a Principal Procurement Officer to staff the Procurement and Disposal Unit to an appropriate level in accordance with Section 28 (1) (c) of the PPDA Act, Cap. 205.

b) Failure to implement 20% the Authority's previous audit recommendations

Section 10(1)(a) of the PPDA Act, Cap. 205 requires Procuring and Disposing Entities to take corrective action if there is a persistent breach of the Act, regulations, or guidelines as directed by the Authority.

In May 2024, the Authority issued an audit report to the Entity with five recommendations that had to be implemented by December 2024. However, one (20%) recommendation had not been implemented at all by the inspection date in March 2026.

Specifically, the Accounting Officer was required to instruct the Environment Officer and the Community Development Officer to prioritize Environmental Social Health Safety safeguards in procurement in order to safeguard the environment and the neighbouring community. However, social screening for a number of projects was conducted after contracts were signed. As a result, social project risks were neither identified nor mitigated within the bidding documents, confirming that the Accounting Officer's directive was not effectively implemented.

Implication
Non-implementation of audit recommendations raises concerns about the Entity's commitment to improving its procurement processes, addressing identified risks, and ensuring accountability.

Management Response
Environmental and social screening was duly conducted for all specified subprojects. Consequently, comprehensive Environmental and Social Management Plans (ESMPs) were integrated into the respective project documentation to ensure full regulatory compliance.

Authority's Comment
The Authority acknowledged the management response and found it unsatisfactory. Social screening for two sampled projects during the inspection was conducted after contract signature, defeating the purpose of risk mitigation by omitting safeguards from the bidding documents. Management also failed to submit the project screening forms and approved ESMPs for verification. Consequently, the query remains maintained.

Recommendations
The Accounting Officer should:
i. Enforce strict timelines and instruct the Environment and Community Development Officers to conduct all environmental and social screenings before bid solicitation so that necessary ESHS safeguards are integrated directly into the bidding documents; and
ii. Task the Internal Auditor to track the implementation of all current and future Authority recommendations in accordance with Section 10 of the PPDA Act, Cap. 205.

2.1.2 Internal Audit findings
Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations 2023 mandates that the Internal Audit Department of a Procuring and Disposing Entity audit procurement methods and payments to ensure compliance with the Public Finance Management Act, 2015, and other relevant laws.

In the Financial Year 2024/2025, the Internal Audit Department reviewed procurement methods and payments and highlighted the following procurement-related matters during FY 2024/2025.

a. Irregular hiring out of council land
Regulation 2 (3) of the PPDA (Contracts) Regulations 2023 stipulates that a contract award decision is not binding without a formal contract.

The Fourth Quarter Internal Audit report for Financial Year 2024/2025 indicated that, despite the Contracts Committee awarding Kijweka Tukwatanize Group a contract to hire land at UGX 31,500,000 per annum, no formal contract was executed. However, the City Revenue Generation Unit issued a Payment Registration Number for a partial payment of UGX 11,500,000, which allowed the group to occupy the land for the financial year. The group utilized the land; however, UGX 20,000,000 was not paid, leaving the City without a formal mechanism to recover the arrears or enforce tenancy agreements.

Implication
Operating without a valid contract renders the debt legally difficult to enforce, resulting in a direct loss of locally raised revenue and potential encroachment on council assets.

Management Response
On hiring out of Mwenge land, the balance of UGX 20,000,000 was later paid as per the attached receipt and the contractor was stopped from further use of the land until the issues that delayed the council from signing the contract were ironed out.

Authority's Comment
Allowing a private entity to use public land without a formal tenancy contract posed significant litigation and encroachment risks for the Council. Even though UGX 20,000,000 was eventually recovered, this Entity had no tenancy agreement for hiring out the land. Consequently, the audit query was maintained.

Recommendation
The Accounting Officer should sign lease agreements for all City land hired out in accordance with Regulation 2(3) of the PPDA (Contracts) Regulations, 2023.

2.1.3 Procurement planning and implementation

From the review of the Entity's procurement plan, awarded contracts, and the Entity's payment registers for the Financial Year 2024/2025, the Authority found the following:

a) Non-Implementation of 18% of the Procurement Plan.
Section 60 (7) of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity to review and update its procurement plan periodically, where necessary.

A review of the Fort Portal City procurement plan and monthly reports revealed a procurement plan implementation rate of 82% for Financial Year 2024/2025. Although the City Council had planned to procure items worth UGX 12,880,617,982, items worth UGX 10,555,547,593 were procured, leaving a variance of UGX 2,325,070,389 (18%) unimplemented as indicated in Table 3 below:

Table 3: Procurement plan implementation rate

Total procurement plan value inclusive VAT (UGX)	12,880,617,982
Total procurement spend value inclusive VAT (UGX)	10,555,547,593
Procurement Plan Implementation Rate	82%
Procurement Plan Implementation Variance (UGX)	2,325,070,389

Implication
Failure to fully implement all planned procurements compromises the achievement of the annual service targets set by the City Council and increases the risk of future budget cuts while denying service delivery to the intended beneficiaries.

Management Response
Management acknowledged the query and pledged to improve by making adjustments to the plan to promptly reflect changes in funding or priorities.

Recommendation

The Procurement and Disposal Unit should regularly review and update the procurement plan whenever necessary in accordance with Section 60 (7) of the PPDA Act, Cap. 205.

2.1.4 Improper shortlisting of bidders

Regulations 20 (1) and 53 (4) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 require Procuring and Disposing Entities to invite a minimum of six (6) providers for quotation-based procurement, ensure fair and equal opportunity without creating barriers to competition and verify that shortlisted firms possess the eligibility, competence, and capacity to execute the works before invitation.

However, in the construction of a 2-Classroom Block at Kazingo Primary School worth UGX 96,194,721, where the quotation method was used, only five firms, AMBA East Africa LTD, Kibiito Civil Works Ltd, Martial Tech, Bunyangabu Agencies, and SMJ Holdings Co. Ltd were invited. Marunga Dream, a pre-qualified firm and approved for the shortlist by the Contracts Committee, was excluded from the invitation without any recorded justification contravening Regulation 53(4) of the PPDA (Rules and Methods) Regulations, 2023, on fair opportunity.

Furthermore, the Procurement and Disposal Unit did not verify the competence of the shortlisted firms as required by Regulation 53 (4) (b) and (c) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, leading to the disqualification of SMJ Holdings Co Ltd and Bunyangabu Agencies for not meeting basic eligibility standards.

Implication

Shortlisting unverified firms undermines procurement integrity, exposing the Entity to lawsuits from aggrieved providers and a high risk of awarding public infrastructure contracts to unqualified contractors.

Management Response

Management acknowledged the query as an oversight and pledged to improve.

Recommendation

The Procurement and Disposal Unit should always verify shortlisted bidders' eligibility and competence before submitting them to the Contracts Committee for approval in accordance with Regulation 53 (4)(b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.5 Irregularities in the bidding document

Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 requires bidding documents to have clear requirements, comprehensive evaluation criteria, an appropriate contract type and payment terms.

The Entity issued substandard solicitation documents for the Design and Build of Works for Selected Infrastructure Subprojects in Fort Portal City under USMID AF worth UGX 1,139,549,819, contrary to the above legal requirement. The bidding document featured contradictory clauses, an insufficient Bid Securing Declaration, a validity period, and unclear minimum requirements for the Quantity Surveyor and Health and Safety Officer, as indicated in Table 4 below:

Table 4: Inadequate solicitation document

No	Subject of Procurement	Amount (UGX)	PPDA Findings
1.	Design and Build of Works for Selected Infrastructure Subprojects in Fort Portal City under USMID AF	1,139,549,819	**Insufficient bid securing declaration validity period** Although Regulation 63(5) of the PPDA (Rules and Methods) Regulations, 2023, dictates that a Bid Securing Declaration must remain valid for at least 28 days beyond the expiration of the bid validity period, the entity's bidding documents erroneously aligned the declaration's expiry date concurrently with the bid validity period. While ITB 17.1 specified that bids were to be valid until 28th February 2025, ITB 18.2 also specified that the bid securing declaration was to be valid up to 28th February 2025. To achieve compliance, the Bid Securing Declaration should have been required to remain valid until at least 28th March 2025. **Contradictory Instructions Regarding Pre-Bid Meeting Attendance** There was a contradiction between the Instructions to Bidders (ITB) and the Bid Data Sheet (BDS) regarding the consequences of missing the pre-bid meeting. While ITB 9.3 in the Instructions to Bidders states that non-attendance at the pre-bid meeting or site inspection is not grounds for disqualification, ITB 9.2 of the Bid Data Sheet stipulates that attendance is mandatory and failure to attend will result in disqualification. **Inappropriate and ambiguous minimum requirements for the Quantity Surveyor and Health and Safety Officer** The requirements for a Quantity Surveyor were vague, requesting only relevant qualifications without specifying a mandatory degree in Quantity Surveying or professional registration with the Surveyors Registration Board. Furthermore, the Health and Safety Officer requirements are misdirected, as they mandate degrees in Physical Science or Civil Engineering, which are unrelated to occupational safety, while treating actual Health and Safety training as a mere added advantage rather than a mandatory prerequisite.
Total		**1,139,549,819**	

Implication

Issuing defective solicitation documents with contradictory clauses and bid securing declaration validity shorter than the 28 days provided for after expiry of the bid validity period invalidates procurement rules, releasing contractors from performance liabilities while exposing the city to costly bidder lawsuits, re-evaluation delays, and critical service delivery failures.

Management Response

Management acknowledged the query and pledged to improve.

Recommendation

The Contracts Committee should verify that all solicitation documents have clear requirements, comprehensive evaluation criteria, appropriate contract type and payment terms in accordance with Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, to eliminate ambiguity and prevent the risk of non-responsive bids.

2.1.6 Irregularities in the evaluation of bids

Section 76 (3) of the PPDA Act, Cap. 205, which states that *"No evaluation criteria, other than that stated in the bidding documents, shall be taken into account."* The Evaluation criteria for the construction at Bukuuku Community Secondary School, worth UGX 2,450,000,000, included a preliminary examination for eligibility, a detailed evaluation for commercial, technical responsiveness, and a financial comparison to determine the best bid. Bids failing at any stage were to be eliminated.

However, the Evaluation Committee disregarded the set criteria, as evidenced by Doxa Engineering advancing to the technical stage despite failing the preliminary assessment for not accepting the contract conditions. While the firm was eventually eliminated, the failure to stop the evaluation at the point of preliminary non-compliance represents a total disregard for the set criteria and a breach of statutory evaluation rules.

Implication

By applying the pass/fail rule selectively, the Evaluation Committee risks allegations of favouritism and unfair treatment, potentially leading to administrative reviews and legal challenges due to inconsistencies in following the rules meant for an objective competition.

Management Response

Management acknowledged the query and pledged to improve

Recommendation

The Head Procurement and Disposal Unit and Contracts Committee should thoroughly review and verify all evaluation reports to confirm that the evaluation of bids was conducted strictly in accordance with the criteria explicitly stated in the bidding documents, in accordance with Section 76 (3) of the PPDA Act, Cap. 205.

2.1.7 Signing a contract based on expired bids

Regulation 6 (1) (c) of the PPDA (Contracts) Regulations 2023 prohibits a Procuring and Disposing Entity from finalizing a contract or accepting a bid unless the bid is valid or the bidder agrees to extend the bid validity under similar terms.

Contrary to this requirement, the Accounting Officer signed a contract worth UGX 319,147,242 for the supply and installation of medical equipment at Kataraka H.C IV, Kiguma, and Rubingo H.C IIIs under the UGIFT programme (Lot 3) against an expired offer. While Bresun Enterprises (U) Ltd specified a bid validity expiry of 30th January 2025, the contract was signed on 11th March 2025.

Implications

Executing the contract against an expired bid renders that agreement legally unenforceable and releases the contractor from liability, leaving the Entity highly exposed to unrecoverable financial losses.

Management response

Management acknowledged the query and pledged to improve by establishing a monitoring system to flag expiring bids at least 14 days before expiry and trigger formal extension requests by the Procurement and Disposal Unit.

Recommendation

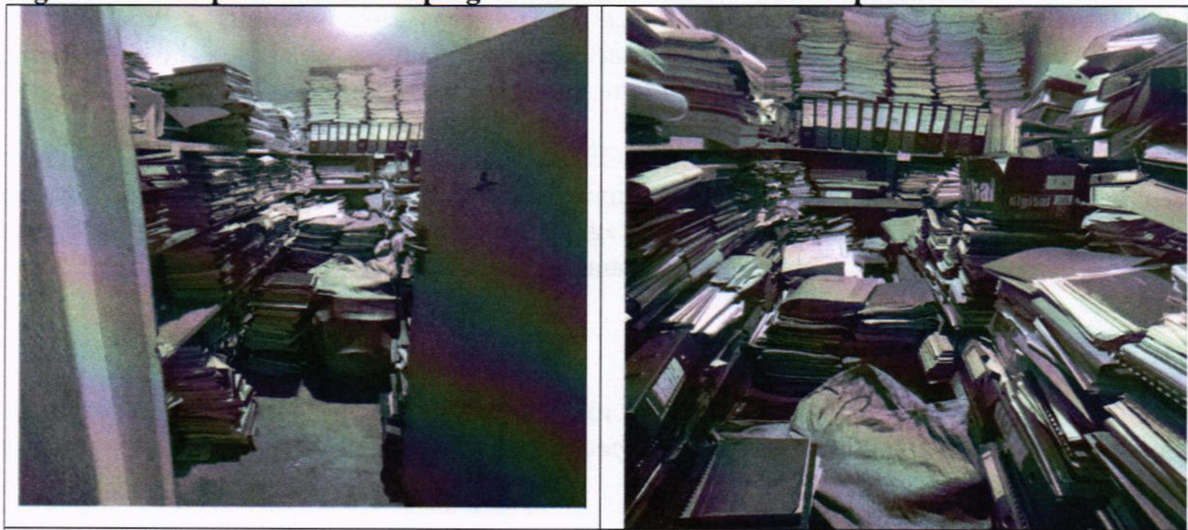
The Accounting Officer should sign all contracts within the active bid validity period in accordance with Regulation 6 (1) (c) of the PPDA (Contracts) Regulations, 2023, or seek extension of bid validity period from bidders if the procedures leading to contract signature have not been concluded yet, bid validity is running out.

2.1.8 Poor archiving of procurement records

Section 44 (1) of the PPDA Act, Cap. 205 requires records to be maintained for seven years after contract termination or completion and if a procurement is challenged, records should be kept for another year.

The Procurement and Disposal Unit inadequately stored and archived procurement and disposal records from prior financial years, with some records exceeding the seven-year retention period. The records were disorganized and improperly stored, with many stacked as indicated in Figure 1 below:

Figure 1 shows poor record-keeping in the Procurement and Disposal Unit



The above photos, taken on 25th March 2026, show procurement records scattered all over the floor and shelves of the storage room.

Implication

Poor storage of procurement and disposal records puts the City's critical documents at risk of loss, damage, unauthorized access, tampering and a cluttered workspace, compromising the integrity of its procurement functions.

Management Response

Management acknowledged the query and pledged to improve following the completion of the administration block, which will offer more space for officers.

Recommendation

The Accounting Officer should provide secure storage facilities to safeguard procurement records in accordance with Section 44(1) of the PPDA Act, Cap. 205, while delivering specialized training to the Procurement and Disposal Unit on storage optimization and record organization best practices.

2.1.9 Assets Management

The inspection revealed the following exceptions:

a) Inadequate identification and protection of City assets

Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023, requires the Accounting Officer to conduct annual reviews of all assets to identify those ready for disposal.

However, the Board of Survey report for the Financial Year 2024/2025 revealed that three prime city properties (Kasusu Market, former Link bus park, and Mwenge land) were unsurveyed and not titled, with no clear record of their current condition or status. Additionally, various movable assets, including media and IT equipment, electronics, and furniture across departments, were not engraved. These unengraved assets are indicated in Annex 3.

Implication
The absence of land titles compromises the City's real estate, making it susceptible to encroachment and illegal seizure. Additionally, not engraving movable assets increases the risk of theft and pilferage, as tracking these items becomes challenging.

Management Response
Management acknowledged the query and pledged to improve.

Recommendation
The Accounting Officer should process land titles for all untitled City properties and mandate a comprehensive engraving exercise to assign unique identification numbers to all movable assets in accordance with Regulation 2(2) of the PPDA (Disposal of Public Assets) Regulations, 2023.

b) Irregularities in the Board of Survey Report
Regulation 2 (2) of the PPDA (Disposal of Public Assets) Regulations, 2023, permits a Procuring and Disposing Entity to utilize the Board of Survey to identify public assets for disposal.

Fort Portal City utilized the Board of Survey for this purpose. However, several irregularities were identified during the process as detailed below;

(i) Composition & Independence
The Entity maintained the same Board of Survey members for three consecutive surveys (2022/2023-2024/2025), raising concerns regarding independence and objectivity due to the lack of role rotation. Additionally, the integrity of the 2024/2025 report was questioned as it reused photos from the 2023/2024 survey. The composition of the Board of Survey during Financial Year 2024/2025 is indicated in Table 5 below:

Table 5: List of Board of Survey members

No	Name	Designation	Position on Committee
1.	Mr. Michael Karwani	Principal Commercial Officer	Chairperson
2.	Ms. Doreen Murungi	Town Agent	Secretary
3.	Mr. Julius Bamuroho	Senior Clinical Officer	Member
4.	Ms. Kobusingye Mwajuma	Senior Procurement Officer	Member
5.	Ms. Cissy Tweyongire	Senior Accounts Assistant	Member
6.	Mr. Simon Karamagi	Chief Finance Officer	Member
7.	Mr. Jackson Mugisha	Senior Assistant Engineering Officer	Member

(ii) Non-Compliance with Asset Valuation Requirements
Regulation 24(2)(c) of the PPDA (Disposal of Public Assets) Regulations, 2023 requires a valuation by the Board of Survey to determine the reserve price. However, Fort Portal City's 2024/2025 Board of Survey report had assets lacking book values, affecting valuation.

(iii) Incomplete Scope
Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023 requires the Accounting Officer to annually review public assets for potential disposal. However, the Board of

Survey report for the Financial Year 2023/2024 excluded Fort Portal City's markets, 30 Primary Schools, and 8 Secondary Schools from its survey aimed at identifying obsolete assets for the Financial Year 2024/2025.

(iv) Failure to Hand Over Division Assets

Assets comprising Land and Fixed Structures, Office Equipment and Electronics, and Furniture and Fittings from the Eastern and Western Divisions remain unaccounted for due to the absence of a formal handover to the Accounting Officer during the transition of Fort Portal Municipal Council to City status. The assets were not documented and transferred. Subsequently, their current physical condition and precise locations are unknown. Some of these missing assets are listed in Annexes 5 and 6.

Implication

- The same Board of Survey members for three years, no role rotation, and reused photos compromise integrity.
- Assets lacked book values, affecting the disposal reserve price.
- Excluded markets, schools, and divisions lead to unidentified obsolete assets.
- Eastern and Western Divisions' assets are missing due to poor handover.

Management Response

Management acknowledged the query and pledged to improve.

Recommendations

The Accounting Officer should:

i. Enforce mandatory annual rotation of Board of Survey members, ensure all city assets maintain updated historical book values in accordance with Regulation 24(2)(c) of the PPDA (Disposal of Public Assets) Regulations, 2023;

ii. Instruct the Board of Survey to conduct comprehensive surveys encompassing all city assets, including markets and schools, in accordance with Regulation 2(1) of the PPDA (Disposal of Public Assets) Regulations, 2023; and

iii. Instruct the Internal Auditor to conduct an immediate verification exercise to trace and account for all assets and property belonging to the former Eastern and Western Divisions and submit a comprehensive status report outlining tracking outcomes and inventory adjustments to the Authority before 31st July 2026.

2.2 COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESSES WITH THE PROVISIONS OF THE PPDA ACT, CAP. 205 AND PPDA (DISPOSAL OF PUBLIC ASSETS) REGULATIONS, 2023

2.2.1 Incomplete Disposal Planning and Failure to Dispose of Obsolete Assets

Section 60 (2) of the PPDA Act, Cap. 205 and Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023 require Procuring and Disposing Entities to plan disposal processes rationally and review assets annually to identify those ready for disposal. However, a review of Fort Portal City's disposal activities revealed the following:

1. The Disposal Plan for the Financial Year 2024/2025 was restricted to motor vehicles, neglecting a range of other obsolete assets identified in the Board of Survey reports for both the 2023/2024 and 2024/2025 periods, such as motorcycles, IT equipment, furniture, electronics, construction materials and old spare parts;

2. Additionally, there was a persistent failure to secure disposal authorizations for donor-funded assets, an issue first raised in the 2022/2023 audit. While management previously cited missing documentation, the continued lack of donor engagement suggested a lack of urgency, resulting in asset depreciation and unnecessary congestion of City premises; and

3. The Entity did not dispose of 40 obsolete assets worth UGX 77,134,000, as recommended in the Board of Survey report for the financial year 2023/2024. Please refer to Annex 4 for the full asset list and Figure 2 below for photographic evidence of the deteriorating motor vehicles:

Figure 2 shows obsolete motor vehicles at Fort Portal City parking yard

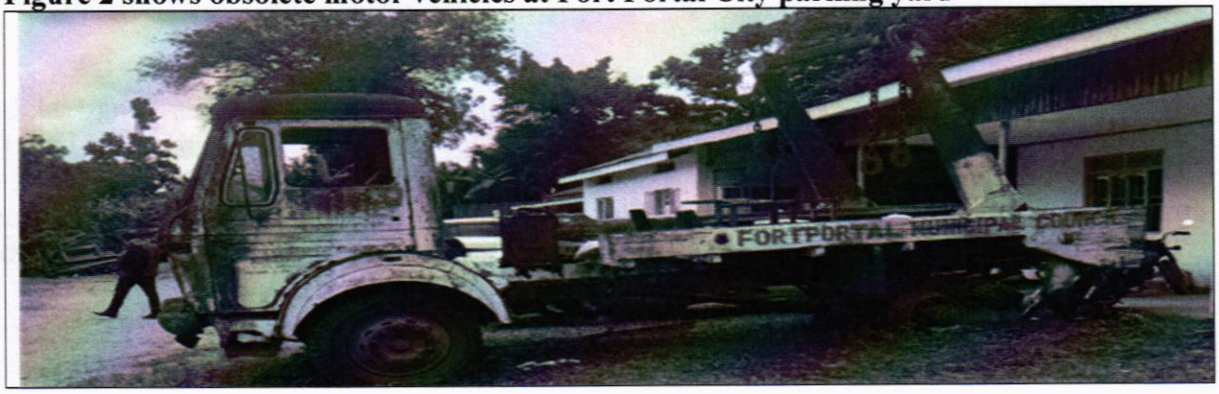


Figure 2: Pictures of obsolete motor vehicles at Fort Portal City parking yard were taken on 23rd March 2026.

Implication

- Failure to dispose of assets exposes them to the risk of damage, vandalism, obsolescence, theft, destruction, and further loss of value, thereby denying the Entity achievement of value for money as funds are held up in these assets.
- Delaying donor engagement and retaining obsolete assets blocks valuable space, causing severe congestion on City premises, escalating holding costs, and directly violating Section 60(2) of the PPDA Act.

Management Response

Management acknowledged the query and pledged to improve.

Recommendations

The Accounting Officer should:

i. Prepare and submit a Disposal Plan and disposal reports on the PPDA E-Reporting Link by the 15th day of the month following the month of reporting in accordance with Regulation 46 (3) of the PPDA (Disposal of Public Assets) Regulations, 2023; and
ii. Formally engage relevant donors to secure official authorization, transfer-of-ownership agreements, or decommissioning certificates required to clear obsolete donated assets for disposal.

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

2.3.1 Procurement Delays

Section 51 of the PPDA Act, Cap. 205 requires procurements to be conducted in a manner that promotes efficiency.

The Entity did not complete procurement processes within the planned timelines in 10 procurement transactions worth UGX 5,984,743,658, contrary to the above legal requirement. The average delay of 39 working days resulted from late initiation, long display period of the Notice of Best Evaluated Bidder, delays in acquiring Solicitor General approval and delayed approvals of evaluation reports by the Contracts Committee. Procurement transactions with delays are indicated in Table 6 below:

Table 6: Procurement Delays

No.	Subject of Procurement	Amount (UGX)	Planned Time (Days)	Actual Procurement Time (Days)	Delay period (working days)
1.	Construction at Bukuuku Community Secondary School	2,450,000,000	36	71	35
2.	Rehabilitation of a 4-Classroom Block at Kinyamasika Primary School	84,653,436	17	52	35
3.	Rehabilitation of a 3-classroom block with an office at Ibaale S. S	97,426,287	28	62	34
4.	Purchase of land at Buraro at Road, Nyakagongo Road	383,720,000	36	74	38
5.	Construction of a 4-Stance VIP Latrine block with a Urinal and bathroom at Karago Market	29,053,593	4	35	31
6.	Supply Roads Construction Materials (gravel)	145,000,000	17	52	35
7.	Supply, delivery, installation, user training and	319,147,242	4	62	58

No.	Subject of Procurement	Amount (UGX)	Planned Time (Days)	Actual Procurement Time (Days)	Delay period (working days)
	commissioning of assorted medical equipment for Kataraka H.C IV Kiguma and Rubingo H.C IIIs				
8.	Design and Build of Works for Selected Infrastructure Subprojects in Fort Portal City under USMID AF	1,139,549,819	28	68	40
9.	Construction of maternity/general ward at Kataraka H.C. IV	1,239,998,560	36	83	47
10.	Construction of a 2-Classroom Block at Kazingo Primary School	96,194,721	20	57	37
Total		**5,984,743,658**	**Average**		**39**

Implication

Delayed procurement processes result in delayed delivery of services to the intended beneficiaries, which compromises the principle of efficiency.

Management Response

Management acknowledged the anomaly and pledged to improve.

Recommendations

1. The Accounting Officer should:
   (i) Instruct User Departments to initiate procurement requisitions at least three months before the required delivery dates to eliminate late initiation and improve process efficiency in accordance with Section 51 of the PPDA Act, Cap. 205; and
   (ii) Assign an officer to support the PDU to follow up on Solicitor General approvals.

2. The Contracts Committee should:
   (i) Issue decisions within ten working days of PDU submissions, as mandated by Regulation 7(3) of the PPDA Regulations, 2023;
   (ii) Actively monitor Procurement Plan implementation to ensure User Departments and the PDU adhere to planned schedules to promote efficiency in accordance with Section 51 of the PPDA Act, Cap. 205.

2.3.2 Failure to prepare contract management plans

Regulation 50(3) of the PPDA (Contracts) Regulations, 2023 requires a Contract Manager to prepare a Contract Management Plan using Form 49 upon receipt of a contract and forward a copy to the Procurement and Disposal Unit for monitoring purposes.

The Authority found that contract managers failed to prepare and submit contract management plans (Form 49) to the Procurement and Disposal Unit (PDU) in six procurement transactions worth UGX 3,364,000,558. These procurement transactions are indicated in Table 7 below;

Table 7: Procurements without Contract Management Plans

No.	Subject of Procurement	Provider	Amount (UGX)
1.	Construction at Bukuku Community Secondary School	Geses Uganda Ltd	2,450,000,000
2.	Rehabilitation of a 4-Classroom Block at Kinyamasika Primary School	Kibiito Civil Works Ltd	84,653,436
3.	Rehabilitation of a 3-classroom block with an office at Ibaale S. S	Nkohah Eng Co. Ltd	97,426,287
4.	Supply of land at Kataraka for the construction of a maternity ward	Baguma Yosamu	383,720,000
5.	Construction of a 4-Stance VIP Latrine block with a Urinal and bathroom at Karago Market.	Kromaka Engineering Service Ltd	29,053,593
6.	Supply, delivery, installation, user training and commissioning of assorted medical equipment for Kataraka H.C IV, Kiguma and Rubingo H.C IIIs	Bresun Enterprises (U) Ltd	319,147,242
	Total		**3,364,000,558**

Implication

The absence of Contract Management Plans deprives the Procurement and Disposal Unit of its oversight capability and leaves the Entity without a formal benchmark to track progress of its procurements.

Management Response

Management stated that the Contract Management Plans were prepared.

Authority's Comment

Management failed to provide copies of the Contract Management Plans (Form 49) for verification. In the absence of verifiable physical evidence, the query was maintained.

Recommendation
The Procurement and Disposal Unit should monitor the submission of Contract Management Plans (Form 49) in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023, and report regularly on compliance to the Accounting Officer until full compliance with contract management plan preparation is achieved within the Entity.

2.3.3 Delayed appointment of a Contract Manager

Section 51 of the PPDA Act, Cap. 205 mandates that procurement activities should ensure the achievement of economy, efficiency, and value for money.

The City lacked sufficient supervisory oversight during the construction of a 2-Classroom Block valued at UGX 96,194,721 at Kazingo Primary School. The contract was signed on 7th April 2025, but Mr. Jimmy Balewa was appointed as Contract Manager on 6th May 2025, a month later.

Implication
This one-month delay left the project without formal technical supervision during the crucial mobilization and commencement phase, undermining the statutory requirement for efficient contract management.

Management Response
Management acknowledged the anomaly and pledged to improve in future contracts.

Recommendation
The Accounting Officer should always appoint Contract Managers concurrently with the contract signing in accordance with Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023. For more effective and efficient contract management in the Entity.

2.3.4 Late delivery and incomplete supply of medical equipment

Regulation 52 (3) (a) (i) of the PPDA (Contracts) Regulations, 2023 requires a Contract Manager to ascertain that the provider meets all the performance or delivery obligations in accordance with the terms and conditions of the contract.

Medical equipment worth UGX 319,147,242 for Kataraka HC IV, Kiguma HC III, and Rubingo HC III was not delivered within the stipulated timelines. According to Special Condition of the Contract 12, delivery was required within five months of contract signing (11th March 2025), establishing a deadline of 11th August 2025. Subsequently, the last batch of deliveries was made four months later.

However, the provider (Bresun Enterprises (U) Ltd) breached this schedule and delivered the equipment late in three batches as shown below;

- 1st Batch: 20th –22nd September 2025 (6 weeks late)
- 2nd Batch: 14th November 2025 (3 months late)
- 3rd Batch: 16th –17th December 2025 (4 months late)

Additionally, a portion of the required medical equipment worth UGX 19,625,697.5 was not delivered.

Implication
Communities served by Kataraka HC IV, Kiguma, and Rubingo HC IIIs were denied the essential healthcare services, specifically affecting maternal and general health outcomes.

Management Response
Management noted the query and pledged to improve.

Recommendation
The Accounting Officer should issue a formal Notice to Correct to Bresun Enterprises (U) Ltd for the delivery and installation of all remaining medical equipment in accordance with Regulation 52 (1) (b) of the PPDA (Contracts) Regulations, 2023. If the supplier fails to comply within the specified deadline, the Entity should procure the outstanding equipment from an alternative supplier.

2.3.5 Social screening conducted after bidding process completion

Section 66 of the PPDA Act, Cap. 205, states that a Procuring and Disposing Entity shall, for each procurement, take into account environmental protection, social inclusion and stimulating innovation as may be prescribed.

Social screening for two projects worth UGX 1,324,651,996 was done after completion of the bidding process, an indicator that social risks were not included in the bidding document and as such, not implemented. These transactions are indicated in Table 8 below:

Table 8: Procurements with delays in Social Screening

No.	Subject of procurement	Contract amount	Date of contract signing	Date of social screening	Delay period (working days)
1.	Construction of maternity/general ward at Kataraka H.C. IV	1,239,998,560	30th October 2024	18th December 2024	36
2.	Rehabilitation of a 4-Classroom Block at Kinyamasika Primary School	84,653,436	18th February 2025	19th March 2025	22
	Total	**1,324,651,996**			

Furthermore, there was no evidence of environmental screening, as the relevant forms were not provided for review.

Implication
Screening projects after contracts have been signed renders the screenings unimpactful, as critical sustainability risks are not included in the bidding documents or costed within the contracts.

Management Response
The Senior Environment Officer and the City Community Development Officer conducted environmental and health social screenings for projects in 2024/2025 and 2025/2026. Environmental social management plans (ESMPs), detailing risks, impacts, and mitigation

measures, were created and integrated into the Bill of Quantities (BOQs). The team also ensures contractor compliance with screening issues through site visits and inspections.

Authority's Comment
The Authority acknowledged the management response and found it unsatisfactory. Whereas environmental and health social screenings were done for some projects, screening for these two sampled projects was omitted at the planning stage and was done after the contracts were signed, defeating the purpose of risk mitigation by omitting safeguards from the bidding documents. Consequently, the query remains maintained.

Recommendations
1. The Environment Officer and the City Development Officer should always carry out social screening during the planning stage for all procurements so that the identified environmental, health, safety and social safeguards for each project are identified, costed and embedded in the specifications and bills of quantities for ease of implementation in accordance with Section 66 of the PPDA Act, Cap. 205.
2. The Contract Manager should monitor the implementation of Environmental, Social, Health and Safety safeguards in the planned timelines to prevent the occurrence of delays on projects.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall Compliance Inspection Conclusion

The performance of Fort Portal City for the Financial Year 2024/2025 was **Moderately Satisfactory** with an overall weighted average risk rating of **45.3%.**

3.1.1 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 shown in Table 9 below:

Table 9*:* Entity's performance

Risk Rating	No.	% No.	Value (UGX)	% Value	Weights	Total Weighted Score	
						By No.	By Value
High	1	10	319,147,242	5	0.6	6.0	3.0
Medium	5	50	5,010,402,963	84	0.3	15.0	25.2
Low	4	40	655,199,880	11	0.1	4.0	1.1
Satisfactory	0	0	0	0	0	0	0
Total	**10**	**100**	**5,984,750,085**	**100**	**1**	**25**	**29.3**

Weighted average (By No.) = $\frac{\text{Sum of weighted score}}{60} \times 100 = \frac{25.0}{60} \times 100 = 41.7$

Weighted average (By value) = $\frac{\text{Sum of weighted score}}{60} \times 100 = \frac{29.3}{60} \times 100 = 48.8$

Overall weighted average risk rating = $\frac{41.7+48.8}{2}$ = **45.3%**

Since 45.3% falls within the 31-70% risk range, the performance of the Entity is rated Moderately Satisfactory as detailed in Table 10 below:

Table 10:Risk Rating

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

GRAPHICAL REPRESENTATION OF THE ENTITY'S PERFORMANCE

Figure 3 shows the performance by number of contracts

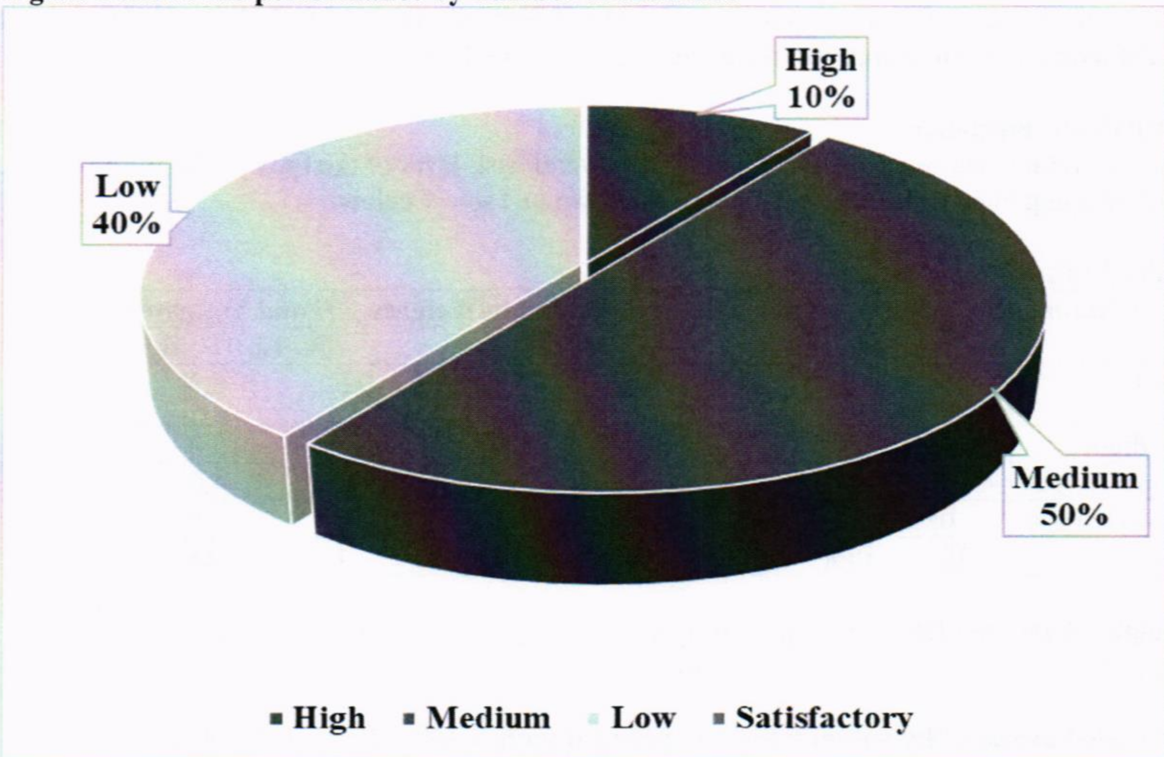
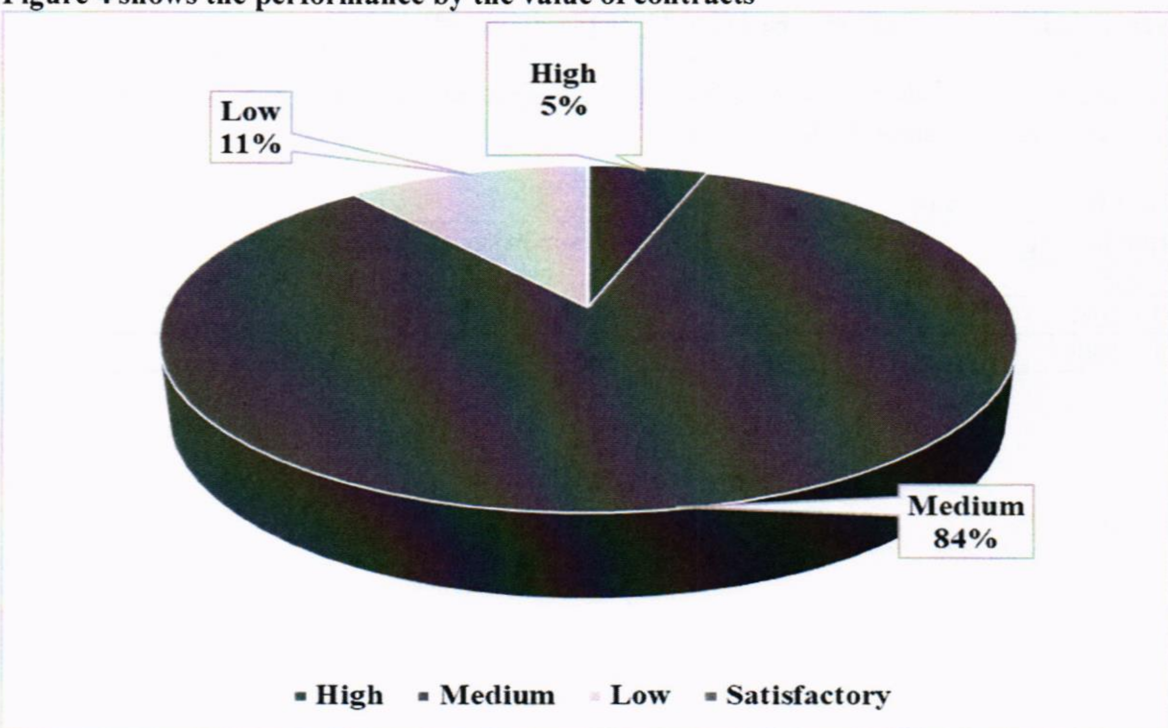


Figure 4 shows the performance by the value of contracts



3.2 Inspection Opinion/Conclusion

Procurement and disposal activities of Fort Portal City for the Financial Year 2024/2025 were generally conducted in compliance with the provisions of the PPDA Act, Cap. 205 and its attendant Regulations. The Entity successfully maintained the mandatory procurement and disposal structures, although the Procurement and Disposal Unit (PDU) remained understaffed with one staff.

Some internal control and performance weaknesses were identified during the inspection. These gaps included understaffing in the PDU, a 20% failure rate in implementing previous audit recommendations, inconsistent bidding documents, flawed bid evaluations, contract awards executed on expired bids, and deficient record archiving. Furthermore, the inspection revealed inadequate asset protection, a failure to dispose of obsolete items, widespread procurement delays, incomplete medical equipment deliveries, and delayed social screenings of infrastructure projects.

Although these weaknesses did not undermine the procurement system's baseline integrity, they demonstrate significant gaps in administrative planning, contract oversight, and asset protection. If left unaddressed, these deficiencies will continue to delay public service delivery, expose city assets to legal vulnerabilities, and hinder national socio-economic objectives.

Accordingly, the overall performance of Fort Portal City for the Financial Year 2024/2025 was assessed as **moderately satisfactory** with an overall weighted average risk rating of **45.3%.** This performance standing underscores the need for immediate, targeted management interventions to enhance procurement efficiency, strengthen contract performance, and enforce strict adherence to statutory compliance frameworks.

3.3 Recommended Action Plan

The Entity should implement the recommendations in Table 11:

Table 11: Action Plan

No.	Finding	Action/Recommendation	Responsible Officer	Target date
1.	Understaffing of the Procurement and Disposal Unit	Recruit a qualified Principal Procurement Officer to staff the PDU to an appropriate, structurally optimal level.	Accounting Officer	September 2026
2.	Inconsistencies in the bidding document	Quality assure and verify all prepared solicitation documents to guarantee clarity and consistency across requirements, contractual clauses, and payment terms.	Contracts Committee	Financial year 2026/2027
3.	Signing contracts against expired offers	Execute all contracts within the active bid validity period, or formally request validity extensions from bidders when necessary.	Accounting Officer	Financial year 2026/2027
4.	Inadequate storage space & facilities for	Provide secure storage facilities and training to the Procurement and	Accounting Officer	August 2026

No.	Finding	Action/Recommendation	Responsible Officer	Target date
	the PDU to keep records	Disposal Unit on storage optimization and record organization best practices		
5.	Failure to plan and dispose of obsolete assets	Prepare and submit a comprehensive annual Disposal Plan for all obsolete assets to the Authority.	Procurement and Disposal Unit	31st July of every financial year
6.	Board of Survey Exclusion of Markets and Schools	Instruct the Board of Survey to conduct comprehensive, all-inclusive surveys that cover all city portfolios, including public markets, primary schools and secondary schools.	Accounting Officer	August 2026
7.	Untitled City Land Plots	Process and secure formal land titles for all currently untitled Fort Portal City real estate and properties.	Accounting Officer	December 2026
8.	Unengraved Public Assets	Execute a comprehensive asset-engraving exercise to assign unique identification numbers to all unmarked movable assets across the city departments.	User Departments	November 2026
9.	Omission of Formal Asset Handover from Divisions	Conduct a physical verification and tracking exercise to locate, document, and formally account for all assets inherited from the Eastern and Western Divisions.	Internal Auditor	September 2026
10.	Widespread Procurement Delays	Initiate and submit complete procurement requisitions (Form 5) at least three months before the required delivery dates.	User Departments	August 2026
11.	Delayed and Incomplete Medical Supplies by Brusen Enterprises	Issue an immediate Notice to Correct to Brusen Enterprises (U) Ltd, demanding delivery of the outstanding equipment, invoking contract remedies and alternative sourcing if the supplier fails to comply.	Accounting Officer	July 2026
12.	Retrospective Social Screening	Complete all environmental and social screenings before tendering.	User Departments	November 2026

ANNEX 1: Fort Portal City compliance inspection sample list and risk rating

No	Subject of procurement	Method of Procurement	Provider	Amount (UGX)	Risk Rating	Basis For Risk Rating
1.	Supply, delivery, installation, user training and commissioning of assorted medical equipment for Kataraka H.C IV, Kiguma and Rubingo H.C IIIs	Open Domestic Bidding	Bresun Enterprises (U) Ltd	319,147,242	High risk	• Contract based on expired bid • Late delivery of equipment • 6% of the medical equipment worth UGX 19,625,697.5 was not delivered • No contract management plan prepared
2.	Construction of a 4-stance latrine at Karago Market	Quotation	Kromaka Engineering Services	29,053,593	Low risk	• No contract management plan prepared • Procurement delays
3.	Supply of land at Kataraka for the construction of a maternity ward	Open Domestic Bidding	Baguma Yosamu	383,720,000	Low risk	• No contract management plan prepared • Procurement delays
4.	Design and Build of Works for Selected Infrastructure Subprojects in Fort Portal City under USMID-AF	Restrictive Bidding	Wim Services	1,139,549,819	Medium risk	• Irregularities in the bidding document • Procurement delays
5.	Construction of Bukuku Community Secondary School	Open Domestic Bidding	Geses U Limited	2,450,000,000	Medium risk	• No contract management plan prepared • Procurement delays
6.	Rehabilitation of a 4-classroom block at Kinyamasika Primary School	Quotation	Kibiito Civil Works Ltd	84,653,436	Medium risk	• Procurement delays • No contract management plan prepared

No	Subject of procurement	Method of Procurement	Provider	Amount (UGX)	Risk Rating	Basis For Risk Rating
						• Social Screening conducted after the contract was signed
7.	Rehabilitation of a three-classroom block with an office at Ibaale Secondary School	Quotation	Nkoka Engineering Co Ltd	97,426,287	Low risk	• Procurement delays • No contract management plan prepared
8.	Construction of a maternity/general ward at Kataraka H.C. IV	Open Domestic Bidding	Extech Technical Services	1,239,998,560	Medium risk	• Procurement delays • No contract management plan prepared • Social Screening conducted after the contract was signed
9.	Construction of a 2-Classroom Block at Kazingo Primary School	Quotation bidding	AMBA East Africa LTD	96,194,721	Medium risk	• Low bidder participation • A shortlisted firm was not invited • PDU did not verify the eligibility and technical competence of the shortlisted firms. • Late appointment of a contract manager
10.	Supply of gravel for periodic maintenance	Force Account Mechanism	City Engineer	145,000,000	Low Risk	• Procurement delays
Total				**5,984,743,658**		

ANNEX 2: Risk Rating Criteria

RISK	DESCRIPTION
HIGH	Such procurements are 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".
MEDIUM	Procurements that were considered to have weaknesses, which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing management 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.
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally 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 the 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.

ANNEX 3: Unengraved Assets

No	Asset description	Quantity	Location
1.	HP printer-Laser Jet Pro 400	1	Town Clerk's Office
2.	Armed chair	1	
3.	Executive high back leather chair	1	
4.	Full Sofa set	1	
5.	Wooden small table	1	
6.	Photo Frames	1	
7.	Wall Clock	1	
8.	UPS	1	
9.	Computer Set HP Pro		
10.	A pair of curtains		
11.	Coat hanger		
12.	A woollen carpet		

ANNEX 3: Unengraved Assets			
No	**Asset description**	**Quantity**	**Location**
1.	Armed chairs	2	Town Clerk Reception
2.	Photo frames	3	
3.	Photocopier Kyocera	1	
4.	3-seater sofa set	1	
5.	Wooden office chairs	2	
6.	Wooden table	1	
7.	Flat TV Screen with antenna	1	
8.	Waiting chair	1	
1.	Executive high back leather chair		Deputy Town Clerk's Office
2.	Office Rolling Chair	1	
3.	3- seater sofa	5	
1.	Computer set	1	Assistant Deputy Town Clerk's Office
2.	Printer HP LaserJet P1102	1	
3.	Lenovo CBS Desktop	1	
1.	Hp prodesk	1	Internal Audit Department
2.	Office table with a cupboard on either side	1	
3.	Leather chair	1	
4.	Office table	1	
5.	Wooden office chair	1	
6.	Curtains and nets	1 pair	
1.	HP LaserJet Pro MFP M125A	1	Planning Unit
2.	Wooden chair with a covered seat	1	
3.	2 executive office chairs (Black)	1	
4.	Office chair	1	
5.	Internet router	1	
1.	Sofa sets Red	2	Trade & Industry Office
2.	A pair of curtains	1	
1.	Desktop, CPU/UPS (IFMS)	1	Revenue Office
2.	Printer		
1.	Office tables	3	Procurement and Disposal Unit
2.	Chair	1	
3.	Wooden shelf	1	
4.	Filling cabin	1	

ANNEX 3: Unengraved Assets			
No	**Asset description**	**Quantity**	**Location**
5.	CPU	2	
6.	Keyboards	2	
1.	Photocopiers	2	Education
2.	Metallic filling cabinet	2	
3.	Wooden filling cabins	3	
4.	Computer (Compaq) Deskpro	1	
5.	Dell printer	1	
6.	Canon NP 7161 photocopy	1	
7.	Riso GR3750 photocopier	1	
8.	Metallic suitcase	1	
9.	Carpets	2	
10.	Cupboards with glass	2	
1.	L-shaped table	1	Human Resources Office
2.	Zenith Office filing cabinet	1	
3.	Book shelf	1	
4.	Wooden office chairs	2	
5.	Wooden filing cabinets	2	
1.	Printer	1	Health Department
2.	Wooden tables	2	
3.	Wooden chairs	5	
4.	Wooden filing cabinets	3	
5.	Metallic filling cabinet	1	
6.	Wooden bench	1	
7.	Green Bucket	1	
8.	Yellow bucket	1	
9.	Hp Printer	1	
10.	Laserjet photocopier	1	
11.	UPs	2	
12.	Office tray	1	
13.	Punching machine	1	
1.	Max Speakers	2	Cash office strong room
2.	Max Amp Mixer	1	
3.	Epson Projector	1	
4.	Wireless microphones	2	
5.	Keyboards	3	

ANNEX 3: Unengraved Assets			
No	Asset description	Quantity	Location
6.	Metallic filling cabinet	1	
7.	Cash safe	1	
8.	Stool	1	
9.	Panasonic video camera	1	
10.	Wooden chair	1	
11.	Old filing cabinet	1	
1.	Counter	1	Central registry
2.	Wooden cabinet	1	
3.	Metallic filling cabinet	2	
4.	Filling cabinets	10	
5.	Metallic document shelves	3	
6.	Metallic building plan cabinets	2	
7.	Fire extinguishers	2	
8.	Binding Machine	1	
9.	Metallic box stands	3	
10.	Office filing cabinet	1	Mayor's office
11.	Sofa set	1	
12.	Curtains	2	
13.	Office tray	1	
14.	Noticeboards	2	
15.	Office chairs wooden	2	
16.	Office filing cabinet	1	
17.	Flags with stands	2	
18.	Wooden coffee set with 6 stools	1	
19.	7-seater sofa set	7	
20.	Woollen carpet	1	
21.	All assets in the Cash office (office section)		
22.	All assets in the Clerk to the council's office		
23.	All assets in the Server room		

ANNEX 4: Obsolete Assets recommended for disposal				
No	**Item**	**Unique identifier**	**Book value**	**Comment**
Old and Grounded Motor Vehicles				
1.	Nissan Navara	UG 2980R	10,000,000	Grounded for a long time and uneconomical to repair
2.	Jiefang Lorry	LG 0086-14	10,000,000	Frequent breakdowns uneconomical to repair
3.	Tata Lorry Skip Loader	UAJ 163X	20,000,000	Frequent breakdowns uneconomical to repair
4.	Nissan Hard Body	UG 0637M	5,000,000	Old and uneconomical to repair
Old motorcycles				
1.	Yamaha DT Motorcycle	LG 0087-14	500,000	Uneconomical to repair
2.	Honda XL motorcycle	UG 0431R	500,000	High Maintenance Costs
3.	Jailing Motorcycle	No number plate	500,000	High Maintenance Costs
4.	Jiejeng	UG. 2785R	200,00	Obsolete
5.	Yamaha	UG 0666E	200,000	Grounded for a long time
Electronic materials				
1.	Meter boxes	Not engraved	290,000	Recommended for Disposal
2.	Capacitors big size	Not engraved	15,000,000	Recommended for Disposal
3.	Capacitors small size	Not engraved	9,000,000	Recommended for Disposal
4.	Lamp holder fittings	Not engraved	3,000,000	Recommended for Disposal
5.	Conductors 25mm	Not engraved	100,000	Recommended for Disposal
6.	Street light bulb holders	Not engraved	750,000	Recommended for Disposal
7.	Conduit pipes	Not engraved	6,000	Recommended for Disposal
8.	Solar panels 100W	Not engraved	500,000	Recommended for Disposal
Furniture				
1.	Office chairs	Not engraved	60,000	Recommended for Disposal
2.	Office tables	Not engraved	40,000	Recommended for Disposal
3.	Old tables	Not engraved	120,000	Recommended for Disposal
4.	3-seater chairs	Not engraved	60,000	Recommended for Disposal
Construction materials				
1.	Kajjansi tiles		1,000,000	Recommended for Disposal
IT Equipment				
1.	CPUs		60,000	Recommended for Disposal
2.	Monitors		90,000	Recommended for Disposal
3.	Printer		40,000	Recommended for Disposal

ANNEX 4: Obsolete Assets recommended for disposal				
No	Item	Unique identifier	Book value	Comment
4.	Back up		10,000	Recommended for Disposal
5.	Keyboard		5,000	Recommended for Disposal
6.	Ribbons for line printers		64,000	Recommended for Disposal
Old spare parts				
1.	Tyres for grader		20,000	Recommended for Disposal
2.	Engine block		30,000	Recommended for Disposal
3.	Pressure plate		10,000	Recommended for Disposal
4.	Articulate for tractors		4,000	Recommended for Disposal
5.	Pistons		20,000	Recommended for Disposal
6.	Uncountable spare parts		1,000	Recommended for Disposal
7.	Cylinder sleeves		4,000	Recommended for Disposal
8.	Toilet seat		10,000	Recommended for Disposal
9.	Cabin for files		10,000	Recommended for Disposal
10.	Printer Xerox		30,000	Recommended for Disposal
11.	Computer (Compaq) desk pro		40,000	Recommended for Disposal
12.	CPUs		60,000	Recommended for Disposal

ANNEX 5: Missing Assets from Former Eastern Division		
No	Description	Quantity
1.	L-Shaped Tables	5
2.	Office Chairs	13
3.	Filing Cabinets	3
4.	Office Trays	3
5.	Coat Hanger	1
6.	Dustbin	7
7.	Window Curtain Holder	5
8.	Ring Bell	1
9.	Calculator	1
10.	Stapling Machine	2
11.	Speakers Mace	1
12.	Coat/tie holder	2
13.	Printer	2
14.	Punching Machine	2
15.	Trophy	1
16.	Office Wall Clock	2

ANNEX 5: Missing Assets from Former Eastern Division		
No	**Description**	**Quantity**
17.	Shelf	3
18.	Carpet	1
19.	Pen holders	2
20.	Suit holder	1
21.	Notice Board	3
22.	Chair	22
23.	Tables	1
24.	Cabinets	3
25.	Curtain Rods	4
26.	Bench	2
27.	Extension Cable	1
28.	IRAS Cable	
29.	Cupboard	1
30.	Computer	1
31.	Office Table	1
32.	Safe	1
33.	Cash Box	1
34.	File Shelf	1
35.	Suggestion Box	1
36.	Sign Post	4
37.	Water Borne Toilet	1
38.	Emptiable VIP Latrine	1
39.	Unipot	1
40.	Banana Shades	2
41.	Land	Not Developed and Untitled

ANNEX 6: Missing Assets from Former Western Division		
No	**Description**	**Number**
1.	Big Table	2
2.	Small Table	1
3.	Office Clock	2
4.	Swinging Office Chair	4
5.	Wooden Office Chairs	5
6.	Filing Cabinet	1
7.	Hand-washing Machine	1
8.	Speaker Mace	1
9.	Office bell	1
10.	Stapler	3
11.	Punching Machine	2
12.	Receiving stamp	1
13.	Official stamp	1
14.	Holy Quran	1
15.	Holy Bible	1

ANNEX 6: Missing Assets from Former Western Division		
No	**Description**	**Number**
16.	Table Flag	1
17.	FPMC by-laws 2008	1
18.	Uganda Constitution 1995	1
19.	Local Government Act 297	1
20.	National Environment Act	1
21.	Local Council Courts Act 2006	1
22.	Physical Planning Act 2010	1
23.	The Local Governments Rating 2005	1
24.	LGFAR 2007	1
25.	Standard Rules and Procedure of Local Government Councils 2014	1
26.	The Children's Act	1
27.	Sofa Set Tables	1
28.	Shelf	3
29.	Cabin	1
30.	Tray	1
31.	Tilting Cabins	2
32.	Executive Chair	1
33.	Stamp	2
34.	Cupboard	1
35.	Calculator	2
36.	Waste Bin	1
37.	Safe	2
38.	Table trays	2
39.	Window Curtains	2
40.	Desktop Computer	2
41.	Printer	1
42.	Cabin	1
43.	Benches	2
44.	Extension Cable	1
45.	Hand washing facility	2
46.	Notice Board	1
47.	1200 Sunny Pickup	1
48.	Ambulance Suzuki	1