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

COMPLIANCE INSPECTION REPORT FOR FINANCIAL YEAR 2024/2025

KALANGALA DISTRICT LOCAL GOVERNMENT

JUNE 2026

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ESHS	Environmental, Social, Health and Safety
FY	Financial Year
GCC	General Condition of Contract
MoFPED	Ministry of Finance, Planning and Economic Development
PDU	Procurement and Disposal Unit
PS/ST	The Permanent Secretary/Secretary to the Treasury
PPDA	Public Procurement and Disposal of Public Assets Authority
SCC	Special Conditions of Contract
TCC	Tax Clearance Certificate
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Kalangala District Local Government for Financial Year 2024/2025 and reviewed 11 sampled procurement transactions.

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

From the findings of the compliance inspection exercise, the performance of Buvuma District Local Government for the Financial Year 2024/2025 was **Satisfactory** with an overall weighted average risk rating of **25%.** The risk rating was weighted to determine the overall risk level of the Entity as detailed in chapter three of this report.

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

1. Schedule 4 of the PPDA Act, Cap. 205, provides that the Contracts Committee shall be composed of five members. The Contracts Committee was not fully constituted, operating with four members instead of the required five. This limited the Entity's ability to form a quorum and execute procurement activities promptly, thereby exposing the Entity to delays in service delivery.

2. Section 36 (2) of the PPDA Act. Cap. 205, provides that the User Department shall prepare a procurement plan based on the approved budget, which shall be submitted to the Procurement and Disposal Unit for implementation when required. The Entity failed to implement 56.2% of the procurement plan, denying service delivery to the intended beneficiaries.

3. Section 10 (1) of the PPDA Act, Cap. 205 provides that where there is persistent breach of this Act or regulations made, or guidelines issued under this Act, the Authority may direct the concerned Procuring and Disposing Entity to take corrective action as may be necessary in the circumstances to rectify the breach. The Entity failed to implement 39% of the recommendations, denying the Entity continuous improvement.

4. Section 67 (2) of the PPDA Act, Cap. 205 provides that all solicitation documents shall detail the terms and conditions, which shall apply to any resulting contract; and contain the General Conditions of Contract, or a statement of the General Conditions of Contract which shall apply. In seven procurements worth UGX 451,027,167, the Entity issued inadequate solicitation documents with unclear bid validity periods, omissions of key requirements, which led to bidders preparing non-compliant bids.

5. Regulation 5 (l) of the PPDA (Evaluation) Regulations, 2023, provides that the evaluation of bids shall be conducted in accordance with the evaluation criteria specified in the bidding documents. In two procurements worth UGX 139,974,450, the Authority found that the Best Evaluated Bidders did not comply with key eligibility/administrative requirements, which led to the award of contracts to non-compliant bidders.

6. Regulation 6 (1) (c) of the PPDA (Contracts) Regulations, 2023 provides that a Procuring and Disposing Entity shall not issue a contract, conveying acceptance of a bid that binds a Procuring and Disposing Entity to a contract with a provider, except where the bid is valid or the bidder is willing to extend the bid validity on terms similar to the terms stated in their bid. In six procurements worth UGX 458,667,780, the Authority found that the Entity signed contracts based on expired bids, undermining fairness and validity of the procurement outcomes.

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

1. The Accounting Officer should:
    i. Follow up with the PS/ST to ensure that the fifth member of the Contracts Committee is appointed to bring the total membership to the required five as specified in Schedule 4 of the PPDA Act, Cap. 205;
    ii. Instruct the nominated Officers to implement all the Authority's recommendations in accordance with Section 10 of the PPDA Act, Cap. 205;
    iii. Regularly review and update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205; and
    iv. Desist from signing contracts based on expired bids in accordance with Regulation 6 (1) (c) of the PPDA (Contracts) Regulations, 2023.

2. The Head of Procurement and Disposal Unit should:
    i. Prepare comprehensive, clear, and fully compliant bidding documents by specifying precise bid validity periods, including all applicable contractual provisions such as retention amounts in accordance with Section 67(2) of the PPDA Act, Cap. 205; and
    ii. Monitor bid validity periods and, where an extension to the bid validity period is required, a bidder should be requested in writing before the expiry of validity of their bid to extend the validity for a specified period to complete the process in accordance with Regulation 62 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

3. Evaluation Committee members should strictly adhere to the criteria set out in the bidding documents in accordance with Regulation 5 of the PPDA (Evaluation) Regulations, 2023.

Kalangala District Local Government should implement the recommended action plan on page **14** to **15** of this report.

CHAPTER ONE: INTRODUCTION

1.1. Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Kalangala District Local Government for the Financial Year 2024/2025 and reviewed 11 sampled procurement transactions. The inspection involved a review of procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the PPDA Act, Cap. 205, the PPDA Regulations, 2023 and PPDA Guidelines, 2024.

1.2. Inspection Objectives

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

The specific objectives of the inspection were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations 2023 with regard to the performance of the procurement structure and conduct of the procurement process;
2. Assess the degree of compliance of the Entity's Disposal process with the provisions of the PPDA Act, Cap. 205 and the PPDA Regulations 2023; and
3. Assess the level of efficiency and effectiveness in contract implementation, including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process.

1.3. Structure of the Entity

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

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

Table 1: Contracts Committee Members

No.	Name	Job Title	Position on committee	Date of Appointment
1.	Mr. Ronald Mutebi	District Inspector of Schools	Chairperson	7th March 2023
2.	Ms. Jane Namukasa	In-Charge Maternal Child Health	Member	22nd February 2023
3.	Mr. Geoffrey Ntabaazi Nsumba	District Communications Officer	Member	24th May 2023
4.	Mr. Emmanuel Bukenya	Health Inspector	Member	24th May 2023

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

Table 2: Staff in the Procurement and Disposal Unit

No.	Name	Position	Qualification
1.	Mr. Samson Oundo Musumba	Senior Procurement Officer	Master of Dip & International Relations from Uganda Martyrs Nkozi, PGD-P&L
2.	Mr. Michael Agaba	Procurement Officer	CIPS level 5, PGD & Degree in BPLM
3.	Mr. Julius Kawalya	Ass. Procurement Officer	CIPS, PGD & Degree in BPLM

1.4. Scope of the Compliance Inspection

The compliance inspection involved a review of the procurement process, disposal process, general compliance issues and contract implementation of 11 UGX 809,702,167 transactions worth under the Financial Year 2024/2025 vide **Annex B**.

1.5. Methodology

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

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

The inspection commenced on 31st March 2026, and thereafter a debrief meeting to discuss preliminary findings was held with the Entity's management and staff on 2nd April 2026, before the procurement and disposal compliance inspection team could embark on preparation of the Management Letter. The Management Letter was sent to the Entity on 17th April 2026 with a request to submit a Management Response by 24th April 2026, which was submitted to the Authority on 5th May 2026.

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

CHAPTER TWO: FINDINGS AND RECOMMENDATIONS

2.1. 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 THE PROCUREMENT PROCESSES.

2.1.1 Failure to fully constitute the Contracts Committee

Schedule 4 of the PPDA Act, Cap 205, provides that the Contracts Committee shall be composed of the following members: a chairperson, a secretary and a maximum of three other members appointed by the Accounting Officer.

The Authority noted that the Entity's Contracts Committee only had four members instead of the required five, as indicated in Table 1 above.

Implications

Failure to fully constitute a Contracts Committee denied the Procuring and Disposing Entity a balance of skills and experience of persons of proven track record of sound judgment, decision-making and a recognized professional discipline in accordance with Regulation 4 (4) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

Management Response

Management acknowledged the observation; the Entity wrote to the PS/ST Ministry of Finance and Economic Development (MoFPED) requesting approval of a replacement and is awaiting approval of the fifth person.

Recommendation

The Authority takes note of the response and recommends that the Accounting Officer should follow up with the PS/ST to ensure that the fifth member of the Contracts Committee is appointed to bring the total membership to the required five as specified in Schedule 4 of the PPDA Act, Cap. 205.

2.1.2 Failure to implement 56.2% of the procurement plan

Section 36 (2) of the PPDA Act. Cap. 205, provides that the User Department shall prepare a procurement plan based on the approved budget, which shall be submitted to the Procurement and Disposal Unit for implementation when required.

The Entity's total procurement budget for FY 2024/2025 was UGX 2,876,651,687, as per the amended procurement plan submitted on 13th June 2025. However, review of the monthly reports submitted to the Authority indicated a total procurement spend of UGX 1,259,829,692 (43.8%), implying that procurements worth UGX 1,616,821,995 (56.2%) were not implemented, as detailed in Table 3 below:

Table 3: Procurement plan implementation rate

Total procurement plan value (UGX)	2,876,651,687
Actual procurement spend (UGX)	1,259,829,692
Variance (UGX)	1,616,821,995
Percentage implementation rate (%)	43.8%
Percentage unimplemented Variance	56.2%

Implication

This undermined effectiveness of procurement planning and service delivery, since the Entity did not adequately review and update the procurement plan to align planned activities with available funding and implementation realities.

Management Response

No response was provided

Recommendation

The Accounting Officer should regularly review the implementation of the planned procurements by updating the procurement plan to incorporate approved changes with available funding and in accordance with Section 60 (7) of the PPDA Act, Cap. 205.

2.1.3 Failure to fully implement 39% of the Authority's recommendations

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

Kalangala District Local Government was issued an audit report for the Financial Year 2022-2023 on 17th June 2024. Out of 18 recommendations made, 11 (61%) were fully implemented, six (33%) were partially implemented, and one (6%) was not implemented as detailed in Table 4 below:

Table 4: Implementation of Previous Audit Recommendations

No.	Recommendation	Status	Responsible Officers
1.	The Accounting Officer should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 60 (7) of the PPDA Act Cap. 205.	Partially implemented	Head of Finance
2.	The Accounting Officer should put in place a strong internal mechanism and a dedicated team of staff for implementation of audit recommendations.	Partially implemented	Chairperson CC
3.	The Accounting Officer should recover or refund UGX 25,267,039 paid as VAT to a non-registered provider.	Not implemented	Head PDU
4.	The Contracts Committee should critically review the bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies which could lead to misunderstandings between the Entity and the bidders	Partially Implemented	Head PDU

No.	Recommendation	Status	Responsible Officers
	in line with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.		
5.	The Head of Procurement and Disposal Unit should prepare quality bidding documents in accordance with Regulations 33-40 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	Partially implemented	Head PDU
6.	The Evaluation Committee should strictly adhere to the set criteria, use standard evaluation report template, and participate in the evaluation and sign the evaluation reports as provided under Regulations 5 of the Public Procurement and Disposal Assets (Evaluation) Regulations, 2023.	Partially implemented	Head PDU
7.	The contract managers should ensure that the provider performs the contract in accordance with the terms and conditions specified in the contract in accordance with Regulation 52 (1) (b) of the PPDA Regulations, 2023.	Partially implemented	District Engineer

Implication
This indicated gaps in management follow-through and corrective action, allowing control weaknesses to persist and potentially recur. The partially implemented and unimplemented recommendations increase the risk of continued non-compliance.

Management Response
Responsibility has been assigned to the above officers in table four above to undertake and review all documents and contracts before the close of FY 2025-2026 as per the above table.

Recommendation
The Accounting Officer should follow up on the nominated Officers to ensure implementation of the Authority's recommendations in accordance with Section 10 of the PPDA Act, Cap. 205.

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

In seven procurements worth UGX 451,027,167, the Head, Procurement and Disposal Unit issued inadequate bidding documents with unclear bid validity periods and omissions on defects liability periods and retention percentages for the works procurements, among others as indicated in Table 5 below:

Table 5: Inadequate bidding documents

No	Subject of Procurement	Amount (UGX)	PPDA Findings	*Management Response*
1.	Supply of protective wear for Works Dept.	14,979,510	Bid validity was stated in days (30	*The observation was observed, and in the*

No	Subject of Procurement	Amount (UGX)	PPDA Findings	*Management Response*
			days) instead of a date contrary to Regulation 62(1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	*new bidding documents, stating dates instead of periods has been taken care of by management (date-month and year for bid validity periods in all bidding documents).*
2.	Rehabilitation of Kachungwa Solar Powered System in Mazinga Sub-County in Kalangala District Local Government	39,908,780	• GCC (SCC 35.1) provided that the Defects Liability Period was not applicable contrary to GCC 35.1 of the Standard Bidding Document that stated that the DLP was 365 days. • GCC (SCC 48.1) provided that no proportion of payments shall be retained contrary to Regulation 45 (1) (a) of the PPDA (Contracts) Regulations, 2023.	*This has been acknowledged and going forward, Management has included DLP and retention of 5%, bid securing declaration, performance securing declaration in the bidding documents.*
3.	Construction of 5 No. fish drying racks at Dajje Landing Site	20,054,043		
4.	Construction of a Waterborne Toilet at Buyiri Landing Site in Kalangala District Local Government	39,779,650	• A bid securing declaration was not a requirement contrary to Regulation 63(1) of the PPDA (Rules and Methods for Procurement of Supplies, Works	
5.	Repairs for Nekemeya Secondary School in Bufumira Sub County in Kalangala District Local Government	106,175,834		

No	Subject of Procurement	Amount (UGX)	PPDA Findings	*Management Response*
6.	Renovation of Teachers' Houses at Bukasa Primary School and Renovation of a Dormitory at Kaganda Primary School in Kalangala District Local Government	100,194,800	and Non-Consultancy Services) Regulations, 2023 • GCC (SCC 35.1) provided that the defects liability perio(DLP) was not applicable contrary to GCC 35.1 of the Standard Bidding Document that stated that the DLP was 365 days. • GCC (SCC 48.1) provided that no proportion of payments shall be retained contrary to Regulation 11 (1) of the PPDA (Contracts) Regulations, 2023 • Performance Securing Declaration was not a requirement.	
7.	Construction of Dajje Gravity Water Flow System in Bujumba Sub-County.	129,934,550		
	Total	**451,027,167**		

Implication
This undermined the clarity and enforceability of the procurement process, since unclear bid validity periods and omission of key contract terms (defects liability period and retention percentages) can lead to misinterpretation by bidders, inconsistent evaluation and award delays, and weak contract administration. It also reduces the Entity's contractual protection to secure performance and remedy defects.

Recommendation
The Head, Procurement and Disposal Unit should prepare comprehensive, clear, and fully compliant bidding documents by specifying precise bid validity periods, including all applicable contractual provisions such as retention amounts in accordance with Section 67(2) of the PPDA Act, Cap. 205.

2.1.5 Award of contracts to non-compliant bidders

Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023, provides that the evaluation of bids shall be conducted in accordance with the evaluation criteria specified in the bidding documents.

In two procurements worth UGX 139,974,450, the Authority found that the Best Evaluated Bidders did not comply with key eligibility/administrative requirements stipulated in the bidding documents, including submission of valid Powers of Attorney and a valid Income Tax Clearance Certificate, among others, as detailed in Table 6 below:

Table 6: Procurements where contracts were awarded to non-compliant bidders

No.	Subject of Procurement	Value (UGX)	Finding	*Management Response*
1.	Construction of a Waterborne Toilet at Buyiri Landing Site in Kalangala District Local Government **Provider:** Adeti Construction Ltd	39,779,650	The Best Evaluated Bidder did not attach a valid Income Tax Clearance Certificate addressed to Kalangala DLG as required contrary to the eligibility criteria of the bidding document that required a valid tax clearance certificate addressed to Kalangala DLG	*The bidder's Income Tax Clearance Certificate (TCC) is hereby attached.* **Authority's Comment**: The TCC attached was for the FY 2023/2024 instead of FY 2024/25.
2.	Renovation of Teacher's Houses at Bukasa Primary School and Renovation of a Dormitory at Kaganda Primary School in Kalangala DLG. **Provider:** Rokan Logistics Ltd	100,194,800	The Best Evaluated Bidder did not attach a required valid Tax Clearance Certificate (TCC) and was considered compliant contrary to the eligibility criteria of the standard bidding document that required a valid tax clearance certificate addressed to Kalangala DLG	*Attached here as annex 5 is a copy of evidence of tax clearance certificate.* **Authority's Comment**: No TCC was attached for verification
Total		**139,974,450**		

Implication

This undermined the integrity and fairness of the evaluation process and increased the risk of awarding contracts to bidders who were not duly eligible or authorised, exposing the Entity to likely complaints and administrative review challenges, and increasing the likelihood of contract implementation problems.

Recommendation

Evaluation Committee members should strictly adhere to the criteria set out in the bidding documents in accordance with Regulation 5 of the PPDA (Evaluation) Regulations, 2023.

2.2. COMPLIANCE OF THE ENTITY DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, CAP. 205 AND PPDA REGULATIONS 2023.

There were no exceptions found in the disposal conducted by the Entity during the Financial Year under review. The Entity conducted a disposal exercise that generated revenue worth UGX 86,738,000, according to the auctioneer's report dated 26th November 2024.

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 Delayed Contract Completion

Regulation 52 (1) (b) of the PPDA (Contract) Regulations, 2023, provides that a Contract Manager shall make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract.

In the procurement for the construction of a Waterborne Toilet at Buyiri Landing Site in Kalangala District Local Government worth UGX 39,779,650, the Authority found that the contract was completed 97 calendar days after the intended completion date. The contract signed on 11th December 2024 (Special Conditions of Contract, GCC 17.1) provided for a completion period of three (3) months (16th March 2025); however, the works were completed on 20th June 2025 and no evidence of an approved extension of time was availed on the contract file.

Implication

This indicated weak contract administration and enforcement, since delays were not formally assessed, approved or managed through the contract provisions. It increased the risk of uncontrolled time and cost overruns, reduced value for money, and limited the Entity's ability to apply contractual remedies.

Management Response

The Entity has always nominated, appointed and written to contract managers indicating their roles and responsibilities in relation to each contract signed. As a way forward I am (AO) going to task each contract manager to submit to my office a copy of the report at least once every month, depending on the availability of the resources. This will enable my office to check on their management of projects.

Authority's comment: Noted the Entity's response; however, copies of appointments were not submitted to substantiate the management response.

Recommendation

The Contract Managers should strictly monitor the implementation of the contract in line with the terms and conditions of the contract in accordance with Regulation 52 (1) (b) of the PPDA (Contract) Regulations, 2023.

2.3.2 Signing contracts based on expired bids

Regulation 6 (1) (c) of the PPDA (Contracts) Regulations, 2023 provides that a Procuring and Disposing Entity shall not issue a contract, purchase order, or other communication in any form, conveying acceptance of a bid that binds a Procuring and Disposing Entity to a contract with a provider, except where the period specified in Regulation 4 has expired and the bid is valid or the bidder is willing to extend the bid validity on terms similar to the terms stated in their bid.

In six procurements worth UGX 458,667,780, the Authority found that the Entity signed contracts based on expired bids as indicated in Table 7 below:

Table 7: Procurements where the Entity signed contracts based on expired bids

No.	Subject of Procurement	Value (UGX)	Finding
1.	Construction of a Waterborne Toilet at Buyiri Landing Site in Kalangala District Local Government	39,779,650	Bid validity period was up to 30th November 2024. However, the contract was signed on 11th December 2024, a delay of 8 working days.
2.	Supply of Three (3) Seater School Desk for Education Department in Kalangala District Local Government	20,000,000	
3.	Renovation of Teacher's Houses at Bukasa Primary School and Renovation of a Dormitory at Kaganda Primary School in Kalangala District Local Government.	100,194,800	Bid validity period was up to 10th December 2024. However, the contract was signed on 12th December 2024, thereby causing a delay of 2 working days.
4.	Construction of Dajje Gravity water Flow System in Bujumba Sub-County	129,934,550	Bid validity period was up to 26th February 2025. However, the contract was signed on 5th March 2025, a delay of 5 working days.
5.	Design, Supply and Installation of UGIFT Micro Scale Irrigation systems for selected farmers in Kalangala District Local Government.	128,850,000	Bid validity period was up to 20th December 2024. However, the contract was signed on 25th February 2025 which was a delay of 44 working days.
6.	Rehabilitation of Kachungwa Solar Powered System in Mazinga Sub County in Kalangala DLG	39,908,780	Bid validity period was up to 30th November 2024. However, the contract was signed on 12th December 2024 which was a delay of 9 working days.
	Total	**458,667,780**	

Implication

This undermined the fairness and validity of the procurement outcomes, since contract award and signing occurred after bid validity had lapsed, meaning bidders were no longer bound by their offers and the Entity could not reliably confirm price and terms.

Management Response

Management has acknowledged the recommendations of the Authority and will implement as guided. Bid validity will be realigned to match the time frame for contract signing. Contract managers will be tasked to implement contracts as set up in the time period and should inform the PDU in-case where lapse of time is noticed to enable the execution of valid contracts.

Recommendations

1. The Accounting Officer should desist from signing contracts based on expired bids in accordance with Regulation 6 (1) (c) of the PPDA (Contracts) Regulations, 2023.
2. The Head, Procurement and Disposal Unit should monitor bid validity periods and where an extension to the bid validity period is required, a bidder should be requested in writing before the expiry of validity of their bid to extend the validity for a specified period to complete the process in accordance with Regulation 62 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1. Overall Audit Conclusion

The performance of Kalangala District Local Government for the Financial Year 2024/2025 was **Satisfactory** with an overall weighted average risk rating of **25%.**

3.2. Entity's risk assessment

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in Table 8 below:

Table 8: Weighted Score of Kalangala District Local Government

Risk Category	No.	No.%	Value (UGX)	Value. %	Weights	Total Weighted Average	
						By No.	By Value
High	0	0	0	0	0.6	0	0
Medium	3	27.3	179,883,230	22.2	0.3	8.2	6.7
Low	8	72.7	629,818,937	77.8	0.1	7.3	7.8
Satisfactory	0	0	0	0	0	0	0
Total	11	100	**809,702,167**	**100**	**1**	**15.5**	**14.4**

Weighted Average (By no.) = $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{15.5}{60} \times 100 = 26\%$

Weighted Average (By Value) = $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{14.4}{60} \times 100 = 24\%$

Combined Weighted Average = $\frac{26+24}{2} = 25\%$

Since **25%** falls within the 0-30 risk range, the performance of the Entity is rated **Satisfactory** as detailed in Table 9 below:

Table 9: Risk Rating Table

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

Figure 1: Risk Rating by Number

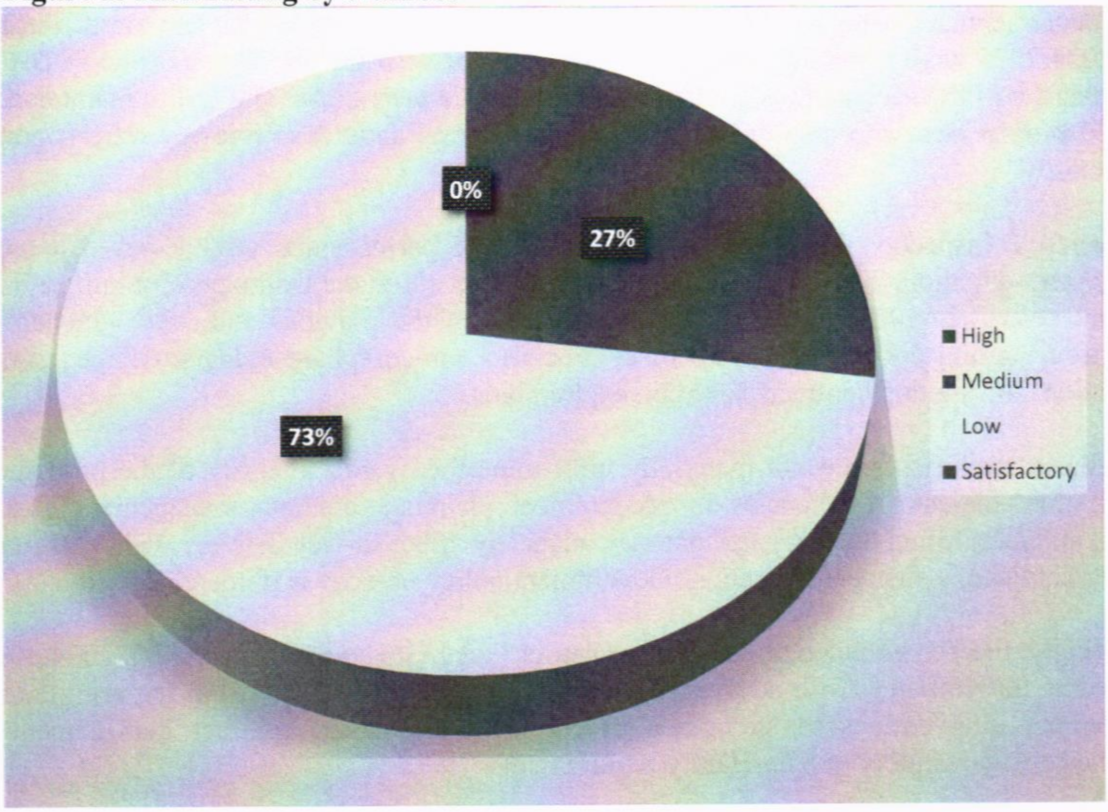
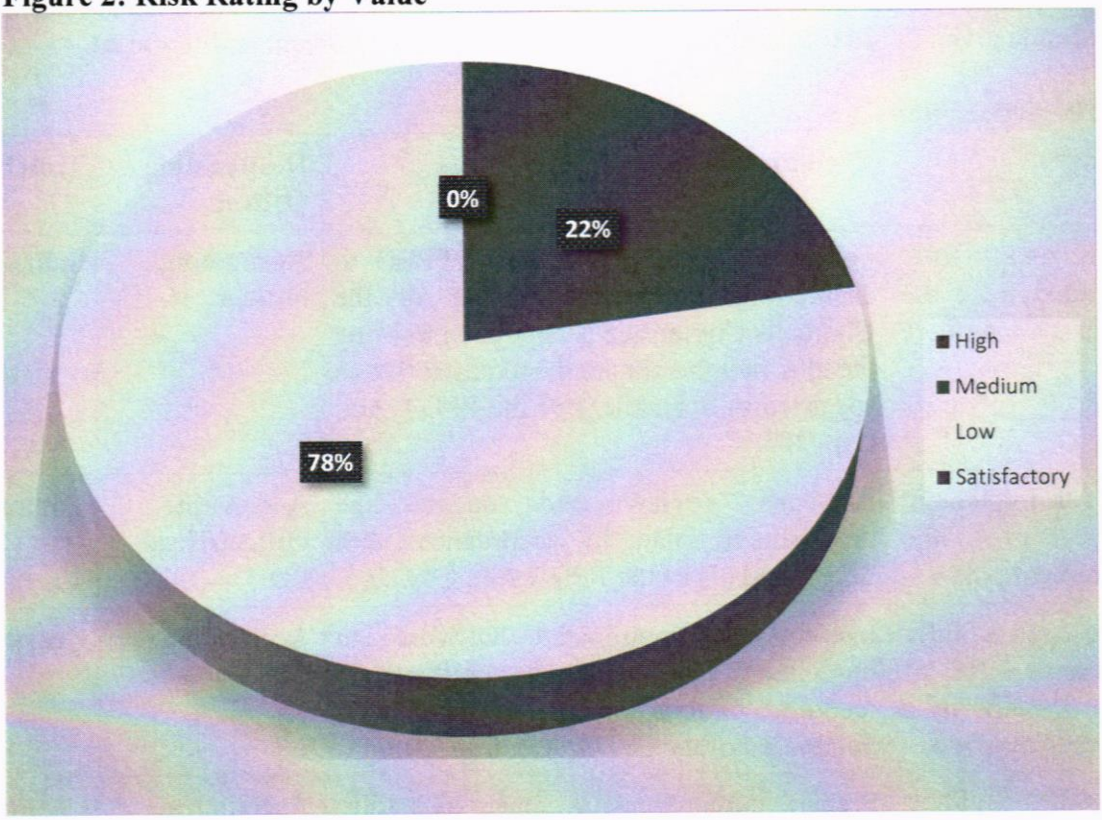


Figure 2: Risk Rating by Value



3.3. Inspection Opinion/Conclusion

The Procurement and Disposal activities of Kalangala District Local Government for the Financial Year 2024/2025 were generally conducted in compliance with the provisions of the PPDA Act, Cap. 205, the PPDA Regulations, 2023, and PPDA Guidelines, 2024. The Entity maintained the required procurement and disposal structures, and disposal activities reviewed were conducted satisfactorily.

However, the inspection identified several control and performance weaknesses that require management attention. These include failure to fully constitute the Contracts Committee during financial year 2024/2025, failure to implement some of the previous audit recommendations, inadequate bidding documents, award of contracts to non-compliant bidders, delayed contract completion, and signing contracts based on expired bids.

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

Accordingly, the performance of Kalangala District Local Government for the FY 2024/2025 is assessed as **Satisfactory**, with an overall weighted average risk of **25%**, but requiring targeted management interventions to strengthen procurement efficiency, contract management and compliance with statutory and regulatory requirements.

3.4. Recommended Action Plan

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

Table 10: Action Plan

Finding	Recommendation	Responsible Officer	Timeline
Failure to fully constitute the Contracts Committee	Follow up with the PS/ST–MoFPED to ensure that the fifth member of the Contracts Committee is appointed to bring the total membership to the required five as specified in Schedule 4 of the PPDA Act, Cap. 205	Accounting Officer	Immediately
Failure to implement 56.2% of the procurement plan	Regularly review and update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205.	Accounting Officer/Head PDU	Continuous
Failure to fully implement 39% of the Authority's recommendations	Instruct the nominated Officers to implement all the Authority's recommendations in accordance with Section 10 of the PPDA Act, Cap. 205.	Accounting Officer	Quarterly
Inadequate Bidding Documents	Prepare comprehensive, clear, and fully compliant bidding documents by specifying precise bid validity periods,	Accounting Officer	Continuous

Finding	Recommendation	Responsible Officer	Timeline
	including all applicable contractual provisions such as retention amounts in accordance with Section 67(2) of the PPDA Act, Cap. 205.		
Award of contracts to non-compliant bidders	Evaluation Committee members should strictly adhere to the criteria set out in the bidding documents in accordance with Regulation 5 of the PPDA (Evaluation) Regulations, 2023.	Evaluation Committee	Continuous
Signing contracts based on expired bids	i. Desist from signing contracts based on expired bids in accordance with Regulation 6 (1) (c) of the PPDA (Contracts) Regulations, 2023. ii. Monitor bid validity periods and, where an extension to the bid validity period is required, a bidder should be requested in writing before the expiry of validity of their bid to extend the validity for a specified period to complete the process in accordance with Regulation 62 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	Procurement and Disposal Unit/Accounting Officer	Continuous
Delayed Contract Completion	Monitor the implementation of the contract in line with the terms and conditions of the contract in accordance with Regulation 52 (1) (b) of the PPDA (Contract) Regulations, 2023.	Contract Managers	Contract execution
Evaluation Committee	Strictly adhere to the criteria set out in the bidding documents in accordance with Regulation 5 of the PPDA (Evaluation) Regulations, 2023.		Continuous

Annex A: Summary Case by Case

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
	Nil	
No.	**MEDIUM RISK CONTRACTS**	**REASONS FOR MEDIUM RISK**
1.	KALA846/WRKS /2024-25/00007 Renovation of Teacher's Houses at Bukasa Primary School and Renovation of a Dormitory at Kaganda Primary School in Kalangala District Local Government. Provider: Rokan Logistics Ltd Amount: UGX 100,194,800	• Inadequate Bidding Document • Award of a contract to a non-compliant bidder • Signing of a contract based on an expired bid
2.	KALA846/WRKS/2024-25/00004 Rehabilitation of Kachungwa Solar Powered System in Mazinga Sub County in Kalangala District Local Government Provider: Roofline Construction Co. Ltd Amount: UGX 39,908,780	• Inadequate Bidding Document • Signing a contract based on an expired bid
3.	KALA846/WRKS/2024-25/00003 Construction of a Waterborne Toilet at Buyiri Landing Site in Kalangala District Local Government Provider: Adeti Construction Ltd Amount: UGX 39,779,650	• Inadequate Bidding Document • Award of contract to a non-compliant bidder • Delayed contract completion • Signing a contract based on an expired bid
No.	**LOW RISK CONTRACTS**	**REASONS FOR LOW RISK**
1.	KALA846/WRKS/24-25/00001 Construction of Dajje Gravity water Flow System in Bujumba Sub County. Provider: Roofline Construction Co. Ltd Amount: UGX 129,934,550	• Inadequate Bidding Document • Signing a contract based on an expired bid
2.	KALA846/WRKS/24-25/00009 Construction of 5 No. fish drying racks at Dajje Landing Site Provider: Multi SGL Co Ltd Amount: UGX 20,054,043	Inadequate Bidding Document
3.	KALA846/WRKS/2024-25/00006 Repairs for Nekemeya Secondary School in Bufumira Sub County in Kalangala District Local Government Provider: Multi SGL Co Ltd Amount: UGX 106,175,834	Inadequate Bidding Document
4.	KALA846/WRKS/2024-25/00005 Design, Supply and Installation of UGIFT Micro Scale Irrigation systems for selected farmers in Kalangala District Local Government. Provider: Science Corner Engineering Ltd	Signing a contract based on an expired bid

	Amount: UGX 128,850,000	
5.	KALA846/SUPLS/2024-25/00006 Supply of Three (3) Seater School Desk for Education Department in Kalangala District Local Government Provider: Walakira Furniture and General Workshop Ltd Amount: UGX 20,000,000	Signing a contract based on an expired bid
6.	KALA846/SUPLS/2024-25/00010 Supply of protective wear for works department Provider: SBK Media Co Ltd Amount: UGX 14,979,510	Inadequate Bidding Document
7.	Kala846/SUPLS/ 24-25/00001/13 Supply and Delivery of Science Equipment and Reagents to Gyagenda Memorial Seed Secondary School Provider: A.N Ddamulira Ltd Amount: UGX 55,575,000	Nil
8.	Kala846/SUPLS/24-25/00001/10 Supply and Installation of ICT Equipment for Gyagenda Memorial Seed Secondary School Provider: Nanids IT Solutions Ltd Amount: UGX 154,250,000	Nil
No.	**SATISFACTORY CONTRACTS**	
	Nil	

Annex B: Sample List for Kalangala District Local Government for Financial Year 2024/2025

No.	Proc Reference No	Subject of Procurement	Method of Proc	Date of award	Service Provider	Contract Amount (UGX)
1.	KALA846/WRKS/2024-25/00005	Design, Supply and Installation of UGIFT Micro Scale Irrigation systems for selected farmers in Kalangala District Local Government	Selective Domestic Bidding	14th November 2024	Science Corner Engineering Ltd	128,850,000
2.	KALA846/WRKS/2024-25/00006	Repairs for Nekemeya Secondary School in Bufumira Sub-County in Kalangala District Local Government	Request for Quotation	14th November 2024	Multi SGL Co Ltd	106,175,834
3.	KALA846/WRKS /2024-25/00007	Renovation of Teachers' Houses at Bukasa Primary School and Renovation of a Dormitory at Kaganda Primary School in Kalangala DLG	Request for Quotation	14th November 2024	Rokan Logistics Ltd	100,194,800
4.	KALA846/WRKS/2024-25/00004	Rehabilitation of Kachungwa Solar Powered System in Mazinga Sub-County in Kalangala District Local Government	Request for Quotation	14th November 2024	Roofline Construction Co. Ltd	39,908,780
5.	KALA846/WRKS/2024-25/00003	Construction of a Waterborne Toilet at Buyiri Landing Site in Kalangala District Local Government	Request for Quotation	14th November 2024	Adeti Construction Ltd	39,779,650
6.	KALA846/WRKS/24-25/00001	Construction of Dajje Gravity Water Flow System in Bujumba Sub-County	Request for Quotation	4th February 2025	Roofline Construction Co. Ltd	129,934,550
7.	Kala846/SUPLS/24-25/00001/10	Supply and Installation of ICT Equipment for Gyagenda Memorial Seed Secondary School	Open Domestic Bidding	13th February 2025	Nanids IT Solutions Ltd	154,250,000
8.	Kala846/SUPLS/24-25/00001/13	Supply and Delivery of Science Equipment and Reagents to Gyagenda Memorial Seed Secondary School	Open Domestic Bidding	13th February 2025	A.N Ddamulira Ltd	55,575,000
9.	KALA846/SUPLS/2024-25/00006	Supply of three (3) Seater School Desk for Education Department in Kalangala District Local Government	Request for Quotation	14th November 2024	Walakira Furniture's and General Workshop Ltd	20,000,000
10.	KALA846/WRKS/24-25/00009	Construction of 5 No. Fish drying racks at Dajje Landing Site	Direct procurement	16th June 2025	Multi SGL Co Ltd	20,054,043
11.	KALA846/SUPLS/2024-25/00010	Supply of protective wear for Works department	Direct procurement	16th June 2025	SBK Media Co Ltd	14,979,510
	TOTAL					**809,702,167**

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 risk for the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	**Planning:** Lack of or failure to procure within the approved plan	This implies emergencies and 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 evaluation.	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files, namely, solicitation document, submitted bids, evaluation report and contract.	This implies that one cannot ascertain the audit trail, namely, whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies 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
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	**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	This implies a lack of efficiency, standardization and avoiding competition.

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	and records of issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	
		Procurement Structures: Lack of procurement structures	This implies 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 a lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendments and variations, which lead to unjustified delayed contract completion and a lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health and safety 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	**Planning:** Lack of procurement reference numbers.	This leads to failure to track the procurements, which leads to poor record-keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and a lack of transparency.

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

SATISFACTORY
Relates to the 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.