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

THE PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY

COMPLIANCE INSPECTION REPORT FOR FINANCIAL YEAR 2024/25

KOBOKO DISTRICT LOCAL GOVERNMENT

JUNE, 2026

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ACRONYMS

ESHS	Environmental, Social, Health and Safety
FY	Financial Year
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
PPDA Act	Public Procurement and Disposal of Public Assets Act, Cap. 205
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Koboko District Local Government for the Financial Year 2024/25 and reviewed 10 sampled procurement and disposal transactions.

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

From the findings of the compliance inspection, the performance of Koboko District Local Government for Financial Year 2024/25 was **moderately satisfactory**, with an average weighted risk rating of **48.05%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the report.

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

1. Failure to implement 75% of the previous inspection recommendation for the FY 2023/24 contrary to Section 10 of the PPDA Act, Cap. 205 where 6 (50%) were not implemented and 3 (25%) were partially implemented. This leads to reoccurrence of inspection findings increases operational and compliance risks and undermines continuous improvement efforts.

2. Low procurement plan implementation rate for the financial year 2024/25 with only an absorption rate of 62.6% and a significant variance of UGX 2,167,544,815 contrary to Section 60 (7) & (8) of the PPDA Act, Cap. 205. This may consequentially affect the procurement function and service delivery in the Entity.

3. Failure to endorse key pages of the bid documents like the bid submission sheet or pages with financial data at bid opening by the chairperson of the opening session contrary to the provisions of Regulation 6 (1) (f) of the PPDA (Contracts) Regulations, 2023. This indicated inadequate safeguards of bids and gaps in the procurement of deep borehole drilling, installation and test pumping of twelve units worth UGX. 330,020,500.

4. Failure to conduct evaluation of bids in accordance with Regulation 5 (1-2), of the PPDA (Evaluation) Regulations, 2023. such as need for a VAT certificate, workmans compensation policy and ESHS Performance Declaration which were not initially requested for This negatively affect the outcome of the evaluation process, and it disadvantages the unsuccessful bidders.

5. Failure to adhere to the guidance of the Solicitor General in the procurement of deep borehole drilling, installation and test pumping of twelve units worth UGX. 330,020,500; contrary to Regulation 6 (1) (f) of the PPDA (Contracts) Regulations, 2023. This compromises the Entity's legal position in case of disputes that arise from breaches of the terms and conditions of the contracts.

6. Failure by the Entity to plan and dispose assets during the financial year 2024/25 contrary to Regulations 2 (1) and 3 of the PPDA (Disposal of Public Assets)

Regulations, 2023. This leads to deterioration and loss of realizable market value through pilferage, wear and tear of the undisposed and unusable assets.

7. Failure to appoint Contract Managers in nine procurements worth UGX. 2,271,014,834 contrary to Regulation 50 of the PPDA (Contracts) Regulations, 2023. This leads to weak contract management that may result into poor project performance, increment in project implementation costs, project delays and poor works executions due to lack of quality checks.

In light of the above findings, the Authority recommends that:

1. The Accounting Officer who has the overall responsibility for the execution of the procurement function should:
   i. Institute quarterly procurement plan reviews to align planned procurements with actual budget and revenue collections. Any significant changes should be formally approved and reflected in updated procurement plans in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023.
   ii. Establish audit recommendation register and quarterly monitoring to implement all the Authority's recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205.
   iii. Adhere to the Solicitor General's guidance in accordance with Regulation 6 (1) (f) of the PPDA (Contracts) Regulations, 2023. The Solicitor General is the Government legal adviser, so it is pertinent that the contracts advised on are aligned with the guidance provided which is an assurance of protection of the interest of the Entity.
   iv. Task the Internal Audit Unit to always audit the procurement processes for conformity in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2. The Head of the Procurement and Disposal Unit should:
   i. Verify that key pages of all bids opened are endorsed by the chairperson and or the representative of the Contracts Committee or User Department at bid opening, in accordance with Regulation 75 (6) of the PPDA (Rule and Methods for Procurement of Supplies, works and Non-Consultancy Services), 2023.
   ii. Prepare and issue to the Evaluation Committees, evaluation forms (e.g., Form 14, form 16 etc.) with harmonized evaluation criteria as stated in the bidding documents issued to bidders in compliance with the requirements of Regulations 5 (1-2), of the PPDA (Evaluation) Regulations, 2023.
   iii. Use the standard contract forms in the bidding documents issued to bidders when preparing the contract agreement for signature in compliance with Regulation 9 (2) of the PPDA (Contracts) Regulations, 2023.
   iv. Comply with the provisions of Section 33 (o) of the PPDA Act, Cap. 205 have proper and complete records of the procurements executed in the Entity.

3. The Heads of respective User Departments should:
   i. Nominate a member of the User Department for appointment, by the Accounting Officer, as Contract Manager in accordance with Regulations 51(1) and 50 (1) of the PPDA (Contracts) Regulations, 2023.

ii. Task Contract Managers to prepare contract management plans, and project implementation progress reports in accordance with Regulations 50 (3) and 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.
iii. Task the Contract Managers to prepare and issue project completion certificates and closely supervise and monitor site handovers for completed projects by the providers to the Entity in compliance with Regulation 52 (3) (d) of the PPDA (Contracts) Regulations, 2023.

4. The Contract Managers or Contract Management Teams should always monitor the compliance of ESHS concerns in all projects, where applicable. This should be enforced by incorporation of the Environment and Health Officers in the Contract Management Teams to enable effective and efficient monitoring of the ESHS concerns in accordance with the requirements of the bidding documents and Section 66 of PPDA Act, Cap. 205.

Koboko District Local Government should implement the recommended action plan on page **27 - 28** of this report.

CHAPTER 1: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority conducted a compliance inspection on the procurement and disposal activities of Koboko District Local Government for the financial year 2024/2025 and reviewed 10 sampled procurement and disposal transactions. The inspection involved a review of procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act, Cap. 205, the PPDA Regulations, 2023 and PPDA Guidelines, 2024.

1.2 Inspection Objective

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

The specific objectives of the compliance inspection were to:

1. Establish the level of compliance of the Procuring and Disposing Entity (PDE) with the general provisions of the PPDA Act, Cap. 205, PPDA Regulations 2023 and Guidelines 2024;
2. Asses the degree of compliance with the PPDA Act, Cap. 205 and PPDA Regulations, 2023 in the conduct of disposal activities; and
3. Assess the level of efficiency and effectiveness in contract implementation including the application of the Environmental, Social, Health and Safety (ESHS) requirements where applicable.

1.3 Structure of the Entity

Koboko District Local Government was created in 2005 as a District Local Government out of Arua District and was formally established by the Ugandan Parliament to take effect on July 1, 2006. Its mission as an administrative unit, is to provide quality and sustainable socio-economic services to the people of Koboko.

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 a Procuring and Disposing Entity. The Accounting Officer of Koboko District Local Government during the Financial under review was Mr. Nicholas Ogwang, the Chief Administrative Officer of the Entity.

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

Table 1: Membership of the Contracts Committee

No.	Name	Position on Committee	Date of Appointment
1	Mr. Edward Dhata	Chairperson	19th April, 2023
2	Ms. Rita Harriet	Secretary	25th August 2025
3	Mr. Dragamulai Wayi	Member	19th April, 2023

4	Mr. Desmond Skande Kenyi	Member	3rd November, 2023.
5	Ms. Stella Eminia	Member	19th April, 2023

According to Section 33 of the PPDA Act, Cap. 205, all procurements or disposal activities of the Procuring and Disposing Entity except adjudication and the award of contracts were to be managed by the Procurement and Disposal Unit. The Procurement and Disposal Unit during the financial year under review was headed by Mr. Sunday Lematia.

1.4 Compliance Inspection scope.

The inspection involved a review of the procurement, disposal process, general compliance issues and contract implementation of 10 transactions under the FY 2024/2025. (*Appendix 1*).

1.5 Compliance Methodology

On 2nd March 2026 the Entity was notified the inspection exercise. A sample of 10 procurement transactions conducted in the Financial Year 2024/2025 was selected based on stratified random sampling. An inspection launch meeting was held on 9th March 2025 between the inspection team and the Entity's officials.

Two officers conducted the exercise under the supervision of the Regional Manager, Northern Region. During the exercise, the team examined records and documents of the sampled procurement transactions. This involved a review of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and process.

On completion of the file review, the inspection team met various stakeholders to discuss and obtain clarifications on some of the preliminary findings. A debrief meeting was held on 11th March 2026 between the inspection team and the Entity's officials. A management letter was issued to the Entity for management's response on 30th March 2026 and the entity's response to the raised issues were received on 8th June å2026.

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

CHAPTER 2: FINDINGS AND RECOMMENDATIONS

2.1 Compliance by the Procuring and Disposing Entity (PDE) with the general provisions of the PPDA Act, Cap.205, PPDA Regulations, 2023 and PPDA Guidelines, 2024.

2.1.1 Inadequate procurement plan implementation rate

i. Failure to implement 37.4% of the planned procurements

Section 60 (7) & (8) of the PPDA Act, Cap. 205 provides that; *"A procuring and disposing entity shall plan its procurement and disposal in a rational manner and shall; integrate its procurement budget with its expenditure programme".*

A review of the records revealed that the Entity implemented procurements worth UGX. 3,628,274,598 against a budget of UGX. 5,795,819,413. The inadequate implementation rate was mainly due to failure by the Entity to report on procurements implemented under Force Account Mechanism and other direct procurements.

The significant variance of UGX. 2,167,544,815 (37.4%) suggests weaknesses in procurement planning and execution, resulting in delayed implementation as indicated in Table 2 below.

Table 2: Procurement plan implementation rate

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	5,795,819,413
Total procurement spend value inclusive of VAT (UGX)	3,628,274,598
Procurement plan implementation rate (%)	62.6
Procurement plan implementation variance (UGX)	2,167,544,815

Implication

Inadequate implementation of planned procurements may consequentially affect the procurement function and service delivery in the Entity.

Management response

This is acknowledged; however, it is not true that other procurements were not implemented, the other procurements that were not reflected are under force on account and direct procurements in the hospital. Documentation on this is available for verification.

Authority's comment

The Authority noted the Entity's response; however, no evidence or list of the said items implemented under Force Account Mechanism and direct procurements were submitted for verification to substantiate the response.

Recommendations

1. The Accounting Officer should align the Entity's procurement implementation with the fund release by Treasury and the budget, so as to harmonize the procurement expenditure and then have the procurement plan updated accordingly.

2. The Head Procurement and Disposal Unit should update the procurement plan and have it approved in accordance with Section 60 (7) & (8) of the PPDA Act, Cap. 205.

ii. Unimplemented procurements in the FY 2024/25

Section 60 (7) & (8) of the PPDA Act, Cap. 205 provides that; *"a Procuring and Disposing Entity shall, on a quarterly basis and in any other case, wherever necessary, review and update its procurement plan".*

A review of the records revealed that the procurements detailed in Table 3 below worth UGX. 1,387,033,720 were in the procurement plan but not implemented by the Entity and neither was the procurement plan updated. This was attributed to some procurements undertaken by the User Departments without channeling them to the Procurement and Disposal Unit, hence the procurements were not reported. This consequentially affects procurement function management.

Table 3: Unimplemented Procurements in the FY 2024/25

No.	Subject of procurement	Method of procurement	Estimated value
1	Supply of books, periodicals and newspapers for statutory and administration.	Framework	5,400,000
2	Welfare and entertainment in all departments.	Framework	91,555,000
3	Supply of small office equipment, fittings and fixtures across all departments.	Quotations	8,787,000
4	Supply and provision of Information and Communication Technology services and equipment for administration, finance, statutory and sub counties.	Quotations	319,945,000
5	Provision of beddings, sports uniforms, trophies under Education department, clothing and footwears for officers for administration, statutory, production.	Quotations	6,250,000
6	Provision of telecommunications and airtime services across all departments.	Framework	15,000,000
7	Operations and maintenance of public building facilities at centres and hospital.	Quotations	32,496,000
8	Provision of advertisements and public relation services for statutory, administration departments.	Quotations	12,350,000
9	Consultancy services in borehole designing, siting and supervision (Wani, Jiro, Kejaira, Mugujai, Aragale, Kolondoro Hospital, Leiko, Manabu b, Adugule, Yoyo).	Quotations	44,000,000
10	Emptying of latrines at district, schools and health centres.	Quotations	36,000,000

No.	Subject of procurement	Method of procurement	Estimated value
11	Supply of agricultural inputs to selected farmers.	Quotations	24,410,000
12	Construction of market shade at Deku Market, Abuku Subcounty.	Quotations	15,381,391
13	Supply of assorted borehole parts and rehabilitation works at various sub-counties, Koboko District.	Quotations	55,240,000
14	Supply of motorcycle to Ludara Subcounty, Health and production.	Quotations	32,000,000
15	Routine mechanized maintenance of Lurujo-Jiyai 14.5km, Midia.	Force account mechanism	421,200,000
16	Periodic maiantenance of Nyai- Nyori Cheku PS. Lodonga 2km, Ayipe, WolimoTendele 2km under Ministry of Works and Transport.	Force account mechanism	106,000,000
17	Classroom desks to Chakulu, Kochu, Pamodo and Nyai PS, Koboko District under Education department.	Quotations	14,462,329
18	Construction of three stance drainable latrine at Monodu PS, Kuluba Subcounty.	Quotations	21,000,000
19	Installation of water harvesting system on administration and health blocks, Koboko District.	Quotations	21,000,000
20	Repair and renovation of ceiling works at Finance block, Koboko District.	Quotations	15,000,000
21	Laboratory supplies and services of Nyakaliso Seed Secondary School.	Open National bidding	56,047,000
22	Operation and maintenance work at piped water supply syatems at Kuluba and Lobule Sub counties.	Quotations	4,100,000
23	Supply of agricultural inputs to selected farmers.	Quotations	24,410,000
24	Supply of metallic bookshelves for production and Health departments.	Open National bidding	5,000,000
Total			**1,387,033,720**

Implication
The unimplemented procurements affect service delivery in the Entity, that may lead to the risk of budget cuts by Treasury in the subsequent financial periods due to underutilization of budgetary financing of up to UGX. 1,387,033,720.

Management response

All the above procurements were implemented, some were handled under micro procurements and directly procured by officers, especially stationery. All reports on the above procurements are available for verification.

Authority's comment

The Authority noted the Entity's response; however, no evidence or list of the said items implemented under micro procurements was submitted for verification and to substantiate the response.

Recommendation

The Accounting Officer should not authorize procurements that are not channeled by the User Departments through the Procurement and Disposal Unit, and neither authorize any payment for the same items, unless the Accounting Officer delegates such procurement roles or functions within an agreed amount to the User Departments. In such cases, the User Departments should accordingly prepare reports and submit to the Head, Procurement and Disposal Unit for consolidation and reporting in accordance with Section 41(a) of the PPDA Act, Cap. 205.

2.1.2 Failure to implement previous audit recommendations for FY 2023/24

Section 10 (1) (a) of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity to implement audit recommendations made by the Authority. The Entity was issued the Compliance Inspection Report for the Financial Year 2023/2024. Three recommendations were partially implemented and 6 were not implemented as indicated in Table 4 below:

Table 4: Partially implemented and unimplemented audit recommendations for FY 2023/24

Origin	Audit Recommendation	Status of Implementation
The Accounting Officer	• Task District Micro Scale Scheme focal person to make follow ups on payment by selected farmers such that the contractor is paid for the installation works executed; • Task all stakeholders within the Entity that have a role to play in the procurement process to implement recommendations made by the Authority so as to improve the Entity's performance in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205; • Desist from signing contracts based on expired bids in accordance with Regulation 6(l) (c) of the PPDA (Contracts) Regulations, 2023; and • Task the contract managers to follow up with contractors to have Environment, Social, Health and Safety requirements implemented in accordance with Section 66 of the PPDA Act, Cap 205.	Partially implemented Partially implemented Not implemented Not implemented

Origin	Audit Recommendation	Status of Implementation
The Head, Procurement and Disposal Unit should:	• Prepare and issue bidding documents that clearly define the Environmental and social safeguards in accordance with Regulation 44(b) (iii) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023; • Quality assure the evaluation report and make comments on the evaluation report within three working days of receipt in accordance with Regulation 12 (4) of the PPDA (Evaluation Regulations), 2023; • Always task the Evaluation Committees to conduct evaluation of bids in accordance with Regulation 5 (l) and (2) of the PPDA (Evaluation) Regulations, 2023; • 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;	Not implemented Not implemented Not implemented Partially implemented
The heads of User Departments	Should prevail upon their respective contract managers to prepare contract implementation plans using Form 49 in Schedule 2 upon receipt of contracts in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.	Not implemented

Implication

Failure to implement the Authority's recommendations leads to recurrence of inspection findings, increases operational and compliance risks and undermines continuous improvement efforts.

Management response

All the recommendations of the Authority have now been fully implemented.

Authority's comment

The Authority noted the Entity's responses, however, the stand of the above may not be fully true, since similar recommended actions were identified in the current inspection of the FY 2024/25.

Recommendation

The Accounting Officer should establish audit recommendation register and quarterly monitoring to implement all the Authority's recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205.

2.1.3 Inefficiencies in the procurement initiation process.

Regulations 3 (7) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023 provides for the approval of a procurement requirement to be evidenced by a signature of the Accounting Officer. The Authority found in the procurement for the Supply and delivery of ICT equipment under Lot 1 for Nyakaliso Seed Secondary School worth UGX. 163,548,000 that Form 5 Part I of the approval by the Accounting Officer was done retrospectively as detailed below:

1. The date on the records of sale of bidding document forms had; 20/10/2024, 24/10/2024, 10/11/2024 (bid issue, receipt and opening); contrary to the published bid notice date of 16/12/2024; and
2. The date and time of bid opening on form 12 was 12/11/2024 which is contrary to the date in the issued bidding document which was 15/01/2025 and later rescheduled to 31st January 2025 as per the addendum No. 1 issued by MoES on 15/01/2025.

This showed failure by the User Department and the Procurement and Disposal Unit to follow the procurement timeline set in the procurement plan and arbitrary buying by the Entity.

Implication
Retrospective approvals of the procurement process by the Accounting Officer, indicated failure by the Entity to follow and abide by the procedural requirements of the procurement process and good public procurement practices.

Management response
This is noted, however, this is attributed to poor documentation and records management, going forward, this has been corrected.

Authority's comment
The Entity's response was noted, however, it does not align to the audit query on retrospective approval by the Accounting Officer.

Recommendation
The Entity's response was noted, however, the Accounting Officer should desist from signing on the procurement forms after the procurement has commenced as it amounts to unethical practice and non-adhere to the requirements of Section 28 (1) (f) of the PPDA Act, Cap. 205 and Regulations 3 (7) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023.

2.1.4 Irregularities identified in the bidding process

i. High fees charged for bidding documents
Regulation 57 (4) of the PPDA (Rule and Methods for Procurement of Supplies, works and Non-Consultancy Services), 2023 provides that a Procuring and Disposing Entity shall issue or sell bidding documents to bidders after approval by the Contracts Committee, in order to recover the cost of printing, copying and distribution and the price shall be calculated to cover only these costs and shall not include any profit. In addition, Regulation 57 (5) and (6) provides that; *"the price of the bidding documents shall be approved by the contracts committee before issuing the bid notice or bidding documents and shall be included in the*

bid notice. Where bidding documents are sold, a Procuring and Disposing Entity shall issue signed receipts to the bidders".

The Authority found, in the procurement for the construction of two units of four stance drainable latrines at Goya and Leiko Primary Schools worth UGX. 58,063,200, that:

1. Bidders were charged aa fee of UGX.100,000 for a biding document under the RFQ method of procurement.
2. Out of the six bidders issued with the bidding document as per Form 8, only one (Amataakisa ENT) bidder paid bid fee of UGX.100,000 the other five did not.
3. Low bidder response. Only one bid was received and opened. Hence, process was not competitive.

Implication
High bid fees discourage potential bidder participation in public procurement, leading to low bidder participation and lack of competition.

Management response
The bid fee of 100,000 is set in the revenue sources of the district. The district has very low revenues, the bid fee is one of the sources to raise funds to support the procurement process, which is quite costly and yet the funds allocated are very in adequate. The matter will however be taken for discussion with the leadership.

Authority's comment
The Entity's response was noted, however, it's not supportive of the purposes for bid fee charges. Bid fees are not categorized as revenue source in the procurement process, but a cost recovery measure as per the provisions under Regulation 57 (4-6) of the PPDA (Rule and Methods for Procurement of Supplies, works and Non-Consultancy Services), 2023. In addition, the set fees need to be set taking into account the cost impact on the bidders, since the Entity is rural based and the providers may find it difficult to afford the bid fee and other associated bidding cost, like; printing, binding, bid submission etc. Hence, contributing to low bidder participation in the bidding process.

Recommendation
The Head, Procurement and Disposal Unit should provide guidance on the reasonable cost of bid fees for the potential bidders considering the estimated cost of the procurement and the capacity of the local bidders who execute the procurements in the Entity under quotation methods. This will encourage local bidder participation in the Entity's procurements and shall help reduce the risk of low bidder participation, thus, achieving competitive bidding.

ii. Inadequate safeguards in the bids received and irregularities at bid opening.
Regulation 75 (6) of the PPDA (Rule and Methods for Procurement of Supplies, works and Non-Consultancy Services), 2023 provides that "*the key pages of a bid, including the typed pages that are unique to the bid, the bid form, the bid submission sheet and the pages containing the financial information shall be endorsed with the stamp of the Procuring and Disposing Entity and signed or initialed by the chairperson of the opening session".*

The Authority found that there were inadequate safeguards of bids in the procurement of deep borehole drilling, installation and test pumping of twelve units worth UGX. 330,020,500, as:

1. Not all pages of bidders' bids were signed by the bidder as safeguard against tampering;

2. Key pages of the bids were not endorsed with the Entity's stamp at bid opening; and

3. No representative of either the Contracts Committee or User Department was involved in the bid opening process, as the bid opening forms (PP form 11& 12) were only signed by the Head, Procurement and Disposal Unit on 21st October 2024.

Implication
Failure to endorse key pages of the bid documents such as the bid submission sheet or pages with financial data at bid opening, exposed the bidding process to unethical practices and interference with the contents of a bidder's bid incase self-interest is put ahead of the Entity's objectives, thereby affecting the competitiveness of the bidding process.

Management response
This anomaly is acknowledged, however, corrective action has been taken, and the bidders have been advised on initializing on all pages. The bid opening is always witnessed by the chairperson contracts committee.

Recommendation
The Head, Procurement and Disposal Unit should always verify and ascertain that key pages of all bids opened are endorsed by the Chairperson and or the representative of the Contracts Committee or User Department at bid opening, as required under Regulation 75 (6) of the PPDA (Rule and Methods for Procurement of Supplies, works and Non-Consultancy Services), 2023 so as to prevent fraudulent practices and to enable selection of capable bidders competitively.

2.1.5 Irregularities identified in the Entity's evaluation process
Bid evaluation is a critical stage in bidder identification and should be executed with due diligence, however, the Authority observed the following irregularities in the evaluation process.

i. Change in the evaluation criteria
Regulation 5 (1-2), of the PPDA (Evaluation) Regulations, 2023 mandates the evaluation of bids to be conducted in accordance with the evaluation criteria specified in the bidding documents. The Authority found, in two procurements worth UGX. 116,115,600 that new evaluation criteria was used for the evaluation of the bids as presented in Table 5 below. The change in evaluation criteria showed lack of guidance to the Evaluation Committee by the Procurement and Disposal Unit. This negatively affects the outcome of the evaluation process and it disadvantages the unsuccessful bidders.

Table 5 : Procurements with change in the evaluation criteria

No.	Subject of procurement	Contract value (UGX)	Exceptions
1	Construction of two units of four stance drainable latrines at Goya and Leiko P/S.	58,063,200	New evaluation criteria was introduced during evaluation such as; need for VAT certificate, workman's compensation policy, work programs (work method & schedule), ESHS performance declaration, ESHS code of conduct, ESMP, etc.

No.	Subject of procurement	Contract value (UGX)	Exceptions
2	Construction of two units of four stance drainable latrines at Wolimo and Mundrugoro Primary Schools.	58,052,400	The examination and assessment of eligibility should be as per the criteria in the bidding document and not overly spread to include; litigation history, period of construction, quality, etc.
	Total	**116,115,600**	

Implication
Change in the evaluation criteria, creates doubt in the integrity of the evaluation process and affects the competitiveness of the bidding process; thus, exposing the Entity to engaging bidders with inadequate capacity to implement the projects.

Management response
This anomaly is acknowledged, it was an error, this will strictly be adhered to in the subsequent procurements.

Recommendation
The Head, Procurement and Disposal Unit should prepare and issue to the Evaluation Committees, evaluation forms (e.g., Form 14, form 16 etc.) with harmonized evaluation criteria as stated in the bidding documents issued to bidders in compliance with the requirements of Regulations 5 (1-2), of the PPDA (Evaluation) Regulations, 2023. This will minimize the Entity's risk to evaluation process related administrative reviews from unsuccessful bidders.

ii. Failure to use standard Evaluation form to evaluate bidders
Regulations 12 (5) of the PPDA (Evaluation) Regulations, 2023 guides that the evaluation report for the technical compliance evaluation method shall be prepared using Form 14. The Authority established in two procurements worth UGX.3 88,083,700 that;

- The Evaluation Committee did not use the standard evaluation form issued by the Authority (e.g., form 14) for evaluation of bids for works, supplies and non-consultancy services.
- The evaluation of bids for consultancy service for the rehabilitation of boreholes was combined with the evaluation for the works in the report prepared in the form not issued by the Authority. The report for consultancy services or rehabilitation of boreholes should have been prepared using; e.g., Form 16 and the one for works should have been prepared using form 14 in accordance with the PPDA (Evaluation) Regulations 2023.

The evaluation report Form used by the Evaluation Committee members for bid evaluation was not in a format issued by the Authority for use by the Entity. The procurements are presented in Table 6 below:

Table 6: Procurements in which standard evaluation form were not used to evaluate bids

No.	Bidder	Contract value (UGX)
1.	Deep borehole drilling, installation and test pumping of twelve units	330,020,500
2.	Construction of two units of four stance drainable latrines at Goya and Leiko P/s.	58,063,200
	Total	**388,083,700**

Implication
Failure to use the standard evaluation forms issued by the Authority exposes the evaluation exercise to inadequate assessment of the capacity of the bidders both technically and financially.

Management response
This anomaly is noted and has been communicated to the Procurement and Disposal Unit for corrective actions, going forward, the correct forms will be used and will be signed accordingly.

Recommendation
The Head, Procurement and Disposal Unit should always avail the Evaluation Committee members with the appropriate evaluation forms as provided for under Regulations 12 of the PPDA (Evaluation) Regulations, 2023, so that the Evaluation Committees can adequately evaluate bids and choose capable and reliable bidders to implement projects of the Entity.

2.1.6 Inadequacies at contracting
The inadequacies below were identified by the Authority in the Entity's contracting process, creating legal uncertainties in the contracts signed by the Entity.

i. Failure to implement the Solicitor General's recommendations
Regulation 6 (1) (f) of the PPDA (Contracts) Regulations, 2023 provides for necessary approvals from the Attorney General where applicable. The Authority found that the Entity failed to amend the Clauses in the Special Condition of the Contract(s) cleared by the Solicitor General in the procurement of deep borehole drilling, installation and test pumping of twelve units worth UGX. 330,020,500. The Solicitor General's advice that the Entity did not implement was as follow:

i. The reference to employer in the contract agreement was to be amended to read: *Procuring and Disposing Entity/PDE*. This was not done, and the contract agreement the word *Employer* was used.
ii. SCC (GCC 1.1 (ee)) (on start date) was to be edited in the contract agreement to read: *Start date shall be in the commencement letter to the contractor*. However, this was not done in the contract agreement and provision for the start date was left blank, thus, stated as; *The start date shall be…… 2025…….*
SCC (GCC) 21.1 (on site possession date), the Entity was advised to amend it to read: *the site* possession *date shall be after signing contract agreement.*

This may have been due to lack of review of the Solicitor General's response letter by the Head, Procurement and Disposal Unit to see the need to adopt the recommended changes.

Implication

Failure to implement guidance of the Solicitor General compromises the Entity's legal position in case of disputes that arise from breaches of the terms and conditions of the contracts.

Management response

This is acknowledged, going forward, there will be strict adherence to guidance on the advice of the Solicitor General.

Recommendations

The Accounting Officer should always implement the Solicitor General's guidance in accordance with Regulation 6 (1) (f) of the PPDA (Contracts) Regulations, 2023. The Solicitor General is the Government legal adviser, so it is pertinent that the contracts advised on are aligned with the guidance and the applicable sections in the contracts adjusted accordingly which safeguards the interest of the Entity.

ii. Standard contract form issued by the Authority not used to sign contracts

Regulation 9 (2) of the PPDA (Contracts) Regulations, 2023 provides that a contract document should be in accordance with the form of contract specified in the bidding document. The Authority found that the Entity did not use the contract form in the bidding document to sign contract with successful bidders in eight procurements presented in Table 7 below worth UGX. 2,035,927,034. This interchange of the contracting form negates the purpose of inclusion of the contract form template in the bidding document. This showed lack of commitment by the Procurement and Disposal Unit on adherence to the legal contractual requirements.

Table 7: Contracts where the Entity failed to use the right form of contract specified in the bidding document.

No.	Subject of procurement	Contract value (UGX)
1.	Deep borehole drilling, installation and test pumping of twelve units	330,020,500
2	Rehabilitation of 18.40 Km Community	1,245,327,334
3	Construction of two units of four stance drainable latrines at Goya and Leiko P/s.	58,063,200
4	Deep boreholes siting and drilling supervision.	41,488,800
5	Construction of three stances VIP latrines with three bath rooms at Koboko Hospital	82,086,000
6	Renovation of 4 classroom block at Kingaba	143,598,000
7	Rehabilitation of 4 classroom block at Yai Primary School	135,343,200

No.	Subject of procurement	Contract value (UGX)
8	**Total**	**2,035,927,034**

Implication
The above omission shows that the terms and conditions of the contracts signed by the Accounting Officer were not aligned to the standard stipulation in the General Conditions Contract, Special Conditions of Contracts, and other related provisions of the contracts.

Management response
This is acknowledged, the standard forms will be used as advised.

Recommendations
The Head, Procurement and Disposal Unit should use the standard forms in the bidding documents issued to bidders when preparing the contract agreement for signature in compliance with Regulation 9 (2) of the PPDA (Contracts) Regulations, 2023.

iii. Contract signed on an expired bid
Regulation 6 (1) (c) of the PPDA (Contracts) Regulations, 2023 states 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".*

The Authority found that the Entity signed a contract agreement for the supply and delivery of ICT equipment under Lot 1 for Nyakaliso Seed Secondary School worth UGX. 163,548,000 on an expired bid. The BEB notice expired on 28/03/2025 and the contract was signed on 20/05/2025. This shows failure to adhere to set bidding requirements and lack of tracking of the procurement process timelines.

Implication
Contracts signed on expired bids, exposes the Entity to the risk of changes in the contractual terms by the successful bidders, since the expired bid is rendered invalid.

Management response
This is noted, however, the contract was a hybrid, and the bidding documents were not easily available, the lead entity was Yumbe District Local Government.

Authority's comment
The Entity's response was noted, however, each beneficiary to the hybrid procurement should be proactive to the bidding timelines; as the consequences of expired bid rests with the beneficiary Entity for the contracts signed.

Recommendation
The Accounting Officer as mandated, should sign contracts with bidders whose bids are valid, as required by Regulations 6 (1) (c) of the PPDA (Contracts) Regulations, 2023.

This will protect the Entity from situations that may subject it to changes in the contractual terms and conditions from the providers that may not be favorable.

iv. Contracts awarded and signed at higher price

Regulation 6 (1) (b) of the PPDA (Contract) Regulations, 2023 mandates the Accounting Officer not to sign a contract with a price higher than the market price established prior to the commencement of the procurement process. The Authority found in the procurement for the Renovation of 4 classroom blocks at Leiko Primary School that the contract was awarded and signed at higher price of UGX. 157,085,400 from the project estimated costs of UGX. 145,000,000, thus causing a cost increment of UGX. 12,085,400. This showed inadequacy in project costing at initiation, which exposed the Entity to accumulation of domestic arrears.

Implication

Signing contracts with providers at higher price than the estimated market price, causes budget constraints and exposes the Entity to the risk of domestic arrears because of the need to cover the additional costs beyond the Entity's estimated project cost.

Management response

The estimated cost was based on the Engineers estimates, however, during the financial year, there were changes in the project costs and the quotations from service providers were higher than the Engineers estimates, since funds were available, the projects had to proceed.

Recommendations

In line with the Entity's response, the Accounting Officer should always sign contracts with BEBs based on the approved funds and in any other case, where clear source of the extra funding has been identified and approved, in order to comply with the requirement under Section 28 (1) (f) of the PPDA Act, Cap 205. Hence;

1. The Accounting Officer should in accordance with Regulation 6 (1) (b) of the PPDA (Contracts) Regulations, 2023 sign contracts with a provider whose bid price is not higher than the market price established prior to the commencement of the procurement process, unless a re-assessment of the project cost was done.
2. The Contracts Committee should always make award decisions for contracts within the project available funds or elsewhere, where an approved source of funds has been identified, so as to comply with Section 30 (g) of the PPDA Act, Cap 205.

2.2 Compliance with the PPDA Act, Cap. 205, and PPDA Regulations, 2023 in the conduct of disposal activities.

2.2.1 Failure to plan and dispose assets during the financial year 2024/25

Regulation 2 and 3 of the PPDA (Disposal of Public Assets) Regulations 2023, provide guidance and mandatory process for disposal of assets in a Procuring and Disposing Entity, and perform a financial year asset review to identify and schedule items for disposal in the following financial year.

The Authority established during the audit that:

i. The Entity had no board of survey report for the financial year 2023/2024;
ii. The Procurement and Disposal Unit did not prepare the disposal plan of the Entity for the financial year 2024/25; and
iii. The Entity did not dispose of assets in the above period.

This was attributed to lack of follow up on the disposal of the assets in the Entity thus failure to implement recommendations of the Board of survey accordingly.

Implications
The Entity's failure to plan and cause for disposal of obsolete and unusable assets, exposed the same assets to deterioration and loss of realizable market value through pilferage, wear and tear.

Management response
The Board of survey was instituted, the survey was done and report presented to DEC and Council, was approved and is awaiting valuation.

Authority's comment
The response does not specify the period for which the Board of Survey was instituted and therefore, failed to address if it was for the period of audit (financial year 2024/25) or not.

Recommendations
1. The Accounting Officer, based on the Board of Survey report and recommendations, should dispose all obsolete assets in accordance with Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023 to avoid further loss in value of the assets due to deterioration and possible pilferage.

2. The Head Procurement and Disposal Unit should:
   i. Prepare the disposal plan, submit to the Contracts Commiyttee for approval and submit a copy to the Authority, in compliance with Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023.
   ii. Working together with the Heads of User Department, see to it that the disposal process is initiated by the User Departments in accordance with Regulation 3 of the PPDA (Disposal of Public Assets) Regulations, 2023.

2.3 Efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements where applicable.

2.3.1 Issues and gaps in contract management
Contract management is crucial in ensuring provider compliance to the contractual terms and conditions at contract implementation. However, supervision gaps below were identified in contract management in the Entity:

i. Inadequate post contract award supervision
Regulation 50 of the PPDA (Contracts) Regulations, 2023 provides for an effective approach to contract management after contract award and signing. In nine procurements worth UGX. 2,271,014,834, the Authority established flaws in contract management and there was lack of measures to track key contract management milestones to achieve successful projects implementation in the Entity. As one of the major bottlenecks in public procurement, it leads to poor project performance, increment in project implementation costs, and project delays. Details of the above observations are presented in Table 8 below.

Table 8: Contracts with inadequate post contract award supervision

No.	Subject of procurement	Amount (UGX)	Exception
1	Deep borehole drilling, installation and test pumping of twelve units	330,020,500	• No contract management plan prepared for the project. • No Contract Manager was appointed for the project. • No handover certificate and report for the project. • No ESHS report prepared for the project, yet in the mitigation measures below were costed for the BoQs. a. Planting 100 tree (teak, neem) valued at UGX.800,000. b. Planting grass around the boreholes (80M2) valued at UGX.800,000.
2	Rehabilitation of 18.40 Km Community.	1,245,327,334	• No contract manager appointed to oversee the implementation of the project. • No contract management plan prepared for the project. • No progress report for the project. • No ESHS status report was prepared for the project. • No completion certificate and hand over report prepared for the project.
3	Construction of two units of four stance drainable latrines at Goya and Leiko P/s.	58,063,200	
4	Deep boreholes siting and drilling supervision.	41,488,800	
5	Construction of two units of four stance drainable latrines at Wolimo and Mundrugoro Primary Schools.	58,052,400	• No Contract Manager appointment. Sec 50 (1) requires the Accounting Officer to appoint a person from the User Department. • No monthly progress reports to the Accounting Officer and PDU. • No completion certificates. • No record of handover to beneficiaries.
6	Supply and delivery of ICT equipment under Lot 1 for Nyakaliso Seed Secondary School.	163,548,000	• No contract manager appointment. • No contract management reports. • No record of delivery of ICT equipment. • No record of installation, training and other services required to be provided by the provider.

No.	Subject of procurement	Amount (UGX)	Exception
7	Renovation of 4 classroom blocks at Leiko Primary School.	157,085,400	• No contract manager was appointed. • No completion of works certificates issued. • No record of handover report. • No material test repot was provided yet UGX. 850,000 was allocated in the BoQs. • No ESHS report yet UGX. 450,000 was costed by the contractor for safety, health and welfare of workers. • Failure by the Internal Audit unit to verify the payments.
8	Construction of three stances VIP latrines with three bathrooms at Koboko Hospital.	82,086,000	• Failure by the Internal Audit to Audit the procurement process and payments. • No report on implementation of ESHS for the project, yet under provisional sum, UGX. 1,368,100 was provided for in the contractors costed summary of Bill of Quantities. • No material test report to prove that material testing was done, yet UGX. 450,000 was provided for in the contractors costed BoQs under bill no.11 preliminaries and general conditions (Item 4.00). • No contract management plan prepared for the project. • No letter appointment of contract manager. • No handover certificate and report for the project. This means the project has not been handed over to the Entity by the contractor.
9	Rehabilitation of 4 classroom block at Yai Primary School.	135,343,200	• No material test report to prove that material testing was done, yet UGX. 1,000,000 was provided for in the contractors costed Bill of Quantities under provisional sum (Item 4). • No contract management plan prepared for the project. • No contract completion certificate and report for the project. • No handover certificate and report for the project. This means the project has not been handed over to the Entity by the contractor. • Failure by the Internal Audit to Audit the procurement process and payments.
	Total	**2,271,014,834**	

Implications

- Failure by the Accounting Officer to appoint Contract Managers, affects efficient project monitoring and management thus exposing the projects to the risk of failure to achieve project objectives and service delivery.
- Lack of contract management plans, ESHS status report, project implementation progress reports and issuance of project completion certificates; indicated weak contract management and supervision in the Entity.

  These inadequacies exposed the projects to poor works executions, lack of quality checks and failure to achieve project objectives and value for money in comparison to the investment costs of implemented projects.

Management response

This is noted, however, the Accounting Officer had appointed the contract managers, at the time of audit, this information was not available, but is now available for verification.

Authority's comment

The Entity management response was taken into consideration, however, no evidence of the said appointment letters of the Contract Managers was submitted for verification and to substantiate the response. In addition, no response was provided for the audit concerns raised on lack of ESHS report, failure to issue completion certificates and conduct site handovers.

Recommendations

The Heads of User Departments should:

1. Nominate a member of the User Department, for appointment by the Accounting Officer, as Contract Managers in accordance with Regulations 51(1) and 50 (1) of the PPDA (Contracts) Regulations, 2023.
2. Task Contract Managers to prepare contract management plans, and project implementation progress reports in accordance with Regulations 50 (3) and 52 (3) (g) of the PPDA (Contracts) Regulations, 2023
3. Task the Contract Managers to prepare and issue project completion certificates and closely supervise and monitor site handovers for completed projects by the providers to the Entity in compliance with Regulation 52 (3) (d) of the PPDA (Contracts) Regulations, 2023.

ii. Spend of project funds on contingency fees, and insurance bonds without accountability

Regulation 52 (1 and 3) of the PPDA (Contracts) Regulations, 2023 provides guidance on the responsibilities of the Contract Manager as:

"(a) Managing the obligations and duties of the Procuring and Disposing Entity specified in the contract; and making certain that the provider performs the contract in accordance with the terms and conditions specified in the contract.

(b) Ascertaining that the provider meets all the performance or delivery obligations and submits all the required documentation in accordance with the terms and conditions of the contract."

The Authority found that the Entity spent funds on emergency items included in the contractors BoQs presented in Table 9 below in two procurements worth UGX. 1,575,347,834 and there was lack of accountability from the Contract Managers.

Table 9: Contracts with spend of project funds without accountability

No.	Subject of procurement	Amount (UGX)	Exception
1	Deep borehole drilling, installation and test pumping of twelve units.	330,020,500	• The contractor provided for contingency fees of 10% in its BoQ. However, no documentary evidence of accountability for the contingency fee of UGX. 19,263,000 and UGX. 7,271,500 charged by the contractor. • No accountability for a dry well drilled by the contractor. The verification report by the Internal Audit department dated 24th/03/2025; indicated that there was a dry well in Wani Village, Degiba Parish Media S/C, however, no details on action taken by the Entity with regard to the above internal audit issue.
2	Rehabilitation of 18.40 Km Community Road.	1,245,327,334	Contract signed with cost for insurance and bonds of UGX. 8,000,000 as costed in the BoQs under Item 6.2, this was however not accounted for. This exposed the Entity to the risk of escalation of project costs, and no accountability was evident to prove that the above cost was used for the intended purpose.
	Total	**1,575,347,834**	

Implication

Failure to provide documentation on accountability of payments made to providers for costs included in the BoQs of contractors on emergency items like; contingency fees, insurance and bonds, exposed the Entity to possible financial loss.

Management response

This is noted; however, contract supervision has greatly improved with appointment of contract managers and the project implementation teams.

Recommendation

The Accounting Officer should task the Contract Managers to undertake their supervisory roles diligently and see to it that measured costs are for actual works done, so as to protect the Entity from possible financial losses due to payment of unjustified emergency cost to the contractors. This should be done in accordance with Regulation 52 (1 and 3) of the PPDA (Contracts) Regulations, 2023.

2.3.2 Non-compliance with the Environment, Social, Health and Safety safeguard requirements

Section 66 of PPDA Act, Cap. 205 provides for sustainable procurement. In five procurements worth UGX. 1,570,563,334 the Authority found that the Environment Officers did not prepare ESHS compliance reports for projects implemented by the Entity, to guarantee the achievement of the ESHS requirements. The procurements are detailed in Table 10 below:

Table 10: Contracts with noncompliance to the Environmental and Social requirements

No.	Subject of procurement	Contract Value (UGX)
1	Rehabilitation of 18.40 Km Community Road.	1,245,327,334
2	Construction of two units of four stance drainable latrines at Goya and Leiko P/S.	58,063,200
3	Deep boreholes siting and drilling supervision.	41,488,800
4	Construction of three stances VIP latrines with three bathrooms at Koboko Hospital.	82,086,000
5	Renovation of 4 classroom block at Kingaba.	143,598,000
	Total	**1,570,563,334**

Implication
Lack of ESHS compliance report showed that monitoring of provider compliance to ESHS was not enforced in the projects implemented by the Entity.

Management response
This was a gap before, but the reports are available and the ESHS have been incorporated in the entire process of contract management. This will not be recurrent in the subsequent years.

Authority's comment
No evidence was provided by the Entity to substantiate the Entity's response.

Recommendations
The Entity's response was noted, however, the Contract Managers or Contract Management Teams should always monitor the compliance of ESHS concerns in all projects, where applicable. This should be enforced by incorporation of the Environment and Health Officers in the Contract Management Teams to enable effective and efficient monitoring of the ESHS concerns in accordance with the requirements of the bidding documents and Section 66 of PPDA Act, Cap. 205.

2.3.3 Weak oversight of the procurement process by the Internal Audit Unit
Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 mandates the Internal Audit Unit of a Procuring and Disposing Entity to audit the procurement and disposal processes of an Entity. The Authority, found that, in three procurements worth UGX.1,344,879,334 the Internal Audit Unit did not audit the procurement process/method of the procurements presented in Table 11 below. This overlap in supervisory roles, weakens the internal checks in the procurement process.

Table 2: Procurements noted audited by the Internal Audit

No.	Subject of procurement	Amount (UGX)
1	Rehabilitation of 18.40 Km Community	1,245,327,334
2	Construction of two units of four stance drainable latrines at Goya and Leiko P/s.	58,063,200
3	Deep boreholes siting and drilling supervision.	41,488,800
4	**Total**	**1,344,879,334**

Implication

Weak oversight of the procurement process by the Internal Audit Unit, exposed the procurement process to manipulation at key stages of the procurement; leading to failure in achieving value for money and weakens the internal checks in the procurement process.

Management response

This is noted. The internal audit unit has been asked to expand on the scope of audit that they carry out. This was discussed in the senior management meeting of 12th April, 2026.

Recommendation

The Accounting Officer should task the Internal Audit Unit to always audit the procurement processes for conformity, in order to achieve efficient, cost effective and compliant procurement function that aligns with the laws and policies in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.3.4 Incompleteness of the procurement files

Section 33 (o) of the PPDA Act, Cap. 205 provides for a mandatory requirement for the Procurement and Disposal Unit to maintain and archive all records of the procurement and disposal processes. The Authority, however, established that, in ten procurements worth UGX. 2,414,612,834, the procurement files were incomplete as presented in Table 12 below. This communicated weak record keeping by the Procurement and Disposal Unit.

Table 12: Procurements with incompletes files

No.	Subject of procurement	Amount (UGX)	Exception
1	Deep borehole drilling, installation and test pumping of twelve units.	330,020,500	• No payment records; vouchers, receipts etc. • No handover of certificate and report. • No contract management plan. • No Contract Manager appointed. • No handover of certificate and report.
2	Rehabilitation of 18.40 Km Community Road.	1,245,327,334	• No contract management plan. • No project progress report.

No.	Subject of procurement	Amount (UGX)	Exception
3	Construction of two units of four stance drainable latrines at Goya and Leiko P/S.	58,063,200	• No ESHS status report. • No completion certificate and hand over report for the project. • No payment vouchers and certificates of payment.
4	Deep boreholes siting and drilling supervision.	41,488,800	
5	Supply and delivery of ICT equipment under Lot 1 for Nyakaliso Seed Secondary School.	163,548,000	• No record of initiation of procurement by the user department (Form 5). • No delivery notes, goods received notes. • No payment records. • No report of training and installation.
6	Renovation of 4 classroom blocks at Leiko Primary School.	157,085,400	• No completion of works certificates issued. • No handover report. • No contract management plan. • No payment records.
7	Construction of two units of four stance drainable latrines at Wolimo and Mundrugoro Primary Schools.	58,052,400	• No record of initiation of procurement by the User Department (Form 5). • No Payment records. • No Notice of Best Evaluated Bidder • No Contract management plan and reports
8	Rehabilitation of 4 classroom block at Yai Primary School.	135,343,200	• No contract management plan. • No contract completion certificate and report. • No payment records.
9	Renovation of 4 classroom block at Kingaba.	143,598,000	• No payment receipt from the contractor. • No completion certificates issued. • No handover certificate and report. • No report on implementation of ESHS. • No payment records.
10	Construction of three stances VIP latrines with three bathrooms at Koboko Hospital.	82,086,000	

No.	Subject of procurement	Amount (UGX)	Exception
	Total	**2,414,612,834**	

Implication
Incompleteness of the procurement files for the procurements implemented by the Entity, showed weak record keeping and a non-compliance by the Procurement and Disposal Unit to the legal requirement which affects accountability and transparency.

Management response
The procurement records are complete, the records on deliveries and payments are usually kept by finance department, and the records are available for verification.

Authority's comment
The Entity's response was noted, however, no evidence of the mentioned records was submitted for verification to substantiate the response.

Recommendation
The Head, Procurement and Disposal Unit should comply with the provisions of Section 33 (o) of the PPDA Act, Cap. 205 because accountable record keeping is a mandatory requirement and will enable the Unit to have an up-to-date record of the procurements executed in the Entity.

CHAPTER 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall Inspection conclusion

The performance of Koboko District Local Government for the financial year 2024/25 was **Moderately Satisfactory** with an overall weighted average risk rating of **48.05%.**

3.2 Entity's Performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as summarized in Table 13 below:

Table 13: Summary of performance of Koboko District Local Government

Risk Rating	No.	%No.	Value (UGX)	% Value	Weights	Total weighted average	
						By number	By value
High	0	0	0	0	0.6	0	0
Medium	9	90	2,373,124,034	98.28	0.3	27	29.48
Low	1	10	41,488,800	1.72	0.1	1	0.17
Satisfactory	0	0	0	0		0	0
Total	**10**	**100**	**2,414,612,834**	**100**	**1**	**28**	**29.65**

Weighted Average (By no.) = $\frac{\sum \text{Weighted Score} \times 100}{60} = \frac{28 \times 100}{60} = 46.67\%$

Weighted Average (By Value) = $\frac{\sum \text{Weighted Score} \times 100}{60} = \frac{29.65 \times 100}{60} = 49.43\%$

The average weighted risk rating = $\frac{46.67+49.43}{2} = 48.05\%$

Since 48.05% falls within the 31-70% risk range, the performance of the Entity is rated moderately satisfactory as presented in Table 15 below.

Table 3: Risk rating

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

GRAPHICAL PRESENTATION OF THE ENTITY'S PERFORMANCE.

Figure 1: showing performance by number of contracts

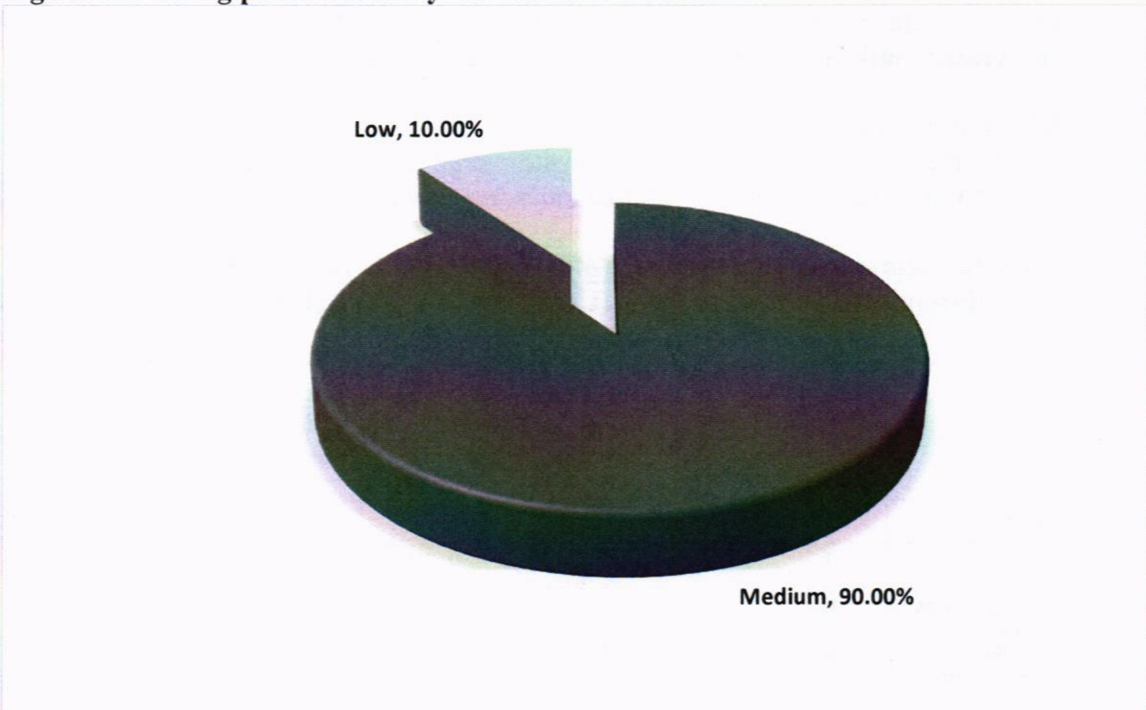
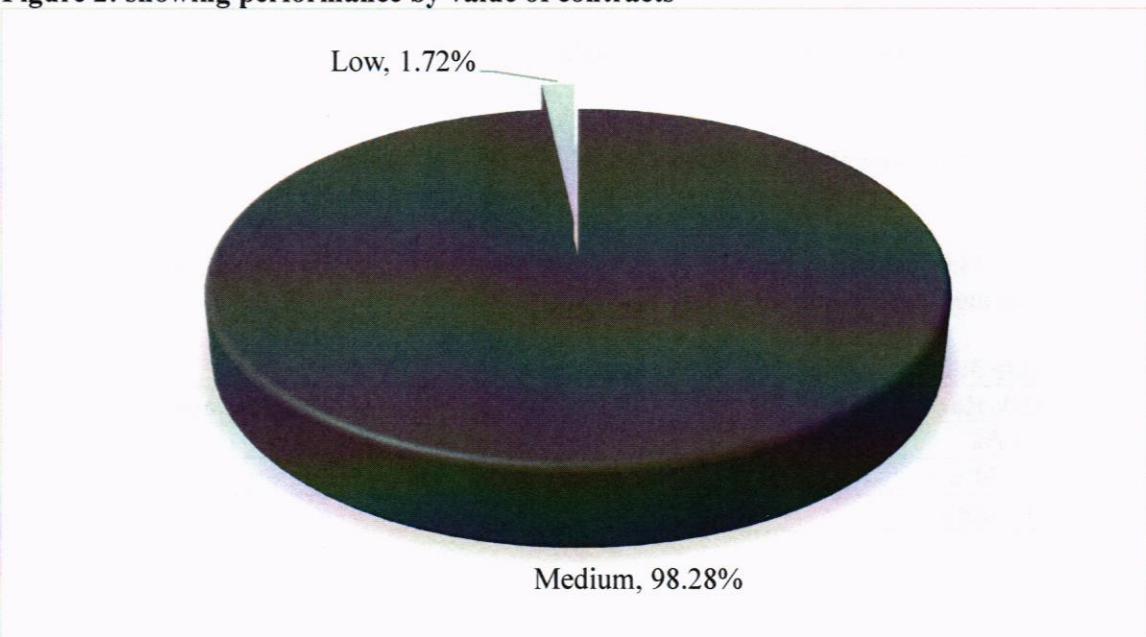


Figure 2: showing performance by value of contracts



3.3 Inspection Opinion/conclusion

The procurement and Disposal activities of Koboko 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 the PPDA Guidelines, 2024. The Entity maintained the required procurement and disposal structures.

However, the inspection identified several control and performance weaknesses that require management attention. These include the irregularities at evaluation, weaknesses at contract management and failure to plan and disposed obsolete assets affected the Entity's performance.

While these weaknesses did not materially undermine the overall integrity of the procurement system, they indicate deficiencies in procurement planning, contract management, financial commitment management 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 Koboko District Local Government for the FY 2024/2025 was assessed as **Moderately Satisfactory,** with an overall weighted average risk rating of 48.05%, but requiring targeted management interventions to strengthen procurement efficiency, contract performance and compliance with statutory and regulatory requirements.

3.4 Recommended Action Plan

The Entity should implement the recommendations as indicated in Table 14 blow:.

Table 14: Recommended action plan

Finding	Action / Recommendation	Responsible Officer	Timeline
Unimplemented procurements in the FY 2024/25.	1. Procurement implementation be aligned with the approved procurement plan and the budget and fund releases by Treasury. 2. Procurement plan be updated and approved regularly.	Accounting Officer /Head, PDU/Head of User Departments.	During the FY 2026/27.
Failure to implement 75% of the PPDA audit recommendations for FY 2023/24.	Authority's recommendation implementation tracker be developed and reviewed regularly.	Accounting Officer /Head, PDU/Head of User Departments.	During the FY 2026/27.
Retrospective approval of the procurement initiation process.	No retrospective approvals of the procurements from the User Departments.	Accounting Officer /Head, PDU/Head of User Departments.	During the FY 2026/27.

Inadequate safeguards of the bids received and opened.	Key pages of all bids opened should be endorsed by the Entity at bid opening.	Head, PDU/Head of User Departments	During the FY 2026/27.
Change in the evaluation criteria by use of new evaluation criterion to evaluate bids.	Bid evaluation be done based on the evaluation criteria stated in the bidding documents issued to bidders.	Head, PDU/Evaluation Committee members.	During the FY 2026/27.
Failure to use standard Evaluation form to evaluate bidders.	PDU should prepare and issue to the Evaluation Committees, standard evaluation forms (e.g., Form 14, form 16 etc.).	Head, PDU/Evaluation Committee members.	During the FY 2026/27.
Failure to implement Solicitor General's recommendations. Thus; Entity failed to amended the Clauses in the Special Condition of the contract(s) cleared by the Solicitor General.	Solicitor General guidance on the contracts be incorporated in required sections of the draft contracts accordingly, before contract signature.	Accounting Officer/Head, PDU.	During the FY 2026/27.
Standard contract form issued by the Authority not used to sign contracts.	Standard contract forms issued by the Authority be used when preparing contract agreement for signature.	Accounting Officer/Head, PDU.	During the FY 2026/27.
Failure to plan and dispose assets during the financial year 2024/25.	Based on a Board of Survey report and recommendations, obsolete and disposal assets be disposed, accordingly.	Accounting Officer/Head, PDU/Head of User Departments	Before end of FY 2026/27.
Inadequate post contract award supervision, like; failure to appoint Contract Managers, lack of; contract management plans, progress reports and issuance of project completion certificates.	Contract Managers be appointed, contract management plans, ESHS status report, project implementation progress reports be prepared and project completion certificates be issued.	Accounting Officer/Contract Managers/Heads of Departments and Units/Head PDU	During the FY 2026/27.
Non-compliance with the Environment, Social, Health and Safety safeguard requirements, as no ESHS report prepared for the projects implemented.	Enforce compliance of ESHS concerns, and ESHS status report prepared for all projects as applicable.	Accounting Officer/Contract Managers/ESHS Specialist.	During the FY 2026/27.
Weak oversight of the procurement process by the Internal Audit Unit.	Procurement processes be audited for conformity to the legal procedural requirements.	Accounting Officer/Head, Internal Audit Unit / Head, PDU	During the FY 2026/27.

Weak record keeping in the PDU, as the procurement files were incomplete.	Complete procurement files be maintained with up-to-date records.	Head PDU	During the FY 2026/27.

Appendix 1: Findoings and Rating on the individual contracts reviewed

No.	Medium Risk Contracts	Reason for risk rating
1	Construction of Deep borehole drilling, installation and test pumping of twelve units. Kob869/Wrks/2024/2025/00035 Klr (U) Limited UGX. 330,020,500	• Failure to endorse key pages of the bid documents like the bid submission sheet or pages with financial data at bid opening. • Failure to implement guidance of the Solicitor General on the terms and conditions of the contracts signed with successful bidder. • No contract management plan and handover report. • No Contract Manager was appointed. • No ESHS report,
2	Rehabilitation of 18.40 Km Community. Kob869/Wrks/2024/2025/00036 BLD Consults (U) Limited UGX. 1,245,327,334	• Non-compliance with the Environment, Social, Health and Safety safeguard requirements, as no ESHS report was prepared for the project. • No contract management plan and progress report.
3	Construction of three stance drainable latrine at Koboko Hospital Kob869/Wrks/2024/2025/00039 Lodonga Consults SMC Limited UGX. 82,086,000.	• Accounting Officer did not appoint Contract Manager to supervise project management. • No completion certificate and handover report. • No report on implementation of ESHS. • Incompleteness of the procurement file, showed non-compliance and poor records keeping, as it lacked records like; contract management plan, completion certificates, handover report.
4	Renovation of four classroom block at Leiko Primary School Kob869/Wrks/2024/2025/00040 Lodonga Consults SMC Limited UGX. 157,085,400	• Contract signed with provider at higher prices than estimated market price. • Accounting Officer did not appoint Contract Managers, for efficient project management. • No completion certificates and handover report. • No report on implementation of ESHS. • Incompleteness of the procurement files, as the file lacked records like; contract management plan, completion certificates, handover report.

5	Renovation of four classroom block at Kingaba Primary School Kob869/Wrks/2024/2025/00041 Yamali Global Group Limited UGX. 143,598,000	• Failure to use the standard evaluation forms issued by the Authority for bid evaluation. • No handover report and completion certificate. • Lack of ESHS compliance report, showed that ESHS requirement was not enforced. • Incompleteness of the procurement files, as the file lacked records like; contract management plan, completion certificates, handover report.
6	Supply of ICT equipment for Nyakaliso Seed Secondary Kob869/Surpls/2024/2025/00025 St Mary's Computer Technologies Limited UGX. 163,548,000	• Retrospective approval of the procurement process by the Accounting Officer. • Contracts signed on expired bids, rendering it invalid. • Lack of contract management plans, ESHS status report, project progress reports and issuance of project completion certificates; indicated weak contract management and supervision. • Incomplete procurement files, as it lacked necessary record like; the contract management plan, ESHS report, certificate of completion.
7	Construction of four stance latrine at Goya and Leiko P/s. Kob869/Wrks/2024/2025/00010 Amataakisa Enterprises Ltd. UGX. 58,063,200	• New evaluation criteria were introduced during evaluation such as; need for VAT certificate, workman's compensation policy, ESMP, etc. • No contract manager appointed to oversee the implementation of the project. • No contract management plan and progress report. • No ESHS status report. • No completion certificate and hand over report.
	Low Risk Contracts	Reason for risk rating
8	Deep boreholes siting and drilling supervision. Kob869/Srvcs/2024/2025/00002 Rok Technical Services Ltd. UGX. 41,488,800	• No completion certificate. • Hand over report. • No oversight of the procurement process by the Internal Audit Unit.
9	Rehabilitation of 4 classroom block at Yai Primary School.	• No material tests done. • No contract management plan and progress reports.

	Kob869/Wrks/2024/2025/00003 Haraka Investment Co. Ltd. UGX. 135,343,200	• No contract completion certificate and handover report. • Failure by the Internal Audit to audit the procurement process.
10	Construction of two units of four stance drainable latrines at Wolimo and Mundrugoro Primary Schools Kob869/Wrks/2024/2025/00009 HT Alli and Sons Construction and Engineering Co. Ltd. UGX. 58,052,400	• Change in the evaluation criteria, created doubt in the integrity of the evaluation process. • No Contract Manager appointed by the Accounting Officer. • No completion certificates and handover report.

Appendix II: SAMPLE LIST OF KOBOKO DLG FOR COMPLIANCE INSPECTION IN THE FY 2024/2025

No.	Reference no.	Subject of Procurement	Method of procurement	Provider	Amount (UGX)
1	Kob869/Wrks/2024/2025/00035	Deep borehole drilling, installation and test pumping of twelve units	Request for Quotation	Klr (U) Limited	330,020,500
2	Kob869/Wrks/2024/2025/00036	Rehabilitation of 18.40 Km Community	Open National Bidding	BLD Consults (U) Limited	1,245,327,334
3	Kob869/Wrks/2024/2025/00039	Construction of three stance drainable latrine at Koboko Hospital	Request for Quotation	Lodonga Consults SMC Limited	82,086,000
4	Kob869/Wrks/2024/2025/00040	Renovation of four classroom block at Leiko Primary School	Request for Quotation	Lodonga Consults SMC Limited	157,085,400
5	Kob869/Wrks/2024/2025/00041	Renovation of four classroom block at Kingaba Primary School	Request for Quotation	Yamali Global Group Limited	143,598,000
6	Kob869/Surpls/2024/2025/00025	Supply of ICT equipment for Nyakaliso Seed Secondary	Open National Bidding	St Mary's Computer Technologies Limited	163,548,000
7	Kob869/Wrks/2024/2025/00010	Construction of four stance latrine at Goya and Leiko P/s.	Request for Quotation	Amataakisa Enterprises Ltd	58,063,200
8	Kob869/Srvcs/2024/2025/00002	Deep boreholes siting and drilling supervision.	Request for Quotation	Rok Technical Services Ltd	41,488,800
9	Kob869/Wrks/2024/2025/00003	Rehabilitation of 4 classroom block at Yai Primary School.	Request for Quotation	Haraka Investment Co. Ltd	135,343,200

10	Kob869/Wrks/2024/ 2025/00009	Construction of two units of four stance drainable latrines at Wolimo and Mundrugoro Primary Schools	Request for Quotation	HT Alli and Sons Construction and Engineering Co. Ltd.	58,052,400
GRAND TOTAL					**2,414,612,834**

Appendix III: Risk Rating Criteria

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

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	usage of non-pre-qualified firms and splitting procurement requirements.	
		Procurement Structures: Lack of procurement structures	This implies of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid	**Planning:** Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and lack of transparency.

RISK	DESCRIPTION	AREA	IMPLICATION
	down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.		

SATISFACTORY

Relates to following laid down procurement procedures and guidelines and no significant deviation.