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

REPORT ON PROCUREMENT AND DISPOSAL AUDIT FOR NATIONAL DRUG AUTHORITY FOR FINANCIAL YEAR 2024/2025

JUNE 2026

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Acronyms

ESHS	Environmental, Social, Health and Safety
FY	Financial Year
GCC	General Conditions of Contract
LTD	Limited
MoFPED	Ministry of Finance, Planning and Economic Development
NCONS	Non Consultancy Services
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SCC	Special Conditions of Contract
SUPLS	Supplies
UGX	Uganda Shillings
WRKS	Works

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a procurement and disposal audit of National Drug Authority for the Financial Year 2024/2025 and reviewed 20 sampled procurement and disposal transactions.

The overall objective of the audit 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 PPDA Regulations, 2023, PPDA Guidelines, 2024 and the level of procurement performance over the audit period.

From the findings of the procurement and disposal audit, the performance of National Drug Authority for FY 2024/2025 was **Satisfactory** with an overall weighted average risk rating of **24.6.** The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the audit report.

The key positive noted during the audit was that the disposal activities for the Financial Year 2024/2025 was conducted in compliance with PPDA Act, Cap. 205, Regulations, 2023 and Guidelines 2024.

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

1. Low procurement plan implementation rate for FY 2024/25 with only 32.5% absorption rate and a significant variance of UGX 20,561,756,984 contrary to Section 60 (2) (d) of the PPDA Act, Cap. 205. This may result in failure to acquire critical regulatory, laboratory and operational requirements, thereby affecting the Entity's ability to effectively regulate medicines and health products and achieve its strategic objectives.

2. Failure to fully implement previous audit recommendations for the FY 2022/2023 contrary to Section 10 (1) of the PPDA Act, Cap. 205 where one recommendation was not implemented and five were partially implemented. This leads to recurrence of audit findings, increases operational and compliance risks and undermines continuous improvement efforts

3. Delays of 1.5 months at both procurement initiation and approval stages in sampled procurements worth UGX 212,318,545 contrary to Section 51 of the PPDA Act, Cap 205 which contribute to extended procurement lead times and increase the risk of late delivery of critical goods and services.

4. Low bidder participation in two procurements worth UGX 277,628,183 with an average number of 2 bids received against 6 average number of firms invited. This exposes the Entity to paying higher prices for procurement requirements due to limited competition.

5. Noncompliance with Reservation Schemes to promote the Participation of registered Associations of Women, Youth and Persons with Disabilities during the Financial Year contrary to PPDA Guideline 11/2024. This hinders Government efforts to promote inclusive development and curtails achievement of national aspirations.

6. Delayed payments to suppliers ranging from one to eight months after expiry of the contractual payment period in 13 procurements worth UGX 1,185,440,265 contrary to Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023. This may discourage reputable suppliers from participating in future procurements, increase procurement costs through risk pricing, expose the Entity to contractual disputes and adversely affect its reputation in the supplier market.

7. Delayed contract completion and delivery of supplies by an average of 1.5 month in four procurements worth UGX 971,589,627 contrary to Regulation 52 (1) (a) and (b) of the PPDA (Contracts) Regulations, 2023.This creates lengthy lead times which consequently impedes service delivery.

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

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 releases 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) Conduct annual supplier engagement forums, update supplier databases, expand advertisement channels and periodically analyse causes of low participation to improve competition and value for money.

   iv) Strengthen cash flow forecasting and commitment controls to ensure procurements are initiated only where funding is reasonably assured and supplier payments are processed within contractual timelines in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023 and as spelt out in the Special Conditions of contract.

2. The Head, Procurement and Disposal Unit should:

   i) Develop a tracking mechanism to address delays in procurement at the various stages in accordance with Section 51 of the PPDA Act, Cap. 205.

   ii) Identify eligible procurements during procurement planning, maintain a register of certified special interest group providers and monitor quarterly achievement of the mandatory 15% reservation target.

3. Contract Managers should prepare contract implementation schedules, conduct monthly performance reviews and document all contract monitoring activities to facilitate timely intervention where delays are identified in accordance with Regulation 52 (1) (b) of the PPDA (Contracts) Regulations, 2023.

The National Drug Authority should implement the recommended action plan on page 15.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a procurement and disposal audit of National Drug Authority for the Financial Year 2024/2025 and reviewed 20 sampled procurement and disposal transactions. The audit 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 Audit Objectives

The overall objective of the audit 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, PPDA Regulations, 2023 and PPDA Guidelines, 2024 and the level of procurement performance over the audit period.

The specific objectives of the audit were to:

1. Establish the level of compliance by the Procuring and Disposing Entity (PDE) with the general provisions of the PPDA Act, Cap. 205, PPDA Regulations, 2023 and Guidelines 2024;
2. Assess 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 Environmental, Social, Health and Safety (ESHS) requirements where applicable.

1.3 Structure of the Entity

The National Drug Authority (NDA) was established by the National Drug Policy and Authority Act, Cap. 206, 1993, mandated to ensure access to safe, effective, and quality drugs, healthcare products, and related technologies. Its core functions include regulating pharmaceutical manufacture, importation, distribution, and licensing of pharmacies and drug shops to protect public health.

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 National Drug Authority during the Financial Year under review was Mr. David Nahamya, the Secretary to the Authority.

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: Membership of the Contracts Committee

No	Name	Position on Committee	Date of Appointment
1.	Mr. Henry Tumwebaze	Chairperson	11th December 2025

No	Name	Position on Committee	Date of Appointment
2.	Mr. Raymond Kenneth Ogwang	Secretary	9th September 2025
3.	Ms. Eunice Nakimuli	Member	9th September 2025
4.	Mr. Keneth Dumba	Member	9th September 2025
5.	Mr. Fred Bbosa	Member	9th September 2025

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 during the financial year under review was headed by Mr. Patrick Omony.

1.4 Procurement and disposal audit scope

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation of 20 transactions under Financial Year 2024/25 ***(Appendix 2).***

1.5 Audit Methodology

On 11th March 2026, the Entity was notified about the audit exercise. A sample of 20 procurement transactions conducted in the Financial Year 2024/2025 was selected based on stratified random sampling. An audit launch meeting was held on 24th March 2026 between the audit team and the Entity's officials.

Two officers conducted the exercise under the supervision of the Manager, Performance Monitoring. 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 processes.

On completion of file review, the audit team met with various stakeholders to discuss and obtain clarifications on some of the preliminary findings. A debrief meeting was held on 6th May 2026 between the audit team and the Entity's officials. A management letter was issued to the Entity for management's response on 18th May 2026 and the Entity's responses to the raised issues were received on 21st May 2026. The exit meeting was held on 21st May 2026 at PPDA Head Office, PPDA-URF Towers, Nakasero Road, Kampala.

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 audit report presents the key findings and conclusions arising from the audit.

CHAPTER TWO: FINDINGS OF THE AUTHORITY

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

2.1.1 Low procurement plan implementation rate

Section 60 (2) (d) of the PPDA Act, Cap 205 provides that "*A procuring and disposing entity shall plan its procurement and disposal in a rational manner and, in particular, shall integrate its procurement budget with its expenditure programme*".

A review of the records revealed that the Entity implemented procurements worth UGX 9.9 billion against a planned procurement budget of UGX 30.46 billion, resulting in a procurement plan implementation rate of only 32.5%. The low implementation rate was mainly attributed to inadequate alignment between procurement planning, revenue projections, budget releases and periodic procurement plan reviews. The Entity did not provide evidence of formal procurement plan revisions to reflect prevailing budgetary constraints during the year.

The significant variance of UGX 20.56 billion suggests weaknesses in procurement planning and execution, resulting in delayed implementation of planned activities and reduced realization of institutional objectives. The procurement plan implementation is indicated in Table 2 below:

Table 2: Procurement Plan Implementation

Analysis of procurement spend	
Total procurement budget/plan value inclusive VAT (UGX)	30,461,408,889
Total procurement spend value inclusive VAT (UGX)	9,899,651,905.49
Procurement plan implementation (%)	32.5%
Budget Variance (UGX)	20,561,756,984

Implication
Low implementation of planned procurements may result in failure to acquire critical regulatory, laboratory and operational requirements, thereby affecting the Entity's ability to effectively regulate medicines and health products and achieve its strategic objectives.

Management response
Management acknowledges the low procurement plan implementation rate noted by the Authority. However, upon further review of the reports submitted to the authority, the Entity clarifies that procurements worth UGX 9,899,651,905.49 were implemented against the planned procurements worth UGX 30,461,408,889, representing an implementation rate of 32.5% rather than 22.3%. This resulted in a variance of UGX 20,561,756,984. The shortfall was mainly due to budgetary constraints.

Recommendation
The Authority noted the Entity's response and recommends that the Accounting Officer should institute quarterly procurement plan reviews to align planned procurements with actual budget

releases 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.

2.1.2 Failure to fully implement previous audit recommendations for the FY 2022/2023

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 with the Procurement and Disposal audit report for Financial Year 2022/2023 in April 2024. one recommendation was not implemented and five were partially implemented as indicated in Table 3 below:

Table 3: Status of Implementation for FY 2022/23 Recommendations

SN	Recommended Action	Status
1.	The Accounting Officer should ensure Authority's recommendation are implemented in line with Section 9 (I) of the PPDA Act. 2003	Partially implemented
2.	The Accounting Officer should ensure that the identified measures are implemented to address the delays in procurement at various stages are addressed in accordance with Section 48 of the PPDA Act. 2003	Partially implemented
3.	The Entity should prepare provider forums to improve bidder participation	Not implemented
4.	The Contract Managers should ensure that a provider meets all performance or delivery obligations in accordance with Regulations 52(3)(i) of the PPDA (Contracts) Regulations, 2023	Partially implemented
5.	Heads of User Departments should ensure that the planned timelines are adhered to in order to promote efficiency in service delivery in accordance with Section 48 of the PPDA Act. 2003	Partially implemented
6.	User Departments should initiate procurement and disposal requirements in a timely manner and forward them to the Procurement and Disposal Unit I in accordance with Section 34 (l) (b) of the PPDA Act. 2003	Partially implemented

Implication

Failure to implement audit recommendation leads to recurrence of audit findings, increases operational and compliance risks and undermines continuous improvement efforts.

Management Response

The Entity recognizes the importance of fully addressing audit recommendations to strengthen compliance, efficiency, and transparency in procurement and disposal processes. Management commits to ensuring that an action plan to guarantee that all outstanding recommendations are implemented with emphasises on contract management, timely initiation of procurement requirement and if funds allow, suppliers forum will be organised.

Recommendation

The Entity's response is noted. However, the finding is maintained due to failure to fully implement audit recommendations and 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 Delays in the procurement process

Section 51 of the PPDA Act, Cap 205 states that *"All procurement and disposals shall be conducted in a manner which promotes economy, efficiency and value for money."* Contrary to the provision, delays were noted at both procurement initiation and approval stages in sampled procurements worth UGX 212.3 million. Delayed initiation by User Departments and delayed submission of evaluation reports to the Contracts Committee indicate inadequate monitoring of procurement and weak internal coordination among key players.The delays are shown in table 4 below:

Table 4: Delays in the procurement process

No	Subject of Procurement	PPDA Finding
1.	Supply and delivery of on and off-road Motor Cycles NDA/SUPLS/24- 25/00077 Honda (U) Limited UGX 32,600,000 Completed Request for quotation	Delayed initiation of procurement by 2 months. The procurement was initiated on 25th September 2024 by the User Department against the planned initiation date of 5th July 2024.
2.	Supply and delivery of Assorted HP Toners under framework contract NDA/SUPLS/24-25/00028 Joa Links Investments Limited UGX 179,718,545 Completed RFQ	Delayed submission of the Evaluation Report for approval by Contracts Committee. The Evaluation of bids was completed on 4th October 2024 but was not submitted to Contracts Committee for approval till 23rd October 2024 creating a delay of 20 days.

Implication

Delays at the different stages in the procurement cycle contribute to extended procurement lead times and increase the risk of late delivery of critical goods and services.

Management response

The audit findings have been noted. Management will ensure that the planned procurement requirements are initiated as planned and procurement processes managed within the planned procurement schedules to guarantee compliance and efficiency in procurement and disposal processes.

Recommendation

The Head, Procurement and Disposal Unit should develop a tracking mechanism to address delays in procurement at the various stages in accordance with Section 51 of the PPDA Act, Cap. 205.

2.3.2 Low bidder participation

Section 49 of the PPDA Act, Cap. 205 states that *"all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money"*. The Authority noted a low bidder participation rate in two procurements worth UGX 277,628,183 with an average number of two bids received against six average number of firms invited as listed in Table 5 below:

Table 5: Procurements with Low Bidder Participation

No	Subject of Procurement	Method of Procurement	Number of Firms Invited	Number of Bids Received
1.	Provision of Consultancy services for Strategic Plan Development and Implementation Framework with Milestones 2025 — 2030 NDA/CONS/24- 25/00002 Summit Consulting Ltd UGX 245,028,183 Completed	Restrictive/Selective National	6	2
2.	Supply and delivery of on and off-road Motor Cycles NDA/SUPLS/24- 25/00077 Honda (U) Limited UGX 32,600,000 Completed Request for quotation	Request for quotation	6	2
Average Number of bids received			**6**	**2**

The low bidder participation was due to delayed payments that discourage bidders from participation in the bidding processes.

Implication
Low bidder participation exposes the Entity to paying higher prices for procurement requirements due to limited competition.

Management response
While efforts were made to invite an adequate number of firms, the average of two bids received against six invitations indicates limited market responsiveness. To address this, management will strengthen bidder engagement strategies, including organizing provider forums if funds allow and enhancing communication of opportunities through different channels.

Recommendation
The Authority noted the Entity response and recommends that the Accounting Officer should conduct annual supplier engagement forums, update supplier databases, expand advertisement channels and periodically analyse causes of low participation to improve competition and value for money.

2.1.5 Noncompliance with Reservation Schemes to promote the Participation of registered Associations of Women, Youth and Persons with Disabilities

Paragraph 2 of the PPDA Guideline 11/2024 on reservation schemes seeks to promote the participation of registered associations of Women, Persons with disabilities and Youth, requires an Entity to reserve at least 15% of its annual procurement plan budget for award to registered associations of Women, Youth and Persons with Disabilities.

The Guideline also requires Entities under Central Government to reserve procurement requirements for supplies, works, consultancy and non-consultancy services whose value does not exceed UGX 30 million to registered associations of Women, Youth and Persons with Disabilities.

Review of the procurement processes at the Entity indicated that there were no deliberate efforts to promote the participation of registered associations of Women, Youth and Persons with disabilities from planning to contract award as required by the Guideline.

This was attributed to failure to shortlist and prequalify providers in the category of registered Associations of Women, Persons with Disabilities and Youth and as such no procurements were reserved to such groups.

Implication
Non-adherence to reserving procurements for the Special Interest Groups hinders Government efforts to promote inclusive development and curtails achievement of national aspirations.

Management response
The above findings have been noted, management will ensure that future procurement plans deliberately allocate at least 15% of the annual budget to these groups, in line with the Guidelines. The above concerns have already been considered in procurement plan for the financial Year 2026/2027 and that all generic requirements below UGX 30 million are reserved for their participation.

Recommendation
The Authority noted the Entity response and maintains the finding. The Head Procurement and Disposal Unit should identify eligible procurements during procurement planning, maintain a register of certified special interest group providers and monitor quarterly achievement of the mandatory 15% reservation target.

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

Review of disposal activities for the Entity FY 2024/2025 established that the Entity substantially complied with applicable disposal requirements and was considered satisfactory.

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

2.3.1. Delayed payment to suppliers

Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023 states that "*the period for payment shall be thirty days from certification of invoices, except where this is varied in the special conditions of the contract*".

Review of sampled procurements revealed delayed payments ranging from one to eight months after expiry of the contractual payment period in 13 procurements worth UGX 1.19 billion. The delays were mainly attributed to cash flow constraints arising from lower-than-anticipated revenue collections.

However, the Entity continued to enter contractual commitments without adequate assurance of timely availability of funds. This indicated weaknesses in commitment control and cash flow forecasting. The delayed payments are detailed in table 6 below:

Table 6: Delayed Payments

Contract Description	Supplier	Invoice Amount (Ugx)	Invoice Date	Payment Date	Delay (After 30 Days)
Supply and Installation of Two (2) 15KVA Generators for Masaka and Jinja Regional Offices	Africa Power and Equipment Ltd	89,451,200	6th December 2024	29th July 2025	6 Months
Supply and delivery of New Double Cabin Pick-ups	Sumabolt Logistics Limited	200,000,000	9th April 2025	15th August 2025	2 Months
Supply and delivery of Consumables and Spares for Waters HPLC/MS	Afrosep Ltd	80,043,200	29th October 2024	27th February 2025	3 Months
Supply and delivery of on and off-road Motor Cycles	Honda (U) Limited	32,600,000	04th March 2024	23rd June 2025	2 Months
Supply and delivery of Chemicals and Reagents	Qualichem (U) Ltd	34,629,980	11th November 2024	23rd June 2025	6 Months
Supply and Installation of temperature and humidity data loggers	Comet Africa	35,476,800	25th October 2024	27th February 2024	3 Months
Supply and Delivery of Archival Boxes for NDA under	Jorridy General Merchandise Ltd	84,292,000	3rd February 2025	19th May 2025	2 months

Framework Contract					
Supply and delivery of Assorted HP Toners under framework contract	Joa Links Investments Limited	13,995,274	26th February 2025	16th May 2025	1 Month
Supply and delivery of Assorted HP Toners	Sybyl Limited	69,877,746	4th September 2024	18th June 2025	7 Months
Renewal and Upgrade of License for Vulnerability Management Tool	Edmart Systems Uganda Limited	74,340,000	7th July 2025	7th October 2025	2 Months
Provision of preventive maintenance for the goods lift with 14 floor steps	Kone Uganda Limited	7,732,540	29th August 2025	24th November 2025	2 Months
Supply and delivery of Agilent HPLC and GC Consumables	Chemetrix Export PTY Ltd	44,744,810	13th November 2024	05th August 2025	8 Months
Supply, Delivery, Installation, and Deployment of Hybrid storage area Network (SAN) Appliance for NDA	Mantra Technologies Limited	418,256,715	15th October 2025	3rd December 2025	1 Month
Average working days delay after 30 days					**3.4 Months**

Implication

Persistent payment delays may discourage reputable suppliers from participating in future procurements, increase procurement costs through risk pricing, expose the Entity to contractual disputes and adversely affect its reputation in the supplier market.

Management Response

National Drug Authority budgeted and planned for the procurements listed. However, NDA gets revenue to achieve its plans from fees charged for the different services provided to the public. This is dependent on demand for the services. For the period under review, collections were low affecting timely payment of suppliers. Going forward, NDA will endeavour as much as possibleto pay suppliers within agreed timelines.

Recommendation

Entity response noted and the Authority recommends that the Accounting Officer should strengthen cash flow forecasting and commitment controls to ensure procurements are initiated only where funding is reasonably assured and supplier payments are processed within contractual timelines in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023 and as spelt out in the Special Conditions of contract.

2.3.2 Delayed contract completion and delivery of supplies

Regulation 52 (1) (a) and (b) of the PPDA (Contracts) Regulations, 2023 states that "*a contract manager shall manage the obligations and duties of the Procuring and Disposing Entity specified in the contract and make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract*". The Authority noted delays in four procurements worth UGX 971,589,627 during contract implementation.

The delayed deliveries/completion were mainly due to failure to track contractor performance, milestones and enforcing contract terms, absence of effective communication between the User Departments, Procurements and Disposal Unit and Management and missing contract management records detailing status of the procurement. Procurements with delayed Deliveries/ completion are detailed in Table 7 below:

Table 7: Delayed Deliveries /Completion

No	Subject of Procurement	PPDA Finding
1.	Provision of Consultancy services for Strategic Plan Development and Implementation Framework with Milestones 2025 — 2030 NDA/CONS/24- 25/00002 Summit Consulting Ltd UGX 245,028,183 Completed Restricted Domestic Bidding	Delayed completion. SCC (GCC 18.1) of the signed contract stated completion period of five calendar months. The strategic plan was meant to be completed by 24th March 2025 after contract signature on 28th October 2024 but it was not completed till 9th May 2025 creating a delay of 1 month.
2.	Supply and Delivery of Archival Boxes for NDA under Framework Contract NDA/SUPLS/24- 25/00043 Jorridy General Merchandise Ltd UGX 84,292,000 Open Domestic Bidding/National (ODB)	Delayed delivery of Archival boxes. The Call Off Order No.001 was issued on 11th December 2024 worth UGX 28,800,000 and the response time was meant to be 10 working days. Delivery was not made till 3rd February 2025 creating a delay of 1 month.

No	Subject of Procurement	PPDA Finding
3.	Supply and delivery of Assorted HP Toners under framework contract NDA/SUPLS/24-25/00028 Joa Links Investments Limited UGX 179,718,545 Completed RFQ	Delayed delivery. Tonners were required by 16th December 2024 and Call Off Order no. 001 worth UGX 57,956,913 was issued on 13th December 2024 but delivery was made on 11th February 2025 after three months from call off order date creating a delay of two months.
4.	Design and Remodelling/renovation of the NDA Building on Plot 95, Buganda Road along Plot 46-48 Lumumba Avenue NDA/WORK/24- 25/00011 Doxa Engineering (U) Limited UGX 462,550,899 RFQ	No completion certificate issued. The works were supposed to have been completed by 31st March 2026 from the contact signature date of 26th June 2025. However, by audit time there was no completion certificate issued neither were there any records pertaining the status of the procurement.

Implication

Delayed deliveries / completion creates lengthy lead time which consequently impedes service delivery.

Management Response

Management will institute monitoring of contract timelines, conduct capacity building sessions to contract managers to ensure timely certification and documentation, and introduced escalation mechanisms for delays in both initiation and delivery. Our desire is that, all contracts should be closely tracked against agreed timelines, with completion certificates issued promptly using an electronic means to safeguard compliance, provider performance, and value for money.

Recommendation

The Authority takes note of the Entity's response and recommends that Contract Managers should prepare contract implementation schedules, conduct monthly performance reviews and document all contract monitoring activities to facilitate timely intervention where delays are identified in accordance with Regulation 52 (1) (b) of the PPDA (Contracts) Regulations, 2023.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall audit Conclusion

The performance of National Drug Authority for the Financial Year 2024/2025 was **Satisfactory** with overall weighted average risk rating of 24.6**%.**

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 shown in Table 8 below:

Table 8: Summary of performance of National Drug Authority

Risk Rating	No.	%No	Value (UGX)	% Value	Weights	Total Weighted Score	
						By No.	By Value
High	0	0	0	0	0.6	0	0
Medium	9	45	1,242,893,363	33.7	0.3	13.5	10.11
Low	6	30	1,080,372,455	29.3	0.1	3	2.93
Satisfactory	5	25	1,363,646,914	36.9	0	0	0
Total	**20**	**100**	**3,686,912,732**	**100**	**1**	**16.5**	**13.04**

Weighted Average by number = $\frac{\sum \text{Weighted Score by number}}{60} \times 100 = \frac{16.5 \times 100}{60} = 27.5\%$

Weighted Average by value = $\frac{\sum \text{Weighted Score by value}}{60} \times 100 = 13.04 \, \frac{\times 100}{60} = 21.7\%$

The average weighted risk rating = $\frac{27.5\% + 21.7\%}{2} = 24.6\%$

Since **24.6%** falls within the **0-30** risk range, the performance of the Entity is rated **Satisfactory** as detailed in Table 8 below:

Table 8: Risk Rating

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

GRAPHICAL REPRESENTATION OF THE ENTITY'S PERFORMANCE

Figure 1 showing performance by number of contracts

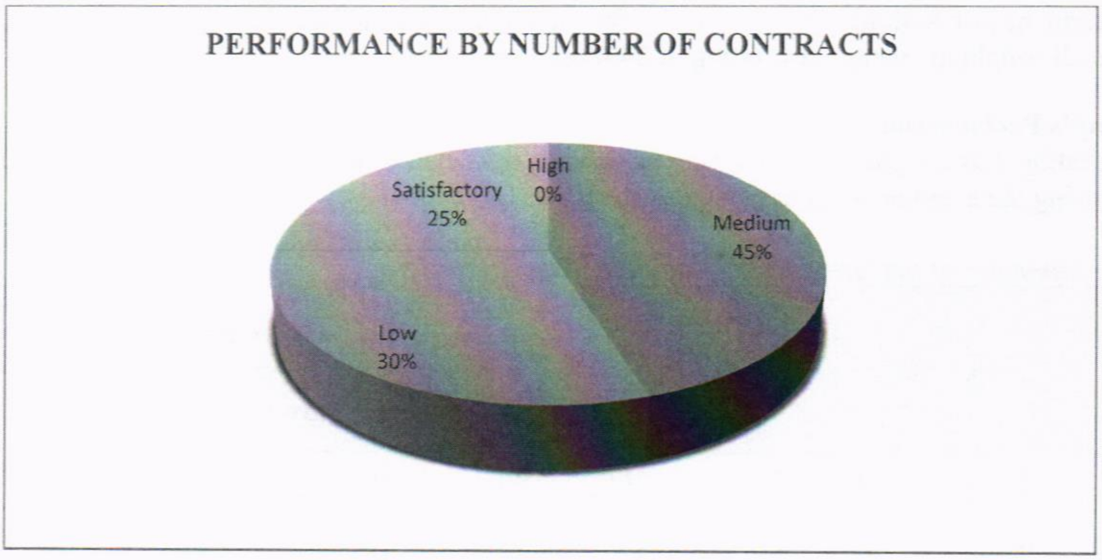
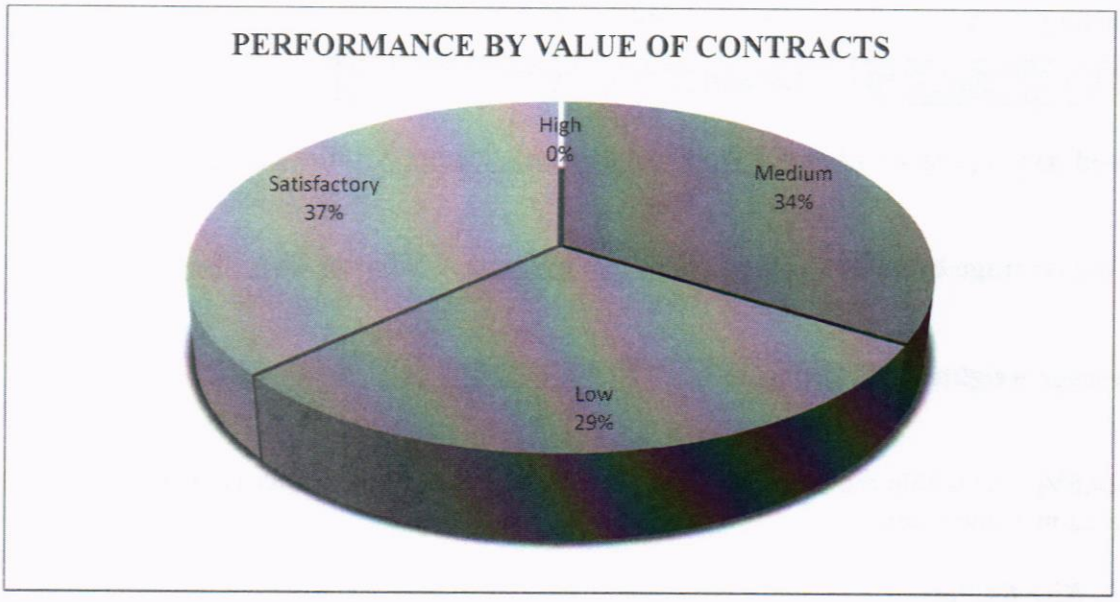


Figure 2 showing performance by value of contracts



3.3 Audit Opinion/Conclusion

The Procurement and Disposal activities of the National Drug Authority (NDA) 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 audit identified several control and performance weaknesses that require management attention. These included a low procurement plan implementation rate of 32.5%, failure to fully implement previous audit recommendations, delays in procurement processing, low bidder participation, non-compliance with reservation schemes for Special Interest Groups, delayed payments to suppliers, and delays in contract completion and delivery.

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 the National Drug Authority for FY 2024/2025 was assessed as **Satisfactory**, with an overall weighted average risk rating of **24.6%**, but requiring targeted management interventions to strengthen procurement efficiency, contract performance, and compliance with statutory and regulatory requirements.

3.4 Recommendation Action Plan

The Entity should implement the recommendations as indicated in Table 9 below:

Table 9: Action Plan

Finding	Action/Recommendation	Responsible officer	Timeline
Low procurement plan implementation	Conduct quarterly procurement plan reviews and update plans	Accounting Officer / Head PDU	Quarterly
Failure to implement audit recommendations	Establish audit recommendation register and quarterly monitoring	Accounting Officer	Within 30 days
Procurement delays	Introduce procurement tracking dashboard	Head PDU	Within 60 days
Low bidder participation	Conduct supplier engagement forum and update supplier database	AO/Head PDU	Within 90 days
Reservation schemes	Develop a list of SIG providers and preserve eligible procurements	HPDU/CC	Before FY 2026/27 implementation plan
Delayed payments	Develop cash flow forecast linked to procurement commitments	Finance / Accounting Officer/	With 60 days
Delayed contract completion	Implement contract monitoring and escalation mechanism	Contract Managers	Monthly

Appendix 1: Findings and Rating on the individual contracts reviewed

No.	Medium Risk Contracts	Reason for risk rating
1.	Supply and delivery of on and off-road Motor Cycles NDA/SUPLS/24- 25/00077 Honda (U) Limited UGX 32,600,000	• Delayed initiation of procurement by two months. The procurement was initiated on 25th September 2024 by the User Department against the planned initiation date of 5th July 2024. • Low bidder participation. Two bids were received against six firms invited. • Delayed payments by two months. SCC (GCC 16.3) of the signed contract provided for payment within thirty days after submission of an invoice which was submitted 4th March 2025 but payment was made on 23rd June 2025.
2.	Supply and delivery of Assorted HP Toners under framework contract NDA/SUPLS/24-25/00028 Joa Links Investments Limited UGX 179,718,545	• Delayed submission of the Evaluation Report for approval by Contracts Committee. The Evaluation of bids was completed on 4th October 2024 but was not submitted to Contracts Committee for approval till 23rd October 2024 creating a delay of 20 days. • Delayed delivery by two months. Tonners were required by 16th December 2024 and Call Off Order no. 001 amounting to Ugx 57,956,913 was issued on 13th December 2024 but delivery was made on 11th February 2025.
3.	Provision of Consultancy services for Strategic Plan Development and Implementation Framework with Milestones 2025 -2030 NDA/CONS/24- 25/00002 Summit Consulting Ltd UGX 245,028,183	• Low bidder participation. Two bids were received against six firms invited. • Delayed completion by one month. SCC (GCC 18.1) of the signed contract provided for completion period of five calendar months. The strategic plan was meant to have been completed by 24th March 2025 after contract signature on 28th October 2024 but it was not completed till 9th May 2025.
4.	Supply and Installation of Two (2) 15KVA Generators for Masaka and Jinja Regional Offices NDA/SUPLS/24- 25/00046 Africa Power and Equipment Ltd UGX 89,451,200	Delayed payment of six months. Payment was affected on 29th July 2025 yet delivery and installation were made on 2nd December 2024 contrary to SCC (GCC 16.3) of the signed contract where payments were to be made within thirty 30 days after submission of an invoice.

5.	Supply and delivery of Chemicals and Reagents NDA/SUPLS/24- 25/00035 Qualichem (U) Ltd UGX 34,629,980	Delayed payment of 6 months The Invoice was submitted 11th November 2024 but payment was processed on 23rd June 2025 creating a delay of six months.
6.	Supply and delivery of Assorted HP Toners NDA/SUPLS/23- 24/00206 Sybyl Limited UGX 69,877,746	Delayed payment. The items were delivered on 4th September 2024 and invoiced on the same date but payment was made 18th June 2025 creating a delay of seven months contrary to SCC (GCC 16.3) of the signed contract which provided for payment within thirty days after submission of an invoice and certification by the Entity.
7.	Supply and delivery of Agilent HPLC and GC Consumables NDA/SUPLS/24-25/00088 Chemetrix Export PTY Ltd UGX 44,744,810	Delayed payment. Delivery was made on 13th November 2024 but payment processed 5th August 2025 contrary to payment terms that indicated payment within 30 working days after submission of an invoice creating a delay of 8 months
8.	Supply and Delivery of Archival Boxes for NDA under Framework Contract NDA/SUPLS/24- 25/00043 Jorridy General Merchandise Ltd UGX 84,292,000	• Delayed delivery of Archival boxes. The Call Off Order no.001 was issued on 11th December 2024 amounting to UGX 28,800,000 and the response time was meant to be 10 working days. Delivery was not made till 3rd February 2025 creating a delay of 1 month. • Delayed payment by two months. Invoice was submitted on 3rd February 2025 but payment was made on 19th May 2025.
9.	Design and Remodelling/renovation of the NDA Building on Plot 95, Buganda Road along Plot 46-48 Lumumba Avenue NDA/WORK/24- 25/00011 Doxa Engineering (U) Limited UGX 462,550,899	No completion certificate issued. The works were supposed to have been completed by 31st March 2026 from the contact signature date of 26th June 2025. However, by audit time there was no completion certificate issued neither were there any records pertaining the status of the procurement.
No.	Low Risk Contracts	Reason for risk rating
1.	Supply and delivery of New Double Cabin Pick-ups NDA/SUPLS/24- 25/00084 Sumabolt Logistics Limited UGX 500,000,000	Delayed payment by two months to the provider. The vehicles were received on 9th April 2025 and payment was supposed to have been paid for by 9th May 2025 but was not paid for till 15th August 2025.
2.	Supply and delivery of Consumables and Spares for Waters HPLC/MS NDA/SUPLS/24-25/00055	Delayed payment by three months. Invoice was submitted on 29th October 2024 and payment terms specified full payment after

	Afrosep Ltd UGX 80,043,200	delivery of supplies within 30 days but payment was made on 27th February 202.
3.	Supply and Installation of temperature and humidity data loggers NDA/SUPLS/24-25/00073 Comet Africa UGX 35,476,800	Delayed payment by three months. Invoice was submitted on 25th October 2024 but was paid on 27th February 2025 creating a delay of three months
4.	Renewal and Upgrade of License for Vulnerability Management Tool (Tenable Nessus) 1-year Subscription Edmart Systems Uganda Limited NDA/NCONS/24- 25/00369 UGX 74,340,000	Delayed payment by two months. Invoice was submitted on 7th July 2025 but Payment was made on 7th October 2025.
5.	Provision of preventive maintenance for the goods lift with 14 floor steps NDA/NCONS/24-25/00173 Kone Uganda Limited UGX 7,732,540	Delayed payment by two months. Maintenance for June to August 2025 was invoiced on 29th August 2025 but payment was processed on 24th November 2025.
6.	Supply, Delivery, Installation, and Deployment of Hybrid storage area Network (SAN) Appliance for NDA NDA/SUPLS/24-25/00131 Mantra Technologies Limited UGX 418,256,715	Delayed payment by one month. Payment was to be within one month as provided under (SCC) (GCC16.3) of the signed contract. The invoice was submitted on 15th October 2025 but payment was made on 3rd December 2025.
Satisfactory		
1.	Provision of Consultancy Services for enhancement to the Integrated Regulatory Information Management System (iRIMS) Deployed Modules and Development, Deployment and Support of Human Capital. NDA/CONS/24- 25/00004 Softclans Technologies Limited UGX 765,983,871	
2.	Supply and Delivery of Waters Symmetry Guard Columns NDA/SUPLS/24-25/00049 Afrosep Limited UGX 42,202,800	
3.	Provision of meals for NDA Staff at South Eastern Regional office Jinja NDA/NCONS/24-25/00061 Jinja New Rendevous Pub and Restaurant UGX 164,482,560	
4.	Renewal of License, Support and Warranty for Fortigate Firewalls and Fortinet Security Solutions for a period of One Year NDA/NCONS/24- 25/00059 Mantra Technologies Limited	

	UGX 249,832,073
5.	Supply and delivery of Sievers M9 Toc Analyser Consumables NDA/SUPLS/24- 25/00089 High Technology Detection Systems (HTDS UGX 68,561,350

APPENDIX 2: AUDIT SAMPLE LIST FOR NATIONAL DRUG AUTHORITY FOR THE FINANCIAL YEAR 2024-2025

No	Procurement Reference Number	Subject of Procurement	Procurement Method	Service Provider	Contract Amount in UGX
1.	NDA/CONS/24 - 25/00004	Provision of Consultancy Services for enhancement to the Integrated Regulatory Information Management System (iRIMS) Deployed Modules and Development, Deployment and Support of Human Capital	Direct Procurement (Direct)	Softclans Technologies Limited	765,983,871
2.	NDA/SUPLS/24- 25/00084	Supply and delivery of New Double Cabin Pick-ups	Open Domestic Bidding	Sumabolt Logistics Limited	500,000,000
3.	NDA/SUPLS/24-25/00049	Supply and Delivery of Waters Symmetry Guard Columns.	Request for Quotation	Afrosep Limited	42,202,800
4.	NDA/SUPLS/23- 24/00206	Supply and delivery of Assorted HP Toners	Request for Quotation	Sybyl Limited	69,877,746
5.	NDA/SUPLS/24-25/00131	Supply, Delivery, Installation, and Deployment of Hybrid storage area Network (SAN) Appliance for NDA	Direct Procurement (Direct)	Mantra Technologies Limited	418,256,715
6.	NDA/WORK/24- 25/00011	Design and Remodelling/renovation of the NDA Building on Plot 95, Buganda Road along Plot 46-48 Lumumba Avenue.	Request for Quotation	Doxa Engineering (U) Limited	462,550,899
7.	NDA/NCONS/24- 25/00369	Renewal and Upgrade of License for Vulnerability Management Tool (Tenable Nessus) 1-year Subscription.	Request for Quotation	Edmart Systems Uganda Limited	74,340,000
8.	NDA/SUPLS/24- 25/00077	Supply and delivery of on and off-road Motor Cycles	Request for Quotation	Honda (U) Limited	32,600,000
9.	NDA/NCONS/24-25/00173	Provision of preventive maintenance for the goods lift with 14 floor steps	Direct Procurement (Direct)	Kone Uganda Limited	44,840,000

No	Procurement Reference Number	Subject of Procurement	Procurement Method	Service Provider	Contract Amount in UGX
10.	NDA/SUPLS/24- 25/00043	Supply and Delivery of Archival Boxes for NDA under Framework Contract	Request for Quotation	Jorridy General Merchandise Ltd	84,292,000
11.	NDA/SUPLS/24- 25/00046	Supply and Installation of two 15KVA Generators for Masaka and Jinja Regional Offices	Request for Quotation	Africa Power and Equipment Ltd	89,451,200
12.	NDA/SUPLS/24-25/00028	Supply and delivery of Assorted HP Toners under framework contract	Request for Quotation	Joa Links Investments Limited	179,718,545
13.	NDA/NCONS/24-25/00061	Provision of meals for NDA Staff at South Eastern Regional office Jinja	Request for Quotation	Jinja New Rendevous Pub and Restaurant	164,482,560
14.	NDA/NCONS/24- 25/00059	Renewal of License, Support and Warranty for Fortigate Firewalls and Fortinet Security Solutions for a period of One Year	Direct Procurement (Direct)	Mantra Technologies Limited	249,832,073
15.	NDA/CONS/24 - 25/00002	Provision of Consultancy services for Strategic Plan Development and Implementation Framework with Milestones 2025 to 2030.	Request for Quotation	Summit Consulting Ltd	245,028,183
16.	NDA/SUPLS/24- 25/00089	Supply and delivery of Sievers M9 Toc Analyser Consumables	Request for Quotation	High Technology Detection Systems (HTDS)	68,561,350
17.	NDA/SUPLS/24- 25/00035	Supply and delivery of Chemicals and Reagents	Request for Quotation	Qualichem (U) Ltd	34,629,980
18.	NDA/SUPLS/24-25/00088	Supply and delivery of Agilent HPLC and GC Consumables	Request for Quotation	Chemetrix Export PTY Ltd	44,744,810
19.	NDA/SUPLS/24-25/00073	Supply and Installation of temperature and humidity data loggers	Request for Quotation	Comet Africa	35,476,800
20.	NDA/SUPLS/24-25/00055	Supply and delivery of Consumables and Spares for Waters HPLC/MS	Request for Quotation	Afrosep Ltd	80,043,200

No	Procurement Reference Number	Subject of Procurement	Procurement Method	Service Provider	Contract Amount in UGX
	TOTAL				**3,686,912,732**

Appendix 3: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry a 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 an 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

RISK	DESCRIPTION	AREA	IMPLICATION
			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 using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.	**Planning:** Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		Bidding Process: Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms, and splitting procurement requirements.	This implies a lack of efficiency, standardization, and avoiding competition.
		Procurement Structures: Lack of procurement structures	This implies a lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.

RISK	DESCRIPTION	AREA	IMPLICATION
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health, and safety are not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practices. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.	**Planning:** Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record-keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare a conflict of interest and a lack of transparency.
SATISFACTORY	Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time.		