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

REPORT ON COMPLIANCE INSPECTION OF SOROTI REGIONAL REFERRAL HOSPITAL FOR FINANCIAL YEAR 2024/25

JUNE 2026

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ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
BOQs	Bills of Quantities
CC	Contracts Committee
EC	Evaluation Committee
ESHS	Environmental, Social and Health Safety
FY	Financial Year
LTD	Limited
NSSF	National Social Security Fund
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection of Soroti Regional Referral Hospital, covering a representative sample of nine procurement transactions worth UGX 203,013,907 for the Financial Year 2024/25.

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

The procurement and disposal audit of Soroti Regional Referral Hospital for the Financial Year 2024/2025 revealed significant non-compliance with the Public Procurement and Disposal of Public Assets Act, Cap. 205, and the attendant Regulations, arising from both structural and operational weaknesses within the procurement function.

A key structural deficiency was the understaffing of the Procurement and Disposal Unit, which was staffed by a single officer, contrary to the approved Regional Referral Hospital staffing structure, which requires at least two officers. This staffing gap led to inadequate segregation of duties, weakened internal controls, and reduced the efficiency and effectiveness of procurement service delivery.

These structural deficiencies contributed to a cascade of operational weaknesses, including gaps in procurement planning, incomplete implementation of prior audit recommendations, weak records management, and inadequate contract management practices. Collectively, these shortcomings point to weak enforcement of accountability mechanisms and insufficient follow-through on corrective actions. As a result, the procurement processes were exposed to heightened risks of inefficiency, reduced transparency, and compromised value for money

Accordingly, Soroti Regional Referral Hospital's performance for the Financial Year 2024/25 was assessed as **Moderately Satisfactory** with an overall weighted average risk rating of **70%**, as detailed in chapter 3 of this report

The following key exceptions were noted;

1. Understaffing of the Procurement and Disposal Unit. The audit revealed that the Procurement and Disposal Unit (PDU) was inadequately staffed, in contravention of Section 28(1)(c) of the PPDA Act, Cap. 205 and the approved staffing structure for Regional Referral Hospitals, which stipulates that the PDU should comprise at least a Senior Procurement Officer and a Procurement Officer. The Unit was being operated by a single officer, Mr. Wandera Dismas, the Procurement Officer, thereby potentially undermining the effectiveness, segregation of duties, and overall efficiency of the procurement function. Failure to adequately staff the Procurement and Disposal Unit results in inefficiency and ineffectiveness in many areas of the Procurement and Disposal function;

2. Poor storage of procurement records. Section 44 (1) of the PPDA Act, Cap. 205 requires the Procuring and Disposing Entities to maintain records on its procurement and disposal proceedings for a period of seven years from the date of a decision to terminate the procurement or disposal action, or the date of the contract completion, whichever comes later. The audit revealed that the Procurement and Disposal Unit lacks a proper storage

room for the bids received and the procurement action files. The bids are on the floor in the Procurement and Disposal Unit. Furthermore, the ceiling was leaking, which may expose the procurement records to damage resulting from the leakage. Failure to have proper and safe storage of procurement records exposes them to potential damage, loss, theft, and misplacement, which could compromise the principle of accountability of public funds;

3. Failure to fully implement 55% of the previous audit recommendations. Section 10 of the PPDA Act, Cap. 205 requires Procuring and Disposing Entities to act on recommendations of the Authority. A review of the previous audit report for the Financial Year 2022/2023 revealed that the Entity failed to implement 55% of the audit recommendations. Failure to fully implement audit recommendations affects the performance of the procurement function and is an indicator of a weak implementation mechanism by the Entity;

4. Failure to implement 77% of the Procurement Plan. Section 60 of the PPDA Act, Cap. 205 requires Procuring and Disposing Entities to plan their Procurement and Disposal rationally. The Authority assessed the Entity's procurement plan for the FY 2024-25 and noted that the procurement plan absorption rate was 22.4% with a variance of UGX 2,405,021,376, representing 77.6% of the procurement plan not implemented. Failure to fully implement planned activities hinders service delivery to the intended beneficiaries;

5. Failure to provide statements of requirements at initiation. Regulation 3 (2) (a) of PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 provides that the initiation of a procurement requirement includes a description of the supplies, works, or non-consultancy services required. The Authority noted that User Departments did not provide Bills of Quantities for procurement requirements at initiation. Failure to provide statement of requirements at initiation hinders the Procurement and Disposal Unit from preparing bidding documents on time, thereby resulting in delays in the procurement process.

6. 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. Regulation 53 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 states that "*A shortlist shall have at least six bidders, except for micro procurement, which shall have three bidders*." The Authority noted that the Entity failed to invite at least six bidders in two procurements worth UGX 48,360,294. Subsequently, the Entity received only two bids in response to the invitations to bid. Low bidder participation encumbers competition, leading to failure to achieve value for money.

7. Non-Compliance with the Evaluation Criteria during Evaluation. Regulation 5 (2) of the PPDA (Evaluation) Regulations, 2023 provides that an Evaluation Committee shall not, during an evaluation, make an amendment or addition to the evaluation criteria stated in the bidding document, and shall not use any other criteria other than the criteria stated in the bidding document. The Authority noted that the Evaluation Committees in two procurements valued at UGX 48,360,294 recommended contract award to bidders that did not meet the criteria in the bidding documents issued. This is an indicator that members of

the Evaluation Committees may have had unethical tendencies or may have lacked adequate capacity to review bids, which could have compromised fairness and transparency in the evaluation process.

8. Irregularities during contracting and contract execution. Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023 states that, "*The Accounting Officer shall appoint a person from the user department to be the contract manager.*" Regulation 52 (1) of the same Regulations states that, (a) "*A contract manager shall (a) manage the obligations and duties of the procuring and disposing entity specified in the contract*"; and (b) "*make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract.*" The Authority observed irregularities contravening the above regulations in nine procurements worth UGX 203,013,907. Failure to appoint contract supervisors exposes the Entity to the risk of poor contract management, which results in failure to implement contracts in accordance with the agreed terms and conditions of the contract; and

9. Missing records. Section 33 (o) of the PPDA Act, Cap. 205 requires the Procurement and Disposal Unit to maintain and archive records of the procurement and disposal process. The Authority noted that four procurements worth UGX 49,676,389 had incomplete files. Missing records affect the audit trail and compromise accountability for public funds.

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

1. The Accounting Officer should:
   i. Engage the responsible authorities for wage enhancement and staffing approvals, while also exploring interim measures such as rationalization of workload, temporary staff support where permissible, and prioritization of critical procurement functions to mitigate operational inefficiencies in accordance with Section 28 (1) (c) of the PPDA Act, Cap. 205.

   ii. Equip the Procurement and Disposal Unit with filing cabinets and storage space.

   iii. Urgently repair the Procurement and Disposal Unit ceiling to ensure safe storage and proper archiving of procurement records in accordance with Section 44 (1) of the PPDA Act, Cap. 205.

   iv. Establish an audit recommendation register and conduct quarterly monitoring to ensure the full implementation of the Authority's recommendations to improve the Entity's performance, in accordance with Section 10(1)(a) of the PPDA Act, Cap. 205or full implementation of the Authority's recommendations;

   v. Institute quarterly procurement plan reviews to align planned procurements with actual budget releases and revenue collection. Any significant changes should be formally approved and reflected in the updated procurement plan in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023

vi. Task Evaluation Committee members to show cause as to why disciplinary action should not be taken against them for faulting evaluation criteria and procedures during evaluation contrary to Regulation 5 of the PPDA (Evaluation) Regulations, 2023;

vii. Strengthen disposal planning and ensure that all preliminary processes are undertaken on time in accordance with Section 60 of the PPDA Act, Cap. 205

viii. Within three days of receipt of this report, submit the current status of the pre-installation works on the dental and laundry units under the contract with Joras Associates Ltd, including updated completion evidence and details of any actions taken after 2nd October 2025. Where the works remain incomplete without justified cause, the Entity should take appropriate remedial action against the Contractor in accordance with the terms of the contract, including withholding any pending payments, recovering liquidated damages for delayed completion, calling the performance security, and, where warranted, recommending the suspension of the Contractor to the Authority

ix. Include clearly defined Special Conditions of Contract in all future contracts to strengthen enforceability, enhance accountability, and safeguard the Entity's interests.

2. The Head, Procurement and Disposal Unit should;
   i. Shortlist at least six bidders for each procurement in accordance with Regulation 53 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023.
   ii. Always maintain procurement and disposal records on their respective action files in accordance with Section 33 (o) of the PPDA Act, Cap. 205.

3. The Heads of User Departments should;
   i. Always attach statement of requirements at the initiation of their Procurements in accordance with Section 36 (1) (c) of the PPDA Act, Cap. 205;
   ii. Nominate Contract Managers for appointment by the Accounting Officer for all contracts in accordance with Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023;
   iii. Task contract supervisors to prepare monthly reports on the progress of a contract, and a copy is submitted to the Accounting Officer and the Procurement and Disposal Unit for record-keeping as required under Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023

4. The Evaluation Committees should strictly adhere to the evaluation criteria outlined in the solicitation documents. Firms that do not comply should be eliminated in accordance with Regulations 5 (1) and (2) of the PPDA (Evaluation) Regulations, 2023.

5. The Contracts Committee should thoroughly scrutinise evaluation reports to ensure strict adherence to the prescribed evaluation criteria before approval, in accordance with Regulation 5(2) of the PPDA (Evaluation) Regulations, 2023.

Soroti Regional Referral Hospital should implement the recommended action plan on page 21 of this report.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out the compliance inspection of Soroti Regional Referral Hospital that covered a representative sample of nine procurement transactions under the Financial Year 2024/25. The audit involved a review of the procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Public Assets Act, Cap. 205 and the attendant PPDA Regulations.

1.2 Overall Objective

The overall objective of the inspection was to assess and establish the degree of compliance of Soroti Regional Referral Hospital's procurement system, process and disposal process with the provisions of the Public Procurement and Disposal of Public Assets Act, Cap 205 and attendant PPDA Regulations, and assess the level of procurement performance over the audit period.

The specific objectives were to:

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

1.3 Procurement structure of the Entity

The key players in the procurement structure at Soroti Regional Referral Hospital include the Hospital Director as Accounting Officer, the Contracts Committee, the Procurement and Disposal Unit and the User Departments.

Section 28 of the PPDA Act, Cap. 205 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. Dr. Watmon Benedicto served as the designated Accounting Officer during the Financial Year 2024-2025.

During the audit period, the Entity's Contracts Committee was fully constituted in accordance with Section 29 of the PPDA Act, Cap. 205. The Contracts Committee was comprised of five members, as shown in Table 1 below:

Table 1: List of Contracts Committee Members

No	Name	Position	Date of appointment	Title
1.	Mr. Enabu Moris	Chairperson	5th March 2025	Head Nutrition
2.	Dr. Gidudu Ivan	Secretary		Pharmacist
3.	Dr. Ongodia David	Member		Dentist
4.	Ms. Oboko Joyce	Member		Clinical Officer
5.	Counsel Mudola Diana	Member		Lawyer

1.4 Scope of the Compliance Inspection

The Audit involved a sample-based review of procurement and disposal processes, general compliance issues, and contract implementation. The Audit covered a representative sample of nine procurement transactions worth UGX 706,550,62 for the Financial Year 2024/25. The sample was selected using stratified random sampling, based on Contracts Committee minutes and monthly procurement and disposal reports. The list of sampled transactions is contained in Annex 1. Table 2 below details the distribution of the transaction population and sample

Table 2:Analysis of the population and sample selected for the audit of FY 2024/25.

	POPULATION			SAMPLE		PERCENTAGE	
No.	**Procurement method**	**Value (UGX)**	**No**	**Value (UGX)**	**No.**	**No**	**Value**
1.	Framework	671,115,569	30	172,837,177	8	27	26
2.	Request for Quotation	35,435,055	5	30,176,730	1	20	85
	TOTAL	**706,550,624**	**35**	**203,013,907**	**9**	**26**	**29**

1.5 Methodology

An entry meeting was held on 29th September 2025. A sample of 10 procurement transactions was selected using stratified random sampling, based on the Contracts Committee minutes and monthly procurement and disposal reports. The Authority examined records and documents for each sampled procurement transaction and/or disposal and obtained the relevant evidence to derive audit conclusions. This involved a review of the Entity's procurement and disposal planning, initiation, bidding, evaluation, contract placement and processes. At the end of the document review, a physical verification was undertaken to ascertain the level of contractual delivery and fit for purpose.

During the audit, the Authority had consultations with staff from the Procurement and Disposal Unit and User Departments to obtain crucial qualitative information about the internal control systems and processes in place.

A debrief meeting to discuss the preliminary findings was held with the Entity management and staff on **2nd October 2025**. The Authority prepared the management letter, which was sent to the Entity on **21st April 2026, r**equesting a management response by **29th April 2026**. The response was submitted on **15th May 2026**.

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

CHAPTER TWO: KEY FINDINGS AND RECOMMENDATIONS

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

2.1.1 Understaffing of the Procurement and Disposal Unit

Section 28(1)(c) of the PPDA Act, Cap. 205, mandates that the Accounting Officer establish and maintain a Procurement and Disposal Unit that is adequately staffed. Furthermore, the approved staffing structure for Regional Referral Hospitals provides for a minimum staffing level comprising a Senior Procurement Officer and a Procurement Officer. However, the audit revealed that the PDU was operated by only one officer, Mr. Wandera Dismas, the Procurement Officer. The Unit's inadequate staffing exposes the procurement function to risks, including inadequate segregation of duties, weak internal controls, limited oversight, and possible delays in the execution of Procurement and Disposal activities.

Implication

Failure to adequately staff the Procurement and Disposal Unit results into inefficiency and ineffectiveness in many areas of the Procurement and Disposal function.

Management Response

Management has put effort; however, the problem is the lack of wage generally to support all the unfilled positions in the Hospital.

Authority's comment

The Authority noted the Entity's response. However, whereas Management attributed the staffing gap to wage constraints, the Authority reiterates that maintaining an adequately staffed Procurement and Disposal Unit is a fundamental requirement for ensuring effective segregation of duties, strengthening internal controls, promoting transparency and accountability, and enhancing efficiency and value for money in procurement and disposal operations.

Recommendation

The Accounting Officer should engage the responsible authorities for wage enhancement and staffing approvals, while also exploring interim measures such as rationalisation of workload, temporary staff support where permissible, and prioritisation of critical procurement functions to mitigate operational inefficiencies in accordance with Section 28 (1) (c) of the PPDA Act, Cap. 205.

2.1.2 Poor storage of procurement records

Section 44 (1) of the PPDA Act, Cap. 205 requires the Procuring and Disposing Entities to maintain records on its procurement and disposal proceedings for a period of seven years from the date of a decision to terminate the procurement or disposal action, or the date of the contract completion, whichever comes later. The audit revealed that the Procurement and Disposal Unit lacks a proper storage room for the bids received and the procurement action files. The bids are on the floor in the Procurement and Disposal Unit. Furthermore, the ceiling was leaking which may expose the procurement records to damage resulting from the leakage as illustrated in the figure 1 below:

Figure 1: Evidence of poor storage of procurement records at the Procurement and Disposal Unit as of 2nd October 2025

Implication

Failure to have proper and safe storage of procurement records exposes them to potential damage, loss, theft and misplacement which could compromise the principle of accountability of public funds.

Management response

It is true the Entity lacks space as a general infrastructure problem and management together with the Ministry of Health are working together to solve the problem.

Authority's comment

The Authority notes the Entity's response; however, pending a permanent storage solution, Management is required to implement appropriate interim safeguards, including provision of secure lockable steel filing cabinets, establishment of a dedicated records storage area with restricted access, and enforcement of strict key control procedures limited exclusively to authorized officers to ensure the security, integrity, and confidentiality of procurement records.

Recommendations

1. The Accounting Officer should equip the Procurement and Disposal Unit with filing cabinets and storage space.
2. The Accounting Officer should urgently repair the Procurement and Disposal Unit ceiling to ensure safe storage and proper archiving of procurement records in accordance with Section 44 (1) of the PPDA Act, Cap. 205.

2.1.3 Failure to fully implement 55% of the previous audit recommendations

Section 10 of the PPDA Act, Cap. 205 requires Procuring and Disposing Entities to act on recommendations of the Authority. The Authority noted that the Entity had been issued its previous audit report for the Financial Year 2022/2023 in January 2024. Out of nine recommendations made, four recommendations representing 44% were fully implemented, one recommendation representing 11% was partially implemented and four representing 44% were not implemented as detailed in Table 3 below:

Table 3: Status of implementation of previous audit recommendations

No.	Recommendation	Status
1.	The Accounting Officer should ensure that the Memorandum of Understanding signed with the UPDF Engineering Brigade contains detailed contract terms to ensure smooth execution of the contracts.	Not implemented

No.	Recommendation	Status
	Management response *The current memorandum has detailed contract terms* **Authority's comment** The Authority noted the Entity's response; however, no evidence was provided for verification	
2.	The Accounting Officer should ensure that the Procurement and Disposal Unit is adequately constituted in line with the new procurement structure in accordance with Section 26 (1) (c) of the PPDA Act 2003. which requires establishing a Procurement and Disposal Unit staffed to an appropriate level;	Not implemented
	Management response *The entity has not secured enough wage to pay Officers* **Authority's comment** The Authority noted the Entity's response. However, whereas Management attributed the staffing gap to wage constraints, the Authority reiterates that maintaining an adequately staffed Procurement and Disposal Unit (PDU) is a fundamental requirement for ensuring effective segregation of duties, strengthening internal controls, promoting transparency and accountability, and enhancing efficiency and value for money in procurement and disposal operations	
3.	The Accounting Officer should together with internal Audit come up with a strong mechanism that will ensure that all audit recommendations are regularly monitored and implemented so as to improve the Entity's performance.	Not implemented
	Management response No response was provided	
4.	The Head Procurement and Disposal Unit together with User Departments should in accordance with Section 58 (4) and (5) of the PPDA Act, 2003 ensure that on a quarterly basis and in any other case. wherever necessary, they review and update the procurement plan to include new procurement requirements and also ensure that the Secretary to the Treasury and the Authority are notified of any changes made to the procurement plan and submit the updated and approved plan to the Authority.	Not Implemented
	Management response *This is done in consultation with the planning Unit* **Authority's comment** The Authority notes the Entity's response. However, no updated procurement plans were submitted to the Authority. The Entity is therefore advised to ensure that all revised procurement plans are formally approved and promptly submitted to the Authority and the Secretary to the Treasury, together with notifications of any changes to the original procurement plan.	
5.	The Accounting Officer and the Head Procurement and Disposal Unit should ensure that the Environmental Officer and other officers are involved in the entire procurement process right form planning and initiation, bid document	Partially Implemented

No.	Recommendation	Status
	preparation and contract management process so that the ESHS issues are embedded in the procurements right from the design stage.	
	Management response No response was provided	

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

Recommendation
The Accounting Officer should establish an audit recommendation register and conduct quarterly monitoring to ensure the full implementation of the Authority's recommendations to improve the Entity's performance, in accordance with Section 10(1)(a) of the PPDA Act, Cap. 205.

2.1.4 Failure to implement 77% of the Procurement Plan

Section 60 of the PPDA Act, Cap. 205 requires Procuring and Disposing Entities to plan their Procurement and Disposal rationally. The Authority assessed the Entity's procurement plan for the FY 2024-25 and noted that the procurement plan absorption rate was 22.4% with a variance of UGX 2,405,021,376, representing 77.6% of the procurement plan not implemented. Table 4 below details information about the plan and utilization of funds.

Table 4 : Procurement plan implementation

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	3,100,997,000
Total procurement spend value inclusive of VAT (UGX)	695,975,624
Procurement plan implementation rate (%)	22.4
Implementation variance (UGX)	2,405,021,376
Non implementation rate (%)	77.6

Implication
Procurements worth UGX 2,405,021,376 were not implemented, which deprived service delivery to the intended beneficiaries.

Management Response
The UGX 2,405,021,376 is money for general medicine for the Hospital and is managed by National Medical Stores. However, the medicines were supplied and consumed

Authority's comment
The Authority noted the Entity's response and urges the Entity to ensure comprehensive reporting of all planned supplies received and consumed, regardless of the procurement modality used, to ensure completeness, transparency, and proper accountability.

Recommendation
The Accounting Officer should institute quarterly procurement plan reviews to align planned procurements with actual budget releases and revenue collection. Any significant changes

should be formally approved and reflected in the updated procurement plan in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023.

2.1.5 Failure to provide statements of requirements at initiation

Regulation 3 (2) (a) of PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 provides that the initiation of a procurement requirement includes a description of the supplies, works, or non-consultancy services required. The Authority noted that User Departments did not provide Bills of Quantities for procurement requirements at initiation in two procurements worth UGX 48,360,294, as indicated in Table 5;

Table 5: Procurements with irregularities during initiation

No	Procurement	Contract Value (UGX)
1.	Construction of a Medicine Offloading Shade in the Hospital	30,176,730
2.	Renovation works for a three-stance toilet in the hospital.	18,183,564
	TOTAL	**48,360,294**

Implication

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

Management Response

The BOQs were drafted and provided in soft copy by the Ministry of Health and were part of the solicitation document. see Annex 1

Authority's comment

The Authority noted that although the Entity subsequently provided the Bills of Quantities (BOQs) at a later stage, the concern relates to the initiation stage of the procurement process. The audit established that the procurement requisition was submitted and approved by the Accounting Officer without the accompanying BOQs. Consequently, the Procurement and Disposal Unit (PDU) received an incomplete requisition and was compelled to await submission of the BOQs before proceeding with the procurement process, resulting in avoidable delays.

Recommendation

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

2.1.6 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.*

Regulation 53 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 states that "*A shortlist shall have at least six bidders, except for micro procurement, which shall have three bidders.*"

The Authority noted that the Entity failed to invite at least six bidders in two procurements worth UGX 48,360,294. Subsequently, the Entity received only two bids in response to the invitations to bid. This low bidder turnout indicates limited competition and possible lack of

confidence in the Entity's procurement process. Details of these procurements are presented in Table 6 below;

Table 6: Procurements with low response from bidders

No	Procurement	Contract value (UGX)	Number Invited	Bids received
1.	Construction of a Medicine Offloading Shade in the Hospital	30,176,730	3	2
2.	Renovation works for a three-stance toilet in the hospital.	18,183,564	3	2
	Total	**48,360,294**		

Implication
This encumbers competition, leading to failure to achieve value for money.

Management Response
It is true three firms were shortlisted and given opportunity to participate in the bidding process, but only two firms picked the document and responded. We shall continue to engage, sensitise and encourage our bidders on the subsequent bidding process

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

2.1.7 Non-Compliance with the Evaluation Criteria during Evaluation

Regulation 5 (2) of the PPDA (Evaluation) Regulations, 2023 provides that an Evaluation Committee shall not, during an evaluation, make an amendment or addition to the evaluation criteria stated in the bidding document, and shall not use any other criteria other than the criteria stated in the bidding document. The Authority noted that the Evaluation Committees in two procurements valued at UGX 48,360,294, recommended contract award to bidders that did not meet the criteria in the bidding documents issued as detailed in Table 7 below;

Table 7: Procurements with irregularities during evaluation

No	Subject of the procurement	Contracts Value (UGX)	Findings
1.	Construction of a Medicine Offloading Shade in the Hospital	30,176,730	• The Best Evaluated Bidder did not attach CVs for Key Personnel that is; Project Manager Mr. Tumwesige Robert, Site Engineer Ms. Nlugoda Musitafa and Social Officer Ms. Amago Jane yet these were required in the bid document • Alliance Medtronics Ltd did not attach the PPDA certificate yet this was required however the bidder was considered compliant. • The best evaluated bidder did not attach the NSSF clearance certificate.

No	Subject of the procurement	Contracts Value (UGX)	Findings
2.	Renovation works for a three-stance toilet in the hospital.	18,183,564	The Best Evaluated Bidder Joras Associates Ltd did not provide the following records in the bidding document but was considered compliant. • URA Certificate of registration. • NSSF certificate. • National IDs of majority shareholders
	TOTAL	**48,360,294**	

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

Management Response
The above documents which were not seen during the time of Audit are now available and have been attached. See Annex III

Authority's comment
The Authority noted the entity's response and supporting documents. However, the documents in question, such as the CVs of key personnel, the NSSF Clearance certificates, and the certificate of registration, were not provided. The PPDA certificate for Alliance Medtronics Ltd covers a different period, not the one under review.

Recommendations
- The Contracts Committee should thoroughly scrutinize evaluation reports to ensure strict adherence to the prescribed evaluation criteria before approval, in accordance with Regulation 5(2) of the PPDA (Evaluation) Regulations, 2023.
- The Accounting Officer should task Evaluation Committee members to show cause as to why disciplinary action should not be taken against them for faulting evaluation criteria and procedures during evaluation contrary to Regulation 5 of the PPDA (Evaluation) Regulations, 2023.

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

2.2.1 Failure to plan for disposal of assets
Section 60 (2) of the PPDA Act, Cap. 205 states that "*A Procuring and Disposing Entity shall plan its procurement and disposal in a rational manner.*" The audit revealed that although Soroti Regional Referral Hospital had a number of items due for disposal in the financial year 2024/2025, contrary to Section 60 of the PPDA Act, Cap. 205, the Head Procurement and Disposal Unit did not prepare the Entity's disposal plan for the Financial Year.

Implication
Failure to prepare a disposal plan leads to unnecessary storage of assets due for disposal which takes valuable space, reducing operational efficiency as well as further depreciation in value.

Management Response

Management made a commitment for the Government valuer to assess the assets and validate the board of survey report, and come up with reserve prices for selected Lots that will enable PDU to produce an annual procurement and disposal plan. Management is awaiting a response from the Chief Government Valuer to start the Disposal process. See Annex IV

Authority's comment

The Authority noted the Entity's response. However, the letter to the Chief Government Valuer was only delivered on 10th March 2026, indicating a delayed initiation of the disposal process. The necessary consultations, valuation arrangements, and preparation of the disposal plan should have been undertaken before the commencement of the FY 2024/2025 in July 2024 to ensure the timely disposal of obsolete assets.

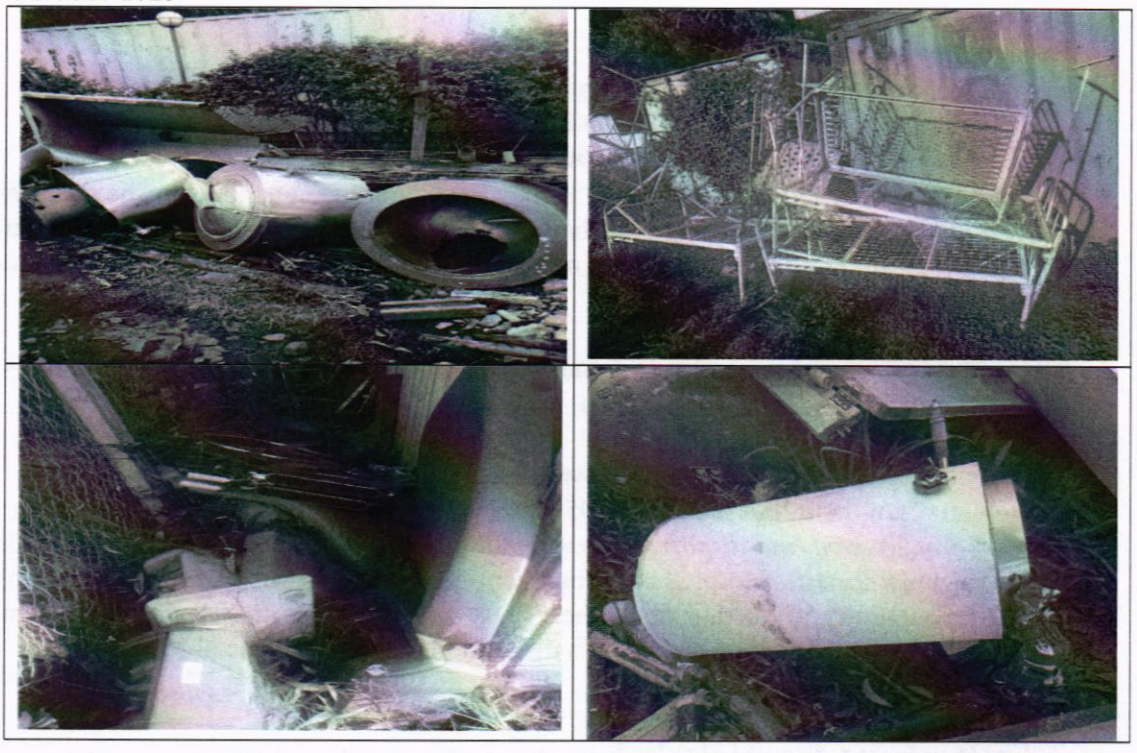
Recommendation

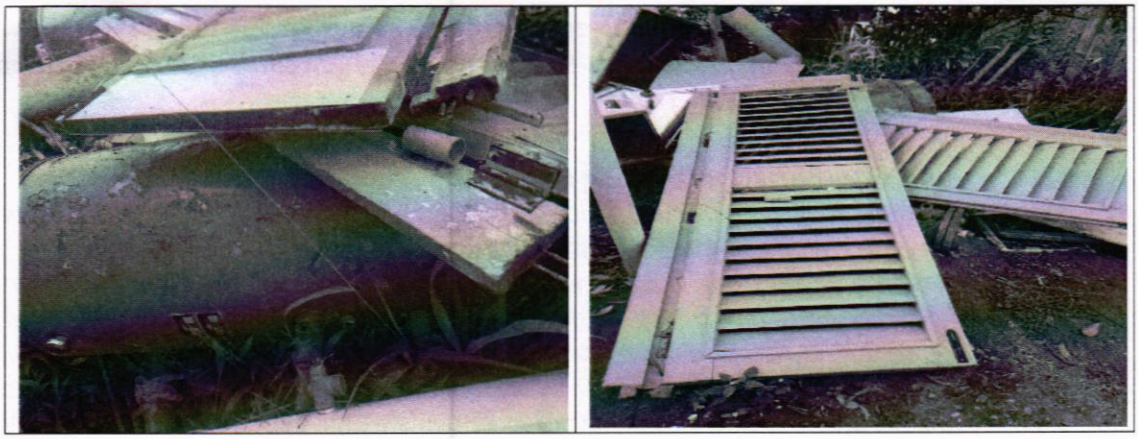
The Accounting Officer should strengthen disposal planning and ensure that all preliminary processes are undertaken on time in accordance with Section 60 of the PPDA Act, Cap. 205.

2.2.2 Failure to conduct disposal

Regulation 2 of the PPDA (Disposal) Regulations, 2023 requires a Procuring and Disposing Entity to dispose of obsolete assets identified by the Board of Survey. Although the audit revealed that a number items were due for disposal, Soroti Regional Referral Hospital did not dispose of any asset during Financial Year 2024/2025. The images in Table 8 below illustrate some of the Entity's assets that were not disposed of:

Table 8: Pictures of Items for disposal at Soroti Regional Referral Hospital taken on 2nd October 2025





Implication
Failure to timely dispose of obsolete assets continues to expose them to risks of theft, misuse, and further loss in value through continued depreciation.

Management response
Management made a commitment for the government valuer to assess the assets and validate the board of survey report, and come up with reserve prices for selected Lots that will enable PDU to produce an annual procurement and disposal plan. Management is awaiting a response from the Chief Government Valuer to start the Disposal process

Authority's comment
The Authority noted the entity's response. However, the delay in undertaking the valuation and disposal processes indicates inadequate disposal planning and delayed action by Management.

Recommendation
The Accounting Officer should dispose of obsolete assets as recommended by the board of survey report in accordance with Regulation 2 of the PPDA (Disposal) Regulations, 2023 and Section 60(2) of the PPDA Act, Cap. 205.

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

2.3.1 Irregularities during contracting and contract execution

Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023 states that, *"The Accounting Officer shall appoint a person from the user department to be the contract manager."* Regulation 52 (1) of the same Regulations states that, *(a) "A contract manager shall (a) manage the obligations and duties of the procuring and disposing entity specified in the contract"; and (b) "make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract."* The Authority observed irregularities contravening the above regulations in nine procurements worth UGX 203,013,907 as indicated in Table 9 below;

Table 9: Transactions with irregularities at contracting and contract management

No	Subject of procurement	Contract value (UGX)	Findings
1.	Construction of a medicine offloading shade in the hospital	30,176,730	• No contract management plan and report. • There was no evidence for completion of works.
2.	Supply and Delivery of Assorted Medicines and Medical Supplies	7,884,750	• No appointment of a Contract Manager which resulted in failure to prepare a contract management plan and report. • There was no evidence for delivery and receipt of medicines and medical supplies
3.	Provision of Maintenance Repair Services for Motor vehicle Reg. UG5595M	919,639	• No appointment of a Contract Manager which resulted in failure to prepare a contract management plan and report. • There was no evidence that the repair services were done for Motor vehicle Reg.Ug5595M.
4.	Supply and Delivery of Assorted Medical Equipment Spares for Health Facilities of Teso Sub-Region	17,761,300	• No appointment of a Contract Manager. This resulted in failure to prepare a contract management plan and report. • There was no evidence for delivery and receipt of Assorted Medical Equipment Spares. • The Local Purchase Order had no Special Conditions of Contract attached.
5.	Supply of Assorted Office Stationery for General Administration	7,306,000	• No appointment of a Contract Manager which resulted in failure to prepare a contract management plan and report.

No	Subject of procurement	Contract value (UGX)	Findings
			• There was no evidence for delivery and receipt of Assorted Office Stationery for General Administration.
6.	Pre-installation works on the dental and laundry in the hospital to enable installation of assorted medical equipment from JICA	79,909,924	• No Contract management plan and report.
7.	Renovation Works for a Three Stance Toilet in the Hospital	18,183,564	• There was no framework agreement between the Entity and Joras Associates Limited. • No contract management plan and report.
8.	Preinstallation works on the X-ray room (electrical) to support installation of a brand-new digital X-ray machine.	21,802,000	• No appointment of a Contract Manager which resulted in the failure to prepare a contract management plan and report. • The Local Purchase Order had no Special Conditions of Contract attached.
9.	Supply and delivery of assorted medical equipment spare for Soroti region	19,070,000	• No appointment of a Contract Manager which resulted in the failure to prepare a contract management plan and report. • There was no evidence for delivery and receipt of assorted medical equipment spare. • The Local Purchase Order had no Special Conditions of Contract attached.
	TOTAL	**203,013,907**	

Implications

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

Management Response

The appointment letters for the contract managers for the above contracts e.g stance toilet, Medicine shed, Pre-installation works in Laundry, which were not seen during the time of Audit but are available and have been attached. See Annex V

Authority's comment
The Authority noted the Entity's response and reviewed the contract manager appointment letters available for the stance toilet, medicine shed, and pre-installation works in the laundry procurements. However, it was established that several other procurements did not have formally appointed contract managers, while the procurements with appointed contract managers lacked documented contract management plans and adequate contract management record.

Recommendations
1. The Accounting Officer should;
   i. Task the contract managers to show cause why appropriate disciplinary action should not be taken against them for failure to execute their roles and responsibilities in line with Regulation 52 (1) & (2) of the PPDA (Contracts) Regulations 2023 as highlighted in Table 8 above.
   ii. Include clearly defined Special Conditions of Contract in all future contracts to strengthen enforceability, enhance accountability, and safeguard the Entity's interests.

2. The Heads of User Departments should;
   i. Nominate Contract Managers for appointment by the Accounting Officer for all contracts in accordance with Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023.
   ii. Task contract supervisors to prepare monthly reports on the progress of a contract, and a copy is submitted to the Accounting Officer and the Procurement and Disposal Unit for record-keeping as required under Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.

2.3.2 Missing Records
Section 33 (o) of the PPDA Act, Cap. 205 requires the Procurement and Disposal Unit to maintain and archive records of the procurement and disposal process. The Authority noted that four procurements worth UGX 49,676,389 had incomplete files as detailed in Table 10 below:

Table 10: Procurements with Missing records

NO	Subject of procurement	Contract value (UGX)	Missing record	Management response
1.	Supply and Delivery of Assorted Medicines and Medical Supplies	7,884,750	Notice of the Best Evaluated Bidder	*The procurement was done under framework agreement arrangement* **Authority's comment** The Authority noted the Entity's response. However, irrespective of the contract type, including framework agreements, all relevant procurement and contract management documents should be properly
2.	Provision of Maintenance Repair Services for Motor vehicle Reg.Ug5595m	919,639		
3.	Preinstallation works on the X-ray room (electrical) to support installation of a	21,802,000	• Bid for Joras Associates Limited	

NO	Subject of procurement	Contract value (UGX)	Missing record	Management response
	brand-new digital X-ray machine.		• Notice of the Best Evaluated Bidder	maintained and available for audit review when required.
4.	Supply and delivery of assorted medical equipment spare for Soroti region	19,070,000	• Bid for Alliance Medtronics Limited. • Notice of the Best Evaluated Bidder	
	TOTAL	**49,676,389**		

Implication
Missing records affect the audit trail and compromise accountability for public funds.

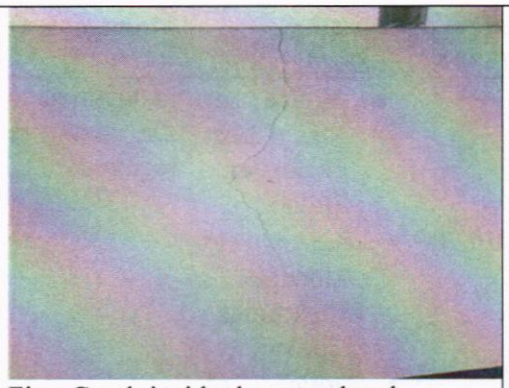
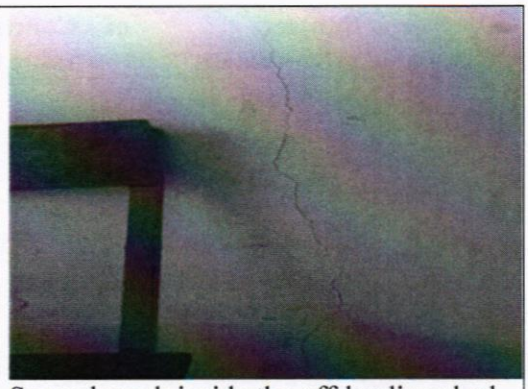
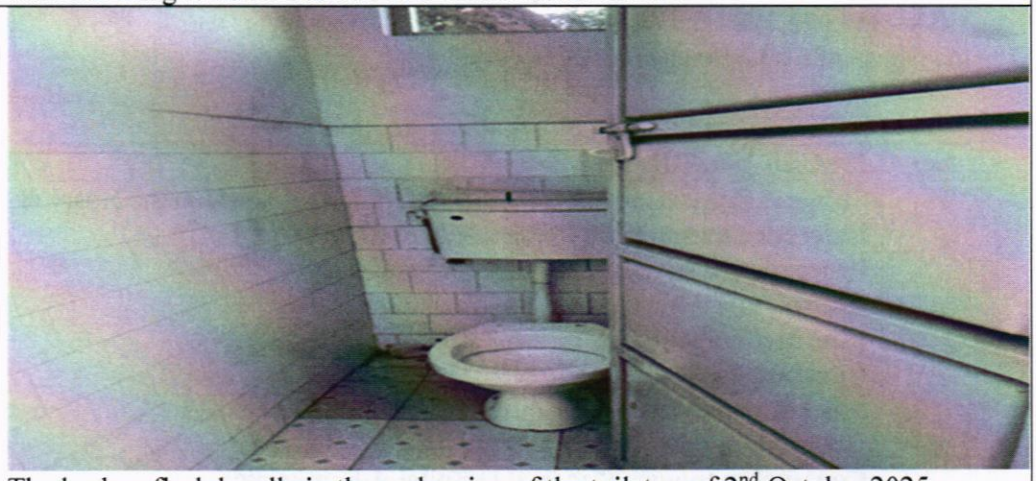
Recommendation
The Head, Procurement and Disposal Unit should always maintain procurement and disposal records on their respective action files in accordance with Section 33 (o) of the PPDA Act, Cap. 205.

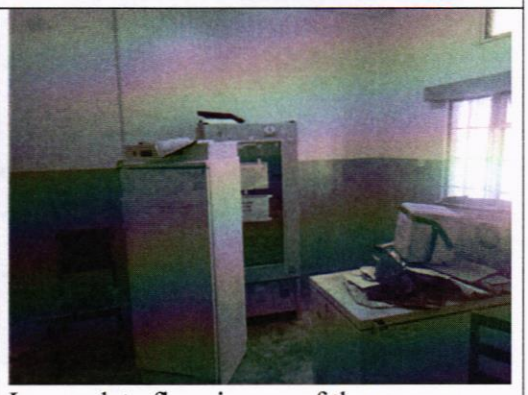
2.3.3 Physical verification

On 2nd October 2025, the Authority conducted physical verification of four projects worth UGX 150,072,218 and noted issues in three projects worth UGX 128,270,218 for management's attention as per Table 11 below:

Table 11: Issues noted during physical verification

NO	ISSUES NOTED
1.	**Subject:** Construction of a Medicine Offloading Shade in the Hospital **Reference number**: SRR/WRKS/2024-25/00107 **Procurement method**: Request for Quotation **Contractor:** Alliance Medtronics Limited **Contract value**: UGX 30,176,730 **Contract date**: 10th February 2025 **Site handover date**:10th February 2025 **Completion date**: Missing record **Contract manager**: Principal Hospital Administrator ✓ Incomplete and Defective Works: ✓ Three cracks on the walls

	 First Crack inside the completed offloading Shed as of 2nd October 2025	 Second crack inside the off-loading shed as of 2nd October 2025
2.	**Subject**: Renovation works for a three-stance toilet in the hospital **Reference number:** SRRH/WRKS/24-25/00090 **Procurement method**: Request for Quotation **Contractor**: Joras Associates Ltd. **Contract value:** UGX 18,183,564 **Contract date:** 10th February 2025 **Contract manager:** Not appointed **Site possession date**: Missing record **Completion date:** Missing record **Defects liability period:** Missing record **Incomplete or defective works:** The contractor completed the works; however, the users complain that the toilet in the male wing is not in use due to a broken flush handle.	
	 The broken flash handle in the male wing of the toilet as of 2nd October 2025	
3.	**Subject**: Pre-installation works on the dental and laundry units to enable installation of assorted equipment from JICA **Reference number:** SRRH/WRKS/24-25/00140. **Procurement method**: Open Domestic Bidding **Contractor**: Joras Associates Ltd **Contract value:** UGX 79,909,924 **Contract date:** 20th May 2025 **Contract manager:** Mr Peter Omoya Bezy **Site possession date**: 20th May 2025 **Completion date:** 30th September 2025	

	Defects liability period: 6 months **Incomplete works:** Slow progress of works: as of 2nd October 2025, physical progress was at 82%, yet the contract had only 5 days to expire.	
	 Incomplete floor and drainage channel in one of the rooms as of 2nd October 2025	 Incomplete floor in one of the rooms under renovation as of 2nd October 2025

Implication
Incomplete or poorly managed projects impact the safety, compliance, and the overall success of the projects

Management Response
Management took responsibility on these minor snags and since the defects liability period was still running, the contractor was called upon to rectify the issue and now has been solved

Authority's comment
The Authority notes the Entity's response. However, no updated evidence regarding the current status of the projects was submitted for verification of the rectified projects. In addition, the response does not adequately address the incomplete project, whose contract period had already expired.

Recommendations
1. The Contract Managers for the above projects should show cause as to why appropriate disciplinary action should not be taken against them for failure to execute their roles and responsibilities in line with Regulation 52 (1) & (2) of the PPDA (Contracts) Regulations 2023, as highlighted in Table 11 above.
2. The Accounting Officer should;
   i. Direct the Contractors to rectify all anomalies identified in Table 10 within two months of receipt of this report. A status report detailing the rectification actions undertaken should thereafter be submitted to the Authority within the same period.
   ii. Within three days of receipt of this report, submit the current status of the pre-installation works on the dental and laundry units under the contract with Joras Associates Ltd, including updated completion evidence and details of any actions taken after 2nd October 2025. Where the works remain incomplete without justified cause, the Entity should take appropriate remedial action against the Contractor in accordance with the terms of the contract, including withholding any pending payments, recovering liquidated damages for delayed completion, calling the performance security, and, where warranted, recommending the suspension of the Contractor to the Authority.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This section will present graphically the scores per area assessed under different audit questions.

3.1 Overall Audit Conclusion

The performance of Soroti Regional Referral Hospital for the Financial Year 2024/25 was Moderately satisfactory with overall weighted average risk rating of **70%.**

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 12 below:

Table 12: Summary of performance of Soroti Regional Referral Hospital

Risk Category	Number of Sampled Procurements	% No	Value (UGX)	% Value	Weights	Total weighted average	
						By No.	By Value
High	5	55.6	52,055,253	25.6	0.6	33.4	15.4
Medium	4	44.4	150,958,654	74.4	0.3	13.3	22.3
Low	0	0	0	0	0.1	0.0	0.0
Satisfactory	0	0	0	0	0.0	0.0	0.0
Total	**9**	**100.0**	**203,013,907**	**100.0**	**1.0**	**46.7**	**37.7**

Weighted Average (By no.) = $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{46.7}{60} \times 100 = 78\%$

Weighted Average (By Value) = $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{37.7}{60} \times 100 = 63\%$

The average weighted risk rating = $\frac{78+63}{2} = \mathbf{70}$

Table 13: The risk rating is as follows:

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

3.3 GRAPHICAL REPRESENTATION OF THE ENTITY'S PERFORMANCE

Figure 2: Showing performance by number of contracts

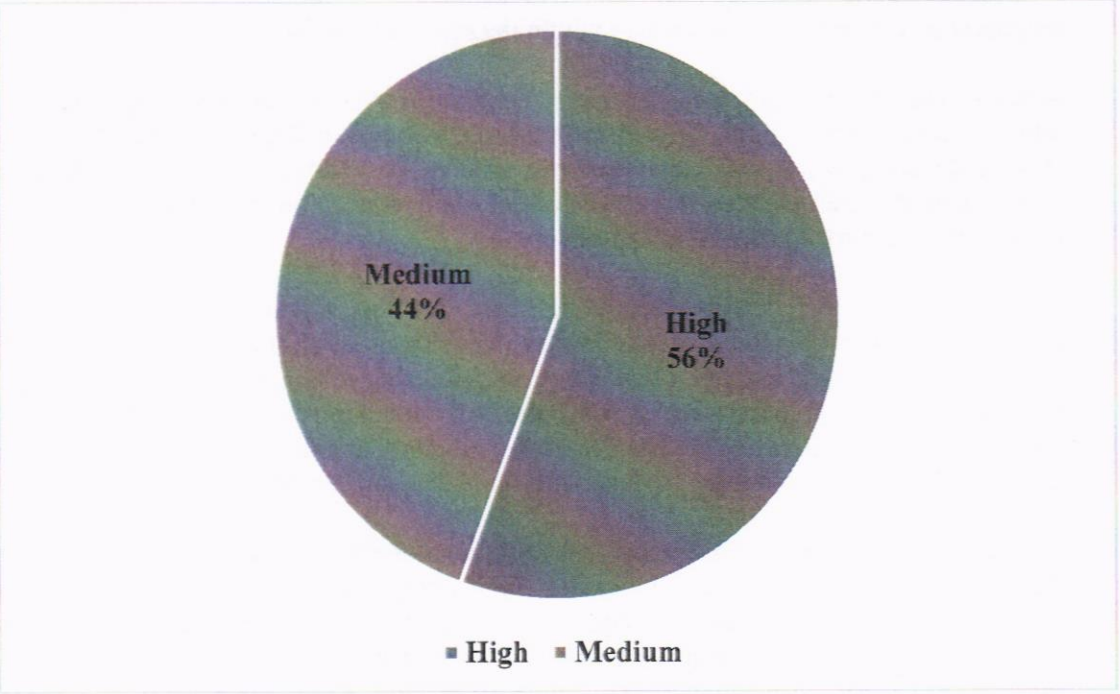
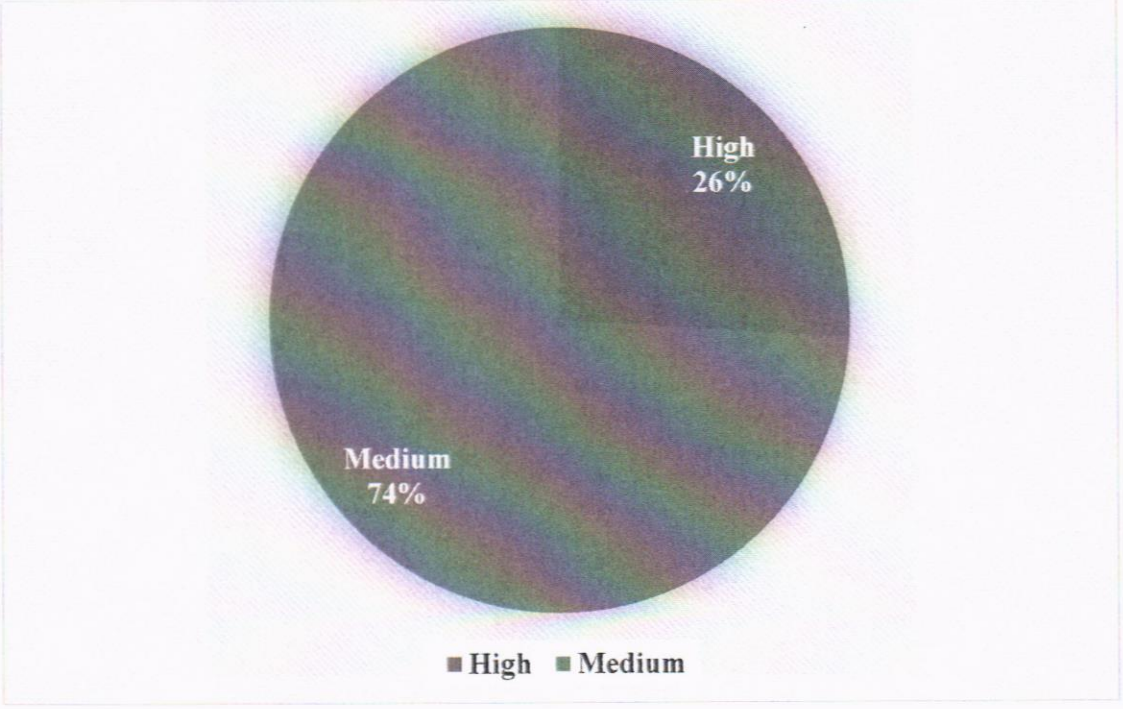


Figure 3: Showing performance by value of Contracts



Compliance Inspection Conclusion

The procurement and disposal audit of Soroti Regional Referral Hospital for the Financial Year 2024/2025 revealed significant non-compliance with the Public Procurement and Disposal of Public Assets Act, Cap. 205, and the attendant Regulations, arising from both structural and operational weaknesses within the procurement function.

A key structural deficiency was the understaffing of the Procurement and Disposal Unit, which was staffed by a single officer, contrary to the approved Regional Referral Hospital staffing structure, which requires at least two officers. This staffing gap led to inadequate segregation of duties, weakened internal controls, and reduced the efficiency and effectiveness of procurement service delivery.

These structural deficiencies contributed to a cascade of operational weaknesses, including gaps in procurement planning, incomplete implementation of prior audit recommendations, weak records management, and inadequate contract management practices. Collectively, these shortcomings point to weak enforcement of accountability mechanisms and insufficient follow-through on corrective actions. As a result, the procurement processes were exposed to heightened risks of inefficiency, reduced transparency, and compromised value for money.

Overall, the inspection concludes that Soroti Regional Referral Hospital's performance for the Financial Year 2024/25 was Moderately Satisfactory with an overall weighted average risk rating of 70%. Management is required to implement targeted corrective measures to strengthen procurement planning, enhance records management, and improve contract management and supervision to achieve value for money.

3.4 Recommended Action Plan

Soroti Regional Referral Hospital should implement the following recommendations in Table 14 within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 14: Recommended Action Plan

Finding	Recommended action	Responsible Officer	Timeline
Understaffed PDU	Engage the responsible authorities for wage enhancement and staffing approvals	Accounting Officer	Within 14 days
Poor storage of Procurement documents	Equip the Procurement and Disposal Unit with filing cabinets and storage space		Within 30 days
Failure to fully implement previous audit recommendations	Establish an audit recommendation register and conduct quarterly monitoring		Within 30 days
Failure to fully implement the Procurement Plan	Institute quarterly procurement plan reviews to align planned procurements with actual budget releases and revenue collection		Quarterly
Failure to dispose of Obsolete assets	Strengthen disposal planning and ensure that all preliminary processes are undertaken on time		Annually
Irregularities during contracting and contract execution	Include clearly defined Special Conditions of Contract in all future contracts		Immediate
	Appoint Contract Managers for all contracts		
Failure to ensure competition	Shortlist at least six bidders for each procurement	Head, PDU	
Missing records	maintain procurement and disposal records on their respective action files	Head, PDU	
Irregularities during evaluation	strictly adhere to the evaluation criteria outlined in the solicitation documents	Evaluation committee	
	scrutinise evaluation reports to ensure strict adherence to the prescribed evaluation criteria	Contracts committee	

Annex 1: SOROTI REGIONAL REFERRAL HOSPITAL SAMPLE LIST AND RISK RATING PER CASE FOR FINANCIAL YEAR 2024/2025

No.	Reference number	Subject of procurement	Procurement method	Provider	Contract value (UGX)	Risk Rating
1.	SRR/WRKS/2024-25/00107	Construction of a medicine offloading shade in the hospital	Request For Quotation	Alliance Medtronics Limited	30,176,730	Medium
2.	SRR/SUPLS/24-25/00058	Supply and Delivery of Assorted Medicines and Medical Supplies	Open Domestic Bidding	Joint Medical Stores	7,884,750	High
3.	SRR/SRVCS/24-25/00124	Provision of Maintenance Repair Services for Motor vehicle Reg.Ug5595m	Open Domestic Bidding	CFAO Motors Uganda Limited	919,639	High
4.	SRR/SUPLS/24-25/00063	Supply and Delivery of Assorted Medical Equipment Spares for Health Facilities of Teso Sub-Region	Open Domestic Bidding	Angatel Investment Limited	17,761,300	High
5.	SRR/SUPLS/24-25/00050	Supply of Assorted Office Stationery for General Administration	Open Domestic Bidding	Joras Associates Limited	7,306,000	High
6.	SRRH/WRKS/24-25/00140	Pre-installation works on the dental and laundry in the hospital to enable installation of assorted medical equipment from JICA	Open Domestic Bidding	Joras Associates Ltd	79,909,924	Medium
7.	SRRH/WRKS/24-25/00090	Renovation Works for a Three Stance Toilet in the Hospital	Open Domestic Bidding	M/s Joras Associates Ltd.	18,183,564	High
8.	SRRH/SRVCS/24-25/00072.	Preinstallation works on the X-ray room (electrical) to support installation of a brand-new digital X-ray machine.	Open Domestic Bidding	Joras Associates Ltd.	21,802,000	Medium
9.	SRRH/SUPLS/24-25/00131	Supply and delivery of assorted medical equipment spare for Soroti region	Open Domestic Bidding	Alliance Medtronics Limited.	19,070,000	Medium
				TOTAL	**203,013,907**	

Annex 2: RISK RATING FOR ABIM DLG

NO	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	**Subject:** Supply and Delivery of Assorted Medicines and Medical Supplies **Method**: Open Domestic Bidding **Ref:** SRR/SUPLS/24-25/00058 **Provider:** Joint Medical Stores **Amount:** UGX 7,884,750	• The procurement is not on the consolidated annual procurement plan 24/25. • There was delay at initiation stage. Request for procurement was raised on 14th November 2024 whereas confirmation by the Head of User Department and AO was on 28th November 2024 • The evaluation report was not provided. • No evidence for display of the Best Evaluated Bidder • Limited time for the bidding process that was carried out on the same date. Issue of bids and bid opening was on 29th August 2024 • Evaluation report was not provided • Contracts Committee award decision is missing • No evidence for the appointment of the project Manager • Starting Date was not stated • Intended completion was not stated • No Contract management plan and report. • Evidence of completion.
2.	**Subject;** Provision of Maintenance Repair Services for Motor vehicle Reg.Ug5595m **Method**: Open Domestic Bidding **Ref:** SRR/SRVCS/24-25/00124 **Provider:** CFAO Motors Uganda Limited **Amount:** Ugx 919,639	• The procurement is not on the consolidated annual procurement plan 24/25. • There was delay at initiation stage. Request for procurement was raised on 15th April 2025 whereas confirmation by the Head of User Department was on 24th April 2025 • Bidding document was missing on file. • The evaluation report was not provided. • No evidence for display of the Best Evaluated Bidder • Limited time for the bidding process that was carried out on the same date. Issue of bids and bid opening was on 29th August 2024 • No evidence for bidder invitation • No evidence for Contracts Committee award decision • There was no framework agreement between the Entity and CFAO Motors Uganda Limited attached on file. • No appointment of a Contract Manager hence this resulted to failure to prepare a contract management plan and report. • There was no evidence for repair services for Motor vehicle Reg.Ug5595M hence no

NO	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
		completion certificate issued to CFAO Motors Uganda Limited. • The Local Purchase Order lacked Special Conditions of Contract.
3.	**Subject:** Supply and Delivery of Assorted Medical Equipment Spares for Health Facilities of Teso Sub-Region **Method**: Open Domestic Bidding **Ref:** SRR/SUPLS/24-25/00063 **Provider:** Angatel Investment Limited **Amount:** Ugx 17,761,300	• The procurement is not on the consolidated annual procurement plan 24/25. • There was delay at initiation stage. Request for procurement was raised on 20th November 2024 whereas confirmation by the Head of User Department and AO was on 28th November 2024. • Part 11 of form 5- Record not provided in the file • Limited time given to bidders to prepare their bids. Both issue of bids and receipt were carried out on the same date (29 November 2024) • Evaluation report was missing on file. • Contracts Committee award decision was missing. • Notice of the Best Evaluated Bidder was missing on file. • There was no evidence to prove that evaluation was carried out as there was no evaluation report attached on file. • There was no framework agreement between the Entity and Angatel Investment Limited attached on file. • No appointment of a Contract Manager hence this resulted to failure to prepare a contract management plan and report. • There was no evidence for delivery and receipt of Assorted Medical Equipment Spares for Health Facilities of Teso Sub-Region hence no completion certificate issued to Angatel Investment Limited. • The Local Purchase Order lacked Special Conditions of Contract.
4.	**Subject:** Supply of Assorted office Stationery for General Administration **Method**: Open Domestic Bidding **Ref:** SRR/SUPLS/24-25/00050 **Provider:** Joras Associates Limited **Amount:** Ugx 7,306,000	• The procurement is not on the consolidated annual procurement plan 24/25. • Bidding document was missing on file • Limited time for the bidding process that was carried out on the same date. Issue of bids and bid opening was on 29th August 2024. • No evidence for Pre-bid meeting- • The evaluation report was not provided. • No evidence for display of the BEB. • Contracts Committee award decision was missing.

NO	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
		• There was no framework agreement between the Entity and Joras Associates Limited attached on file. • No appointment of a Contract Manager hence this resulted to failure to prepare a contract management plan and report. • There was no evidence for supply of assorted office stationery for general administration hence no completion certificate issued to Joras Associates Limited. • The Local Purchase Order lacked Special Conditions of Contract.
5.	**Subject:** Renovation works for a three-stance toilet in the hospital. **Reference No:** SRRH/WRKS/24-25/00090. **Contractor:** M/s Joras Associates Ltd. **Contract value**: UGX. 18,183,564	• The procurement is not on the consolidated annual procurement plan 24/25. • There are no signed BOQs attached at initiation. • Only 3 firms were shortlisted instead of the required minimum of 6 firms. • Missing record-The initiator did not put a date on the Form 5. • The PDU made a submission to CC for approval of method of procurement on 2nd January 2025 and the AO officer approved to procure on 13th January 2025. • The individual evaluation assessment forms were not attached on file. • The Best Evaluated Bidder Joras Associates Ltd did not provide the following records in the bidding document but was considered compliant. • Powers of Attorney. • URA Certificate of registration. • Certificate of incorporation. • NSSF certificate. • National IDs. • The Notice of the Best Evaluated Bidder was signed by the Head Procurement and Disposal Unit instead of the Accounting Officer • There was no appointment of contract manager, contract management plan and contract management report. • There was no evidence of handover to the Entity.
NO	**MEDIUM RISK CONTRACTS**	**REASONS FOR MEDIUM RISK**
6.	**Subject;** Construction of a Medicine Offloading Shade in the Hospital **Method:** Request for Quotation	• Bills of Quantities (BoQs) were not provided at the initiation of the procurement process. • The Best Evaluated Bidder did not attach CVs for Key Personnel that is; Project Manager Mr.

NO	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
	Ref: SRR/WRKS/2024-25/00107 **Contractor:** Alliance Medtronics Limited **Amount:** UGX 30,176,730	Tumwesige Robert, Site Engineer Ms. Nlugoda Musitafa and Social Officer Ms. Amago Jane. • Individual evaluation assessment forms were not on file. • Alliance Medtronics Ltd did not attach the PPDA certificate. • Alliance Medtronics Ltd did not attach the NSSF clearance certificate but was considered compliant • No Contract management plan and report were provided. • No evidence for program of works submitted by Alliance Medtronics Ltd as this was required in the special conditions of the contract • A completion certificate was not issued for the completed works.
7.	**Subject:** Pre-installation works on the dental and laundry in the hospital to enable installation of assorted medical equipment from JICA **Reference Number:** SRRH/WRKS/24-25/00140 **Procurement Method:** ODB **Contractor:** Joras Associates Ltd **Contract value:** UGX 79,909,924	• Bidding document was missing • No evidence for display of the Notice of the Best Evaluated Bidder. • Contract management plan was not provided • Progress reports were not provided • No evidence of Payment records • No framework agreement was provided. • No evidence for completion
8.	**Subject:** Preinstallation works on the X-ray room (electrical) to support installation of a brand-new digital X-ray machine. **Reference No:** SRRH/SRVCS/24-25/00072. **Contractor:** M/s Joras Associates Ltd. **Contract value:** UGX 21,802,000	• There is no framework procurement file, framework contract and bid document for M/s Joras Associates Ltd. • No evidence for completion
9.	**Subject:** Supply and delivery of assorted medical equipment spare for Soroti region. **Reference No.** SRRH/SUPLS/24-25/00131	• There was no framework procurement file, framework contract and bid document for M/s Alliance Medtronics Ltd • No framework agreement. • No evidence for completion

NO	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
	Contractor: M/s Alliance Medtronics Limited. **Contract value:** UGX 19,070,000	

Annex 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 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	**Planning:** Lack of initiation of procurements	This implies committing the Entity without funds

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	and confirmation of 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 lack of efficiency, standardisation and avoiding competition.
		Procurement Structures: Lack of procurement structures	This implies 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.
		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	**Planning:** Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.

RISK	DESCRIPTION	AREA	IMPLICATION
	framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.	**Bidding Process:** Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and 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.