PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY

"Regulating for Results"

REPORT ON THE PROCUREMENT AND DISPOSAL AUDIT FOR UGANDA PRISONS SERVICE FOR THE FINANCIAL YEAR 2024/2025

JUNE 2026

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Acronyms

FY	Financial Year
GCC	General Conditions of Contract
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
PS/ST	Permanent Secretary/Secretary to Treasury
SCC	Special Conditions of Contract
UGX	Uganda Shillings
UPS	Uganda Prisons Service

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a procurement and disposal audit of Uganda Prisons Service that covered 17 sampled procurement and disposal transactions under the Financial Year 2024/2025.

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

From the findings of the audit exercise, the summary performance of the Entity revealed an overall weighted average risk rating of **14.6%** which is a **satisfactory performance** as per the ranking in Table 9 of the enclosed detailed report.

The key positive noted during the audit was that the Procurement structures were in place and there was visible segregation of duties between the Accounting Officer, Contracts Committee, Evaluation Committees, User Departments and Procurement and Disposal Unit enhancing checks and balances thus increasing accountability along the procurement cycle.

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

1. Failure to fully implement previous audit recommendations for the FY 2023/2024 contrary to Section 10 (1) of the PPDA Act, Cap. 205 where two recommendations were partially implemented. This leads to recurrence of audit findings, increases operational and compliance risk and undermines continuous improvement efforts.

2. Non-compliance with Reservation Schemes to promote the participation of registered Associations of Women, Youth and Persons with Disabilities during the FY contrary to PPDA Guideline 11/2024. This hinders Government efforts to promote inclusive development and curtails achievement of national aspirations.

3. Delayed delivery of supplies by an average of 6.5 months in two procurements worth UGX 2,993,000,000 contrary to Regulation 52 (1) (a) and (b) of the PPDA (Contracts) Regulations, 2023. This creates lengthy lead times which consequently impedes service delivery.

4. Delayed payments to suppliers ranging from 1.5 months to 60 months after expiry of the contractual payment period in four call-off orders worth UGX 160,222,052 in the procurement for industrial production materials and furniture accessories for prisons Industries 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.

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

1. The Accounting Officer who has overall responsibility for the execution of the procurement function should:

   i) Establish an 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.

   ii) Strengthen cash flows forecasting and commitment controls to ensure procurements are initiated only where funds are 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. 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.

   ii. Expedite the shortlisting and pre-qualification of suppliers under the registered Association of Women, Youth and Persons with Disabilities.

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

Uganda Prisons Service should implement the recommended action plan on pages 18-19.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out a procurement and disposal audit of Uganda Prisons Service (UPS) that covered a representative sample of 17 procurement and disposal transactions under Financial Year 2024/2025. 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 Assets Act, Cap. 205 and Regulations, 2023.

1.2 Objective of the audit

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 and Regulations, 2023 and assess 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 Entity with the general provisions of the PPDA Act, Cap. 205 and PPDA Regulations, 2023 with regard to the performance of the procurement structures and conduct of procurement processes;

2. Assess the degree of compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap. 205 and PPDA Regulations, 2023;

3. Assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety requirements where applicable; and

4. Assess the implementation of procurements under the two projects of Revitalization of Prisons Industries and Enhancement of prisons Production systems and value addition project.

1.3 Structure of the Entity

a) The Accounting Officer

According to Section 28 of the PPDA Act, Cap.205, the overall responsibility for the successful execution of procurement, disposal and contract management in a Procuring and Disposing Entity is the Accounting Officer. The Accounting Officer of National Citizenship and Immigration Control during the Financial Year under review was the Under Secretary, Mr. Samuel Baker Emiku.

b) Contracts Committee

The Permanent Secretary/Secretary to Treasury approved the members of the Contracts Committee listed in Table 1 below:

Table 1: Membership of the Contracts Committee

No.	Name	Job Tittle	Position on Contracts Committee
1.	Mr. Jude Kaliisa	Senior Commissioner of Prisons	Chairperson
2.	Mr. Stephen Lugonda	Commissioner of Prisons	Member
3.	Mr. Elly Tumuramye	Commissioner of Prisons	Member
4	Mr. Onan Kusasira	Assistant Commissioner Prisons/ Planning	Member
5.	Ms. Victoria Nehemiah	Superintendent of Prisons/Legal Officer	Secretary

c) User Departments:

The Entity was comprised of four departments indicated in **Annex 4.**

1.4 Scope of the Audit

The audit exercise covered a sample of 17 procurement and disposal transactions worth UGX 23,643,671,740 conducted during the FY 2024/25, a review of procurement structures, procurement plan performance and disposal process. The list of sampled transactions is contained in **Annex 3.** The sample was selected based on stratified random sampling using Contracts Committee minutes and monthly procurement and disposal reports. The distribution of the transaction population and the sample is in Table 2 below:

Table 2: UPS population and sample analysis

Method of Procurement	Population Value (UGX)	Sample Value (UGX)	% By Value	Population by No.	Sample by Number	% By Number
Open Domestic Bidding	8,944,105,100	8,922,773,540	99.7	10	7	70
Request for Bidding/Quotation	9,687,512,883	677,002,972	6.9	110	4	3.6
Direct Procurement	318,518,181	132,800,000	41.6	3	2	67
Restricted Bidding	15,062,305,550	13,041,876,000	86.5	11	3	27.2
Micro Procurements	557,368,614	-	-	78	0	-
Disposal	-	-	-	1	1	100
Total	**34,569,810,328**	**23,643,671,740**	**65.8%**	**207**	**17**	**8.2**

Source: Entity's Monthly Reports submitted to PPDA

1.5 Methodology

On 27th November 2025, the Entity was notified about the audit exercise. A sample of 17 procurement and disposal transactions was selected based on stratified random sampling, from the Entity's monthly procurement reports and Contracts Committee minutes. An audit launch meeting was held on 2nd February 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. The team also reviewed the procurement plan for the Financial Year 2024/25 for the Entity.

On completion of field work, the audit team met with various stakeholders to discuss and get clarifications on some of the preliminary findings. A debrief meeting was held on 15th May 2026 between the audit team and the Entity's officials such as the Accounting Officer and the Procurement and Disposal Unit staff. A management letter was issued to the Entity for management's response on 21st May 2026 and the Entity's responses were received on 16th June 2026. An audit exit meeting was held on 16th June 2026 at PPDA Head Office, Kampala. Following the deliberations from the exit meeting.

CHAPTER TWO: FINDINGS OF THE AUTHORITY

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

2.1.1 Procurement Plan Implementation

Uganda Prisons Service planned procurements worth UGX 182,040,819,000. The classified procurements account for UGX 140 billion. This includes procurement of food supplies, wood fuel, communication and communication equipment, security equipment transportation and some fertilizers.

The planned value for non-classified procurements was worth UGX 42,040,819,000. The value of implemented procurements was worth UGX 34,569,810,328; therefore, procurements worth UGX 7,471,008,672 were not implemented. Table 3 shows the level of procurement plan implementation for non-classified procurements for the Financial Year 2024/2025:

Table 3: Analysis of Procurement spend for FY 2023/24

Total procurement plan value inclusive of VAT (UGX)	42,040,819,000
Total procurement spend value inclusive of VAT (UGX)	34,569,810,328
Procurement plan implementation rate (%)	66.4
Variance (UGX)	7,471,008,672

Implication

Procurements worth UGX. 7,471,008,672 were not implemented which deprived service delivery to the intended beneficiaries.

Management Response

Management stated that the variance of UGX 7,471,008,672 arose as a result of accreditation mechanism by using an alternative procurement system for procurement of both manufactured and local building materials. Copies of the call off orders are hereto attached as annexture (i) for reference.

Authority's Comment

The Authority noted Management's explanation that the variance of UGX 7,471,008,672 resulted from the use of an alternative procurement system for manufactured and local building materials, supported by submitted call-off orders. However, the Authority observed that the call-off orders did not provide sufficient accountability or clearly quantify the actual expenditure under the alternative procurement arrangement. In the absence of proper reconciliation between the procurement plan, call-off orders, and actual expenditure, the Authority could not confirm full implementation of the stated amount. Accordingly, the Authority maintains the finding that UGX 7,471,008,672 was not adequately accounted for in the procurement plan implementation.

Recommendation

The Accounting Officer should institute quarterly procurement plan reviews to align planned procurements with actual budget releases and revenue collections. Any significant change 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 Implementation of previous Audit Recommendations for FY 2023/24

Section 10 (1) (a) of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity to implement audit recommendations made by the Authority. The Authority conducted an audit of the Entity for Financial Year 2023/24. Out of the 3 recommendations made, one was implemented and two were partially implemented. Table 4 below lists the audit recommendations:

Table 4: Status of Implementation of Audit Recommendations for FY 2023/24

No.	Recommended Action	Status of Implementation	*Management Response*
1.	The Accounting Officer should ensure that approval of draft contracts by the Solicitor General is sought expeditiously in order to ensure that the process is conducted in a manner that promotes economy, efficiency and value for money as required by Section 51 of the PPDA Act, Cap. 205.	Implemented	Not Applicable
2.	Contract Managers should make certain that providers perform the contracts in accordance with the terms and conditions specified in the contract as required under Regulation 52 (1) (b) of the PPDA (Contracts) Regulations, 2023. In accordance with Regulation 128 (e) of the PPDA Act, Cap. 205,	Partially implemented	Management agreed that Contractor Managers were duly appointed for every procurement, and indeed all services, supplies and works were verified before payments and closure of files. Copy of contract management report were attached marked annexture (ii) for reference. ***Authority's Comment*** The Authority noted the Entity's response, however maintains the finding as the reoccurrence of providers not performing contracts in accordance with the terms and conditions of the contract were observed in two procurements were

No.	Recommended Action	Status of Implementation	*Management Response*
			there the delivery was delayed.
3.	The Accounting Officer should ensure payments to providers are made in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023.	Partially implemented.	Payment are made within the stipulated period of 30 days, except in instances where payments delay, is occasioned by late releases of funds. ***Authority's Comment*** The Authority noted the Entity's response and maintains the finding, as there was no evidence provided in support of the late release of funds.

Implication
This leads to recurrence of audit findings, increases operational and compliance risk and undermines continuous improvement efforts.

Recommendation
The Accounting Officer should establish an 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 Failure to reserve 15% of the annual procurement plan budget towards Special Interest Groups

Guideline 2.1 (i), of the PPDA Guideline No. 11/2024 regarding reservation schemes to promote the participation of registered associations of Women, Youth and Persons with Disabilities states that a Procuring and Disposing Entity shall reserve at least 15% of its annual procurement plan budget for award to registered Associations of Women, Youth and Persons with Disabilities. Guideline 2.1 (ii) of the PPDA Guideline No. 11/2024 states that the procurements shall relate to supplies, works, consultancy and non-consultancy services.

Guideline 2.1 (iii) of the PPDA Guideline No. 11/2024 states that the procurement plan prepared and published for a financial year shall indicate the procurements reserved for award to registered associations of Women, Youth and Persons with Disabilities.

The Authority noted that the Entity had reserved only two items in its procurement plan for the Financial Year 2024/2025 worth UGX 745,000,000, representing 1.7% of the Entity's planned procurement budget (UGX 42, 040, 819,000). The details are as follows:

Table 5: Procurements that were under reservation in the Entity's procurement plan for FY 2024/2025

Table 5: Procurements under Reservation

No.	Item	Value (UGX)
1.	Protective gear for prisoners and staff	625,000,000
2.	Quail eggs	120,000,000
	TOTAL	**745,000,000**

The Authority noted that although for Financial Year 2025/2026 the Entity had prequalified providers under Associations of Women, Youth and Persons with Disabilities for services such as cleaning equipment and materials covering Financial Year 2024/25 to 2026/27, this exercise only constituted prequalification and no contracts had been signed or call-off orders issued to any Special Interest Group.

Implication

This hinders Government efforts to promote inclusive development and curtails achievement of national aspirations.

Management Response

True, during the year under review, the guideline was still under inception, as it came into force on the 22nd of March 2024. This implies that the number of registered associations of Special Interest Group was still limited by registration and compliance. However, to date, we are prequalifying the associations and using PPDA register. Going forward, due consideration will be made in fulfillment of this deliberate affirmative action and social inclusion strategy that is aimed at the promotion of economic equity and ensuring these groups participate in government contracts.

Recommendations

The Head, Procurement and Disposal Unit should:

i. 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.
ii. Expedite the shortlisting and pre-qualification of suppliers under the registered Association of Women, Youth and Persons with Disabilities.

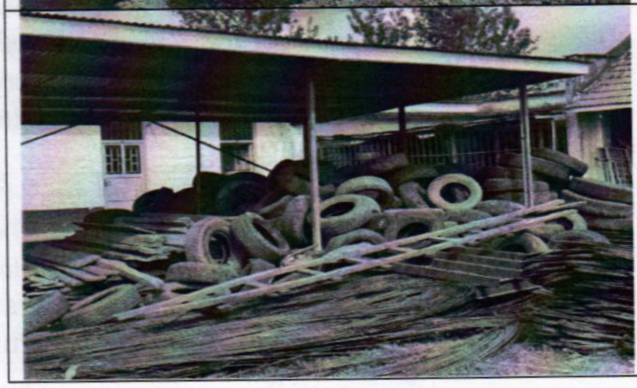
1.2 Compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap. 205 and PPDA Regulations, 2023

2.1 Disposal Process

Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023 requires an Accounting Officer to review the public assets of a Procuring and Disposing Entity in each financial year and identify assets for disposal in the following year. This requires timely implementation of disposal activities to ensure efficient management of public assets and prevent the accumulation of obsolete, redundant and unserviceable assets.

The audit revealed that the Board of Survey report for assets, cash, bank balances and stores was prepared for the Financial Year 2024/2025. The disposal process had however not commenced by the time of the audit in May 2026. Table 6 below shows motor vehicles and tyres due for disposal.

Table 6: Some of the identified assets due for Disposal

Asset due for disposal	Observation
	One of the tractors due for disposal found at the department of Uganda Prisons Industry yard.
	One of the tractors due for disposal found at the Department of Uganda Prisons Industry yard.
	Old tyres for disposal at the Department of Uganda Prisons Industry yard.

Implication
Failure to dispose of obsolete assets in a timely manner leads to further depreciation and loss of value, increases the risk of theft or pilferage, and may result in unnecessary storage and maintenance costs. It also denies the Government potential recoveries from disposal.

Management Response
The Board of Survey was done, the valuation of boarded off assets is under way to obtain the obsolete worthiness of the assets, in order to commence the actual disposal.

Recommendation

The Accounting Officer should expedite the ongoing valuation of the boarded-off assets and ensure that the disposal process is completed without further delay, including obtaining the necessary approvals and disposing of the identified assets. This will prevent further loss in the value of obsolete assets, minimize storage and maintenance costs, and enable Government to realize value from the disposal of public assets, in accordance with Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023.

2.3 Efficiency and effectiveness in Contract Implementation including the application of Environmental, Social, Health and Safety requirements

2.3.1 Delayed Delivery

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 audit noted delayed delivery in two procurements worth UGX 2,993,000,000. In the two procurements, the actual delivery was made six and a half months later than the intended delivery period. Table 7 lists the procurements and the observations made:

Table 7: Procurements where there was Delivery was delayed

No.	Subject of Procurement	Contract Amount (UGX)	Observation
1.	Planting fertilizers (DAP): UPN/SUPLS/24-25/00111 Restricted Domestic Bidding Ariel Investments Ltd	2,098,000,000	Delivery of the 10,000 bags was to be made within 2 months from date of contract signing, 18th April 2025. However, delivery was made on 10th February 2026, nine months later.
2.	Inorganic NPK fertilizer for cotton production: UPN/SUPLS/24-25/00218 Restricted Domestic Bidding Caliber Supplies (U) Ltd	895,000,000	The contract was signed on 14th April 2025. Delivery was to be made two months after contract signing however delivery was done four months later than this on 15th October 2025.

The Entity stated that they faced challenges in the fertilizer supply chain which manifested in the delayed deliveries above.

Implication

Delayed contract implementation affects service delivery.

Management Response

True, the suppliers reported delays in the acquisition and shipping of these fertilizers due to global supply interruptions in the supply chain, accruing from the war between Russia and Ukraine. Fortunately, amidst the challenges encountered, the contracts were duly implemented and completed.

Authority's Comment

The Authority noted Management's explanation that the delayed delivery of fertilizers was due to global supply chain disruptions arising from the Russia–Ukraine conflict, which affected acquisition and shipping timelines. However, the Authority observed that there was limited evidence of timely monitoring, documentation of delays, and mitigation measures to minimize the impact on service delivery. Although the contracts were eventually completed, the delays of up to six and a half months negatively affected timely service delivery. The Authority therefore maintains the finding.

Recommendation

The Accounting Officer should put in place a monitoring mechanism to closely monitor procurement contracts to identify potential delays early and enforce timely corrective actions, including documentation of all delays and mitigation measures, to minimize disruptions to service delivery in accordance with Regulation 52(1)(b) of the PPDA (Contracts) Regulations, 2023.

2.3.2 Delayed Payment

Delayed payment was observed in the following three call-off orders issued under the framework for procurement of industrial production materials and furniture accessories for prisons Industries for 2 years (FY 23/24 and FY 24/25). The average delay in payment across the three call-off order was 26 and a half months:

a) Gyenva Logistics Ltd made the following deliveries for carpentry materials (Lot 1) but payment was delayed by seven and a half weeks after the stipulated 30 days.

FY	Order Date	Order No.	Delivery date	Invoice date	Amount (UGX)	Date of payment	Delay (weeks)
23/24	05/04/2024	25426	08/04/2024	08/04/2024	35,416,520	04/07/2024	9
24/25	17/09/24	25444	18/09/24	18/09/24	37,724,600	02/12/24	6

b) Payment to Rosana Enterprises Ltd for supply of carpentry materials, hardware was delayed by 64 weeks after the 30 days prescribed period.

FY	Order Date	Order No.	Delivery date	Invoice date	Amount (UGX)	Date of payment	Delay (Weeks)
24/25	07/09/24	14102	28/10/24	28/10/24	57,107,280	Pending (No payment as at 31st	64

						March 2026	

c) Payment to Rosana Enterprises ltd for chemical materials (lot 2) was delayed as follows:

FY	Order Date	Order No.	Delivery date	Invoice Date	Amount (UGX)	Date of payment	Delay (weeks)
23/24	05/04/24	25423	09/04/24	09/04/24	29,973,652	01/07/24	8 weeks

Delayed payment was also observed in the procurement and installation of dust extraction system for a new carpentry workshop at upper prison worth UGX 249,752,752. Payment had not yet been affected at the time of the audit in May 2026, which was six months from the expiry of the contractual payment period.

Implication
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.

Management Response
Management stated that delays of payments were occasioned by intermittent release of funds. The entity pledged to continue to liaise with Ministry of Finance for budget timely and quarterly disbursements.

Recommendation
The Authority noted the Entity's response and recommends that he Accounting Officer should strengthen cash flows forecasting and commitment controls to ensure procurements are initiated only where funds is reasonable 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.

2.3.3 Incomplete Contract management records
Regulation 52 (3 (a)(vii) of the PPDA (Contracts) Regulations 2023, requires that a Contract Manager shall ascertain that all contract management records are kept and archived. In the procurement for planting fertilizers worth UGX 2,098,000,000, the record of payment was not availed at the time of the audit.

Implication
The incomplete contract management records affects the audit trail.

Management Response
Management stated that the payment record was attached to the Management response.

Recommendation
The Authority noted the Entity's response, however there was no payment record availed for review. The Authority recommends that the Head Procurement and Disposal Unit should maintain

and archive procurement and disposal records in accordance with Section 33 (o) of the PPDA Act, Cap. 205 and 52 (3 (a)(vii) of the PPDA (Contracts) Regulations 2023.

2.4 General Assessment of implementation of Public Investment Plan (PIP) projects under Uganda Prisons Service

The Authority conducted an assessment of the two projects that were implemented by the Uganda Prisons Service during the Financial Year 2024/2025 below. The assessment was meant to establish the achievement of Value for money during contract implementation in terms of economy, efficiency and effectiveness.

2.4.1 Enhancement of Prisons Production Systems and Value Addition Project

The Enhancement of Prisons Production Systems and Value Addition Project is a five-year strategic initiative by Uganda Prisons Service aimed at boosting agricultural productivity, supporting inmate rehabilitation through vocational training, and enhancing non-tax revenue generation. The project covers extensive crop farming across 64 prison farm units, focusing on maize, cotton, oil crops such as soybean and sunflower, as well as seed multiplication, supported by value addition infrastructure including silos and machinery at facilities such as ASWA farm.

The Authority noted that procurement under the project improved supply chain efficiency through the use of restricted bidding, prequalification of providers, and framework agreements, resulting in reduced lead times for farm inputs. However, challenges were observed in market absorption of surplus seed production following the dissolution of National Agricultural Advisory Services as a major buyer, which constrained distribution channels.

Management explained that after National Agricultural Advisory Services functions were transferred to the Ministry of Agriculture, Animal Industry and Fisheriesengagement was undertaken with Operation Wealth Creation to support seed off-take, and further policy engagements are ongoing to address demand and distribution constraints.

2.4.2 Revitalization of Prison Industries

The Revitalization of Prison Industries Project aims to transform Uganda Prisons Service facilities into productive and rehabilitative centres where inmates acquire practical skills while contributing to revenue generation through industrial production. The initiative focuses on training, maintenance of machinery and equipment, staff capacity building, and production of goods such as furniture for Ministries, Departments and Agencies (MDAs) and Local Governments, in line with a 2016 Presidential directive to Uganda Prisons Service.

The Authority noted that implementation of prison industries is affected by procurement participation challenges, as the Entity may not fully meet certain legal and bidding requirements applicable to private firms, and delayed payments arising from remittance of proceeds to the Consolidated Fund, which reduces supplier interest and affects continuity of supply arrangements. The Entity also continues to explore value addition initiatives such as use of wood shavings for energy, chicken farming manure, and briquette production.

Management further indicated that efforts are underway to establish Uganda Prisons Service National Enterprise Corporation to consolidate investments under an integrated Prison Industries framework covering tannery, textile, garment, and furniture factories, aimed at strengthening coordination, industrial capacity, and sustainability.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall audit Conclusion

The performance of Uganda Prisons Service for the Financial Year 2024/2025 was **satisfactory** with overall weighted average risk rating of **14.6%.**

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: Risk Score

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	4	23	3,392,752,752	14	0.3	6.9	4.2
Low	2	12	12,495,396,000	53	0.1	1.2	5.3
Satisfactory	11	65	7,755,522,988	33	0	0	0
Total	**17**	100	0	**100**	**1.0**	**8.1**	**9.5**

Weighted Average by number = $\frac{\sum \text{Weighted Score by number}}{60}$ X 100 = $\frac{8.1 \times 100}{60}$ = 13.5%

Weighted Average by value = $\frac{\sum \text{Weighted Score by value}}{60}$ X 100 = $\frac{9.5 \times 100}{60}$ = 15.8

The average weighted risk rating = $\frac{13.5\% + 15.8\%}{2}$ = 14.6%

Since 14.6% falls within the 0 - 30 % risk range, the performance of the Entity is rated satisfactory as detailed in Table 9 below:

Table 9: Risk Rating

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

GRAPHICAL REPRESENTATION OF THE ENTITY'S PERFORMANCE

Figure 1: Performance by Number of Contracts (%)

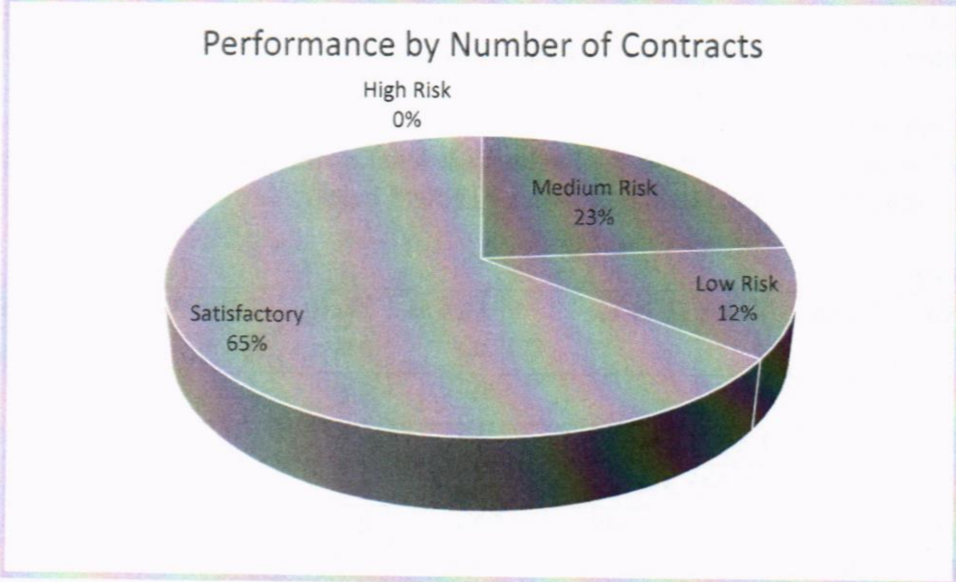
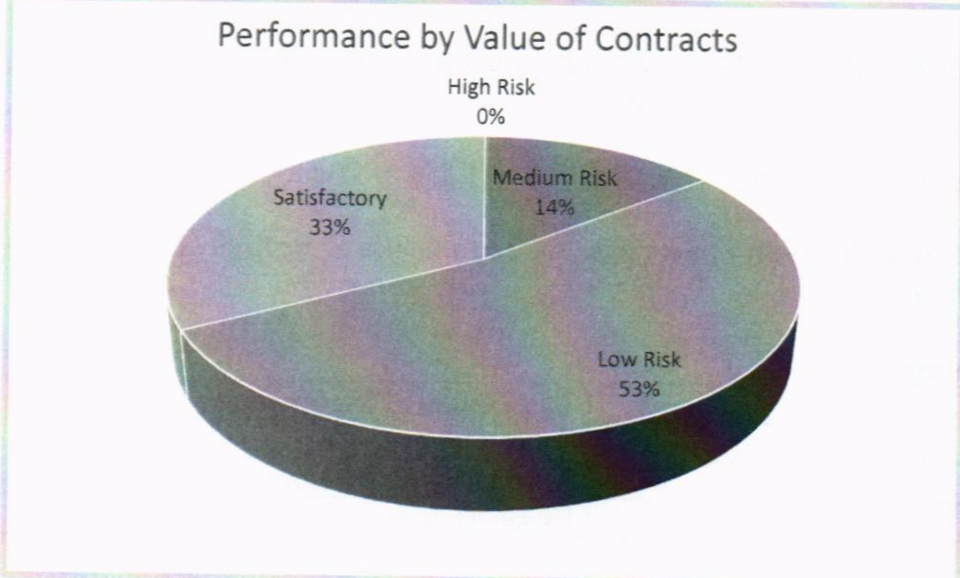


Figure 2: Performance by Value of Contracts (%)



3.3 Audit Opinion/Conclusion

The Procurement and Disposal activities of Uganda Prisons Services (UPS) 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 there was timely approvals by the Contracts Committee of submissions made by the Procurement and Disposal Unit.

However, the audit identified some performance weaknesses that require management attention. This included failure to fully implement all previous audit recommendations, non-compliance with reservation schemes for Special Interest Groups, delayed delivery and delayed payment to suppliers.

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

Accordingly, the performance of Uganda Prisons Service in the FY2024/2025is assessed as satisfactory, with an overall weighted average risk rating of 14.6%, but requiring target 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 10 below:

Table 10: Action Plan

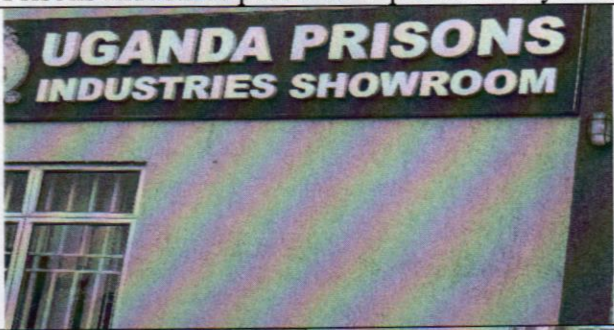
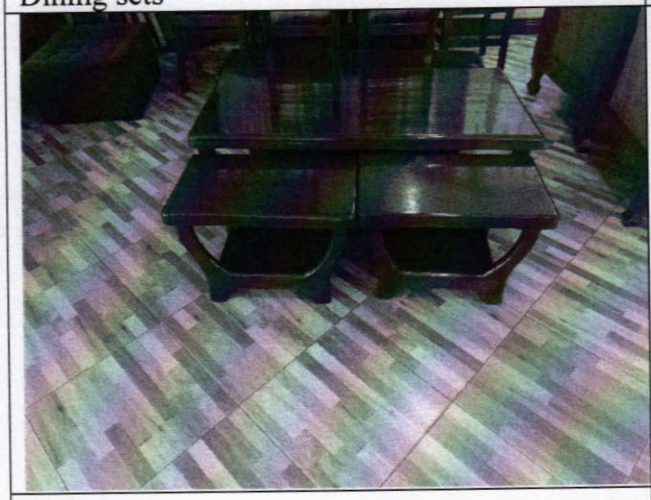
Finding	Action/Recommendation	Responsible Officer	Timeline
Procurement plan not fully implemented	Conduct quarterly procurement plan reviews and update plans	Accounting Officer/Head Procurement and Disposal Unit	Quarterly
Failure to fully implement audit recommendations	Establish audit recommendations and quarterly monitoring	Accounting Officer	Within 30 days
Reservation Schemes	Develop a list of SIG providers and reserve eligible procurements	Head Procurement and Disposal Unit/Contracts Committee	Before Financial Year 2026/2027 implementation plan
Delayed payment	Develop cash flow forecast linked to price commitments	Finance/Accounting Officer	Within 60 days
Delayed contract implementation	Implement contract monitoring and escalation mechanisms	Contract Manager	Monthly

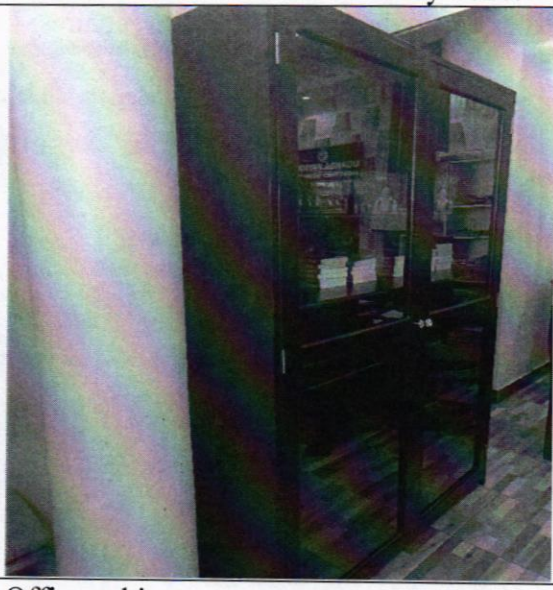
Finding	Action/Recommendation	Responsible Officer	Timeline
Incomplete Contract management records	Maintain complete records covering the entire procurement cycle	Head Procurement and Disposal Unit	Within 30 days

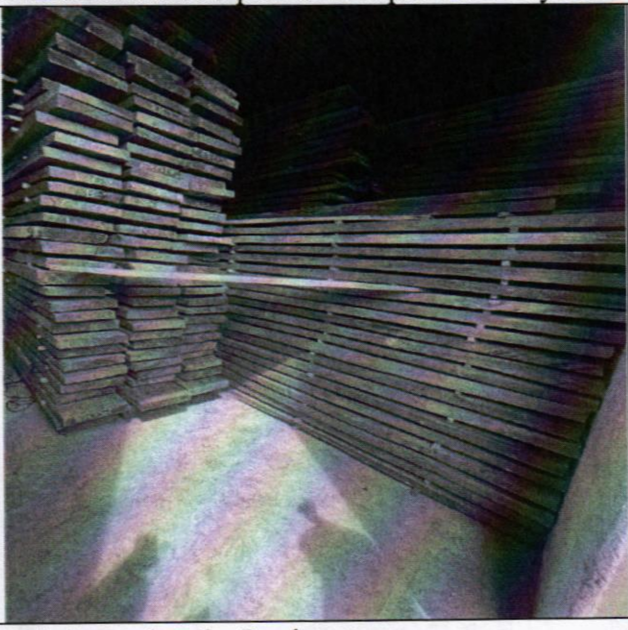
Annex 1: Findings and Rating on the individual contracts reviewed

	Details of the Procurement	**Exceptions /findings**
No.	**Medium Risk Contract**	
1.	Procurement and installation of dust extraction system for the new carpentry workshop at Upper Prison	No record of payment was availed
2.	Framework contract for procurement of industrial production materials and furniture accessories for prisons industries for 2 years 23/24, 24,25	Delayed payment for call-off order issued
3.	Inorganic NPK fertilizer for cotton production	Delayed delivery of the fertilizers
4.	Planting Fertilizers (DAP)	Delayed delivery of the fertilizers No record of payment
	Low Risk Contracts	
5.	Land Preparation services for seed bed at Aswa- 3 Pader District	Procurement process took long
6.	Disposal for the Financial Year 2024/25	Disposal process not yet concluded
	Satisfactory Contracts (No major exceptions noted)	
7.	Polypropylene bags and sisal rolls under a framework contract for 2 years	
8.	Herbicides for maize grain for FY 2024-25	
9.	Seed processing, treatment, packaging and storage materials under a 2 year framework contract	
10.	Tyres for motor vehicles, motorcycles and tricycles under framework contract for two years	
11.	Service contract for provision of industrial machine repairs and maintenance service for prisons industry machinery for a period of 1 year	
12.	CAN fertilizer	
13.	Procurement of hoes	
14.	Farm machinery for Uganda prison farms	
15.	Soya bean seeds	
16.	Pesticide for maize grain for FY 24/25	
17.	Industrial machinery repairs and maintenance service for prison industries machinery of one year	

Annex 2: Physical Verification

Prisons Industries products in pictures: Physical verification carried out on 14th May 2026.	
	The Uganda Prisons Industries showroom located at the Uganda Manufacturers' Association grounds
	
Dining sets	Dining sets
	
Coffee sets	Office chairs

<table>
<tr><td colspan="2">Prisons Industries products in pictures: Physical verification carried out on 14th May 2026.</td></tr>
<tr><td></td><td></td></tr>
<tr><td>Doors</td><td>Office cabinets</td></tr>
<tr><td></td><td>Shoe Production:
A display of shoes at the UMA show grounds showroom</td></tr>
<tr><td></td><td></td></tr>
</table>

Prisons Industries products in pictures: Physical verification carried out on 14th May 2026.	
	
Dried wood at the Luzira stores	
	
Pesticides in storage	Pesticide made in Uganda

Annex 3: List of sampled procurements for FY 2024/2025

S/no	Procurement Reference	Subject of Procurement	Procurement Method	Provider	Contract Value (UGX)	Risk Rating
1.	UPN/SVCS/24-25/00213	Land Preparation services for seed bed at Aswa- 3 Pader District	Restricted Domestic Bidding	Two Heads Co. Ltd (Lot 1: 3000 acres)	7,495,500,000	Low Risk
				Kmax Logistics Ltd	4,999,896,000	
2.	UPN/SUPLS/24-25/00041	Polypropylene bags and sisal rolls under a framework contract for 2 years	Open Domestic Bidding	Supply Masters (U) ltd, Kangaroo (U) Ltd	400,000,000	Satisfactory
3.	UPN/SUPLS/24-25/00003	Herbicides for maize grain for FY 2024-25	Restricted Domestic Bidding	Kamage Enterprises Ltd	396,480,000	Satisfactory
4.	UPN/SUPLS/24-25/00396	Seed processing, treatment, packaging and storage materials under a 2-year framework contract	Open Domestic Bidding	Milpack Investments Ltd	585,911,000	Satisfactory
5.	UPN/SPLS/24-25/00069	Tyres for motor vehicles, motorcycles and tricycles under framework contract for two years	Open Domestic Bidding	Jarin Equipment (U) Ltd, Arrow Centre, Bellevue Logistics Ltd	2,722,370,000	Satisfactory
6.	UPN/SVC/24-25/00134	Service contract for provision of industrial machine repairs and maintenance service for prisons industry machinery for a period of 1 year	Request for proposal	Aswaaq Investments Ltd	145,608,224	Satisfactory
7.	UPN/Disposal/24-25/00001	Disposal for the Financial Year 2024/25	Open Bidding	Various	Not Applicable-	Low Risk
	Procurements undertaken under the "Enhancement of Prison Production Systems and value addition" Project funding					

S/no	Procurement Reference	Subject of Procurement	Procurement Method	Provider	Contract Value (UGX)	Risk Rating
8.	UPN/SUPLS/24-25/00258	CAN fertilizer	Open Bidding	Go Grow	1,990,000,000	Satisfactory
9.	UPN/SUPLS/24-25/00214	Procurement of hoes	Open Bidding	Go Grow Invest	173,000,000	Satisfactory
10.	UPN/SUPLS/24-25/00068	Farm machinery for Uganda prison farms	Open Bidding	Engineering Solutions (U) Ltd	714,903,540	Satisfactory
11.	UPN/SUPLS/24-25/00094	Soya bean seeds	Request for Quotation	Soya Bean Africa	122,650,000	Satisfactory
12.	UPN/SUPLS/24-25/00005	Pesticide for maize grain for FY 24/25	Request for Quotation	Exclusive (U) Ltd	358,992,000	Satisfactory
	Procurements undertaken under the "Revitalization of Prisons Industries" Project funding					
13.	UPN/NCONS/24/25/00134	Industrial machinery repairs and maintenance service for prison industries machinery of one year	Open Bidding	Aswaaaq Investments Ltd	145,608,224	Satisfactory
14.	UPN/SVC/24-25/00007	Procurement and installation of dust extraction system for the new carpentry workshop at Upper Prison	Request for Quotation	Wood Machinery Ltd	249,752,752	Medium Risk
15.	UPN/SUPLS/23/24/00016	Framework contract for procurement of industrial production materials and furniture accessories for prisons industries for 2 years 23/24, 24,25	Restricted Domestic Bidding	Various Providers	150,000,000	Medium Risk
16.	UPN/SUPLS/24-25/00218	Inorganic NPK fertilizer for cotton production	Restricted Domestic Bidding	Caliber Supplies (U) Ltd	895,000,000	Medium Risk

S/no	Procurement Reference	Subject of Procurement	Procurement Method	Provider	Contract Value (UGX)	Risk Rating
17.	UPN/SUPLS/24-25/00111	Planting Fertilizers (DAP)	Restricted Domestic Bidding	Ariel Investments Ltd	2,098,000,000	Medium Risk

Annex 4: List of User Departments

No.	User Department
1.	Correctional Services? Rehabilitation
2.	Prison Farms and agricultural Engineering
3.	Human Resources and staff development
4.	Health Services
5.	Corporate Service and Administration

Annex 5: 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	This implies that one cannot ascertain the audit trail namely; whether there was

RISK	DESCRIPTION	AREA	IMPLICATION
		missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.	competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies a lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries
MEDIUM	Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action 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.

RISK	DESCRIPTION	AREA	IMPLICATION
		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 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	**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.

RISK	DESCRIPTION	AREA	IMPLICATION
	is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.		
SATISFACTORY	Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time.		