

**PROCUREMENT PRACTICES AND RISK MANAGEMENT IN LOCAL
GOVERNMENT: A CASE STUDY OF KANUNGU DISTRICT LOCAL
GOVERNMENT**

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S22/BBUC/BPLM/001

**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF BACHELOR OF
PROCUREMENT AND LOGISTICS OF UGANDA CHRISTIAN UNIVERSITY**

July, 2025

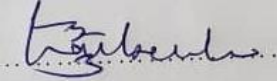


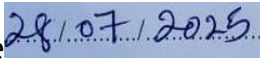
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DECLARATION

I **NINSIIMA LAUBEN** declare that this research report titled “Procurement practices and risk management in local government; a case study of Kanungu District Local Government” is entirely my own work and does not contain any unacknowledged work from other sources.

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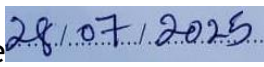
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APPROVAL

This research report titled “Procurement practices and risk management in local government; a case study of Kanungu District Local Government” has been submitted for examination to the faculty of Business and Administration of Uganda Christian University

Signature 

Date 

MR. RUKUNDO DANIEL

(ACADEMIC SUPERVISOR)

DEDICATION

I dedicate this research to my family for their financial, emotional & spiritual guidance during my studies. May God bless you abundantly.

ACKNOWLEDGEMENT

I am very grateful and thankful to the almighty God who made it possible for me to get this far with my academic career.

I would like to acknowledge the following; **MR. RUKUNDO DANIEL** (my research supervisor), my family and classmates for the academic, and moral support they all rendered to me during the research period. I have no other ways of extending my heartfelt love to you. May God reward you abundantly.

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ABSTRACT

The study investigated procurement practices and their role in risk management within Kanungu District Local Government. The objectives of the study were: to identify the procurement practices employed by Kanungu District Local Government, to examine the indicators of risk management within the procurement process in the district, and to evaluate the contribution of effective procurement practices to risk management. A descriptive survey design was employed, and data was collected from a sample of 80 respondents, including procurement officers, district officials, and service providers engaged in procurement activities. Findings from the study revealed that while there is some level of transparency and fair competition in the procurement system, several weaknesses persist, including limited adoption of e-procurement, unclear procurement policies, and a lack of emphasis on sustainability and cost-effectiveness. Additionally, the study found out that although supplier evaluation and monitoring mechanisms exist, critical elements of risk management such as contingency planning, performance guarantees, and regular audits were either lacking or not well institutionalized. This implies that the district remains vulnerable to procurement inefficiencies and contractor-related risks. Furthermore, while certain practices like competitive tendering and policy clarity contribute to mitigating risk, the absence of staff training, ethical standards enforcement, and integrated risk strategies limits the district's capacity to manage procurement-related risks effectively. The study concluded that effective procurement practices are essential in strengthening risk management frameworks and improving service delivery. It recommended that Kanungu District Local Government should adopt clear procurement policies, fully embrace e-procurement systems, institutionalize regular risk assessments, and invest in staff training and ethical procurement standards. These measures are vital for promoting transparency, accountability, and sustainable procurement, thereby reducing risks and enhancing performance in public service delivery.

CHAPTER ONE:

INTRODUCTION

1.0 Introduction

This chapter presented the background to the study, statement of the problem, purpose of the study, objectives of the study, research questions, scope of the study, significance, operational definitions, and conceptual framework.

1.1 Background of the Study

Globally, procurement practices have evolved significantly over the years, with a growing emphasis on transparency, efficiency, and sustainability. In the 1990s, many governments, particularly in developing countries, faced challenges in procurement due to limited resources, corruption, and poor management. According to the World Bank (2006), improving procurement practices can enhance service delivery and promote accountability in public sector operations. This period saw increasing recognition of procurement's critical role in ensuring effective public service delivery, particularly in managing public funds and mitigating risks associated with wasteful or corrupt spending.

Risk management in procurement has become a critical focus for governments seeking to improve public sector governance and accountability (Walker, 2011). As procurement processes involve significant financial resources and in most cases affect public service delivery, managing associated risks is essential to avoid inefficiencies, fraud, and corruption. The World Bank (2016) emphasizes that effective risk management frameworks in public procurement are essential to mitigate the risks of financial mismanagement, fraud, delays, and corruption, particularly in environments where oversight mechanisms are weak and adopting risk-based approaches, public institutions can assess procurement activities for potential vulnerabilities and implement preventive measures, ensuring the delivery of services without unnecessary delays or cost overruns.

In Africa, procurement practices have been similarly shaped by challenges such as inefficiency, corruption, and a lack of transparency and this has led to increasingly focusing on sustainable procurement (Walker, 2011).

As environmental and social issues become more urgent, African governments are incorporating sustainability into their procurement frameworks. This includes prioritizing green products, fair trade, and local sourcing to support the continent's social and economic development. Sustainable procurement in Africa not only aligns with international goals but also helps improve public trust in government institutions by demonstrating a commitment to social responsibility (Brammer & Walker, 2011).

In Africa, risk management in public procurement has become increasingly important as governments seek to address inefficiencies, corruption, and lack of transparency that have historically plagued procurement processes. (Brammer, 2011).

According to the African Development Bank (2015), effective risk management strategies in procurement are crucial for ensuring that public funds are used efficiently and that procurement outcomes contribute to sustainable development and many African countries, recognizing the impact of poor procurement practices, have begun to implement risk management frameworks to identify and mitigate potential risks, such as fraud, misallocation of resources, and delays in service delivery. By incorporating risk management strategies, African governments can improve the integrity of their procurement systems, making them more resilient to the challenges of inefficiency and corruption (African Development Bank, 2015).

In East Africa, procurement reforms have been a key part of broader governance and public sector reforms. Countries such as Kenya, Tanzania, and Uganda have worked to modernize their procurement systems to address corruption, inefficiencies, and service delivery challenges. In Uganda, the government introduced the Public Procurement and Disposal of Public Assets (PPDA) Act in 2003, which laid the groundwork for reforms aimed at improving transparency, fairness, and accountability in public procurement.

In East Africa, risk management in procurement has become an essential aspect of ongoing reforms aimed at improving governance and service delivery. In Uganda, for instance, the Public Procurement and Disposal of Public Assets (PPDA) Act of 2003 not only focused on enhancing transparency and accountability but also emphasized the importance of managing risks associated with public procurement. The Act established the PPDA, tasked with monitoring procurement activities and ensuring that risks such as fraud, waste, and mismanagement are minimized (Uganda Public Procurement and Disposal of Public Assets report, 2003). Similarly, other East African countries have introduced frameworks that emphasize risk identification and mitigation through tools like procurement audits, contract management, and the use of e-procurement systems.

According to the African Development Bank report (2015), these measures help to identify procurement risks early, improve compliance with procurement regulations, and reduce instances of corruption and integrating risk management practices, East African governments are enhancing the resilience of their procurement systems, ensuring that public resources are used effectively and that service delivery is not compromised by inefficiencies or financial mismanagement.

In Uganda, procurement plays a central role in ensuring that local governments, such as Kanungu District Local Government, effectively manage public funds and deliver services to communities. Kanungu District, like many other local governments in Uganda, faces numerous procurement challenges, including a lack of resources, weak capacity in procurement management, and the potential for corruption. These challenges increase the risks associated with public procurement, potentially leading to financial losses, delayed projects, and a loss of public trust (PPDA, 2020).

In Uganda, for instance, the Public Procurement and Disposal of Public Assets (PPDA) Act of 2003 not only focused on enhancing transparency and accountability but also emphasized the importance of managing risks associated with public procurement. The Act established the PPDA, tasked

with monitoring procurement activities and ensuring that risks such as fraud, waste, and mismanagement are minimized (Government of Uganda, 2003). Similarly, other East African countries have introduced frameworks that emphasize risk identification and mitigation through tools like procurement audits, contract management, and the use of e-procurement systems. According to the African Development Bank (2015), these measures help to identify procurement risks early, improve compliance with procurement regulations, and reduce instances of corruption. By integrating risk management practices, East African governments are enhancing the resilience of their procurement systems, ensuring that public resources are used effectively and that service delivery is not compromised by inefficiencies or financial mismanagement.

Theoretical Background

Stakeholder Theory, introduced by Freeman (1984), posits that organizations should create value for all stakeholders, not just shareholders. In the context of procurement practices in local government, this theory emphasizes the importance of recognizing and addressing the interests of various stakeholders, including community members, suppliers, and government officials. Effective risk management practices are crucial for balancing these diverse interests and ensuring that procurement decisions are made transparently and equitably (Eskerod, 2013). By actively engaging stakeholders in the procurement process, local governments can enhance trust, improve decision-making, and ultimately lead to better outcomes for the community (Eskerod & Huemann, 2013). This approach is particularly relevant in Kanungu District, where local governments must navigate complex relationships among various community members and service providers.

Transaction Cost Economics (TCE)

Transaction Cost Economics, formulated by Williamson (1981), provides a framework for understanding the costs associated with economic exchanges and decision-making processes. In the realm of local government procurement, TCE posits that organizations seek to minimize transaction costs

by selecting the most efficient governance structures for their procurement practices(Williamson, 1998). This theory highlights the importance of assessing risks associated with different procurement strategies, such as competitive bidding versus direct procurement. By effectively managing these transaction costs and associated risks, local governments can enhance their procurement practices, ultimately leading to better service delivery and improved community outcomes in Kanungu District.

Moreover, the relationship between procurement practices and risk management is further underscored by the concept of total quality management (TQM). TQM principles, as outlined by Juran (1992), advocate for continuous improvement and customer satisfaction, which can be directly applied to procurement processes. By implementing TQM principles, local governments can enhance their procurement efficiency, reduce risks associated with supplier relationships, and improve service delivery outcomes (Dahlman, 2006). This integrative approach underscores the importance of procurement as a critical component of effective governance and public service management.

Conceptual Background

Procurement practices refer to the procedures and strategies employed by organizations to acquire goods, services, or works. In the context of local government entities like the Kanungu District Local Government (KDLG) in Uganda, procurement practices are integral to the effective delivery of public services and development projects (Mukasa, 2020). These practices typically include a set of standardized procedures, such as public tendering, bidding processes, contract management, and supplier selection, all aimed at ensuring transparency, accountability, and value for money in public procurement. The procurement cycle within local government authorities is guided by national procurement regulations, such as Uganda's Public Procurement and Disposal of Public Assets Act (PPDA), which mandates competitive processes, fairness, and the minimization of corruption risks. However, challenges such as limited capacity, lack of enforcement, and poor

supplier management can hinder the effectiveness of these practices, leading to inefficiency, delays, or even financial mismanagement (Mukasa, 2020). Effective procurement practices in Kanungu District, therefore, require not only adherence to the regulatory frameworks but also capacity-building for procurement staff and enhanced monitoring systems to mitigate challenges related to corruption, fraud, and mismanagement of resources.

Risk management in the context of public procurement involves identifying, assessing, and mitigating potential risks that could affect the successful execution of procurement projects and the achievement of intended outcomes (Kamanzi, 2018). For local governments such as Kanungu District, procurement-related risks are numerous and can include financial risks (e.g., overspending or misappropriation of funds), operational risks (delays in service delivery or non-performance by contractors), and compliance risks (failure to comply with procurement regulations or legal standards). Effective risk management practices involve adopting proactive strategies such as risk assessments, risk registers, and implementing control measures like regular audits, transparency in procurement processes, and the development of contingency plans (Mugisha & Kamanzi, 2018). In Uganda, the government has established various bodies such as the PPDA to help local governments manage procurement risks, but the challenge remains in the actual enforcement and capacity to handle these risks effectively at the local level. In Kanungu District, where limited resources, infrastructure gaps, and institutional challenges prevail, risk management becomes critical to avoid procurement failures that could result in project delays, financial mismanagement, and erosion of public trust in government institutions. Therefore, adopting a structured and rigorous approach to risk management in procurement is essential for ensuring sustainable and successful public service delivery.

Contextual Background

In Uganda, local governments have adopted various procurement reforms aimed at enhancing transparency and accountability. The Public Procurement and Disposal of Assets Authority (PPDA) has implemented guidelines to ensure

adherence to procurement best practices. However, challenges persist, particularly in rural districts such as Kanungu, where limited resources and capacity hinder effective procurement. Studies by Ouma (2020) and Kasule (2021) indicate that local governments often struggle with compliance and risk management, impacting service delivery.

One of the notable challenges faced by local governments in Uganda is the lack of adequate training for procurement personnel. According to a report by the Uganda National Audit Office report (2022), many local government officials lack the necessary skills and knowledge to navigate complex procurement processes, leading to non-compliance and inefficiencies. This skill gap contributes to increased vulnerability to procurement-related risks, such as fraud and misallocation of resources, ultimately undermining service delivery efforts (Mugisha, 2021).

Furthermore, the influence of political dynamics on procurement practices cannot be overlooked. Local government procurement processes in Uganda are often susceptible to political interference, which can compromise transparency and fairness (Okello & Karyeija, 2021). Such interference may result in the prioritization of personal or political interests over community needs, leading to poor procurement decisions that exacerbate existing risks. Addressing these political challenges is crucial for fostering an environment where effective procurement practices can thrive and contribute to better governance and service delivery in Kanungu District.

1.2 Statement of the Problem

In Uganda, there has been a noticeable increase in procurement-related complaints by 7.8% in the last fiscal year and these complaints have been raised in several local governments, including Kanungu District Local Government, causing significant setbacks in service delivery (PPDA, 2023). A recent survey conducted by the Ministry of Local Government in 2023, Kanungu District Local Government highlights several inefficiencies in procurement planning and these inefficiencies are often marked by limited prioritization of contingency provisions, leading to improper procurement

standards and resulting in delayed or substandard service delivery. One of the key contributing factors to these delays is the apparent absence of a strong risk mitigation framework within the procurement processes of the district. Without effective risk management strategies in place, Kanungu District Local Government has found it increasingly difficult to avoid disruptions and setbacks in critical service delivery areas. If these procurement inefficiencies and lack of risk mitigation are not addressed, the consequences will be severe and twofold. The gravity of these issues necessitates immediate attention. Therefore, it was against this background that the research wished to examine the procurement practices and their role in risk management within Kanungu District Local Government in Kanungu District.

1.3 Purpose of the Study

The purpose of the study was to examine the procurement practices and their role in risk management within the Kanungu District Local Government.

1.4 Objectives of the Study

1.4.1 General Objective

To assess the effects of procurement practices on risk management in Kanungu District Local Government.

1.4.2 Specific Objectives

- i. To identify the procurement practices employed by the Kanungu District Local Government.
- ii. To examine the indicators of risk management within the procurement process in Kanungu District.
- iii. To evaluate the contribution of effective procurement practices to risk management in Kanungu District Local Government.

1.5 Research Questions

- i. What procurement practices are employed by the Kanungu District Local Government?
- ii. What are the indicators of risk management within the procurement process in Kanungu District?
- iii. How do effective procurement practices contribute to risk management in Kanungu District Local Government?

1.6 Scope of the Study

1.6.1 Content Scope

The study focused on the procurement practices employed by the Kanungu District Local Government, the indicators of risk management within the procurement process in Kanungu District and evaluating the contribution of effective procurement practices to risk management in Kanungu District Local Government. It reviewed relevant documents and conducted interviews with key stakeholders involved in the procurement process.

1.6.2 Geographical Scope

The research was conducted in Kanungu District, located in southwestern Uganda, encompassing the various departments involved in procurement activities.

1.6.3 Time Scope

The study analyzed procurement practices and risk management over the past eight years, from 2017 to 2024, to provide a comprehensive overview of trends and practices.

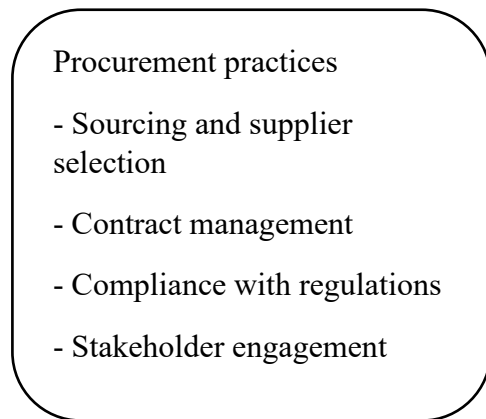
1.7 Significance of the Study

The findings of this study shall provide insights into effective procurement practices and their importance in risk management within local governments.

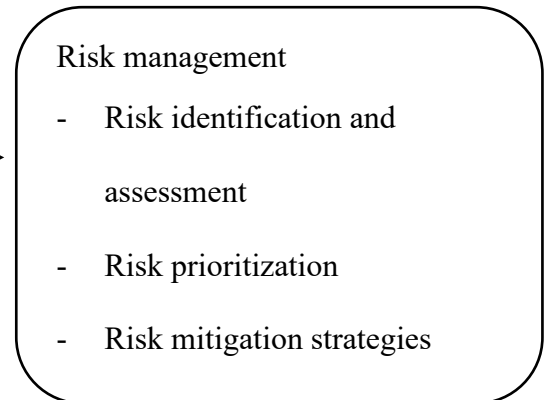
The research shall benefit local government officials, policymakers, and stakeholders by highlighting areas for improvement and potential strategies for enhancing procurement efficiency and transparency.

1.8 Conceptual Framework

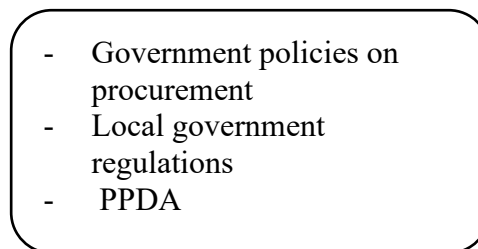
Independent Variable



Dependent Variable



Moderating variables



Source: Mugisha & Kamanzi (2018) and developed by the researcher 2024

The independent variable in this case, procurement practices are strategies, processes, and procedures employed by the Kanungu District Local Government to acquire goods and services, the dependent variable refers to the strategies and actions taken by the Kanungu District Local Government to identify, assess, and mitigate risks related to procurement activities and the moderating variables do not directly affect the dependent variable but can affect the intensity or nature of the relationship between the independent and dependent variables.

1.9 Definition of Operational Terms

Procurement: The process of acquiring goods, services, or works from an external source, often through a competitive bidding process (Eskerod, 2013).

Risk Management: The systematic approach to identifying, assessing, and mitigating risks associated with organizational activities (Williamson, 1981).

Procurement Practices: The methods and procedures used to manage procurement processes effectively, including planning, sourcing, and contract management (Eskerod, 2013).

CHAPTER TWO:

LITERATURE REVIEW

2.0 Introduction

This chapter reviewed literature as compiled by various scholars. It reviewed relevant literature relating to the topic “the effects of procurement practices on risk management in Kanungu District Local Government” and in accordance with stated objectives for the study.

2.1 The procurement practices employed by local government

Procurement practices within local governments are critical to ensuring effective service delivery, transparency, and accountability in public resource management. Several scholars have documented the importance of adhering to structured procurement processes to mitigate risks and optimize resource utilization. According to Ochieng (2019), local governments often face challenges in procurement practices, including lack of capacity and transparency, which may lead to inefficient use of public funds. In Uganda, procurement is governed by the Public Procurement and Disposal of Public Assets (PPDA) Act, which aims to promote fair, competitive, and transparent procurement methods (Bashir et al., 2018). However, the implementation of these practices is often hindered by corruption and political interference (Matovu, 2021).

Local government procurement practices generally involve several stages, including the identification of needs, formulation of specifications, tendering, evaluation, award, and contract management. Karanja (2020) notes that the tendering process is one of the most critical stages in procurement, where transparency and fairness must be ensured to avoid favoring certain vendors. Local government procurement in Uganda, like in many other African countries, is characterized by a mix of open, restricted, and direct procurement methods depending on the value and urgency of the items or services (Ateng, 2019).

One key procurement practice is the use of open tendering, which is the preferred method for most public contracts. According to Kateregga et al. (2017), open tendering is considered the most transparent procurement method and is widely used to promote competition and avoid favoritism. However, while open tendering is essential for transparency, it has been criticized for being time-consuming and cumbersome. This has led local governments to increasingly adopt restricted and direct procurement methods, especially in emergency situations or where time constraints are paramount (Mwesigwa, 2020).

E-government has emerged as a significant innovation in improving procurement practices in local governments. The introduction of online platforms for procurement processes has been hailed as a way to enhance efficiency, reduce corruption, and increase transparency (Sserwanga et al., 2020). For instance, in Kanungu District Local Government, the use of e-procurement systems is gradually gaining traction. E-procurement platforms enable electronic submission and evaluation of bids, thereby reducing opportunities for human error and fraud (Mukwaya et al., 2021).

Despite the positive contributions of e-procurement, it faces challenges such as limited access to internet infrastructure in rural areas, as well as the need for capacity-building among procurement officials (Ochieng & Niyomugabo, 2022). Furthermore, the lack of comprehensive training in procurement practices often leads to poor implementation and oversight, which could undermine the effectiveness of procurement procedures in managing public funds (Kabuto et al., 2019).

Procurement in local governments is not only guided by national laws but also by ethical considerations and local administrative rules. Ethical practices such as fairness, impartiality, and accountability are necessary to promote trust in the procurement system. According to Kiggundu (2021), local governments that prioritize ethical procurement practices often experience better outcomes in terms of service delivery and public satisfaction. Furthermore, local procurement officials must balance the competing interests of cost-

effectiveness and value for money while ensuring that procurement is done in accordance with legal and regulatory frameworks (Byaruhanga, 2020).

Another important procurement practice is the inclusion of social and environmental considerations. Increasingly, governments are integrating sustainability into procurement decisions, aiming to support projects that have minimal environmental impact while fostering social equity (Munyampundu & Nuwamanya, 2020). This trend is particularly evident in infrastructure projects where local governments must adhere to environmental protection standards and incorporate social benefits such as job creation for marginalized groups.

Risk management also plays a significant role in local government procurement practices. The procurement process must be designed to identify and mitigate risks at various stages, such as during contract negotiations and post-award monitoring. By doing so, local governments can avoid procurement failures that result from unforeseen risks, such as price fluctuations, supply chain disruptions, and non-performance by suppliers (Bashir et al., 2020).

Finally, the capacity of procurement officers is a critical factor in the success of procurement practices. According to Kayondo (2020), training and professional development of procurement staff are essential to enhancing their ability to effectively manage procurement risks and ensure compliance with legal requirements. Local governments should invest in continuous training programs to equip procurement officers with the skills and knowledge needed to navigate the complexities of modern procurement.

2.2 The indicators of risk management within the procurement process

Effective risk management is a key element of any procurement process, as it helps to identify, assess, and mitigate risks that could negatively impact the outcome of procurement activities. According to Asprilla et al. (2018), risk management in procurement involves a systematic approach to identifying potential threats, evaluating their impact, and implementing

strategies to minimize those risks. Local governments must implement risk management frameworks to prevent procurement failures that could lead to financial losses, delays, and reduced service delivery quality.

One important indicator of effective risk management in procurement is the robustness of the procurement planning process. A well-thought-out procurement plan should outline potential risks and detail the mitigation measures to be put in place. As noted by Kanya (2021), procurement planning helps to forecast risks related to the availability of funds, market conditions, and vendor performance, which can then be addressed proactively. A comprehensive procurement plan should also include a risk register that lists identified risks and assigns responsibility for their management.

Another key indicator of risk management in procurement is the evaluation and selection of suppliers. According to Tenywa (2020), supplier evaluation involves assessing potential risks associated with the supplier's financial stability, reputation, and past performance. By carefully vetting suppliers, procurement officers can avoid risks related to non-performance or the provision of substandard goods and services. The use of detailed evaluation criteria, such as financial capacity, experience, and compliance with regulatory standards, is an essential component of mitigating supplier-related risks.

Contract management is also a critical aspect of risk management. The terms and conditions of contracts should clearly define the roles and responsibilities of both parties and specify the penalties for non-compliance (Munyampundu & Nuwamanya, 2020). According to Sserwanga et al. (2021), a strong contract management system can help local governments manage risks such as delays, cost overruns, and poor-quality work. Effective contract management ensures that any risks identified during the procurement phase are addressed during the execution of the contract.

Monitoring and evaluation (M&E) is another important indicator of risk management. Ongoing monitoring throughout the procurement cycle ensures that risks are detected early and addressed before they escalate into

significant problems. M&E practices allow local governments to track the progress of procurement activities and assess whether the terms of contracts are being met. According to Okello (2021), M&E is particularly effective in managing risks associated with long-term projects, such as construction and infrastructure development, where delays and cost overruns are common.

Transparency in procurement processes is a key risk management indicator. A transparent procurement system reduces the risk of corruption, favoritism, and fraud. According to Kato (2019), transparency can be achieved through the use of open tendering processes, publishing procurement documents, and ensuring that all decisions are made publicly available for scrutiny. This practice not only mitigates the risks of unethical behavior but also enhances public trust in the procurement system.

The use of procurement audits is another indicator of effective risk management. Regular procurement audits help identify any discrepancies, inefficiencies, or non-compliance issues in procurement activities. By conducting audits, local governments can assess whether procurement processes are being followed correctly and if risks are being managed effectively. According to Kabuto et al. (2019), auditing helps to uncover potential fraud or corruption, especially in high-value contracts, and can provide recommendations for improving risk management practices.

Risk management in procurement also involves having a contingency plan in place. According to Matovu (2021), local governments must prepare for unexpected events such as changes in market conditions or unforeseen delays in delivery. A contingency plan ensures that risks are managed by providing alternative courses of action to address emerging challenges. This can include renegotiating contracts or finding alternative suppliers when risks arise during the procurement process.

The use of insurance and performance bonds is another important risk management strategy. By requiring suppliers to provide performance bonds, local governments can mitigate the risk of contractor default. According to Ochieng & Niyomugabo (2022), performance bonds guarantee that suppliers

will complete their obligations as per the contract terms. Additionally, insurance coverage can protect against risks such as property damage or liability, ensuring that financial losses are minimized in case of unforeseen incidents.

Finally, risk management in procurement is closely tied to the training and capacity of procurement staff. According to Kiggundu (2021), procurement officers must be trained to identify and respond to various risks, including financial, legal, operational, and reputational risks. Well-trained procurement professionals are better equipped to apply risk management strategies and ensure that procurement activities are carried out effectively and in compliance with regulations.

2.3 The contribution of effective procurement practices to risk management

Effective procurement practices play a crucial role in managing risks in local government procurement processes. According to Sserwanga et al. (2021), procurement practices are designed not only to ensure value for money but also to minimize the risks associated with public procurement. These risks can range from financial mismanagement to reputational damage and delays in project delivery. By implementing effective procurement practices, local governments can reduce the likelihood of procurement failures, safeguard public funds, and enhance the overall performance of procurement activities.

One of the most significant contributions of effective procurement practices to risk management is the promotion of transparency. According to Ateng (2019), transparent procurement processes are essential in mitigating risks related to corruption, fraud, and favoritism. When procurement processes are transparent, suppliers and contractors are less likely to engage in unethical practices, knowing that their actions will be scrutinized. Moreover, transparency allows stakeholders, including the public and oversight bodies, to hold procurement officials accountable, thus reducing the risk of mismanagement.

Effective procurement practices also foster competition, which can reduce risks related to price inflation and substandard products or services. Kato (2019) argues that competitive tendering encourages suppliers to offer their best prices and quality, as they know their bids will be evaluated against others. This reduces the risk of overpaying for goods or services and ensures that local governments receive value for money. In addition, competition helps to identify the most qualified suppliers, reducing the risk of engaging in contracts with underperforming or unreliable contractors.

The establishment of clear and well-documented procurement procedures is another key practice that contributes to risk management. According to Kabuto et al. (2019), having standardized procedures reduces the risk of errors and inconsistencies in the procurement process. Clear guidelines also ensure that procurement officials follow a consistent approach when making decisions, thereby minimizing the risk of favoritism or biased decision-making. Furthermore, clear documentation provides a reference point in case of disputes or audits, helping to resolve issues quickly and efficiently.

Effective procurement practices also contribute to better contract management, which is essential for managing risks during the execution of contracts. As noted by Mwesigwa (2020), effective contract management ensures that the terms of the contract are adhered to, and any deviations are addressed promptly. This reduces the risk of project delays, cost overruns, and non-performance by suppliers. By monitoring supplier performance and ensuring compliance with contract terms, local governments can mitigate the risks associated with project delivery.

2.4 Research gaps

While existing research highlights the importance of structured procurement processes in local government settings, particularly in Kanungu District Local Government, there is a paucity of empirical data examining the specific effects of various procurement practices on risk management outcomes. Most scholarly work, such as that of Ochieng (2019) and Bashir et al. (2018), provides a theoretical overview but lacks quantitative analyses or case studies

that directly measure how different procurement methods—like open tendering versus restricted procurement—affect risk management in practical settings. Further research could involve quantitative measures, such as statistical analysis of procurement outcomes over time, to demonstrate how adherence to specific practices correlates with reduced incidents of procurement failure, corruption, or financial mismanagement. This gap presents an opportunity for researchers to establish a more rigorous evidence base of how procurement practices concretely influence risk management in the specific context of Kanungu District.

Another significant area lacking scholarly attention is the role of e-procurement systems in enhancing risk management within Kanungu District Local Government. While Mukwaya et al. (2021) discuss the positive contributions of e-procurement to procurement efficiency and transparency, there remains limited understanding of how these systems specifically mitigate risks associated with procurement activities. For example, research could explore whether e-procurement effectively reduces instances of fraud and mismanagement compared to traditional procurement processes. Additionally, the impact of varying levels of internet accessibility in rural areas on the effectiveness of e-procurement systems has not been adequately addressed. Conducting studies focused on user experience, effectiveness, and the challenges faced by procurement officers using these systems in Kanungu District could provide valuable insights into the interplay between technology and risk management in public procurement.

Furthermore, there exists a gap in understanding how the ethical dimensions of procurement practices and the capacities of procurement officials influence risk management strategies. Although some studies, like those by Kiggundu (2021) and Kayondo (2020), suggest that ethical practices and training of procurement staff are essential for effective procurement outcomes, there is limited research directly linking these factors with enhanced risk management performance in a local governance context like

Kanungu District. Investigating how ethical considerations—such as fairness and accountability—translate into effective risk mitigation strategies within procurement practices could deepen the understanding of procurement's multifaceted role in local government. A focused study that evaluates the effectiveness of capacity-building initiatives for procurement officials on overall procurement risk management could also yield significant insights into the competencies needed for navigating the complexities of modern public procurement.

2.5 Conclusion

In summary, effective procurement practices are instrumental in managing risks in local government procurement processes. By fostering transparency, promoting competition, standardizing procedures, and ensuring effective contract management, local governments can minimize the risks associated with procurement activities and ensure that public resources are used efficiently and responsibly.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This chapter outlined the research methodology that was used to gather relevant data for this study. It discussed the research design, target population, sample design, data collection methods, and data analysis techniques that was applied throughout the research process.

3.1 Research Design

According to Kothari (2008), research design is the framework that guides the researcher in collecting, measuring, and analyzing data. The research design chosen for this study was a descriptive survey design. This approach allowed for the systematic collection of data to answer research questions concerning the effects of procurement practices on risk management in Kanungu District Local Government. Descriptive research design is focused on determining the current state of affairs, as it exists at the time of the study, without manipulating the variables (Gay, 1992). The study involved the collection of both qualitative and quantitative data, allowing the researcher to describe the existing procurement practices and assess their impact on risk management.

3.2 Target Population

Creswell (2012) defines the target population as a group of individuals or organizations with shared characteristics that are relevant to the study. For this research, the target population consisted of key stakeholders within Kanungu District Local Government, including procurement officers, district officials, and service providers who are directly involved in procurement activities. The study involved a total of 100 respondents, which included procurement officers, risk managers, financial officers, project managers, and selected suppliers within the district.

3.3 Sample Size

A sample size is defined as a section or part of the targeted population

whose information can be generalized to large population. The respondents for this study were drawn from key stakeholders within Kanungu District Local Government. The sample size of 80 respondents was selected from the target population of 100 people which included procurement officers, district officials, and service providers who are directly involved in procurement activities. The sample size was determined using the formula derived by Krejcie and Morgan (1970), as shown in the table below;

Target Population	Population	Sample Size	Sampling Procedure
Procurement Officers	10	5	Purposive sampling
District Officials	04	03	Simple random sampling
Financial Officers	06	04	Simple random sampling
Suppliers/Contractors	70	53	Simple random sampling
Project Managers	10	15	Stratified random sampling
Total	100	80	

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note.—*N* is population size. *S* is sample size.

Source: Krejcie & Morgan, 1970

3.3.1 Sampling Technique

To ensure the representativeness of the sample, the study used both probability and non-probability sampling techniques. The sampling technique involved;

Purposive sampling for procurement officers and district officials who had direct involvement in the procurement process, ensuring that the study focused on key informants with relevant knowledge.

Simple random sampling for financial officers, project managers, and selected service providers which ensured that each individual in the target population had an equal chance of being included in the study.

Stratified random sampling for suppliers which ensured that different categories of suppliers (small, medium, and large) were represented.

3.4 Data Collection Methods

To address the research objectives, the study used a combination of qualitative and quantitative data collection methods.

3.4.1 Interviews

In-depth interviews were conducted with procurement officers, district officials, and selected suppliers. These interviews were semi-structured, allowing for flexibility while ensuring that the key areas of the study are addressed. The interviews provided qualitative data, which was used to explore the respondents' perceptions of procurement practices, their understanding of risk management, and their experiences with procurement-related risks. The interview guide was designed to align with the study's objectives, and interviews were conducted in person or over the phone, depending on the availability of the respondents.

3.4.2 Questionnaire

A structured questionnaire was distributed to financial officers, project managers, and suppliers. The questionnaire contained both closed-ended and open-ended questions to gather quantitative data as well as qualitative insights. Closed-ended questions focused on the respondents' experience with procurement practices, while open-ended questions allowed them to provide more detailed feedback on how procurement practices affect risk management in Kanungu District Local Government.

3.4.3 Document Analysis

Secondary data was gathered through a document review of procurement records, reports, and other relevant documents from Kanungu District Local Government. This included reviewing procurement policies, contracts, risk management reports, and past procurement audits to understand the procedural aspects of procurement and risk management within the district.

3.5 Research Instruments

3.5.1 Questionnaire

The questionnaire was designed to collect both quantitative and qualitative data. It contained a mix of closed-ended questions (Likert scale questions to measure attitudes and experiences) and open-ended questions (to capture respondents' opinions on procurement practices and their impact on risk management). A Likert scale (strongly agree, agree, neutral, disagree, strongly disagree) was used to measure respondents' perceptions of procurement processes and risk management effectiveness.

3.5.2 Interview Guide

The interview guide contained a series of open-ended questions aimed at exploring the experiences of procurement officers and district officials regarding procurement practices and their views on how these practices influence risk management. It allowed the researcher to probe deeper into individual experiences and gather qualitative insights.

3.6 Data Collection Procedure

The researcher first sought approval from the relevant authorities at Kanungu District Local Government to conduct the study. Upon receiving the necessary approvals, the researcher distributed questionnaires to respondents who were literate and completed them independently. For those unable to fill out the questionnaire (e.g., due to illiteracy or lack of time), interviews were conducted. All interviews were audio-recorded (with the consent of participants) and transcribed for analysis. The data collection process took 4 weeks to complete.

3.7 Data Analysis

The data was analyzed using both qualitative and quantitative methods. Quantitative data from the questionnaires were analyzed using descriptive statistics (e.g., frequencies, percentages, and mean scores) with the help of statistical software such as SPSS and Microsoft Excel. This helped identify patterns and trends related to procurement practices and risk management.

Qualitative data from interviews and open-ended questionnaire responses was analyzed thematically. The researcher coded the data into key themes related to procurement practices, risk management, and their interaction. The results were presented using word clouds, diagrams, and direct quotes from respondents to illustrate the findings.

3.8 Validity

According to Basheka (2019), validity is a test of accuracy for the data collection instruments. It also checked to confirm if the operationalization is bringing out the right indicators. The researcher constructed a questionnaire and test it with respondents who were involved in the study. Five questionnaires were given to 5 respondents for pre-testing and the responses from these respondents were discussed with an expert before the actual study. Feedback from the pretest was used to refine the instruments to ensure they effectively capture the information needed to address the research questions. Content validity was ensured by aligning the instruments

with the study's objectives, and face validity was checked by consulting with experts in procurement and risk management.

3.9 Reliability

The reliability of the research instruments was assessed by conducting a test-retest with a small sample of respondents. This allowed the researcher to check for consistency in the responses over time. Any inconsistencies were addressed by revising the instruments. The study also employed inter-rater reliability, where two or more researchers were independently code qualitative data to ensure consistency.

3.10 Sources of Data

The study relied on both primary and secondary data sources. Primary data was collected from interviews and questionnaires administered to the selected respondents within Kanungu District Local Government. Secondary data was sourced from official procurement documents, audit reports, and literature related to procurement practices and risk management.

3.11 Ethical Considerations

The researcher upheld ethical standards by obtaining informed consent from all participants. Participants were made aware of the study's purpose, their right to confidentiality, and their freedom to withdraw from the study at any time without any consequences. A statement of confidentiality was included in both the interview guides and questionnaires. The researcher also ensured that the data collected was used for the purposes of this study.

CHAPTER FOUR:
DATA PRESENTATION AND ANALYSIS

4.0 Introduction

This chapter presented the findings from the data collected on the procurement practices and their role in risk management within the Kanungu District Local Government.

4.1 Biodata characteristics of the respondents

4.1.1 Gender distribution of respondents

This section aimed at determining the gender distribution of participants involved in procurement activities. Understanding the gender balance provides insight into inclusivity and the diversity of opinions and experiences regarding procurement practices and risk management in local governance.

Table 4.1.1: Showing gender distribution of respondents regarding procurement practices and risk management in Kanungu District Local Government.

Gender	Frequency	Percent (%)
Male	48	60
Female	32	40
Total	80	100

Source: Primary Data 2025

The data indicates that out of 80 respondents, 60% were male while 40% were female. This suggested a moderate gender disparity in roles related to procurement and risk oversight within the Kanungu District Local Government. Nevertheless, both genders were adequately represented, ensuring a balanced view in the findings.

4.1.2 Age distribution of respondents

Age distribution was assessed to understand the generational dynamics involved in procurement decision-making and risk management.

Table 4.1.2: Showing age distribution of respondents regarding procurement and risk management.

Age Bracket	Frequency	Percent (%)
18-25	10	12.5
26-35	20	25
36-45	22	27.5
46-55	18	22.5
Above 55	10	12.5
Total	80	100

Source: Primary Data 2025

The data reveals that the largest group of respondents (27.5%) were aged between 36-45 years, typically professionals with experience in procurement and local government operations. Those aged 26-35 (25%) and 46-55 (22.5%) also formed significant portions of the sample, indicating that the majority of respondents were mature professionals likely involved in policy implementation and risk mitigation strategies.

4.1.3 Marital status of respondents

Marital status was considered to explore whether personal commitments, influence perspectives on procurement practices and accountability.

Table 4.1.3: Showing marital status of respondents regarding procurement and risk management.

Marital Status	Frequency	Percent (%)
Married	44	55
Single	28	35
Widowed	8	10
Total	80	100

Source: Primary Data 2025

A majority (55%) of respondents were married, suggesting a responsible and possibly more riskaverse demographic. Singles formed 35%, and widowed participants accounted for 10%. The diversity in marital status implies a wide range of perspectives influenced by different levels of personal and professional commitment.

4.1.4 Level of education of respondents

Educational background was essential in determining the respondents' capability to comprehend and engage with procurement policies and risk frameworks.

Table 4.1.4: Showing level of education of respondents regarding procurement and risk management.

Level of Education	Frequency	Percent (%)
Secondary	12	15
Diploma	26	32.5
Degree	30	37.5
Master's Degree	12	15
Total	80	100

Source: Primary Data 2025

Most respondents held either a diploma (32.5%) or a degree (37.5%), indicating a relatively well-educated workforce in the procurement department. Master's degree holders and those with only secondary education each represented 15% of the sample, suggesting a blend of academic and practical knowledge in the field.

4.2 Procurement practices employed by Kanungu district local government

Table 4.2: Showing the responses on procurement practices in Kanungu District Local Government

Statement	Frequency	Percentage (%)
The procurement process in Kanungu Local Government is transparent and free from corruption.	20	25
The procurement officers in Kanungu Local Government are well-trained and knowledgeable.	16	20
Kanungu Local Government actively uses e-procurement platforms to streamline procurement.	08	10
The tendering process in Kanungu Local Government promotes fair competition among suppliers.	12	15
There is a clear procurement policy that guides all procurement activities in Kanungu.	08	10
Procurement practices in Kanungu Local Government prioritize cost-effectiveness.	04	5
Social and environmental considerations are integrated into Kanungu's procurement decisions.	04	5
Procurement in Kanungu Local Government is often delayed due to inefficient processes.	04	5
There are sufficient measures in place to mitigate risks during procurement in Kanungu.	04	5
Kanungu Local Government frequently faces challenges related to procurement capacity.	04	5
Total	80	100

Source: Primary Data, 2025

Table 4.2 presents the distribution of responses related to procurement practices in the Kanungu District Local Government. The data provides insight into the respondents' views on the transparency, effectiveness, and risk management components within the procurement process.

A notable 25% of the respondents agreed that the procurement process in Kanungu District Local Government is transparent and free from corruption. This finding suggests a moderate level of public confidence in the integrity of the procurement system. However, transparency still has room for improvement, considering that 75% did not express strong agreement.

On the capacity and competence of procurement officers, 20% of respondents agreed that the officers were well-trained and knowledgeable. This indicates some confidence in human resource capability, but also points to potential skill gaps that need to be addressed to enhance procurement effectiveness.

Only 10% of respondents agreed that Kanungu Local Government utilizes e-procurement platforms effectively. This low level of agreement may suggest slow adoption of digital procurement tools, which could otherwise improve transparency, speed, and accountability.

Fair competition among suppliers during the tendering process was supported by 15% of respondents. Although this is higher than other aspects, it still shows that most stakeholders believe the process could be more competitive or inclusive.

Similarly, only 10% of respondents affirmed the existence of a clear procurement policy guiding all activities. This may reflect either poor dissemination of the policy or inconsistencies in its implementation.

Notably, cost-effectiveness, social and environmental considerations, and the presence of sufficient risk mitigation measures each received only 5% agreement, indicating serious concerns in these strategic procurement dimensions.

Furthermore, 5% of respondents agreed that procurement is often delayed due to inefficiencies, while another 5% acknowledged challenges related to procurement capacity. These responses highlight operational and structural weaknesses within the procurement system.

4.3 Indicators of risk management within the procurement process

Table 4.3: Showing responses on indicators of risk management in the procurement process in Kanungu District Local Government

Indicators of Risk Management	Frequency	Percentage (%)
A comprehensive procurement plan is in place and it includes risk identification and mitigation.	12	15
Supplier evaluations in the procurement process assess risks related to financial stability and past performance.	20	25
Contracts clearly define terms and conditions, including penalties for non-compliance.	08	10
Regular monitoring and evaluation (M&E) practices are in place to track procurement progress and mitigate risks.	16	20
Procurement processes in Kanungu Local Government are transparent, reducing the risk of fraud and corruption.	08	10
Risk audits and reviews are conducted regularly to identify discrepancies and inefficiencies.	04	5
A contingency plan is developed for unexpected procurement issues, such as market fluctuations or delays.	04	5
Performance bonds and insurance are used to mitigate the risks of contractor default and project delays.	04	5
Procurement officers in Kanungu are trained to identify and respond effectively to various procurement risks.	02	2.5
Risk management strategies are continuously reviewed and updated to adapt to new challenges and risks.	02	2.5
Total	80	100

Source: Primary Data, 2025

The data presented in Table 4.3 highlights various indicators of risk management practices within the procurement process in Kanungu District Local Government. These indicators reflect the extent to which structured and strategic risk management approaches are embedded within the procurement system.

The most recognized indicator among respondents was supplier evaluation, with 25% agreeing that suppliers are assessed based on financial stability and past performance. This suggests a relatively strong focus on screening suppliers to mitigate potential contract failure or underperformance.

Monitoring and evaluation (M&E) practices were the second most recognized risk management tool, with 20% of respondents indicating that M&E is regularly applied to track procurement progress. This points to moderate implementation of control mechanisms for risk tracking and mitigation.

A comprehensive procurement plan that includes risk identification was acknowledged by 15% of respondents, indicating some institutional awareness of the need for formal risk planning at the procurement planning stage.

However, other key areas revealed much lower agreement. Only 10% of respondents reported that contracts clearly define terms and conditions with penalties for non-compliance. Similarly, 10% believed that transparency in procurement processes helps reduce fraud and corruption, which is relatively low considering the importance of transparency in public sector risk mitigation.

Alarming, only 5% of respondents agreed that risk audits, contingency planning, and the use of performance bonds/insurance were in place. These are critical instruments in protecting public investments from contractor defaults, delays, or market disruptions.

Even more concerning is the minimal response regarding training of procurement officers and continuous review of risk strategies, each with only 2.5% agreement. This suggests a significant gap in capacity building and adaptability of procurement risk frameworks within Kanungu Local Government.

4.4 The Contribution of effective procurement practices to risk management

Table 4.4: Showing responses on the contribution of effective procurement practices to risk management in Kanungu District Local Government

Contribution of Effective Procurement Practices to Risk Management	Frequency	Percentage (%)
Transparent procurement practices reduce the risk of corruption and fraud.	20	25
Competitive tendering practices ensure fair pricing and reduce the risk of overpaying.	16	20
Clear procurement policies and procedures help minimize the risk of errors and inconsistencies.	12	15
Effective contract management reduces the risk of delays, cost overruns, and non-compliance.	08	10
Proper documentation helps resolve issues quickly and reduces the risk of disputes.	08	10
Regular procurement audits help to identify potential risks and improve processes.	04	5
Ethical procurement practices improve stakeholder trust and reduce reputational risk.	04	5
Inclusion of social and environmental considerations reduces long-term sustainability risks.	04	5
Embedded risk management strategies help avoid financial losses and delays.	02	2.5
Continuous staff training enhances capacity to manage procurement risks effectively.	02	2.5
Total	80	100

Source: Primary Data, 2025

The data presented in Table 4.4 provides insights into how effective procurement practices contribute to managing risks within the Kanungu

District Local Government. Respondents evaluated various components of the procurement process in terms of their impact on risk mitigation.

The most recognized contribution, according to 25% of respondents, was the role of transparent procurement practices in reducing the risk of corruption and fraud. This highlights the importance of openness and accountability in public procurement processes, particularly in minimizing unethical behavior.

20% of respondents identified competitive tendering as a vital mechanism that ensures fair pricing and protects the government from overpayment risks. This aligns with global procurement standards emphasizing open competition to safeguard public resources.

Clear procurement policies and procedures were acknowledged by 15% of respondents for helping reduce errors and inconsistencies in procurement operations. This finding indicates that well-documented guidelines are crucial for standardization and risk reduction.

Contract management and proper documentation, each supported by 10% of respondents, were also seen as important. Effective contract management can prevent delays and cost overruns, while thorough documentation serves as an essential tool in resolving disputes quickly and transparently.

Other aspects, such as regular procurement audits and ethical procurement practices, were only recognized by 5% of respondents, suggesting that while these practices exist, their visibility or perceived impact remains limited among stakeholders.

Additionally, the integration of social and environmental factors into procurement received limited recognition (5%). This reflects a relatively low emphasis on sustainability in current procurement strategies, which could pose long-term risks if not addressed.

Alarming, the lowest levels of agreement (2.5%) were recorded for the inclusion of embedded risk strategies and continuous training of procurement staff, suggesting that systematic and proactive risk management practices are

still underdeveloped in the district. These low percentages point to significant capacity-building needs and a lack of structured approaches to modern risk management in procurement.

In summary, while transparency, fair competition, and policy clarity are moderately established as risk-reduction mechanisms, other equally vital strategies—such as audits, training, and sustainability integration—remain weak or underutilized in Kanungu District Local Government.

Addressing these gaps would strengthen the procurement system’s ability to mitigate both immediate and long-term risks effectively.

CHAPTER FIVE: DISCUSSION OF THE FINDINGS

5.0 Introduction

This chapter presented a discussion of the main findings in reference to the objectives of the study.

5.1 The procurement practices employed by Kanungu district local government

The study found that only 25% of respondents agreed that procurement in Kanungu District Local Government is transparent and free from corruption, suggesting a moderate yet fragile confidence in the system. This finding echoes the concerns raised by Matovu (2021) and Ochieng (2019), who noted that corruption and lack of transparency are persistent challenges in local government procurement. While Uganda's PPDA Act promotes fair and transparent procurement (Bashir et al., 2018), its implementation in Kanungu seems to fall short. The limited public trust indicates that procurement practices in the district do not fully align with the objective of promoting accountability and transparency, which is a key pillar of effective public procurement systems.

Regarding procurement capacity, only 20% of respondents believed that procurement officers are well-trained and knowledgeable. This aligns with findings by Kayondo (2020) and Kabuto et al. (2019), who stressed the importance of training and professional development in enhancing procurement efficiency. The lack of capacity in Kanungu implies that procurement personnel may struggle with complex procedures and compliance issues, thereby undermining effective procurement planning and execution. This skills gap detracts from the district's ability to meet the procurement objective of maximizing value for money and minimizing risks, as outlined in the national procurement framework.

The study also revealed that only 10% of respondents acknowledged the use of e-procurement platforms. While literature from Sserwanga et al. (2020) and Mukwaya et al. (2021) highlights e-procurement as a critical innovation

for enhancing efficiency and reducing corruption, its adoption in Kanungu remains minimal. Factors such as limited internet access and low digital literacy, as suggested by Ochieng & Niyomugabo (2022), likely contribute to this underutilization. Consequently, the district fails to leverage technology to improve procurement transparency and efficiency, which is a key component of modern procurement strategies aimed at ensuring accountability and service delivery.

When examining fairness in the tendering process, only 15% of respondents perceived the process as competitive and inclusive. This finding resonates with Karanja (2020), who emphasized that fairness and openness in tendering are critical for eliminating favoritism. The low percentage indicates that most stakeholders believe Kanungu's tendering lacks the essential characteristics of open competition, which compromises both the transparency and quality of procured goods and services. As Kateregga et al. (2017) observed, while open tendering is ideal, its inconsistent application can result in biased vendor selection, thus undermining procurement objectives.

Equally concerning is the finding that just 10% of respondents agreed there is a clear procurement policy in place. A well-defined policy framework is fundamental to guiding procurement processes and ensuring consistency with national regulations such as the PPDA Act. Without such a framework, procurement decisions risk being ad hoc and vulnerable to manipulation, as noted in literature by Byaruhanga (2020) and Kiggundu (2021). This absence of a guiding policy in Kanungu weakens institutional accountability and hinders the achievement of the objective to standardize and professionalize public procurement.

On the strategic front, procurement dimensions such as cost-effectiveness, environmental considerations, and risk mitigation were supported by only 5% of respondents. This finding sharply contrasts with the growing global emphasis on sustainable and strategic procurement, as discussed by Munyampundu & Nuwamanya (2020). Effective procurement should consider not just financial implications but also social and environmental impacts. The

minimal focus on these dimensions in Kanungu indicates a reactive rather than strategic approach to procurement, limiting the district's ability to contribute to broader development goals and sustainable public spending.

Finally, operational challenges were evident, with only 5% of respondents affirming that procurement processes are timely and free from capacity-related constraints. Such bottlenecks often lead to increased costs and delayed service delivery, echoing the observations of Bashir et al. (2020) on the importance of risk management. These inefficiencies reflect poorly on Kanungu's procurement system, suggesting an urgent need for structural reforms to enhance responsiveness, streamline processes, and reduce delays. Aligning procurement operations with best practices is essential to fulfill the objective of efficient and value-driven public service delivery.

5.2 The indicators of risk management within the procurement process

The finding that 25% of respondents acknowledged supplier evaluations based on financial stability and past performance indicates a moderate recognition of this essential risk mitigation strategy. This aligns with the literature by Tenywa (2020), who emphasized that supplier vetting reduces risks related to poor performance and financial instability. The use of supplier evaluations in Kanungu District Local Government suggests that at least some procurement officers understand the importance of pre-contract due diligence. However, given that three-quarters of respondents did not confirm the use of this strategy, it appears that supplier evaluation is not yet a standardized practice across all departments—posing risks of contractor underperformance and service delivery failures, thereby undermining the objective of efficient and risk-conscious procurement.

Similarly, 20% of respondents recognized the application of Monitoring and Evaluation (M&E) practices, which are crucial for identifying emerging risks during project implementation. As supported by Okello (2021), M&E ensures procurement activities remain aligned with contract terms and timelines, helping mitigate risks of cost overruns and delays. While the presence of M&E in some parts of the procurement system is encouraging, the relatively low percentage suggests that M&E is not universally applied or systematically

integrated into procurement workflows in Kanungu. This hinders the local government's ability to detect and respond to risks in real time, limiting its progress toward the objective of risk-resilient procurement management.

Despite these positive indicators, other foundational elements of risk management remain weak. Only 15% of respondents acknowledged the existence of a comprehensive procurement plan that includes risk identification and mitigation. This is concerning given that Kanya (2021) stresses that robust procurement planning is the bedrock of effective risk management. Without such a plan, Kanungu District may be reactive rather than proactive in addressing risks, resulting in financial inefficiencies and delayed service delivery. The absence of structured planning also implies poor forecasting and coordination, making it difficult to meet procurement goals such as value for money and operational continuity.

The situation is further exacerbated by the finding that only 10% of respondents reported the existence of clearly defined contract terms with enforcement mechanisms, such as penalties for non-compliance. According to Munyampundu & Nuwamanya (2020) and Sserwanga et al. (2021), contract management is central to managing risks during implementation. Weak or vague contract terms leave room for disputes, non-performance, and inflated costs. In Kanungu, the apparent lack of strong contract management practices undermines the ability to enforce accountability, thereby failing to achieve the objective of safeguarding public funds and ensuring contractor compliance.

Similarly, 10% of respondents believed that transparency plays a role in reducing procurement-related fraud and corruption. This low figure contradicts the assertions made by Kato (2019), who emphasizes transparency as a vital safeguard against unethical behavior and manipulation in procurement. Transparency indicators—such as open tendering, public disclosure of procurement outcomes, and stakeholder involvement—seem to be inconsistently applied in Kanungu. The lack of transparent practices significantly elevates the risk of corruption, favoritism, and loss of public

trust, which directly hinders efforts to achieve integrity and accountability in procurement systems.

Even more alarming is the finding that only 5% of respondents acknowledged the use of risk audits, contingency planning, and performance bonds or insurance. As highlighted by Matovu (2021) and Ochieng & Niyomugabo (2022), these are core components of a risk-ready procurement framework. Without them, the district is ill-prepared for unforeseen disruptions such as supplier default, price volatility, or supply chain interruptions. The near-total absence of these practices indicates a critical vulnerability in the district's procurement system, potentially resulting in project failures and financial losses—thus failing to meet the objective of resilient, risk-averse procurement processes.

Perhaps most critically, only 2.5% of respondents agreed that procurement officers receive adequate training and continuous review of risk strategies. As noted by Kiggundu (2021), procurement risk management is heavily reliant on the capacity and expertise of procurement professionals. The absence of training opportunities in Kanungu significantly limits the ability of staff to anticipate, identify, and manage procurement risks. This lack of investment in human capital weakens the procurement system's overall effectiveness and diminishes its capacity to fulfill the objective of sustainable, professional, and legally compliant procurement operations.

5.3 The contribution of effective procurement practices to risk management

The finding that 25% of respondents recognized transparency as a key contributor to reducing the risk of corruption and fraud demonstrates a moderate appreciation for accountability mechanisms in Kanungu District Local Government. This is supported by Ateng (2019), who highlights transparency as a cornerstone of effective procurement risk management. Transparent practices such as open tendering, publishing bid outcomes, and clear communication deter unethical behavior and allow stakeholders to scrutinize procurement decisions. Although a quarter of respondents acknowledge this benefit, the limited overall uptake suggests that

transparency practices are inconsistently applied in Kanungu, limiting their full potential to mitigate reputational and financial risks as envisioned by Sserwanga et al. (2021).

Closely following this is the 20% agreement on the role of competitive tendering in mitigating the risk of overpricing and ensuring value for money. As Kato (2019) explains, fostering competition through open and fair tendering allows suppliers to submit competitive bids, reducing the likelihood of inflated prices and substandard service delivery. In Kanungu, the relatively low recognition of this practice implies that competition may be hindered by restrictive procurement methods or favoritism undermining the core procurement objective of cost-effectiveness and risk reduction. Enhancing openness in procurement processes could significantly improve outcomes and reduce exposure to procurement inefficiencies.

The 15% of respondents who acknowledged the role of clear procurement policies and procedures in minimizing operational errors reflect a limited awareness of standardized process benefits. Kabuto et al. (2019) stress that documented procedures ensure consistency, reduce room for arbitrary decision-making, and offer a framework for handling disputes. In the context of Kanungu District, the low acknowledgment may indicate either a lack of dissemination or limited enforcement of procurement guidelines. This inconsistency increases the risk of procedural lapses and non-compliance, making it difficult to achieve the intended procurement objectives of reliability and accountability.

Only 10% of respondents reported that effective contract management and documentation are contributing to risk reduction. This finding highlights a critical gap, as Mwesigwa (2020) emphasizes the importance of contract monitoring and enforcement in preventing delays, cost overruns, and delivery failures. Proper documentation, such as performance reports and payment records, also supports oversight and audit readiness. In Kanungu, weak contract management practices may be exposing public projects to execution

risks, undercutting the potential benefits of procurement frameworks designed to manage contractual obligations and performance standards effectively.

Even less prominent were the 5% of respondents who acknowledged the role of procurement audits and ethical practices in managing risk. Literature from Kabuto et al. (2019) and Ateng (2019) underscores how regular audits and adherence to ethical principles safeguard against fraud and promote accountability. The low figure suggests a worrying lack of institutional oversight in Kanungu's procurement system. Without routine audits or ethical enforcement mechanisms, procurement risks are more likely to go undetected, leading to possible financial mismanagement and diminished public trust in local governance.

A similarly low 5% recognized the integration of social and environmental considerations into procurement. This is concerning in light of Sserwanga et al. (2021) and Mwesigwa (2020), who argue that sustainable procurement contributes to broader development goals while minimizing environmental and social risks. Kanungu's limited focus on these aspects suggests that procurement decisions are driven more by immediate functional needs than by long-term strategic considerations. This undermines the district's ability to achieve balanced development and exposes it to risks associated with regulatory non-compliance or negative social impacts.

Of greatest concern is the finding that only 2.5% of respondents agreed that embedded risk management strategies and continuous training are part of the procurement system. As noted by Kiggundu (2021), procurement staff must be trained not only in standard procedures but also in proactive risk identification and mitigation techniques. The absence of training and strategic risk integration in Kanungu severely limits the district's capacity to anticipate and respond to procurement challenges. This gap represents a fundamental weakness in the procurement framework and hinders the

achievement of long-term procurement goals, such as sustainability, efficiency, and risk resilience.

CHAPTER SIX: CONCLUSIONS AND RECOMMENDATIONS

6.0 Introduction

The chapter presented the summary of the findings, conclusions and recommendations of the study according to the objectives of the study.

6.1 Summary of the findings.

6.1.1 The procurement practices employed by Kanungu District Local Government

The finding showed that respondents agreed that the procurement process in Kanungu District Local Government is transparent and free from corruption which reflects a moderate but cautious level of public confidence in the procurement system. Operational challenges were evident, with the lowest respondents affirming that procurement processes are timely and free from capacity-related constraints.

6.1.2 The indicators of risk management within the procurement process

The findings showed that respondents agreed that supplier evaluations are conducted based on financial stability and past performance highlights a relatively strong recognition of this essential risk mitigation strategy. Few respondents agreed that procurement officers receive adequate training and continuous review of risk strategies.

6.1.3 The contribution of effective procurement practices to risk management

The finding showed that respondents recognized transparency in procurement as a key contributor to reducing the risk of corruption and fraud demonstrates a moderate appreciation for accountability mechanisms within Kanungu District Local Government. Few respondents agreed that embedded risk management strategies and continuous training are part of the procurement system.

6.2 Conclusions

6.2.1 The procurement practices employed by Kanungu District Local Government

The findings on the procurement practices employed by Kanungu District Local Government concluded that while there is some level of transparency and fair competition, the overall procurement system is still underdeveloped in several key areas. Limited adoption of eprocurement, unclear procurement policies, and weak emphasis on cost-effectiveness and sustainability point to systemic challenges in implementation and oversight (Bashir et al., 2018).

6.2.2 The indicators of risk management within the procurement process

The findings on the indicators of risk management within the procurement process concluded that supplier evaluations and monitoring and evaluation (M&E) mechanisms are moderately present, suggesting a partial recognition of procurement risks. However, critical components such as contingency planning, performance bonds, procurement staff training, and regular risk audits were largely absent or unacknowledged (Matovu, 2021). This indicates that risk management in procurement is not fully institutionalized, leaving the district vulnerable to procurement inefficiencies and contractor related risks.

6.2.3 The contribution of effective procurement practices to risk management

The findings on the contribution of effective procurement practices to risk management concluded that transparency, competitive tendering, and policy clarity moderately contribute to risk reduction in procurement. However, the limited use of audits, ethical standards, sustainability integration, and staff capacity-building reflects significant weaknesses in the district's ability to use procurement as a strategic risk management tool. The absence of embedded risk strategies and training programs further underscores the need for a more comprehensive and proactive procurement approach (Kiggundu, 2021).

6.3 Recommendations

6.3.1 Recommendation on procurement practices employed by Kanungu District Local Government

Kanungu District Local Government should strengthen its procurement system by institutionalizing clear, accessible procurement policies and fully embracing e-procurement platforms to improve transparency and efficiency. In addition, the district should promote fair competition through better tendering processes and increase focus on sustainability and costeffectiveness. This can be achieved through stakeholder training, public awareness, and policy enforcement to ensure standardized, ethical, and strategic procurement.

6.3.2 Recommendation on indicators of risk management within the procurement process

To enhance procurement-related risk management, the district should develop a comprehensive procurement risk management framework that includes regular supplier risk assessments, contingency planning, and the use of performance guarantees such as bonds and insurance. Additionally, Kanungu District should institutionalize regular procurement audits and reviews while providing targeted training to procurement officers to build their capacity to identify, assess, and respond to procurement risks effectively.

6.3.3 Recommendation on the contribution of effective procurement practices to risk management

Kanungu District Local Government should integrate effective procurement practices into its broader risk management strategy by embedding transparency, accountability, and sustainability into every stage of the procurement cycle. This includes mandating ethical procurement practices, ensuring detailed contract documentation, and establishing continuous professional development programs for procurement staff. Such initiatives

will enhance the district's ability to prevent procurement-related risks and improve service delivery outcomes.

6.4 Areas of further research

The researcher recommends further research on the topics below;

"The Role of Employee Training in Strengthening Quality Management Systems in Agro-Based Enterprises in South Western Uganda."

"A Comparative Study of Quality Management Adoption Between Large-Scale and Smallholder Tea Producers in Kabale District."

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APPENDICES

APPENDIX A: QUESTIONNAIRE

I am NINSIIMA LAUBEN S22/BBUC/BPLM/001 a student of Uganda Christian University, Bishop Barham University in the final year carrying out a research study on “Procurement practices and risk management in local government; a case study of Kanungu District” This is to fulfill the partial requirements for the award of bachelor’s degree in procurement and logistics management of Uganda Christian University. Therefore, you are rest assured that the information given will be used for only academic purposes and will be treated with total confidentiality.

THANK YOU IN ADVANCE

Note: Please tick or fill in the appropriate space provided.

SECTION A: BACKGROUND OF THE RESPONDENTS

1. Gender of the respondent A). Male b). Female

2. Age of the respondent

a). 15 - 25 years b). above 50 years

c). 26-35 years

e). 46 - 55 years

3. Education level of the respondent

a). Secondary b). Dip ha

c). Degree

d). Others (specify) 

4. marital status  DECLARATION.docx

Married

 DECLARATION.docx

Single

 DECLARATION.docx

Widowed

 DECLARATION.docx

SECTION B: The procurement practices employed by Kanungu local government

Tick where response is necessary

Procurement Practices	Strongly Agree	Agree	Not Sure	Strongly Disagree	Disagree
The procurement process in Kanungu Local Government is transparent and free from corruption.					
The procurement officers in Kanungu Local Government are well-trained and knowledgeable.					
Kanungu Local Government actively uses e-procurement platforms to streamline procurement.					
The tendering process in Kanungu Local Government promotes fair competition among suppliers.					
There is a clear procurement policy that guides all procurement activities in Kanungu.					
Procurement practices in Kanungu Local Government prioritize cost-effectiveness.					
Social and environmental considerations are integrated into Kanungu's procurement decisions.					
Procurement in Kanungu Local Government is often delayed due to inefficient processes.					
There are sufficient measures in place to mitigate risks during procurement in Kanungu.					

Kanungu Local Government frequently faces challenges related to procurement capacity.					
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Section c: The indicators of risk management within the procurement process

Indicators of Risk Management	Strongly Agree	Agree	Not Sure	Strongly Disagree	Disagree
A comprehensive procurement plan is developed that includes risk identification and mitigation.					
There is supplier evaluations in the procurement process are to assess risks related to financial stability and past performance.					
Contracts clearly define terms and conditions, including penalties for non-compliance.					
Regular monitoring and evaluation (M&E) practices are in place to track procurement progress and mitigate risks.					
Procurement processes in Kanungu Local Government are transparent, reducing the risk of fraud and corruption.					
Risk audits and reviews are conducted regularly to identify discrepancies and inefficiencies in procurement activities.					
A contingency plan is developed for unexpected procurement issues, such as market fluctuations or delays.					

Performance bonds and insurance are used to mitigate the risks of contractor default and project delays.					
Procurement officers in Kanungu are trained to identify and respond effectively to various procurement risks.					
Risk management strategies are continuously reviewed and updated to adapt to new challenges and risks.					

Section d: The contribution of effective procurement practices to risk management

Contributions of Effective Procurement Practices to Risk Management	Strongly Agree	Agree	Not Sure	Strongly Disagree	Disagree
Transparent procurement practices reduce the risk of corruption and fraud.					
Competitive tendering practices ensure fair pricing and reduce the risk of overpaying.					
Clear procurement policies and procedures					

help minimize the risk of errors and inconsistencies in procurement.					
Effective contract management reduces the risk of delays, cost overruns, and non-compliance.					
Proper documentation of procurement processes helps to resolve issues quickly and reduces the risk of disputes.					
Regular procurement audits help to identify potential risks and improve procurement processes.					
Ethical procurement practices improve stakeholder trust and reduce the risk of reputational damage.					
The inclusion of social and environmental considerations in procurement decisions reduces long-term risks related to sustainability.					
Risk management strategies embedded in procurement practices					

help avoid financial losses and delays.					
Continuous training and development of procurement staff enhance their ability to manage procurement risks effectively.					

APPENDIX B: INTERVIEW GUIDE FOR RESPONDENTS

- i. What procurement practices are employed by the Kanungu District Local Government?
- ii. What are the indicators of risk management within the procurement process in Kanungu District?
- iii. How do effective procurement practices contribute to risk management in Kanungu District Local Government?
- iv. To what extent does Kanungu District Local Government utilize e-procurement systems, and how do they impact procurement efficiency and transparency?
- v. How does Kanungu District Local Government ensure that procurement officers are well-trained and equipped to handle procurement risks effectively?
- vi. What challenges does Kanungu District Local Government face in implementing procurement practices, and how do these challenges impact risk management?
- vii. How does Kanungu District Local Government integrate social, environmental, and sustainability factors into its procurement decisions?
- viii. How does the level of competition in the tendering process in Kanungu District Local Government help mitigate procurement risks?

End

CAO:..... 0772 627040
PAS:..... 0772423804
PHRO:..... 0784 922525



OFFICE OF CHIEF ADMINISTRATIVE OFFICER,
KANUNGU DISTRICT LOCAL GOVERNMENT,
P.O. BOX 01,
KANUNGU

Our Ref: **CR/164/1**
Your Ref:

27th June 2025

Mr. Ninsima Lauben
Uganda Christian University,
Bishop Barham University College,
P.O Box 613,
Kabale - Uganda

Dear Lauben,

FIELD ATTACHMENT

Reference is made to the Business & Administration Coordinator's letter dated 16th June 2025 requesting us to allow you do your Research study/ data collection on Procurement and Logistics Management in this District.

I am glad to inform you that this request has been granted. You should however note that we do not pay **salaries/wages** to interns, but you will access any information related to your Research.

By copy of this letter therefore, the Senior Procurement Officer/Kanungu is hereby informed.

I wish you the best during your stay with us.


CHIEF ADMINISTRATIVE OFFICER
KANUNGU DISTRICT

Awuye Abdallah
CHIEF ADMINISTRATIVE OFFICER

Copy : Principal HRO/Kanungu
: Senior Procurement Officer/Kanungu
: Coordinator, Business & Administration/Uganda Christian University
: File

Received in Pk
by SPO on 27th/06/2025
