



**CONTRACT AUDIT REPORT INTO THE CONSTRUCTION OF APERKIRA SEED  
SECONDARY SCHOOL IN KABERAMAIDO DISTRICT UNDER UGIFT PROGRAM**

**CONTRACTOR: FORTUNE ENGINEERING SERVICES LTD**

**PROCUREMENT REF: MoES/UgIFT/WRKS/2023-2024/00001**

**MAY 2025**

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## **ACRONYMS**

ESHS	-	Environmental, Social, Health and Safety
PPDA Act	-	Public Procurement and Disposal of Public Assets Act Cap 205
PPDA	-	Public Procurement and Disposal of Public Assets Authority
UGX	-	Uganda Shillings
UGIFT	-	Uganda Intergovernmental Fiscal Transfer Program
VAT	-	Value Added Tax

## EXECUTIVE SUMMARY

The Government of Uganda appropriated funds worth UGX. 2,565,276,750 to undertake the construction of Aperkira Seed Secondary School in Kaberamaido District. Funds were obtained from the World Bank through the Uganda Intergovernmental Fiscal Transfer Program (UGIFT), the implementing ministry was the Ministry of Education and Sports.

On 28<sup>th</sup> November 2023, Kaberamaido District Local Government entered into a contract with Fortune Engineering Services Ltd for the construction of Aperkira Seed Secondary School at a cost of UGX. 2,565,276,750 with the intended completion date on 18<sup>th</sup> October 2024 and a defects liability period of 12 months.

In line with Section 8 (1) (j) (ii) of the PPDA Act, Cap 205, the Public Procurement and Disposal of Public Assets Authority (hereinafter “PPDA or the Authority”) conducted a contract audit into the contract with an overall objective of assessing the status of contract implementation. The specific objectives of the contract audit were to assess the;

- (i). Progress of works;
- (ii). Effectiveness of time, quality & cost control of works undertaken; and
- (iii). Adherence to Environmental, Social, Health and Safety (ESHS) safeguard requirements.

### Key Findings of the Authority

The Authority found the following:

1. **Delayed extension of the bid validity period.** The Authority noted that the bid validity period for the contractor was extended after expiry. Whereas, the extension was granted on 16<sup>th</sup> October 2023, this was done after expiry on 15<sup>th</sup> September 2023 contrary to Regulation 49 (5) of the Local Governments (PPDA) Regulations 2006. This nullifies the contract between the Entity and the contractor and could result into litigation issues;
2. **Contradictory and unclear clauses in the contract.** The second page of the contract stated that the performance period shall be six months. This was contrary to GCC 22 of the special conditions, which stated that the intended completion date for the whole of the works would be 18 calendar months. The contract terms and conditions were not clearly stipulated making contract management difficult which could result in to failure to attain value for money;
3. **Negotiation on price.** Negotiations were held to reduce the bid price of UGX 2,730,553,500 to align with the reserve price of UGX 2,400,000,000. Although the parties agreed to share the shortfall of UGX 330,553,500 equally, there was no contribution from the contractor, resulting in a final contract value of UGX 2,565,276,750. However, there was no corresponding change in the scope of works to cover this shortfall. The contractor was thus expected to absorb the difference of UGX 165,276,750 without any change in scope. This was contrary to the prevailing Regulation 83 (4) (c) of the Local Governments PPDA Regulations 2006 that prohibited negotiations primarily on price;
4. **Execution of works against an expired contract.** On 27<sup>th</sup> May 2024, the contractor requested an extension of the contract execution period from 5<sup>th</sup> June 2024 to 6<sup>th</sup> December 2024, but there was no evidence that this extension was granted yet works continued on site contrary to Regulation 52 (3) (e) of the PPDA (Contracts) Regulations 2023. Performing

- works on an expired contract may result into failure by either party to seek legal redress in case of breach of obligations since there could be no legally binding agreement;
5. There was no evidence that the Clerk of Works produced daily and weekly activity reports to confirm that he was conducting day to day technical supervision as per his appointment letter. This exposes the works to the risk of use of wrong work methods, materials, measurements and material deviations from contract requirements without backstopping;
  6. **Failure to comply with key Environmental, Social, Health, and Safety Standards.** Contrary to the Social, Safety and Health Safeguards Implementation Guidelines issued to Local Governments by the Ministry of Gender, Labor and Social Development in October 2020. The Authority noted the following issues:
    - a. The site was not registered with the Ministry of Gender, Labor and Social Development;
    - b. There was no evidence of Grievance Redress Committees (GRCs) at the project level;
    - c. Failure by the contractor to conduct regular HIV/AIDS sensitization (quoted for at UGX 500,000);
    - d. Site hoarding was not done (quoted for at UGX 3,000,000);
    - e. Safety protocols were neglected, as personnel lacked protective equipment during physical verification, and two open pits originally intended for latrines were left exposed; and
    - f. There was no proof of insurance coverage (quoted at UGX 2,342,750) or employment contracts for casual workers (quoted at UGX 1,000,000).

#### **Audit Conclusion**

In conclusion, the Authority found that both the contractor and the Entity had not fully met their respective contractual responsibilities; the contractor failed to complete the work within the agreed timeframe and comply with Environmental, Social, and Health Standards (ESHS) requirements, while the Entity also failed to ensure that the Clerk of Works does daily technical supervision of the works and maintain proper documentation such as payment and progress reports. As a result, the project experienced delays, with physical progress at only 72% while time progress had reached 141% as of 24<sup>th</sup> April 2025.

#### **Recommendations**

In light of the above findings arising from the contract audit exercise and in accordance with Section 10 of the PPDA Act, Cap 205 the Authority recommends the following measures: -

1. The Accounting Officer should: -
  - i. Task the Head Procurement and Disposal Unit to monitor bid validity periods and where an extension becomes necessary, he should request the bidders in writing to extend the validity of their bids before expiry in line with Regulation 62 (5) of the of the PPDA (Rules and Methods for the Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023;
  - ii. Task the contract manager to show cause why disciplinary action should not be taken against him for failure to ensure timely renewal of the contract in accordance with Regulation 52 (3) (e) of the PPDA Contracts Regulations 2023;
  - iii. Task the contract management team to put keen emphasis on ESHS requirements and ensure that the contractor complies with the provisions in the contract; and

- iv. Withhold payment worth UGX 500,000, UGX 3,000,000 and UGX 2,342,750 meant for sensitization on HIV/AIDS, hoarding of the site and insurance cover respectively since there was no evidence that it was done by the contractor.
2. The District Engineer should task the Clerk of Works to conduct daily supervision of the implementation of works, keep a daily log of the site activities and provide weekly reports to the District Engineer in accordance with the terms of reference in his appointment letter;
3. The Chairperson Contracts Committee and Head Procurement and Disposal Unit should ensure that negotiations requiring price reductions involve corresponding changes in the scope of works in line with Regulation 3 (3) (b) of the PPDA (Negotiation) Regulations 2023; and
4. The Contractor's Health, Safety and Environmental Coordinator together with the Community Development Officer should regularly assess the site ESHS risks by having regular site visits and promptly report any incidents of accidents or grievance harm incurred by the contractor's personnel on site and recommend remedial actions to be undertaken by the contract in accordance with Section 66 of the PPDA Act, Cap 205.

## CHAPTER 1: INTRODUCTION

### 1.1 Contract summary

The key information about the contract is summarized in Table 1 below: -

**Table 1: Contract summary for construction of Aperkira Seed Secondary School**

<b>Contract Title</b>	Construction of Aperkira Seed Secondary School
<b>Reference Number</b>	MoEs/UgIFT/WRKS/2023-2024/00001
<b>Contract Sum</b>	2,565,276,750
<b>Contract Scope</b>	5. Preliminaries-UGX. 51,492,750 6. Site levelling-UGX. 7,600,000 7. Three 2-classroom blocks-UGX. 590,773,500 8. One 2-Unit Science Laboratory Block-UGX. 320,983,000 9. One Administration Block-UGX. 210,422,000 10. Two 2-Unit Teachers House-UGX.322,024,000 11. Two 2-Unit Teachers Kitchen-UGX. 84,778,000 12. One 2-Stance Lined VIP Latrine at Administration Block-UGX. 25,763,500. 13. Three Two-Stance Lined VIP Latrine Block for Teachers House-UGX. 30,067,000. 14. One Five Stance Lined VIP Latrine Block for Boys-UGX.44,210,500 15. One Five Stance Lined VIP Latrine Block for Girls-UGX. 44,175,000 16. External works -UGX. 45,867,500 17. One rain water harvest system with 5000 litres-UGX. 4,963,000 18. One ICT library Block-UGX. 424,857,000 19. One Multipurpose Hall-UGX. 332,300,000 20. One Sports field-UGX. 25,000,000
<b>Contract Signing date</b>	28 <sup>th</sup> November 2023
<b>Site hand over date</b>	4 <sup>th</sup> December 2023
<b>Original contract completion date</b>	4 <sup>th</sup> December 2024
<b>Defects Liability period</b>	12 months
<b>Contract Extensions</b>	No documentation provided
<b>Name of Contractor</b>	Fortune Engineering Services Ltd
<b>Method of procurement</b>	Open National Bidding
<b>Type of Contract</b>	Lumpsum
<b>Amount Paid</b>	Record of payments missing on file.

### 1.2 Laws applicable

The applicable laws and legal framework were:

1. The Public Procurement and Disposal of Public Assets Act Cap 205;
2. The Local Governments (PPDA) Regulations, 2006;
3. The Local Governments (PPDA) Guidelines, 2008;

4. The PPDA Regulations 2023
5. The bidding document issued to bidders;
6. The signed contract between Kaberamaido DLG and Fortune Engineering Services Ltd; and
7. The circular on contract management and safeguard requirements under the Uganda Intergovernmental Fiscal Transfer (UGIFT) program dated 16<sup>th</sup> March 2021.

### **1.3 Objectives**

The overall objective of the contract audit was to assess the effectiveness of the contracting process and the status of contract implementation in regard to the obligations of Kaberamaido District Local Government (the Entity) and Fortune Engineering Services Ltd (the Contractor).

The specific objectives of the contract audit were to assess the:

- i Progress of the works.
- ii Effectiveness of cost and quality control of works undertaken.
- iii Adherence to Environmental, Social, Health and Safety (ESHS) requirements.

### **1.4 Scope of the Audit**

The audit covered the contract implementation and management of the construction of Aperkira Seed Secondary School.

### **1.5 Audit Methodology**

The Authority adopted the following methodology:

- i. Review of documentation in the procurement action file;
- ii. Physical verification of the site;
- iii. Debriefing the Entity management on the preliminary findings;
- iv. Issuing a management letter to the Entity for official management response; and
- v. Reporting on findings of the audit and providing recommendations where applicable

### **1.6 Limitation of Scope**

1. The contract audit was undertaken by auditors who did not have professional competence in engineering and building construction. The audit team could not conclusively give an opinion on the technical quality of the works undertaken. The overall responsibility of the quality of works undertaken lies with the Entity management and the contractor.
2. The financial progress of the project could not be determined due to the fact that the Entity did not avail all the payment records to enable the Authority to analyse the cumulative amount of money paid out to the contractor visa vis the contract amount sum. Additionally, there were no progress reports provided.

## CHAPTER 2: FINDINGS AND RECOMMENDATIONS

### 2.1 ASSESSMENT OF THE PROGRESS OF WORKS

#### 2.1.1 Progress of works

By 24<sup>th</sup> April 2025, 141% of the scheduled time had passed, but the project was only 72% complete. The classroom blocks, two-unit science lab, multipurpose hall, staff houses, and kitchen were at the finishing stage, while the five-stance pit latrines had reached the superstructure level. Meanwhile, construction on the football pitch and water harvesting system had not yet begun.

##### i. Availability of documentation

Contrary to the Circular No. 3 of 2019 on the implementation of procurements under the Uganda Intergovernmental Fiscal Transfers Program for Results issued by the Authority, that tasks the responsible Local Governments with the contract management of UGIFT projects. The following documentation was not maintained on file:

- Performance Security
- Progress reports

The absence this documentation affected the audit trail and inhibited the Authority's ability to conduct a thorough and systematic audit.

##### ii. Time Progress

As of 24<sup>th</sup> April 2025, the time progress was recorded at 141%, as presented in Table 2 below

**Table 2: Time Progress as at 24<sup>th</sup> April 2025**

<b>Start Date</b>	4 <sup>th</sup> December 2023
<b>End Date</b>	4 <sup>th</sup> December 2024
<b>Measurement Date</b>	24 <sup>th</sup> April 2025
<b>Contract Period (Months)</b>	12
<b>Time Lapse (Months)</b>	17
<b>Time Progress</b>	141%

##### iii. Financial Progress

As of 24<sup>th</sup> April 2025, the project's financial progress was evaluated at 72%, as outlined in Table 3 below:

**Table 3: Financial progress of the project as at 24<sup>th</sup> April 2025**

<b>Contract Sum</b>		<b>2,565,276,750</b>
<b>Payments made</b>	<b>Payment Certificates</b>	
Payment cert 1	714,585,750	
Payment cert 2	372,604,050	
Payment cert 3	305,131,050	
Payment cert 4	212,835,600	
Payment cert 5	250,583,400	
<b>Total payments made</b>		<b>1,855,739,850</b>
<b>Financial progress</b>		<b>72%</b>

**iv. Physical progress**

By 24<sup>th</sup> April 2025, 141% of the scheduled time had passed, but the project was only 72% complete as detailed in Table 4 below:



**Table 4: Physical Progress as at 24<sup>th</sup> April 2025**

<b>Contract Amount</b>	<b>2,565,276,750</b>
<b>Percentage of works done as at 24<sup>th</sup> April 2025</b>	<b>1,855,739,850</b>
<b>Physical progress (%)</b>	<b>72%</b>

**v. Physical verification pictures**

Physical verification of the project was carried out by the Authority on 9<sup>th</sup> December ,2024 and the actual progress of the works is shown in table 5 below. -

**Table 5: Status of works as at 24<sup>th</sup> April 2025**

<p><b>1.</b></p>	<p><b>Administration block</b></p>  <p>Structure at finishes stage</p>
<p><b>2.</b></p>	<p><b>Library and Computer Lab</b></p> 

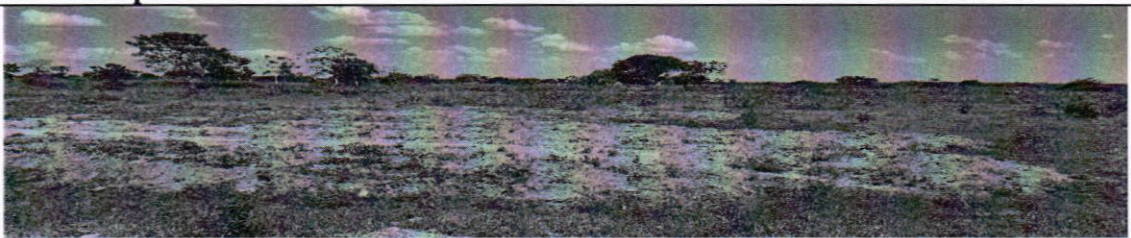
Structure at finishing stage

**3. Classroom blocks**



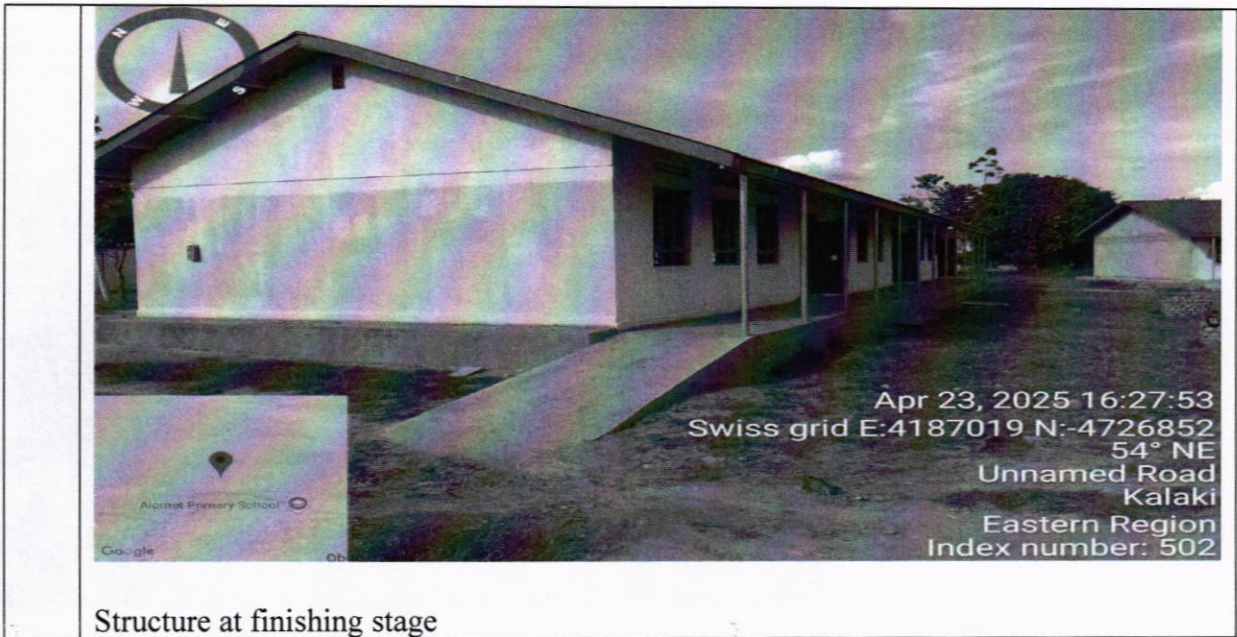
Structures at finishing stage

**4. Foot ball pitch**

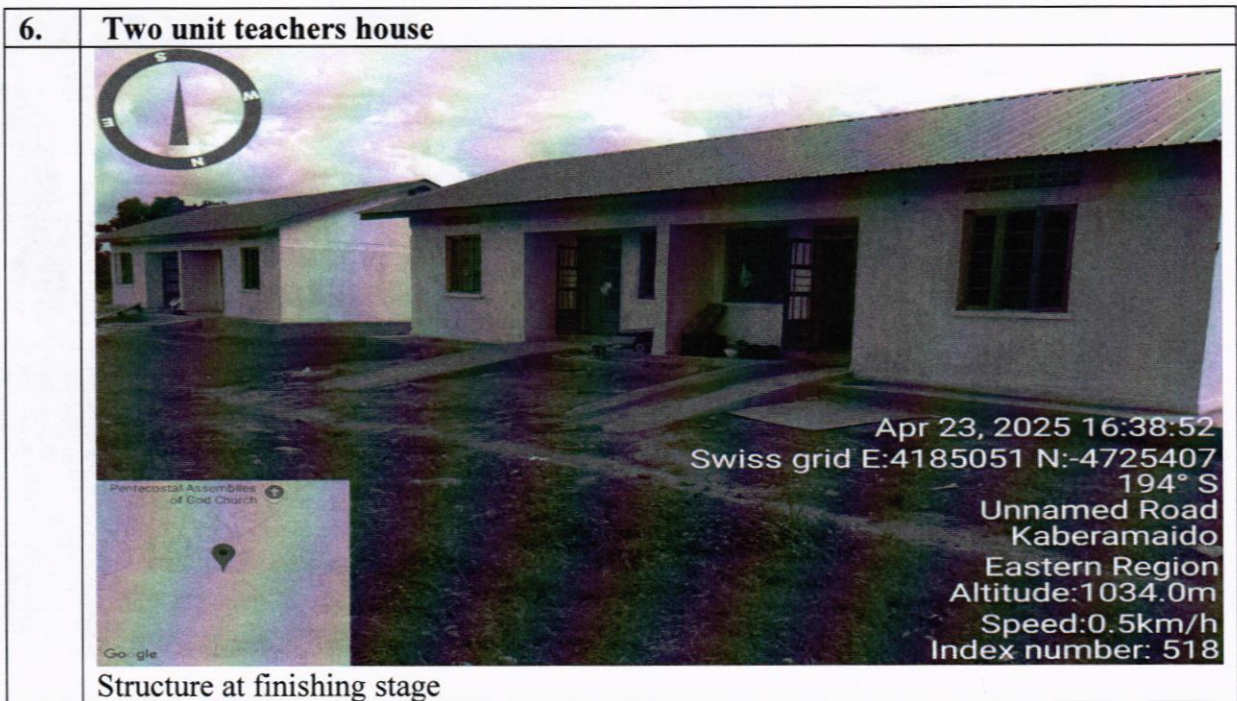


The foot ball pitch hadnot yet been worked on


**5. Multi purpose hall**




Structure at finishing stage



Structure at finishing stage

7.	<p><b>Teachers' pit latrine</b></p>  <p>Mar 7, 2025 17:46:01          Swiss grid E:4186789 N:-4726771          126° SE          Unnamed Road          Kalaki          Eastern Region          Index number: 335</p> <p>At super structure level</p>
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1.	<p><b>Staff kitchen</b></p>  <p>Mar 7, 2025 17:46:05          Swiss grid E:4186789 N:-4726771          42° NE          Unnamed Road          Kalaki          Eastern Region          Index number: 336</p> <p>Structure at finishing stage</p>
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## 2.2 EFFECTIVENESS OF THE QUALITY, TIME AND COST CONTROLS

### 2.2.1 Delayed extension of the bid validity period

Contrary to Regulation 49 (5) of the Local Governments (PPDA) Regulations 2006, the Authority noted that the bid validity period was extended after expiry. Whereas, the extension was granted on 16<sup>th</sup> October 2023, this was done after expiry on 15<sup>th</sup> September 2023.

#### Implication

This nullifies the contract between the Entity and the provider and could result into litigation issues.

#### Management Response

*This is true; however, the Contracts Committee members had some other assignments that is why they sat later to approve the extension. But the provider had requested the extension before the expiry.*

#### Authority's comment

The Authority found the Entity's response unsatisfactory since the letter from the contractor requesting the extension was dated 16<sup>th</sup> October 2023 and no other documentation was availed for verification.

#### Recommendation

The Accounting Officer should task the Head Procurement and Disposal Unit to monitor bid validity periods and where an extension becomes necessary, he should request the bidders in writing to extend the validity of their bids before expiry in line with Regulation 62 (5) of the of

the PPDA (Rules and Methods for the Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023.

### **2.2.2 Missing contract management records**

Contrary to Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations 2023, the contract management team did not maintain the following contract management records on file. These Included:

- Performance Security
- Payment certificates and vouchers
- Progress reports

### **Implications**

- The progress of the project could not be reliably assessed. Lack of contract management reports/progress reports casts doubt on whether the contract was executed in accordance with contractual requirements and terms and conditions.
- Failure to submit performance securities increases the risk of contract non-performance or default, potentially leading to financial losses and project delays since the contractor can hold the entity at ransom with nothing to lose.

### **Management Response**

*Performance Security; The performance security is on file.*

*Payment certificates and vouchers; Copies now on file*

*Progress reports; copies now on file.*

### **Authority's comment**

Performance Security; There was no documentary evidence provided.

Payment certificates and vouchers; There was no documentary evidence provided.

Progress reports; Only three progress reports including October 2024, February 2024 and July 2024 were provided yet the project has lasted for 27 months as at March 2025.

### **Recommendations**

- User Departments should ensure that all contract supervisors submit progress reports/contract management reports and all contract implementation documentation are maintained on file to facilitate contract monitoring in accordance with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations 2023).
- The contract management team should task the contractor to submit the performance security as required by GCC 61.1 in line with Regulation 52 (3) (a) (i) of the PPDA (Contracts) Regulations 2023.

### **2.2.3 Delayed appointment of a contract management team**

Contrary to the PPDA circular no 3 of 2019 on the implementation of procurements under the UGIFT program for results. The Authority noted that the Accounting Officer delayed to appoint a contract management team consisting of:

- i. District Engineer
- ii. District Health Officer,
- iii. District Environmental Officer

- iv. District Community Officer
- v. Sub County Chief
- vi. Clerk of Works
- vii. Representative from the line ministry

Whereas the contract commenced on 4<sup>th</sup> December 2023, the appointment letters were issued on 4<sup>th</sup> January 2024, a delay of one month.

**Implication**

This led to poor contract management and might have contributed to the delays and quality defects on site.

**Management Response**

*The contract management team was constituted only that their appointment letters were kept in various files.*

**Authority's comment**

The Authority was provided with copies of the appointment letters and observed that they had been issued late. Whereas, the contract commenced on 4<sup>th</sup> December 2023, the appointment letters were issued on 4<sup>th</sup> January 2024, a delay of one month.

**Recommendation**

The Accounting Officer should in future ensure that contract management teams are formally appointed before commencement of works to conduct the day today management of the project in line with the PPDA circular no 3 of 2019 on the implementation of procurements under the UGIFT program for results.

**2.2.4 Contradictory and unclear clauses in the contract**

The second page of the contract stated that the performance period shall be six months. This was contrary to GCC 22 of the special conditions, which stated that the intended completion date for the whole of the works would be 18 calendar months.

**Implication**

The contract terms and conditions were not clearly stipulated making contract management difficult which could result in to failure to attain value for money.

**Management Response**

*Management noted the observation*

**Recommendation**

The Accounting Officer should task the Head Procurement and Disposal Unit to ensure that contract documents include clear and adequate contract terms in line with Regulation 9 (1) (e) of the PPDA (Contracts) Regulations 2023.

### **2.2.5 Negotiation on price**

Negotiations were held to reduce the bid price of UGX 2,730,553,500 to align with the reserve price of UGX 2,400,000,000. Although the parties agreed to share the shortfall of UGX 330,553,500 equally, there was no contribution from the contractor, resulting in a final contract value of UGX 2,565,276,750. However, there was no corresponding change in the scope of works to cover this shortfall. The contractor was thus expected to absorb the difference of UGX 165,276,750 without any change in scope. This was contrary to the prevailing Regulation 83 (4) (c) of the Local Governments PPDA Regulations 2006 that prohibited negotiations primarily on price.

#### **Implication**

Negotiations on price constrain the contractor's finances and profitability which could lead to delays and poor-quality works.

#### **Management Response**

*It is true that negotiations were held with the provider, with unclear parameters because the Entity got a communication after the award from the Ministry of Education and Sports giving us the available funds that were lower than the awarded contract amount. However, during the negotiation the provider agreed that they would reduce or cover the difference. To date we have not recorded any complaint from the provider.*

#### **Authority's comment**

The Authority reviewed the Entity's response and found it unsatisfactory, noting that the amount of UGX 165,276,750 was substantial and could not reasonably be expected to be absorbed by the contractor. Moreover, the negotiation minutes explicitly stated that there would be no alteration to the scope of work.

#### **Recommendations**

The Chairperson Contracts Committee and Head Procurement and Disposal Unit should ensure that negotiations requiring price reductions involve corresponding changes in the scope of works in line with Regulation 3 (3) (b) of the PPDA (Negotiation) Regulations 2023.

### **2.2.6 Execution of works against an expired contract**

On 27<sup>th</sup> May 2024, the contractor requested an extension of the contract execution period from 5<sup>th</sup> June 2024 to 6<sup>th</sup> December 2024, but there was no evidence that this extension was granted yet works continued on site contrary to Regulation 52 (3) (e) of the PPDA (Contracts) Regulations 2023.

#### **Implication**

Performing works on an expired contract may result into failure by either party to seek legal redress in case of breach of obligations since there could be no legally binding agreement.

#### **Management Response**

*All extensions were done in time.*

**Authority's comment**

The Authority noted the Entity's response, however, there was no documentary evidence attached.

**Recommendation**

The Accounting Officer should task the contract manager to show cause why disciplinary action should not be taken against him for failure to ensure timely renewal of the contract in accordance with Regulation 52 (3) (e) of the PPDA Contracts Regulations 2023.

**2.2.7 No evidence of daily and weekly activity reports from the Clerk of Works**

There was no evidence that the Clerk of Works produced daily and weekly activity reports to indicate that he was conducting day to day technical supervision as per his appointment letter.

**Implication**

Failure to undertake adequate technical supervision exposes the works to the risk of use of wrong work methods, materials, measurements and material deviations from contract requirements without backstopping.

**Management Response**

*Reports are indeed written by the Clerk of Works and some copies are hereby attached.*

**Authority's comment**

The Authority noted the Entity's response; however, only three-monthly reports were provided, there were no daily and weekly activity reports provided.

**Recommendation**

The District Engineer should task Clerk of Works to conduct daily supervision of the implementation of works, keep a daily log of the site activities and provide weekly reports to the District Engineer in accordance with the terms of reference in his appointment letter.

**2.3 ADHERENCE TO THE ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY SAFEGUARD REQUIREMENTS****2.3.1 Failure to adhere to ESHS requirements in the contract**

Contrary to the Social, Safety and Health Safeguards Implementation Guidelines issued by the Ministry of Gender, Labor and Social Development in October 2020. The following issues were noted:

- Failure to ensure that the site is registered by the Ministry of Gender, Labor and Social Development;
- No evidence of grievance redress committees at the project level which led to challenges on site. For instance, in a letter dated 14<sup>th</sup> June 2024, the Clerk of Works (Omara Keneth) indicated that the workers were planning to strike due to unpaid wages, this was exacerbated by the absence of a GRC at the project level;
- No report on regular sensitization on HIV/AIDS by the contractor's personnel yet UGX 500,000 was quoted by the contractor for this item;
- There was no site hoarding yet UGX 3,000,000 was quoted by the contractor for this item;

- The contractor personnel did not have Personnel Protective Equipment during physical verification;
- No evidence that an insurance cover was obtained, yet UGX. 2,342,750, was quoted for this item;
- There was no evidence of employment contracts for the casual workers on site yet UGX 1,000,000 was quoted by the contractor for this item; and
- There were two pits initially intended for the pit latrines that had been left open thus causing a safety hazard;

### **Implications**

- This puts the health and safety of the workers and the communities at risk.
- Inadequate safety practices can lead to rework, shutdowns, and the allocation of resources to address accidents or incidents that could have been prevented with proper safety measures.

### **Management Response**

*The matter of protective wear was addressed and workers are now in full PPE.*

*The workers have appointment letters.*

*The Grievance redress committee was duly appointed at all levels.*

*The hoarding of the site was partial because this was agreed upon during negotiations.*

### **Authority's comment**

- There was no documentary evidence of the appointment letters of the workers provided.
- There was no documentary evidence that grievance redress committees were instituted at the project level.
- The negotiation minutes dated 15<sup>th</sup> November 2023 indicated that there would be no change in the scope of works.
- For the rest of the issues the Entity did not provide a response.

### **Recommendations**

- The Accounting Officer should task the contract management team to put keen emphasis on ESHS requirements and ensure that the contractor complies with the provisions in the contract.
- The Accounting Officer should withhold UGX 500,000, UGX 3,000,000 and UGX 2,342,750 meant for sensitization on HIV/AIDS, hoarding of the site and insurance cover respectively since there was no evidence that it was done by the contractor.
- The Contractor's Health, Safety and Environmental Coordinator together with the Community Development Officer should regularly assess the site ESHS risks by having regular site visits and promptly report any incidents of accidents or grievance harm incurred by the contractor's personnel on site and recommend remedial actions to be undertaken by the contract in accordance with Section 66 of the PPDA Act, Cap 205.

## **CHAPTER 3: CONTRACT CLOSURE AND AUDIT CONCLUSION**

### **3.1 Contract Closure and Handover**

As at 12<sup>th</sup> December 2024, the physical progress was at 57% against a time progress of 117%, implying that the contractor has failed to deliver the project within the stipulated time.

### **3.2 Audit conclusion**

In conclusion, the Authority found that both the contractor and the Entity had not fully met their respective contractual responsibilities; the contractor failed to complete the work within the agreed timeframe and comply with Environmental, Social, and Health Standards (ESHS) requirements, while the Entity also failed to ensure that the Clerk of Works does daily technical supervision of the works, maintain proper documentation such as payment and progress reports.