



**CONTRACT AUDIT REPORT INTO THE CONSTRUCTION OF LATANYA SEED
SECONDARY SCHOOL**

CONTRACTOR: ABAYO FOUNDATION STORES LIMITED

JUNE 2025

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ACRONYMS

ESHS:	Environmental, Safety, Health and Social Safeguard
UgIFT:	Uganda Intergovernmental Fiscal Transfer
PPDA:	Public Procurement and Disposal of Public Assets
VAT:	Value Added Tax
UGX:	Uganda Shillings

EXECUTIVE SUMMARY

On 14th December 2022, Pader District Local Government entered into a contract with Abayo Foundation Stores Limited for the construction of Latanya Seed Secondary School at a cost of UGX 3,059,613,268 with an intended completion period of 18 months.

In line with Section 8 (1) (j) (ii) of the PPDA Act, Cap. 205 the Public Procurement and Disposal of Public Assets Authority conducted a contract audit into the construction of Latanya Seed Secondary School in Pader District with an overall objective of assessing the status of contract implementation with emphasis on verification that all parties to the contract complied with the requirements and standards set forth in the contract and the provisions of the PPDA Law and UGIFT Guidelines.

The following key exceptions were noted:

1. Delayed completion of works and implementation of an expired contract. The Authority found that the contract had expired on 20th June 2024 yet works were incomplete as at 13th February 2025 when the Authority conducted the audit exercise and the contractor Abayo Foundation Stores Limited was still on site. The physical progress of the project was at 87% against the time progress of 144%;
2. Failure to prepare monthly progress reports; Out of 24 monthly reports, only eight monthly reports were prepared by the Project Manager. This casts doubt on whether the Entity was supervising and monitoring the project effectively and efficiently;
3. Failure by the contractor to submit a program for works as well as subsequent updates to the program of works; The Authority noted that contrary to GCC 36.1 of the Special Conditions of Contracts which provided that “the contractor shall submit the program for the works within seven days of contract signature”, the contractor, Abayo Foundation Stores Limited had commenced execution of works without submission of a works program. There was also no evidence to prove that the contractor submitted an updated program of works every 28 days which was contrary to GCC 36.3 of the Special Conditions of Contracts which provided that “the period between program updates is 28 days”. This showed that there was no performance measurement baseline for the project progress;
4. Failure by the contractor, Abayo Foundation Stores Limited, to submit Performance Securities; The contractor, Abayo Foundation Stores Limited, did not submit 8% performance security and 2% ES Performance Security of the contract price contrary to SCC (GCC 61.1). The Entity had no recourse for non-performance of the contract by the contractor;
5. Failure to conduct construction materials tests contrary to Bill No.1 D (Preliminaries) of Bills of Quantities (BoQs). The contractor, Abayo Foundation Stores Limited, only conducted two tests of concrete cubes and steel bars leaving other materials such as sand, hardcore among others untested. The concrete cube test had been last conducted on 1st July 2023 at Gulu Regional Materials Laboratory. There were no other tests of construction materials undertaken by the contractor yet works were found ongoing as at 13th February 2025. The integrity and safety of the construction works executed is uncertain, hence a potential risk to the users in case of structural failures;
6. Failure by the Community Development Officer and Environment Officer to certify interim payment certificates No. 01, 04 and 06. The IPCs required certification by the Community Development Officer and Environment Officer. However, the section for

- their names and signatures was left blank. This is an indicator that the Entity paid the contractor without confirming that the ESHS safeguard measures have been implemented;
7. Unsatisfactory workmanship. The Authority found visible cracks on the floor screed of the administration, laboratory and classroom blocks largely due to inadequate supervision by the Project Manager and contract management team. This affected the durability of the structures and achievement of value for money from the project by the Government of Uganda; and
 8. Failure by the contractor to comply with the Environmental, Social, Health and Safety (ESHS) safeguards. Whereas the contract had expired, the contractor was found at the site and the Authority observed the following anomalies in regard to the ESHS requirements during site inspection on 13th February 2025. There was no first aid box, the site was not hoarded, uncovered soak pits, no safety signs such as warning tapes on uncovered pits and no personal protective equipment for contractor's staff.

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

1. The Accounting Officer should:
 - i. Task the Project Management Team to show cause why disciplinary action should not be taken against them for failure to effectively monitor the contract to completion;
 - ii. Task the District Engineer (Project Manager) to value the pending works and identify another firm to ensure successful completion of the project and be able to deliver service to the intended beneficiaries;
 - iii. Task the Project Manager to justify why the Entity did not hold the contractor accountable to the requirement of submitting a program of works in accordance with GCC 36.1 of the Special Conditions of Contract;
 - iv. Always confirm that, where a contract requires a Performance Security and an ES Performance Security, it is submitted in accordance with Regulation 12 (1) (a) of the PPDA (Contracts) Regulations, 2023;
 - v. Task the Project Manager to show cause why disciplinary action should not be taken against him for allowing the contractor Abayo Foundation Stores Limited to use untested materials for the works;
 - vi. Task the Project Manager to undertake structural integrity and safety tests on works already undertaken to ascertain whether each structure is fit to withstand the service conditions safely and reliably throughout its predicted lifespan;
 - vii. The Head of Finance should show cause why disciplinary action should not be taken against him for effecting the payment based on an incomplete/non-fully authorised interim payment certificates;
 - viii. Instruct the Project Manager to direct the contractor to prepare an Environment and Social Management Plan (ESMP) and implement it in accordance with GCC 29 of the contract.
2. The Project Manager should:
 - i. Always monitor contracts and in case need arises for contract extension, the Entity should expedite the process and obtain all the necessary approvals before expiry of the contract; and
 - ii. Always prepare and submit monthly reports on the progress of implementation of the contract to the accounting officer and the procurement and disposal unit in accordance with Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.

CHAPTER 1: INTRODUCTION

1.1 Background

The Government of Uganda received a loan from the World Bank to fund the Uganda Intergovernmental Fiscal Transfer (UgIFT) Program for the construction of Seed Secondary Schools in selected districts in Uganda. Pader District Local Government was one of the beneficiaries in the FY 2023/2024.

On 14th December 2022, Pader District Local Government entered into a contract with Abayo Foundation Stores Limited for the construction of Latanya Seed Secondary School at a cost of UGX 3,059,613,268 with an intended completion period of 18 months.

In line with Section 8 (1) (j) (ii) of the PPDA Act, Cap. 205 the Public Procurement and Disposal of Public Assets Authority conducted a contract audit into the construction of Latanya Seed Secondary School in Pader District with an overall objective of assessing the status of contract implementation with emphasis on verification that all parties to the contract complied with the requirements and standards set forth in the contract and the provisions of the PPDA Law and UGIFT Guidelines.

Table 1 below shows the contract summary for the construction of Latanya Seed Secondary School in Pader District.

Table 1: Contract Summary for the construction of Latanya Seed Secondary

Contract Title	Construction of Latanya Seed Secondary School, Pader District			
Contract Scope	DESCRIPTION	QTY	UNIT RATE (UGX)	AMOUNT (UGX)
	Preliminaries	1	33,100,000	33,100,000
	Site Leveling Works	1	20,699,000	20,699,000
	2-Classroom Block	3	167,584,600	502,753,800
	2-Unit Science Laboratory Block	1	289,122,200	289,122,200
	Administration Block	1	176,526,900	176,526,900
	2-Unit Teachers House	3	151,706,900	455,120,700
	2-Unit Teachers Kitchen	3	38,477,000	115,431,000
	2-Stance Lined Vip Latrine Block - Administration Block	1	17,062,900	17,062,900
	2-Stance Lined Vip Latrine Block For - Teachers' House	3	22,195,500	66,586,500
	5-Stance Lined Vip Latrine Block-Boys	1	33,750,600	33,750,600
	5-Stance Lined Vip Latrine Block-Girls	1	33,863,200	33,863,200
	External Works	1	30,578,500	30,578,500
	Rain Water Harvest System With 5000l Water Tank	1	6,384,000	6,384,000
	Ict-Library Block	1	358,909,200	358,909,200
	Multi-Purpose Hall	1	403,004,100	403,004,100
	Sports Field	1	50,000,000	50,000,000
	Sub-Total			2,592,892,600

	Add: VAT 18%		466,720,668
	Total Amount		3,059,613,268
Name of Contractor	Abayo Foundation Stores Limited		
Method of procurement	Open Bidding		
Type of Contract	Lump sum Contract		
Contract Price (UGX)	3,059,868,148		
Contract signing date	14 th December 2022		
Commencement date as per contract	23 rd December 2022		
Actual commencement date as per commencement letter	23 rd December 2022		
End date as per contract	23 rd June 2024 (18 calendar months from start date, 23 rd December 2022)		
Project Management Team	<ol style="list-style-type: none"> 1. Mr. Robert Adebuason- Chief Administrative Officer- Chairperson 2. Eng. Benedict Lubang- District Engineer- Project Manager 3. Ms. Margaret Alanyo- DEO- Contract Manager- Education Sector 4. Ms. Patricia Auma- Environment Officer- Environment 5. Mr. Festo Okidi - Community Development Officer- Social Safeguards 6. Mr Keneth Opwonya- District Internal Auditor- Quality and value for money assurance 7. Mr. Ghandi Odyek Odysus- Chief Finance Officer- Finance Management 8. Mr. Vincent Okoya- Clerk of Works 		
Progress as of 13 th February 2025	Physical progress – 87% Financial progress – 75% Time progress – 144%		

1.2 Objective of the audit

The primary objective of the contract audit exercise was to assess the status and effectiveness of implementation of the contract.

The specific objectives for undertaking the contract audit were to assess:

1. The progress of works with regard to effectiveness of time, quality and cost controls of works undertaken; and
2. Adherence to Environmental, Safety, Health and Social Safeguard (ESHS) requirements.

1.3 Scope of the audit exercise

The audit covered the contract implementation and management for the construction of Latanya Seed Secondary School in Pader District.

1.4 Audit methodology

The Authority adopted the following methodology:

- i. Review of documentation on the procurement action file.
- ii. Physical verification of the project site.
- iii. Debrief of the Entity management on the preliminary findings.
- iv. Issuance of a management letter to the Entity for its official management response
- v. Reporting on the audit findings and providing actionable recommendations where applicable.

1.5 Limitation of scope

The contract audit was undertaken by auditors who did not have professional competence in engineering and building construction hence could not give an opinion on the technical quality of the works undertaken. However, the overall responsibility of the quality of works lies with Pader District Local Government's management and the Contractor, Abayo Foundation Stores Limited.

1.6 Legal documents applicable

The applicable laws and legal framework were:

- i. The Public Procurement and Disposal of Public Assets Act, Cap. 205;
- ii. The Local Governments (PPDA) Regulations, 2006;
- iii. The PPDA (Contracts) Regulations, 2023;
- iv. The bidding document issued to bidders;
- v. The signed contract between Pader District Local Government and Abayo Foundation Stores Limited, and;
- vi. The Circular on contract management and safeguard requirements under the Uganda Intergovernmental Fiscal Transfer (UgIFT) program dated 16th March 2021.

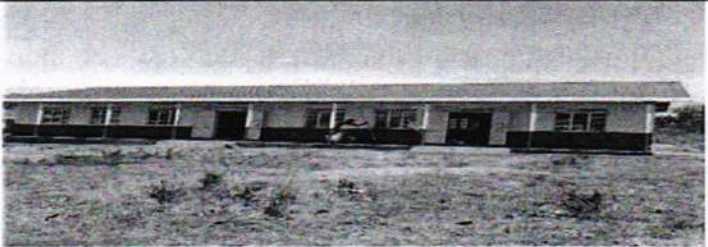
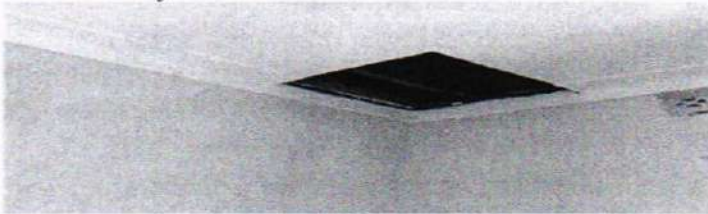


CHAPTER 2: FINDINGS AND RECOMMENDATIONS


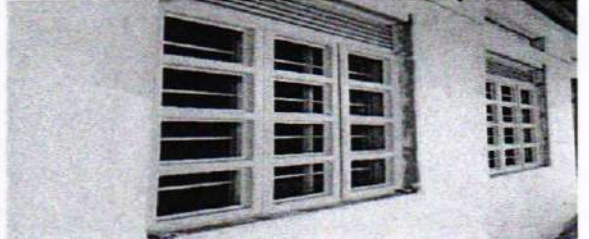

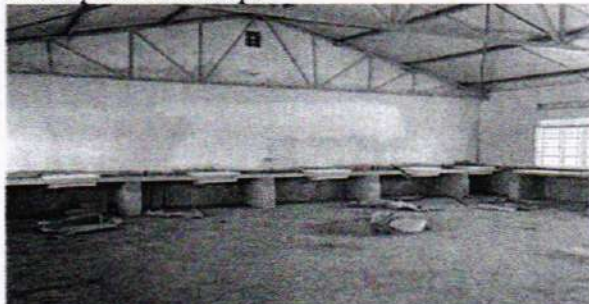

2.1 PROGRESS OF THE WORKS WITH REGARD TO THE EFFECTIVENESS OF TIME, QUALITY AND COST CONTROLS OF WORKS UNDERTAKEN

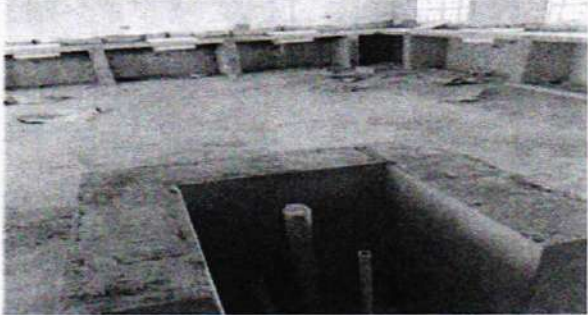



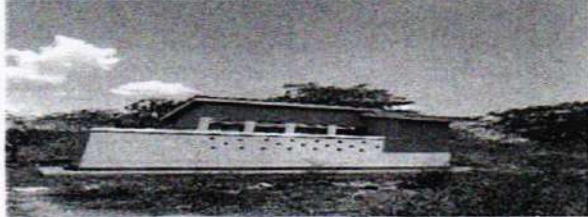
2.1.1 Delayed completion of works and implementation of an expired contract

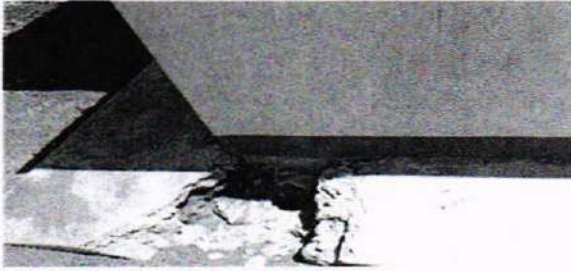
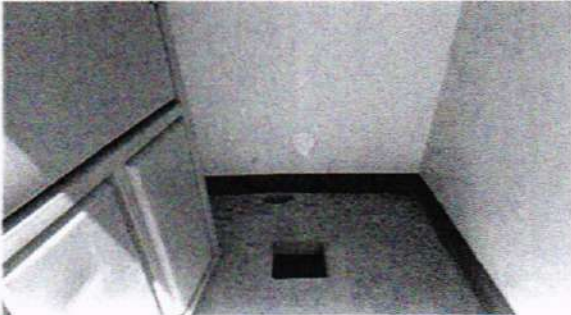

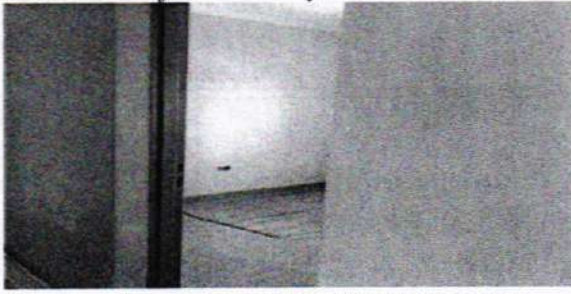
The Authority found that the contract had expired on 20th June 2024 yet works were incomplete as at 13th February 2025 when the Authority conducted the audit exercise and the contractor Abayo Foundation Stores Limited was still on site. The physical progress of the project was at 87% against the time progress of 144% as detailed in Table 2 below:


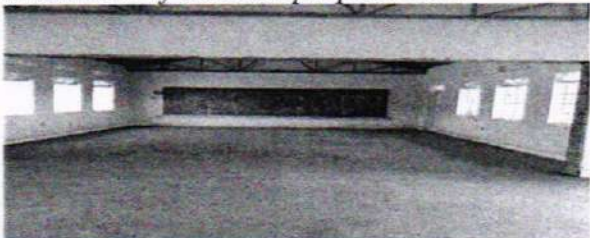

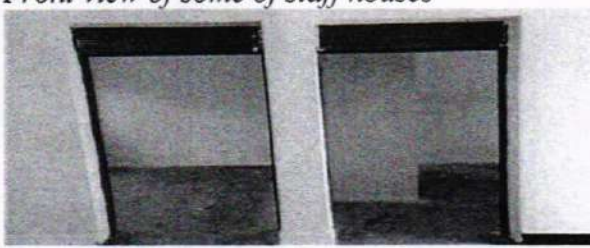

Table 2: Physical Progress as at 13th February 2025


Item Description	Status of the works	Pictorial evidence
Administration block	Pending works; <ul style="list-style-type: none"> • Ceiling cover • Electricity installations and connection • Paining • Office doors • No gutter outlets 	 <p><i>Front view of the Administration Block</i></p>  <p><i>Ceiling covers not yet fixed inside the Administration Block</i></p>  <p><i>Interior doors not yet fixed in the Administration Block</i></p>  <p><i>Ongoing interior painting of Administration Block</i></p>

Item Description	Status of the works	Pictorial evidence
<p>2-Unit Science Laboratory Block</p>	<p>Pending works;</p> <ul style="list-style-type: none"> • Laboratory sinks not connected with elbow tap and traps • Wash hand basins- installed but with no taps and outlet connectors • Painting • Floor finishes • Doors • Window glasses • Incomplete electric installations • Incomplete plumbing works. • Incomplete worktops 	 <p><i>Side view of 2-unit Science Laboratory Block</i></p>  <p><i>Unfinished windows and doors with no glasses</i></p>  <p><i>Incomplete worktops</i></p>  <p><i>Incomplete floor finishes and painting</i></p>  <p><i>Incomplete hand wash basins</i></p>

Item Description	Status of the works	Pictorial evidence
		 <p data-bbox="660 591 928 622"><i>Incomplete plumbing</i></p>  <p data-bbox="660 963 1005 994"><i>Interior doors not yet fixed</i></p>
Classroom Blocks	Pending works: <ul style="list-style-type: none"> • Rain water harvest • Pipe connected to gutters 	 <p data-bbox="660 1285 1104 1317"><i>Front view of the Classroom Block</i></p>  <p data-bbox="660 1617 1027 1648"><i>Down pipes not yet installed</i></p>
5-Stance Lined Vip Latrine Block	Pending works: <ul style="list-style-type: none"> • Sock pit pipe not installed • Not engraved 	 <p data-bbox="660 1877 1184 1908"><i>Front view of the toilet, not yet engraved</i></p>

Item Description	Status of the works	Pictorial evidence
		 <p data-bbox="651 600 981 638"><i>Sock pit pipe not installed</i></p>  <p data-bbox="651 992 959 1030"><i>A vent pipe not yet fixed</i></p>
Library	Pending works: <ul style="list-style-type: none"> • Inside doors not yet installed • Electricity sockets and bulbs 	 <p data-bbox="651 1328 1054 1366"><i>Front view of the Library Block</i></p>  <p data-bbox="651 1653 1173 1691"><i>Interior doors not yet fixed in the library</i></p>

Item Description	Status of the works	Pictorial evidence
Multipurpose hall	Pending works: <ul style="list-style-type: none"> • Electric sockets. • Middle separators • Downspout not fixed on the gutters 	 <p><i>Front view of the Multipurpose Hall</i></p>  <p><i>Middle separator was incomplete</i></p>
Staff houses	Pending works: <ul style="list-style-type: none"> • Window glasses not yet fixed • Interior doors not yet fixed • Ward ropes not yet fixed • Kitchen not complete 	 <p><i>Front view of some of staff houses</i></p>  <p><i>Interior doors not yet fixed</i></p>
Soak pit	Pending work: Incomplete Soak pit at the staff toilet	 <p><i>Incomplete Soak pit at the teacher's toilets</i></p>

Item Description	Status of the works	Pictorial evidence
Sports field	Pending work: <ul style="list-style-type: none"> • Landscaping • Grass planting 	 <p data-bbox="655 555 948 582"><i>Incomplete sports field</i></p>

Implication

- Delayed completion of the works delayed service delivery to the public/communities where the facility is being constructed.
- The contract is void and the terms and conditions are no longer enforceable.

Management response

Management has noted all the issues raised by the audit team in table 2 above.

The Contract Manager will be tasked to instruct the Contractor to fix all the pending works noted in the table above before a final certificate is prepared.

Management will also make sure the defects noted by the team in some of the structures are fixed and corrected before commissioning is done.

For expired contract, the Project Manager will be directed to ensure contract periods are strictly monitored in future to avoid the above from happening again.

Recommendation

1. The Accounting Officer should:
 - i) Task the District Engineer (Project Manager) to value the pending works and retender the works to ensure successful completion of the project and be able to deliver service to the intended beneficiaries;
 - ii) Task the Project Manager to show cause as to why disciplinary action should not be taken against him for failure to have the contract extended before it expired and for allowing the contractor to continue execution of works without a valid contract.
2. The Contract Manager should always monitor contracts and in case need arises for contract extension, the Entity should expedite the process and obtain all the necessary approvals before expiry of the contract.

2.1.2 Signing of the contract after expiry of bid validity.

The Authority found that whereas the best evaluated bidder's bid (Abayo Foundation Stores Limited) expired on 30th November 2022, the Entity signed the contract on 14th December 2022.

Implication

Signing the contract after bids have expired, makes the contract null and void.

Management Response

This was an oversight from the lead District who had the responsibility of managing the procurement processes up to contract signing. In this particular project the procurement

process was managed by Kitgum DLG as the Lot Leader, the Entity was only furnished with the contract for signing. However, in future projects this will be followed up and will be corrected.

Recommendation

The Accounting Officer should always confirm that bids are valid or the bidder is willing to extend the bid validity on terms similar to the terms stated in their bid before signing the contract in accordance with Regulation 6 (1) (c) of the the PPDA (Contracts) Regulations, 2023.

2.1.3 Failure to prepare contract implementation plan

The Authority found that the project manager did not prepare a contract implementation plan to guide in the effective implementation of the construction works. Whereas the contract was signed on 14th December 2022 and implementation commenced on 23rd December 2022, the contract implementation plan had not been prepared by the time of the audit on 13th February 2025.

Implication

Lack of a contract implementation plan hinders the Entity from effectively monitoring the contract, tracking of key milestones and supervising the contractor to meet the contractual obligations.

Management Response

Management has noted the query and will task all Project Managers to ensure they prepare these plans before implementation. The Entity will make sure this is improved in future.

Recommendation

The project manager should prepare a contract implementation plan using Form 49 and forward a copy of the contract management plan to the procurement and disposal unit for purposes of monitoring in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.

2.1.4 Failure to prepare monthly progress reports

The Authority found that out of 24 monthly reports, only eight monthly reports were prepared by the Project Manager.

Implication

- Lack of progress reports casts doubt on whether the Entity was supervising and monitoring the projects effectively and efficiently.
- Failure to prepare progress reports denies the project stakeholders the opportunity of knowing the actual progress of the works, the challenges faced and the ways of addressing the various challenges faced.

Management Response

Management has noted this and will ensure Project Manager prepare and submit monthly progress reports on the progress of the project to Procurement and Disposal Unit.

Recommendations

The project manager should always submit monthly reports on the progress of implementation of the contract to the Accounting Officer and the Procurement and Disposal Unit in accordance with Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.

2.1.5 Failure by the contractor to submit a program for works as well as subsequent updates to the program of works

The Authority found that contrary to GCC 36.1 of the Special Conditions of Contracts which provided that “*the contractor shall submit the program for the works within seven days of contract signature*”, the contractor, Abayo Foundation Stores Limited had commenced execution of works without submission of a works program. There was also no evidence to prove that the contractor submitted an updated program of works every 28 days which was contrary to GCC 36.3 of the Special Conditions of Contracts which provided that “*the period between program updates is 28 days*”.

Implication

- The project manager could not measure/monitor the actual progress achieved on each activity and this could have contributed to the delays in project implementation.
- Failure by the contractor to submit the program of works shows there was no performance measurement baseline of the project progress.

Management Response

Management has noted the query and will task the Project Managers to ensure Contractors Submit work programs and fulfil all the contract terms and conditions.

Recommendation

The Accounting Officer should task the project manager to justify why the Entity did not hold the contractor accountable to the requirement of submitting a program of works in accordance with GCC 36.1 of the Special Conditions of Contract.

2.1.6 Failure by the Entity to apply penalties to the contractor for late submission of updated programs for works

The Authority found that contrary to GCC 36.3 of the Special Conditions of Contracts which provided that “*the amount to be withheld for late submission of an updated program is UGX 200,000*”, there was no evidence that the Entity withheld UGX 200,000 from the contractor for failure to submit an updated works schedule.

Implication

- Failure by the contractor to submit program updates shows there was no reporting tool to keep the stakeholders up to date on the progress of the construction works.
- There was laxity on the part of the Entity in its supervisory role of ensuring that the contractor submitted the program updates as was required under GCC 36.3 of the contract.

Management Response

This has been noted and will be fully applied in the future contracts or projects.

Recommendation

The project manager should invoke GCC 36.3 and recover amounts owed due to late submission of program of works by the contractor.

2.1.7 Failure by the contractor, Abayo Foundation Stores Limited, to submit Performance Securities.

The Authority found that the contractor, Abayo Foundation Stores Limited, did not submit 8% Performance Security and 2% ES Performance Security of the contract price contrary to SCC (GCC 61.1).

Implication.

- Failure by the contractor to submit Performance Security and ES Performance Security was a breach of SCC (GCC 61.1) of the contract.
- The Entity has no recourse for non-performance of the contract by the contractor.

Management response

Management has noted the query and will ensure its improved in the future projects.

Recommendation.

Where a contract requires a Performance Security and an ES Performance Security, the Accounting Officer should always confirm that it is submitted in accordance with Regulation 12 (1) (a) of the PPDA (Contracts) Regulations, 2023.

2.1.8 Failure to conduct construction materials tests contrary to Bill No.1 D (Preliminaries) of Bills of Quantities

The Authority found that the contractor, Abayo Foundation Stores Limited, only conducted two tests of concrete cubes and steel bars leaving other materials such as sand, hardcore etc untested contrary to bill No.1 D (Preliminaries) of bills of quantities (BoQs). The concrete cube test had been last conducted on 1st July 2023 at Gulu Regional Materials Laboratory. There were no other tests of construction materials undertaken by the contractor yet works were found ongoing as at 13th February 2025. This was contrary to Bill No.1 D (Preliminaries) of Bills of Quantities.

Implication

The integrity and safety of the construction works executed was uncertain, hence a potential risk to the users in case of structural failures.

Management response

This is noted and Management will task the District Engineer to ensure test results for materials are available before final payment to the contractor is certified.

Recommendations

The Accounting Officer should task the project manager to:

1. Show cause why disciplinary action should not be taken against him for allowing the contractor Abayo Foundation Stores Limited to use untested materials.
2. Undertake structural integrity and safety tests on works already undertaken to ascertain whether each structure is fit to withstand the service conditions safely and reliably throughout its predicted lifespan.
3. Instruct contractors, in future procurements, to undertake periodic construction materials' testing to ascertain that the construction materials possess the required strength and durability to prevent structural failures.

2.1.9 Failure to certify the Interim Payment Certificates No. 1,4 and 6

The Authority found that the Community Development Officer and Environment Officer did not certify the interim payment certificates No. 01, 04 and 06. The IPCs required certification by the Community Development Officer and Environment Officer. However, the section for their names and signatures was left blank.

Implications

Failure by the Community Development Officer and Environment Officer to certify the interim payment certificates was an indication that the Entity paid the contractor in disregard of ESHS requirements.

Management response

This has been noted and management will ensure the Officers certify interim certificate in future projects

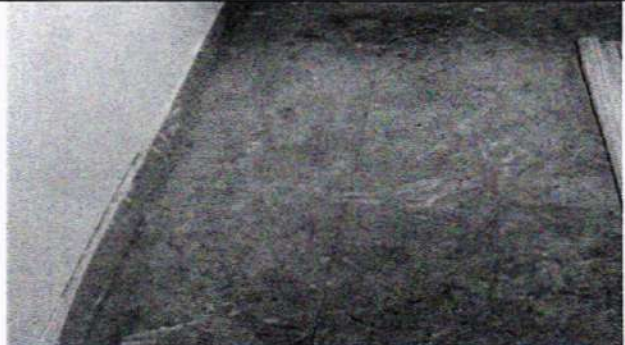
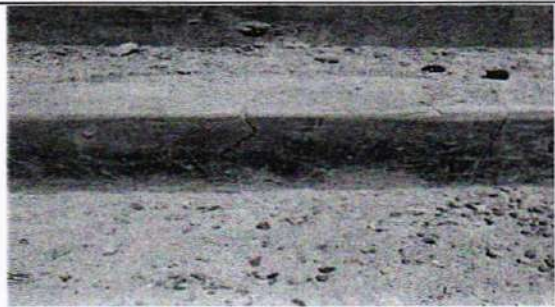

Recommendation

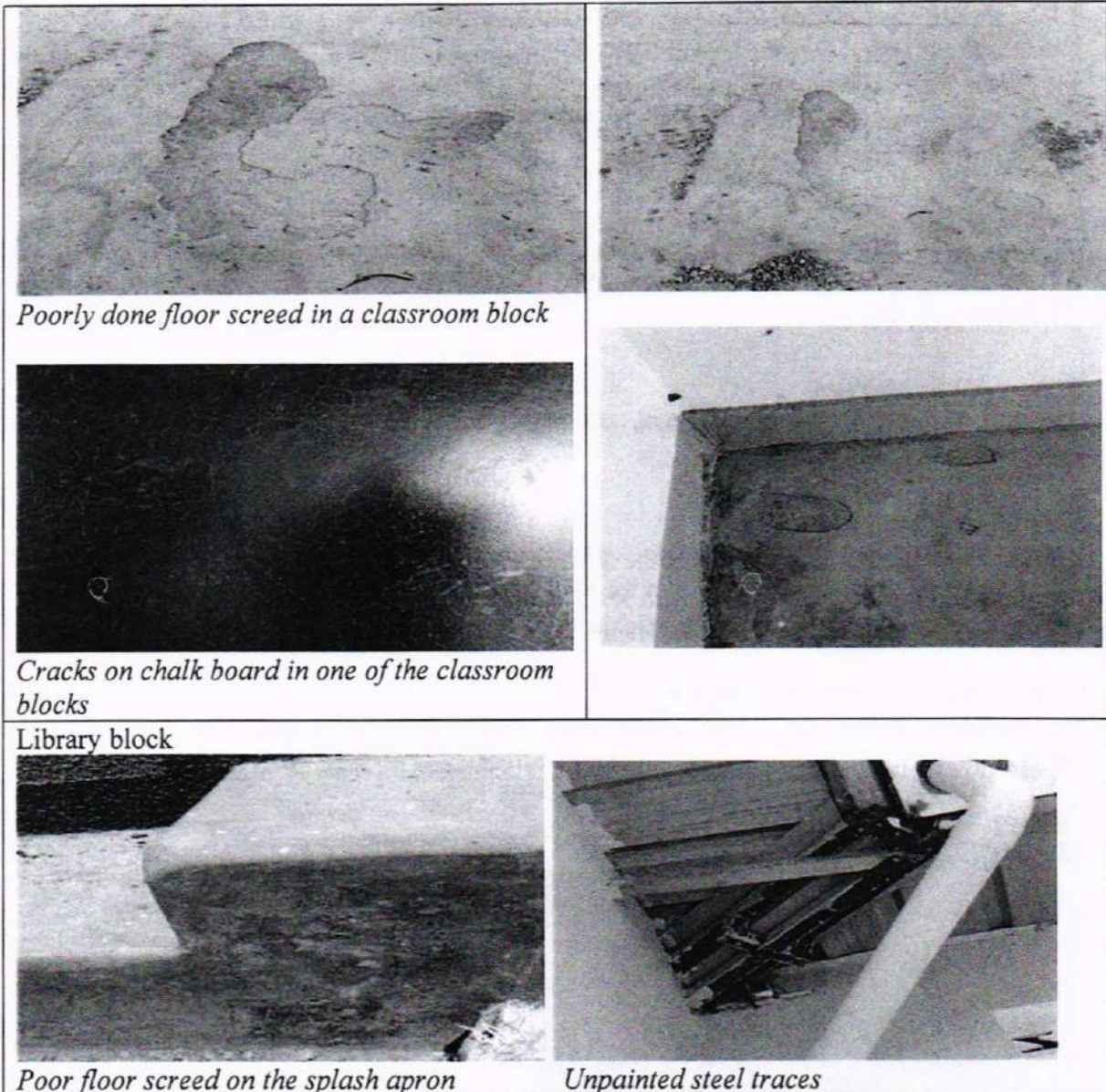
The Accounting Officer should task the head of finance to show cause as to why disciplinary action should not be taken against him for effecting the payment based on an incomplete/non-fully authorised interim payment certificate.

2.1.10 Unsatisfactory workmanship

The Authority found that some works were poorly executed largely due to inadequate supervision by the project manager and contract management team as indicated in Table 3

Table 3: Poor quality works

Administration Block	
	
<i>Visible cracks on the floor screed of the administration block</i>	
	
<i>Poorly done floor screed on laboratory splash apron</i>	
Classroom block	



Poorly done floor screed in a classroom block

Cracks on chalk board in one of the classroom blocks

Library block

Poor floor screed on the splash apron

Unpainted steel traces

Implication

Poor quality works affect the durability of the structures and achievement of value for money from the project by the Government of Uganda.

Management Response

Management will task the Project Manager to ensure all the unsatisfactory workmanship noted above are corrected within the defect's liability period.

Recommendations

1. The Accounting Officer should task the District Engineer (Project Manager) to value the pending works including the above defects and retender the works to ensure successful completion of the project and be able to deliver service to the intended beneficiaries;

2.2 ADHERENCE TO ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY (ESHS) REQUIREMENTS

The Authority found that the contractor failed to implement environmental mitigation measures contrary to the PS/ST Circular dated 26th May 2020 on contract management and safeguard requirements under UGIFT which required all Local Government Accounting Officers to take into account Environmental, Social, Health and Safety concerns on all ongoing and forthcoming projects under the UGIFT Programme in Health, Education, Water and Agriculture Sectors as detailed below:

2.2.1 Lack of an Environment and Social Management plan

The Authority found that the project did not have an Environment and Social Management Plan (ESMP) in place to guide the contractor in the implementation of environmental and social requirements such as mitigation measures to be undertaken, maintenance of copies of environmental incident reports, re-vegetation and landscaping the site, maintain existing trees and plant more indigenous species to rehabilitate the environment and social safety issues contrary to GCC 29 of the signed contract.

Implication

Failure to have an ESMP at the site put the contractor at a risk of failure to consider and develop adequate measures and controls to minimize and mitigate the potential environment and social risks and impacts during project implementation.

Management Response

Management will task the Environment Officer and Community Development Officer to produce environment and social management plan for all projects going forward.

Recommendation

The Project Manager should task the Community Development Officer and Environment Officer to work hand in hand with the contractor to prepare the ESMP and maintain a copy on-site to ensure that adequate measures and controls are implemented to mitigate against potential environmental and social risks.

2.1.2 Failure by the contractor to submit a Workman's Compensation Policy

The Authority found that the contractor, Abayo Foundation Stores Limited, did not submit a Workman's Compensation Policy contrary to SCC (GCC) 18.1 of the signed contract which provided that: "The minimum cover for insurance for personal injury or death insurance workers as per statute (Workman's Compensation Act, Cap 225)."

Implication

Without a Workman's Compensation Policy, there is a risk that injured workers may not get medical care and compensation for a portion of the income they lose while they are unable to return to work. It may also result into lawsuits by injured workers while on duty and subsequent reputation damage to the Government of Uganda and its partners.

Management Response

This has been noted and will be improved in future

Recommendation





The Accounting Officer should task the contractor to submit insurance cover for workers (Workman's Compensation Act, Cap 225) in accordance with SCC (GCC) 18.1 of the standard bidding document and the contract.

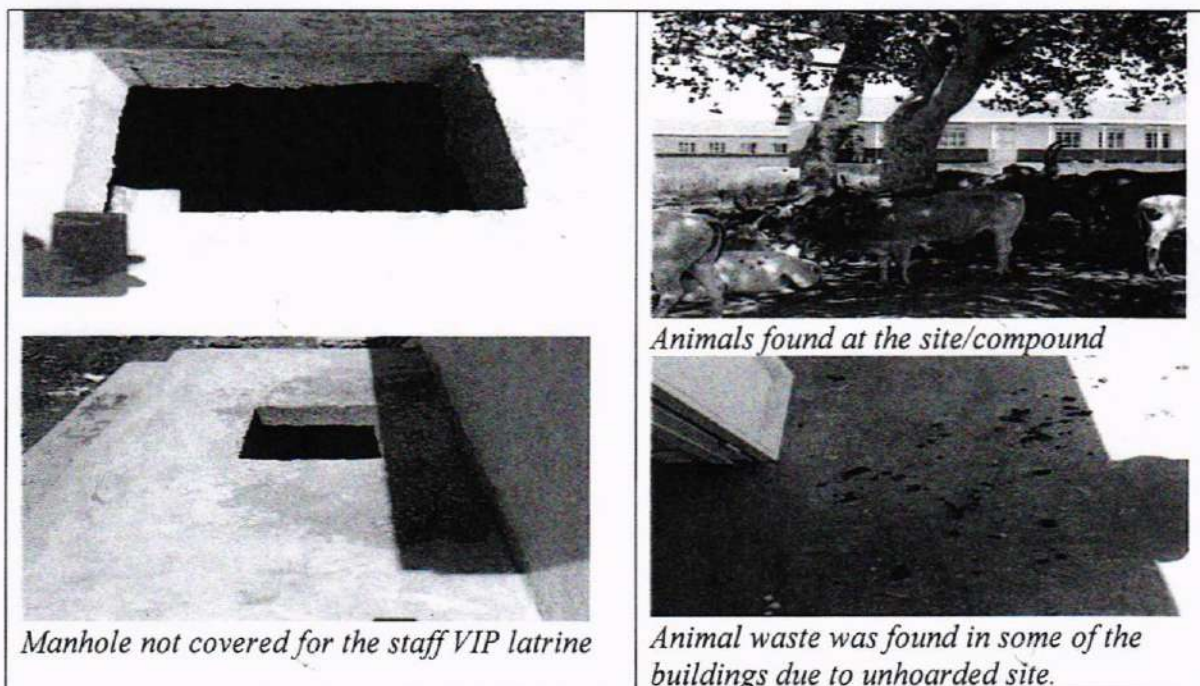
2.1.3 Failure by the contractor to comply with the Environmental, Social, Health and Safety (ESHS) safeguards

Whereas the contract was expired, the contractor was found at the site and the Authority observed the following anomalies with regards to the ESHS requirements during site inspection on 13th February 2025:

- i) There was no first aid box
- ii) The site was not hoarded.
- iii) Uncovered pits. The excavated pits were left uncovered and with no warning tape
- iv) The staff had no personal protective equipment

Table 4: Abayo Foundation Stores Limited's staff working without Personal Protective Equipment (PPEs) and other non-compliant ESHS requirements

 <p><i>Contractor's staff at the site without PPEs, such as safety boots, gloves, reflectors and safety helmets</i></p>	 <p><i>Contractor's staff working without PPEs</i></p>
 <p><i>Uncovered water pits with no warning tape behind the library</i></p>	 <p><i>Uncovered soak pits at staff houses</i></p>



Manhole not covered for the staff VIP latrine

Animals found at the site/compound

Animal waste was found in some of the buildings due to unhoarded site.

Implication

The health, safety and security of the workers, community and materials on site were at a risk of being compromised.

Management Response

Management has noted the issues raised above and the photographs captured in table 6. Project Managers will be tasked to ensure contractors fully comply with environmental and social issues during project implementation.

Recommendation

The Accounting Officer should instruct the project manager to direct the contractor to prepare their Environment and Social Management plan (ESMP) and implement it in accordance with GCC 29 of the contract.

CHAPTER 3: AUDIT CONCLUSION

The Authority found that 144% of the contract time had lapsed against a physical progress of 87% and a financial progress of 75% as at 13th February 2025.

The Authority found that the contract had expired on 20th June 2024 yet works were incomplete as at 13th February 2025 i.e., the date for audit site visit, and the contractor was still on site.

In light of the above, the Accounting Officer should implement the Authority's recommendations herein in order to realise the project's objectives.