



CONTRACT AUDIT INTO THE CONSTRUCTION OF CONSTRUCTION OF A NEW HEALTH CENTRE III AT GOT APWOYO IN NWOYA DISTRICT LOCAL GOVERNMENT UNDER UGIFT PROGRAM: PROCUREMENT REF: MOH/UGIFT/WRKS/2023/2024/00008 (LOT 15)

CONTRACTOR: ALIKO CONSULTS LTD.

JULY 2025

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ACRONYMS

ESHS:	Environmental, Safety, Health and Social Safeguard
UGIFT:	Uganda Intergovernmental Fiscal Transfer Program
PPDA:	Public Procurement and Disposal of Public Assets Authority
VAT:	Value Added Tax

EXECUTIVE SUMMARY

On 29th December 2023, Nwoya District Local Government entered into a contract with Aliko Consults Ltd. to construct a new Health Centre III at Got Apwoyo at a cost of UGX.847,657,491 VAT inclusive with an intended completion date of 31st August 2024.

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 New Health Centre III at Got Apwoyo in Nwoya District Local Government under UGIFT program with an overall objective of assessing the status of contract implementation.

The following key exceptions were noted:

1. Failure by the contractor, Aliko Consults Ltd. to complete the project after the time extension from 1st September to 9th December 2024, disclosed;
 - i. Weakness in contract supervision by the Entity; and
 - ii. The contractor's inadequate capacity to implement the project within the contractual periods granted and hence caused delay in health service delivery to the beneficiaries in and around the district.
2. The defects observed within the buildings such as substandard quality door installations, breaking ceiling concrete, cracked floors, veranda, among others displayed poor quality of work done by the contractor that exposed the building to quick deterioration and a need for reworks in the short term.
3. The Entity failed to ensure that the contractor complied with the environmental and safety requirements as guided under the SCC (GCC 29 and 31) in the project contract. The Authority found that there were no trees planted around the site, and the site was bushy.

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

1. The Accounting Officer should task Mr. Okumu Peter Anywar, the District Engineer/Project Manager to submit to the Accounting Officer;
 - i. The project completion report to guarantee that the contractor completed all the project works within the extended timeline i.e., 30th April 2025, in accordance with the Accounting Officer's letter to the contractor that was dated 23rd December 2024.
 - ii. A defects correction report for the defects identified by the Auditors on the works executed by the contractor and to ensure that the contractor:
 - Corrected all the defective works in the staff house and Outpatient Department/ Administration i.e., the cracked floors, veranda, paint work, and replaced all the internal doors and cabinet doors, etc. with the appropriate quality specified in the BOQ; and
 - Planted trees around the site.
2. The Accounting Officer should also ensure that the land on which Got Apwoyo Health Centre III was constructed on is titled and in the instance that the land is not titled, the process for ensuring that the land is titled should be commenced by the Entity.

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 construction of Health Centres and expansion of existing ones in selected Sub-Counties in Uganda. Nwoya District Local Government was one of the beneficiaries in the FY2023/2024.

On 29th December 2023, Nwoya District Local Government entered into a contract with Aliko Consults Ltd. to construct a new Health Centre III at Got Apwoyo at a cost of UGX. 847,657,491 with an intended completion date of 31st August 2024.

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 a new Health Centre III at Got Apwoyo with an overall objective of assessing the status of contract implementation.

Table 1 below shows the summary of the contract for the construction of the new Health Centre III at Got Apwoyo, Nwoya District Local Government.

Table 1: Contract summary

Entity:		Nwoya District Local Government	
Project Name		Construction of a new Health Centre III at Got Apwoyo	
Contract Ref. No.		MoH/UGIFT/WRKS/2023/2024/00008 (Lot 15)	
Project contract price (UGX)		847,657,491	
Contractor		Aliko Consults Ltd, P.O Box 254, Hoima.	
Project Funding		UGIFT	
Date of contract signing		29 th December 2023	
Date of site Handover		09 th January 2024	
Contract start date		09 th January 2024	
Date of practical completion		31 st August 2024	
Contract duration		8 Months	
Time extension; from 1 st September to 9 th December 2024		3 months	
1 st extended completion date		09 th December 2024.	
2 nd extended completion date		30 th April 2025.	
Project Manager		District Engineer	
S/N.	Costed Scope of works.	Qty	Estimated cost (UGX)
1.	Preliminaries	1	48,300,000
2.	Outpatient Department	1	334,413,033
3.	Staff house	1	249,655,291
4.	2 VIP stance latrine	1	70,847,524
5.	External works	1	104,077,000
	Sub Total		807,292,848
	5% contingency		40,364,642
	Total (VAT exclusive)		847,657,490
Progress achieved as per the progress report of 8th January 2025			
i.	Physical progress – 70%		
ii.	Financial progress – 50%		

iii.	Time lapse – Twelve (12) months		
iv.	Amount paid – advance payment		254,297,247
v.	Interim payment certificate No.1		171,608,500
	Total payment to Contractor		425,905,747

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 the new Health Centre III at Got Apwoyo, Nwoya 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 Nwoya District Local Government's management and the contractor, Aliko Consults Ltd.

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 and Guidelines, 2008;
- iii. The PPDA (Contracts) Regulations, 2023;
- iv. The Bidding Document issued to bidders;
- v. The signed contract between Nwoya District Local Government & Aliko Consults Ltd,
- 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

2.0 PROGRESS OF THE WORKS

2.1 Time control

2.1.1 Delayed completion of the project.

The construction of the new Health Centre III at Got Apwoyo was expected to be undertaken from the start of the project on 9th January 2024 and completed by 31st August 2024. The contract completion date was, however, not achieved and the Accounting Officer granted the Contractor time extension from 01st September 2024 to 9th December 2024 in letter dated 25th September 2024 to the Managing Director, Aliko Consults Ltd and the project was still not completed. The project, thus, achieved a time progress of 142% against a physical progress of 70% and a financial progress of 50%, as at 10th January 2025, the date of this audit. The Entity's management response of 12th March, 2025, the Accounting Officer in indicated that an additional time extension was granted to the contractor to complete the project by 30th April 2025. The contractual timelines are hereby summarised in Table 2 below.

Table 2: Project contractual timeline analysis

S/N	Project activity	Timelines
1.	Contract signing date	29 th December 2023.
2.	Project start date	09 th January 2024.
3.	Expected project completion period	31 st August 2024.
4.	Time extension	1 st September 2024 to 9 th December 2024, then from 10 th December 2024 to 30 th April 2025.
5.	Project implementation analysis in days:	Days
a	Contractual period of 8 months in days.	236
b	First time extension in days (1 st October 2024 to 9 th December 2024).	100
	Second time extension in days (10 th December 2024 to 30 th April 2025).	141
c	Time taken: from 09 th January 2024 to 30 th April 2025.	477
	Time progress achieved	202%

Note: From the above project timeline data extract, it was noted that;

- i. The contract expired on 31st August 2024 before the time extension of the contract by the Accounting Officer on 25th September, 2024.
- ii. The contractor was granted time extension from 1st October 2024 to 9th December 2024, which was 2 month and 9 days, and not for 3 months as was stated in the letter from the Accounting Officer dated 25th September 2024; but according to the audit, this date should have been from 1st September 2024 upon expiry of the original contract period on 31st August 2024.
- iii. Accordingly, the Authority has calculated the project timelines from 1st September 2024 to 9th December 2024, upon expiry of the original contract period on 31st August 2024. The calculations above includes the additional time extension that expired on 30th April 2025.

Implication

Failure by the contractor to complete the project after the time extension on 9th December 2024, showed the contractor’s inadequate capacity to complete the project within the contractual period and hence caused delay in health service delivery to the community.

Management response

The valuation of the actual work executed was done, however, given the fact that the UGIFT project is closing by December 2025 getting another service provider may not be viable given the lengthy procurement process. The Entity however has tasked the contractor to improve on his work method to ensure that the project is adequately finished before the expiry of the extension periods of 30th April, 2025.

Authority’s comment

No evidence of valuation works done was submitted by the Entity to support the response above.

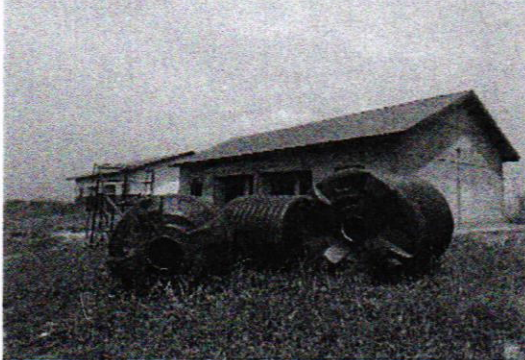
Recommendation




The Project Manager should ensure that the contractor completed all the project works within the extended timeline of 30th April 2025, as per the Accounting Officer’s letter to the Managing Director, Aliko Consults Ltd, that was dated 23rd December 2024.


2.1.2 The physical progress of the project

The Authority found that the contractor had achieved 70% physical progress in the implementation of the project, as per the Clerk of Work’s monitoring report of 08th January 2025 as indicated in Table 3 below. Notably, by such a time the project was expected to be complete and in use.

Table 3: Progress achieved in the project implementation with their respective photos

No.	Project milestone	Contract value	Site visit photos to support the audit findings and progress achieved as per the inspection report of 08 th January, 2025
i.	Preliminaries	48,300,000	 <p data-bbox="842 1637 1369 1731">The contractor had not installed a signboard and the gate, under the preliminary activities of the project.</p>

No.	Project milestone	Contract value	Site visit photos to support the audit findings and progress achieved as per the inspection report of 08 th January, 2025
ii.	Outpatient Department	334,413,033	 <p data-bbox="858 689 1385 925">In the construction of the Outpatient Department, the contractor had cast terrazzo on the concrete benches and sink tops that needed grinding, and was yet to finalise the plumbing work and electrical installations, fit the window glasses, internal doors and complete the paint work.</p>
iii.	2 Staff houses	249,655,291	 <p data-bbox="858 1272 1385 1574">Review of the construction works in the staff houses, showed the contractor had completed one block of the staff house, but the paint work was poorly done. The other block was incomplete and the contractor was yet to do; paint work, terrazzo work, complete the plumbing work, electrical installations and the drainage system, and fit the internal doors and glasses.</p>
iv.	2 stance VIP latrines	70,847,524	 <p data-bbox="858 1787 1385 1912">The construction works in the 2 stance VIP latrines was incomplete and the contractor was yet to do; paint work, finish the apron and the ramp.</p>

No.	Project milestone	Contract value	Site visit photos to support the audit findings and progress achieved as per the inspection report of 08 th January, 2025
v.	External works	104,077,000	 <p>The contractor had not done external works on the walkways, storm water drainage systems. Landscaping had been commenced with little progress achieved.</p>
Total		807,292,848	

Note: The percentage progress achieved in the implementation of the individual project milestones was not defined in the Entity's inspection report of 08th January, 2025, except the overall physical progress rated at 70%.

Implications

- The physical progress of 70% reported by the Project Manager implied that the contractor's capacity was inadequate to complete the project by 31st August 2024.
- Also notable was that even with 3 months' time extension granted of up to 9th December 2024, the project was still not complete and behind schedule causing further delays in provision of health services to community.

Management response

The valuation of the actual work executed was done, however, given the fact that the UGIFT project is closing by December 2025, getting another service provider may not be viable given the lengthy procurement process. The Entity however has tasked the contractor to improve on his work method to ensure that the project is adequately finished.

Authority's comment

The Authority noted the response provided by the Entity; however, the Entity did not submit evidence of the valuation report as indicated in the management response for verification.




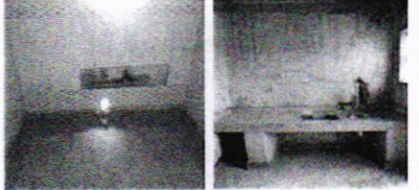




Recommendation


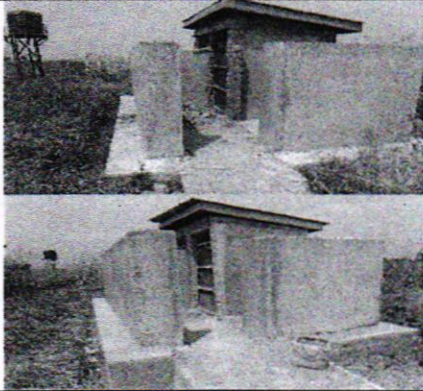
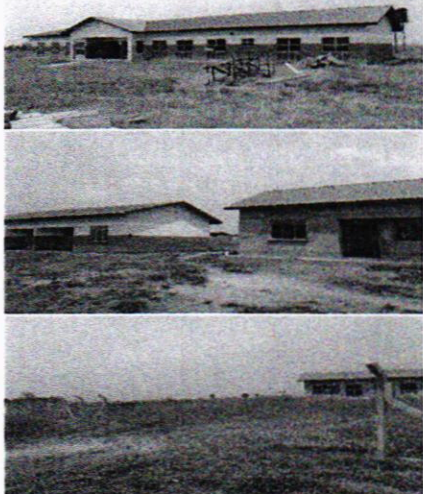
The Accounting Officer should task the Contract Manager to provide a report to the Accounting Officer confirming that the contractor completed the project works by 30th April 2025 as per the extension that was granted by the Entity.

2.1.3 Pending works

During the project verification exercise, the Authority identified a number of pending works that needed to be completed in the project as presented in Table 4 below.

Table 4: Pending work in the project

S/N.	Project milestone	Contract value (UGX)	Pending work identified during the audit.	Site photos of the audit findings.
1.	Out Patient Department	334,413,033	<p>The pending works that were yet to be done, included:</p> <ul style="list-style-type: none"> i. Painting works; ii. Fitting of widow glasses and internal doors; iii. Fitting manholes covers; iv. Plumbing work v. Installation of water tanks 	    
2.	Staff house	249,655,291	<p>The pending works that were yet to be done, included:</p> <ul style="list-style-type: none"> i. Water tanks not installed; ii. Painting of first block, not done. iii. Plumbing not complete; iv. Installation of internal doors, and 	  

S/N.	Project milestone	Contract value (UGX)	Pending work identified during the audit.	Site photos of the audit findings.
			v. window glasses in first block, not done.	
3.	2 – Units of stance VIP latrine for staff house.	35,423,762	The internal and external finishes work that were yet to be done, included: i. Painting ii. Completing plastering; iii. Backing filling and leveling the aprons	
4.	External works	104,077,000	The external works that were yet to be done, included: i. Walkways, ii. Landscaping, iii. Gate installation; and iv. Storm water drainage.	

Implications

- The pending works showed that the contractor failed to complete the project within the contractual timeframe by 9th December 2024 when the time extension expired; and
- The forementioned failures indicate that the contractor lacked adequate capacity to successfully complete the project within the project timeframe as per the terms and conditions of the contract.

Management response

The contractor still has a running contract with the Entity until April 2025. The Entity has strengthened its supervision to ensure the unfinished work get done followed by commissioning

Recommendation



The Contract Manager should submit the project completion report to the Accounting Officer to guarantee that the contractor completed all the project works within the extended timeline i.e., 30th April 2025, as per the Accounting Officer's letter dated 23rd December 2024 to the contractor, Aliko Consults Ltd.

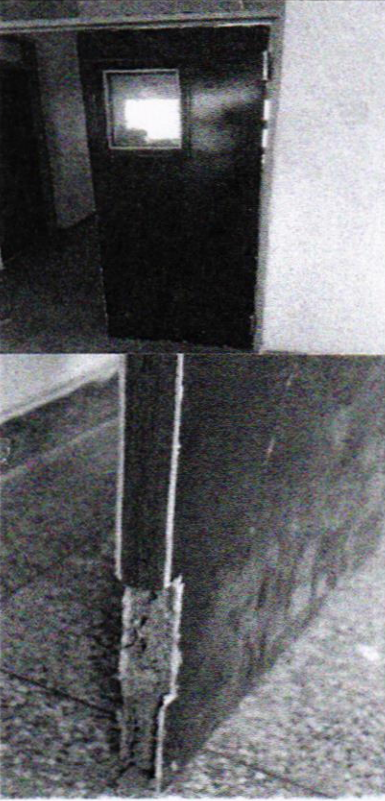
2.2 Quality control in the project

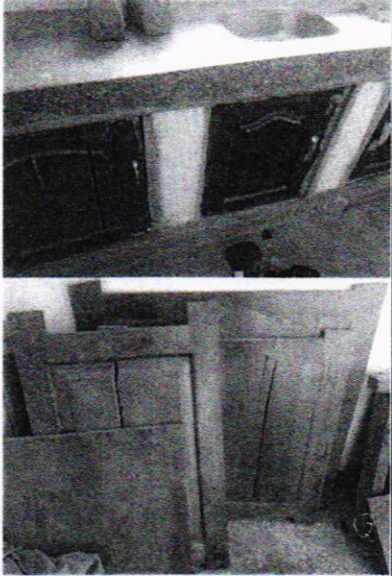

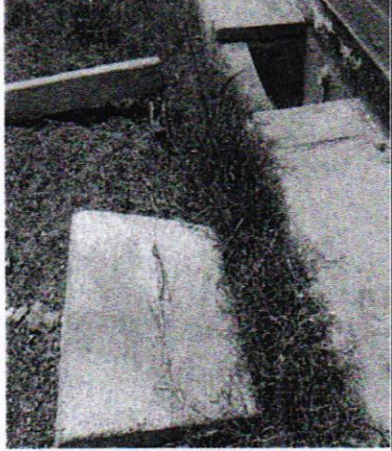
2.2.1 Defective works done under the contract





The Authority found that some of the completed works done by the contractor had defects that ought to have been corrected. The defects identified during the physical verification on 10th January, 2025 were as shown in Table 5 below.

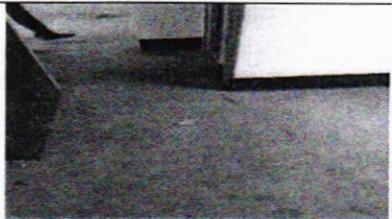
Table 5: Identifiable defects in the works completed by the Contractor

S/N.	Project milestone	Contract value (UGX)	Defects identified during the audit.	Site photos of the audit findings.
A	Outpatient Department / Administration	334,413,033		
1.	Concrete ceiling		<p>There was poor finishing work done on the ceiling of the structure.</p> <p>Recommendation The Project Manager should instruct the contractor to redo the finishing works on the ceiling.</p> <p>Management response</p> <p>Authority's comment No response.</p>	
2.	Windows and external doors		<p>Main entrance metallic door installed had a big gap between the bottom of the door & the floor.</p> <p>Recommendation The Project Manager should instruct the contractor to seal the gap in the main entrance door.</p> <p>Management response</p> <p>Authority's comment</p>	

S/N.	Project milestone	Contract value (UGX)	Defects identified during the audit.	Site photos of the audit findings.
			No response	
3.	Internal doors		<p>Internal flush doors installed:</p> <ul style="list-style-type: none"> i. Had large gaps between the door panel and the door frame. ii. Were of poor quality, as the woodcuttings were loose and could not hold the door hinges. iii. Material used was not solid mahogany as was specified in the BOQ; element 7, Item A. <p>Recommendation The Project Manager should instruct the contractor to replace all the internal doors, with the quality of doors specified in the BOQ, in both the Outpatient Department (OPD) and the staff house.</p> <p>Management response <i>A snag list of this was prepared and given to the contractor for correction.</i></p> <p>Authority's comment The Authority notes the response, however, the snag list submitted as evidence was for another Health Centre, i.e., Todora HCIII maternity ward construction and not for Got Apwoyo HCIII.</p>	

S/N.	Project milestone	Contract value (UGX)	Defects identified during the audit.	Site photos of the audit findings.
4.	<p>Fittings & Fixtures.</p> <p>The installation work is at completion. However, poor quality fitting and fixtures, and doors have been installed, in the Out Patient Department building.</p>		<p>Cabinet doors installed were:</p> <ul style="list-style-type: none"> i. Cracked; ii. Of poor-quality timber; and iii. Poorly installed. <p>Recommendation The Project Manager should instruct the contractor to replace all the cabinet doors, with the quality of doors specified in the BOQ.</p> <p><u>Management response</u></p> <p>Authority's comment No response</p>	
			<p>Hand wash bowls installed was small size.</p> <p>Recommendation The contractor should replace the hand wash bowls as specified in the BOQ</p> <p><u>Management response</u></p> <p>Authority's comment No response</p>	
			<p>Manhole cover that was to be installed had cracked at the centre.</p> <p>Recommendation The contractor should replace the manhole covers with the quality of specified in the BOQ.</p> <p><u>Management response</u></p> <p>Authority's comment No response</p>	

S/N.	Project milestone	Contract value (UGX)	Defects identified during the audit.	Site photos of the audit findings.
B	Staff house	249,655,291		
1.	Defects identified in the concrete apron		<p>Poor finish work had been done as:</p> <ul style="list-style-type: none"> i. The verandah slab had separated from the main wall; ii. Plaster pilled off; iii. Three coats of paint were not applied on the building. 	
2.	Poor paint work and floor finishes		<p>Poor paint work was done inside the house i.e., the painted surfaces were not smooth/soothing.</p>	
			<p>Floor finishes;</p> <ul style="list-style-type: none"> i. The internal cement screeded floors had cracked; and ii. The verandah cement screed easily pilled off and were broken at the entrance. 	
			<p>Poor quality paint work was done on the behind balcony, as it had:</p> <ul style="list-style-type: none"> i. Pilled off; ii. Three coats of paint were not applied on the building; and iii. The external door had a sizeable gap from the floor, and as can be seen on the photo, papers were used to fill the gap. 	

S/N.	Project milestone	Contract value (UGX)	Defects identified during the audit.	Site photos of the audit findings.
3.	Internal doors installed		Internal flush doors installed were of low grade and not solid mahogany as was specified in the BOQs.	

Note: The percentage level of work in progress for the above project milestones were not reported specifically because they had not been defined in the progress reports reviewed.

Implication

The defects reported above, showed poor quality of work done by the contractor which exposed the building, doors and fittings to quick deterioration and reworks in the short term.

Management response

By the time of the audit, all defects that were identified on the maternity ward had already been captured in the snag list that was prepared by the Project Manager and given to the contractor to be implemented. Right now, there are works on defect correction on going.

Authority's comment

The Authority noted the Entity's response, however, the snag list submitted as evidence was another Health Centre, i.e., Todora HCIII maternity ward construction and not for Got Apwoyo HCIII. The Entity also failed to submit evidence of the status of the works executed by the Contractor.

Recommendation

The Project Manager should submit a defect correction report to the Accounting Officer guaranteeing that the contractor corrected all the defective works above in the staff house and Outpatient Department / Administration i.e., the cracked floors, veranda, paint work, and replace the internal doors and cabinet doors, among others with the appropriate quality specified in the BOQ.

2.2.2 Failure to renew expired Advance Payment Guarantee and Performance Security.

The Contractor was granted a contract time extension on 24th September 2024 from 1st October 2024 to 9th December 2024, however, the Authority established that:

- i. The Advance Payment Guarantee No. EBL/1014/PBG100013726/AK issued on 19th January 2024 by Equity Bank to Aliko Consults Ltd worth UGX.254,297,247 had expired on 19th August 2024, without renewal and the Entity had not fully recovered the advance payment worth UGX,190,722,935 from the contractor; and
- ii. The Performance Security No. EBL/1014/PBG100013726/PK issued on 19th January 2024 by Equity Bank to Aliko Consults Ltd worth UGX.84,765,749 had also expired on 19th August 2024, without renewal.

Implications

Expiry of the Performance Securities before completion of the contract, left the Entity unprotected from defective works and failure by the Contractor to execute its contractual obligation to completion.

Management response

The actual completion date of the contract was 30th September 2024 as opposed to what the clerk of works stated as being 31st August 2024. And the 1st extension was for three months from 1st October to 31st December 2024. As for the advance payment guarantee being expired, the Entity makes recovery from every certificate made hence no money will be left unrecovered. The Company submitted a performance securing declaration herewith attached.

Authority's comment

- i. The response on actual completion date above, deviated from the reality, the Authority noted that the contract commenced on 9th January 2024 and was for 8 months, which end date aligns to what the Clerk of works captured in the progress report as 31st August 2024, and not 30th September 2024, hence, the response was inappropriate.
- ii. Nor evidence of recovery of the advance payment and neither a copy of the Performance Securing Declaration was submitted for verification by the Entity. The purpose of the advance payment security is to secure the advance payment & guarantee recovery; therefore, the management response did not alleviate the risk faced by the Entity for not enforcing the contractor to have in place a valid Performance Security.

Recommendation

The Accounting Officer should task the Project Manager to confirm that the contractor executed the contract to completion with a valid Performance Securing Declaration as indicated in the above response as a safeguard to the Entity from the risk associated with the contractor implementing the project works without a valid Performance Security, like remedying defects identified on the works executed.

2.3 Cost control

2.3.1 Financial progress

i) Inadequate recovery of the advance payment.

The Authority established that in addition to the advance payment worth Ugx. 254,297,247, the contractor had been paid UGX. 171,608,500 for the measured works executed. In this payment the Entity recovered 25% advance payment of UGX. 63,574,312 from the total advance payment of Ugx. 254,297,247 leaving a balance of Ugx. 190,722,935 representing 75% unrecovered. As per the monthly progress report of December 2024, the Project Manager's rating of the physical progress of work done by the contractor was at 70% compared to the financial progress of 50% as summarised in Table 6.

Table 6: Project financial progress

S/n.	Activity	Amount (UGX)
1.	Contract value	847,657,491
2.	Advance payment (30%)	254,297,247
3.	Interim payment certificate No. 1: 25%	171,608,500
4.	Total payments to the contractor	425,905,747
	Financial progress	50%

S/n.	Activity	Amount (UGX)
	Status of advance payment recovery	
a	Amount advanced	254,297,247
b	Advance payment recovered (25%)	63,574,312
c	Advance payment recoverable (75%); as date of Audit on 10 th January 2025.	190,722,935

Implication

The Entity risked failing to recover 75% of the advance payment from the contractor and incurring a financial loss equivalent to the 75% of the unrecovered advance payment worth UGX. 190,722,935.

Management response

The only certificate raised after advanced payment of 254,297,247/= was 171, 608,500/= out of which 25% of 254,297,247/= totalling to 63,574,312/= was deducted. More recovery will be effected in the subsequent certificates

Recommendations

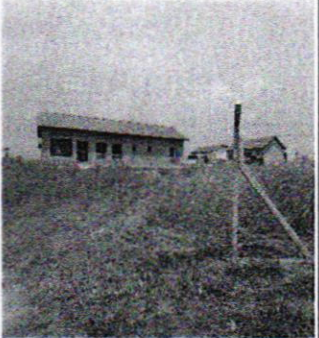
The Accounting Officer should, based on the contractual terms and conditions, task:

1. The Project Manager to confirm that all the advance payment was recovered from the contractor in accordance with SCC (GCC 60.3), or else;
2. Tag the retention money for any recoverable advance payment due to the Entity.

ii) Unimplemented costed items in the BOQ under preliminary & general conditions

The Authority found that the contractor, Aliko Consults Ltd. failed to implement the Preliminary and General Conditions requirements as indicated in Table 7 below that were costed for in the project BOQ.

Table 7: Preliminary and general conditions items of the BOQ not implemented.

S/N.	Project milestone	Contract value (UGX)	Site status during the physical verification on 10 th January, 2025	Site photos of the audit findings.
1	Security management (Item D).	4,000,000	The site security was poor i.e., <ul style="list-style-type: none"> • No gate was installed by the Contractor at the site; and • No temporary security house and personnel were deployed to manage the security around the site and at the entrance(s). 	
2	Sign board (Item A). No project sign board was installed by the contractor, to ease identification of the project site location.	2,000,000	No project sign board installed.	No photo because the sign board was not installed.

Implications

- Lack of a gate at the site entrance and security personnel deployed on site, compromises the security and safety at the site; and
- Failure to install temporary project sign board; showing title of the project, name of contractor, the Project Manager, among others, by the contractor, meant that the public were denied awareness and identity of the project and the activities that were being implemented.

Management response

Instruction was issued to contractor directing the company to install the gate and temporary sign board. The Project Manager is making a follow up.

Authority’s comment

The Entity did not submit the evidence of the instruction issued to the Contractor for verification.

Recommendation

The Project Manager should provide the project completion report to the Accounting Officer guaranteeing that the site instruction issued to the contractor was implemented and an appropriate site gate was installed.

2.4 Environment, Social, Health and Safety Safeguards (ESHS)

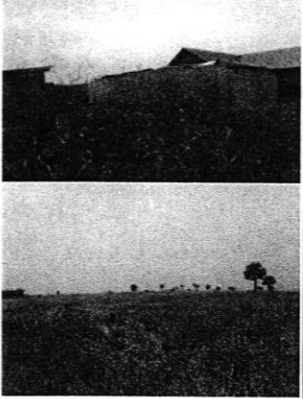
2.4.1 Poor Environmental, Social and Safety conditions in the project


The Authority found that the Entity failed to ensure that the contractor complies to the environmental and safety safeguards as guided in the SCC (GCC 29 and 31) in the project,

- i. There were no safety warnings installed on site by the Contractor.
- ii. No project sign board installed, to create awareness of the project activities;
- iii. No trees had been planted around the site; and
- iv. The site was bushy.

The state of the site during the physical verification was as presented in Table 8.

Table 8: Poor environmental, social and safety conditions in the project.

S/ N	Project milestone	Amount (UGX)	Site status at physical verification on 10 th January, 2025	Site photos of the audit findings.
1	Health and safety (Item E)	2,500,000	Site was bushy and some structures were covered in bush as seen in the photos.	 <p>The environment as was around the site</p>

S/ N	Project milestone	Amount (UGX)	Site status at physical verification on 10 th January, 2025	Site photos of the audit findings.
2	Environment protection (Item F).	1,500,000	Trees had not been planted around the site. However, planting trees at project completion exposes the trees to waste and failure to grow due lack proper care.	 Environment around the site
3	Sign board (Item A). No project sign board was installed by the contractor, to ease identification of the project site location.	2,000,000	No project sign board installed and therefore it was difficult	Project had no signboard

Notably, the Authority found that there was no evidence to confirm that the land on which the Health Centre was being constructed had been titled.

Implications

- The bushy nature of the site poses safety and health risks for the community.
- Failure to plant trees early while the contractor is on site, exposes the same to damage and low chances of growth if done at the end of the project.
- Failure to install the project sign board was a breach of contractual obligation by the Contractor in the performance of its duties.
- Failure to title land on which the project is being undertaken put the investment by the Government of Uganda at risk of being lost in the event of a claim on the land.

Management response

Instructions were issued to the contractor to install the project sign board, printed with the necessary wordings, clear site, improve on the latrine, and plant the recommended tree species.

Authority's comment

- No evidence of the instruction issued to the contractor was submitted by the Entity for verification.
- No response was provided by the Entity on proof of land title for the project site, for verification.

Recommendations

- The Accounting Officer should:
 - Task the Project Manager to make sure that appropriate trees were planted around the Health Centre compound by the contractor and that there are appropriate measure put in place to ensure proper growth of the planted trees.
 - See to it that the land on which Got Apwoyo Health Centre III was being constructed has land title and in the instance that the land is not titled, immediate commencement of the process of titling the land should be done by the Entity.

CHAPTER 3: AUDIT CONCLUSION

In the audit, the Authority found that there were significant delays in the construction of the new Health Centre III at Got Apwoyo, by the contractor, Aliko Consults Ltd. The works were expected to be undertaken from the start of the project on 9th January 2024 and completed by 31st August 2024. However, this was not achieved and the Entity granted the contractor a time extension from 01st September 2024 to 9th December 2024, but still as at the date of this audit on 10th January 2025 the project was not complete and an additional time extension was granted to the contractor to complete the project by 30th April 2025. The above delays in completion of the construction of the Health Centre III, caused delays in achieving project objectives, thus affecting timely health service delivery by the Government of Uganda.

Given that the UGIFT program was expected to be closed by the end of the FY 2024/2025, the Entity's Project Manager should have ensured that the project would have been completed by the end of the extended time frame of 30th April 2025, and accordingly:

1. The Accounting Officer should task Mr. Okumu Peter Anywar, the District Engineer/Project Manager, to submit the following;
 - i. The project completion report to guarantee that the contractor completed all the project works within the extended timeline i.e., 30th April 2025, in accordance with the Accounting Officer's letter to the contractor, dated 23rd December 2024.
 - ii. A defects correction report for the defects identified by the Auditors on the works executed by the contractor and ensure that the contractor:
 - Corrected all the defective works in the staff house and Outpatient Department/ Administration i.e., the cracked floors, veranda, paint work, and replaced all the internal doors and cabinet doors, etc. with the appropriate quality specified in the BOQ; and
 - Planted trees around the site.
2. The Accounting Officer should also ensure that the land on which Got Apwoyo Health Centre III was constructed is titled and in the instance that the land is not titled, the process for ensuring that the land is titled should be commenced by the Entity.

As at the end of the FY 2024-2025, the project has since been completed and handed over to the Entity. The Health Centre III facility is fully operational and benefits to the community are registered.