



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**
"Procurement That Delivers"

**CONTRACT AUDIT INTO THE CONSTRUCTION OF OMIYA PACWA SEED
SECONDARY SCHOOL IN AGAGO DISTRICT LOCAL GOVERNMENT UNDER
UGIFT PROGRAM: PROCUREMENT REF: MOE/UGIFT/WRKS/2023/2024/00001
(LOT1)**

**CONTRACTOR: M/S NIPE CONSTRUCTION AND TECHNICAL SERVICES
LIMITED**

JULY 2025

TABLE OF CONTENTS

ACRONYMS	i
EXECUTIVE SUMMARY	ii
CHAPTER 1: INTRODUCTION	1
1.1 Background	1
1.2 Objective of the audit	2
1.3 Scope of the audit exercise	2
1.4 Audit methodology	2
1.5 Limitation of scope	2
1.6 Legal documents applicable	2
CHAPTER 2: FINDINGS AND RECOMMENDATIONS	4
CHAPTER 3: AUDIT CONCLUSION	14

List of tables

Table 1: Contract summary	1
Table 2: The physical progress of the project milestones	4
Table 3: Financial progress of the project	10
Table 4: Inadequate implementation of the preliminary requirements in the project.	10
Table 5: Gaps in the communication material and ESHS in the project.....	12
Table 6: Lack of adherence to the environment, health and safety standards.	12

ACRONYMS

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

EXECUTIVE SUMMARY

On 18th April 2024, Agago District Local Government entered into a contract with NIPE Construction and Technical Services Limited to construct Omiya Pacwa Seed Secondary School at a cost of UGX. 2,276,087,916 VAT inclusive with an intended completion date of 30th October 2025.

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 Omiya Pacwa Seed Secondary School with an overall objective of assessing the status of contract implementation.

The following key exceptions were noted:

1. There was slow progress of work as the Contractor had only achieved 25% physical progress in the project implementation, against 42%-time progress. This exposed the Entity to the risk of failure by the Contractor to complete the project within the contractual period of 18 months, and the likely hood of time overrun and cost escalation, thus affecting effective service delivery.
2. Failure by the Contract Manager to enforce submission of 8% Performance Security and 2% Environmental and Social Performance Security by the Contractor within 21 days after contract signing. The contract was signed on the 18th April 2024, and the securities were submitted on 21st May 2024. This was a violation of a contractual obligation by the Contractor and a weakness in contract management by the Entity, as no action was taken against the Contractor for the breach of a contractual condition under SCC (GCC 61.1) of the contract.
3. There was noncompliance to the environmental and social safeguards in project implementation contrary to the requirements of Section 66 of the PPDA Act, Cap. 205. This was so because the Contractor had:
 - i. No safety control measures in place like printed warning notices, no signboard and safety tapes to create awareness on environment, health and safety and the risks associated with the project implementation. This exposed the public and project staff; to social related risks, workplace accidents and injuries, in addition, there was no proper waste management mechanism, that exposed the site to uncontrolled environmental damage.
 - ii. No gate, security personnel and incomplete temporary security fence around the site, which exposed the public and project staff; to social related risks, workplace accidents and unsecure work environment.
4. The project was being implemented without insurance policy cover provided by the Contractor as was required under SCC (GCC 18.1) of the contract. This left the project workers unprotected against workplace related personal injuries or accidents, together with the associated risks like death or disabilities.

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

1. The Accounting Officer should put in place necessary measures to ensure that the project is completed by 30th October 2025. In this regard, the Accounting Officer should:
 - i. In accordance with Regulation 11(5) of the PPDA (Contracts) Regulations, 2023 task the Contract Manager to ensure that the Contractor's Performance Securities submitted remain valid till the Contractor completes its contractual obligations. That is, 28 days after the practical completion date of 30th October, 2025.
 - ii. Promptly pay the Contractor for the measured works approved by the Contract Manager, in order to support the operational cashflow of the Contractor.

- iii. Schedule monthly site meetings with the Contractor to evaluate progress of work, address identifiable weaknesses in the works implementation and follow-ups done swiftly by the Contract Manager on the actionable points to ensure that the project is completed by 30th October 2025.
- iv. Task the Contractor to submit an insurance policy cover for the project workers for the remaining contract implementation period. The policy should be obtained from an insurance company registered with the Insurance Regulatory Authority of Uganda.

2. The Contract Manager should:

- a) Task the Contractor in accordance with Section 66 of the PPDA Act, Cap. 205 to:
 - i. Install the project sign board printed with the necessary informative details about the project to create public awareness of the project.
 - ii. Secure the project site by installing a gate, deploy a full-time security guard and hoard the entire site.
 - iii. Provide personal protective gears to all workers and visitors on site, and install safety signs and warnings notices within the site.
 - iv. Provide clean water fit for human consumption for the workers and site visitors.
 - v. Immediately plant trees at appropriate locations around the site for proper management and growth, while the Contractor is still implementing the project site works.
- b) Ensure that the project implementation is managed effectively in accordance with Regulations 43(5) and 52(1-3) of the PPDA (Contracts) Regulations, 2023 by:
 - i. Seeing to it that the project milestone for completed works are measured and approved, so that the Contractor is paid promptly to allow the Contractor have stable operational cashflow and to achieve timely implementation of the project; and
 - ii. Tasking the contractor to routinely prepare for the Contract Manager's approval an up-to-date program of work, that should have definite timelines for achieving the project milestones, and for close monitoring of the project implementation.

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 seed secondary schools and expansion of existing ones in selected Sub-Counties in Uganda. Agago District Local Government was one of the beneficiaries in the FY2023/2024.

On 18th April 2024, Agago District Local Government entered into a contract with NIPE Construction and Technical Services Limited to construct Omiya Pacwa seed secondary school at a cost of UGX. 2,276,087,916 with an intended completion date of 30th October 2025.

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 Omiya Pacwa Seed Secondary School with an overall objective of assessing the status of contract implementation.

Table 1 below shows the contract summary for the construction of Omiya Pacwa seed secondary school, in Agago District.

Table 1: Contract summary

Entity:	Agago District Local Government		
Project Name	Construction of Omiya Pacwa Seed Secondary School		
Contract Ref. No.	MoES/UGIFT/WRKS/2023/2024/00001 (Lot 1)		
Project contract price	2,276,087,916 (VAT exclusive)		
Contractor	NIPE Construction and Technical Services Limited, P.O Box 26231 Kampala		
Project Funding	UGIFT		
Date contract signing	18 th April 2024		
Date of site Handover	2 nd May 2024		
Contract start date	2 nd May 2024		
Date of practical Completion	30 th October 2025		
Duration	18 Calendar Months		
Contract Supervisor	District Engineer		
S/N.	Costed Scope of works.	Qty	Estimated cost (UGX)
1.	Preliminaries	1	98,400,000
2.	Site levelling works	1	40,100,000
3.	2 – Classroom block	3	479,323,650
4.	2 – Unit science laboratory block	1	260,014,000
5.	Administration block	1	179,239,000
6.	2 – Unit Teacher house	2	328,263,000
7.	2 – Unit Teacher kitchen	2	76,017,200
8.	2 – stance lined VIP latrine block – administration block	1	17,463,500
9.	2 – stance lined VIP latrine block – teachers’ house	1	24,489,500
10.	5 – stance lined VIP latrine block – boys	1	38,107,100
11.	5 – stance lined VIP latrine block – girls	1	37,915,500
12.	External works	1	13,505,500
13.	Rain water harvest system with 5000L water tank	1	6,165,000

14.	ICT – Library block	1	366,409,000
15.	Multi-purpose hall	1	260,633,000
16.	Sports field	1	50,000,000
	Total (VAT exclusive)		2,276,044,950
Status of contract execution			
i.	Physical progress - Monitoring report of 1 st October 2024		25%
ii.	Time progress: 2 nd May 2024 to audit date on 20 th December 2024		42%
iii.	Financial progress		30%

Note: The Contract price computed by the Authority above of UGX.2,276,044,950 varies from that in the contract agreement of UGX. 2,276,087,916. This brings a difference in value of UGX.42,966.

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 Omiya Pacwa Seed Secondary School, Agago 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 Agago District Local Government's management and the Contractor, NIPE Construction and Technical Services 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 Local Governments (PPDA) Guidelines, 2008;
- iv. The PPDA (Contracts) Regulations, 2023;
- v. The bidding document issued to bidders;

- vi. The signed contract between Agago District Local Government and NIPE Construction and Technical Services Ltd, and
- vii. 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


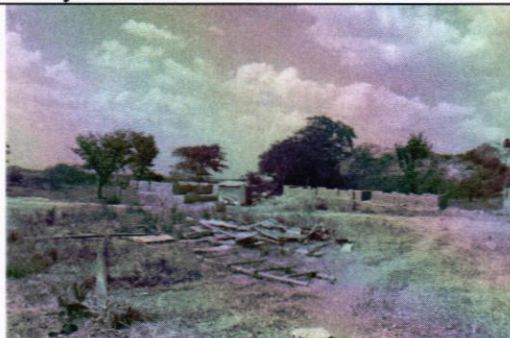
2.1 Time Control





The construction of Omiya Pacwa Seed Secondary School has been undertaken from 2nd May 2024 and is expected to be completed by 30th October 2025. However, the Authority found the gaps below in the project implementation time lines.





2.1.1 Slow progress of work




A review of the progress report dated 1st October 2024 revealed that the project had achieved a physical progress of 25% against time progress of 42% and a financial progress of 30%, as indicated in Table 2 below.

Table 2: The physical progress of the project milestones

No.	Project milestone	Contract value	Progress achieved as per monitoring report dated 1 st October 2024	Physical progress of works as at the date of site visit on 20 th December 2024 together with the respective photos.
1.	Preliminaries	98,400,000	85%	No photos, but was yet to be done.
2.	Substructures		65%	Photos on site visit are shown below:
i.	Site levelling works	40,100,000		 <p>On site visit, the site levelling works was yet to be done.</p>
ii.	2 – Classroom block	479,323,650		 <p>On site visit, the construction of the 2 – Classroom block was at window level.</p>

No.	Project milestone	Contract value	Progress achieved as per monitoring report dated 1 st October 2024	Physical progress of works as at the date of site visit on 20 th December 2024 together with the respective photos.
iii.	2 – Unit science laboratory block	260,014,000		 <p data-bbox="1002 685 1517 786">On site visit, the construction of the 2 – Unit science laboratory block was at window level.</p>
iv.	Administration block	179,239,000		 <p data-bbox="1002 1088 1517 1189">On site visit, the construction of the Administration block was at window level.</p>
v.	2 – Unit Teacher house	328,263,000		 <p data-bbox="1002 1480 1517 1581">On site visit, the construction of the 2 – Unit Teacher house was at window level.</p>
vi.	2 – Unit Teacher kitchen	76,017,200		 <p data-bbox="1002 1872 1517 1973">On site visit, the construction of the 2 – Unit Teacher kitchen was at window level.</p>

No.	Project milestone	Contract value	Progress achieved as per monitoring report dated 1 st October 2024	Physical progress of works as at the date of site visit on 20 th December 2024 together with the respective photos.
vii.	2 – stance lined VIP latrine block – administration block	17,463,500		No photo, but on-site visit pit excavation works of the 2 – stance lined VIP latrine block – administration block was at the initial stage.
viii.	2 – stance lined VIP latrine block – teachers’ house	24,489,500		 <p>On site visit, the pit excavation of the 2 – stance lined VIP latrine block – teachers’ house was at the initial stage.</p>
ix.	5 – stance lined VIP latrine block – boys.	38,107,100		 <p>On site visit, the pit excavation of the 5 – stance lined VIP latrine block – boys was at the initial stage.</p>
x.	5 – stance lined VIP latrine block – girls	37,915,500		 <p>On site visit, the pit excavation of the 5 – stance lined VIP latrine block – girls was at the initial stage.</p>
xi.	External works	13,505,500		 <p>On site visit, the external works were yet to be done.</p>
xii.	Rain water	6,165,000		No photo. But at site visit the rain

No.	Project milestone	Contract value	Progress achieved as per monitoring report dated 1 st October 2024	Physical progress of works as at the date of site visit on 20 th December 2024 together with the respective photos.
	harvest system with 5000L water tank			water harvest system with 5000L water tank was yet to be installed upon completion of the construction work.
xiii.	ICT – Library block	366,409,000		 <p>On site visit, the construction of the ICT – Library block was at window level.</p>
xiv.	Multi-purpose hall	260,633,000		 <p>On site visit, the construction of the multi-purpose hall was at window level.</p>
3.	Sports field	50,000,000		 <p>On site visit, land grading was done, but murraming/ gravelling, planting grass and installation of fittings were yet to be done on the Sports field.</p>
	Total	2,276,044,950		

Note: The Contract Manager’s monitoring report dated 1st October 2024 did not state the percentage progress of work achieved on each project milestones.

Implication

The slow progress of work reported above, expose the Entity to the risk of not completing the project within the contractual period of 18 months, that is by 30th October 2025 and the delay may subsequently result into cost escalation, thus hindering effective service delivery.

Management response

The Accounting Officer and project management team had a meeting with the Contractor and agreed on several action points to ensure that the project is completed within schedule time frame, while a new Contract Manager has been appointed with instruction to adhere to especially monthly reports.

Authority's comments.

The Authority notes the response offered by the Entity, and the effort put so far towards having the project completed as planned. However, from the evidence provided of minutes of the meeting held on 29th January 2025, the Authority noted that:

- i. The Contractor was facing financial challenges and sought for a no objection letter from the Accounting Officer to clear its application for a loan from Centenary Bank. This challenge may likely affect the Contractor's ability to complete the project by the planned completion period of 30th October 2025.
- ii. The District Education Officer expressed fear that the Contractor may not be able to complete the project by end of the June, 2025, although the practical completion of the contract is 30th October 2025.

Recommendations

The Accounting Officer should:

1. Promptly pay the Contractor for the measured works approved by the Contract Manager, in order to support the operational cashflow of the Contractor.
2. Schedule monthly site meetings with the Contractor to evaluate progress of work, address identifiable weaknesses in the works implementation and follow-ups done swiftly by the Contract Manager on the actionable points.
3. Task the Contract Manager to ensure that the Contractor prepares for the Contract Manager's approval, an up-to-date program of works, that should have definite timelines for achieving the project milestones, and for close monitoring of the project to ensure it is completed by 30th October 2025.

2.1.2 Delay in providing responses to contractual issues raised by the contractor

A review of the project progress report dated 1st October 2024, the Authority established that the Contractor raised contractual issues, that had not been addressed by the Contract Manager at the time of the audit fieldwork on 20th December 2024. The issues raised by the Contractor were:

- i. Need for technical guidance on whether to construct the intermediate beams that were included in the drawings, but were not included in the bill of quantities (BOQs);
- ii. Need for guidance on which wordings and colors were to be used on the project sign board, and whether to use sticker or print on the surface of the board since it had already been fabricated; and
- iii. Concern on need to recover the additional cost for hire of a compressor for crashing the rock that protruded above the foundation in a classroom block. This arose due to under estimation of the quantity of the existing rock in BOQs.

Implications

Failure to provide immediate solutions and look into the contractual issues raised by the Contractor as above, exposed the Entity to the risk of delays in the project implementation and possible cost escalation.

Management response

During the meeting with Contractor and project management team it was agreed that timely responses to contractual issues raised by the Contractor will be provided for effective contract execution and should be handled immediately by contract supervising Engineer or Contract Manager.

Recommendations

The Authority noted the response. However, the Accounting Officer should:

1. Task the Contract Manager on monthly basis to provide a report on site activities, pointing out progress of work, and issues raised that need management's attention with possible actions to be taken for effective contract execution.
2. Ensure that the project management team handle urgently issues raised by the Contractor to protect the Entity against the risk of time and cost overruns, and
3. In case of any delay to give due attention to actionable project constraints raised by the Contractor, hold the project management team responsible.

2.2 Quality control in the project

2.2.1 Contractor failed to submit Performance Securities within 21 days.

The Authority found that the Contractor failed to submit 8% Performance Security and 2% Environmental and Social Performance Security of the contract price, within 21days after contract signing as was required in Special Conditions of Contract (General Conditions of Contract 61.1).

Implication

Failure by the Contractor to submit a Performance Security and ES Performance Security within 21 days after contract signing, was breach of the requirements of SCC (GCC 61.1) of the contractual obligation by the Contractor. Thus, the contract was signed on 18th April 2024 and the securities were submitted on 21st May 2024.

Management response

Performance Security was provided by contractor and Environmental and Social Performance Security as well was provided.

Authority's comment.

The Entity's response was noted, however, the Authority noted that the Contractor submitted the Performance Security and ES Performance Security on 21st May 2024 and the contract was signed on 18th April 2024. Thus, the securities were submitted 34 days after contract signing, which was against the requirement of GCC (61.1) that required the Contractor to submit the above securities within 21 days.

Recommendation

The Accounting Officer should task the Contract Manager to monitor the validity of the ES Performance Security and the Performance Security and ensure that the Contractor completes the project with valid Performance Securities.

2.3 Cost control

2.3.1 Financial progress of the project

The Authority established that at the date of the audit on 20th December 2024, the financial progress of the project was at 30%. This showed that the Contractor had been paid only the advance payment of UGX.682,826,375 out of the Contract price of UGX. 2,276,087,916, as summarised in Table 3 below.

Table 3: Financial progress of the project

	Item	Amount (UGX)
1.	Contract value	2,276,087,916
2.	Advance payment (30%)	682,826,375
3.	Certified work (0%)	0
4.	Outstanding payment (70%)	1,593,261,541

Implication

The achievement of a financial progress of 30% against physical progress of 25%, showed that the Contractor had not been paid for the works executed, apart from the advance payment. The trickle effect of the forementioned was that no recovery of the advance payment had been realised by the Entity as no works had been certified for payment of the Contractor by the Contract Manager.

Authority's comment.

No management response was provided on the above issue.


Recommendation


Considering that only 25% physical progress of works had been achieved in the project against a financial progress of 30%, the Contract Manager should accordingly have the project milestones for completed works measured and approved, so that the Contractor is paid promptly to allow the Contractor have stable operational cashflow.

2.3.2 Failure to comply with the Preliminary and General Conditions in the project.

The Authority found under Bill 1: Preliminary and General Conditions, that the Contractor had not adequately implemented the activities indicated Table 4 below.

Table 4: Inadequate implementation of the preliminary requirements in the project.

Activity	Activity cost estimate in the B.O.Q (UGX)	Site visit photos to support the audit views on 20th December 2024.
Site security (Item O). Unsecure hoarding / temporary security fence established. The temporary security fence established does not run across the whole site, was incomplete and unsecure, as the site can easily be accessed by members of the community.	2,000,000	

Activity	Activity cost estimate in the B.O.Q (UGX)	Site visit photos to support the audit views on 20 th December 2024.
<p>Security management (Item F). The site security is low, as:</p> <ul style="list-style-type: none"> • No gate / a gate house has been constructed by the contractor at site entrance; and • No security personnel deployed to manage the security of the site and the entrance(s), apart from the padlocks. 	4,000,000	

Implication

- Failure to construct a gate and have in place a security personnel, created a security lapse that left the site unsecure for the staff and creates a risk of loss of construction material by the Contractor in the project.
- In addition, the failure to establish a secure temporary security fence exposed the community to the risk of accidents as the site was freely accessible. This was potentially so because of the various pit latrine excavation sites that were in progress without warning sign post or no security tapes for safety caution of the works in progress around the sites.

Management response

It was Agreed in the meeting that the Contractor should ensure that temporary security fence is put in place appropriately and full-time security personnel deployed for the contract period.

Recommendation

The Accounting Officer should task the Contract Manager to ensure that the Contractor:

1. Installs a gate and deploys a full-time security guard on site until completion of the project works; and
2. Secures the project site by hoarding the entire site as provided for in Items O and F under Bill 1: Preliminary and General Conditions.
3. Provide safety tapes and warning sign boards around the construction sites in the project.

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

2.4.1 Lack of project sign board.

The Contractor had not installed the project sign board for ease of identification of the site location and the activity being implemented, yet project identification (Item Q) had been costed for by the contractor. The only signage to the construction site was the old school sign post at the junction to the school as per the site visit photograph below taken on 20th December 2024.



Implication

Lack of the project sign post, make it difficult for stakeholders to identify location of the site and creating awareness of the project activity to the public.

Management response

It was agreed in meeting that the contractor provide project sign post.




Recommendation

The Contract Manager should follow up with the contractor to install the project sign board printed with the necessary informative details about the project to create public awareness of the project.

2.4.2 Failure to adhere to the environment, health and safety standards

The Authority found that the Entity failed to ensure that the Contractor complies to the environment, health and safety safeguards as was required in the Special Conditions of Contract (General Conditions of Contract 29) in the project, as indicated in Table 5 below.

Table 5: Lack of adherence to the environment, health and safety standards.

Activity	Activity cost in the B.O.Q (UGX)	Site visit photos to support the audit views on 20 th December 2024.
<p>Poor ESHS controls on site (Item I). No signages for health and safety cautions and promote HIV/AIDS awareness among the staff, visitors and members of the surrounding community. E.g., right in the annexed photo portrays a waste dumping point, but no security tape and signage.</p>	<p>4,000,000</p>	
<p>Water for the project (Item P). The water source on site was not well protected and prone to contamination as it was left unsecured. Due to absence of personnel from the site we could not establish whether or not the same source was being used for drinking water.</p>	<p>20,000,000</p>	
<p>Environment protection (Item I). There was poor waste disposal by the contractor. E.g., on site the used cement bags had been dumped under a tree on site and not in a designated waste control area or in a cage to control its being scattered around the site. In addition, the Contractor had not planted trees around the site.</p>	<p>3,000,000</p>	

Implication

- Lack of safety signages in the project site, limits the level of awareness of the public and staff on health and safety at workplace, and increases; social related risks, and accidents.
- Poor waste disposal, expose the site to environmental damage like blockage of drainage channels around the site, hence exposing the site to flooding during rainy seasons.
- Failure by the Contractor to protect the water source in the project site, exposed the project staff to consumption of unsafe water as the water source is exposed to contamination; and
- Failure to plant trees early on site while the Contractor is on site, exposes the tree to damage and low chances of growth if planted at the end of the project without proper maintenance.

Management response

It was agreed in meeting that the contractor provide project sign board and begin plant trees as raining season is nearing.

Recommendations

The Accounting Officer should in accordance with Section 66 of the PPDA Act, Cap. 205 direct the Contract Manager to task the Contractor to:

1. Install health and safety warning signages and safety tapes around the site;
2. Provide personal protective gears to all workers and visitors on site;
3. Secure the water source on site from contamination and have safe water supply fit for human use;
4. To establish temporary waste collection point in an appropriate location within the site to avoid the risk associated with uncontrolled waste disposal on site, as above; and
5. Immediately plant trees at appropriate locations around the site for proper management and growth, while the Contractor is still implementing the project site works.

2.5 Lack of insurance policy for workers

The Authority found that the Special Conditions of Contract (General Conditions of Contract 18.1) required the Contractor to provide minimum insurance cover for site workers on the project, however the Contractor had no insurance policy in place which was against the provision in SCC (GCC 18.1) of the contract.

Implication.

Failure by the Contractor to provide an insurance policy cover for its staff on personal injury or death, left the workers unprotected from work place related accidents and associated risks.

Management response

In the meeting it was agree that the contractor should provide insurance policy cover for its workers, during the contractual period.

Recommendation

The Authority noted the response above, however, the Accounting Officer should task the Contract Manager to ensure that the Contractor provides a valid copy of the minimum insurance policy cover for the workers taken with an insurance company registered and regulated by the Insurance Regulatory Authority of Uganda.

CHAPTER 3: AUDIT CONCLUSION

The Authority found that the Contractor, M/s NIPE Construction and Technical Services Ltd had implemented the project works up to a physical progress of 25% only, against a time progress of 42% and financial progress of 30% for the advance made to the contractor. The project implementation works which commenced on 2nd May 2024 was expected to be completed by 30th October 2025. Hence, with the above progress achieved, the project was still within the original contractual time lines but behind schedule.

Given that the UGIFT project was expected to close by the end of the FY 2024/2025 and only 25% of the physical works have been implemented for a time progress of 42%, There is a risk that the project may suffer project time overrun.

Therefore, from the foregoing audit findings, the Accounting Officer should take urgent actions to have the project completed and put to its intended purpose by the end of the project period of 30th October 2025.