



**PUBLIC PROCUREMENT AND DISPOSAL  
OF PUBLIC ASSETS AUTHORITY**

*"Regulating for Results"*

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

**CONTRACTOR: MANGRON INVESTMENT LTD**

**PROCUREMENT REF: MOES/WRKS/21-22/00003/Lot 23**

**AUGUST 2025**

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**ACRONYMS**

|          |   |   |
|----------|---|---|
| GCC      |   | General Conditions of the Contract                            |
| SCC      |   | Special Conditions of the Contract                            |
| ESHS     | - | Environmental, Social, Health and Safety                      |
| PPDA Act | - | Public Procurement and Disposal of Public Assets Act Cap. 205 |
| PPDA     | - | Public Procurement and Disposal of Public Assets Authority    |
| UGX      | - | Uganda Shillings  |
| UGIFT    | - | Uganda Intergovernmental Fiscal Transfer Program              |
| VAT      | - | Value Added Tax   |

## EXECUTIVE SUMMARY

On 7<sup>th</sup> October 2022, Kotido District Local Government entered into a contract with Mangron Investment Ltd for the construction of Rengen Seed Secondary School at a cost of UGX. 2,809,571,266 with the intended completion date of 24<sup>th</sup> April 2024 and a defects liability period of 12 months.

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

### The following key exceptions were noted;

1. **Failure to submit management responses:** The Accounting Officer failed to prepare and submit management responses to the draft contract audit report for the construction of Rengen Seed School that was issued to the Entity on 12<sup>th</sup> May 2025 despite multiple follow-up requests made through phone calls and via email on 28<sup>th</sup> May and 18<sup>th</sup> June 2025. This hindered the Authority’s ability to consider the Entity’s perspective, address outstanding issues, and incorporate relevant justifications into the final report, thereby constituting an offence under Section 129(1)(a) of the PPDA Act, Cap. 205.
2. **Failure to appoint a Contract Manager/Contract Management Team;** The Authority noted that the Accounting Officer failed to appoint a Contract Manager/Contract Management team during the contractual period for the construction of Rengen Seed Secondary School contrary to Regulation 50(1) of the PPDA (Contracts) Regulations, 2023. The appointment made was on 27<sup>th</sup> April 2024, three days after the contract had expired, on 24<sup>th</sup> April 2024. Consequently, there was no contract supervision throughout the contract period, resulting in a complete lack of technical oversight that significantly contributed to several contractual failures as detailed below:
  - i **Slow progress of works;** The Authority observed significant delays in the construction of Rengen Seed Secondary School, with the contractor still on site as at 30<sup>th</sup> June 2025, despite the time progress reaching 183%. The delays were primarily attributed the lack of contract supervision, resulting from the failure to appoint a Contract Manager or Contract Management Team, as evidenced by the lack of progress reports and to the contractor’s lack of capacity to effectively perform the contract. These weaknesses were further worsened by external challenges, such as site insecurity caused by armed warriors as reported by casual laborers during the site visit and limited access to water due to a prolonged dry season. In some instances, a water browser was reportedly deployed to fetch water from distant sources. Collectively, these factors have severely impacted project timelines leaving the project’s intended benefits, such as enhanced educational facilities, unrealized.
  - ii **Failure to enforce the submission of a Performance Security;** In the absence of a Contract Management Team, there was no responsible party to ensure that Mangron Investment Ltd submitted the required 10% Performance Security as outlined under clause 52.1 of the Special Conditions of Contract. This undermined the financial safeguards of

the project and weakened the assurance of the contractor's commitment to fulfilling contractual obligations.

- iii **Failure to Penalize Contractor for Non-Submission of Work Program Updates;** Without contract supervision, the Entity failed to enforce submission of weekly work program updates by Mangron Investment Ltd, contrary to GCC 27.1 and 27.3, which mandated updates every seven days and a penalty of UGX 100,000 for delays. This non-enforcement hampered timely tracking of project progress, early detection of delays, and effective contractor accountability, placing the project at risk of extended delays and operational inefficiencies.
  - iv **Execution of works against an expired contract;** Regulations 52(3)(a)(vi) and 53(1)(d) of the PPDA (Contracts) Regulations, 2023, mandate that all contractual obligations be completed before contract expiry and permit the Entity to issue a change order to extend the contract duration if necessary. However, due to lack of oversight resulting from the failure to appoint a Contract Manager or Contract Management Team, the contractor continued implementing works after the contract had expired on 24<sup>th</sup> April 2024. By 30<sup>th</sup> June 2025, time progress had reached 183%, yet the works remained incomplete with no contract in place thus exposing the Entity to risks of non-compliance, project abandonment, and compromised project quality.
  - v **Failure by the contractor to submit a Workman's Compensation Policy;** The Authority found that the contractor, Mangron Investment Ltd, did not submit a Workman's Compensation Policy contrary to GCC 13.1 of the Special Conditions of the Contract which stated that: "*The minimum cover for personnel injury or death insurance shall be as per statute (workers compensation act, Cap. 225)*". This risked workers not receiving appropriate financial protection and support in the event they suffered work related injuries or illnesses.
  - vi **Non- compliance with the Environmental, Social, Health and Safety (ESHS) safeguards;** The absence of contract supervision contributed to critical gaps in meeting Environmental, Social, Health, and Safety (ESHS) safeguards on site. During the inspection, the Authority observed that there was no Environmental and Social Management Plan (ESMP) in place to guide safe and responsible project execution. In addition, the site lacked basic safety provisions such as a first aid box and a proper waste management system. The construction area was not hoarded off, leaving it exposed to potential threats with workers reporting incidents of attacks by armed raiders. There were also no visible safety signs to warn or guide those on or near the site. These gaps significantly compromised the safety and wellbeing of workers, the local community, and the security of materials.
3. **Failure to provide payment records;** Despite several requests and reminders, the Entity did not provide any payment records for the construction of Rengen Seed Secondary School. Consequently, the project's financial performance could not be verified which affected the audit trail, compromised financial accountability, and increased the risk of mismanagement of

public funds. This contravenes Regulation 52(3)(a)(vii) of the PPDA (Contracts) Regulations, 2023

4. **Inconsistency in Contract Duration:** The contract contained conflicting provisions, Paragraph 1 of the contract agreement indicated a duration of 18 months, while Clause GCC 17.1 of the Special Conditions of Contract (SCC) specified 24 months. This inconsistency created confusion over project timelines, increasing the risk of disputes and undermining effective contract management and enforcement.

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

1. The Permanent Secretary, Ministry of Local Government, should task the Accounting to show cause as to why he should not be prosecuted under Section 129 (1)(a) of the PPDA Act, Cap. 205, for denying the Authority access to information, including responses to the management letter, payment records, and all other records related to the contract for the construction of Rengen Seed Secondary School.
2. The Accounting Officer should;
  - i Ensure that a valid contract is in place in accordance with Section 28(1)(i) of the PPDA Act, Cap. 205, and that a Contract Manager or Contract Management Team is appointed to oversee and supervise the full implementation of the project, as required under Regulation 50(1) of the PPDA (Contracts) Regulations, 2023.
  - ii Instruct the District Engineer to assess the remaining works and take urgent steps to ensure the school is completed on time, within budget, and to the required quality standards.
  - iii Show cause as to why he should not be prosecuted under Section 129 (1)(a) of the PPDA Act, Cap. 205, for failure to provide payment records despite several requests and reminders, which hindered the Authority from verifying the financial progress of the project.
  - iv Carefully review and align all contract documents before signing to avoid confusion over contractual terms. If any inconsistencies occur, the signed contract agreement takes precedence and should guide implementation, as it represents the legally binding commitment of the parties.

## CHAPTER 1: INTRODUCTION

### 1.1 Contract summary

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

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

|                       |   |   |
|-----------------------|---|---|
| Entity                | Kotido DLG  |   |
| Contract Title        | Construction of Rengen Seed Secondary School                |   |
| Reference Number      | MOES/WRKS/21-22/00003/Lot 23                                |   |
| Name of Contractor    | Mangron Investment Ltd                                      |   |
| Contract Sum          | UGX 2,809,571,266   |   |
| Type of contract      | Lumpsum   |   |
| Contract Scope        | <b>Works Description</b>                                    | <b>Amount (UGX)</b>   |
|                       | <b>Works Description</b>                                    | <b>Amount (UGX)</b>   |
|                       | Preliminaries   | BoQs were not provided by the Entity. The description of works was obtained from the Standard Bidding Document. |
|                       | Site levelling works  |   |
|                       | Three 2-classroom blocks                                    |   |
|                       | One 2-Unit Science Laboratory Block                         |   |
|                       | One Administration Block                                    |   |
|                       | Three 2-Unit Teachers House                                 |   |
|                       | Three 2-Unit Teachers Kitchen                               |   |
|                       | One 2-Stance Lined VIP Latrine at Administration Block      |   |
|                       | Three Two-Stance Lined VIP Latrine Block for Teachers House |   |
|                       | One Five Stance Lined VIP Latrine Block for Boys            |   |
|                       | One Five Stance Lined VIP Latrine Block for Girls           |   |
|                       | External works  |   |
|                       | One rain water harvest system with 5000 litres              |   |
|                       | One ICT library Block                                       |   |
|                       | One Multipurpose Hall                                       |   |
|                       | One sports field  |   |
|                       | <b>Sub Total 1</b>  |   |
|                       | VAT 18%   |   |
| <b>TOTAL AMOUNT</b>   | <b>2,809,571,266</b>  |   |
| Contract Signing date | 7 <sup>th</sup> October 2022                                |   |
| Site hand over date   | 24 <sup>th</sup> October 2022                               |   |

|   |  |   |  |
|---|--|---|--|
| Original contract completion date                                 | 24 <sup>th</sup> April 2024 (18 months)  |   |  |
| Defects Liability period  | 12 months  |   |  |
| Contract Extension  | Nil  |   |  |
| Method of procurement   | Open National Bidding  |   |  |
| Amount Paid   | Payment records not provided   |   |  |
| Contract Management Team appointed on 27 <sup>th</sup> April 2024 | 1.   | Mr. Benson Katyangango Boing            | District Engineer<br><b>Contract Manager</b> |
|   | 2.   | Principal Community Development Officer |  |
|   | 3.   | District planner                        |  |
|   | 4.   | Clerk of works                          |  |
|   | 5.   | Environment officer                     |  |
|   | 6.   | Labour officer                          |  |
| Progress at site  | Physical progress: No progress reports provided<br>Financial progress: Payment records not provided<br>Time progress: 183% |   |  |

### 1.2 Legal documents applicable

The applicable laws and legal framework were:

1. The Public Procurement and Disposal of Public Assets Act, Cap. 205;
2. The Local Governments (PPDA) Guidelines, 2008;
3. The PPDA (Contracts) Regulations, 2023
4. The bidding document issued to bidders;
5. The signed contract between Kotido DLG and Mangron Investment Ltd; and
6. The circular on contract management and safeguard requirements under the Uganda Intergovernmental Fiscal Transfer (UGIFT) program dated 16<sup>th</sup> March 2021.

### 1.3 Objectives

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

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

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

### 1.4 Scope of the Audit

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

### 1.5 Audit Methodology

The Authority adopted the following methodology:

- i. Review of documentation in the procurement action file;
- ii. Physical verification of the site;
- iii. Debriefing the Entity management on the preliminary findings;

- iv. Issuing a management letter to the Entity for official management response; and
- v. Reporting on findings of the audit and providing recommendations where applicable

### **1.6 Limitation of Scope**

- 1 Despite several reminders made via phone, and on email on 28<sup>th</sup> May and 18<sup>th</sup> June 2025, the Accounting Officer failed to prepare or submit management responses to the draft contract audit report for the construction of Rengen Seed School, which had been issued to the Entity on 12<sup>th</sup> May 2025. This deliberate inaction denied the Authority the opportunity to consider the Entity's position, resolve outstanding issues, and incorporate justifications into the final report, thereby constituting an offence under Section 129(1)(a) of the PPDA Act, Cap. 205.

Furthermore, the Authority was unable to verify the financial and physical progress of the project due to the Entity's failure to provide any payment records or evidence of certified works. Additionally, the Entity did not avail the following documents, which further constrained the Authority's ability to assess the implementation and compliance status of the contract:

- i Bills of Quantities
- ii Performance Security
- iii Advance Payment Guarantee
- iv Schedule of key personnel and equipment

## CHAPTER 2: FINDINGS AND RECOMMENDATIONS

### 2.1 ASSESSMENT OF THE PROGRESS OF WORKS

#### 2.1.1 Progress of works

##### i Time progress

The Authority noted that the Entity signed a contract with Mangron Investment Ltd on 7<sup>th</sup> October 2022 with site handover on 24<sup>th</sup> October 2022 and a contract completion period of 18 months expiring on 24<sup>th</sup> April 2024. Table 2 below shows the time progress of the project.

**Table 2: Time Progress as at 30<sup>th</sup> June 2025**

|                                   |                              |
|-----------------------------------|------------------------------|
| <b>Contract Start Date</b>        | 7 <sup>th</sup> October 2022 |
| <b>Original Contract End Date</b> | 24 <sup>th</sup> April 2024  |
| <b>Contract Extension No. 1</b>   | Nil                          |
| <b>Measurement Date for works</b> | 30 <sup>th</sup> June 2025   |
| <b>Contract Period (Months)</b>   | 18 months                    |
| <b>Time Lapse (Months)</b>        | 33 months                    |
| <b>Time Progress</b>              | 183%.                        |

The project was behind schedule with 183% time spent as shown in Table 2 above yet works were incomplete.

##### ii Physical progress

The Authority was unable to verify the physical progress of the project due to the Entity's failure to provide progress reports despite multiple requests between March and June 2025. However, the auditors' site inspection revealed that all superstructures were completed and roofed, with door and window frames installed but glass panes still missing. The remaining works included floor finishes, painting, ramps, site leveling, landscaping, rainwater harvesting system installation, furniture, electrical and plumbing works, and window glazing.

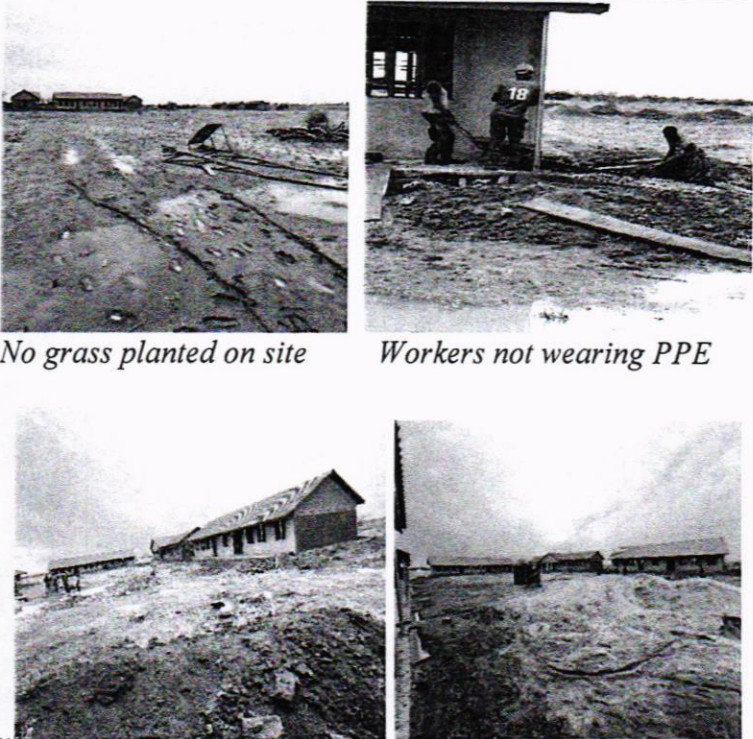

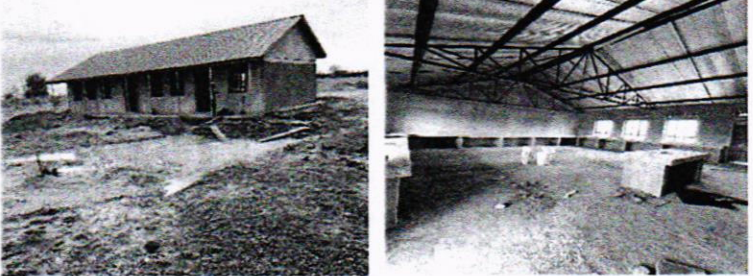
##### iii Financial progress

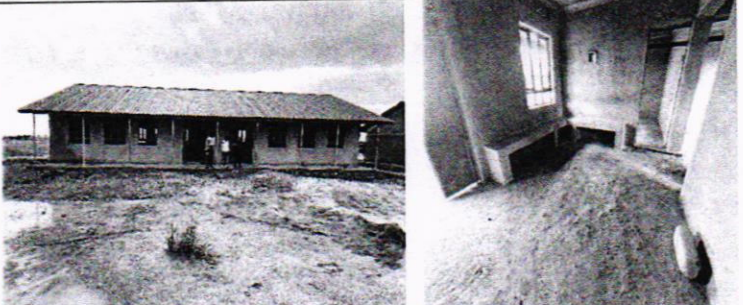



There was no evidence of payments made under the contract worth UGX 2,809,571,266. The Authority was unable to verify financial progress due to the absence of payment records and supporting documentation for advance payments. Consequently, the financial progress was reported as NIL.

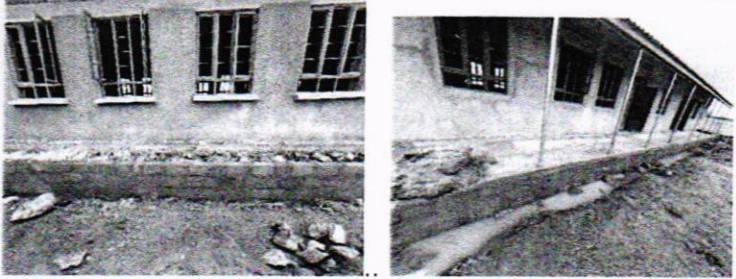



##### iv Physical verification pictures



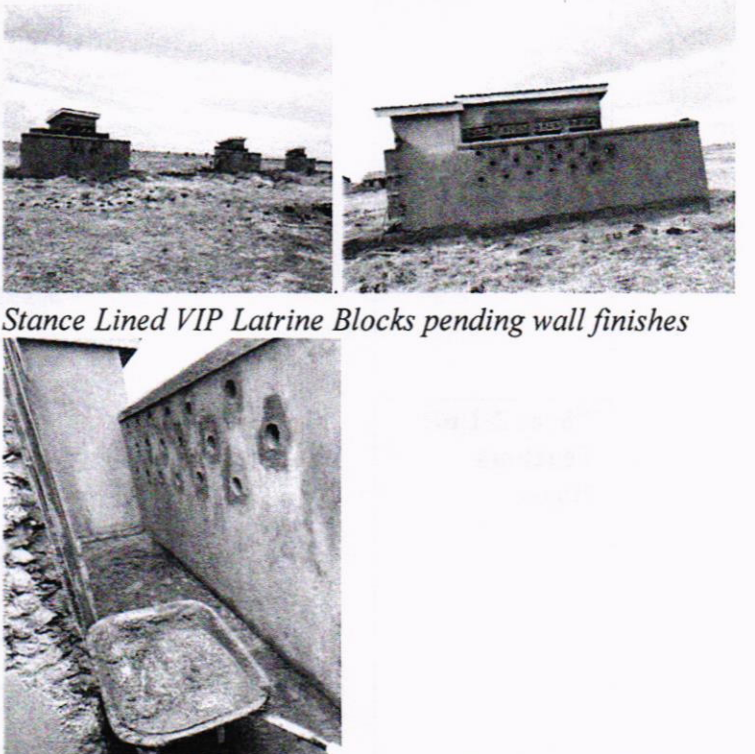
Table 3 below shows the actual progress of works based on the physical verification conducted by the Authority;


**Table 3: Status of works as at 30<sup>th</sup> June 2025**

| Item  | Pending works   | Pictorial evidence  |
|---|---|---|
| <p><b>Preliminaries</b></p>                       | <p><b>Non-compliance with occupational health and safety requirements;</b></p> <ul style="list-style-type: none"> <li>• No hoarding of site</li> <li>• Site levelling and planting of grass not done</li> <li>• Workers not in PPEs</li> <li>• No first aid kit</li> <li>• No signages</li> </ul> |  <p><i>No grass planted on site</i>      <i>Workers not wearing PPE</i></p> <p><i>Site not hoarded off</i>      <i>Site not levelled</i></p>                   |
| <p><b>Three 2-classroom blocks</b></p>            | <p><b>Slow progress of works pending;</b></p> <ul style="list-style-type: none"> <li>• Internal and external finishes,</li> <li>• Floor works,</li> <li>• Painting,</li> <li>• Electrical installations,</li> <li>• Rump installations,</li> </ul>  |  <p><i>Incomplete 3 classroom blocks with no painting and inside one of the classrooms pending floor finishes, painting, and electrical installations</i></p> |
| <p><b>One 2-Unit Science Laboratory Block</b></p> | <ul style="list-style-type: none"> <li>• Window panes,</li> <li>• Rain water gutters,</li> <li>• Furniture installation,</li> <li>• Lightening arresters.</li> </ul>  |  <p><i>Science lab not painted and floor works not finished</i></p>   |

| Item                                    | Pending works | Pictorial evidence  |
|---|---------------|---|
| <p><b>One Administration Block</b></p>  |               |  <p><i>Unpainted Administration block waiting area floor not finished</i></p>  <p><i>Incomplete interior works window frame with no glasses</i></p>  <p><i>No rain water gutters installed</i></p> |
| <p><b>One ICT and library Block</b></p> |               |  <p><i>ICT and library Block not painted and incomplete interior works</i></p>  |

| Item  | Pending works | Pictorial evidence   |
|---|---------------|--|
|   |               |  <p data-bbox="776 523 1539 557"><i>Incomplete splash apron works drainage works not yet done</i></p>  |
| <p data-bbox="233 562 428 671"><b>One Multipurpose Hall</b></p>         |               |  <p data-bbox="776 1006 1539 1045"><i>Multi-purpose hall with incomplete works on floor and wall</i></p>  <p data-bbox="776 1381 1539 1453"><i>Inside the multi- purpose hall with no painting and window panes</i></p> |
| <p data-bbox="233 1458 418 1567"><b>Three 2-Unit Teachers House</b></p> |               |  <p data-bbox="776 1755 1539 1818"><i>No painting and no lightening arrestors on Three 2-Unit Teachers Houses One 2-Unit Teachers House</i></p>  |

| Item  | Pending works | Pictorial evidence  |
|---|---------------|---|
|   |               |  <p data-bbox="789 621 1549 728"><i>Bathroom pending floor and wall finishes and inside the staff house with incomplete floor and wall finishes</i></p>   |
| <p data-bbox="253 734 435 841"><b>Three 2-Unit Teachers Kitchen</b></p>     |               |  <p data-bbox="789 1009 1549 1038"><i>Painting not done on Three 2-Unit Teachers Kitchen</i></p>   |
| <p data-bbox="253 1045 435 1152"><b>Stance Lined VIP Latrine Blocks</b></p> |               |  <p data-bbox="789 1356 1549 1392"><i>Stance Lined VIP Latrine Blocks pending wall finishes</i></p> <p data-bbox="789 1816 1549 1848"><i>Slow works on VIP latrine, pending floor and wall finishes</i></p> |

| Item  | Pending works  | Pictorial evidence  |
|---|--|---|
| <b>One rain water harvest system with 5000 litres</b> | <b>Slow progress of works</b> <ul style="list-style-type: none"> <li>• Tanks not yet delivered</li> <li>• No rain water gutters</li> </ul> |   |
| <b>One sports field</b>                               | <b>Slow progress of works</b><br>Grass planting and levelling of sports field not yet done   |  <p data-bbox="762 801 1345 835"><i>Sports field not levelled and grass not planted</i></p> |

## **2.2 EFFECTIVENESS OF THE QUALITY, TIME, COST CONTROLS AND ADHERENCE TO ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY (ESHS) REQUIREMENTS.**

### **2.2.1 Failure to appoint a Contract Manager/ Contract Management Team**

Regulation 50(1) of the PPDA (Contracts) Regulations, 2023, requires the Accounting Officer to appoint a competent person from the User Department as the Contract Manager prior to the commencement of a contract, to oversee the implementation of the contract and ensure that all parties fulfil their obligations in line with the agreed terms, timelines, and quality standards.

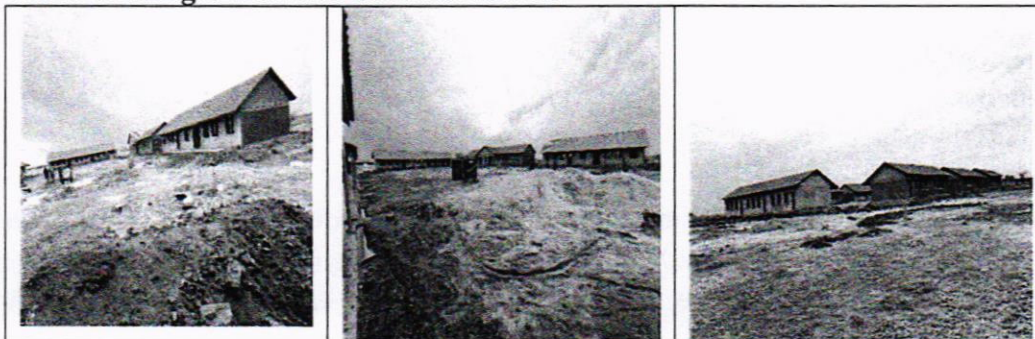
The Authority noted that the Accounting Officer failed to appoint a Contract Manager/Contract Management team during the contractual period for the construction of Rengen Seed Secondary School. The appointment made was on 27<sup>th</sup> April 2024, three days after the contract had expired, on 24<sup>th</sup> April 2024. Consequently, there was no contract supervision throughout the contract period, resulting in a complete lack of technical oversight that significantly contributed to several contractual failures, as detailed below:

- i **Slow progress of works;** The Authority observed significant delays in the construction of Rengen Seed Secondary School, with the contractor still on site as at 30<sup>th</sup> June 2025, despite the time progress reaching 183%. The delays were primarily attributed the lack of contract supervision, resulting from the failure to appoint a Contract Manager or Contract Management Team, as evidenced by the lack of progress reports and to the contractor's lack of capacity to effectively perform the contract. These weaknesses were further worsened by external challenges, such as site insecurity caused by armed warriors as reported by casual laborers during the site visit and limited access to water due to a prolonged dry season. In some instances, a water browser was reportedly deployed to fetch water from distant sources. Collectively, these factors have severely impacted project timelines leaving the project's intended benefits, such as enhanced educational facilities, unrealized.
- ii **Failure to enforce the submission of a Performance Security;** In the absence of a Contract Management Team, there was no responsible party to ensure that Mangron Investment Ltd submitted the required 10% Performance Security as outlined under clause 52.1 of the Special Conditions of Contract. This undermined the financial safeguards of the project and weakened the assurance of the contractor's commitment to fulfilling contractual obligations.
- iii **Failure to Penalize Contractor for Non-Submission of Work Program Updates;** Without contract supervision, the Entity failed to enforce submission of weekly work program updates by Mangron Investment Ltd, contrary to GCC 27.1 and 27.3, which mandated updates every seven days and a penalty of UGX 100,000 for delays. This non-enforcement hampered timely tracking of project progress, early detection of delays, and effective contractor accountability, placing the project at risk of extended delays and operational inefficiencies.
- iv **Execution of works against an expired contract;** Regulations 52(3)(a)(vi) and 53(1)(d) of the PPDA (Contracts) Regulations, 2023, mandate that all contractual obligations be completed before contract expiry and permit the Entity to issue a change order to extend the contract duration if necessary. However, due to lack of oversight resulting from the failure

to appoint a Contract Manager or Contract Management Team, the contractor continued implementing works after the contract had expired on 24<sup>th</sup> April 2024. By 30<sup>th</sup> June 2025, time progress had reached 183%, yet the works remained incomplete with no contract in place thus exposing the Entity to risks of non-compliance, project abandonment, and compromised project quality.

- v **Failure by the contractor to submit a Workman’s Compensation Policy;** The Authority found that the contractor, Mangron Investment Ltd, did not submit a Workman’s Compensation Policy contrary to GCC 13.1 which stated that: *“The minimum cover for personnel injury or death insurance shall be as per statute (workers compensation act, Cap. 225).* This risked workers not receiving appropriate financial protection and support in the event they suffered work related injuries or illnesses.
  
- vi **Non- compliance with the Environmental, Social, Health and Safety (ESHS) safeguards;** The absence of contract supervision contributed to critical gaps in meeting Environmental, Social, Health, and Safety (ESHS) safeguards on site. During the inspection, the Authority observed that there was no Environmental and Social Management Plan (ESMP) in place to guide safe and responsible project execution. In addition, the site lacked basic safety provisions such as a first aid box and a proper waste management system. The construction area was not hoarded off, leaving it exposed to potential threats with workers reporting incidents of attacks by armed raiders. There were also no visible safety signs to warn or guide those on or near the site. These gaps significantly compromised the safety and wellbeing of workers, the local community, and the security of materials. Table 4 below provides photographic evidence of the site without proper hoarding;

**Table 4: Images with site not hoarded off**



*Images showing site not hoarded off and no safety signs around the site as shown in the images above.*

**Implication**

The failure to appoint a Contract Manager/Contract Management Team resulted in the absence of supervision throughout the contractual period, leading to a lack of technical oversight that significantly contributed to poor contract performance.

**Management response**

*No response*

### **Recommendations**

3. The Permanent Secretary, Ministry of Local Government, should task the Accounting to show cause as to why he should not be prosecuted under Section 129 (1)(a) of the PPDA Act, Cap. 205, for denying the Authority access to information, including responses to the management letter, payment records, and all other records related to the contract for the construction of Rengen Seed Secondary School.
4. The Accounting Officer should ensure that a valid contract is in place in accordance with Section 28(1)(i) of the PPDA Act, Cap. 205, and that a Contract Manager or Contract Management Team is appointed to oversee and supervise the full implementation of the project, as required under Regulation 50(1) of the PPDA (Contracts) Regulations, 2023.
5. The Accounting Officer should instruct the District Engineer to assess the remaining works and take urgent steps to ensure the school is completed on time, within budget, and to the required quality standards.

#### **2.2.2 Failure to provide payment records**

Section 9(1)(a) of the PPDA Act, Cap. 205 empowers the Authority to request information, documents, and records related to procurement and disposal processes. However, despite multiple requests and reminders made via phone, and on email between 10<sup>th</sup> to 14<sup>th</sup> March 2025, on 28<sup>th</sup> May and 18<sup>th</sup> June 2025, the Authority was not availed any payment records for the construction of Rengen Seed Secondary School. Consequently, the financial performance of the project could not be verified.

#### **Implication**

The absence of payment records affects the audit trail, compromises financial accountability, and increases the risk of mismanagement of public funds.

#### **Management response**

*No response*

#### **Recommendation**

The Accounting Officer should show cause as to why he should not be prosecuted under Section 129 (1)(a) of the PPDA Act, Cap. 205, for failure to provide payment records despite several requests and reminders, which hindered the Authority from verifying the financial progress of the project.

#### **2.2.3 Inconsistency in the contract duration**

The contract document contained conflicting information regarding the contract duration. Paragraph 1 of the contract agreement specifies a duration of 18 months, while GCC 17.1 in the Special Conditions of Contract stated an intended completion period of 24 months from the start date.

#### **Implication**

This inconsistency may cause confusion over contractual terms, leading to disputes and difficulties in managing and enforcing project timelines.

#### **Management response**

*No response*

**Recommendation**

The Accounting Officer should carefully review and align all contract documents before signing to avoid confusion over contractual terms. If any inconsistencies occur, the signed contract agreement takes precedence and should guide implementation, as it represents the legally binding commitment of the parties.

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

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

The contract for constructing Rengen Seed Secondary School expired on 24<sup>th</sup> April 2024 but remains incomplete up to date. Over 183% of the contract time has elapsed yet the contract expired. Notably, the project's financial status remains unknown due to failure by the Entity to submit documentary evidence of payment records. Additionally, there was inadequate contract supervision attributed to the failure by the Accounting Officer to appoint a contract manager/Contract Management Team to effectively supervise and monitor contract supervision.

Furthermore, despite several reminders, the Accounting Officer failed to provide management responses which hindered the Authority's ability to consider the Entity's position or justify the project delays. The project further suffered from poor supervision, lack of Performance Security, and non-compliance with key safety and environmental safeguards.

### **3.2 Audit conclusion**

In conclusion, the project is at risk of failing to achieve its intended objectives, public funds are not being properly managed, and accounted for and the community remains deprived of the much-needed education services. Urgent action is required to address these shortcomings, enforce accountability, and ensure timely completion for the community's benefit.