



**CONTRACT AUDIT REPORT INTO THE CONSTRUCTION OF ALEKA SEED  
SECONDARY SCHOOL IN ALEKA SUB COUNTY, OYAM DISTRICT LOCAL  
GOVERNMENT UNDER THE UGIFT PROGRAM**

**CONTRACTOR: BUILDMAST ENGINEERING LIMITED**

**PROCUREMENT REF: MOES-UGIFT/WRKS/2022-2023/00001**

**JUNE 2025**

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## **ACRONYMS**

ESHS	-	Environmental, Social, Health and Safety
ESMP		Environmental and Social Management Plan
GCC		General Conditions of Contract
OSH		Occupational Health and Safety
PPDA Act	-	Public Procurement and Disposal of Public Assets Act No. 1 of 2003
PPDA	-	Public Procurement and Disposal of Public Assets Authority
UGX	-	Uganda Shillings
UgIFT	-	Uganda Intergovernmental Fiscal Transfer Program

## **EXECUTIVE SUMMARY**

The Government of Uganda received a loan from the World Bank to fund the Uganda Intergovernmental Fiscal Transfer (UgIFT) Program for the construction of seed secondary schools and expansion of existing ones in selected Sub-Counties in Uganda. Oyam District Local Government was one of the beneficiaries in FY 2022/2023.

On 24<sup>th</sup> April 2024, Oyam District Local Government entered into a contract with Buildmast Engineering Limited for the construction of Aleka Seed Secondary School at a cost of UGX 3,105,751,975 VAT exclusive with an intended completion date of 31<sup>st</sup> December 2025.

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

The specific objectives of the contract audit were to assess:

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

### **Key Findings of the Authority**

1. Poorly performing contract: The Authority found that by the time of the audit on 21<sup>st</sup> February 2025, 44.4% of the project time had elapsed, and only 6.4% of the physical works had been completed, according to the last progress report filed by the Clerk of Works for the month of November 2024. Furthermore, the contractor had failed to implement preliminary activities, such as site hoarding, security provision, and provision of personal protective equipment (PPEs) for workers, among others.

The Authority noted that, according to the progress report for the month of April 2025 compiled by the District Engineer and the pictorial evidence provided in the management response submitted to the Authority in May 2025, the contractor had made some progress on the project following the audit. The physical progress of the project stood at 38.5% against a time progress of 61.1%.

The slow progress of works has exposed the Entity to the risk of failure to utilize the allocated funds by the end of the financial year in June 2025, when the project is expected to come to an end. Additionally, this delay may affect timely service delivery to the intended beneficiaries.

2. Delay to commence works: Whereas the contract was signed on 25<sup>th</sup> April 2024, the works only commenced on 1<sup>st</sup> July 2024 which was 48 working days from the date of contract signing without justification for the delay. Delays result in the commitment of more resources in terms of staff like the Clerk of Works and time by the Entity to the project that ought to have been completed earlier, and also affect the Government's performance in the

delivery of services to the public.

3. Failure by the Project Management Team to perform its duties: The Authority found that whereas the Accounting Officer had appointed a project management team on 11<sup>th</sup> April 2023 comprising of:
  - i) Mr, George Okite - the District Engineer;
  - ii) Dr. Thomas Malinga - the District Health Officer;
  - iii) Mr. Moses Alemo - the Senior Labour Officer;
  - iv) Mr. Moses Opio - the Natural Resource Office;
  - v) Mr. Chris Gira - the District Community Development Officer; and
  - vi) Mr. Francis Ocerro Oleke - District Education Officer.

There was no evidence that the members of the PMT undertook their roles and responsibilities as assigned for example, appraising the performance of the contractor and submitting monthly reports on the progress of the contract to the Chief Administrative Officer and to the Procurement and Disposal Unit. Lack of an effective project management team led to ineffective contract monitoring and supervision, which resulted in slow progress of the works.

4. Failure to register the site: The site was not registered by the Ministry of Gender, Labour and Social Development as per Sections 40-43 of the OSH Act, 2006. Section 42 of the OSH Act, 2006 requires that: *'A plan and any architectural drawings of a new workplace and of any alterations of an existing workplace shall be submitted to the Commissioner for approval before the construction of buildings or alterations of existing buildings of workplaces begins.'* There was no evidence that either the Entity or the contractor submitted plans and architectural drawings for approval by the Commissioner. This meant that the contractor was not able to receive advice on how to improve working conditions and the environment from the Ministry of Gender, Labour and Social Development.
5. The Authority found the following health issues:
  - a) There was no Health and Safety Officer at the site though the contract required the appointment of a Health and Safety Officer to be responsible for maintaining health and safety practices at the site;
  - b) There was no accident/incident register to record any injuries or sicknesses of the workers at the site or the treatment given;
  - c) There was no stocked first aid box and no trained first aider among the workers to administer first aid treatment of minor injuries and sicknesses on site; and
  - d) There was no evidence of a No Sexual Harassment Statement at the site to enlighten workers that sexual harassment was prohibited on the site.

The above were contrary to Section 66 of the PPDA Act, Cap. 205. Failure to enforce compliance to occupational health and safety measures endangers lives of the workers at the site and the communities surrounding the site.

### **Key Recommendations**

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

1. The Chief Administrative Officer should task the:

- a) Project Management Team to strictly supervise the contractor and ensure the timely completion of the project as per the contractual timelines so as to deliver services to the intended beneficiaries in an efficient manner in accordance with Section 48 of the PPDA Act Cap. 205;
  - b) Contractor to implement what they provided for under occupational health and safety measures in accordance with the contractual terms and conditions; and
  - c) District Community Development Officer (DCDO) and the contractor's Health and Safety Officer to take part in monitoring and ensuring compliance on occupational health and safety measures at the project site in accordance with their roles and responsibilities as stated in the circular on contract management and safeguard requirements under Uganda Intergovernmental Fiscal Transfer (UgIFT) program dated 16<sup>th</sup> March 2021.
2. The Project Manager should:
- a) Going forward commence works in a timely manner so as to ensure efficiency in the contractual implementation in accordance with Section 48 of the PPDA Act, 2003;
  - b) Work hand in hand with the staff in charge of community and labor, to ensure enforcement of social and health safeguards during contract implementation; and
  - c) Work hand in hand with the Community Development Officer and the District Health Officer to ensure enforcement of social and health safeguards during contract implementation.
  - d) The project management team should show cause to the Accounting Officer why disciplinary action should not be taken against them for failure to perform their roles and responsibilities in accordance with Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.
3. The District Community Development Officer, should work with the contractor to register the construction site with the Ministry of Gender, Labour and Social Development for compliance purposes and upon completion of works the certificate should be transferred to the management of Aleka Seed Secondary School.

## CHAPTER 1: INTRODUCTION

### 1.1. Background

The Government of Uganda received a loan from the World Bank to fund the Uganda Intergovernmental Fiscal Transfer (UgIFT) Program for the construction of seed secondary schools and expansion of existing ones in selected Sub-Counties in Uganda. Kole District Local Government was one of the beneficiaries in FY 2022/2023.

On 24<sup>th</sup> April 2024, Oyam District Local Government entered into a contract with Buildmast Engineering Limited for the construction of Aleka Seed Secondary School at a cost of UGX 3,105,751,975 VAT exclusive with an intended completion date of 31<sup>st</sup> December 2025 and as of the progress report of November 2024, the physical progress noted was 6.4%.

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

Table 1 below shows the contract summary for the Construction of Aleka Seed Secondary School in Aleka Subcounty (procurement ref: MoES-UGIFT/Wrks/2022-2023/00001) in Oyam District

**Table 1: Contract Summary**

Contract Title	Construction of Aleka Seed Secondary School in Aleka Subcounty (procurement ref: MoES-UGIFT/Wrks/2022-2023/00001) in Oyam District	
Contract Scope	<b>Construction of Kole Seed Secondary School, Kole District</b>	
	<b>Qty</b>	<b>Deliverables</b>
		<b>Amount (UGX)</b>
	1	Preliminaries
		64,900,000
	1	Site Leveling Works
		10,750,000
	3	2-Classroom Block
		583,701,000
	1	2-Unit Science Laboratory Block
		415,904,275
	1	Administration Block
		231,345,600
	2	2-Unit Teachers House
		385,186,800
	2	2-Unit Teachers Kitchen
		97,640,000
	1	2-Stance Lined VIP Latrine for Administration Block
		22,490,000
	1	2-Stance Lined VIP Latrine Block for Teachers' House
		29,027,800
	1	5-Stance Lined VIP Latrine Block-Boys
		45,157,200
	1	5-Stance Lined VIP Latrine Block-Girls
		45,157,200
	1	External Works
		89,155,000
	1	Rain Water Harvest System With 5000l Water Tank
		7,228,000
	1	ICT-Library Block
		493,738,050
	1	Multi-Purpose Hall
		534,371,050

	1	Sports Field	50,000,000
		Sub-Total 1	<b>3,105,751,975</b>
		Add: Vat 18%	0
		<b>Total Amount</b>	<b>3,105,751,975</b>
Name of Contractor	Buildmast Engineering Limited		
Method of procurement	Open Bidding		
Type of Contract	Lumpsum Contract		
Contract Price (UGX)	3,105,751,975		
Contract signing date	25 <sup>th</sup> April 2024		
Commencement date as per contract	1 <sup>st</sup> July 2024		
Actual commencement date	1 <sup>st</sup> July 2024		
End date as per contract	31 <sup>st</sup> December 2025 (18 calendar months)		
Project Manager	George Okite – District Engineer		
Progress as of 21 <sup>st</sup> February 2025	Physical progress – 6.4% % (As indicated in the last progress report by the Clerk of Works of November 2024) Financial progress – 30% (Advance payment made) Time progress – 44.4% (8 months out of 18 months - time elapsed until the contract audit date)		
Progress as of 1 <sup>st</sup> May 2025	Physical progress – 38.5% % (As indicated in the April 2025 progress report by the District Engineer) Financial progress – 46.3% (Advance payment and interim payment certificate 1 made in March 2025) Time progress – 61.1% (11 months out of 18 months - time elapsed since project commencement)		

## 1.2. Objective of the audit

The primary objective of the contract audit exercise was to assess the status of contract implementation with emphasis on the verification that all parties to the contract complied with the requirements and standards set forth in the contract and the provisions of the PPDA law and UGIFT Guidelines.

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

1. The progress of works with regard to the 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 Aleka Seed Secondary School in Aleka Subcounty, Oyam District.

### **1.4. Audit Methodology**

The Authority adopted the following methodology:

- i. Review of the signed contract, contract implementation records, and any correspondence related to the matter;
- ii. Physical verification of the 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; and
- v. Reporting on the audit findings and providing recommendations.

### **1.5. Limitation of Scope**

The contract audit was undertaken by Auditors who did not have professional competence in engineering and building construction and, hence, could not conclusively give an opinion on the technical quality of the works undertaken. The overall responsibility for the quality of works undertaken lies with the Oyam District Local Government's management and the contractor, Buildmast Engineering Limited.

### **1.6. Legal documents applicable**

The applicable legal documents were:

- ii. The Public Procurement and Disposal of Public Assets Act Cap. 205;
- iii. The Local Governments (PPDA) Regulations, 2006;
- iv. The PPDA (Contracts) Regulations, 2023;
- v. The bidding document issued to bidders;
- vi. The signed contract; and
- vii. The circular on contract management and safeguard requirements under Uganda Intergovernmental Fiscal Transfer (UgIFT) program dated 16<sup>th</sup> March 2021.

## **CHAPTER 2: FINDINGS AND RECOMMENDATIONS**

### **2.1.Observations during contracting**

#### **2.1.1. Inconsistency in the signed contract**

The Authority found following inconsistencies in the signed contract as detailed below:

1. The Entity signed a contract that was inconsistent with the contract template issued by the Authority. The Procurement and Disposal Unit customized the agreement template to include a specific start and end dates for the contract as well as the duration of the contract without the approval of the Authority thereby making the agreement inconsistent with the issued template contrary to Regulation 33 (5) of the PPDA (Rules Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023).
2. The contract contained inconsistent terms in respect to the duration i.e.:
  - i. Whereas the contract agreement indicated that the contract duration was eight months, the Special Conditions of Contract GCC 22 stated the intended completion period for the works as 18 calendar months.
  - ii. The contract agreement indicated the commencement date as 25<sup>th</sup> April 2024, while GCC 26 indicated 29<sup>th</sup> April 2024 thereby creating an inconsistency in the commencement date.

#### **Implication**

This exposed the Entity to the risk of conflict during the contract execution, particularly arising from conflicting clauses in the contract and the bidding document.

#### **Management Response**

*Management had previously observed that the same contractor was working at a slow pace on other sites. As a result, both parties agreed to reduce the contractual period to apply pressure on the contractor to expedite their efforts and complete the work within one financial year. This decision was made due to a warning that the UGIFT funding would end by 30<sup>th</sup> June 2025. Nonetheless, the contract was amended to cover the entire contract period as outlined in the General Conditions of Contract (GCC) and Special Conditions of Contract (SCC) in the bidding document, which spans 18 months.*

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

The Authority took note of the Entity's response; however, the amended contract was still in the incorrect template. The Entity did not submit the other sections of the contract, like the SCC and the GCC, for the Authority's review, therefore, the Authority found the evidence provided insufficient.

#### **Recommendation**

In future procurements, the Accounting Officer should direct the Procurement and Disposal Unit to draft contracts using the appropriate template in the bidding document to avoid unnecessary contradictions. If a deviation from the approved template is necessary, the Entity must obtain prior approval from the Authority in accordance with Regulation 33 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

**2.2. Assessment of the progress of works with regard to the effectiveness of time, cost, and quality controls of works undertaken**

**2.2.1. Progress of works**

**2.2.1.1. Poorly performing contract**

The Authority found that by the time of the audit on 21<sup>st</sup> February 2025, 44.4% of the project time had elapsed, and only 6.4% of the physical work had been completed, according to the last progress report filed by the Clerk of Works for the month of November 2024. This indicated a poorly performing contract, as outlined below:

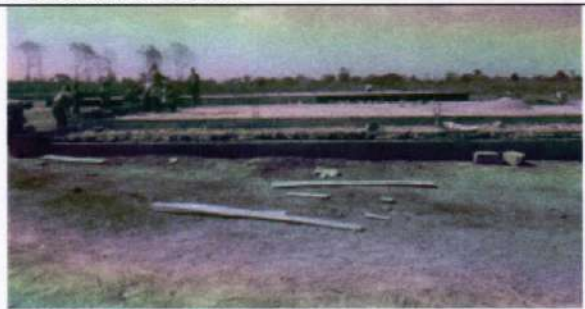
- i. The contractor had not implemented preliminary activities such as hoarding of the site, provision of security, and provision of personal protective equipment for workers, to mention but a few
- ii. An analysis of all the monthly progress reports from July to November 2024 showed very slow progress, with only 6.4% of the physical works completed against the planned physical progress of 87.5 % by November 2024 leaving a variance of 81.1% as detailed in Table 2 below:


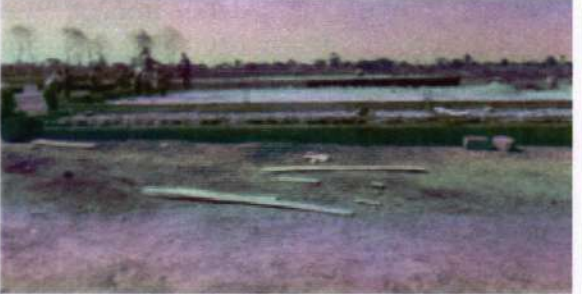


**Table 2: Cumulative progress of works between July and November 2024**





No	Month	Cumulative planned progress	Cumulative actual progress	% Cumulative progress variance
1.	July 2024	12.5%	4%	8.5%
2.	August 2024	62.5%	4%	58.5%
3.	September 2024	75%	4.5%	70.5%
4.	October 2024	87.5%	4.5%	83%
5.	November 2024	87.5%	6.4%	81.1%


- iii. By the time of the audit i.e., 21<sup>st</sup> February 2025, none of the structures had gone past substructure level and works had not commenced for some as indicated in Table 3 below:

**Table 3: Progress of works as at 21<sup>st</sup> February 2025**

No.	Item	Status	Pictorial evidence
1.	Preliminaries costed at UGX 64,900,000	Not completed	 <p>No site hoarding done (Images taken on 21<sup>st</sup> February 2025)</p>

No.	Item	Status	Pictorial evidence
2.	2-Classroom costed at 583,701,000	Block UGX	 <p data-bbox="850 506 1434 577">The buildings were at the foundational level (Images taken on 21<sup>st</sup> February 2025)</p>
3.	2-Unit Laboratory costed at 415,904,275	Science Block UGX	 <p data-bbox="850 875 1434 947">The buildings were at foundational level (Images taken on 21<sup>st</sup> February 2025)</p>
4.	Administration costed at 231,345,600	Block UGX	 <p data-bbox="850 1245 1434 1317">The building was at foundational level (Images taken on 21<sup>st</sup> February 2025)</p>
5.	ICT-Library costed at 493,738,050	Block UGX	 <p data-bbox="850 1749 1434 1823">The building was at foundational level (Images taken on 21<sup>st</sup> February 2025)</p>

No.	Item	Status	Pictorial evidence
6.	Multi-Purpose Hall costed at UGX 534,371,050	Substructure level	 <p>The building was at foundational level <i>(Images taken on 21<sup>st</sup> February 2025)</i></p>
7.	2-Unit Teachers House costed at UGX 385,186,800	Hardcore level	 <p>Hardcore being compacted <i>(Images taken on 21<sup>st</sup> February 2025)</i></p>
8.	2-Unit Teachers Kitchen costed at UGX 97,640,000	Hardcore level	 <p>Hardcore being compacted <i>(Images taken on 21<sup>st</sup> February 2025)</i></p>
9.	5-Stance Lined VIP Latrine Block-Boys costed at UGX 45,157,200		
10.	5-Stance Lined VIP Latrine Block-Girls		

No.	Item	Status	Pictorial evidence
	costed at UGX 45,157,200		Pits structure (Images taken on 21 <sup>st</sup> February 2025)
11.	2-Stance Lined VIP Latrine for Administration Block costed at UGX 22,490,000		
12.	External Works costed at UGX 89,155,000	Not started	
13.	Rain Water Harvest System With 5000l Water Tank costed at UGX 7,228,000	Not started	
14.	Sports field costed at UGX 50,000,000	Not started	 <p>Works not yet started (Images taken on 21<sup>st</sup> February 2025)</p>

- iv. The Authority noted that, according to the progress report for the month of April 2025 compiled by the District Engineer and the pictorial evidence (vide Appendix 1) provided in the management response submitted to the Authority in May 2025, the contractor has made some progress on the project following the audit. The physical progress of the project stood at 38.5% against a time progress of 61.1%. The status of works by the Entity following the audit is as detailed in Table 4 below:

**Table 4: Status as at 1<sup>st</sup> May 2025**

Qty	Activity	Amount (UGX)	Progress
1	Preliminaries	64,900,000	Not completed
1	Site Leveling Works	10,750,000	Not completed
3	2-Classroom Block	583,701,000	Ring beam level
1	2-Unit Science Laboratory Block	415,904,275	Ring beam level
1	Administration Block	231,345,600	Ring beam level
2	2-Unit Teachers House	385,186,800	Ring beam level
2	2-Unit Teachers Kitchen	97,640,000	Raised to first beam level
1	2-Stance Lined VIP Latrine for Administration Block	22,490,000	Wall at Window level

Qty	Activity	Amount (UGX)	Progress
1	2-Stance Lined VIP Latrine Block for Teachers' House	29,027,800	Not started
1	5-Stance Lined VIP Latrine Block-Boys	45,157,200	Wall at Window level
1	5-Stance Lined VIP Latrine Block-Girls	45,157,200	Wall at Window level
1	External Works	89,155,000	Not started
1	Rain Water Harvest System With 5000l Water Tank	7,228,000	Not started
1	ICT-Library Block	493,738,050	Ring beam level
1	Multi-Purpose Hall	534,371,050	Ring beam level
1	Sports Field	50,000,000	Not started

### **Implication**

Slow progress of works exposes the Entity to the risk of failure to utilize funds by the end of the financial year, June 2025, when the project is expected to come to an end and may delay service delivery to the intended beneficiaries.

### **Management Response**

*The contractor faced some initial challenges that impacted the performance of the contract. However, after numerous engagements with both management and the Project Implementation Team, the contractor significantly increased his efforts and has steadily progressed to approximately 70% completion. Given that there are still seven months remaining, we are confident that the work will be finished by the specified completion date.*

### **Authority's comment**

The Authority took note of the Entity's response however, the evidence submitted indicated that only 38.5% of the works had been completed by April 2025 against a time progress of 61.1%. This information is based on the progress report dated May 1, 2025, from the District Engineer. Furthermore, the Authority did not revisit the site to verify the evidence submitted by the Entity.

### **Recommendation**

The Accounting officer should task the Project Management Team to strictly supervise the contractor and ensure the timely completion of the project as per the contractual timelines so as to deliver services to the intended beneficiaries in an efficient manner in accordance with Section 48 of the PPDA Act Cap. 205.

#### **2.2.1.2.Failure by the Project Management Team to perform its duties**

The Authority found that whereas the Accounting Officer had appointed a project management team on 11<sup>th</sup> April 2023 comprising of:

- i) Mr, George Okite - the District Engineer;
- ii) Dr. Thomas Malinga - the District Health Officer;
- iii) Mr. Moses Alemo - the Senior Labour Officer;
- iv) Mr. Moses Opio - the Natural Resource Office;
- v) Mr. Chris Gira - the District Community Development Officer; and

vi) Mr. Francis Ozero Oleke - District Education Officer.

There was no evidence that the members of the PMT undertook their roles and responsibilities as assigned for example, appraising the performance of the contractor and submitting monthly reports on the progress of the contract to the Chief Administrative Officer and to the Procurement and Disposal Unit.

**Implication**

Lack of an effective project management team led to ineffective contract monitoring and supervision, which resulted in slow progress of the works.

**Management Response**

*The Team has always been facilitated and participated fully in the review. However, by the time of the audit the team had not attached their reports to the required files for verification; however, they have now been availed for verification.*

**Authority's comment**

The Authority reviewed the evidence submitted and noted that the reports submitted were for a period following the audit specifically for the months February to April 2025.

**Recommendation**

The project management team should show cause to the Accounting Officer why disciplinary action should not be taken against them for failure to perform their roles and responsibilities in accordance with Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.

**2.2.1.3.Failure to prepare a contract implementation plan**

The Authority found that the Project Manager did not prepare a contract implementation plan to guide the effective implementation of the construction works. Notably, the contract was signed on 25<sup>th</sup> April 2024, and implementation started on 1<sup>st</sup> July 2024. As a result, information on contract timelines such as the start date, end date, site possession date by the contractor, date of submission of the performance security, date of submission of advance payment guarantee, date of release of bid security, date of release of advance payment guarantee and defects liability period were not known thereby impacting communication and collaboration.

**Implication**

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

**Management Response**

*The district, together with the Ministry of Education's support, agreed on a new implementation plan and a target to deliver the school to the people of Oyam. A new implementation plan was formulated by the project manager and was attached for your verification.*

**Authority's comment**

The Entity did not attach the contract implementation plan for verification.

### **Recommendation**

The Project Manager should prepare a contract implementation plan using Form 49 and forward a copy of the contract management plan to the Procurement and Disposal Unit for purposes of monitoring in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.

#### **2.2.1.4. Monthly progress reports anomalies**

The Authority found the following anomalies in the preparation and approval of the monthly progress reports:

- i. There were no monthly progress reports prepared by the Project Manager provided for verification which casted doubt on whether the Project Manager monitored the progress of the works or reviewed reports of the clerk of works.
- ii. Whereas the clerk of works had submitted five progress reports for July, August, September, October and November 2024, the content contained in these reports was not approved by the Project Manager raising concerns about their quality assurance. Consequently, the audit team was unable to assess the current progress of the project's implementation, since the last progress report on file was for the month of November 2024.

### **Implications**

Anomalies in progress reports hindered the effective monitoring and supervision of the contract and could have contributed to the delayed completion of the works.

### **Management Response**

*This oversight has been noted, the Project Manager has updated his reports and forwarded to the Accounting Officer and Procurement and Disposal Unit for necessary actions.*

### **Recommendation**

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

#### **2.2.1.5. Failure to hold all the monthly site meetings and prepare the site meeting minutes**

The Authority found that out of the eight expected site meetings, there were only two monthly site meeting minutes on file dated 4<sup>th</sup> September 2024 and 11<sup>th</sup> November 2024 contrary to the contractual requirement. The PPDA Circular No. 3 of 24<sup>th</sup> July 2019 on the implementation of procurements under UgIFT also required the project management team to hold monthly site meetings.

### **Implications**

- Lack of site meeting minutes casts doubt on whether the Entity was monitoring the projects effectively and efficiently and further increase the risk of poor-quality works.
- Due to the failure to hold site meetings, grievances from the contractor's staff and surrounding communities were never heard and addressed, and other issues that affected the progress of the works on the site could not be identified and backstopped without further loss of time.

### **Management Response**

*Management acknowledges that the minutes were missing during the audit, however, the minutes have now been made available for verification.*

### **Authority's comment**

The Authority took note of the management response however, the minutes were not provided for verification.

### **Recommendations**

1. The Project Manager and project management team should adhere to the provision in the contract i.e., monthly site meetings with the stakeholders to ensure that the project is on course, and discuss project progress, challenges and way forward.
2. The Accounting Officer should task the project management team to prepare and share site meeting minutes with action points with the stakeholders when site meetings are held in accordance with Section 31 (o) of the PPDA Act, 2003.

#### **2.2.2. Time progress**

The Authority found that, at the date of the project site visit on 21<sup>st</sup> February 2025, eight out of the 18 months i.e., 44.4% of the project time had elapsed as detailed in Table 5 below:

**Table 5: Time progress**

Actual start date	1 <sup>st</sup> July 2024
End date as per contract	31 <sup>st</sup> December 2025
Physical verification date	21 <sup>st</sup> February 2025

##### **2.2.2.1. Delay to commence works**

The Authority found that the Entity delayed to commence works. Whereas the contract was signed on 25<sup>th</sup> April 2024, the works only commenced on 1<sup>st</sup> July 2024 which was 48 working days from the date of contract signing.

### **Implication**

Delays result into the commitment of more resources in terms of staff like the clerk of works and time by the Entity to the project that ought to have been completed earlier and also affects the Governments performance in the delivery of services to the public.

### **Recommendation**

In future projects, the Project Manager should commence works in a timely manner so as to ensure efficiency in the contractual implementation in accordance with Section 48 of the PPDA Act, 2003.

##### **2.2.2.2. Failure by the Entity to apply penalties to the contractor for late submission of an updated program for works**

The Authority found that the Project Manager did not penalize the contractor, Buildmast Engineering Limited for failure to prepare and submit a work program and subsequent updates to the program contrary to:

- GCC 36.1 of the signed contract which stated that: *“The contractor shall submit the program for the works within seven days of the contract signature.”*
- GCC 36.3 of the Special Conditions of Contracts stated that: *“The period between the program updates is 28 days. The amount to be withheld for late submission of an updated program is UGX 200,000.”*

### **Implications**

- The Project Manager/contract manager could not have effectively monitored the sequence of tasks, timelines, resource allocation and key milestones for the project without the progress of works
- The contractor was not penalized for defaulting on the terms and conditions of the contract which could have contributed to the loss on time in terms of contract implementation due to encouraged laxity.

### **Management Response**

*Management found that the contractor actually submitted his work schedule unfortunately the Project Manager did not submit to Procurement and Disposal Unit for archiving in the procurement action file. This oversight has been rectified and the file is now updated with the missing record.*

### **Authority’s comment**

The Authority took note of the Entity’s management response however the evidence only had one updated schedule dated 18<sup>th</sup> February 2025 and no subsequent updates in accordance with GCC 36.3 of the Special Conditions of Contracts.

### **Recommendation**

The Project Manager should invoke GCC 36.3 and withhold UGX 200,000 for each time the contractor missed submitting an update from the contractor's next payment certificate. The manager should continue to withhold similar amounts until all updated works programs are submitted as per the contract's requirements.

### **2.2.3. Cost Control**

The Authority found that at the time of the audit i.e., 21<sup>st</sup> February 2025, the Entity had only made an advance payment of 30% worth UGX 931,725,592 on 21<sup>st</sup> June 2024 against an advance payment guarantee of the same amount expiring on 7<sup>th</sup> June 2025 from Cairo Bank Uganda Limited which is in accordance with Regulation 43 (3) of the PPDA (Contracts) Regulations, 2023.



The management response submitted to the Authority on 16<sup>th</sup> May 2025 by the Entity indicated that another payment worth UGX 504,684,696 was made in March 2025, bringing the financial progress to 46.3% in accordance with the contractual payment terms and conditions.

## 2.2.4. Quality Progress

### 2.2.4.1. Poor storage of construction materials

The Authority found that the contractor did not properly store all construction materials. The temporary store that was constructed at the site had no roof. During the physical verification, the team found some construction materials such as BRC mesh left outside and exposed to the effects of weather conditions, including very extreme heat and heavy rains as well as theft and tampering with materials, as detailed in Table 6 below:

**Table 6: Poor storage of construction materials**

	
Storage room without roof	Construction materials exposed to harsh weather conditions i.e., BRC Mesh

#### **Implication**

Poor storage of construction materials could affect the quality of the materials before they are used for construction, thereby affecting the general quality of works.

#### **Management Response**

*This anomaly was addressed and the evidence has been attached for verification.*

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

The Authority took note of the Entity's management response however there was no evidence submitted to verify the response.

#### **Recommendation**

The Project Manager should task the contractor to undertake repairs on the stores for the construction materials in such a manner that upholds the quality of the materials.

### 2.2.4.2. Failure to maintain contract management records

The Authority found that the contractor did not maintain the following records at the project site contrary to Section 44 (2) of the PPDA Act, Cap. 205:

1. Visitor's register;

2. Site diary;
3. Site layout plan;
4. Engineer's instruction book; and
5. Daily attendance registers of workers on site;

#### **Implication**

Lack of contract management records raises a red flag for poor or insufficient checks and balances by the Entity and is an indicator that the project activities were not properly supervised or monitored.

#### **Management Response**

*The Contractor was tasked to put all the necessary documents in place and in the recently concluded supervision, the project implementation team confirms compliance.*

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

The Authority took note of the Entity's management response however there was no evidence submitted to verify the response.

#### **Recommendation**

The Accounting Officer should task the Project Manager and clerk of works to ensure that the above records and reports are maintained in the contract management file and at the project site in accordance with Section 44 (2) of the PPDA Act, Cap. 205.

### **2.3. Adherence to Environmental, Social, Health and Safety (ESHS) requirements**

#### **2.3.1. Failure to have an Environmental and Social Management plan**

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

#### **Implication**

Failure to have an ESMP in place puts the contractor at risk of failure to consider and develop adequate measures and controls to minimise and mitigate the potential environmental and social risks and impacts during project implementation.

#### **Management Response**

*The contractor submitted the ESMP, and the contract management files have now been updated to include all the necessary documentation.*

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

The Authority noted the Entity's response however there was no evidence submitted to verify the response.

### **Recommendation**

The Project Manager should task the contractor to submit an ESMP to the Entity and have one on site to ensure that adequate measures and controls are implemented to mitigate against potential environmental and social risks in accordance with Section 66 of the PPDA Act, Cap. 205.

#### **2.3.2. Failure to have in place grievance redress mechanism**

The Authority found that there was no evidence of grievance redress mechanism to solve issues of the workers and community or any other aggrieved persons. There was no functional Grievance Redress Committee at any level i.e., at site level (yet the contractor had budgeted UGX 200,000 for the set up the grievance committee), sub county level and district level; there was no grievance redress register indicating recorded issues and how they were addressed or referred to the next level.

### **Implications**

Failure to have grievance redress mechanisms:

- Leads to reduced productivity, absenteeism problems, disobeying of orders, indiscipline behavior and reduced quality of work;
- Could lead to increased or escalated conflict between the community and the contractor.
- May infringe on the human rights and safety of Project Affected Personnel, contractors' workers and district staff.

### **Management Response**

*Management has noted this gap and has tasked the District Community Development Officer to form all the required committees at the site.*

### **Recommendations**

1. The Accounting Officer should establish grievance redress committees at all levels, including at the district level, and that they are fully aware of their duties and responsibilities in accordance with Section 66 of the PPDA Act, CAP 205.
2. The District Community Development Officer should task the contractor to establish a grievance redress mechanism and maintain a register of all grievances. The register should indicate how each issue was resolved or escalated to the next level.

#### **2.3.3. Failure by the contractor to submit a Workman's Compensation Policy**

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

### **Implication**

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

### **Management Response**

*The contractor submitted the insurance cover for workers on site and the contract files have now been updated to include all the necessary documentations.*

### **Authority's comment**

The Authority took note of the Entity's response however there was no evidence submitted to verify the response.

### **Recommendation**

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

#### **2.3.4. Failure to register the site**

The Authority found that the site was not registered by the Ministry of Gender, Labour and Social Development as per Section 40-43 of the OSH Act, 2006. Section 42 of the OSH Act, 2006 requires that: *'A plan and any architectural drawings of a new work place and of any alterations of an existing workplace shall be submitted to the Commissioner for approval, before the construction of buildings or alterations of existing buildings of work places begins.'* There was no evidence that either the Entity or the contractor submitted plans and architectural drawings for approval by the Commissioner despite the contractor budgeting UGX 3,000,000 for site registration.

### **Implication**

Failure to register the site means that the contractor did not comply with Section 42 of the OSH Act, 2006, and the contractor was not able to receive advice on how to improve working conditions and the environment from the Ministry of Gender, Labour and Social Development.

### **Management Response**

*Management has noted this gap and has tasked the District Community Development Officer to have the site registered.*

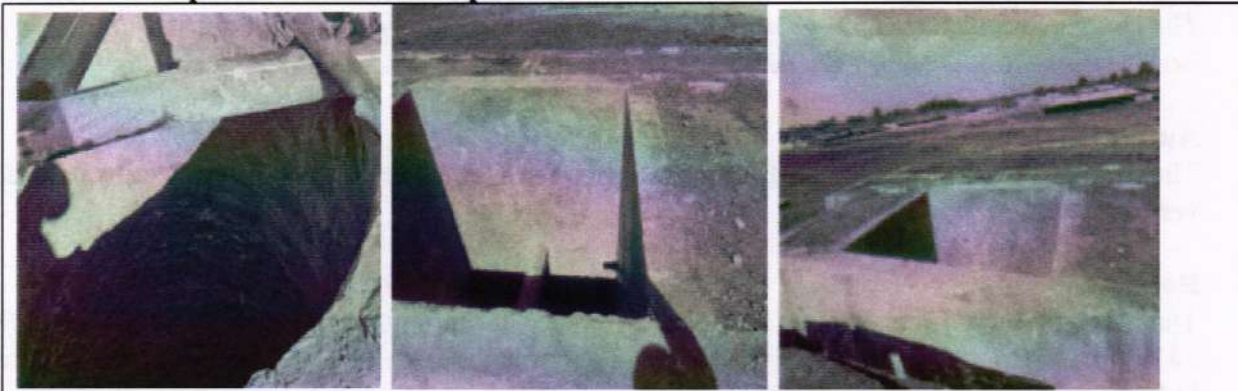

### **Recommendation**

The project management team, particularly the District Community Development Officer, should work with the contractor to ensure that the construction site is registered by the Ministry of Gender, Labour and Social Development for compliance purposes and upon completion of works the certificate should be transferred to the Management of Aleka Seed Secondary School.

#### **2.3.5. Unprotected excavated pits**

The Authority found that the exposed excavated pits on site that had not been temporarily covered with logs, taped and labeled with warning signs posing safety risks to the site occupants and any persons that may wander into the site. Furthermore, the contractor did not install safety signs such as hazardous signs and caution signs including assembly point as shown in Table 7 below:

**Table 7:: Unprotected excavated pits**


<p>Exposed excavated pit (<i>Images taken on 21<sup>st</sup> February 2025</i>)</p>
 <p>Exposed water collection point (<i>Images taken on 21<sup>st</sup> February 2025</i>)</p>

**Implication**

Exposed pits pose safety concerns to the site occupants and communities around the site.

**Management Response**

*The said pits are now fully built-up toilet structures (slabs and walls).*

**Authority's comment**

The Authority took note of the Entity's management response however, the pits above were not pits for toilets but water collection points as indicated in the table above.

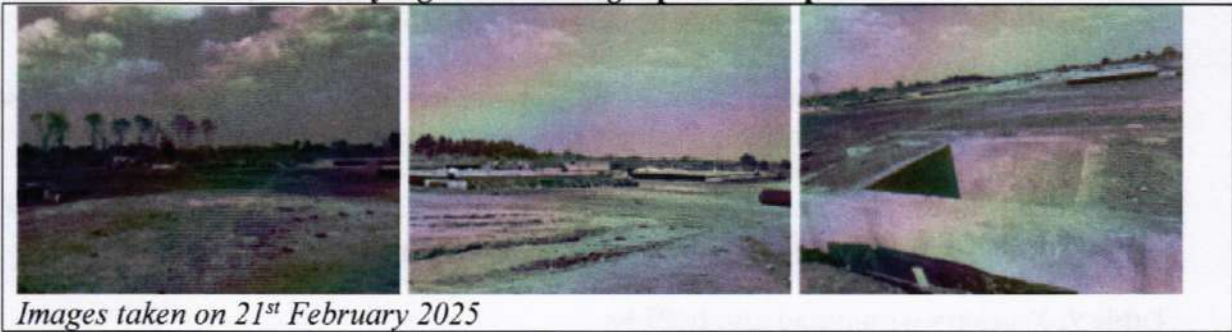
**Recommendation**

The contractor should install safety signs and tapes around the site to ensure the safety of both workers, visitors and animals, as well as serve as a reminder of safety issues and protocols for everyone on site in accordance with Section 66 of the PPDA Act, Cap. 205.

**2.3.6. Failure to place safety signs**

The Authority found that the contractor did not install safety signs such as hazardous signs and caution signs including assembly point. Furthermore, there was no adequate warning tape placed at dangerous spots such as pits as detailed in Table 8 below:

**Table 8: Site with no safety signs or warning tape around pits**



**Implication**

Failure to display safety signs endangers workers and visitors who may be unaware of hazards or safety protocols.

**Management Response**

*No management response.*

**Recommendation**

The contractor should install and maintain safety signs around the site to ensure the safety of both workers and visitors, as well as serve as a reminder of safety issues and protocols for everyone on site in accordance with Section 66 of the PPDA Act, CAP 205.

**2.3.7. Failure to have waste management system**

The Authority found that there was no waste management system despite the contractor's budget of UGX 16,500,000 for waste management. There was no waste pit, and the contractor dumped the waste without sorting biodegradable and non-biodegradable.

**Implication**

Poor waste management systems could lead to pollution of air, water and soil.

**Management Response**

*The waste management facilities were put in place after the intervention of the project management team.*

**Authority's comment**

The Authority took note of the Entity's management response however there was no evidence submitted to verify the response.

**Recommendation**

The contractor should implement an adequate waste management system as provide for in the BOQs to avoid pollution of the environment in accordance with Section 66 of the PPDA Act, CAP 205.

### 2.3.8. Labour issues

The Authority found the following labour issues contrary to Section 66 of the PPDA Act, CAP 205:

- a) There was no comprehensive record of project workers with details showing their names, gender, age or place of origin. Furthermore, there were no consistent records of daily attendance of workers presence on the site.
- b) The workers did not have adequate personal protective equipment. Notably, all of the workers lacked helmets, gloves, gumboots, face masks and ear plug as shown in Table 9 below:

**Table 9: Workers without adequate PPEs**



Workers without PPEs (Images taken on 21<sup>st</sup> February 2025)

### **Implication**

Labour issues could lead to reduced productivity; make workers susceptible to injuries ultimately affecting the quality of work.

### **Management Response**

*No management response.*

### **Recommendation**

The Project Manager, through the District Labour Officer, should ensure that the contractor, going forward addresses the labour issues raised to better the conditions of workers and subsequently increase productivity.

### 2.3.9. Health issues

The Authority found the following health issues contrary to Section 66 of the PPDA Act, CAP 205:

- a) There was no Health and Safety Officer at the site though the contract required the appointment of a Health and Safety Officer to be responsible for maintaining health and safety practices at the site.
- b) There was no accident/incident register to record any injuries or sicknesses of the workers at the site or the treatment given.
- c) There was no stocked first aid box and no trained first aider among the workers to administer first aid treatment of minor injuries and sicknesses on site.
- d) There was no evidence of a No Sexual Harassment Statement at the site to enlighten workers that sexual harassment was prohibited on the site.

**Table 10: Sanitary facilities at the construction site**



Washroom facilities

*(Images taken on 21<sup>st</sup> February 2025)*

***Implication***

Failure to enforce compliance to occupational health and safety measures endangers lives of the workers at the site and the communities surrounding the site.

**Management Response**

*Management has taken note of all the above concerns and remedial actions to address them.*

**Recommendations**

1. The Accounting Officer should:
  - a) Task the contractor to implements what they provided for under occupational health and safety measures;
  - b) Task the District Community Development Officer (DCDO) and the contractor's Health and Safety Officer to take part in monitoring and ensuring compliance on occupational health and safety measures at the project site; and
2. The contract manager should:
  - a) Work hand in hand with the staff in charge of community and labor, to ensure enforcement of social and health safeguards during contract implementation.
  - b) Work hand in hand with the Community Development Officers and the District Health Officer officers to ensure enforcement of social and health safeguards during contract implementation.

### **CHAPTER 3: AUDIT CONCLUSION**

The Authority found that 44.4% (8 out of 18 months) of the project time had elapsed against a physical progress of 6.4% (according to the progress report for November 2024) and 30% financial progress which is UGX 931,725,592 out of 3,105,751,975 paid to the contractor as of February 2025.

The Entity's management response dated 16<sup>th</sup> May 2025 included pictorial evidence (vide Appendix I) indicating that the contractor had progressed with works after the audit exercise and has since made considerable progress, with physical progress at 38.5% and financial progress at 46.3% (UGX 1,436,410,288 out of 3,105,751,975 paid to the contractor) over a time progress of 61.1%. However, the Authority did not visit the site again, after the audit exercise to confirm and verify the Entity's management response.

The Authority noted that despite the physical progress made on the project, the works remain behind schedule in comparison to the project timeline. Therefore, the Accounting Officer should implement all the Authority's recommendations and ensure that all works are completed and defects rectified before the end of the contractual period in December 2025.

## APPENDIX I: Pictorial evidence from the management response

### Pictorial Report

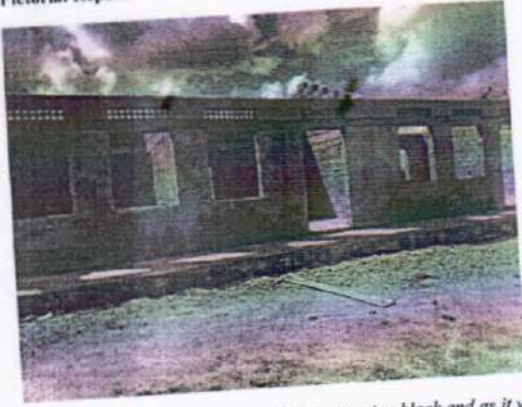


Figure 1; Shows the plastering of administration block and as it waits for roofing materials.

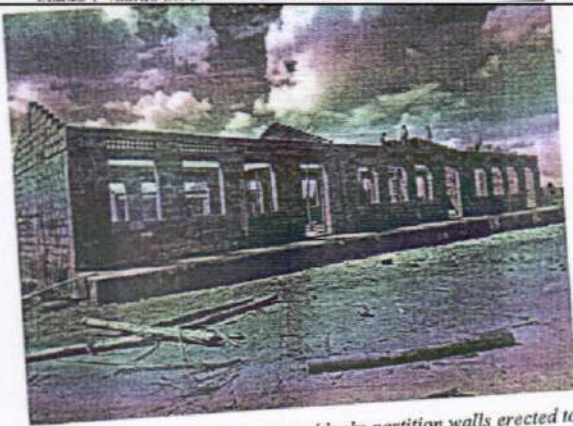


Figure 2; Shows the multipurpose blocks partition walls erected to roof level.

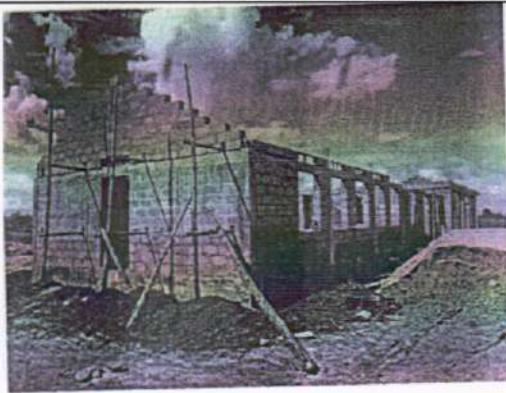


Figure 3. The shows the soffit being prepared for installation of second beam for ICT/Library block

**APPENDIX I: Pictorial evidence from the management response**



*Figure 4: Shows the laying of air bricks for ventilations in two classroom blocks.*



*Figure 6: shows the plastering done for two classroom block in the ratio of 1:3.*