



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**
"Regulating for Results"

**CONTRACT AUDIT INTO THE SUPPLY & DELIVERY OF ICT EQUIPMENTS FOR
ALL SAINTS SEED SECONDARY SCHOOL IN MARACHA DISTRICT BY MFI
DOCUMENT SOLUTIONS LIMITED**

PROCUREMENT REF: Mara887/SUPLS/24-25/00014

MAY 2026

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ACRONYMS

GCC	-	General Conditions of Contract
FY	-	Financial Year
ICT	-	Information Communication Technology
PPDA	-	Public Procurement and Disposal of Public Assets Authority
PPDA Act	-	Public Procurement and Disposal of Public Assets Act, Cap. 205
SCC	-	Special Conditions of Condition
UgIFT	-	Uganda Intergovernmental Fiscal Transfer
UGX	-	Uganda Shillings

EXECUTIVE SUMMARY

The Government of Uganda received a loan from the World Bank the Intergovernmental Fiscal Transfer (UgIFT) Program for the construction and equipping of Seed Secondary Schools in selected Sub-Counties in Uganda. Among the Schools selected by Ministry of Education and Sports was All Saints Seed Secondary School in Maracha District. On 16th December 2024, the Ministry of Education and Sports on behalf of selected District Local Governments invited bids for the supply and delivery of ICT equipment - Lot 1.

On 30th April 2025, Maracha District Local Government entered into a contract with MFI Document Solutions Limited for the supply and delivery of ICT equipment for All Saints Seed Secondary School in Maracha District at a cost of UGX. 149,797,790.40 with an intended completion date of 16th June 2025. The overall management of the contractual obligations and payment to the supplier was a responsibility of the district that was represented by the Project Manager who reported to the Accounting Officer.

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 supply and delivery of ICT equipment - Lot 1 to All Saints Seed Secondary School in Maracha District between 24th November 2025 to 5th December 2025. The overall objective was to assess 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 laws and the Ministry of Education & Sports Guidelines under UgIFT for FY 2024/2025.

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

1. The progress of the contract; and
2. The effectiveness of time, quality and cost controls of the contract implementation.

The following key findings were noted:

1. SCC (GCC 32) requires the provider to provide all services including installation, testing and other services described in the Statement of Requirements with the highest levels of professional competence and integrity. However, the Authority found that the ICT equipment delivered on 17th November 2025 by MFI Document Solutions Limited had not been installed, tested or commissioned. During the audit the equipment was found stored in the server-room. The school's IT Officer informed the audit team that installation was not possible because two essential items – server standing racks and connectors – were not supplied. The equipment therefore remained in the server room pending installation. This gap, impeded progress on contractual obligations and delayed timely service provision to the intended beneficiaries.
2. SCC (GCC 12) stipulated delivery to be within 45 days after contract signing (from 30th April 2025 to 16th June 2025). The Authority, however, found that, despite the extension of the contract period the equipment was not delivered until 17th November 2025, a delay of 154 days. The delay affected the execution of subsequent project phases, such as the installation, commissioning, and user training, ultimately disrupting the overall project objective and the timeliness of having the equipment in use for learning purposes.
3. Regulation 50(3) of the PPDA (Contracts) Regulations, 2023 requires the Contract Manager to prepare a contract management plan on Form 49 upon receipt of the contract and submit a copy to the Procurement and Disposal Unit for monitoring. The Authority found that the Contract Manager did not prepare the contract management plan to guide

effective contract implementation. Although the contract was signed on 30th April 2025, no contract management plan had been produced by 28th November 2025 when the audit was carried out. This gap made it difficult for the provider's performance and deliverables to be effectively managed, monitored, and reported on during the contract execution.

4. Regulation 52 (3) (f) of the PPDA (Contracts) Regulations, 2023 requires the Contract Manager to assess the provider's performance and report on it to the Procurement and Disposal Unit. The Authority found that the Contract Manager did not produce any progress reports on the implementation status of the ICT equipment contract for All Saints Seed Secondary School. The lack of progress reporting created uncertainty about when the supplier would deliver the equipment for installation. This gap, frustrated effective oversight and diminished the Entity's ability to make appropriate and timely project implementation decisions.
5. SCC (GCC 33.1) provides that *"the Procuring and Disposing Entity or its representative has the right to inspect and/or test any items listed in the Statement of Requirements at the point of delivery to verify whether they are in good working order and conform to the contract specifications. After inspection, the Procuring and Disposing Entity or its representative must issue an inspection report on the items' conformity to the contract specifications."* The Authority found that although the ICT equipment was delivered to the school on 17th November 2025, no inspection report was submitted to the Accounting Officer. This gap, raised concerns regarding the quality and reliability of the ICT equipment supplied thus exposing the Entity to the risk of failure to meet the defined specifications and also risk of the equipment failing to meet its functional standards.

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

1. The Accounting Officer should task the Contract Manager to:
 - i) Produce installation/commissioning report, as the report would confirm completion of delivery of the two components: installation, testing, and commissioning of the project in accordance with SCC (GCC 32).
 - ii) Invoke liquidated damages totaling to UGX. 7,489,889 and document the calculation and supporting basis in the contract in accordance with SCC (GCC 28).
 - iii) Conduct a quality control inspection test on all the ICT equipment that was delivered by the provider in accordance with SCC (GCC 33.1) and prepare an inspection report to be submitted to the Authority.
 - iv) Subsequently ensure that Contract Managers prepare contract management plan for individual projects in the Entity to achieve efficient supervision.
 - v) To always prepare and submit monthly reports on the progress 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. This will facilitate follow up by the Entity of the progress of implementation of the contract and its timelines.

CHAPTER 1: INTRODUCTION

1.1 Background

The Government of Uganda received a loan from the World Bank to fund the Intergovernmental Fiscal Transfer (UgIFT) Program for the construction and equipping of Seed Secondary Schools in selected Sub-Counties in Uganda. Among the Schools selected by Ministry of Education and Sports was All Saints Seed Secondary School in Maracha District. On 16th December 2024, the Ministry of Education and Sports on behalf of selected District Local Governments invited bids for Supply and delivery of ICT equipment - Lot 1.

On 30th April 2025, Maracha District Local Government entered into a contract with MFI Document Solutions Limited for the supply and delivery of ICT equipment for All Saints Seed Secondary School in Maracha District at a cost of UGX. 149,797,790.40 with an intended completion date of 16th June 2025. The overall management of the contractual obligations and payment to the supplier was a responsibility of the district that was represented by the Project Manager who reported to the Accounting Officer.

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 supply and delivery of ICT equipment - Lot 1 to All Saints Seed Secondary School in Maracha District between 24th November 2025 to 5th December 2025. The overall objective was to assess 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 laws and the Ministry of Education & Sports Guidelines under UgIFT for FY 2024/2025.

Table 1 below shows the summary of the contract between Maracha District Local Government and MFI Document Solutions Limited for the supply and delivery of ICT equipment – Lot 1 to All Saints Seed Secondary School.

Table 1: Contract Summary for supply of and delivery of ICT equipment

Entity	Maracha District Local Government
Funding	World Bank funded Intergovernmental Fiscal Transfer (UgIFT) Program
Contract Name	Supply and delivery of ICT Equipment – Lot 1
Procurement Reference No.	Mara887/SUPLS/24-25/00014
Name of Provider	MFI Document Solutions Limited
Delivery Sites	All Saints Seed Secondary School
Contract Signing Date	30 th April 2025
Contract Commencement Date	30 th April 2025
Intended Completion Date (Clause GCC 12)	Within forty-five (45) days after contract signing (16 th June 2025).
Contract Extension Date	31 st December 2025
Actual Delivery Date	17 th November 2025 (154 days after contract signing)
Status as at November 28, 2025	ICT Equipment delivered but not installed Delivery progress: 98% complete Financial progress: 0% complete
Contract Scope/Deliverables	See Appendix 1
Warranty (SCC (GCC) 28.3)	12 months.
Contract Amount	UGX. 149,797,790.40

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 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 the contract; and
2. The effectiveness of time, quality and cost controls of the contract implementation.

1.3 Scope of the audit exercise

The audit covered the contract implementation and management for the supply and delivery of ICT equipment to All Saints Seed Secondary School in Maracha District Local Government.

1.4 Audit methodology

The Authority adopted the following methodology:

Between 24th November 2025 and 3rd December 2025, two Senior Officer-Performance Monitoring conducted the audit exercise under the supervision of the Regional Manager. During the exercise, the Officers reviewed the signed contract, contract implementation records and any correspondences related to the matter and physical verification of the project site to obtain relevant and sufficient evidence to derive the audit conclusions.

The PPDA Officers met with the staff from the Procurement and Disposal Unit, Contracts Committee, Internal Audit and User Departments where necessary, to obtain crucial qualitative information about the internal control system and processes in place.

Following completion of the field work, the PPDA Officers debriefed the Accounting Officer on 5th December 2025. The Management Letter was issued on 20th February 2026, to which the Entity responded on 4th March 2026. This report details the findings and recommendations arising from the audit exercise.

1.5 Limitation of Scope

The Auditors were not able to physically verify the ICT equipment since it was not yet installed. However, the equipment was stack in boxes in the server room at All Saints Seed Secondary School. The Authority relied on the records of delivery notes and matched with the labeled boxes of the items, hence, could not conclusively give an opinion on the technical quality of the equipment delivered. The overall responsibility for the quality of ICT equipment delivered lies with the Maracha District Local Government's management, All Saint Seed Secondary School and the supplier, MFI Document Solutions Limited.

1.6 Legal documents applicable

The applicable legal documents were:

- i. The Public Procurement and Disposal of Public Assets Act, Cap. 205;
- ii. The PPDA (Contracts) Regulations, 2023;
- iii. The bidding document issued to bidders;
- iv. The signed contract agreement; and
- v. The correspondences on contract management.

CHAPTER 2: FINDINGS AND RECOMMENDATIONS

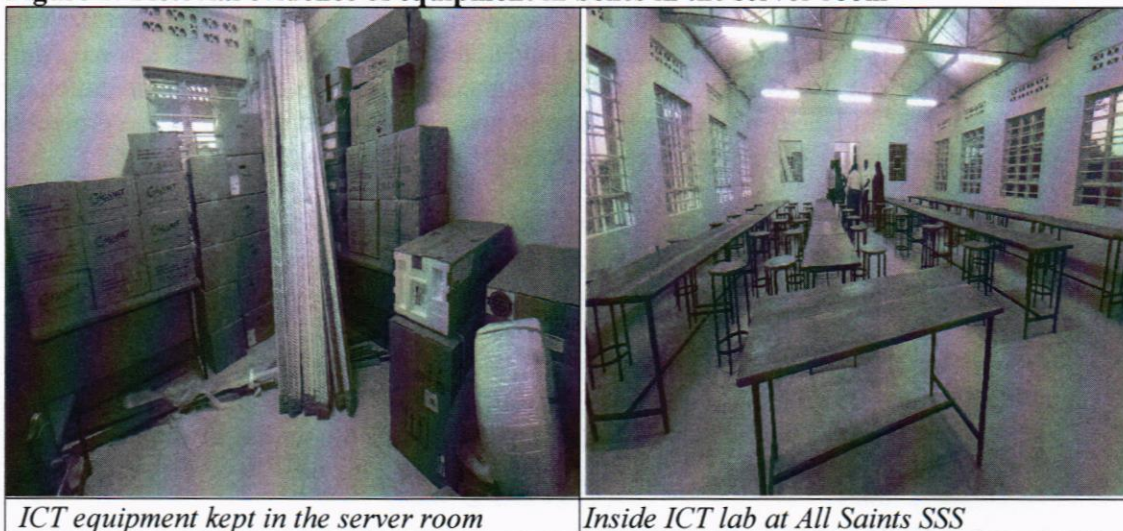
2.1 PROGRESS OF THE CONTRACT

2.1.1. Delivered ICT equipment not installed and commissioned

SCC (GCC) 32 required the provider to provide all services including installation, testing, and other services described in the Statement of Requirements with the highest levels of professional competence and integrity. However, the Authority found that the ICT equipment delivered on 17th November 2025 by MFI Document Solutions Limited had not been installed, tested or commissioned. During the audit, the equipment was found stored in the server-room

The school's IT Officer informed the audit team that installation was not possible because two essential items – server standing racks and connectors – were not supplied. The equipment therefore remained in the server room pending installation. Physical verification photographs taken on 28th November 2025 are shown in Figure 1 below.

Figure 1: Pictorial evidence of equipment in boxes in the server room



Implications

The supplier's part delivery of the equipment impeded progress on contractual obligations and delayed timely service provision to the intended beneficiaries.

Management response

It is true that at the time of audit some components were still missing and the Contract Manager was directed as advised and the Contractor was also instructed accordingly. However, the supplies have now been made and ICT installed.

Authority's comment

The Entity's response has been noted; however, there is no documentary proof (for example, a delivery note or Goods Received Note) confirming receipt of the two crucial missing components. The Authority was only given a copy of a letter dated 4th February 2026 sent to the Managing Director of MFI Document Solutions Limited directing the supplier to deliver the outstanding items within two weeks and instructing the Contract Manager to follow-up. No progress report from the Contract Manager was submitted for verification of final deliveries though a photograph of the installed computers were submitted (See Appendix II).

Recommendations

The Accounting Officer should task the Contract Manager to produce installation/commissioning report, as the report would confirm completion of delivery of the two components; installation, testing, and commissioning of the project in accordance with SCC (GCC 32).

2.2 EFFECTIVENESS OF TIME, QUALITY AND COST CONTROLS OF THE CONTRACT IMPLEMENTED

2.2.1. Time Control

2.2.1.1 Delayed delivery of the ICT equipment

SCC (GCC 12) stipulates delivery to be within 45 days after contract signing (from 30th April 2025 to 16th June 2025). The Authority, however, found that the contract period was extended and the equipment was not delivered until 17th November 2025, a delay of 154 days.

Implication

Failure to deliver the ICT equipment within the contractual timeframe (i.e., within 45 days) affected the execution of subsequent project phases, such as the installation, commissioning, and user training, ultimately disrupting the overall project objective and the timeliness of having the equipment in use for learning purposes.

Management Response

It is true that at the time of audit the delivery, installation, user training and commissioning of the ICT equipment's was not yet done but these have been accomplished.

Payment has not been effected and therefore, the recommendation to invoke payment of the liquidated damages has been noted for action.

Authority's comment

The response has been acknowledged, however, there is no documentary evidence (for example, correspondence from the supplier) to substantiate the alleged shipment or customs clearance issue.

Recommendation

The Accounting Officer should direct the Contract Manager to invoke liquidated damages and document the calculation in accordance with SCC (GCC 28).

2.2.1.2 Failure by the Contract Manager to prepare a Contract Management Plan

Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023 requires the Contract Manager to prepare a contract management plan on Form 49 upon receipt of the contract and submit a copy to the Procurement and Disposal Unit for monitoring. The Authority found that the Contract Manager did not prepare the contract management plan to guide effective contract implementation. Although the contract was signed on 30th April 2025, no contract management plan had been produced by the audit date, 28th November 2025.

Implication

The absence of a contract management plan made it difficult for the provider's performance and deliverables to be effectively managed, monitored, and reported on during the contract execution.

Management response

It is true and I have already instructed the contract managers accordingly for subsequent procurements.

Recommendation

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

2.2.1.3 No progress reports

Regulation 52 (3) (f) of the PPDA (Contracts) Regulations, 2023 requires the Contract Manager to assess the provider's performance and submit a report to the Procurement and Disposal Unit. The Authority found that the Contract Manager did not produce any progress reports on the implementation status of the ICT equipment contract for All Saints Seed Secondary School. The lack of progress reporting created uncertainty about when the supplier would deliver the equipment for installation.

Implication

The lack of progress reporting frustrated effective oversight and diminished the Entity's ability to make appropriate and timely project implementation decisions.

Management response

This is well noted and the contract manager has been instructed on the same.

Recommendation

The Contract Manager should always prepare and submit monthly reports on the progress 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. This will facilitate follow up by the Entity of the progress of implementation of the contract and its timelines.

2.2.2 Quality Control

2.2.2.1 No inspection reports

SCC (GCC 33.1) provides that "the Procuring and Disposing Entity or its representative has the right to inspect and/or test any items listed in the Statement of Requirements at the point of delivery to verify they are in good working order and conform to the contract specifications. After inspection, the Procuring and Disposing Entity or its representative must issue an inspection report on the items' conformity to the contract specifications." The Authority found that although the ICT equipment was delivered to the school on 17th November 2025, no inspection report was submitted to the Accounting Officer.

Implication

The absence of inspection reports raised concerns regarding the quality and reliability of the ICT equipment supplied exposing the Entity to the risk of failure to meet the defined specifications and also risk of the equipment failing to meet its functional standards.

Management response

The recommendation is noted. However, during delivery a technical officer was involved in verification and the same verification shall be done before payment.

Authority's comment

The Entity's response has been acknowledged; however, there is no documentary evidence submitted for verification

Recommendation

The Accounting Officer should task the Contract Manager to conduct a quality control inspection test on all the ICT equipment that was delivered by the provider in accordance with SCC (GCC 33.1).

RECOMMENDATIONS

1. The Accounting Officer should task the Contract Manager to:
 - i) Produce installation/commissioning report, as the report would confirm completion of delivery of the two components; installation, testing, and commissioning of the project in accordance with SCC (GCC) Clause 32.
 - ii) Invoke liquidated damages totaling to UGX. 7,489,889 and document the calculation in accordance with SCC (GCC) 28.
 - iii) Conduct a quality control inspection test on all the ICT equipment that was delivered by the provider in accordance with SCC (GCC) 33.1 and prepare an inspection report to be submitted to the Authority.
 - iv) Prepare contract management plan for individual projects in the Entity to achieve efficient supervision.
 - v) Prepare and submit monthly reports on the progress 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. This will facilitate follow up by the Entity of the progress of implementation of the contract and its timelines.

CHAPTER 3: AUDIT CONCLUSION

Although the photograph provided by the Entity indicated that the computers had been installed at the school, the supplier, MFI Document Solutions Limited, took more than 154 days to deliver the equipment, and the Authority was still unable to confirm receipt of the two outstanding essential components, which further delayed installation of the ICT equipment.

To achieve the project's goal of delivering educational services to the beneficiary community and the public, the Accounting Officer should require the Contract Manager and the supplier to produce evidence of full completion of the outstanding deliveries (preferably a delivery note and Goods Received Note), together with a completion report detailing installation, commissioning and user training at the school. Once proof of the outstanding components is supplied, the Entity may consider the delivery fully complete; at the time of the audit on 28th November 2025 the delivery was 98% complete. Notably, no financial payments had been made by the Entity as of 28th November 2025.

The Entity's management acknowledged the above findings and offered explanations, often referencing actions taken. Therefore, the Accounting Officer is urged to implement the Authority's recommendations and comprehensively address the identified anomalies.

Appendix 1: ICT equipment supplied by MFI Document Solutions Limited as at the time of audit on 28th November 2025

S/No.	Description of Supplies	Quantity Ordered	Quantity Received
1.	Desktop computers + monitor	20 pcs	20 pcs
2.	Server Processor + monitor	1 pc	1 pc
3.	Network Switch 24 Port	2 pcs	2 pcs
4.	Multipurpose Printer	1 pc	1 pc
5.	UPS 1000VA	20 pcs	20 pcs
6.	Projector	1 pc	1 pc
7.	Network Rack Cabinet	1 pc	1 pc
8.	Wireless Router	1 pc	1 pc
9.	Air Conditioner	1 pc	1 pc
10.	Firewall	1 pc	1 pc
11.	Power Surge Projector	10 pcs	10 pcs
12.	Server UPS 3kva	1 pc	1 pc
13.	LAN	1 pc	1 pc
14.	Internet Connection	12 months	12 months
15.	CCTV Camera	1 pc	1 pc
16.	Router -TP link	1 pc	1 pc
	Accessories		
1.	Sophos XGS 118W Security Appliance	1	1
2.	DVR	1	1
3.	Dual face plates	25	25
4.	Back box	25	25
5.	CAT 6 Keystone Jack Module	50pcs	50pcs
6.	CAT 6 UTP patch cord 1M	50pcs	50 pcs
7.	Patch Code -3M	50 pcs	50 pcs
8.	CAT 6 Cable roll -305m	10	10
9.	RJ-45 CAT-6 Connectors	300pcs	300pcs

10.	Labelling Cartridge	1	1
11.	Extension cable	10	10
12.	Internal bend	4	4
13.	External bend – 3 Compartment	4	4
14.	End Cap – 3 Compartment	4	4
15.	3 compartment trunking	8	8
16.	End Cap 100x50mm	4	4
17.	Internal Bend 100x50mm	20	20
18.	External Angel 100x50mm	20	20
19.	External bend 100x50mm	10	10
20.	Floor Trunking	10	10
21.	2 Compartment Trunking	10	10
22.	Masking tape	1	1
23.	Self-Taping screws	1	1
24.	Wall plugs	1	1
25.	Flexible conduits 32mm	1	1
25.	Cable ties	1	1
26	Cable ties big size	1	1

Appendix II: ICT equipment installed at All Saints SSS as of March 2026

