



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

*"Regulating for Results"*

**CONTRACT AUDIT REPORT INTO THE CONSTRUCTION  
WORKS OF THE UPGRADE OF TE-TUGU HEALTH CENTRE  
III (CONTRACTOR: WML CONSULT & ENGINEERING  
LIMITED); AND FENCING OF ATABU HEALTH CENTRE II  
(CONTRACTOR: DREAMERS ENTERPRISES LIMITED)**

**DOKOLO DISTRICT LOCAL GOVERNMENT**

**APRIL 2026**

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## **ACRONYMS**

BOQ	Bill of Quantities
CMS	Contract Monitoring System
DLP	Defects Liability Period
GCC	General Conditions of Contract
GMW	General Maternity Ward
O&M	Operations and Maintenance
PHC	Primary Health Care
PPDA	Public Procurement and Disposal of Public Assets Authority
PWDs	Persons with Disabilities
SCC	Special Conditions of Contract
UgIFT	Uganda Intergovernmental Fiscal Transfer
UGX	Ugandan Shillings
VAT	Value Added Tax

## EXECUTIVE SUMMARY

In accordance with Section 8 (1) (j) (ii) of the PPDA Act Cap. 205, the Authority conducted a contract audit on two specific procurements, following escalations from the Lango Civil Society Network via the Contract Monitoring System (CMS).

The objective of this intervention was to verify the concerns raised by the Lango Civil Society Network (**Table 1**) and confirm whether the health infrastructures at Tetugu HC III and Atabu HC II met the mandatory safety, quality, and accountability standards to safeguard public investment.

The summary of the key findings and recommendations are outlined below:

### A. CONSTRUCTION OF TETUGU – HEALTH CENTRE III WORTH UGX. 880,027,336 BY WML CONSULT & ENGINEERING LIMITED

While the project attained practical completion on 15<sup>th</sup> August 2025 and was subsequently commissioned, the Authority identified the following critical gaps that hinder the facility's safe and legal operation:

1. **Administrative Stalling and Legal Vulnerability:** Te-tugu Health Centre III has failed to transition into a legal and sustainable Government asset because of the following:
  - i) **Unsecured Investment:** The facility was built and commissioned without a Land Title or Memorandum of Understanding (MoU). This exposes the UGX 880M investment to potential litigation and loss.
  - ii) **Operational Blindness:** The contractor failed to submit "As-Built" drawings and Operational and Maintenance (O&M) manuals. Without these, the Entity cannot effectively maintain the health facility, essentially stalling its long-term viability.
2. **Failure to Rectify Defects and Design Non-Compliance:** The project was commissioned despite significant technical deviations and defects that the contractor failed to rectify:
  - i) **Functional Failures:** The water and sanitation systems are unusable because the tank base was built too low for gravity flow, the solar batteries lack the capacity to pump water; and the septic tank was not backfilled, risking environmental contamination.
  - ii) **Safety and Accessibility Lapses:** Ramps were not levelled to the ground, creating trip hazards. Furthermore, the omission of PWDs-specific grab rails denies inclusive access to the health facility.
  - iii) **Technical Negligence:** No Electrical Commissioning Certificate exists, creating a latent fire risk. Additionally, the facility's functionality and lifespan are compromised by the failure to install mandatory BOQ items, including window sunshades, interior and security lighting, and drainage gratings.
  - iv) **Environmental and Safety Neglect:** The site remains hazardous due to open holes, uncleared debris, and unlevelled landscaping. This neglect creates severe legal liabilities for potential injuries and represents a total loss of the landscaping investment.

### Recommendations

The Accounting Officer should utilize the remaining Defects Liability Period (ending 14<sup>th</sup> August 2026) to:

1. **Enforce Legal Security:** Immediately execute an MoU and fast-track land titling to protect the Government's investment.

2. **Compel Rectification:** Task the Project Manager to issue the contractor, WML Consult & Engineering Limited, a "Notice to Correct" all the defects identified within a specified timeframe before lapse of the Defects Liability Period.
3. **Withhold Payment:** Suspend all outstanding payments until the contractor satisfies all the BOQ requirements. Final disbursement of funds should be contingent upon a written verification report from the Project Manager confirming the completion of all works and defect repairs. Should the contractor fail to comply, the Entity should utilize the retention funds to engage another contractor to correct the defects.
4. **Demand Accountability:** Task the Project Manager to show cause for certifying the project to proceed with commissioning despite clear design deviations, incomplete BOQ items, and the absence of mandatory safety certifications.

**B. FENCING OF ATABU HEALTH CENTRE II WORTH UGX. 68,421,002 BY DREAMERS ENTERPRISES LIMITED**

The Authority confirmed that the health facility's safety and gate structural stability were at risk due to failure to enforce the following mandatory quality controls:

1. **Quality Assurance and Material Testing Omission:** The Project Manager bypassed contractual concrete strength tests, relying instead on visual checks. This omission left the gate structural integrity unverified, directly contributing to the structure's premature failure.
2. **Structural Failures and Public Safety:** Visible cracks and broken concrete at the gate hinges pose a severe safety hazard. This failure compromises the facility's security and creates a high risk of gate collapse, which could lead to fatalities, serious injuries, or significant property damage.

**Recommendations**

The Accounting Officer should:

1. Instruct the Internal Auditor to conduct an independent technical audit to verify the structural integrity of the wall and gate supports. Should the audit confirm substandard concrete or mortar mix:
  - i) The Project Manager should be held liable for professional negligence regarding the bypass of mandatory quality control tests.
  - ii) The contractor (Dreamers Enterprises Limited) should be held liable for all repair costs. Given that the structural failure resulted from a deliberate bypass of BOQ concrete testing, it is classified as a latent defect. Consequently, the contractor remains liable for remediation even after the expiry of the Defects Liability Period.
2. Prioritize public safety by reinforcing or replacing the gate hinges immediately to prevent collapse. This emergency measure should not absolve the contractor or Project Manager of accountability for the substandard works.

Dokolo District Local Government Management should implement fully all the recommendations contained in this report in order to safeguard the UGX 948,448,338 Government investments.

## CHAPTER 1: INTRODUCTION

### 1.1 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) in accordance with Section 8 (1) (j) (ii) of the PPDA Act Cap. 205 instituted a contract audit into two procurements carried out by the Dokolo District Local Government.

This action was taken pursuant to an escalation received from the Lango Civil Society Network through the Contract Monitoring System (CMS); a platform established by PPDA in collaboration with the German Corporation for International Cooperation (GIZ) GmbH to enhance citizen oversight in public procurement.

### 1.2 Objective of the audit

The overall objective of this intervention was to verify the concerns raised by the Lango Civil Society Network (**Table 1**) and confirm whether the health infrastructures at Tetugu HC III and Atabu HC II met the mandatory safety, quality, and accountability standards to safeguard public investment.

### 1.3 Specific objectives

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

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

### 1.4 Scope of the audit exercise

Table 1 below shows the audited escalated cases and outlines the key issues identified by the Lango Civil Society Network:

**Table 1: Escalated Cases Audited**

Ref.	Subject of procurement	Contract Value (UGX)	Name of Contractor	Summary of issues raised by Lango Civil Society Network
A.	Construction works of the upgrade of Te-tugu Health Centre III	880,027,336	WML Consult & Engineering Limited	1. Stalled project; and 2. Failure by the contractor to rectify defects.
B.	Fencing of Atabu Health Centre II	68,421,002	Dreamers Enterprises Limited	Substandard works

### 1.5 Audit methodology

The Authority adopted the following methodology:

- i) Review of the signed contracts, contract implementation records and any correspondences related to the matter.
- ii) Physical verification of the project sites.
- iii) Debrief of the Entity management on the preliminary findings.
- iv) Issuance of a management letter to the Entity for its management response.
- v) Review of the management response from the Entity.
- vi) Reporting on the audit findings and providing actionable recommendations where applicable.

### **1.6 Limitation of scope**

While the audit team performed a physical verification of the works against the contract specifications, the team did not include a certified Civil or Electrical Engineer. This audit report does not provide a technical opinion on the structural integrity or deep-technical quality of the installations beyond the visible non-compliance and functional failures.

### **1.7 Legal documents applicable**

The applicable laws and legal framework were:

- i) The PPDA Act Cap. 205.
- ii) The PPDA Regulations, 2023.
- iii) The signed contract.

## CHAPTER 2: FINDINGS AND RECOMMENDATIONS

### 2.1 Construction works of the upgrade of Te-tugu Health Centre III

Table 2 below shows the contract summary for the construction works of the upgrade of Te-tugu Health Centre III.

**Table 2: Contract Summary of Te-tugu Health Centre III**

Entity	Dokolo District Local Government	
Procurement Reference Number	MoH/WRKS/2022-2023/00001-Lot 3	
Contract Title	Construction works of upgrade of Te-tugu Health Centre III	
Name of the Provider	WML Consult & Engineering Limited	
Type of Contract	Admeasurement Contract	
Original Contract Value Inclusive of VAT	UGX 880,027,336	
Contract Signature Date	19 <sup>th</sup> January 2023	
Original Contract Commencement Date	9 <sup>th</sup> February 2023	
Actual Site Handover Date	23 <sup>rd</sup> February 2023	
Original Contract End Date	23 <sup>rd</sup> October 2023 (8 months)	
Extension of time	6 months from 5 <sup>th</sup> February 2024	
Status as at 17 <sup>th</sup> October 2025	Project was commissioned on 15 <sup>th</sup> August 2025; under Defects Liability Period	
Defects Liability Period	365 days i.e., terminating on 14 <sup>th</sup> August 2026	
Project Manager	District Engineer	
Contract Outputs/ scope of work	<b>BOQ Summary</b>	<b>Amount (UGX)</b>
	Preliminaries	52,500,000
	ESMP Implementation	5,000,000
	Maternity Ward (Standard)	657,787,920
	01. No. VIP 4 Stance + Shower	49,316,278
	Placenta Pit	23,548,100
	Medical Waste Pit	12,314,000
	OPD Renovations	30,000,000
	<b>Sub-Total</b>	<b>830,466,298</b>
	Contingencies	49,561,038
	<b>Grand Total</b>	<b>880,027,336</b>

#### 2.1.1 Progress of the works with regard to the effectiveness of time, quality and cost controls of works undertaken

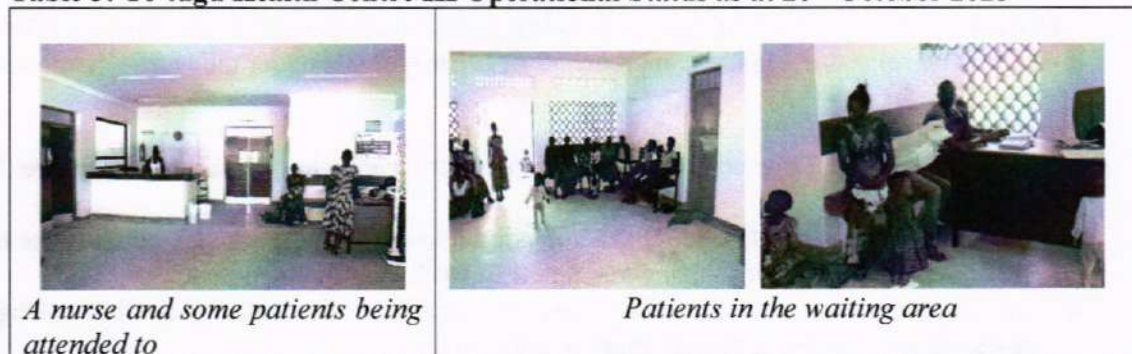
##### 2.1.1.1 Time Control

###### i) Status of the Facility

The Authority found that Te-tugu Health Centre III suffered a catastrophic delay of 359.3% (approximately 2 years and 5 months) beyond the original completion date of 23<sup>rd</sup> October 2023. However, as of 15<sup>th</sup> August 2025, the health facility was officially commissioned.

During an inspection on 20<sup>th</sup> October 2025, the Authority verified that the facility was operational, with hospital staff attending to patients in the waiting areas as shown in Table 3 below.

**Table 3: Te-tugu Health Centre III Operational Status as at 20<sup>th</sup> October 2025**



**Implication**

While the facility is now in use, the Authority recognizes that the delay hindered vital health service delivery.

**Management Response**

*Management acknowledges the audit observation regarding the delay in completion of the construction works and the resulting impact on timely delivery of services. The Entity commits to strengthening contract administration processes to ensure closer monitoring of provider performance and early detection of potential breaches.*

*Going forward, the Contract Manager will escalate persistent non-performance to the Accounting Officer with recommendations for timely appropriate action, including termination where a fundamental breach is established.*

**Recommendation**

The Accounting Officer should issue a directive to Contract Managers to recommend immediate contract termination in future instances where a provider demonstrates an inability to perform obligations under the contract, at the expense of public service delivery, in accordance with Regulation 56 of the PPDA (Contracts) Regulations, 2023.

**ii) Administrative Stalling and Legal Vulnerability**

The Authority noted that Te-tugu HC III has failed to transition into a legal and sustainable Government of Uganda asset because of the following:

**a) Absence of Land Ownership Documents (Title or Memorandum of Understanding)**

On 26<sup>th</sup> May 2020, the Permanent Secretary/Secretary to the Treasury (PS/ST) of the Ministry of Finance, Planning and Economic Development issued Circular Ref: BPD 86/107/01 (Contract Management and Safeguards for the UgIFT Program), to all Local Government Accounting Officers. Clause 3 (i) mandated formal proof of land ownership by the Local Government as a prerequisite for all new construction activities.

The Authority found that Te-tugu Health Centre III was constructed on land for which the Entity possesses no formal ownership documents, such as a Land Title or a Memorandum of Understanding (MoU). Furthermore, the Entity failed to provide documentary evidence (e.g., application letters to the District Land Board or survey instructions) to prove that any formal process to secure the land was underway.

The Accounting Officer's failure to fulfil the mandatory safeguards outlined under Clause 3 (i) of Circular BPD 86/107/01 demonstrates a clear lack of commitment, as the continued absence of a land title reflects a negligent approach to risk management under the UgIFT framework.

### **Implications**

Without legal proof of ownership, the Government of Uganda has no security of tenure. This exposes the investment to:

- Third-party claims and litigation: Private individuals or families may lay claim to the land, leading to court injunctions that could halt the health facility operations.
- Loss of public funds: If the land is successfully contested, the Government risks losing the entire value of the infrastructure built on the land.
- Difficulty in future expansion: No further development or upgrading of the health facility can legally occur on contested land.

### **Management response**

*The land title for the health centre is still in the process and very soon we shall have the land title.*

### **Authority's comment**

The Entity's Management did not provide a specific timeline or evidence of the progress claimed. To secure this investment, the Authority recommends the following:

### **Recommendations**

The Accounting Officer should:

1. Within 30 days of receipt of this PPDA report, provide the Authority with specific evidence of the titling process (e.g., a survey map, a letter of offer, or a submission to the Ministry of Lands, Housing and Urban Development).
2. Prioritize and fast-track the surveying and titling process. If the land was donated, a formal Memorandum of Understanding (MoU) should be executed immediately as an interim measure while the title is being processed.
3. In future procurements ensure that land ownership is verified and secured before the commencement of construction works.

### **b) Delay by the contractor to submit "As-Built" drawings and Operating and Maintenance Manuals**

GCC (SCC) 67.1 of the signed contract stated that: *"The date by which "As-Built" drawings are required is 60 days from the date of practical completion. The date by which Operating and Maintenance (O&M) manuals are required is: 60 days from the date of practical completion."*

The Authority found that the contractor, WML Consult & Engineering Limited, did not submit "As-Built" drawings and O&M manuals quoted for at UGX 5,000,000 in the bills of quantities. This was attributed to failure by the Project Manager to enforce compliance with GCC (SCC) 67.1 of the signed contract.

### **Implications**

- Without "As-Built" drawings, it is difficult to track modifications, additions, deletions, and alterations that took place throughout the construction process, yet this information is needed for operations, maintenance, facility/asset management and building renovations.

- Without an Operating and Maintenance Manual, the Entity cannot optimize the facility/asset management i.e., how to complete tasks related to proactive maintenance, reactive maintenance, safety inspections, Standard Operating Procedures (SOPs), inventory management, and more.

### **Management Response**

*Management noted that the contractor has not submitted the required "As-Built" drawings as per GCC (SCC) 67.1, which mandates submission within 60 days of practical completion. Consequently, the said item costed at UGX 5,000,000 remains unpaid.*

### **Authority's comment**

The Authority acknowledges and supports the Management's decision to withhold the UGX 5,000,000 allocated for these items; but emphasizes that the "As-Built" drawings and Operating & Maintenance (O&M) manuals are not mere formalities; they are vital for the future maintenance and structural integrity of the health facility. Failure to provide them violates the signed contract and reflects a fundamental failure to complete the project's administrative and technical close-out requirements.

### **Recommendations**

The Project Manager should:

1. Task the contractor (WML Consult & Engineering Limited) to submit "As-Built" drawings and Operating and Maintenance Manuals immediately in accordance with GCC (SCC) 67.1 of the signed contract.
2. Withhold payment of UGX 5,000,000 to the contractor (WML Consult & Engineering Limited) in case of failure to submit the "As-Built" drawings and Operating and Maintenance Manuals, in accordance with GCC (SCC) 67.2 of the signed contract.

#### **2.1.2 Cost Control**

The Authority noted that the project was within the Defects Liability Period (expiring 14<sup>th</sup> August 2026). Consequently, UGX 195,774,397, inclusive of the 5% retention monies, was withheld at commissioning due to unrectified defects and unexecuted Bill of Quantities (BOQ) items, as detailed in Exception No. 2.1.3.

#### **2.1.3 Quality Control**

##### **i) Unrectified defects and unexecuted BOQ items**

The Authority noted that the District Engineer identified defects and unexecuted BOQ items as per the Inspection Report dated 1<sup>st</sup> October 2025 addressed to the Accounting Officer, however, there was no evidence that an instruction was issued to the contractor, WML Consult & Engineering Limited, to rectify/execute the anomalies identified.

During facility inspection on 20<sup>th</sup> October 2025, the Authority found some defects and unexecuted BOQ items that require rectification and completion by the contractor, as indicated in Table 4.

This anomaly is attributed to negligence in contract administration, where the Accounting Officer failed to issue a formal 'Notice to Correct' following the District Engineer's inspection on 1<sup>st</sup> October 2025. This omission effectively allowed the contractor to remain in breach of the contract, resulting in the persistence of defects and unexecuted items during the Authority's subsequent inspection on 20<sup>th</sup> October 2025.

**Table 4: Unrectified defects and unexecuted BOQ items at Te-tugu Health Centre III as at 20<sup>th</sup> October 2025**

### **1. Placenta Pit**

The Authority found that:

- The painting works were poorly done and incomplete yet the BOQs required the contractor to apply three coats of first grade weather-guard emulsion paint. This means that the structure will absorb moisture and organic waste, leading to the rapid decay of the concrete and potential foul odours.
- The entrance door was jammed and needed to be cleared of obstructions. Notably, this prevents health workers from disposing of biological waste safely and in a timely manner. Improper waste disposal creates significant biohazard and health risks to the community and hospital staff.



*Poor paint finishes inside and outside the placenta pit and the jammed door, respectively*

### **Management Response**

*The defects identified in the Inspection Report were subsequently shared verbally with the contractor during joint site visits, and the contractor committed to addressing all outstanding defects. The project is still within the Defects Liability Period and the contractor, will be formally notified to rectify all identified defects, including repainting the placenta pit with three coats of weather-guard emulsion paint and fixing the jammed door. The District Engineer will verify completion and document closure.*

### **Authority's comment**

The Entity's reliance on 'verbal commitments' is a high-risk management strategy. Given the history of delays on this project (359.3%-time lapse), the Entity must transition to strict written contract enforcement. Failure to do so before August 2026 will result in the Entity inheriting a defective facility at the taxpayer's expense.

### **Recommendations**

The Project Manager (District Engineer) should:

1. Immediately issue a written "Notice to Rectify" to the contractor (WML Consult & Engineering Limited) to complete the painting works and door repairs within a specific timeframe e.g., seven days.
2. Task the contractor (WML Consult & Engineering Limited) to determine if the door is jammed due to building settlement or poor installation. If the frame is warped due to structural shifting, the contractor must re-install the frame correctly rather than simply forcing the door open, as the issue will reoccur.

3. Supervise the repainting process to ensure that:
- i) The paint used is verified as First-Grade Weather-guard (i.e., inspect the paint containers and receipts).
  - ii) The surface is properly cleaned before repainting to prevent peeling of the paint.
  - iii) All three coats of paint are applied as per the BOQs.

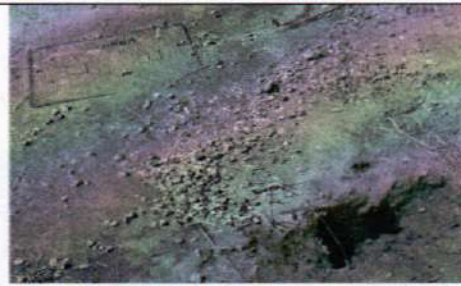
## **2. Medical Waste Pit and Septic Tank**

The Authority found that:

- The medical waste pit was surrounded by over grown grass which could attract vermin (snakes/rats) and create a safety hazard for health workers disposing of medical waste.
- The septic tank and medical waste pit had filled up with water before use. This will lead to potential failure upon use due to lack of capacity to handle actual waste.
- A hole was developing around the septic tank suggesting poor soil compaction during backfilling or erosion due to the topography. If left unaddressed, the septic tank could shift, the pipes could shear, or the entire structure could collapse, posing a massive biohazard and safety risk to the Health Centre.



*Medical Waste Pit surrounded by grass*



*Septic tank with a hole developing around it*

### **Management Response**

*Management notes the observations, however, the overgrown grass around the medical waste pit is a facility maintenance not the contractor issue. The orientation and level of the septic tank was determined by the site topography to ensure proper gravity flow that optimizes efficient construction and functionality of a septic system.*

### **Authority's comment**

The Authority notes the clarification but emphasizes that appropriate maintenance cannot occur if the landscaping was never properly completed. Furthermore, Management's justification of topography was unsatisfactory given that the structural result is a flooded system. A properly engineered septic system must be watertight. The presence of water before use and the developing sinkhole around the structure are indicators of poor workmanship and inadequate site drainage design.

### **Recommendations**

The Accounting Officer should instruct the Project Manager (District Engineer) to:

1. Conduct a water-tightness test on the septic tank and medical waste pit. If the groundwater is seeping in, the contractor must seal the structures, as this constitutes a construction defect.
2. Immediately task the contractor to:
  - i) Undertake backfilling and compaction around the septic tank to close the emerging hole. The area should be raised and graded to ensure that surface water drains away from the tank rather than pooling around it or entering it.

- ii) Complete the landscaping works.
- 3. Task the Facility In-Charge to clear the overgrown grass around the medical waste pit.

### 3. One 4 Stance VIP Latrine and Shower

The Authority found that:

- The ramp to the men’s toilet was not levelled to the ground hence denying People with Disabilities (PWDs) easy access to the toilets.
- Parts of the ramp to the women’s toilet was covered by grass and the surrounding area not cleared to create easy access for PWDs to use the toilets.
- There were no toilet grab rails in both toilets meant for use by PWDs.
- The painting works were poorly done with bubbles seen on the walls. In addition, some areas inside the toilets were not painted with a second coat of paint.

#### Implications

- This renders the facility unusable for PWDs. The uneven and obstructed ramps and the absence of grab rails create a physical hazard. PWDs or elderly patients attempting to use the toilet facilities risk falling, which could lead to injuries and potential legal liability for the Health Centre.
- Bubbles in paint works lead to rapid peeling of paint, allowing moisture to seep into the walls, causing fungal growth and structural degradation of the masonry.



*Men's toilet entrance showing unlevelled ramp*



*Poor paint finishes and droppings on the floor*



*Poor finishes and painting works*



*Women's toilet entrance with ramp covered by grass hindering easy access by PWDs*



#### Management Response

*Management notes the observations. Nonetheless, accessibility issues, ramp levelling, and missing grab rails, have persisted due to the contractor's reluctance to fully comply. The contractor has been formally instructed to rectify the painting defects, including applying a second coat and correcting bubbles, to meet the required standards.*

**Authority's comment**

The Authority finds Management's admission of contractor reluctance unacceptable. Compliance to BOQ requirements is not optional. The Project Manager has the contractual power to issue a Notice to Correct and, if the contractor fails to comply, the Entity should hire a third party to fix the ramps and rails using the contractor's retention money.

**Recommendations**

The Accounting Officer should:

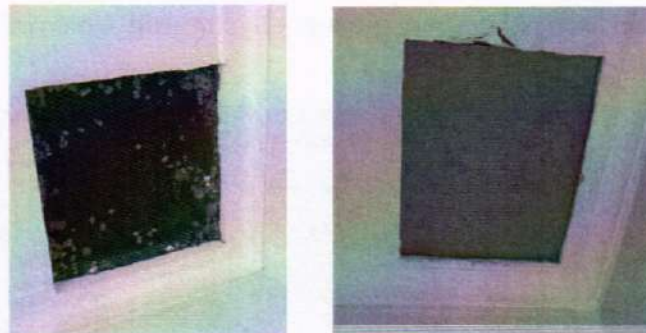
1. Issue a formal warning letter to the contractor (WML Consult & Engineering Limited) for their reluctance to fix accessibility issues. This should be documented in their performance appraisal.
2. Instruct the Project Manager (District Engineer) to compel the contractor (WML Consult & Engineering Limited) to:
  - i) Re-engineer the ramps to ensure that they meet the standard slope ratio and are perfectly flush with the ground.
  - ii) Install grab rails immediately to provide support to PWDs.
  - iii) Scrape off the "bubbled" paint, treat the walls for moisture/dampness, and apply the required coats of paint as per the BOQs. The District Engineer should personally certify that the second coat of paint is applied before the defect is cleared.

**4. General Maternity Ward (GMW)**

The Authority found the following defects:

**GMW Exception No.1: Trap Doors**

- Only two out of the three trap doors were fixed.
- One of the trap doors had mortar droplets that were not cleaned.



*The two trap doors that were installed*

**Management Response**

*Management notes the observations, and would like to clarify that, two trap doors were fixed, and the contractor was paid for the two that were installed. What appears to be mortar droplets on one trap door is actually the pricking course on the metal lath used to key the plaster, and is not a construction finish neither is it mortar droplets.*

**Authority's comment**

The Authority notes Management's clarification; however, a 'pricking course' on a metal lath is a preparatory stage of work and should not be visible as a final finish. Leaving such a surface exposed is a mark of poor workmanship. Furthermore, the Authority emphasizes that constructing a facility with fewer access points than designed (i.e., 2 instead of 3)

hinders long-term maintenance, potentially requiring the ceiling to be broken later at a higher cost. Also, this issue should have been addressed through a formal contract variation rather than simply non-payment.

### Recommendations

The Accounting Officer should task the Project Manager (District Engineer) to:

1. Instruct the contractor (WML Consult & Engineering Limited) to:
  - i) Install the third trap door as per the original contract specifications. Payment for only two does not absolve the Entity or the contractor from the obligation to complete the building as designed. If the third trap door was omitted for a valid reason, a formal Variation Order or Contract Amendment must be produced to justify the change in scope.
  - ii) Clean the pricking course from the metal lath and apply a smooth, professional finish. All metal and plaster surfaces at the ceiling level must be finished to a standard that allows for easy cleaning and prevents the accumulation of dust and cobwebs.
2. Verify that all electrical and plumbing junction points in the ceiling are accessible via the installed trap doors. If the missing trap door prevents access to critical services, its installation must be treated as a mandatory corrective action.

### GMW Exception No.2: Doors

- Only six out of the nine wooden doors were installed. The remaining three doors installed were metallic instead of wood. There was no evidence that this amendment to the design of the doors was approved by the Entity. As a result, the three uninstalled wooden doors lie idle in the General Ward.
- The five-swing wooden double doors were poorly finished.
- Some of the outer steel doors were poorly finished with visible welding marks not repainted.



*Three uninstalled wooden single doors*



*One of the metallic doors installed at the Linen Store*



*One of the metallic doors installed at the Male Ward*



*One of the 5 swing wooden double door with poor finishes*



*Outer steel door with poor finishes*

### **Management Response**

*Management notes the observation. All the nine doors were installed as required; however, three doors were replaced with metallic shutters; a decision taken at the health facility level for security reasons, because the rooms accommodate sensitive equipment that require enhanced protection.*

### **Authority's comment**

Management's justification that the change was made for security reasons does not excuse the failure to follow legal procurement procedures. Furthermore, leaving pre-paid wooden doors idle in the General Ward is a failure of asset management. The Authority emphasizes that if security was a concern, the design should have been amended before the wooden doors were purchased and delivered, thus preventing the wasteful expenditure.

### **Recommendations**

The Accounting Officer should:

1. Issue a warning to the Facility In-Charge and the Project Manager for making structural changes without following the formal legal procurement procedures. All future modifications must be approved in writing by the Entity.
2. Task the Project Manager (District Engineer) to:
  - i) Verify if the metallic doors installed are of equivalent or higher value than the wooden ones they replaced.
  - ii) Formally take the three idle wooden doors into the District Stores inventory. They should be redeployed to another Government project where wooden doors are needed, or properly auctioned to recover funds, rather than being left to deteriorate in the General Ward.
  - iii) Instruct the contractor (WML Consult & Engineering Limited) to:
    - a) Grind down visible welding marks on all steel doors and repaint them with high-quality anti-rust paint.
    - b) Sand and refinish the five-swing wooden double doors to meet the "first-class finish" standards specified in the BOQs.

### **GMW Exception No.3: Windows**

- Only 5 out of the 12 windows had sun shades contrary to the requirements in the BOQs and drawings for all the 12 windows to have sun shades.
- Some window stays and fasteners were not effectively functioning hence the Hospital Administration was forced to weld them, implying poor quality works by the contractor



Windows without sunshades



Windows where the stays and fasteners were welded



### **Management Response**

*Management notes the observation. The contractor installed and was paid for 5 sunshades as per the drawings. The remaining funds from this item were reallocated to cover complementary works, including foundation strengthening due to poor soil, landscaping, and solar installations, which were not included in the original BOQs.*

### **Authority's comment**

The Authority finds Management's response technically and legally flawed. A BOQ is a legal commitment; one cannot simply swap sun shades for landscaping without a formal contract amendment. Furthermore, the fact that the Hospital had to weld windows shut is an indictment of the contractor's quality control and the Project Manager's failure to reject substandard ironmongery during the installation phase.

### **Recommendations**

The Accounting Officer should:

1. Task the Internal Auditor to conduct a physical verification and a Financial Audit of the reallocated funds to determine exactly how much was saved from the 7 omitted sun shades and how it was spent on foundations and solar works.
2. Hold the Project Manager (District Engineer) accountable for allowing the redistribution of funds between BOQ items without following the PPDA contract amendment procedures. Future reallocations must be backed by a Technical Report justifying the trade-off and a signed Contract Variation Order.
3. Task the Project Manager (District Engineer) to:
  - i) Assess whether the omission of the 7 sun shades has made the affected rooms uncomfortably hot. If the solar installations mentioned by Management do not include adequate cooling/ventilation, the contractor should be compelled to install the missing sun shades using the retention money.
  - ii) Instruct the contractor to replace all welded or non-functional fasteners with heavy-duty, hospital-grade hardware as per the original specifications. Despite the Hospital Administration's welding, the contractor is still liable for the poor quality of the original stays and fasteners.

### **GMW Exception No.4: Water Tank and Rain Water Harvest**

- The concrete masonry base for one of the tanks was too short, almost ground level, contrary to the BOQs requirement of approximate size of 2.7M diameter wide by 500mm high.
- Some of the pipes connecting the tank to the gutters were not fixed.

- Some of the gully trap gratings were missing.

#### **Implications**

- The Entity received a base that does not provide the intended elevation for water drawing.
- Missing pipes and gully trap gratings mean the rainwater harvesting system is non-functional. Also, this can allow large debris, rodents, or reptiles to enter the drainage system, leading to blockages and possible contamination of the water supply.
- Rainwater from the gutters will spill onto the foundation of the building rather than into the tanks, potentially causing dampness and structural damage to the main facility.



*Pipes not fixed*



*Very short tank base*

#### **Management Response**

*Management notes the observations, however, the concrete base for the tank meets the BOQ requirements with a diameter of 2.7 meters and a depth of 500mm. The base was constructed with the top part slightly above ground level, and the rest of the parts below the ground to maintain a proper gradient from the gutter into the tank, to prevent having a negative slope situation which would otherwise defy the fundamental principle of a gravity-fed system.*

*As for the broken pipes and missing gully trap gratings, the contractor will be instructed to make good and ensure that all missing fixtures are in place.*

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

Management's defence of the 'submerged base' ignores the fact that a plinth's height is a paid-for specification. If the slope was a concern, the guttering should have been adjusted or the tank relocated. A plinth is designed to protect the tank from ground moisture, facilitate easy tap access, and prevent soil erosion from undermining the tank. Furthermore, accepting a project with missing pipes and gratings is a failure of basic inspection. These are snag list items that should have prevented the contractor from receiving a practical completion certificate.

#### **Recommendations**

The Accounting Officer should task the Project Manager (District Engineer) to:

1. Verify with the Internal Auditor if the 500mm of concrete actually exists underground as claimed. If the depth is found to be less than the BOQ requirement, the cost difference should be recovered from the contractor.

2. Instruct the contractor (WML Consult & Engineering Limited) to:
- i) Install all missing gutter-to-tank connection pipes.
  - ii) Replace all missing gully trap gratings with heavy-duty, non-corrosive materials.
  - iii) Ensure all connections are watertight to prevent soil erosion around the tank base.
  - iv) Create a paved apron around the tank because it is at ground level due to "topography" as stated by the Entity. This will prevent mud and surface runoff from contaminating the tank area and clogging the gully traps.

**GMW Exception No.5: Assisted Bath inside the Ward**

- The two ideal standard special needs hinged support arm grab rails were not installed in the washroom contrary to Section 26 of the Persons with Disabilities (PWDs) Act Cap 115 which prohibits the construction and operation of public buildings that are inaccessible to PWDs.
- The toilet squatting pan had developed cracks.
- Poor finishes around the shower tap were observed.

**Implications**

- The assisted bath is unusable for patients with limited mobility. Currently forcing them to use the facility without support creates a high risk of falls and fractures.
- A cracked squatting pan is never minor in a hospital. Cracks, even if not leaking, harbor biofilms and pathogens that cannot be removed by standard cleaning. This creates a permanent reservoir for hospital-acquired infections.
- Poor finishes around the shower tap allow water to seep behind the tiles and into the wall masonry. Over time, this causes dampness, blowing of the plaster, and the growth of mould.



*No arm grab rails installed*



*Cracks on squatting pan*



*Poor shower tap finishes*

**Management Response**

*Management notes the observations. Besides, the contractor is aware of the requirement to install the two hinged support arm grab rails in the assisted bath within the Defects Liability Period. The minor crack on the toilet squatting pan is not structural and does not cause leakage; however, the contractor will be instructed to fill the crack using a two-part epoxy to restore the pan's finish.*

**Authority's comment**

The Authority strongly disagrees with Management's assessment of the cracked squatting pan. A cracked ceramic fixture in a medical facility is a sanitary risk. Furthermore, Management's note that the contractor is aware of the missing grab rails is insufficient; because the contractor failure to correct the defects since commissioning constitutes a failure of the Project Manager to enforce the contract after handover.

### **Recommendations**

The Accounting Officer should task the Project Manager (District Engineer) to instruct the contractor (WML Consult & Engineering Limited) to:

1. Select an epoxy specifically designed for ceramic/porcelain use and immersion service (constant water exposure) to guarantee a long-lasting, waterproof seal that meets the hygiene standards required for a Health Centre III.
2. Immediately install the ideal standard special needs hinged support arms within a seven-day period. These must be securely bolted to the wall to withstand the weight of an adult patient.
3. Rectify the poor finishes around the shower tap within seven days. This should include proper grouting and sealing with waterproof white cement or silicone to ensure the wall is watertight.

### **GMW Exception No.6: Solar Batteries**

- The solar batteries were found on the ground without any supporting platform or rack.
- The Hospital In-Charge informed the audit team that the solar batteries were weak and could not support filling up of the tanks to full capacity.



*Solar batteries on the floor*

### **Implications**

Based on the Entity's management response to the issue raised:

- The system is underpowered. If it cannot support water pumping, the health facility faces a critical water shortage, directly compromising hygiene, sterilization, and patient care.
- Attempting to pump water with a "lighting-only" system causes deep discharge, which permanently damages the batteries and voids their warranty, leading to wasteful expenditure.
- Using timber pallets instead of a metallic battery rack is a makeshift solution. Timber can absorb leaked battery acid or moisture, creating a fire risk, while the low positioning leaves batteries vulnerable to water ingress during cleaning and accidental damage.
- Ground-level placement on pallets makes the batteries easy targets for theft or tampering and creates a tripping hazard for medical staff.

### **Management Response**

*Management notes the observations. The solar batteries are currently placed on timber pallets, not directly on the ground. The installed solar system was originally designed for lighting only and not for water pumping functions, which explains the limited battery*

*capacity. Nonetheless, the contractor will be instructed to review the entire system installation to identify and correct any errors to ensure proper functionality.*

**Authority's comment**

Management's defence that the system was designed for lighting only reveals a lack of integrated planning. A health facility without the power to pump water is functionally compromised. Furthermore, timber pallets are not an acceptable engineering solution for battery storage in a public building. The contractor's reluctance to provide a rack, points to a pattern of cutting costs at the expense of safety and functionality of the health facility.

**Recommendations**

The Accounting Officer should task the Project Manager (District Engineer) to:

1. Instruct the contractor (WML Consult & Engineering Limited) to supply and install a metallic, acid-resistant battery rack as per standard electrical engineering practices. The rack should be elevated to ensure ventilation and protection from ground-level hazards.
2. Conduct a load audit and battery health check.
  - i) If the Health Centre requires solar power for water pumping, then the current system is unfit for purpose. The Accounting Officer should determine if the contract requirement provided for a pumping-capable system. If it did, the contractor must upgrade the panels and batteries at their own cost. If it did not, the Entity must urgently plan for a system upgrade to ensure the facility has running water.
  - ii) If the batteries have been damaged due to improper loading or poor storage (on the ground/pallets) during the DLP, the contractor should replace them before the final handover on 14<sup>th</sup> August 2026.

**GMW Exception No.7: Pinboards**

The Authority found that only six out of the seven pinboards were installed.

**Implications**

- Pinboards are essential in a health facility for displaying critical public health notices, staff duty rosters, and emergency protocols. The absence of the seventh board will force the hospital staff to tape notices directly onto newly painted walls, leading to peeling paint and wall damage.
- Allowing the contractor to simply skip items because they will be deducted from payment encourages a culture of incomplete delivery, where the Entity is left with a building that does not fully meet its operational design.

**Management Response**

*Management notes the observation. The contractor installed six pin boards and was paid for the actual number installed.*

**Authority's comment**

Management's response that the contractor was only paid for what was installed is a reactive approach to contract management.

The primary goal of a construction project is completion of the scope, not just cost-saving through omission.

### **Recommendations**

1. The Project Manager (District Engineer) should instruct the contractor (WML Consult & Engineering Limited) to install the remaining pinboard to ensure the facility is fully equipped as per the original architectural plan.
2. The Hospital In-Charge should prohibit the pinning or taping of notices directly onto the walls in the area where the seventh board is missing, to preserve the integrity of the paintwork until the board is fixed.

### **GMW Exception No.8: Lighting Fixtures**

- Only nine out of the 11 security bulk head lights were installed.
- Only nine out of the 15 LED single surface mounted batten lights were installed.

### **Implications**

- The omission of the two security bulkhead lights creates blind spots around the health facility perimeter. This increases the risk of theft of hospital property and compromises the safety of staff and patients moving outside at night.
- The non-installation of the six LED batten lights (40% of the intended internal lighting) results in poorly lit clinical areas. Inadequate lighting can lead to medical errors, difficulty in performing minor procedures, and poor visibility for night-time patient monitoring.



*One of the security bulk head lights and single LED lights respectively*

### **Management Response**

*Management notes the observations. The contractor installed nine out of the 11 security bulkhead lights and nine out of the 15 LED surface-mounted batten lights, and was paid for the actual quantities installed.*

### **Authority's comment**

The Authority rejects the notion that non-payment for omitted items is a sufficient resolution. A Health Centre is designed with a specific number of lights to ensure safety and clinical efficiency. By accepting only 60% of the internal lighting, Management has accepted a functionally incomplete building.

### **Recommendations**

The Accounting Officer should task the Project Manager (District Engineer) to:

1. Instruct the contractor (WML Consult & Engineering Limited) to install the missing two bulkhead lights and six LED batten lights immediately to deliver the full scope of works as defined in the BOQs and electrical drawings.
2. Conduct a light intensity check in the General Ward and clinical rooms. If the current lighting is found to be below the Ministry of Health Standards for Health Centre IIIs,

the contractor must be compelled to complete the installation to ensure the facility is fit for purpose.

**GMW Exception No.9: Worktops and Floors**

- Poor finishing touches below worktops and painting.
- Paint droppings on terrazzo and skirtings that require thorough cleaning.

**Implication**

The fact that the project reached the practical completion stage with visible paint droppings and poor underside finishes, indicates that the Project Manager failed to enforce basic housekeeping and snagging protocols during the construction phase.



*Cabinets with some poor finishes*

**Management Response**

*The Entity notes the observations. The defects identified during the joint inspection of poor finishing below worktops and paint droppings on terrazzo and skirting were due to inadequate surface preparation and masking. The contractor has since rectified and restored all the affected areas to the required standard.*

**Authority's comment**

The Authority maintains that no documentary or physical evidence (such as a handover report or verification photos) was provided to substantiate Management's claim.

**Recommendations**

The Accounting Officer should:

1. Task the Internal Auditor to specifically inspect the areas below the worktops using flashlights to check for hidden gaps or unpainted masonry to ensure the rectification as claimed by Management is actually complete.
2. Submit to the Authority the photographic documentation of restoration i.e., high-resolution, time-stamped photographs of the restored areas (including the underside of worktops and the cleaned terrazzo) to serve as documentary evidence for the audit file.

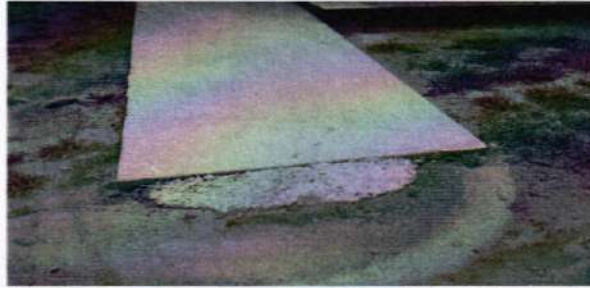
**GMW Exception No.10: Entrance to Female Ward**

The Authority found that the ramp to the entrance of the Female Ward was not levelled hence hindering easy access by PWDs.

**Implications**

This physical barrier:

- Prevents pregnant women, elderly patients, and PWDs from accessing the Ward with ease.
- Creates a trip hazard when attempting to navigate the gap, which could lead to severe injury and potential litigation against the District.



*Improperly leveled ramp surface, deviating from technical specifications*

**Management Response**

*The ramp approach was left hanging due to the challenging ground slope, which was further worsened by erosion following landscaping works. The contractor will be notified to improve the ramp to ensure safe and accessible entry for PWDs.*

**Authority's comment**

Management's explanation that the ramp was 'left hanging' due to topography is technically unacceptable. Engineering designs are supposed to solve topographical challenges, not succumb to them. Leaving the Female Ward inaccessible to PWDs is a failure of both the contractor's execution and the Project Manager's oversight.

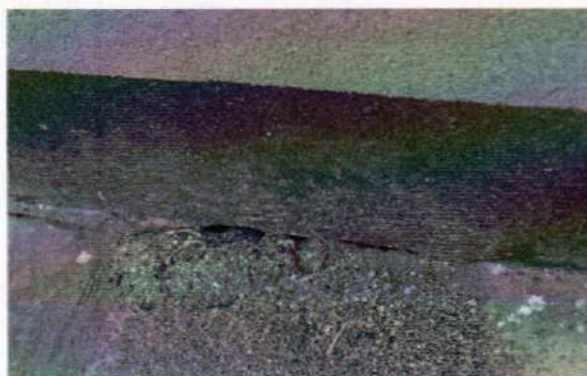
**Recommendations**

The Project Manager (District Engineer) should instruct the contractor (WML Consult & Engineering Limited) to:

1. Extend and grade the ramp so that it is perfectly flush with the ground to ensure a smooth transition from the walkway to the ramp.
2. Install scour checks or stone pitching around the ramp base and ensure the landscaping includes proper drainage channels. This will redirect surface runoff away from the ramp's foundation to prevent future hanging.

**GMW Exception No.11: External Finishes**

There was a gap between the external wall of the General Ward and the splash apron junction allowing rainwater to seep directly into the sub-base. Over time, this will lead to soil saturation and subsidence, which can cause the wall to settle and crack.



*Gap between the wall and splash apron*

**Management Response**

Management notes the observation. The installed apron in this case was constructed using precast slabs, and the picture attached does not appear to reflect the actual precast apron installed. Besides, the observed gap does not pose any structural risk. However, the contractor will be instructed to seal the gap to prevent entry of water, and to ensure proper finishing upon confirmation.

**Authority's comment**

The Authority maintains that any gap between the wall and the splash apron is a structural defect. Management's assertion that it 'does not pose any risk' ignores the long-term impact of foundation erosion and rising damp. Furthermore, the dispute regarding the authenticity of the audit photographs is noted; however, the physical evidence at the site during the time of audit, clearly showed a lack of a watertight seal.



Picture showing the splash apron.

**Recommendations**

1. Because Management has disputed the audit photograph, The Accounting Officer should task the District Internal Auditor to:
  - i) Visit the site and confirm the existence and extent of the gap.
  - ii) Check the internal side of the wall for signs of dampness or "efflorescence" (white salty deposits). If these are present, the contractor (WML Consult & Engineering Limited) must be held liable for internal repainting after the external seal is fixed.
2. The Project Manager (District Engineer) should instruct the contractor to clear the gap of any soil or debris and apply a waterproof sealant or a high-strength mortar weathering to bridge the gap between the precast slabs and the wall.

**GMW Exception No.12: Electrical Installations**

The Authority did not find evidence that testing, commissioning and documenting of results was undertaken, yet the contractor quoted UGX. 2,000,000 for this item in the bill of quantities.

**Implications**

- Without insulation and earthing tests, undetected faults can cause electrical fires or turn metallic surfaces (like door frames or sinks) live, posing a fatal risk of electrocution to patients and staff.
- Uncertified circuits may suffer from voltage fluctuations or short circuits, potentially destroying sensitive medical equipment and the solar system (inverters and batteries) already on-site.

- Most manufacturers of electrical and solar components require a formal commissioning report to honour warranties. In its absence, the Entity will be liable for the full cost of any hardware failures.
- The fact that the building was occupied and is in use without the wiring certification suggests that the facility was handed over in a hazardous state.

**Management Response**

*Management notes the observation. The contractor has not been paid for the testing and commissioning item, as no wiring certificate has been submitted to demonstrate that the works were completed.*

**Authority's comment**

While the Authority acknowledges that payment has been withheld, the core issue is safety, not the money withheld. Allowing a health facility to operate without a Wiring Certificate is a violation of occupational safety standards. Management must not view this as an omission for which the contractor is not paid, but as a mandatory requirement that must be fulfilled before the project is officially closed. The health facility's 'in-use' status without this certificate is a liability for the District.

**Recommendations**

The Accounting Officer should task the Project Manager (District Engineer) to:

1. Compel the contractor (WML Consult & Engineering Limited) to hire a certified electrical engineer to conduct a full system test. This must result in a Wiring Certificate and a Commissioning Report that confirms that the system is safe and meets the Electricity Regulatory Authority (ERA) standards.

If the contractor fails to provide this before the DLP expiry of 14<sup>th</sup> August 2026, the Entity should use the UGX. 2M funds to hire an independent certified electrician to perform the tests and rectify any faults found.

2. Conduct an Occupational Safety Audit (a safety walkthrough) to ensure that no sockets or switches are overheating and that the distribution boards are properly labeled and covered.

**3.1 Adherence to Environmental, Safety, Health and Social Safeguard requirements**

**3.1.1 Landscaping Gaps and Site Hazards**

GCC Clause 29 (**Protection of the Environment**) mandates the contractor to assume full responsibility for the environmental and social impact of their operations through the following requirements: implementation of the ESMP, pollution and nuisance control, compliance with emission standards and adaptive management to unforeseen environmental impacts or issues.

On 20<sup>th</sup> October 2025, the Authority identified the following deficiencies regarding the site's landscaping and safety as a result of weak contract supervision and monitoring by the Project Manager:

- i) Safety Hazards:** There was a critical lack of warning signage around open excavations/holes.
- ii) Environmental Restoration:** The planted grass was poorly maintained and had withered in multiple sections.

- iii) **Plant Protection:** Newly planted trees lacked the necessary protective structures or fencing.
- iv) **Final Site Grading/Leveling:** The area behind the Maternity Block remained unlevelled and overgrown with grass making the area bushy.
- v) **Site Clearance and Sanitation:** The site was not fully cleared of construction debris.



*Uncovered hole*



*Poor maintenance of planted grass in front of the Ward*



*One of the unprotected trees, debris in the back end and unlevelled landscape behind the Ward respectively*

### **Implications**

- The contractor (WML Consult & Engineering Limited) is responsible for the grass and trees until 14<sup>th</sup> August 2026, yet these were found dried out and unprotected. This is a clear failure of supervision and the contractor should be held to that standard now, rather than waiting for the end of the period.
- While Management claimed that the bushy area was the facility's mandate, the construction contract required site levelling and clearing of the entire project footprint. If the area was left unlevelled by the contractor, it makes difficult for the facility staff to mow or maintain it safely.
- Management's claim that the open hole "may have been dug by the health facility" for a rubbish pit is concerning. Rubbish pits in a Health Centre III must meet specific public health standards (e.g., lined, fenced, and away from wards). An unbarricaded, informal pit is a hazard and liability, regardless of who dug it.
- Allowing areas behind a Maternity Block to remain bushy during the transition period invites snakes and rodents into a high-risk clinical area, creating an immediate safety threat to mothers and newborns.

### **Management Response**

*Management notes the observations; however, maintenance of the planted grass and trees is the responsibility of the contractor until the end of the defect liability period. The bushy area behind the Maternity Block, falls under the mandate of the facility. The observed hole may have been dug by the facility as a rubbish pit; however, warning signs will be installed to ensure safety*

### **Authority's comment**

The Authority notes the clarification but emphasizes that maintenance cannot occur if the landscaping was never properly completed. Dried-out grass and unprotected trees are signs of a failed landscaping phase. Furthermore, the confusion over who dug the holes and who owns the bushy areas suggests a lack of clear handover protocols. The contractor must leave the entire site levelled and clear of debris before the facility can be expected to assume maintenance responsibilities.

### **Recommendations**

The Accounting Officer should task the Project Manager (District Engineer) to:

1. Issue a formal instruction to the contractor (WML Consult & Engineering Limited) to:
  - i) Replace the dried grass and install tree guards immediately because there is no justification for the current state of neglect.
  - ii) Level the land behind the Maternity Block as part of the final site clearance. Levelling is a capital work item that should be completed before the facility takes over routine maintenance.
2. Provide a standard design, if a rubbish pit is required, that includes a safety fence and proper signage. The current hole dug should be filled or properly commissioned as a functional pit; otherwise leaving it as an observed hole within the immediate perimeter of the hospital is a breach of safety protocols.

## **2.2 Fencing of Atabu Health Centre II**

Table 5 below shows the contract summary for the fencing of Atabu Health Centre II:

**Table 5: Contract Summary of Fencing of Atabu Health Centre II**

Entity	Dokolo District Local Government
Procurement Reference Number	DOKO831/WRKS/2023-2024/00002
Contract Title	Fencing of Atabu Health Centre II
Name of the Provider	Dreamers Enterprises Limited
Type of Contract	Admeasurement contract
Original Contract Value Inclusive of VAT	UGX. 68,421,002
Contract Signature Date	24 <sup>th</sup> October 2023
Start date	Date of contract signing
Original Contract End Date	24 <sup>th</sup> February 2024
Actual Completion Date	10 <sup>th</sup> June 2024
Defects Liability Period	60 days i.e., 2 <sup>nd</sup> September 2024
Project Manager	District Engineer

## 2.2.1 Progress of the works with regard to the effectiveness of time, quality and cost controls of works undertaken

### 2.2.1.1 Time Control

The Authority noted that project completion occurred on 10<sup>th</sup> June 2024, approximately three months past the contractual deadline of 24<sup>th</sup> February 2024. Notably, the associated Defects Liability Period (DLP) concluded on 2<sup>nd</sup> September 2024.

### 2.2.1.2 Cost Control

The Authority confirmed that all contractual payment obligations were met and no liabilities remained outstanding.

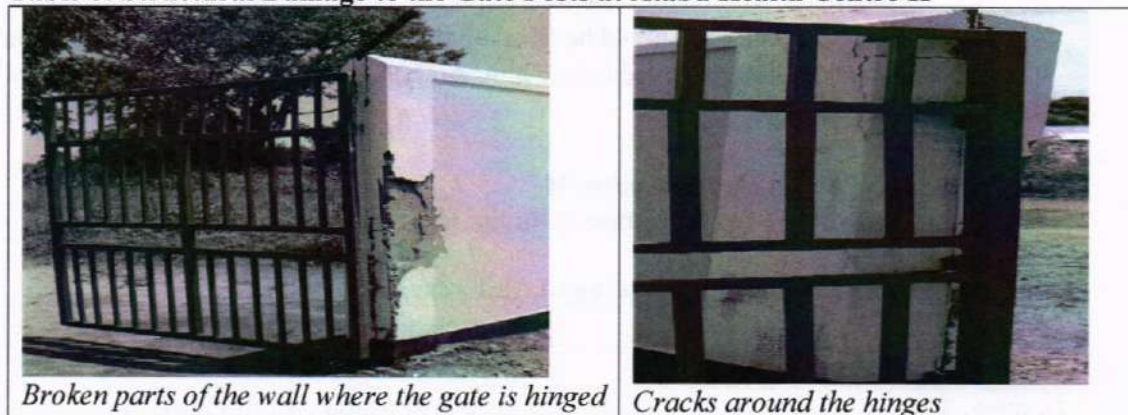
### 2.2.1.3 Quality Control

#### i) Structural Failures and Quality Control Omission

During site inspection on 20<sup>th</sup> October 2025, the Authority observed structural defects in the concrete gate posts, specifically several visible cracks and broken sections at the gate hinges (refer to Table 6).

While the Facility In-Charge reported that the damage resulted from a security breach in January 2025 involving an attempted illegal entry, the Authority noted a lapse in quality assurance. Specifically, the bills of quantities provided a provisional sum of UGX 500,000 for onsite testing of concrete products by the Project Manager; however, there was no evidence that these tests were ever conducted.

**Table 6: Structural Damage to the Gate Posts at Atabu Health Centre II**



*Broken parts of the wall where the gate is hinged*

*Cracks around the hinges*

### Implications

- The failure to conduct required onsite concrete testing makes it impossible to verify the structural integrity and durability of the gate posts. This lack of quality assurance may have contributed to its susceptibility to damage during the security breach.
- The broken gate hinges and wall cracks compromise the security of the Health Centre, potentially exposing staff, patients, and government medical supplies to further unauthorized access and theft.
- A total failure of the hinge supports could cause the gate to collapse, potentially resulting in fatalities, serious injury to patients and staff, or significant damage to property (vehicles).
- Budgeting for testing and then intentionally skipping it creates a high-risk environment for latent structural failures.

### **Management Response**

*The Entity notes the observation. The provisional sum of UGX 500,000 for on-site concrete testing was not utilized because the Project Supervisor was physically present during all concrete batching activities and closely monitored the mix proportions and compaction procedures. Hence, there was no need for additional laboratory or field concrete tests beyond normal visual checks. Consequently, the activity was not undertaken and no payment was made to the contractor. The mortar peeling occurred after the Defects Liability Period (DLP), placing it under the health facility's O&M mandate. The health facility will therefore use Primary Health Care (PHC) funds to rectify the defect in the third quarter.*

### **Authority's comment**

The Authority notes the explanation provided by the Entity, but finds it technically insufficient for the following reasons:

- **Technical Negligence:** Visual monitoring of batching and mixing cannot determine the actual compressive strength of concrete. Provisional sums for testing were mandatory safeguards to ensure structural integrity.
- **Latent Defects:** While Management claims the damage occurred after the DLP, the cracks and hinge failures are likely latent defects resulting from the very lack of quality testing mentioned above.

### **Recommendations**

The Accounting Officer should:

1. Reject the Project Manager's justification that physical presence negates the need for concrete testing. Technical standards and the signed contract (BOQs) required objective, measurable proof of strength (such as compressive strength tests). Visual checks cannot detect internal structural weaknesses or incorrect water-cement ratios that led to the cracks observed and mortar peeling.
2. Task the Project Manager (District Engineer) to show cause why he should not be formally cautioned for bypassing mandatory contractual quality tests.
3. Conduct an independent technical audit to verify the structural integrity of the wall and gate supports since the Project Manager bypassed the mandatory quality control tests. Should the audit confirm substandard concrete or mortar mix:
  - i) The Project Manager should be held liable for professional negligence for bypassing mandatory quality control tests.
  - ii) The Contractor (Dreamers Enterprises Limited) should be held liable for all repair costs. Because the structural failure resulted from a deliberate bypass of BOQ concrete testing, it is classified as a latent defect. Consequently, the contractor remains liable for remediation even after the expiry of the DLP.
4. Prioritize public safety by reinforcing or replacing the gate hinges immediately to prevent collapse. The use of PHC funds is an acceptable short-term solution to mitigate the risk of injury or death, but this emergency measure should not absolve the contractor or Project Manager of accountability for the substandard works.
5. Issue a directive that all future projects must mandate that no concrete works are certified for payment without accompanying laboratory test results because visual inspection is not a substitute for objective quality assurance.

#### **2.2.1 Adherence to Environmental, Safety, Health and Social Safeguard requirements**

The Authority noted that the contractor planted trees and grass around the Health Centre as was required in the BOQs. No ESHS non-compliance issues were recorded in the project progress reports during contract execution.

## **CHAPTER 3: AUDIT CONCLUSION**

The audit conducted by the Authority validated the issues raised by the Lango Civil Society Network regarding contract mismanagement.

### **3.1 Construction works of upgrade of Te-tugu Health Centre III**

The Authority found that this project valued at UGX 880,027,336 presents a high-risk investment characterized by significant contractual non-compliance, technical failures, and unresolved legal vulnerabilities. While the physical structure exists, the project's utility and safety are severely compromised.

The facility is currently an operational liability and does not represent Value for Money. It is recommended that the Project Manager (District Engineer) be tasked to explain the lapses in oversight, and the contractor (WML Consult & Engineering Limited) be compelled to execute all the BoQ items and rectify all defects before the expiry of the Defects Liability Period on 14<sup>th</sup> August 2026.

### **3.2 Fencing of Atabu Health Centre II**

The Authority identified technical negligence and structural defects during a site visit on 20<sup>th</sup> October 2025. Most notably, the failure to conduct mandatory concrete testing has resulted in a gate structure that is currently unsafe and poses a liability to the Dokolo District Local Government.

The project remains at a high risk of total failure. The Accounting should therefore, take immediate remedial action and a comprehensive technical audit to ensure public safety and to hold the responsible parties, both the Project Manager and the Contractor, accountable for the breach of technical standards.