



**CONTRACT AUDIT INTO THE COMPLETION OF CONSTRUCTION WORKS AT
KOLOLO SEED SECONDARY SCHOOL UNDER UGIFT PROGRAM**

**CONTRACTOR: ROBICH ENGINEERING SERVICES LIMITED, P.O. BOX 85,
KYAMBOGO.**

MAY 2026

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ACRONYMS

CAO:	Chief Administrative Officer.
GCC:	General Conditions of Contract.
PPDA:	Public Procurement and Disposal of Public Assets.
SCC:	Special Conditions of Contract.
UGX:	Uganda Shillings.
VAT:	Value Added Tax.

EXECUTIVE SUMMARY

On 15th November, 2024, Maracha District Local Government entered into a contract with Robich Engineering Services Limited, P.O. Box 85, Kyambogo for the Completion of construction works at Kololo Seed Secondary School at a cost of UGX. 751,692,900 VAT inclusive with an intended completion date of 15th April, 2025. The contractor was allowed a time extension of one month to complete the project by 15th May, 2025, however, the contractor failed to complete the project and the Accounting Officer terminated the contract on May 16, 2025 due to lapse of time. In line with the above, on 16th May, 2025, the Entity initiated a direct procurement of a new contractor to complete the project and on 29th May 2025 the Entity signed a contract of UGX. 184,381,160 with Ashanty Business Services Uganda Limited of P.O Box 1591, Arua, a new contractor to complete the pending works that was not done by initial contractor, Robich Engineering Services Limited.

In view of 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 completion of construction works at Kololo Seed Secondary School in Maracha District Local Government under UgIFT program with an overall objective of assessing the status of contract implementation.

The following key exceptions were noted by the Authority:

1. The contract was terminated without approval of the Solicitor General. Regulations 56 (3) of the PPDA (Contracts) Regulations, 2023 states that; *“Where the contract manager or a Procurement and Disposal Unit is satisfied that a contract should be terminated, the Contract Manager or the Procurement and Disposal Unit shall submit a recommendation for termination, with a copy of the contract, to the Accounting Officer. The decision to terminate a contract shall be taken by the Accounting Officer, after approval by the Attorney General”*. The Authority established that the Contractor failed to complete the project even after contract extension and the contract was terminated by the Accounting Officer in accordance with the terms and conditions of the contract at the expiry of the extended timeline of 15th May, 2025. However, the contract was terminated without seeking approval from the Solicitor General. This exposed the Entity to legal and financial risk as the contractor, Robich Engineering Services Limited whose contract was terminated, had put the Chief Administrative Officer on legal notice in their letter dated 6th January, 2025 for non-payment of underpayment.
2. The contractor, Robich Engineering Services Limited was paid less for valued works done. Regulations 16 of the PPDA (Contracts) Regulations, 2023 states that; *“under an admeasurement contract, works shall be split into various items and the quantity of each item needed to complete the assignment shall be estimated”*. The regulation also guides that; *the actual work done shall be measured during the performance of the contract and shall be finally reconciled upon completion of the contract, and payment shall be made for the actual quantity of work performed*. The Authority found that the contractor Robich Engineering Services Limited was paid UGX. 122,949,726 out of the valued works done of UGX. 179,338,307. This caused a payment variance of UGX. 56,388,581 for which the contractor had insinuated to invoke contract clause SCC (GCC 52), that required that the contractor be paid within 30 days or else interest shall be paid on late payment. Paying contractors less than what the value of works certified affects their financial flow and hence slows down works implementation.
3. There were cracks in the ramps to the classrooms. Regulations 52 (1) (b) of the PPDA (Contracts) Regulations, 2023 states that; *“A Contract Manager shall — make certain that*

the provider performs the contract in accordance with the terms and conditions specified in the contract". The Authority observed cracks in the ramps to the classrooms, which exhibited potential low-quality workmanship. The forementioned was also an indicator of inadequate supervision of the construction works by the Project Manager whose role is to supervise contract implementation of the project to desired quality standards as stipulated in the terms and conditions of the contract. This further negated the technical capacity of the contractor.

4. Trees planted were exposed to damage as the school was used as a grazing ground by the community. Regulation 37 (2) (i) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023, states that; "*A Procuring and Disposing Entity shall include in the statement of requirements for works - that the works shall be environmentally and socially responsive*". The Authority established that whereas trees were planted as an environmental mitigation measure, the trees were exposed to damage from stray animals as the school compound was used as grazing ground by the community around the school. The grazing of animals in the school compound stood to hinder the proper growth of the trees because the animals shall break and eat up some of the trees, hence hindering the purpose for which the trees were planted around the school compound.
5. The school staff houses were bushy and abandoned as it was not in use by the staff. The Authority found that the staff house was abandoned due to *insecurity, hooliganism and demonstration by Community against the project implementation and attempt to kill the Head Teacher*. This was as per the minutes of the site meeting held on Monday 14th April, 2025. As such, the structures were prone to vandalism, damage and a security risk to the nearby community.

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

1. The Chief Administrative Officer should:
 - i. Task the new contractor; Ashanty Business Services Uganda Limited to implement the pending works of the project to completion in accordance with the contract terms and conditions.
 - ii. Seek immediate guidance from the Solicitor General for legal opinion on the terminated contract with the contractor, Robich Engineering Services Limited and a way forward in accordance with Regulations 56 (3) of the PPDA (Contracts) Regulations, 2023.
 - iii. Take appropriate actions to pay the contractor, Robich Engineering Services Limited, for the pending valued works, within the terms and conditions of the contract signed on 15th November, 2024 and as guided by Regulations 16 of the PPDA (Contracts) Regulations, 2023.
 - iv. Task the district security leadership to provide security to the school in accordance with the District Security Committee meeting resolutions. This will secure the school site including the staff house from possible community attack and have the school staff occupy the houses so as to have uninterrupted learning in the school to the benefit of pupils in the school from among community in and around the district.
2. The Project Manager should:
 - i. Task the new contractor, Ashanty Business Services Uganda Limited to rectify the cracks in the classroom ramps and any other such cracks in the building and repaired in accordance with the technical specifications of the contract, costs in the BoQs, and the terms and conditions of the contract. In implementing the forementioned, the Project

Manager should be guided by the requirements under Regulations 52 (1) (b) of the PPDA (Contracts) Regulations, 2023.

- ii. Undertake contractor capacity assessment to get an insight of the technical and competence strength of the contractor(s) who failed to execute their contractual obligation to completion. This should be done as a pathway to come up with punitive measures against the contractor(s) for breach of their contractual obligation and for subsequent and future engagement of the contractor(s) in public procurement. This should be done in accordance with Regulations 52 (3) (f) of the PPDA (Contracts) Regulations, 2023.
3. The District Education Officer should plan to strengthen the fence around the school and in the interim task the security personnel deployed to deter uncontrolled access to the school by the community and also stop the grazing of animals grazed in the school compound to protect the trees planted from damage by the grazed animals. In enforcing the above guidance, the Entity should do it in adherence with Regulation 37 (2) (i) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023 that requires the Entity to ensure that the works implemented to be environmentally and socially responsive.
4. The Authority shall institute proceedings for suspension of Robich Engineering Services Limited, from engaging in any public procurement or disposal process for a period determined by the Authority for failure to perform the obligations specified in the contract in accordance with Section 128 (c) of the PPDA Act, Cap. 205.

CHAPTER 1: INTRODUCTION

1.1 Background

The Government of Uganda received a loan from the World Bank to fund the Uganda Intergovernmental Fiscal Transfer (UgIFT) Program for construction of Seed Secondary Schools and expansion of existing ones in selected Sub-Counties in Uganda. Maracha District Local Government was one of the beneficiaries in the FY2024/2025.

In view of 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 completion of construction works at Kololo Seed Secondary School in Maracha District Local Government under UgIFT program with an overall objective of assessing the status of contract implementation, with emphasis on verification that all parties to the contract complied with the requirements and standards set forth in the contract and the provisions of the PPDA Law and UgIFT Guidelines.

On 15th November, 2024, Maracha District Local Government entered into a contract with Robich Engineering Services Limited, P.O. Box 85, Kyambogo for the Completion of construction works at Kololo Seed Secondary School at a cost of UGX. 751,692,900 VAT inclusive with an intended completion date of 15th April, 2025. The contractor was allowed a time extension of one month to complete the project by 15th May, 2025, however, the contractor failed to complete the project and the Accounting Officer terminated the contract of Robich Engineering Services Limited and sourced for a new contractor; Ashanty Business Services Uganda Limited to execute the pending scope of works.

Table 1 below shows the summary of the contract signed on 15th November 2024 between Maracha District Local Government and Robich Engineering Services Limited for the completion of construction works at Kololo Seed Secondary School.

Table 1: Contract summary

Entity:	Maracha District Local Government		
Project Name	Completion of construction works at Kololo Seed Secondary School.		
Contract Ref. No.	Mara887/Wrks/24-25/00002		
Project contract price (UGX)	751,692,900		
Contractor	Robich Engineering Services Limited, P.O. Box 85, Kyambogo.		
Project Funding	UGIFT		
Date contract signing	15 th November, 2024		
Contract start date	15 th November, 2024		
Contract end date	15 th April, 2025		
Contract duration	5 months		
Time extension 1; from 15 th April 2024 to 15 th May 2025	1 month		
Extended completion date	15 th May 2025		
Contract Supervisor	District Engineer		
S/N.	Costed Scope of works (IPC No.4)	Qty	Estimated cost (UGX)
1.	Preliminaries	1	10,350,000
2.	2 classroom block	3	115,745,400

3.	Science block	2	111,523,000
4.	Administration block	1	35,893,000
5.	Teacher's house	2	129,138,000
6.	Teacher's kitchen	2	17,624,400
7.	2 stance VIP latrine - Administration	1	3,244,200
8.	2 stance VIP latrine - Teacher's house	3	10,927,200
9.	5 stance VIP latrine – Boys	1	3,720,000
10.	5 stance VIP latrine – Girls	1	4,390,400
11.	External works	1	5,990,000
12.	Rain water harvest system with 5,000ML water tank	2	8,455,000
13.	ICT library	1	100,846,400
14.	Multi-purpose hall	1	183,845,900
15.	Sports field	1	10,000,000
	Total (VAT exclusive)		751,692,900
Project implementation Progress	Progress achieved as at date of audit 28/11/2025		
i.	Physical progress – 85%		
ii.	Financial progress – 80%		
iii.	Time lapse – 379 days - 249%		
iv.	Interim payment certificate No.1 - 5		604,511,257
	Total payment to Contractors		604,511,257

1.2 Objective of the audit

The primary objective of the contract audit exercise was to assess the status and effectiveness of implementation of the contract.

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

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

1.3 Scope of the audit exercise

The audit covered the contract implementation and management for the completion of construction works at Kololo Seed Secondary School in Maracha district.

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 contract audit was undertaken by Auditors who did not have professional competence in engineering and building construction hence could not give an opinion on the technical quality of the works undertaken. However, the overall responsibility of the quality of works lies with Maracha District Local Government's management and the Contractor, Robich Engineering Services Limited.

1.6 Legal documents applicable

The applicable laws and legal framework were:

- i. The Public Procurement and Disposal of Public Assets Act, Cap. 205;
 - ii. The PPDA (Contracts) Regulations, 2023;
 - iii. The bidding document issued to bidders;
 - iv. The signed contract between Maracha District Local Government and Robich Engineering Services Limited, P.O. Box 85, Kyambogo, and Ashanty Business Services Uganda Ltd.
- The Circular on contract management and safeguard requirements under the Uganda Intergovernmental Fiscal Transfer (UgIFT) program dated 16th March 2021.



CHAPTER 2: FINDINGS AND RECOMMENDATIONS

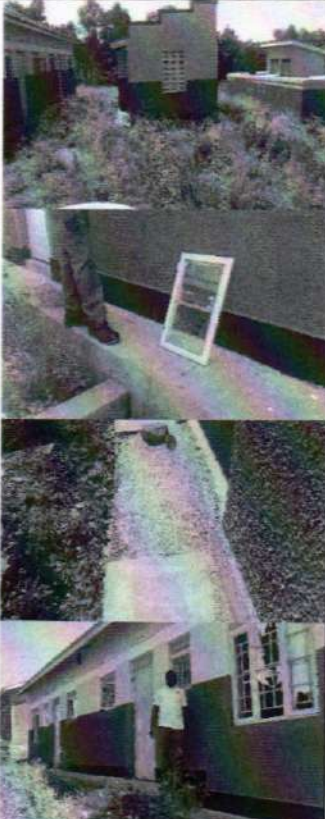

2.0 THE PROGRESS OF WORKS WITH REGARD TO EFFECTIVENESS OF TIME, QUALITY AND COST CONTROLS OF WORKS UNDERTAKEN





2.1 Physical progress of the project




The Authority found that the contractor achieved a substantial progress in the construction works of the contracts as summarised in Table 2 below. The percentage physical progress of work done by the contractor was 85%, financial progress was 80% and time progress was 249% as reported in the recommendation letter for termination dated 13th April 2025, prepared by the Technical Services and Works Directorate.

Table 2: Progress achieved in the project implementation.

No.	Project milestone	Progress of work as per the progress report of 13 th May 2025.	Site visit photos to support the audit findings.	Entity's response Current Status
1.	Site levelling	Contractor had not: <ul style="list-style-type: none"> • Cleared site of anti-hills, bushes, shrubs and leveled the site. • Done excavations to reduce levels on the rocky terrain. • Cut away surplus materials such as, removal of excess mobilized building materials delivered on site like; bricks, river sand, and coarse aggregates. 	 <p>Site was not cleared of construction material debris, unlevelled compound and used by the community as a grazing ground.</p>	 <p>Site leveling done by the new contractor on site</p>

No.	Project milestone	Progress of work as per the progress report of 13 th May 2025.	Site visit photos to support the audit findings.	Entity's response Current Status
1.	2 blocks of 2-Unit teachers house.	<p>Work was incomplete and the pending works were:</p> <ul style="list-style-type: none"> • Floor finishes. • Joinery fittings. • Electrical installations. 	 <p>The Teacher's houses were unoccupied, abandoned and open to community access due to lack of a fence and gate to control movement in and around the staff house. The other shortcomings were;</p> <ul style="list-style-type: none"> • Incomplete behind walk-in steps in the 1st block. • Uninstalled water harvesting tanks and gutters. • Lack of glasses and frames, in some windows. • Broken, cracked and smashed door glasses. 	 <p>Fixing of broken glasses and painting of in the teachers houses.</p> <p>Water tanks at Teachers houses.</p>

No.	Project milestone	Progress of work as per the progress report of 13 th May 2025.	Site visit photos to support the audit findings.	Entity's response Current Status
			<ul style="list-style-type: none"> • Removal of the bathroom window in the last block. • Vandalization of the lightening arrestor. 	
2.	External works.	Planting of grass and general site levelling had started. The pending works was due to pending completion of structural works.	 <ul style="list-style-type: none"> • Site levelling of the staff house compound; not done. • Trees and paspalum grass; not planted. • Building materials debris on site; not cleared. 	 <p>Water gutters fitted for classrooms and teachers houses.</p>
3.	Rain water harvest system with 5000ml water tank.	No work done.	 <p>No gutters and 5000ml water tanks installed around the classrooms and staff house.</p>	 <p>Water gutters already worked on.</p>

No.	Project milestone	Progress of work as per the progress report of 13 th May 2025.	Site visit photos to support the audit findings.	Entity's response Current Status
4.	Multi-purpose hall and classroom.	<p>Work was incomplete and the pending works were:</p> <ul style="list-style-type: none"> • Supply and fixing inbuilt shelves. • Supply and fixing open shelves. • Supply and fixing of soft pin boards. • Fabrication of stools and assembling. • Teachers table fabrication and assembling. • Teachers chairs with hard sheets. 	 <p>Incomplete metallic frames for furniture supply delivered for; desks, chairs and tables.</p> <p>No soft pin boards installed in the classrooms.</p>	<p>A contract with a new contractor already signed and contractor is already mobilising to complete the remaining furnitures, fixtures and fittings.</p>
5.	Sports field.	<p>No work was done. An extension of land was required to accommodate the required dimensions of the sports field. Engagements had started with the church leadership to relocate the nearby cemetery to pave way for the required dimension.</p>	 <p>The sports field right adjacent to the school fence in the above picture was done, except for bush clearance.</p>	 <p>Sports field left with grass planting and goal posts which are already welded.</p>

Implications

The physical progress achieved as above, implies that:

- Project implementation was behind schedule;
- The forementioned exposed the project to the risk of increment in the contract price to completion; and
- The site abandonment by the contractor, further delayed the project completion, thus delaying service delivery to the beneficiaries.

Management response

It is true that at the time of audit, work was behind schedule. However, effective January, 2026 the project was sub-divided into four (4) different contracts (one contractor for furniture and fittings, one contractor for sports field, one contractor for science laboratory and Administration Block and one contractor for multi-purpose hall, ICT-Library, classroom blocks, staff house and latrines) and all the contractors are progressing with works as shown on the above table.

Authority’s comment

The Entity’s response has been taken into account, however, from the above response, it noticeable that the school completion project was split. However, after an interview with the Head Procurement and Disposal Unit, the intention of the split into lots was to achieve the procurement objective of having the school construction completed considering the earlier challenges the Entity realised with the past contractors since the inception of the project in May 2019. Hence, the decision to have different providers executing specific procurements supervised closely by a Contract Management Team. The forementioned was also proposed and agreed in the Entity’s District Technical Planning Committee meeting held on 17/12/2025 and approved by District Executive Committee on February 03, 2026. Review of the contract agreements of the various providers showed that the contracts costed the Entity UGX. 325,815,570. This is summarised in the Table 3 below.

Table 3: Contract summary of contract for the completion of Kololo Seed Secondary School.

No.	Activity	Provider	Contract value (UGX.)
1.	Completion of science laboratory and administration block.	Jephter and Sons Construction Ltd.	64,375,000
2.	Furniture supplies.	Chuma Ngumu Investments Limited.	126,632,000
3.	Completion of multi-purpose hall, classroom blocks and staff houses, library and latrine.	Ayiasi Vuga and Brothers Ltd.	92,148,570
4.	Completion of construction of sports field.	Real Verline Investment Ltd.	42,660,000
	Total		325,815,570

Recommendations

In accordance to the response provided by the Entity above, the Chief Administrative Officer should task:

1. The Contract Management Team to prepare a contract management plan as a monitoring tool of the project implementation, regularly monitor the project and accordingly submit to the Accounting Officer progress reports for the works executed. The Project Management Team should also supervise the adequate control of the cost, quality and time of the contract.

2. The Entity Top Management to regularly monitor the works implemented in the completion of the school projects, so as to have the project completed and the school operationalized for the benefits of students in and around the district.

The above should be implemented in accordance with Regulation 50 (3) and 52 (3) (g) of the PPDA (Contracts) Regulations, 2023, which require that; *“Upon receipt of the contract, the Contract Manager shall prepare a contract management plan using Form 49 in Schedule 2 to the Regulations, and forward a copy of the contract management plan and monthly reports to the Accounting Officer and the Procurement and Disposal Unit for purposes of monitoring”*.

2.2 Time control

The Authority established that the contract for the completion of construction works at Kololo Seed Secondary School had the following gaps in the project implementation.

2.2.1 Delayed completion of the project by the contractor

Regulation 52 (3) (a) (i & vi) of the PPDA (Contracts) Regulations, 2023 requires a Contract Manager to ascertain that the provider meets all the performance or delivery obligations in accordance with the terms and conditions of the contract and all the contract obligations are completed before the expiry of the contract. The Authority found that the contractor, Robich Engineering Services Limited failed to complete the project by the original contractual time period of 15th April 2025 when the time progress achieved was 100%. However, on 1st April, 2025, the contractor wrote to the Chief Administrative Officer requesting for contract extension for two months, as the contract was expiring on 15th April 2025, and they cited the following reasons:

- i. Increase in scope of work compared to the scope in the original contract.
- ii. Delay in issuance of variation orders to execute the increased scope.
- iii. Less payment compared to the completed valued works.

On 4th April 2025, the Chief Administrative Officer (CAO) responded and informed the contractor that in the 12th Contracts Committee meeting held on 1st April, 2025 the contractor had been granted one month time extension from 15th April, 2025 to 15 May, 2025, though the contractor had requested for two months, but still the contractor failed to complete the project. The contractual timelines are summarised in Table 4 below.

In addition to the foregoing, the Authority noted that there was ineffective communication between the Entity and the contractor, as the contractor in a letter to the CAO dated 6th January, 2025 indicated:

- i. Lack of timely feedback from the Entity for a letter dated 28th October, 2024 written to the CAO requesting for approval of a variation, but no response was offered;
- ii. The Entity failed to avail them with any valuation sheet, yet it was to track record of paid and unpaid works;
- iii. The need for the CAO to give their issues the attention it deserved, because it affected their operations by value and time;
- iv. That the above communication gaps amounted to fundamental breach of the contract in accordance with clauses; 7, 41, 49.1, and 53.1(c) of the contract; and
- v. The CAO was put on notice that due to the above fundamental breaches in the contract, the contractor had drawn the attention of their Attorney M/S Bitangara & Co. Advocates, of P.O. Box 7809, Kampala of the project grievances for legal advice on the way forward.

Table 4: Project contractual timeline analysis

S/N	Project activity	Timelines
1.	Contract signing date	15 th November 2024
2.	Contract start date	15 th November 2024.
3.	Expected contract completion period	15 th April 2025.
4.	Extended contract completion period	15 th May 2025.
5.	Project implementation analysis in days	Days
a	Original time: 15 th November 2024 to 14 th April 2025 (5 months).	152 (100%)
b	Time extension: 15 th April 2025 to 15 th May 2025.	31
c	Time lapse as at the date of audit on 28 th November 2025	379
	Time lapsed in percentage (c/a)	249%

Implication

The contractor's inability to complete the project within the additional time granted of one month in addition to the original contract period of 5 months;

- Negatively affected the timeliness of having the facility put to use to serve the purpose of improving education services to the beneficiaries in and around Maracha District; and
- Indicated that the contractor's capacity to effectively implement the project was inadequate, the work program was not followed and there was inefficiency in monitoring the project by the Project Manager.

Management response

Recommendation was noted and management has instructed the Project Manager to schedule monthly site meetings to iron out any gaps on site. These monthly meetings have been taking place since January, 2026.

Authority's comment

The response of the Entity has been noted, however, the Entity has not provided the said monthly progress reports since January 2026 to the date of response to the audit queries. In addition, no evidence was availed for verification of the sit meeting minutes to provide information about the resolutions of the meetings.





Recommendation

The Accounting Officer in accordance with Regulation 52 (3) (a) (i & vi) of the PPDA (Contracts) Regulations, 2023 should task the Project Manager to provide to the Accounting Officer minutes of the site meetings together with the related records as per the above response. In addition, the Project Manager should submit monthly progress reports to the Accounting Officer, so that gaps identified in the course of the project implementation are addressed swiftly so that the project objectives are achieved accordingly. This will enable the Entity achieve timely implementation of projects and offer timely service delivery to the beneficiaries.

2.2.2 Incomplete construction works in Kololo Seed School

The new contractor, Ashanty Business Services Uganda Limited who was awarded the contract to complete the pending works after termination of contract of Robich Engineering Services Limited, P.O. Box 85, Kyambogo, had not completed the works as at the date of the audit on November 28, 2025. Details for the activities were as presented in the Table 5 below, on physical verification of the site by the Authority.

Table 5: Status of completion of Kololo Seed Secondary School.

Findings	Site visit photos to support the audit findings	Management response / current status
<p>General overview of Kololo Seed School site.</p>	 <p>Classroom block and multipurpose hall</p>	 <p>Compound levelling work done around the school.</p>
<p>Incomplete works in the school;</p> <ul style="list-style-type: none"> • The water tank base in the staff house. • The first block in the staff house was not painted. 	 <p>Incomplete structures at Kololo Seed Secondary School.</p>	 <p>Current state of works in the staff house.</p>

Implication

Failure by the Project Manager to enforce implementation of the above activities, exposed the Entity to cost increment and time overrun due to the pending works in the construction of the school.

Management response

It is true the implementation of the project has taken more time due to investigations undertaken by various agencies of government which led to stoppage of works for a number of years. In the year under review the contractor's inability to complete works led to funds been swept back to Ministry of Finance and consequently revoted in the current financial year. This office shall proceed to review the payments as recommended.

Authority's comment

The Entity's response above was noted, however, the Entity:

1. Did not provide evidence on the works stoppage instruction issued by the Project Manager as the various Government Agencies carried on with their respective investigations as reported.

2. The response does not align to the Entity’s response in the audit issue under 2.1, where the Entity noted that project was subdivided and contracts signed with four different contractors each executing specific tasks and works were progressing well. So, when were the said contractors identified and what was the source of funding for engaging the said contractors since the funds were revoted in the current financial year; 2025/26 taking into account the Audit was for the FY 2024/25.

Recommendation

The Project Manager should provide the Accounting Officer an account of the progress payments to the contractor(s) for the works executed during the FY 2024/25 and the current status of the project accountability against the progress of works. Once verified, the Accounting Officer, should submit a detailed works progress report and accountability to the Authority.


2.3 Quality control in the project

To achieve the intended objectives of the project, effective quality control is paramount. However, gaps below were observed in the project implementation.

2.3.1 Cracks in the ramps to the classrooms

Regulations 52 (1) (b) of the PPDA (Contracts) Regulations, 2023 states that; *“A Contract Manager shall — make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract”*. The Authority observed cracks in the ramps to the classrooms, which exhibited potential low-quality output. The forementioned was also an indicator of inadequate supervision of the construction works by the Project Manager to ensure that the contractor implemented the project to the desired quality standards. This further negates the technical capacity of the contractor. Photos of the same are presented in Table 6 below.

Table 6: Cracks in the ramps to the classrooms

No.	Project milestone	Audit findings.	Site visit photos to support the audit findings.
1.	3 blocks of 2-Classroom block.	Cracks in the ramps to the classrooms.	 <p data-bbox="970 1514 1484 1574">Cracked bonding between the ramp and veranda to the classrooms.</p>

Implications

Cracks in the ramps to the classrooms, exhibited potential low-quality workmanship and this exposes the facility to short use life span and need for repair works in a short period of use, thereby increasing the project cost.

Management response

A new contractor has been procured and minor repairs and corrections have been factored in the scope of works.

Authority's comment

The management response above is appreciated, however, the substance over form of the project may not be achieved, because the construction work changes hands without punitive action taken against the incompetence levels measured and punished. In addition, no evidence has been provided by the Entity on documentation detailing how the new contractor was identified.

Recommendations

In line with the response above, the Project Manager should:

1. Task the contractor to repair the cracks in accordance with the technical specifications of the contract, costs in the BoQs, and the terms and conditions of the contract. In implementing the forementioned, the Project Manager should be guided by the requirements under Regulations 52 (1) (b) of the PPDA (Contracts) Regulations, 2023.
2. Undertake contractor; Robich Engineering Services Limited's capacity assessment focused on getting insight into the technical and competence strength of the Robich Engineering Services Limited, that failed to execute its contractual obligation to completion. This should be done as a pathway to come up with punitive measures against the contractor for breach of their contractual obligations and for subsequent and future engagement of the contractor in public procurement. This can be done in accordance with Regulations 52 (3) (f) of the PPDA (Contracts) Regulations, 2023

2.3.2 Contract implemented without Performance Securities

Regulations 12 (1) (a) of the PPDA (Contracts) Regulations, 2023 gives guidance on effecting a contract and states that; *"A contract shall become effective as specified in the contract, where one or more of the conditions specified in the contract including the following are fulfilled — the Procuring and Disposing Entity receiving the Performance Security or the Performance Securing Declaration.* The Authority found that the Entity invoked the SCC (GCC 61.1) and the provider was to submit 3% Performance Security and 2% ES Performance Security, however, the performance Securities were not submitted to the Entity by the contractor. As such the contractor, Robich Engineering Services Limited implemented the contract without a Performance Security and ES Performance Security. The forgoing was an indicator of possible financial distress of the contractor and their inability to execute the contract successfully to completion.

Implication

Failure by the Project Manager to compel the contractor to submit a Performance Security and ES Performance Security was a serious omission in the terms and conditions of contract. This left the Entity unprotected against defective work and non-performance of contractual obligations by the contractor.

Management response

It is true the contract stipulated the need for Performance Security and it is true the same was not furnished by the contractor and the recommendation to enforce the provisions of every contract by the Project Manager is noted for subsequent contracts since the contract under review was already terminated.

Recommendation

The Project Manager as the watch dog of the Entity should always see to it that the stipulations in the SCC (GCC 61.1) are enforced and subject providers to submit Performance Securities in the defined form, that is for this case, it was an Unconditional Bank Guarantee.

This should be done within 28 days after commencement of site work and any failure of the Best Evaluated Bidder to submit the required Performance Security, the Entity should terminate the contract in accordance with Regulations 12 (1) (a) of the PPDA (Contracts) Regulations, 2023.

2.4 Cost Control

Effective cost control in a project ensures optimal resource use in project implementation. However, the Authority identified gaps in the cost control of the project, as detailed below.

2.4.1 Contract terminated without seeking guidance from the Solicitor General.

Regulations 56 (3) of the PPDA (Contracts) Regulations, 2023 states that; *“Where the Contract Manager or a Procurement and Disposal Unit is satisfied that a contract should be terminated, the Contract Manager or the Procurement and Disposal Unit shall submit a recommendation for termination, with a copy of the contract, to the Accounting Officer. The decision to terminate a contract shall be taken by the Accounting Officer, after approval by the Attorney General”*. The Authority found that the contractor failed to complete the project even after contract extension, leading to termination by the Accounting Officer in accordance with the terms of the contract at the expiry of the extended timeline of 15th May, 2025. However, the contract was terminated without seeking guidance from the Solicitor General. The termination of the contract emanated from the background below.

1. The Entity held site meeting on 14th April, 2025 that discussed the progress of works in the contract, and agreed that:
 - i. One month extension be granted to the contractor, thus from 14th April, 2025 to 15th May 2025.
 - ii. The District Engineering team pays back the claimed undervalued balance to the contractor, as noted in the minutes, thus Min7/14/4/25.
 - iii. The contractor was tasked to; pay all the workers, correct the defects identified in the staff house and to remove the splash apron in the administrative block.
 - iv. The district engineering team be instructed to assess if funds could allow for the applying of terrazzo floor finish (frontage of the veranda) and also remove poor quality hardcore on site.
 - v. The contractor be guided to use separators in the multi-purpose hall and appropriate rate be reconciled between the Project Manager and the contractor, and payment be made for it.

2. In addition to the above, another site meeting was held on 15th April, 2025 and it was resolved that:
 - i. The Chief Administrative Officer (CAO) should write a warning letter to the M.D Robich Engineering Services Limited, notifying him of the expired extended contract period immediately.
 - ii. In the event that the contractor failed to respond within seven days after the meeting to resume works, the contract should be officially terminated.
 - iii. The district engineering team quantifies the value of works done by the contractor within two days as per his scope and outside the scope, to ascertain how much money was paid for the works within the contract and outside the scope of the contract, with a report prepared for the CAO for appropriate action.
 - iv. The contractor must only complete pending works as per his scope of works.
 - v. Works outside the scope be given to a nominated subcontractor to complete the works on time.

- vi. The district engineering team was also tasked to compute how much money was required to complete the works.
 - vii. Before the CAO pays the contractor more money, the contractor should clear all unpaid workers money and material suppliers or else writes a commitment letter to the CAO indicating his acceptance to pay the workers.
3. In regard to the above observations, on 13th May, 2025 the Technical Services and Works Directorate wrote to the CAO recommending contract termination, noting that the contractor had achieved percentage physical progress of work done of 85%. The basis of the recommendation was linked to the contractor's:
- i. Stoppage of works for over fourteen (14) days when no stoppage of work was shown in the current program and authorised by the Project Manager.
 - ii. Abscondment from site meetings by the Managing Director, during many site meetings.
 - iii. Deployment of none competent or qualified workers on site.
 - iv. Insufficient communication which made it difficult to follow the contractor's work schedule.
 - v. Unrealistic reasons advanced for request to extend the contract period.
 - vi. Inadequate supply of materials, making few workers on site redundant.
 - vii. Lack of official communication from contractor on delays caused on site.
 - viii. Nonpayment of workers leading to high personnel turnover.
 - ix. Non submission of contract Performance Bond by the contractor.

As from the forementioned, the Ag. District Engineer observed that the contractor clearly exhibited poor project management and communication skills, in addition to non-adherence to site instructions issued by the Project Manager or his representative. Therefore, any time extension would further delay the project completion.

4. On the 16th May, 2025 the CAO wrote to the Managing Director, Robich Engineering Services Ltd, a *lapse of contract period for the completion of construction works at Kololo S.S.* The letter drew the attention of the contractor to the fact that the contract elapsed on 15th May, 2025 without successful completion of the facility even after time extension of one month. The letter directed the contractor to *liase with the Contract Manager to prepare final account reconciliation.*
5. On the 16th May, 2025, the Entity initiated a direct procurement of a new contractor to complete the project, following the termination of the contract of Robich Engineering Services Limited. On 29th May 2025 the Entity signed a contract of UGX. 184,381,160 with Ashanty Business Services Uganda Limited of P.O Box 1591, Arua. The Authority, however, noted that:
- i. The contractor, Ashanty Business Services Uganda Limited had not completed the phase of the contract for completion works as at the date of the audit on 28th December, 2025.
 - ii. The Entity did not seek Solicitor General's guidance on contract termination with Robich Engineering Services Limited.

Implications

Failure to seek Solicitor General's guidance on contract termination exposed the Entity to legal and financial risk as the contractor, Robich Engineering Services Limited whose contract was terminated, had put the CAO on legal notice in their letter dated 6th January, 2025.

The legal notice would be enforced if the Entity failed to pay the contractor for its variation request, due to the undervalued works worth UGX. 56,388,581.

Management response

It is true Ashanty Business Services (U) Limited abandoned the site and the project has since been awarded to new set contractors i.e., project has been sub-divided among four contractors.

Management has noted the advice to seek advice from the office of the Attorney General and will proceed to request for it.

Authority’s comment

In the above response, the Entity is subjected to seeking retrospective approval of the contract termination from the Attorney General, which is against the legal requirement on the provisions for termination of contract by a Procuring and Disposing Entity, in this case Maracha DLG.

Recommendation

The Chief Administrative Officer should:

1. Task the new contractors to implement the pending works of the project to completion as per the contract terms and conditions.
2. Seek guidance from the Solicitor General for legal opinion on the terminated contract of Robich Engineering Services Limited and termination of contract of *Ashanty Business Services (U) Limited* in accordance with Regulations 56 (3) of the PPDA (Contracts) Regulations, 2023.
3. Recommend Robich Engineering Services Limited to the Authority for suspension in accordance with Regulations 56 (3) and (4) of the PPDA (Contracts) Regulations, 2023, for the non-performance of their obligations under the contract,

2.5 Financial progress

i. Entity paid the Contractor (Robich Engineering Services Limited) less for valued works Regulations 16 of the PPDA (Contracts) Regulations, 2023 states that; “*under an admeasurement contract, works shall be split into various items and the quantity of each item needed to complete the assignment shall be estimated*”. The Regulation also guides that; “*the actual work done shall be measured during the performance of the contract and shall be finally reconciled upon completion of the contract, and payment shall be made for the actual quantity of work performed*”. The Authority found that the contractor Robich Engineering Services Limited was paid UGX. 122,949,726 out of the valued works done of UGX. 179,338,307 in the interim payment certificate No. 3. This caused a payment variance of UGX. UGX. 56,388,581 for which the contractor had insinuated to invoke contract clause SCC (GCC 52), that required that the contractor be paid within 30 days or else interest shall be paid on late payment. Paying contractors less than what the value of works certified affects their financial flow and hence works implementation get slowed down. The status of the payments in the project were as presented in Table 6 below.

Table 6: Project financial progress

S/n.	Activity	Amount (UGX)
1.	Contract value	751,692,900
A	Payment made to Robich Engineering Services Limited	
2.	Interim payment certificate No. 1	299,957,580
3.	Interim payment certificate No. 2	124,884,835

S/n.	Activity	Amount (UGX)
4.	Interim payment certificate No. 3	122,949,726
5.	Interim payment certificate No. 4	38,287,386
	Total payments	586,079,527
B	Payment made to Ashanty Business Services Uganda Ltd	
6.	Interim payment certificate No. 1	18,431,730
	Overall Total (A+B)	604,511,257
	Percentage Financial Progress	80%

Implication

Paying contractors less than what the value of works certified affects their financial flow and hence slows down works implementation.

Management response

The Entity has instructed the District Engineer and the Contractor to reconcile the payments made with the claims of the contractor to allow for closure on the matter with Robich Engineering Services Limited.

Recommendation

Basing on the above response and the contractor's letters dated 6th January, 2025 on unpaid variation and 01st April, 2025 requesting for payment of the variance of UGX. 56,388,581 are valid, the Chief Administrative Officer should take appropriate actions to pay the contractor, Robich Engineering Services Limited, within the terms and conditions of the contract signed on 15th November, 2024 and as guided under Regulations 16 of the PPDA (Contracts) Regulations, 2023.

2.6 Project implementation challenges reported by the Project Manager

The Authority also established in the Project Manager report; challenges below that emanated during the project implementation process:

- i. Low financial and personnel capacity by the contractor to implement the project during the contract period.
- ii. Irregular site meetings conducted during the contract period.
- iii. Irregular / delayed payments to workers that led to high turnover of workers on site.
- iv. Slow work progress due to contractor's poor scheduling of works.
- v. Poor supervision of works due to skeleton staffing.
- vi. Inadequate funding from Ministry of Education and Sports to meet the contractor's obligations.
- vii. Lack of operational funds for independent testing of materials for effective verification.

The above challenges, in the view of the auditors also had negative impact on the Entity's efforts of achieving intended project objectives as planned.

3.0 ADHERENCE TO ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY (ESHS) SAFEGUARDS REQUIREMENTS

3.1 Trees planted exposed to damage

Regulation 37 (2) (i) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023 on the statement of requirements for works, states that; "*A Procuring and Disposing Entity shall include in the statement of requirements for works - that the works shall be environmentally and socially responsive*". The Authority

established that whereas trees were planted as an environmental mitigation measure, they were exposed to damage from stray animals as the school compound was used as grazing ground by the neighbouring households. The exposure of the trees was as presented in Table 7 below.

Table 7: Trees planted exposed to damage from animal grazing

Activity	Site visit photos to support the audit findings
Planted trees not well protected	 <p data-bbox="678 577 1461 645">Animals grazed in the school compound exposed the trees planted to the risk of damage.</p>

Implication

Animals grazed in the school compound exposed the trees planted to the risk of damage.

Management response

It is true at the time of audit there were animals being grazed in the school vicinity. This was because it was school holidays and some of the animals belonged to the school itself. Recommendation to undertake fencing and enforce security measures has been noted for implementation in consultation with the school management.

Authority’s comment

The response was noted, but it only affirms that the school is not secure and at the period of audit on November 28, 2025 schools in the country had not closed the school term for the year 2025. Grazing animals in the school compound poses a risk of damage to the school infrastructures.

Recommendation

The Accounting Officer should plan to strengthen the fence around the school and in the interim task the security personnel deployed to deter grazing of animals in the school compound. This should be enforced in adherence with Regulation 37(2)(i) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023 that requires the Entity to ensure that the works implemented to be environmentally and socially responsive.

3.2 Staff house: bushy, abandoned and prone to vandalism.

The Authority found that the staff house was bushy and abandoned due to *insecurity, hooliganism and demonstration by Community against the project implementation and attempt to kill the Head Teacher*. This was as per the minutes of the site meeting held on Monday 14th April, 2025. As such, the structures were prone to vandalism, damage and a security risk to the nearby community. State of the site in pictures were as presented in Table 8 below.

Table 8: Bushy staff house compound

Activity	Site visit photos to support the audit findings
Staff house	 <p data-bbox="692 488 1487 508">Staff house abandoned, bushy with no trees and grass planted.</p>

Implication

- The insecurity threat to the school staff by the community, endanger the lives of the school staff and as such cannot offer their services freely. In addition, the school may subsequently fail to attract teaching and non-teaching staff hence, crippling the delivery of quality education services to the community around the school; the core purpose for which the school was established.
- The abandonment of the staff house exposed it to vandalism and damage to the fittings e.g. windows, doors and electrical installations.

Management response

It is true the security and safety of school property is compromised in addition to the insecurity from the community and this has been discussed in the district security committee meeting and the committee has promised to enforce security measures as and when necessary.

Authority comment

The Entity's response has been taken into account; however, no evidence was submitted for verification to prove the agreed security measures to secure the school from attack by the community.

Recommendation

The Chief Administrative Officer should task the district security leadership to provide security to the school in accordance to the District Security Committee meeting resolution. This will secure the school site including the staff house from possible community attack so as to have the school staff occupy the houses to enable uninterrupted learning at the school to the benefit of pupils in the school from among community in and around the district.

CHAPTER 3: AUDIT CONCLUSION

Maracha District Local Government entered into a five months contract, with Robich Engineering Services Limited, P.O. Box 85, Kyambogo on 15th November 2024 for the completion of construction works at Kololo Seed Secondary School at a cost of UGX. 751,692,900 VAT inclusive with an intended completion date of 15th April, 2025. However, the contractor failed to complete the contracts as per the above date, but requested for time extension which the Entity allowed and a time extension of one month was granted to the contractor to complete the project by 15th May, 2025.

Despite the above time extension, the contractor failed to complete the project, hence the contract self-terminated due to lapse of time and accordingly the Accounting Officer communicated the same to the contractor, Robich Engineering Services Limited, on May 16, 2025. In an effort to get the project completed, on 16th May, 2025, the Entity initiated a direct procurement for a new contractor (Ashanty Business Services Uganda Limited of P.O Box 1591, Arua) to complete the project to which the contract was signed on 29th May 2025 at a contract sum of UGX. 184,381,160 to complete the project. As at the date of audit on 28/11/2025 the new contractor, Ashanty Business Services Uganda Limited had not completed the project and was not on site.

Considering the above challenges faced by the Entity right from the inception of the project in May 2024, the Entity's Top Management took a decision to have different providers executing specific procurements supervised closely by a Contract Management Team. Accordingly, as per the Entity's management response below, four contractors were contracted to complete all the pending works. Thus; *effective January, 2026 the project was sub-divided into four (4) different contracts (one contractor for furniture and fittings, one contractor for sports field, one contractor for science laboratory and Administration Block and one contractor for multi-purpose hall, ICT-Library, classroom blocks, staff house and latrines) and all the contractors are progressing with works*, accordingly. The foregoing approach was proposed and agreed upon in the Entity's District Technical Planning Committee meeting of 17/12/2025 and approved by District Executive Committee on February 03, 2026. Review of the contract agreements of the various providers showed that the contracts costed the Entity UGX. 325,815,570.

Therefore, basing on the forgoing observations, the Chief Administrative Officer should:

1. Task the Contract Management Team to prepare a Contract Management Plan and use it as a monitoring tool to regularly monitor the implementation of the project. A copy of the Contract Management Plan and progress reports for the works executed should accordingly be submitted to the Accounting Officer. The Project Management Team should also ensure that there is adequate control of the cost, quality and time of the contract.
2. Task the Entity's Top Management to regularly monitor the works implementation in the completion of the school projects, so as to have the project completed and the school operationalized for the benefits of students in and around the district.
3. The Authority shall institute proceedings for suspension of Robich Engineering Services Limited, from engaging in any public procurement or disposal process for a period determined by the Authority for failure to perform the obligations specified in the contract in accordance with Section 128 (c) of the PPDA Act, Cap. 205.