



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

**CONTRACT AUDIT REPORT INTO THE UGIFT PROJECTS
FOR MAKINDYE SSABAGABO MUNICIPAL COUNCIL**

CONTACTORS:

- 1. KALEETA CONSTRUCTION LIMITED**
- 2. GESES UGANDA LIMITED**

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ACRONYMS

ESHS:	Environmental, Safety, Health and Social Safeguard
MOH:	Ministry of Health
PPDA:	Public Procurement and Disposal of Public Assets
PPDA Act:	Public Procurement and Disposal of Public Assets Act. Cap 205
UgIFT:	Uganda Intergovernmental Fiscal Transfer Program
UGX:	Uganda Shillings
VAT:	Value Added Tax

EXECUTIVE SUMMARY

In the Financial Year 2024/2025, Makindye Ssabagabo Municipal Council entered into contracts for the construction projects under UgIFT as indicated in Table 1 below:

Table 1: Ongoing contracts in the financial year 2024/2025

No.	Subject of Procurement	Procurement Ref. No	Contractor	Amount (UGX)
1	Completion of new Health Centre III in Selected Urban Local Governments under the UgIFT Program for Results - Mutungo HC III in Makindye Ssabagabo Municipal Council	MOH/UGIFT/WR KS/2023-24/00013 -Lot 2	Kaleeta Construction Limited	1,438,610,376
2	Establishment of New Health Centre III in selected Urban Local Governments under UgIFT program for results- Kibiri HC III in Makindye Ssabagabo Municipal Council	MOH/UgIFT/WR KS/2023-24/00013 -Lot 1	Geses Uganda Limited	3,199,584,695

In line with Section 8 (1) (j) (ii) of the PPDA Cap. 205, the Public Procurement and Disposal of Public Assets Authority conducted contract audits into the completion of new Health Centre III in Selected Urban Local Governments under the UgIFT Program for Results - Mutungo HC III in Makindye Ssabagabo Municipal Council and the establishment of New Health Centre III in selected Urban Local Governments under UgIFT program for results- Kibiri HC III in Makindye Ssabagabo Municipal Council with an overall objective of assessing the status of contract implementation.

The following key exceptions were noted:

Construction of Kibiri HC III

1. There was delayed execution of works for the construction at Kibiri HC III worth UGX 3,075,523,745, an estimated 45% (as indicated in the project status report dated 20th April 2025) of works done by the contractor, Geses Uganda Limited as at 13th June 2025. Whereas the contract was ending on 15th August 2025, works were still pending, for example, mechanical installation, electrical installation and roofing had not been done and the internal and external works on all floors and the staff house were still ongoing.
2. The Entity failed to prepare a contract management plan for the construction at Kibiri HC III worth UGX 3,075,523,745. This makes it difficult to effectively manage, monitor and report on contractor performance and milestones during the course of project execution.

Construction of Mutungo HC III

1. There was delayed execution of works for the construction at Mutungo HC III in Ndejje Division worth UGX 1,438,610,376, with an estimated 60% of works done by the contractor, Kaleeta Construction Ltd as at 13th June 2025. Whereas the contract was ending on 15th August 2025, works were still pending, for example, doors, windows, ceiling finishes, wall finishes, floor finishes and joinery fittings and fixtures were not done on the

ground floor; partial internal and external works were done on the first floor; internal and external works on second floor were not done, mechanical installations were ongoing and Electrical installations were not done;

2. The Entity failed to prepare a contract management plan for the construction at Mutungo HC III in Ndejje Division worth UGX 1,438,610,376. This makes it difficult to effectively manage, monitor and report on contractor performance and milestones during the course of project execution; and
3. The Entity signed the contract for the construction at Mutungo HC III in Ndejje Division worth UGX 1,438,610,376 with no provision for temporary hoarding of the site and therefore exposing the site to unrestricted/ unauthorized access which compromised the safety and security at site and the community.

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

Construction of Kibiri HC III

1. The Accounting Officer should make a follow up on the interventions indicated in its response to ensure that they are implemented and that the construction works at Kibiri HC III are completed on time in accordance with Section 51 of the PPDA Act, Cap. 205;
2. The Project/ Contract Manager should:
 - (i) Embrace the Management interventions in monitoring the project implementation, update program of works and ensure that the contractor, Geses Uganda Limited meets all the performance/delivery obligations in accordance with the terms and conditions of the contract and Regulation 52 (3) (a) (i) of the PPDA (Contracts) Regulations, 2023; and
 - (ii) Prepare and update a contract management plan for Kibiri HC III using Form 49, and forward a copy to the Procurement and Disposal Unit for monitoring purpose in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.

Construction of Mutungo HC III

1. The Accounting Officer should:
 - i) Take appropriate action for the construction of Mutungo HC III with interventions but not limited to progress reporting, enhanced supervision and monitoring as indicated in it's response for Kibiri Health Center III of this report and ensure timely completion of the project in accordance with Section 51 of the PPDA Act, Cap. 205; and
 - ii) Assign a contract management team with appropriate skills and experience for the construction of Mutungo HC II in accordance with Regulation 51 (2) of the PPDA (Contracts) Regulations, 2023: and
 - iii) Ensure that the project site for the construction of Mutungo HC II are hoarded off throughout the project period, and where provisions are omitted from the contract, the hoarding should be done at the Entity's cost;
2. The Project Manager should closely monitor implementation works for the construction of Mutungo HC III, update the program of works and ensure that the contractor, Kaleeta Construction Ltd meets all the performance/delivery obligations in accordance with the

terms and conditions of the contract as required under Regulation 52 (3) (a) (i) of the PPDA (Contracts) Regulations, 2023.

3. The Contract Manager should prepare and update a contract management plan for the construction of Mutngo HC III using Form 49, and forward a copy to the Procurement and Disposal Unit for monitoring purpose in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023; and
4. The Contract Manager and Contract Management Team should ensure that contract management records for the construction of Mutngo HC III are kept and archived as required in line with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023.

CHAPTER: INTRODUCTION

1.1 Background

The Government of Uganda received funds from the World Bank to fund the Uganda Intergovernmental Fiscal Transfer (UgIFT) Program. The Ministry of Health under the UgIFT program for results earmarked funds for the establishment of new Health Centre IIIs in selected urban Local Governments.

The Ministry of Health provided oversight and support to the beneficiary Local Governments to ensure alignment with sector strategic plans, and compliance to construction norms and sector standards. The Local Governments were responsible for contract management and payment of contractors, as well as sustainability of the investments undertaken by the Government of Uganda.

Makindye Ssabagabo Municipal Council was one of the beneficiary Local Governments. On 4th October 2024, the Entity entered into a contract with Geses Uganda Limited for the Establishment of New Health Centre III in selected urban Local Governments under UgIFT program for results- Kibiri HC III in Makindye Ssabagabo Municipal Council at a cost of UGX 3,075,523,745; and the other contract on 24th September 2024 with Kaleeta Construction Ltd for the completion of new Health Centre III in selected urban Local Governments under the UgIFT Program for Results - Mutungo HC III in Makindye Ssabagabo Municipal Council at a cost of UGX 1,438,610,376 with an intended completion period of 15th August 2025 respectively.

In line with Section 8 (1) (j) (ii) of the PPDA Cap. 205, the Public Procurement and Disposal of Public Assets Authority conducted contract audits into these projects in Makindye Ssabagabo Municipal Council with an overall objective of assessing the status of contract implementation with emphasis on verification that all parties to the contracts complied with the requirements and standards set forth in the contracts, PPDA Law and other attendant regulations and UGIFT guidelines.

1.2 Objective of the audit

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

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

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

1.3 Scope of the audit exercise

The audit covered the contracts implementation and management for the completion of new Health Centre III in selected urban Local Governments under the UgIFT Program for Results - Mutungo HC III in Makindye Ssabagabo Municipal Council and establishment of new Health Centre III in selected urban Local Governments under UgIFT program for results- Kibiri HC III in Makindye Ssabagabo Municipal Council.

1.4 Audit methodology

The Authority adopted the following methodology:

- i. Review of documentation on the procurement action file.
- ii. Physical verification of the project site.
- iii. Debrief of the Entity management on the preliminary findings.
- iv. Issuance of a management letter to the Entity for its official management response
- v. Reporting on the audit findings and providing actionable recommendations where applicable.

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 conclusively give an opinion on the technical quality of the works undertaken. Therefore, the overall responsibility of the quality of works undertaken lies with the Entity Management and the contractors.

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 Regulations;
- iii. The bidding document;
- iv. The signed contract between Makindye Ssabagabo Municipal Council and Kaleeta Construction Limited;
- v. The signed contract between Makindye Ssabagabo Municipal Council and Geses Uganda Limited;
- vi. The PPDA Circular No. 3 of 2019 on the implementation of procurements under the Uganda intergovernmental fiscal transfers program for results; and
- vii. The circular on contract management and safeguard requirements under Uganda Intergovernmental Fiscal Transfer (UGIFT) program dated 16th March 2021 issued by the Permanent Secretary/Secretary to the Treasury.

CHAPTER 2: FINDINGS AND RECOMMENDATIONS

2.1 ESTABLISHMENT OF NEW HEALTH CENTRE III IN SELECTED URBAN LOCAL GOVERNMENTS UNDER UGIFT PROGRAM FOR RESULTS- KIBIRI HC III IN MAKINDYE SSABAGABO MUNICIPAL COUNCIL

The summary of the contract is indicated in Table 2 below:

Table 2: Contract Summary for the Construction at Kibiri HC III

Entity	Makindye Ssabagabo Municipal Council		
Contract Title	Establishment of New Health Centre III in selected Urban Local Governments under UgIFT program for results- Kibiri HC III in Makindye Ssabagabo Municipal Council		
Name of the Provider	Geseg Uganda Limited		
Contract Type	Admeasurement Contract		
Original Contract Value exclusive of VAT (UGX)	3,075,523,745		
Contract Signature Date	4 th October 2024		
Site possession date	18 th October 2024		
Original Contract End Date	15 th August 2025		
1st Extension of Time	None		
2nd Extension of Time	None		
Contract Outputs/ Deliverables	Works Description	Amount (UGX)	
	General preliminaries	186,000,000	
	Ground floor	1,083,730,990	
	First floor	585,869,550	
	Second floor	485,343,950	
	Electrical installations	92,112,000	
	Mechanical installations	225,643,000	
	Staff House	271,323,124	
	Sub-total	2,930,022,614	
	Add: Contingencies (5%)	146,501,131	
	Sub-Total	3,076,523,745	
	Add: Local Government Supervision (4%)	123,060,950	
	Total Amount	3,199,584,695	
Status as at 13 th June 2025	Time Progress- 80% Physical Progress- estimated at 60% Financial Progress- 54.78%		
Securities	Security	Amount (UGX)	Date of Expiry
	Advance Payment Guarantee (30%)	922,657,123	6 th August 2025
	Performance Security (3% of contract price)	92,265,712	6 th August 2025
	ES Performance Security (2% of contract price)	61,510,475	6 th August 2025
Defect liability period	365 days		
Retention	10%		
Clerk of works appointed on 31 st December 2024	Ms. Juliet Kanya		

Project Manager	Mr. Robert Nsubuga
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2.1.1 PROGRESS OF WORKS WITH REGARD TO EFFECTIVENESS OF TIME, QUALITY AND COST CONTROLS OF WORKS UNDERTAKEN

2.1.1.1 Time Control


a) Slow progress of works


As at 13th June 2025, 80% project time had elapsed since site handover, and the physical progress estimated at 45% (as indicated in the project status report dated 20th April 2025) had been achieved against a financial progress of 54.78% as indicated in Table 3 and Figure 1 below:


Table 3: Financial Progress as at 13th June 2025 at Kibiri HC III


Item	Amount (UGX)	
Contract Value	3,076,523,745	
Payments	Amount (UGX)	
Advance payment:	922,657,123	
Interim payment certificate 1 dated 24 th January 2025	762,333,367	
Total Payments	1,684,990,490	1,684,990,490
Financial Progress	54.78%	

Figure 1: Pictorial Status of Works at Kibiri HC III as at 13th June 2025

Item No	Description of works	Pictorial evidence
1.	Ground floor	 <p><i>Ongoing internal works: The door, windows, ceiling finishes, wall finishes, floor finishes and joinery fittings and fixtures yet to be done</i></p>

Item No	Description of works	Pictorial evidence
2.	First floor	 <p data-bbox="576 1124 1423 1161"><i>Incomplete internal and external works</i></p>

Item No	Description of works	Pictorial evidence
3.	Second floor	 <p data-bbox="571 1756 1422 1809"><i>Incomplete roofing works with the internal and external works not yet done on the last floor</i></p>

Item No	Description of works	Pictorial evidence
4.	Staff house	 <p data-bbox="579 1547 1430 1576"><i>Incomplete internal and external works</i></p>
5.	Mechanical installation	Works yet to commence
6.	Electrical installations	Wiring and installation not yet done

Implications

- Delay to implement Government projects as planned denies timely delivery of services to the community and general public hence affecting the performance of the Government.
- The Entity is exposed to risk of increased project costs in terms of resources allocated to the project such as time, human resource & additional funding.

- This also exposes the Entity to the risk of not completing the project before the end of the UGIFT program which would impact on the Entity's ability to draw funds for the project.

Management response

Management acknowledged the Authority's observation and attributed the delays to the following:

The works were designed and executed in phases, with each activity sequenced to align with technical standards and construction best practices. Specifically, electrical installation was scheduled to follow the plastering phase to ensure compliance with Safety Standards and contractual provisions. The sequence of executing electrical installations after plastering was not a deviation from the contract but a necessary technical requirement aimed at ensuring quality, safety, and cost-effectiveness of the project.

The following interventions had been instituted to ensure improvement in project execution and to minimise delays in future:

- *Strengthened Planning and Scheduling with the activity timelines revised with stricter monitoring to ensure adherence to set deadlines evidenced by communicating to the contractor;*
- *Enhanced supervision and monitoring with regular progress reviews and field inspections being conducted to promptly identify and resolve emerging challenges;*
- *Contractors and implementers engaged and guided to improve their performance and meet contractual obligations through capacity building and support; and*
- *Accountability mechanisms with periodic progress reports submitted and evaluated to ensure transparency and early corrective action.*

Recommendations

The Authority noted the Entity's response. The Authority will follow up on the implementation of the interventions to minimise delays submitted in the response on addressing the inefficiency challenges faced by the Entity. The Authority therefore; recommends that:

1. The Accounting Officer should follow up with the interventions as submitted in its response and ensure timely completion of the project in accordance with Section 51 of the PPDA Act, Cap. 205; and
2. The Project Manager should embrace the Management interventions in monitoring the project implementation, update program of works and ensure that the contractor meets all the performance/delivery obligations in accordance with the terms and conditions of the contract as required under Regulation 52 (3) (a) (i) of the PPDA (Contracts) Regulations, 2023.

2.1.1.2 Quality Control

a) Failure to prepare a Contract Management Plan for the construction of Kibiri HC III

The Authority found that the Project Manager did not prepare a contract management plan to guide in the effective implementation of project works. Whereas the contract was signed on 4th October 2024, at the time of audit on 11th June 2025, a contract management plan had not been prepared contrary to Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.

Implication

Failure to prepare a contract management plan makes it difficult to effectively manage, monitor and report on contractor performance and milestones during the course of project execution.

Management Response

Management acknowledged the Authority's observation.

Recommendation

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

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

The Authority found that there was satisfactory adherence to environmental, safety, health and social safeguards.

2.2 COMPLETION OF NEW HEALTH CENTRE III IN SELECTED URBAN LOCAL GOVERNMENTS UNDER THE UGIFT PROGRAM FOR RESULTS - MUTUNGO HC III IN MAKINDYE SSABAGABO MUNICIPAL COUNCIL

The summary of the contract is indicated in Table 4 below:

Table 4: Contract Summary for the Construction at Mutungo HC III in Ndejje Division

Entity	Makindye Ssabagabo Municipal Council	
Contract Title	Completion of new Health Centre III in Selected Urban Local Governments under the UgIFT Program for Results - Mutungo HC III in Makindye Ssabagabo Municipal Council	
Name of the Provider	M/s Kaleeta Construction Ltd	
Contract Type	Admeasurement	
Original Contract Value exclusive of VAT (UGX)	1,438,610,376	
Contract Signature Date	24 th September 2024	
Site possession date	Within 7 days from the contract signature date	
Start date	14 days from the site hand over date	
Original Contract End Date	15 th August 2025	
1st Extension of Time	None	
2nd Extension of Time	None	
Contract Outputs/ Deliverables	Description	Amount (UGX)
	General Preliminaries	37,000,000
	Ground floor	364,048,500
	First floor	350,035,920
	Second floor	427,879,200
	Electrical installations	26,567,500
	Mechanical installations	164,574,000
	Sub Total	1,370,105,120
	Allow 5% Contingency	68,505,256
	Sub Total	1,438,610,376
ADD: 4% Local Government supervision	57,544,415	
Grand Total	1,496,154,792	
Status as at 13 th June 2025	Time Progress- 80% Physical Progress- 65%	

Financial Progress- 75.7%			
Securities	Security	Amount (UGX)	Date of Expiry
	Advance Payment Guarantee (30%)	431,583,112	30 th June 2025
	Performance Security (3% of contract price)	43,158,311	30 th June 2025
	ES Performance Security (2% of contract price)	28,772,207	30 th June 2025
Defect liability period	365 days		
Retention	10%		
Clerk of works appointed on 31 st December 2024	Ms. Shakirah Naluwooza		
Project Manager dated 8 th October 2024	Mr. Robert Nsubuga		

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

2.2.1.1 Time Control

a) Slow progress of works


The Authority found that 80% of the contract time had lapsed against financial progress of 75.7% and estimated physical progress of 60% as at 13th June 2025 as indicated in Table 5 below:


Table 5: Financial Progress as at 13th June 2025 at Mutungo HC III


Item	Amount (UGX)
Contract Value	1,438,610,376
Payments (UGX)	
Advance payment:	431,583,113
Interim payments as at 28 th February 2025	657,158,618
Total Payments	1,088,741,731
Financial Progress	75.7%


The audit team conducted physical verification of the project and the status of works is shown in Figure 2 below:


Figure 2: Physical verification photographs at Mutungo HC III as of 13th June 2025

Item No	Description of works	Progress /status	Pictorial evidence
7.	General preliminaries	No hoarding done since it was not provided for in BOQs	 <p data-bbox="778 1332 1433 1361"><i>Construction site with no hoarding</i></p>

Item No	Description of works	Progress /status	Pictorial evidence
8.	Ground floor	Works yet to commence including: Door, windows, ceiling finishes, wall finishes, floor finishes and joinery fittings and fixtures	 <p data-bbox="774 1377 1420 1400"><i>Incomplete works on ground floor</i></p>

Item No	Description of works	Progress /status	Pictorial evidence
9.	First floor	Partial internal works done and external works still pending	 <p data-bbox="778 1541 1444 1572"><i>Incomplete internal and external works on first floor</i></p>

Item No	Description of works	Progress /status	Pictorial evidence
10.	Second floor	Pending internal and external works	 <p data-bbox="774 1164 1428 1205"><i>Incomplete works on second floor</i></p>

Item No	Description of works	Progress /status	Pictorial evidence
11.	Mechanical installation	Incomplete works	 <p data-bbox="778 1608 1139 1637"><i>Incomplete mechanical works</i></p>
12.	Electrical installations	<i>Wiring and installation not yet done</i>	

The Authority noted low mobilisation of personnel on site with very few workers which was believed to be a factor contributing to the delayed construction works.

Implications

- Delay to implement Government projects as planned denies timely delivery of services to the community and general public hence affecting the performance of the Government.
- The Entity is exposed to risk of increased project costs in terms of resources allocated to the project such as time, human resource & additional funding.
- This also exposes the Entity to the risk of not completing the project before the end of the UGIFT program which would impact on the Entity's ability to draw funds for the project.

Management response

Management noted the Authority's observation and submitted that as at 30th September, 2025, the physical progress was estimated at 80% (as indicated in the latest project status report dated 30th September, 2025).

Recommendations

The Authority noted the Entity's response and observed that the average progress of work was estimated in the progress report for the month of September 2025. However, most works on the main building and staff house such as casting, grinding and polishing of terrazzo; construction of septic tank, installation of electric pipes on the second floor, were ongoing and others not started such as plastering of the whole building to completion inclusive of the reveals and fixing of the glazing glasses among others.

The entity did not provide an explanation for the delays and the interventions to address the inefficiency challenges faced. Therefore, the Authority recommends that:

1. The Accounting Officer should consider using the same interventions as submitted in its response for Kibiri Health Center III of this report and ensure timely completion of the project in accordance with Section 51 of the PPDA Act, Cap. 205; and
2. The Project Manager should closely monitor the project implementation with an updated program of works and ensure that the contractor meets all the performance/delivery obligations in accordance with the terms and conditions of the contract as required under Regulation 52 (3) (a) (i) of the PPDA (Contracts) Regulations, 2023.

2.2.1.2 Quality Control

a) Failure to Maintain Contract Management Records

The Authority found missing contract management records contrary to Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023 such as:

- a) A contract management plan
- b) Appointment of Project/ Contract Management Team.
- c) Absence of measuring sheets.

Implication

Lack of contract management records casts doubt on whether the contract was effectively & efficiently monitored.

Management Response

Management noted the Authority's observation and explained that it was an omission as a result of misfiling, with all the documents put in the respective file thereafter.

Recommendations

The Authority noted the Entity's response; however, the listed documents were not provided for verification and therefore recommends as follows:

1. The Accounting Officer should always assign a contract management team for contracts of high value or complex or forms part of a larger project in accordance with Regulation 51 (2) of the PPDA (Contracts) Regulations, 2023:
2. The Contract Manager should in future projects, upon appointment, prepare a contract management plan using Form 49, and forward a copy to the Procurement and Disposal Unit for purposes of monitoring in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023; and
3. The Contract Manager and contract management team should ensure that all contract management records are kept and archived as required in line with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023.

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

2.2.2.1 Failure to provide for temporary hoarding in the Contract

The Entity signed a contract with no provision for temporary hoarding of the site and as such the site was not hoarded hence exposing the site to unrestricted/ unauthorized access which compromises safety and security at site and the community as shown in Figure 3 below:

Figure 3: Site not hoarded off with only traces of existing hoardings at first phase



The site is exposed to risks of theft of building material and equipment and harm to the community due to unauthorised accessibility and open pits

Implication

Failure to hoard off the site and provide warning signs exposes the site to the risk of unauthorized access which could result into loss of building materials and accidents.

Management Response

Management acknowledged the Authority's response and explained that the project was phased with hoarding cost considered in Phase 1.

Authority's comment: Noted the Entity's response; however, the second phase had been contracted to a different contractor with no provision for hoarding yet the existing hoarding had already collapsed.

Recommendation

The Accounting Officer should ensure that project sites are hoarded off throughout the project period and where provisions are omitted from the contract, the hoarding should be done at the Municipal Council's cost.

CHAPTER 3: AUDIT CONCLUSION

A. Construction of Kibiri HC III

In the implementation of contract for establishment of New Health Centre III in selected Urban Local Governments under UgIFT program for results- Kibiri HC III in Makindye Ssabagabo Municipal Council worth UGX 3,199,584,695 by Geses Uganda Limited the Authority noted the following:

1. The contractor, Geses Uganda Limited was within the original contractual timeline given that contract expected completion date was 15th August 2025 for the construction of Kibiri HC III. However, with the time lapse at 80% against financial progress of 54.78% and physical progress of 60% as at 13th June 2025, the contractor may not complete the project on time. The Entity should review the project progress against the time, cost and quality of works before the expiry of the contract; and
2. The Entity proposed interventions to improve on project execution and minimise delays as indicated in its management response include monitoring the adherence to set deadlines, regular progress reviews, prompt field inspections, contractor engagement and periodic progress reports. These are good interventions on the efficiency and effectiveness of the project.

B. Construction of Mutungo HC III

In the implementation of contract for completion of new Health Centre III in Selected Urban Local Governments under the UgIFT Program for Results - Mutungo HC III in Makindye Ssabagabo Municipal Council worth UGX 1,438,610,376 by Kaleeta Construction Limited, the Authority noted the following:

1. The contractor, Kaleeta construction Limited was within the original contractual timeline given that the contract expected completion date was 15th August 2025. However, with the project time lapse at 80% and physical progress at 75.7%, it is unlikely that the Contractor will complete the project on time; and
2. The construction site at Mutungo HC was not hoarded off with the Entity explaining that the hoarding off was considered under phase 1. However, the Authority noted that second phase had been contracted to a different contractor with no provision for hoarding yet the existing hoarding had already collapsed. This provided un-authorized access may lead loss of building materials and risk of accidents.

In light of the above. the Accounting Officer should implement the Authority's recommendations herein and task the Project Manager to strengthen contract monitoring and supervision so that the works are completed within the stipulated time, cost and of quality in order to realize the project's objective.