



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

**CONTRACT AUDIT REPORT INTO THE MAINTENANCE OF A 4-  
CLASSROOM BLOCK AT BUSIMO PRIMARY SCHOOL AND  
PARTITIONING OF CLERK TO COUNCIL OFFICE**

**BUGWERI DISTRICT LOCAL GOVERNMENT**

**MAY 2026**

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## ACRONYMS

CMS	-	Contract Management System
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CSOs	-	Civil Society Organizations
GIZ	-	Deutsche Gesellschaft für Internationale Zusammenarbeit
ESHS	-	Environmental, Social, Health and Safety
PPDA Act	-	Public Procurement and Disposal of Public Assets Act Cap 205
PPDA	-	Public Procurement and Disposal of Public Assets Authority
P/S	-	Primary School
UGX	-	Uganda Shillings
VAT	-	Value Added Tax

## EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA), in collaboration with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), established a citizen engagement framework through a Contract Monitoring System that enables secure, centralized reporting on ongoing government projects. Under this collaboration, the Civil Society Organizations (CSOs) monitor projects in real time, upload their findings onto the Contract Management System (CMS), and PPDA reviews and takes appropriate action on the reported issues.

In line with Section 8 (1) (j) (ii) of the PPDA Act, Cap 205, the Authority conducted a contract audit of the maintenance of a four-classroom block at Busiimo Primary School and partitioning of clerk to council offices. The projects were flagged by the Busoga Governance and Social Accountability Network on the CMS and the issues are elaborated in detail under A and B below. The audit aimed to assess the status of contract implementation, with specific objectives to assess the;

- i. Progress of works;
- ii. Effectiveness of time, quality & cost control of works undertaken; and
- iii. Adherence to Environmental, Social, Health and Safety (ESHS) safeguard requirements.

### Key Findings of the Authority

#### A. MAINTENANCE OF A 4-CLASSROOM BLOCK AT BUSIIMO P/S

On 12<sup>th</sup> May 2025, the Authority received an escalated complaint through the Contract Monitoring System from the Busoga Governance and Social Accountability Network concerning the maintenance of a 4-classroom block at Busiimo PS, alleging that the contractor had not incorporated Environmental, Social, Health and safety issues during the implementation of the contract. The Authority instituted a contract audit into the project and noted the following:

- 1. Non-compliance with the requirement to submit Performance Securities.** Regulation 12(1)(a) of the PPDA (Contracts) Regulations, 2023 states that “*a contract shall become effective only when one or more of the specified conditions in the contract are fulfilled, including the Procuring and Disposing Entity receiving the performance security or the performance securing declaration.*” Furthermore, GCC 61.1 of the Special Conditions of Contract required the contractor to furnish the Entity with a Performance Security equivalent to 10% of the contract price. However, the contractor did not comply with this requirement. Without obtaining Performance Securities, the Entity is exposed to the risk of lack of recourse in the event of contract non-performance;
- 2. Failure by the Contract Manager to prepare monthly progress reports.** Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023 requires the contract manager to prepare monthly progress reports to be submitted to the Accounting Officer and the Procurement and Disposal Unit. However, the Authority noted that the Contract Manager failed to prepare and submit monthly progress reports throughout the four-month project implementation period. This limited effective monitoring and supervision of the contract;

3. **Lack of a contract management plan.** Regulation 50 (3) of the PPDA (Contracts) Regulations 2023 states that, “*Upon receipt of the contract, the contract manager shall prepare a contract management plan using Form 49 in Schedule 2 to these Regulations, and forward a copy of the contract management plan to the Procurement and Disposal Unit for purposes of monitoring*”. However, the Authority noted that the contract manager did not prepare a contract management plan. Failure to prepare contract management plans hinders effective monitoring of contract performance thus affecting service delivery;
4. **Failure to effectively incorporate the Environmental, Social, Health, and Safety Safeguards at contract implementation.** Section 66 of the PPDA Act, Cap. 205 states that, “*A procuring and disposing entity shall for each procurement take into account environmental protection, social inclusion and stimulating innovation*”. However, the Authority noted that the Entity did not incorporate Environmental, Social, Health and Safety Issues in the bidding document and subsequently the contract. As such these were not implemented during contract execution. Failure to incorporate and implement Environmental, Social, Health, and Safety (ESHS) safeguards exposes project sites, surrounding communities, and workers to potential environmental degradation, health and safety risks, and social harm;

#### **Audit Conclusion**

In summary, the Authority established that the works were completed by 10<sup>th</sup> March 2024 and that both the Entity and the contractor largely fulfilled their contractual obligations within the stipulated timeframe. However, the contractor did not provide the required 10% Performance Security, and the Entity did not enforce the implementation of Environmental, Social, Health, and Safety safeguards.

#### **Recommendations**

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

1. **The Head, Procurement and Disposal Unit should:**
  - In future consider providing for the use of Performance Securing Declarations, instead of Performance Securities, for local providers in the bidding documents, in accordance with Guideline No. 4/2025 on Bid, Performance, and Advance Payment Securities; and
  - Collaborate with the User Departments to identify potential environmental, social, health, and safety risks associated with each procurement and incorporate appropriate ESHS requirements in the bidding documents and contracts. In addition, mechanisms should be established to monitor compliance during contract implementation in order to promote sustainable procurement practices in accordance with Section 66 of the PPDA Act, Cap. 205.
2. Heads of User Departments should task Contract Managers to consistently prepare and submit monthly progress reports in compliance with Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.

3. The Accounting Officer should in future prevail over contract supervisors to prepare contract implementation plans in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations 2023.

## **B. PARTITIONING OF CLERK TO COUNCIL OFFICE**

On 12<sup>th</sup> May 2025, the Authority received an escalated complaint through the Contract Monitoring System from the Busoga Governance and Social Accountability Network concerning the partitioning of the Clerk to Council Office, alleging that the works carried out were not commensurate with the contract sum of UGX 9,853,723. The Authority instituted a contract audit into the project and noted the following:

1. **Missing contract management records.** Contrary to Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023, which requires the contract manager to ascertain that all contract management records are properly archived. The Authority noted that the Entity failed to maintain key contract management records on file including payment certificates, progress reports, completion certificates, and the contract implementation plan. This indicates non transparency and failure by the Entity to account for public funds; and
2. **Failure to implement Environmental, Social, Health, and Safety Safeguards.** Whereas, the BOQs provided for ESHS issues including planting of fruit trees, provision of an operational incident plan and provision of a risk management and emergency plan. The Authority noted that the contractor did not comply with this requirement. Failure to incorporate and implement Environmental, Social, Health, and Safety (ESHS) safeguards exposes project sites, surrounding communities, and workers to potential environmental degradation, health and safety risks, and social harm.

### **Audit conclusion**

The Authority was not availed key contract management records, including payment vouchers, payment certificates, contract implementation plans, and progress reports. As a result, it was not possible to conclusively determine whether the works were carried out in accordance with the contract terms or whether the contractor received appropriate payment for the works executed.

### **Recommendations**

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

The Accounting Officer should:

1. Institute a comprehensive investigation into the execution and payment of the contract for partitioning of the Clerk to Council Office worth UGX 9,853,723 to ascertain whether the works executed were commensurate with the contract sum and whether value for money was achieved. The Head of Finance and the District Engineer should be held responsible for failure to maintain and avail critical contract management records, including payment records, payment certificates, progress reports and completion certificates, contrary to Section 44 (5) of the PPDA Act, Cap. 205. An investigation report should be submitted to the Authority within four weeks from receipt of this report; and

2. Task the Head Procurement and Disposal Unit to incorporate a provision for an Environmental, Social, Health and Safety Performance Securing Declaration in future procurements to strengthen enforcement of ESHS obligations in accordance with PPDA Guideline No. 4/2025 on Bid, Performance and Advance Payment Securities.

## **CHAPTER 1: INTRODUCTION**

### **1.1 Background**

The Public Procurement and Disposal of Public Assets Authority (PPDA), in collaboration with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), established a citizen engagement framework through a Contract Monitoring System (CMS) that enables secure, centralized reporting on ongoing government projects. Under this collaboration, the Civil Society Organizations (CSOs) monitor projects in real time, upload their findings to the system, and PPDA reviews and takes appropriate action on the reported issues.

In line with Section 8 (1) (j) (ii) of the PPDA Act, Cap 205, the Authority conducted contract audits of the maintenance of a four-classroom block at Busiimo Primary School and the partitioning of clerk to council office. The projects were flagged by the Busoga Governance and Social Accountability Network on the Contract Monitoring System after unresolved issues at the Entity level.

### **1.2 Laws applicable**

The applicable laws and legal framework were:

1. The Public Procurement and Disposal of Public Assets Act, Cap. 205;
2. The PPDA Regulations 2023; and
3. The bidding document issued to bidders.

### **1.3 Objectives**

The overall objective of the contract audit was to assess the effectiveness of the contracting process and the status of contract implementation in regard to the obligations of Bugweri District Local Government (the Entity) and the respective contractors in the following procurements:

- i. Maintenance of a 4-classroom block at Busiimo P/S
- ii. Partitioning of Clerk to Council Office

The specific objectives of the contract audit were to assess the:

- i Progress of the works.
- ii Effectiveness of cost and quality control of works undertaken.
- iii Adherence to Environmental, Social, Health and Safety (ESHS) requirements.

### **1.4 Scope of the Audit**

The audit covered the contract implementation and management of the Maintenance of a 4-classroom block at Busiimo Primary School and Partitioning of Clerk to Council Office.

### **1.5 Audit Methodology**

The Authority adopted the following methodology:

- i. Review of documentation in the procurement action file;
- ii. Physical verification of the site;
- iii. Debriefing the Entity management on the preliminary findings;
- iv. Issuing a management letter to the Entity for official management response; and
- v. Reporting on findings of the audit and providing recommendations where applicable.

### **1.6 Limitation of Scope**

The contract audit was undertaken by auditors who did not have professional competence in engineering and building construction. The audit team could not conclusively give an opinion on the technical quality of the works undertaken. The overall responsibility of the quality of works undertaken lies with the Entity management and the contractor.

## CHAPTER 2: FINDINGS AND RECOMMENDATIONS

### A. MAINTENANCE OF A 4-CLASSROOM BLOCK AT BUSIIMO PRIMARY SCHOOL (BUGW814/WRKS/23-24/00004)

On 12<sup>th</sup> May 2025, the Authority received an escalated complaint through the Contract Monitoring System from the Busoga Governance and Social Accountability Network concerning the maintenance of a 4-classroom block at Busiimo PS, alleging that the contractor had not incorporated Environmental, Social, Health and safety issues during the implementation of the contract. The Authority instituted a contract audit into the project and noted the following:

#### 2.1 ASSESSMENT OF THE PROGRESS OF WORKS

##### i. Contract summary

The key information about the contract is summarized in Table 1 below: -

**Table 1: Contract summary for Maintenance of a 4-classroom block at Busiimo P/S**

<b>Entity</b>	Bugweri District Local Government	
<b>Contract Title</b>	Maintenance of a 4-classroom block at Busiimo P/S	
<b>Reference Number</b>	Bugw814/WRKS/23-24/00004	
<b>Name of Contractor</b>	Prosperous General Construction Limited	
<b>Contract Sum</b>	UGX 86,319,360	
<b>Type of contract</b>	Admeasurement	
<b>Contract Scope</b>	<b>Works Description</b>	<b>Amount (UGX)</b>
	Preliminaries	4,000,000
	4 classroom block	69,152,000
	Sub total	<b>73,152,000</b>
	VAT 18%	<b>13,167,360</b>
	<b>GRAND TOTAL</b>	<b>86,319,360</b>
<b>Contract Manager</b>	The District Engineer	
<b>Contract Signing date</b>	9 <sup>th</sup> November 2023	
<b>Site Possession</b>	13 <sup>th</sup> November 2023	
<b>Original contract start date.</b>	13 <sup>th</sup> November 2023	
<b>Original contract completion date</b>	13 <sup>th</sup> March, 2024 (four months)	
<b>Defects Liability period</b>	180 days	
<b>Retention fees</b>	5% of the contract value (UGX 4,315,968)	
<b>Performance Security</b>	10% of the contract value (UGX 8,631,936)	
<b>Contract Extension</b>	None	

##### ii. Progress of works

The Authority noted that the works were completed and handed over within the allocated time. The physical and financial progress at the time of physical verification on 10<sup>th</sup> July 2025 were at 100%. Tables 2 and 3 show the physical and Financial progress as at 10<sup>th</sup> July 2025.

**Table 2: Time Progress as at 10<sup>th</sup> July 2025**

Start Date	13 <sup>th</sup> November 2023
End Date	13 <sup>th</sup> March, 2024
Contract Period (Months)	4
Time Progress	100%

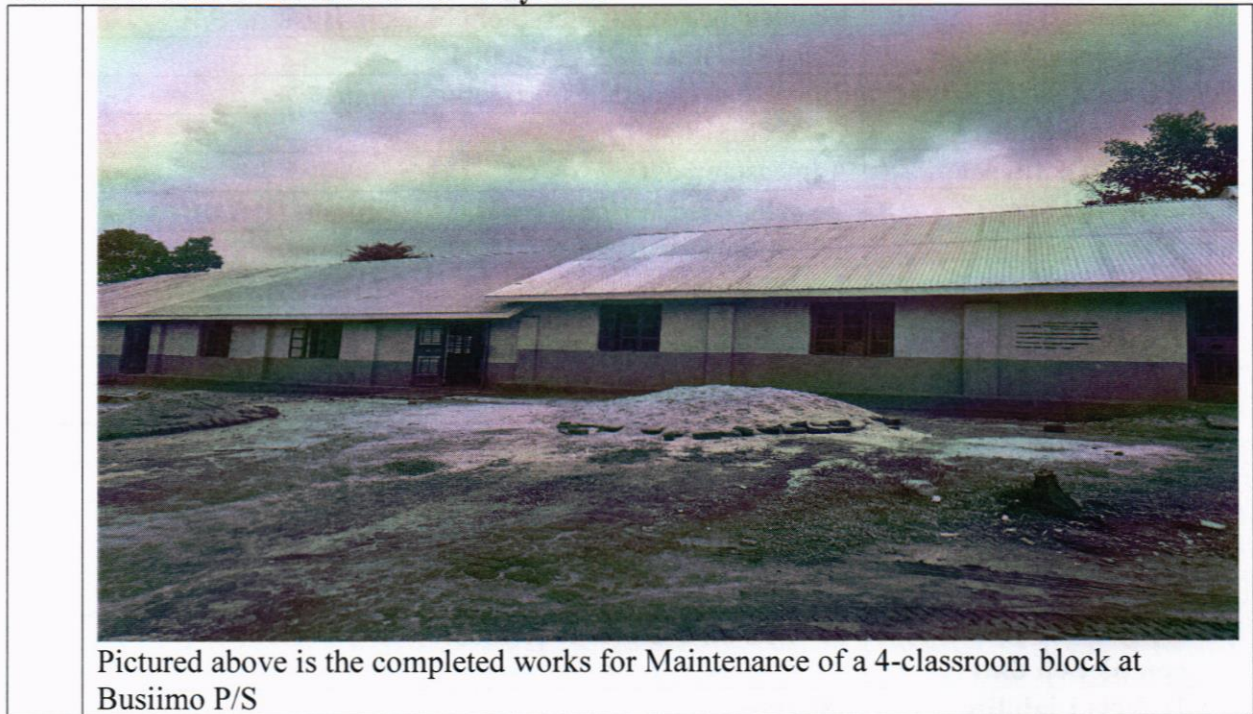
**Table 3: Financial Progress as at 10<sup>th</sup> July 2025**

Contract Sum	86,319,360
Payment certificate 1	86,319,360
Financial progress	100%

## 2. Physical verification pictures

Physical verification of the project was carried out by the Authority on 10<sup>th</sup> July ,2025 and the actual progress of the works is shown in table 4 below. -

**Table 4: Status of works as at 10<sup>th</sup> July 2025**



## 2.2 EFFECTIVENESS OF THE QUALITY, TIME AND COST CONTROLS

### 2.2.1 Non-compliance with the requirement to submit Performance Securities

Regulation 12(1)(a) of the PPDA (Contracts) Regulations, 2023 states that “a contract shall become effective only when one or more of the specified conditions in the contract are fulfilled, including the Procuring and Disposing Entity receiving the performance security or the performance securing declaration.”

Furthermore, GCC 61.1 of the Special Conditions of Contract required the contractor to furnish the Entity with a Performance Security equivalent to 10% of the contract price. However, the contractor did not comply with this requirement.

**Implication**

Without obtaining Performance Securities, the Entity is exposed to the risk of lack of recourse in the event of contract non-performance.

**Management Response**

*Management acknowledged the finding of the Audit team.*

**Recommendation**

The Head of the Procurement and Disposal Unit should in future consider providing for the use of Performance Securing Declarations, instead of Performance Securities, for local providers in the bidding documents, in accordance with Guideline No. 4/2025 on Bid, Performance, and Advance Payment Securities.

**2.2.2 Failure by the Contract Manager to prepare monthly progress reports**

Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023 requires the contract manager to prepare monthly progress reports to be submitted to the Accounting Officer and the Procurement and Disposal Unit. However, the Authority noted that the Contract Manager failed to prepare and submit monthly progress reports throughout the four-month project implementation period.

**Implication**

This limited effective monitoring and supervision of the contract.

**Management Response**

Management acknowledged that the reports were not availed during the audit but indicated that they are now available for verification.

**Authority's Comment**

While the Authority noted Management's response, no progress reports were availed for review.

**Recommendation**

Heads of User Departments should task Contract Managers to consistently prepare and submit monthly progress reports in compliance with Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.

**2.2.3 Lack of a contract implementation plan**

Regulation 50 (3) of the PPDA (Contracts) Regulations 2023 states that, "*Upon receipt of the contract, the contract manager shall prepare a contract management plan using Form 49 in Schedule 2 to these Regulations, and forward a copy of the contract management plan to the Procurement and Disposal Unit for purposes of monitoring*". However, the Authority noted that the contract manager did not prepare a contract management plan.

**Implication**

Failure to prepare contract management plans hinders effective monitoring of contract performance thus affecting service delivery.

**Management Response**

Management acknowledged that the reports were not availed during the audit but indicated that they are now available for verification.

**Authority's Comment**

While the Authority noted Management's response, no contract implementation plans were availed for review.

**Recommendation**

The Accounting Officer should in future prevail over contract supervisors to prepare contract implementation plans in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations 2023.

**2.3 ADHERENCE TO THE ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY SAFEGUARD REQUIREMENTS****2.3.1 Failure to effectively incorporate the Environmental, Social, Health, and Safety Safeguards at contract implementation**

Section 66 of the PPDA Act, Cap. 205 states that, "*A procuring and disposing entity shall for each procurement take into account environmental protection, social inclusion and stimulating innovation*". However, the Authority noted that the Entity did not incorporate Environmental, Social, Health and Safety Issues in the bidding document and subsequently the contract. As such these were not implemented during contract execution.

**Implication**

Failure to incorporate and implement Environmental, Social, Health, and Safety (ESHS) safeguards exposes project sites, surrounding communities, and workers to potential environmental degradation, health and safety risks, and social harm.

**Management Response:**

*It is true the ESHS issues were not incorporated in the BOQ but the Entity has taken note and ESHS issues will be incorporated in future procurements.*

**Recommendation**

The Head, Procurement and Disposal Unit should collaborate with the User Departments to identify potential environmental, social, health, and safety risks associated with each procurement and incorporate appropriate ESHS requirements in the bidding documents and contracts. In addition, mechanisms should be established to monitor compliance during contract implementation in order to promote sustainable procurement practices in accordance with Section 66 of the PPDA Act, Cap. 205.

**B. PARTITIONING OF CLERK TO COUNCIL OFFICE**

On 12<sup>th</sup> May 2025, the Authority received an escalated complaint through the Contract Monitoring System from the Busoga Governance and Social Accountability Network concerning the partitioning of the Clerk to Council Office, alleging that the works carried out were not commensurate with the contract sum of UGX 9,853,723. The Authority instituted a contract audit into the project and noted the following:

**2.1 ASSESSMENT OF PROGRESS OF WORKS****i. Contract summary**

The key information about the contract is summarized in Table 5 below: -

**Table 5: Contract summary for partitioning of clerk to council office**

<b>Entity</b>	Bugweri District Local Government
<b>Contract Title</b>	Partitioning of Clerk to Council Office
<b>Reference Number</b>	Bugw/814/Wrks/23-24/00010
<b>Name of Contractor</b>	Byakuwawo Medical Supplies Limited
<b>Contract Sum</b>	9,853,723
<b>Type of contract</b>	Admeasurement Contract
<b>Contract Scope</b>	<ul style="list-style-type: none"> <li>i. Environmental and social screening issues</li> <li>ii. Demolitions</li> <li>iii. Painting works</li> <li>iv. Flooring</li> <li>v. Doors</li> <li>vi. Windows</li> </ul>
<b>Contract Manager</b>	District Engineer
<b>Contract Signing date</b>	19 <sup>th</sup> December 2023
<b>Site Possession</b>	19 <sup>th</sup> December 2023
<b>Original contract completion date</b>	29 <sup>th</sup> December 2023
<b>Defects Liability period</b>	60 Days

**ii. Progress of works**

The Authority noted that the works were completed and handed over within the allocated time. The physical and financial progress at the time of physical verification on 10<sup>th</sup> July 2025 are detailed in Tables 6 and 7 below:

**Table 6: Time Progress as at 10<sup>th</sup> July 2025**

<b>Start Date</b>	19 <sup>th</sup> December 2023
<b>End Date</b>	29 <sup>th</sup> December, 2023
<b>Contract Period (Months)</b>	1
<b>Time Progress</b>	100%

**Table 7: Financial Progress as at 10<sup>th</sup> July 2025**

Contract Sum	9,853,723
Payment certificate 1	No payment records provided
<u>Financial progress</u>	<u>No payment records provided</u>

**3. Physical verification pictures**

Physical verification of the project was carried out by the Authority on 10<sup>th</sup> July ,2025 and the actual progress of the works is shown in Table 8 below.

**Table 8: Status of works as at 10<sup>th</sup> July 2025**



## **2.2 EFFECTIVENESS OF THE QUALITY, TIME AND COST CONTROLS**

### **2.2.1 Missing contract management records**

Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023 requires a contract manager to ensure that all contract management records are kept and archived as required. The audit revealed that the Entity did not maintain contract management records including contract management plan, payment records, payment certificates, progress reports, completion certificates on file.

**Implication**

This indicates lack of transparency and failure by the Entity to account for public funds.

**Management Response**

*Management acknowledged that the reports were not availed during the audit but indicated that they are now available for verification.*

**Authority's Comment**

The Authority noted the Entity's response; however, no records were availed to substantiate this assertion.

**Recommendation**

The Accounting Officer should institute a comprehensive investigation into the execution and payment of the contract for partitioning of the Clerk to Council Office worth UGX 9,853,723 to ascertain whether the works executed were commensurate with the contract sum and whether value for money was achieved. The Head of Finance and the District Engineer should be held responsible for failure to maintain and avail critical contract management records, including payment records, payment certificates, progress reports and completion certificates, contrary to Section 44 (5) of the PPDA Act, Cap. 205. An investigation report should be submitted to the Authority within four weeks from receipt of this report.

**2.3 ADHERENCE TO THE ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY SAFEGUARD REQUIREMENTS****2.3.1 Failure to implement Environmental, Social, Health, and Safety Safeguards**

Regulation 34 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 stipulates that, "*where applicable, a statement of requirements shall be environmentally and socially responsive.*" In addition, whereas, the BOQs provided for ESHS issues including planting of fruit trees, provision of an operational incident plan and provision of a risk management and emergency plan. The Authority noted that the contractor did not comply with this requirement.

**Implication**

Failure to incorporate and implement Environmental, Social, Health, and Safety (ESHS) safeguards exposes project sites, surrounding communities, and workers to potential environmental degradation, health and safety risks, and social harm.

**Management Response:**

*Management was in agreement with the finding.*

**Recommendation**

The Accounting Officer should task the Head Procurement and Disposal Unit to incorporate a provision for an Environmental, Social, Health and Safety Performance Securing Declaration in future procurements to strengthen enforcement of ESHS obligations in accordance with PPDA Guideline No. 4/2025 on Bid, Performance and Advance Payment Securities.

## **CHAPTER 3: CONTRACT CLOSURE AND AUDIT CONCLUSION**

### **3.1 Contract Closure and Handover**

As at 10<sup>th</sup> July 2025, the physical progress was at 100% against a time progress of 100% for both contracts

### **3.2 Audit conclusion**

#### **Maintenance of a 4-classroom block at Busiimo P/S**

In summary, the Authority established that the works were completed by 10<sup>th</sup> March 2024 and that both the Entity and the contractor largely fulfilled their contractual obligations within the stipulated timeframe. However, the contractor did not provide the required 10% Performance Security, and the Entity did not enforce the implementation of Environmental, Social, Health, and Safety safeguards.

#### **Partitioning of Clerk to Council Office**

The Authority was not availed key contract management records, including payment vouchers, payment certificates, contract implementation plans, and progress reports. As a result, it was not possible to conclusively determine whether the works were carried out in accordance with the contract terms or whether the contractor received appropriate payment for the works executed.