



**CONTRACT AUDIT INTO THE CONSTRUCTION OF ADDITIONAL FACILITIES
FOR APEDURU SEED SECONDARY SCHOOL IN AMURIA DISTRICT LOCAL
GOVERNMENT UNDER GIZ**

CONTRACTOR: B.P ENTERPRISES LIMITED

MAY 2026

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ACRONYMS

CMS	-	Contract Management System
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 framework for citizen engagement in monitoring of government programs through a Contract Monitoring System that provides a safe, centralized way to track and manage reports on ongoing government projects. In this, Civil Society Organizations (CSOs) monitor ongoing government projects in real time and upload their findings on the System. These findings are then reviewed and promptly acted upon by PPDA.

On 28th February 2025, Amuria District Local Government signed a contract with BP Enterprises Limited for the construction of additional facilities at Apeduru Seed Secondary School worth UGX. 983,897,968, with a four -month completion period and a six-month defects liability period.

In line with Section 8 (1) (j) (ii) of the PPDA Act, Cap 205, the Public Procurement and Disposal of Public Assets Authority (hereinafter “PPDA or the Authority”) conducted a contract audit into the contract with an overall objective of assessing the status of contract implementation, with an emphasis on verifying that all parties to the contracts had complied with the requirements and standards set forth in the contract.

The Authority noted the following exceptions:

1. **Delayed completion of works.** Regulation 52 (1) (b) of the PPDA Contracts Regulations, 2023 requires that contracts be executed and completed within the stipulated contractual period. However, the Authority observed delays in the completion of the construction of additional facilities for Apeduru Seed School Phase II, valued at UGX 983,897,968. The contract had an intended completion date of 28th June 2025. At the time of review, substantial works remained incomplete, including plastering; staff housing units, which had been roofed but were still incomplete; staff house kitchens, pending roofing and finishing; the two-unit science block, which remained incomplete; the library and ICT block, which was also incomplete; and the two-stance pit latrine for the teachers’ staff houses, which had only reached slab level. Delayed completion of works denies service delivery to the intended beneficiaries.
2. **Delayed request to seek a no-objection.** Section 51 of the PPDA Act, Cap. 205 requires that all procurement and disposal be conducted in a manner that promotes economy, efficiency, and value for money. The Authority noted a 30-working-day delay between the expiration of the Notice of Best Evaluated Bidder and the request for a no-objection. The Notice of Best Evaluated Bidder expired on 2nd December 2024, but the Accounting Officer sought a no-objection from the Ministry of Education and Sports on 15th January 2025, and the Ministry granted it on 25th February 2025. This affects the achievement of value for money.
3. **Delay by the Accounting Officer to seek the Solicitor General’s Office for clearance of the contract.** Section 51 of the PPDA Act, Cap. 205 requires that all procurement and disposal be conducted in a manner that promotes economy, efficiency, and value for money. Under Article 119(5) of the Constitution of the Republic of Uganda, all Government contracts exceeding UGX 200,000,000 must be cleared by the Solicitor General. The Authority noted a delay by the Accounting Officer in seeking the Solicitor General’s approval for a contract to construct additional facilities for Apeduru Seed School Phase II, worth UGX 983,897,968.

The Notice of the best-evaluated bidder expired on 2nd December 2025. However, the Accounting Officer wrote to the Solicitor General's Office seeking clearance of the draft contract on 15th January 2025, and clearance was granted on 25th February 2025, resulting in a delay of 30 working days. This undermines the principles of efficiency and value for money.

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

1. The Accounting Officer should;
 - i. Conduct all procurement in a manner that promotes efficiency and value for money, in accordance with Section 51 of the PPDA Act, Cap. 205
 - ii. Seek clearance from the Solicitor General in a timely manner in accordance with Statutory Instrument No. 97 of the Constitution (Exemption of Particular Contracts from Attorney General's Legal Advice Instrument, 2014
2. The Accounting Officer and contract manager should provide an explanation for the delay in completing the works and ensure that the contractors meet their contractual obligations as specified in the contract terms and conditions, in accordance with Regulation 52 (l) (b) of the PPDA (Contracts) Regulations, 2023. The Entity should ensure that there are no or limited delays in requesting for no objection from the line ministries such as Ministry of Education and Sports.

CHAPTER ONE: 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 a contract audit for the construction of additional facilities for Apeduru Seed Secondary School worth UGX. 983,897,968 flagged by the Teso Anti-corruption Coalition (TACCO-TESO) on the CMS, and the issues are elaborated in detail below.

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.
4. The signed contract between Amuria District Local Government and B.P Enterprises Limited

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 with respect to the obligations of Amuria District Local Government (the Entity) and B.P Enterprises and Construction Co. Ltd (the Contractor).

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 construction of additional facilities for Apeduru Seed Secondary School, worth at UGX 983,897,968.

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 conducted by auditors who lacked professional competence in engineering and building construction. The audit team could not provide a definitive opinion on the technical

quality of the works. The overall responsibility for the quality of the works undertaken lies with the Entity management and the contractor.

CHAPTER TWO: FINDINGS AND RECOMMENDATIONS

2.1 ASSESSMENT OF THE PROGRESS OF WORKS

The Authority reviewed project documentation and conducted physical verification of the projects to assess their time, financial, and physical progress. According to the Teso Anti-Corruption Coalition (TACCO-TESO), implementation progress was slow, and contractors failed to deliver within the contractual period. The Authority conducted an inspection and site visit on June 28, 2025, and issued findings as detailed in the tables below:

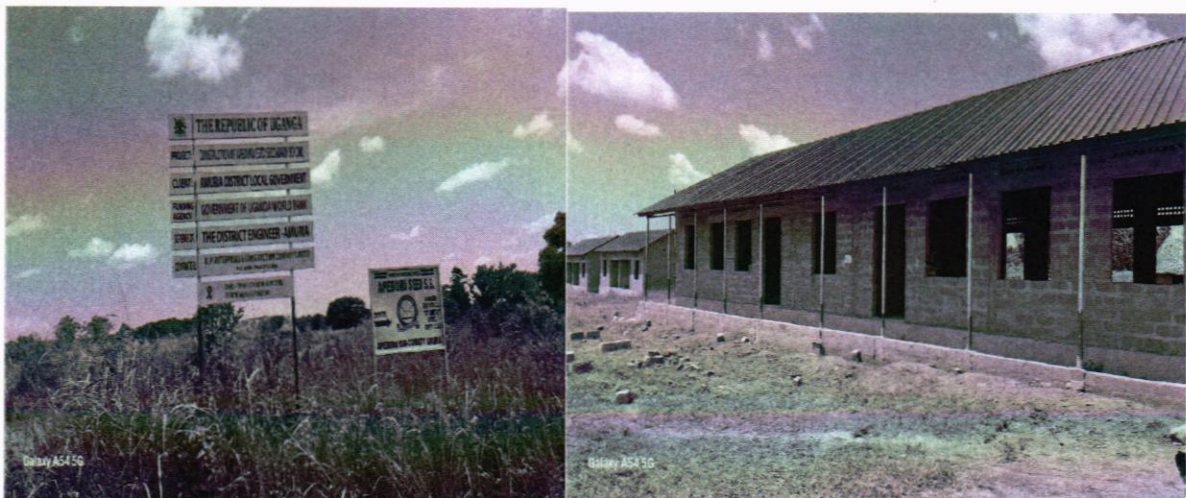
i. Contract summary

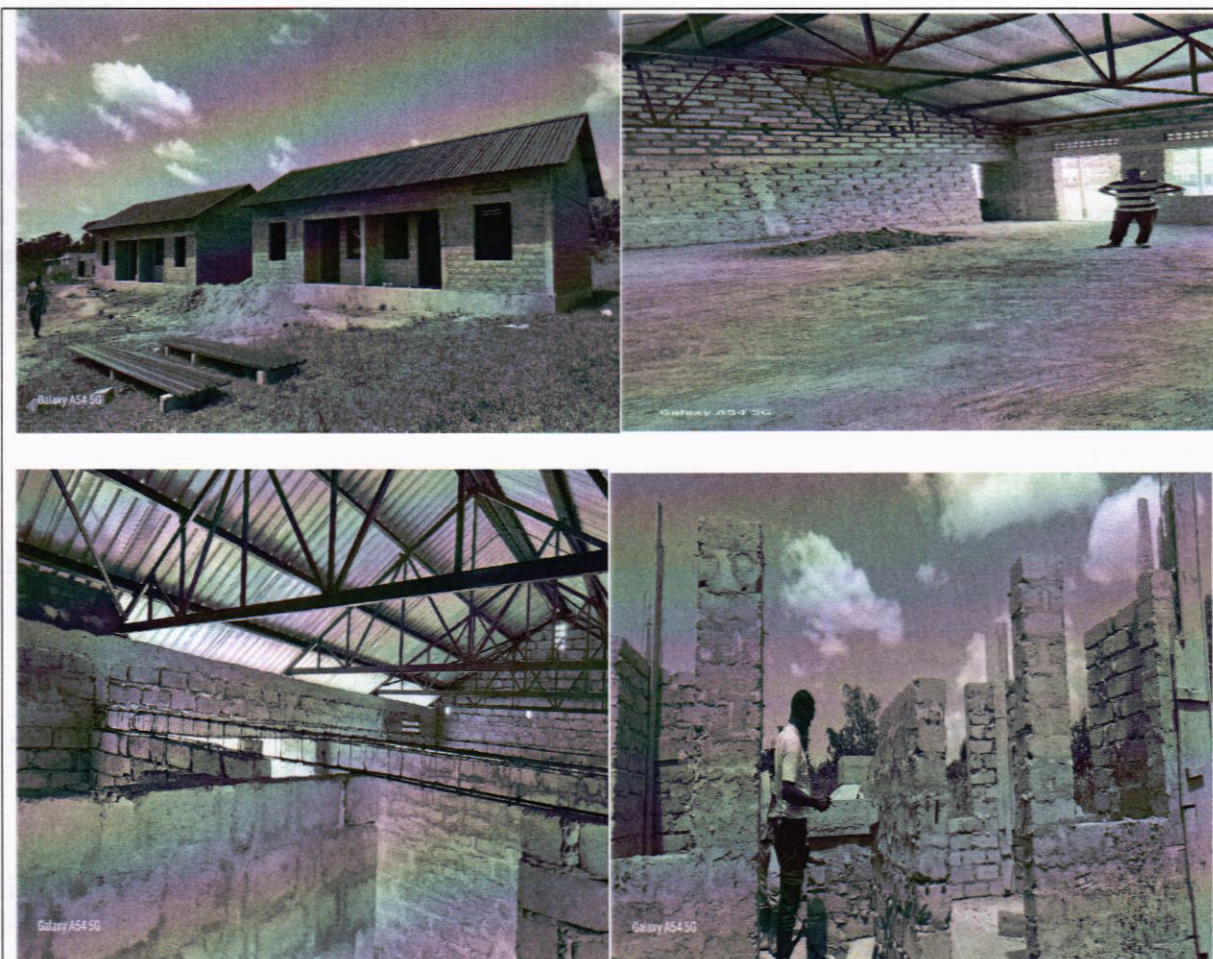
The key information about the contract is summarized in Table 1 below: -

Table 1: Contract summary for Construction of additional facilities for Apeduru Seed Secondary School

Contract description	Construction of additional facilities for Apeduru Seed Secondary School
Contractor	B.P Enterprises Ltd
Procurement Reference	Amuria807/UGIFT/WRKS/2024-2025/00001
Project Manager	District Engineer
Contract Price	983,897,968
Contract Signature	28 th February 2025
Contract start date	28 th February 2025
Actual date	Completion was not yet complete at the time of physical verification
Defects liability period	6 months
Intended completion date	28 th June 2025
Revised completion date	25 th May 2025
Physical progress to date	95%
Time progress	145%

Figure 1: Construction of additional facilities for Apeduru Seed Secondary School





Observations

- Delayed completion. It was noted that, at the time of physical verification, the works had not been completed by the intended completion date of 28th June 2025. The works were at the plastering stage.
- The teachers' staff houses have been roofed, but incomplete works are still pending.
- Staff house kitchens are pending roofing and finishing works.
- 2-Unit Science block is incomplete.
- The Library and ICT Block is incomplete.
- Two-stance pit latrine of the Teachers' staff house is at slab level.

Management Response

Management noted that the works were completed and physical progress was at 95%.

Authority's comment

The entity did not provide evidence for verification

2.2 EFFECTIVENESS OF THE QUALITY, TIME, AND COST CONTROLS

2.2.1 Delayed completion of works

Regulation 52 (1) (b) of the PPDA Contracts Regulations, 2023 requires that contracts be executed and completed within the stipulated contractual period. However, the Authority observed delays in completing the construction of additional facilities for Apeduru Seed School Phase II, valued at UGX 983,897,968. The contract had an intended completion date of 28th June 2025. At the time of review, substantial works remained incomplete, including plastering; staff housing units, which had been roofed but were still incomplete; staff house kitchens, pending roofing and finishing; the two-unit science block, which remained incomplete; the library and ICT block, which was also incomplete; and the two-stance pit latrine for the teachers' staff houses, which had only reached slab level.

Implication

- Delayed completion of works may be an indication of weak contract supervision of the contractor by the Entity.
- Delayed completion of works denies services delivery to the intended beneficiaries.

Management response

Management noted the observation and stated that the physical progress of works at the construction of Council Chambers and Apeduru Seed secondary school was at 95%.

Recommendations

The Accounting Officer and contract manager should provide an explanation for the delay in completing the works and ensure that the contractors meet their contractual obligations as specified in the contract terms and conditions, in accordance with Regulation 52 (1) (b) of the PPDA (Contracts) Regulations, 2023.

2.2.2 Delayed request to seek a no-objection

Section 51 of the PPDA Act, Cap. 205, requires that all procurement and disposal be conducted in a manner that promotes economy, efficiency, and value for money. The Authority noted a 30-working-day delay between the expiration of the Notice of Best Evaluated Bidder and the request for a no-objection. The Notice of Best Evaluated Bidder expired on 2nd December 2024, but the Accounting Officer sought a no-objection from the Ministry of Education and Sports on 15th January 2025, and the Ministry granted it on 25th February 2025.

Implication

This affects the achievement of value for money.

Management response

Management acknowledged the observation and pledged that, in the future, the entity would be committed to implementing the recommendations to obtain letters of no objection from line Ministries on time.

Recommendation

The Accounting Officer should conduct all procurement in a manner that promotes efficiency and value for money, in accordance with Section 51 of the PPDA Act, Cap. 205.

2.2.3 Delay by the Accounting Officer to seek the Solicitor General's Office for clearance of the contract

Section 51 of the PPDA Act, Cap. 205 requires that all procurement and disposal be conducted in a manner that promotes economy, efficiency, and value for money. Under Article 119(5) of the Constitution of the Republic of Uganda, all Government contracts exceeding UGX 200,000,000 must be cleared by the Solicitor General. The Authority noted a delay by the Accounting Officer in seeking the Solicitor General's approval for a contract to construct additional facilities for Appeduru Seed School Phase II, worth UGX 983,897,968. The Notice of the best-evaluated bidder expired on 2nd December 2025. However, the Accounting Officer wrote to the Solicitor General's Office seeking clearance of the draft contract on 15th January 2025, and clearance was granted on 25th February 2025, resulting in a delay of 30 working days.

Implication

This undermines the principles of efficiency and value for money.

Management Response

Management noted the observation and stated that submission for clearance by the Solicitor General would be made after obtaining a no-objection from the line ministry, and that this would improve in the future.

Recommendation

The Accounting Officer should seek clearance from the Solicitor General in a timely manner in accordance with Statutory Instrument No. 97 of the Constitution (Exemption of Particular Contracts from Attorney General's Legal Advice Instrument, 2014).

CHAPTER 3: CONTRACT CLOSURE AND AUDIT CONCLUSION

3.1 Contract Closure and Handover

The Entity's management letter response indicated that the expected outputs under the contract, arising from the contractor's contractual obligations, had not yet been fully achieved. However, management reported that the contractor had achieved approximately 95% physical progress against the approved work schedule. A physical verification on 28th June 2025 revealed that significant works remained incomplete. This confirmed that the project had not reached practical completion and was therefore not eligible for handover. The failure to complete and formally hand over the project has delayed service delivery to the intended beneficiaries, as the facilities remain non-operational.

3.2 Audit conclusion

In summary, the audit findings indicate that the contractors did not fully comply with their contractual obligations, particularly with respect to completing the works within the stipulated contractual period