



**CONTRACT AUDIT REPORT OF ESCALATED CASE FROM THE
CONTRACT MONITORING SYSTEM IN MITOOMA DISTRICT LOCAL
GOVERNMENT**

NOVEMBER 2025

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ACRONYMS

CMS	Contract Monitoring System
CSO	Civil Society Organizations
UGX	Uganda Shillings
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
Ltd	Limited
PPDA	Public Procurement and Disposal of Public Assets Authority
UPDF	Uganda People's Defense Force

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 of Uganda programs through a Contract Monitoring System (CMS) which provides a safe, centralized way to track and manage reports on ongoing government projects. In this, Civil Society Organizations (CSOs) monitor the projects through Contract Monitors that lodge the observations into the CMS. The issues reported by monitors are then reviewed and addressed by the CSOs, who can engage directly with relevant institutions, to resolve them. The idea is that the issues are handled at the Entity level and only escalated to the Authority for further action if the CSOs cannot resolve the issue directly.

The Western Ankole Civil Society Forum (WACSOF) escalated an unresolved case regarding slow progress in the construction of Rwoburunga Seed Secondary School Rwoburunga Sub County worth UGX 2,131,817,357 VAT Exclusive in Mitooma District by the UPDF Engineering Brigade, citing likely failure to meet the contractual period. The Authority undertook a contract audit on the escalated case alongside a visit to the site on 21st March 2025.

The main objective of the audit was to establish interventions to promote effective service delivery in accordance with Section 8 (ii) of the PPDA Act, Cap. 205.

The Authority noted the following exceptions:

1. Failure to complete works within the contractual period. The Authority found that the project intended for completion within 12 calendar months i.e., by 1st June 2024, following site handover to the UPDF Engineering Brigade on 1st June 2023, had significantly stalled. According to a progress report from the Project Supervisor dated 29th November 2024, physical progress stood at 70%, by which time the contract had already expired. The Authority visited the site on 21st March 2025 and found that physical progress of works still stood at 70% in line with the progress report from the Project Supervisor dated 29th November 2024, and the works had stalled since December 2024. The Entity was yet to enter a new MoU with UPDF Engineering Brigade despite the first one expiring on 1st June 2024. Financially, 70.3% of the project cost (UGX 1,500,000,000) was paid upfront on January 20th 2023, but the delay in releasing the remaining UGX 631,817,357 by the Ministry of Finance, Planning and Economic Development was cited, by the Entity, as partly the cause for the stall, with no commitment for these funds by the time of the audit on 21st March 2025. Failure to complete works within the contractual period implies that the intended beneficiaries in Rwoburunga Sub County continue missing out on improved accessibility to education services. And
2. Inadequate needs assessment by the User department during planning contrary to Regulation 3 (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. This led to the omission of some components from the scope of works for the construction of the Seed Secondary School. After signing the contract and through comparison with other Seed Secondary School projects within the district, the Entity found that at a contract price of UGX 2,131,817,357 VAT Exclusive, these omitted components i.e. a 2-classroom block, a staff house, two staff kitchens, and two blocks of two-stance staff latrines, should have been part of the scope as detailed in a 13th November

2023 progress report by the Project Supervisor. While the contractor agreed to re-scope the works to include the omitted structures at no cost for the Entity, there was no evidence to show that a formal instruction for a re-scope was issued to the contractor by the Project Supervisor or Accounting Officer. This is indicative of inadequate needs assessment by the User department and could lead to the Entity losing out on a fully constituted Seed Secondary School with all the required structures for effective operation of the School.

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

1. The Accounting Officer should;
 - i. Proactively engage the Ministry of Health and the Ministry of Finance, Planning and Economic Development regarding the delayed release of all the budgeted funds meant for the construction of Rwoburunga Seed Secondary School, Rwoburunga Sub County, Mitooma district;
 - ii. Instruct the Project supervisor to assess the remaining works and ensure that a MoU for those remaining works is entered into with UPDF Engineering Brigade. The MoU should have a realistic completion period on consultation with the contractor.
2. The Accounting Officer should ensure that no further payments are made to the UPDF Engineering Brigade for the construction of Rwoburunga Seed Secondary School, Rwoburunga Sub County until the contractor re-scopes the works, at no cost to the Entity, to include the omitted components from the original scope of works i.e. a 2-classroom block, a staff house, two staff kitchens, and two blocks of two-stance staff latrines.
3. User Departments should develop specifications/ bill of quantities after undertaking a proper needs assessment in accordance with Regulation 3 (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
4. The Project Supervisor should ascertain that UPDF Engineering Brigade meets all their performance obligations following the terms and conditions of the contract in accordance with Regulation 52 (3) (a) (i) of the PPDA (Contracts) Regulations, 2023.

CHAPTER ONE: INTRODUCTION

1.1 Background

PPDA, in collaboration with GIZ, established a Contract Monitoring System (CMS) for citizen engagement, enabling CSOs and their contract monitors to report issues on government projects. Issues are handled at the entity level, escalating to PPDA only if unresolved. The Western Ankole Civil Society Forum (WACSOF) escalated an unresolved case regarding slow progress in the construction of Rwoburunga Seed Secondary School in Rwoburunga Sub County worth UGX 2,131,817,357 by the UPDF Engineering Brigade, citing likely failure to meet the contractual period. In response, the PPDA conducted a contract audit and site visit on 21st March, 2025, under Section 8 (ii) of the PPDA Act, Cap. 205.

On 20th January 2023, Mitooma DLG signed a contract with UPDF Engineering Brigade, to construct Rwoburunga Seed Secondary School in Rwoburunga Sub County at a cost of UGX 2,131,817,357 VAT Exclusive. The contract was for a period of 12 calendar months from the date of site hand over to the contractor. On 1st June 2023, the site was handed over to the contractor to start the construction and as such, the contract completion date was 1st June 2024.

The contract summary is as detailed in Table 1 below:

Table 1: Contract Summary

Entity	Mitooma District Local Government
Contract Title	Construction of Rwoburunga Seed Secondary School in Rwoburunga Sub County worth UGX 2,131,817,357
Name of the Contractor	UPDF Engineering Brigade
Type of Contract	Admeasurement
Original Contract Value	2,131,817,357 VAT Exclusive
Contract Signature Date	20 th January 2023
Commencement Date	1 st June 2023
Original Contract End Date	1 st June 2024
Defects liability period	12 months
Contract Outputs/ Deliverables	The project scope as per the original contract included: i. Preliminaries ii. Site Levelling works iii. Administration block iv. A 2-classroom block v. Multi-purpose hall vi. Science lab vii. ICT/ Library viii. 2 staff houses of 2 units each ix. A staff kitchen of 2 units x. A lined latrine of 2 stance for staff quarters xi. 2 lined latrines of 5 stance each for students xii. A lined latrine of 2 stance for administration xiii. Rainwater harvesting system with 5000 litre tank

	xiv. Sports field xv. General external works
Status (as per Activity Supervision Report dated 29 th November 2024)	Time Progress – 100% (Contract expired on 1 st June 2024) Physical progress – 70% Financial Progress – 70.3%
Project Supervisor	Engineer Asaph Arinaitwe

On 20th March 2024, the Western Ankole Civil Society Forum (WACSOFF) escalated an unresolved case through the CMS regarding slow progress in the construction of Rwoburunga Seed Secondary School in Rwoburunga Sub County worth UGX 2,131,817,357 by the UPDF Engineering Brigade, citing likely failure to meet the contractual period.

In accordance with Section 8(1) (j) (ii) of the PPDA Act, Cap. 205, the Authority instituted a contract audit into the contract for construction of Rwoburunga Seed Secondary School in Rwoburunga Sub County with an objective of establishing the status of implementation of the contract and provide appropriate guidance to the Entity to enable effective completion of the project.

1.2 Objective of the audit

The overall objective of the audit was to assess the progress of works in the construction of Rwoburunga Seed Secondary School in Rwoburunga Sub County and to suggest interventions to promote effective service delivery in accordance with Section 8 (ii) of the PPDA Act, Cap. 205.

1.3 Scope of the audit

The audit covered the contract implementation and management for construction of Rwoburunga Seed Secondary School in Rwoburunga Sub County, Mitooma district.

1.4 Audit Methodology

The Authority adopted the following methodology:

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

1.5 Legal documents applicable

The applicable laws and legal framework were:

- i. The PPDA Act, Cap. 205;
- ii. The PPDA (Contracts) Regulations, 2023;
- iii. The signed contract between Mitooma DLG and UPDF Engineering Brigade;
- iv. The Circular on contract management and safeguard requirements under the Uganda Intergovernmental Fiscal Transfer (UglFT) program dated 16th March 2021.

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 TWO: FINDINGS OF THE AUTHORITY

2.1.TO ASSESS THE PROGRESS OF THE WORKS

On 21st March 2025, the Authority undertook a site visit and found that the contract had achieved an estimated physical progress of 70% in line with a progress report from the Project Supervisor dated 29th November 2024. The Entity had extended payments worth 70.3% of the contract sum (UGX 1,500,000,000) and the contract had since expired on 1st June 2024. As at 21st March 2025, the contractor was not on site and the site had since been abandoned by the contractor in December 2024 as shown in Table 2 below:

As at November 2025, the above status of the project had not changed and the Entity was yet to enter a new contract for the remaining works with the UPDF Engineering Brigade.

Tbale 2: Physical verification pictures as at 21st March 2025

Contract: Construction of Rwoburunga Seed Secondary School Rwoburunga Sub County worth UGX 2,131,817,357
Provider: UPDF Engineering Brigade
Contract signature: 20 th January 2023
Intended completion period: 12 calendar months
Project start date/ Handover: 1 st June 2023
Expected completion date: 1 st June 2024
Status of works: The site had been abandoned by the contractor since December 2024 and the contract had since expired in June 2024.
The project scope as per the original contract included: xvi. Preliminaries xvii. Site Levelling works - xviii. Administration block xix. A 2-classroom block xx. Multi-purpose hall xxi. Science lab xxii. ICT/ Library - xxiii. 2 staff houses of 2 units each xxiv. A staff kitchen of 2 units xxv. A lined latrine of 2 stance for staff quarters xxvi. 2 lined latrines of 5 stance each for students - xxvii. A lined latrine of 2 stance for administration - xxviii. Rainwater harvesting system with 5000 litre tank xxix. Sports field xxx. General external works



The science lab and 2 clasrom blocks



2 classroom blocks



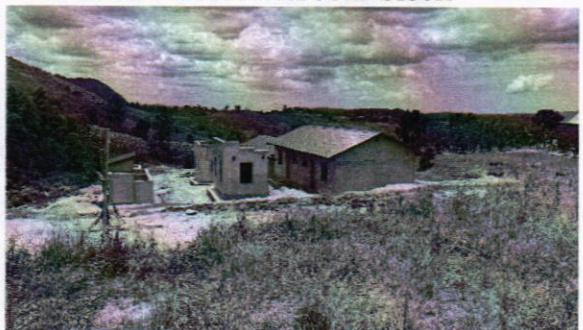
Front view of site



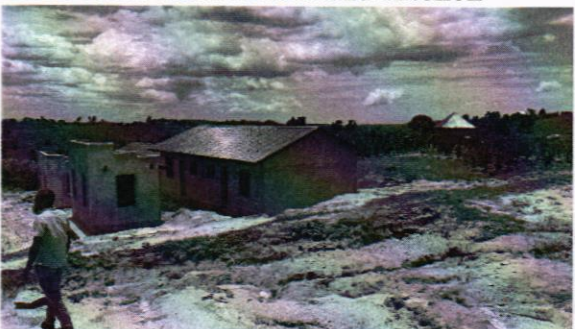
Front view of 2 classroom block



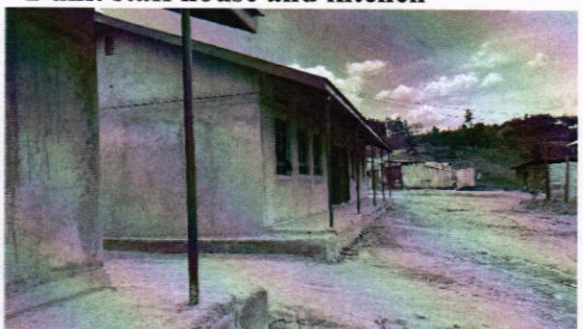
The 2 unit staff houses and kitchen



2 unit staff house and kitchen



Back view of the staff house



ICT Lab

2.2.TO SUGGEST INTERVENTIONS TO PROMOTE EFFECTIVE SERVICE DELIVERY

According to WACSO, there was slow progress of works in the construction of Rwoburunga Seed Secondary School in Rwoburunga Sub County with a likely failure to meet the contractual period. The audit found the following:

a) Failure by the contractor to complete works within the contractual period

The Authority found that the project intended for completion within 12 calendar months i.e., by 1st June 2024, following site handover to the UPDF Engineering Brigade on 1st June 2023, had significantly stalled. According to a progress report from the Project Supervisor dated 29th November 2024, physical progress stood at 70%, by which time the contract had already expired. The Authority visited the site on 21st March 2025 and found that physical progress of works still stood at 70% in line with the progress report from the Project Supervisor dated 29th November 2024, and the works had stalled since December 2024. The Entity was yet to enter a new MoU with UPDF Engineering Brigade despite the first one expiring on 1st June 2024. Financially, 70.3% of the project cost (UGX 1,500,000,000) was paid upfront on January 20th 2023, but the delay in releasing the remaining UGX 631,817,357 by the Ministry of Finance, Planning and Economic Development was cited, by the Entity, as partly the cause for the stall, with no commitment for these funds by the time of the audit on 21st March 2025.

Implication

Failure to complete works within the contractual period implies that the intended beneficiaries in Rwoburunga Sub County continue missing out on improved accessibility to education services.

Management response

The Accounting Officer has written and is following up with both Ministry of Finance, Planning and Economic Development and UPDF. The supervisor is carrying out assessment to establish the remaining works.

Authority's comment

The Entity did not submit to the Authority any evidence in form of a letter from the Accounting Officer addressed to the Ministry of Finance, Planning and Economic Development and UPDF as stated in the management response. Furthermore, no evidence was submitted to the Authority to show that the project supervisor was carrying out an assessment of the remaining works as stated in the management response.

Recommendation

1. The Accounting Officer should;
 - i. Proactively engage the Ministry of Health and the Ministry of Finance, Planning and Economic Development regarding the delayed release of all the budgeted funds meant for the construction of Rwoburunga Seed Secondary School, Rwoburunga Sub County;
 - iii. Instruct the Project supervisor to assess the remaining works and ensure that a MoU for those remaining works is entered into with UPDF Engineering Brigade. The MoU should have a realistic completion period on consultation with the contractor.

b) Poor planning and needs assessment by the User department

The Authority found that there was inadequate needs assessment by the User department during the planning stage for the works. This led to the omission of some components from the scope of works for the construction of the Seed Secondary School. After signing the contract, the Entity found, through comparison with other Seed Secondary School projects in the region and within the same contract range, that at a contract price of UGX 2,131,817,357 VAT Exclusive, these omitted components i.e. a 2-classroom block, a staff house, two staff kitchens, and two blocks of two-stance staff latrines, should have been part of the scope as detailed in a 13th November 2023 progress report by the Project Supervisor. While the contractor agreed to re-scope the works to include the omitted structures at no cost for the Entity, there was no evidence to show that a formal instruction for a re-scope was issued to the contractor by the Project Supervisor or Accounting Officer.

Implication

This is indicative of inadequate needs assessment by the User department and could lead to the Entity losing out on a fully constituted Seed Secondary School with all the required structures for effective operation of the School.

Management response

The entity has taken note of the above recommendation and will work hand in hand with UPDF for successful implementation of the project and proper planning in future.

Recommendations

1. The Accounting Officer should ensure that no further payments are made to the UPDF Engineering Brigade for the construction of Rwoburunga Seed Secondary School, Rwoburunga Sub County until the contractor re-scopes the works, at no cost to the Entity, to include the omitted components from the original scope of works i.e. a 2-classroom block, a staff house, two staff kitchens, and two blocks of two-stance staff latrines.
2. Going forward, User Departments should develop specifications/ bill of quantities after undertaking a proper needs assessment in accordance with Regulation 3 (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

CHAPTER THREE: AUDIT CONCLUSION

The Authority found that there was a significant delay in the construction of Rwoburunga Seed Secondary School Rwoburunga Sub County, by the contractor, UPDF Engineering Brigade. The works were expected to be undertaken within 12 calendar months from the start of the project on 1st June 2023 and completed by 1st June 2024. However, this was not achieved, as at the date of this audit on 21st March 2025, the project was not complete and the contract had since expired with physical progress of works standing at only 70%. The above delay in completion of the construction of the Seed Secondary School, has caused a delay in achieving project objectives, thus affecting timely education service delivery by the Government of Uganda.

Furthermore, without a formal communication from the Accounting Officer to the contractor, UPDF Engineering Brigade, instructing them to re-scope the works to include the omitted components i.e. a 2-classroom block, a staff house, two staff kitchens, and two blocks of two-stance staff latrines, the Entity stands to lose out on a fully constituted Seed Secondary School with all the required structures for effective operation of the School.

As at November 2025, the above status of the project had not changed and the Entity was yet to enter a new contract for the remaining works with the UPDF Engineering Brigade.

In line with the above observations;

1. The Accounting Officer should;

- i. Proactively engage the Ministry of Health and the Ministry of Finance, Planning and Economic Development regarding the delayed release of all the budgeted funds meant for the construction of Rwoburunga Seed Secondary School, Rwoburunga Sub County, Mitooma district;
- ii. Instruct the Project supervisor to assess the remaining works and ensure that a MoU for those remaining works is entered into with UPDF Engineering Brigade. The MoU should have a realistic completion period on consultation with the contractor.
- iii. The Accounting Officer should ensure that no further payments are made to the UPDF Engineering Brigade for the construction of Rwoburunga Seed Secondary School, Rwoburunga Sub County until the contractor re-scopes the works, at no cost to the Entity, to include the omitted components from the original scope of works i.e. a 2-classroom block, a staff house, two staff kitchens, and two blocks of two-stance staff latrines.

2. The Project Supervisor should ascertain that UPDF Engineering Brigade meets all their performance obligations following the terms and conditions of the contract in accordance with Regulation 52 (3) (a) (i) of the PPDA (Contracts) Regulations, 2023.