



**SPECIAL CONTRACT AUDIT OF THE MANAGEMENT SERVICES
FOR HOIMA CITY STADIUM**

NATIONAL COUNCIL OF SPORTS

AUGUST 2026

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ACRONYMS AND ABBREVIATIONS

ESHS	-	Environmental Social Health and Safety
GCC	-	General Conditions of Contract
NCS	-	National Council of Sports
HCS	-	Hoima City Stadium
NLS	-	NLS Waste Management Services Limited
PDE	-	Procuring and Disposing Entity
PPDA	-	Public Procurement and Disposal of Public Assets Authority
SCC	-	Special Conditions of Contract

EXECUTIVE SUMMARY

On 17th July 2026, the Minister for Education and Sports (Sports) requested the Public Procurement and Disposal of Public Assets Authority (PPDA) to conduct a procurement and contract management audit of the management services contract for Hoima City Stadium.

The overall objective of undertaking the procurement and contract audit was to assess the contract management of the management services contracts which were awarded to NLS Waste Management Services Limited (NLS).

The specific objectives were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act, Cap. 205 and PPDA Regulations 2023 with regard to conduct of the procurement process for the provision of management services for Hoima City Stadium;
2. Assess the level of efficiency and effectiveness in contract implementation;
3. Assess the level of adherence to Environmental, Social, Health and Safety (ESHS) requirements during execution of the contract.

Background

On 24th December 2025, National Council of Sports signed four framework contracts with NLS Waste Services Limited (NLS), as detailed below:

Lot 1: Framework contract for the provision of cleaning services for Hoima City Stadium at unit premium of UGX 57,133,148. The scope of works included:

1. Daily cleaning of the meeting rooms, stairways, corridors, concourse, press conference room, dressing rooms, boardrooms, tribunals, seats, offices, corridors, toilets, common areas, compounds, walkways, parking, roads and their channels, maintenance of carpeted areas and desilting of storm water channels
2. Daily cleaning of the tartan using acceptable means
3. Monthly scrubbing of stone walls
4. Daily dusting, wiping and polishing of office furniture and equipment
5. Daily cleaning and wiping of all areas covered with glass surfaces or metal wood i.e windows, doors, burglar proofs, walls, ceilings and electrical fittings
6. Daily sweeping and mopping of the pavilion
7. Daily provision of bin lining/ membrane, emptying and disposal of waste including disinfection
8. Cleaning, disinfecting and maintenance of toilet areas such as toilet seats, sinks and mirrors, urinals, tiled walls and floors six times a day
9. Daily supply of toiletries for all toilets

Lot 2: Framework Contract for the provision of waste management services for Hoima City stadium at UGX 1,298,000 per trip. The scope of services included:

1. Waste classification
2. Waste segregation
3. Waste collection
4. Waste transportation

5. Waste disposal
6. Weekly Reporting
7. Match day response

Lot 3: Framework contract for the provision of fumigation services for Hoima City Stadium at UGX 13,741,076 per month. The scope of works included:

1. Scheduled fumigation of offices, kitchens, stores and outdoor areas
2. Use of approved eco-friendly chemicals
3. Monitoring and reporting pest infestations especially in sensitive areas
4. Undertaking emergency fumigation services when required

Lot 4: Framework contract for the provision of landscaping, floral and plant maintenance for Hoima City Stadium at UGX 17,000,000 per month. The scope of services included:

1. Lawn Mowing and edging on a weekly, bi-weekly or monthly basis depending on need
2. Watering, pruning, trimming, weeding of trees, shrubs and plants on weekly or monthly basis
3. Replacement of dead or unhealthy plants
4. Maintenance of planter seats, flower beds and decorative arrangements
5. Fertilization and pest control for plants.

The Authority found the following exceptions pertaining to the above four contracts:

1. Unjustified use of the direct procurement method: The audit noted that the Entity used the direct procurement method to procure management services for the cleaning, landscaping, fumigation and waste management services at Hoima City Stadium, citing insufficient time as an emergency situation. However, the Authority found the justification inadequate because the need for the management services was foreseeable and could reasonably have been anticipated and planned for in advance. This limited competition contrary to Section 49 of the PPDA Act, Cap. 205.
2. Failure to submit the contract for cleaning to the Solicitor General for approval: The audit noted that the Entity did not submit the contract for the provision of cleaning services to the Solicitor General for clearance, despite the fact that the value of the contract of UGX 494,112,088 fell within the UGX 200,000,000 threshold prescribed for contracts requiring such clearance contrary to Regulation 6 (1)(f) of the PPDA (Contracts) Regulations, 2023. This exposed the Entity to the risk of legal and contractual disputes.
3. Inadequacies in the Contract: The audit noted an inconsistency in the documentation regarding the duration of the framework contract. Whereas the internal procurement documents consistently indicated that the contract was to run for six months, the duration was not expressly specified in the Special Conditions of Contract (SCC). This omission created ambiguity regarding the contractual period and subsequently resulted in a disagreement between the Entity and the service provider. This created uncertainty on the contract period thereby resulting into a contractual dispute.

4. Poor contract performance: Whereas the service provider generally carried out the management services during the contract period, the audit noted several instances of poor contract performance by the service provider, as denoted by operational disruptions at the stadium, mainly as result of personnel disagreements resulting into six sit down strikes in the months of June 2026, February 2026, April 2026 and July 2026, arising from delayed payment of staff wages. The service provider did not consistently attend to all areas covered under the contract like landscaping and cleaning around the swamp area, failure to prune trees and maintain flower beds, with some flowers dying due to failure to apply the required fertilizers and undertake appropriate spraying. The audit further noted that the cleaning of the stadium was not undertaken using the required chemicals between April 2026 to July 2026 due to the fact that the service provider mainly used liquid soap and brushes for cleaning, despite the availability of the prescribed cleaning chemicals in the stadium stores.
5. Failure to carry out fumigation services: Whereas the Entity signed a contract with NLS on 24th December 2025 for provision of fumigation services, the audit noted that this service has never been performed by the service provider due to the Entity's failure to issue a Call-Off Order for the same and the service provider's reluctance to fumigate, despite the fact that the stadium severally required such services, leading to infestations by rodents, bats, caterpillars, reptiles such as snakes and other unwanted animals.
6. Inadequate planning for continuity of sanitation services: Whereas the framework contracts for the provision of cleaning, fumigation, waste management and landscaping services expired on 31st July 2026, the audit noted that the Entity had not completed the procurement process to ensure continuity of these essential services. As at the conclusion of the audit on 26th August 2026, the Entity had not secured a service provider to continue providing the services previously undertaken by NLS. Consequently, the Entity opted to directly undertake the sanitation services on a temporary basis through temporary hire of casual workers paid in cash.
7. Performance of Services Without a Valid Contract: Whereas the Entity entered into framework contracts for the provision of cleaning, fumigation, waste management and landscaping services, the audit noted that the contracts expired on 23rd June 2026. However, the service provider continued to perform the contracted services at Hoima City Stadium up to 31st July 2026, despite the contracts having expired and there being no documented renewal or extension of the contractual period. This exposed the Entity to legal, contractual and financial risks.
8. Delayed payment of the service provider: Whereas GCC 31.1 of the Special Conditions of the Contract for all the four management contracts provided a payment period of 15 working days from date of receipt of invoice and other relevant documents, the audit noted significant delays in paying the service provider in 5 (23.8%) payments worth UGX 179,939,141 out of the 21 payments requested for by the service provider. The delays averaged 46 days beyond the 15 days payment period contractually provided for. This constrained the contractors cash flow and impacted on timely payment of the wages of the service provider's workers.

9. Payment of staff wages: The audit noted that July 2026 wages for approximately 70 former staff and the wages worth UGX 2,400,000 for eight former staff who carried out slashing from January 2026 to May 2026 remain unpaid to date. Similarly, there were several instances of delayed payment of workers, resulting into six sit down strikes. For example, wages for the period 24th December 2025 to 31st January 2026 were paid on 27th and 28th February 2026; wages for February and March 2026 were paid on 8th April 2026; wages for April and May 2026 were paid on 15th June 2026; and wages for June 2026 were paid on 17th July 2026.
10. Failure to Remit Statutory Deductions for Staff: The audit noted that NLS deducted NSSF contributions and Pay As You Earn (PAYE) from staff remuneration, and required staff to provide their NSSF and Tax Identification Numbers for purposes of making the statutory payments. However, the audit found no evidence that the deducted amounts had been remitted to the respective statutory bodies for the period from 24th December 2025 to 31st July 2026.
11. Failure to Provide Appointment Letters or Employment Contracts: The audit noted that none of the staff employed by NLS at Hoima City Stadium were provided with appointment letters or written employment contracts during the contract period. Consequently, important terms and conditions of employment were not formally documented or communicated to the workers. This created uncertainty regarding the applicable payment rates and periods, working hours, provision of meals and drinking water, staff entitlements, termination procedures and other conditions of employment.
12. Failure to Provide First Aid Kits and Basic Medical Support: The audit noted that throughout the contract period, NLS did not provide first aid kits or basic first aid supplies for staff deployed at Hoima City Stadium. Consequently, staff who became sick or sustained injuries during working hours had to seek medical attention or purchase medication at their own cost, and outside the stadium.
13. Failure to Provide Drinking Water to Staff: The audit noted that NLS required its staff to work at Hoima City Stadium from Monday to Saturday, between 8:00 a.m. and 5:00 p.m. However, staff reported that they were generally not provided with drinking water during working hours, despite of the fact that the service provider had agreed to do so. The service provider purchased approximately 100 cartons of drinking water during the first two weeks of the contract and did not provide any drinking water thereafter, thereby impacting on the welfare of workers.

Recommendations

Arising from the above findings, the Authority recommends the following:

1. The Accounting Officer should caution in writing:
 - a) The Head, Procurement and Disposal Unit for failing to submit the framework contract for cleaning services to the Solicitor General contrary to Regulation 6 (1)(f) of the PPDA (Contracts) Regulations, 2023, and for failing to indicate the contract period in the framework contracts for the management services.

b) The User Department and the Contract Managers for the following:

- i) Delayed initiation of the procurement for the management services, thereby resulting into the unjustified use of the direct procurement method contrary to Regulation 25 of the PPDA (Rules and Methods for procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
- ii) Inadequate contract management of the management services contract which resulted into poor performance, failure to carry out fumigation services, failure to plan for continuity of sanitation services, delayed payments and performance of an invalid contract.

2. The Accounting Officer Should:

- a) Identify and initiate in time the foreseeable and recurrent procurement requirements to allow the use of more competitive procurement methods. Direct procurement should only be used where the conditions provided for are in accordance with Regulation 25 of the PPDA (Rules and Methods for procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
- b) Submit to the Solicitor General draft contracts for clearance before signing all contracts falling within the prescribed threshold in accordance with Regulation 6 (1)(f) of the PPDA (Contracts) Regulations, 2023.
- c) Immediately strengthen review of contracts prior to contract signing to spot any omissions. Similarly, the Head, Procurement and Disposal Unit and the Head, Legal should in future ensure that all the relevant key information is provided in the contract before signing by the Accounting Officer.
- d) Direct Contract Managers to carry out stringent contract management to ensure that service providers satisfactorily perform their roles and obligations as prescribed in the contract, in accordance to Regulation 52 (3)(a)(i) of the PPDA (Contracts) Regulations, 2023.
- e) Within 30 days of receipt of this report require the Contract Manager to assess the extent of pest and animal infestations at Hoima City Stadium, and thereafter come up with a routine fumigation schedule to ensure proactive prevention of further infestations at the stadium. The Accounting Officer should also request the Authority to conduct training on framework contracts.
- f) Expedite the procurement of new service providers for provision of cleaning, fumigation, waste management and landscaping services to ensure continuity of services. In future, service providers should be procured and contracted before expiry of ongoing contracts.
- g) Review and regularise the services performed between 24th June and 31st July 2026, including verifying the services actually rendered to ensure that payments for the same period are made based on a contract.

- h) Ensure that the outstanding payment for services rendered in July 2026 is settled by 14 September 2026. Going forward, the Accounting Officer should ensure that service providers are paid within the payment period stipulated in the Special Conditions of Contract, in order to promote timely payment and avoid disruptions in service delivery.
- i) Direct Contract Managers to closely monitor performance of service providers engaged with the view of ensuring that all personnel deployed to the stadium are engaged based on written contracts or appointment letters.
- j) In future make it a contractual requirement for all service providers at the stadium to provide first aid kits and basic medical care to staff. Similarly, Contract Managers should be directed to frequently monitor compliance with the same.
- k) Require Contract Managers to ensure workers' welfare is well taken care of by the service provider, by specifically providing safe drinking water, and meals where agreed, to enable proper performance of the contract.

3. The Director NLS should:

- a) Within 15 working days from the date of receipt of this report, pay all the outstanding wages of former staff that remain unpaid date. Failure to do so will result into the Authority commencing suspension proceedings of NLS in accordance with Section 129 of the PPDA Act, Cap 205.
- b) Within 15 working days from the date of receipt of this report, pay all the outstanding statutory deductions for all the NLS former staff, for the seven months contract period. Failure to do so will result into the Authority commencing suspension proceedings of NLS in accordance with Section 129 of the PPDA Act, Cap 205.

FINDINGS AND CONCLUSION

1.0 Level of compliance by the Entity with the general provisions of the PPDA Act, Cap. 205 and PPDA Regulations 2023 with regard to conduct of the procurement process for the provision of management services for Hoima City Stadium

The Authority conducted analysis of the procurement action file for the provision of management services for Hoima City Stadium, and found the following key exceptions:

1.1 Unjustified use of the direct procurement method

Regulation 25 (1)(a) of the PPDA (Rules and Methods for procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 states that: *Direct procurement may be used where there is insufficient time for any other procedure such as in an emergency situation.*

The PPDA Act, Cap. 203 defines an emergency situation as “*a circumstance which is urgent or unforeseeable or a situation which is not caused by dilatory conduct where Uganda is seriously threatened by or actually confronted with a disaster, catastrophe, war or an act of God; life or the quality of life or environment may be seriously compromised; the conditions or quality of goods, equipment, buildings or publicly owned capital goods may seriously deteriorate unless action is urgently and necessarily taken to maintain them in their actual value or usefulness; an investment project is seriously delayed for want of minor items; or a Government programme would be delayed or seriously compromised unless a procurement is undertaken within the required timeframe.*”

The audit noted that the Entity used the direct procurement method to procure management services for the cleaning, landscaping, fumigation and waste management services at Hoima City Stadium, citing insufficient time as an emergency situation. However, the Authority found the justification inadequate because the need for the management services was foreseeable and could reasonably have been anticipated and planned for in advance. The Entity was aware that, upon completion of the stadium, cleaning services would be required to prepare the facility for commissioning by His Excellency the President and that similar services would be required for the subsequent use and maintenance of the facility.

The Authority attributed this to the poor planning and delayed initiation of the procurement, which was done on 19th December 2025, and yet the commissioning had been scheduled for 24th December 2026. The circumstances therefore did not constitute an unforeseeable emergency, and the insufficient time.

Implication

Unjustified use of the direct procurement method limits competition.

Recommendation

The Accounting Officer should identify and initiate in time the foreseeable and recurrent procurement requirements to allow the use of more competitive procurement methods. Direct procurement should only be used where the conditions provided for are in accordance with Regulation 25 of the PPDA (Rules and Methods for procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

The Accounting Officer should also caution in writing, the User Department for the delayed initiation of the procurement, which resulted into the unjustified use of the direct procurement method.

1.2 Failure to submit the contract for cleaning to the Solicitor General for approval

Regulation 6 (1)(f) of the PPDA (Contracts) Regulations, 2023 provides that *"A procuring and disposing entity shall not issue a contract, purchase order, or other communication in any form, conveying acceptance of a bid that binds a procuring and disposing entity to a contract with a provider, except where all the relevant agencies, including, where applicable, the Attorney General, make the necessary approval of the contract."*

The audit noted that the Entity did not submit the contract for the provision of cleaning services to the Solicitor General for clearance, despite the fact that the value of the contract was above the UGX 200,000,000 threshold prescribed for contracts requiring such clearance.

A review of the contract established that the service provider was engaged to provide daily cleaning services at a rate of UGX 3,137,077 per day, six days per week, together with a one off facade cleaning service at a cost of UGX 42,373,000. Accordingly, the total contract value for the six-month contract period was UGX 494,112,088, comprising UGX 451,739,088 for daily cleaning services and UGX 42,373,000 for facade cleaning. The stated contract value was exclusive of cleaning supplies and materials.

The Entity's explanation for this oversight was that the value of the framework contract at the time of award was UGX 57,113,148. That they did not anticipate that the cost would exceed the threshold for Solicitor General clearance.

Implication

Failure to obtain the Solicitor General's clearance exposed the Entity to the risk of entering into a contract with unfavourable or legally deficient terms, as well as potential disputes regarding the validity, enforceability and interpretation of the contractual obligations.

Recommendation

The Accounting Officer should submit to the Solicitor General draft contracts for clearance before signing all contracts falling within the prescribed threshold in accordance with Regulation 6 (1)(f) of the PPDA (Contracts) Regulations, 2023.

The Accounting Officer should also caution in writing, the Head, Procurement and Disposal Unit for failing to submit the framework contract for cleaning services to the Solicitor General contrary to Regulation 6 (1)(f) of the PPDA (Contracts) Regulations, 2023

1.3 Inadequacies in the Contract

The audit noted an inconsistency in the documentation regarding the duration of the framework contract. Whereas the internal procurement documents consistently indicated that the contract was to run for six months, the duration was not expressly specified in the Special Conditions of Contract (SCC). This omission created ambiguity regarding the contractual period and subsequently resulted in a disagreement between the Entity and the service provider.

Specifically, the Terms of Reference, Statement of Requirements, Contract Management Plan, submissions to the Contracts Committee and the Contracts Committee minutes all indicated a contract period of six months. However, the absence of a clearly stated contract duration in the SCC resulted in the service provider asserting that the contract was for one year, while the Entity maintained that the intended contractual period was six months. The disagreement was subsequently referred to the Solicitor General for guidance.

The audit further noted that, in an attempt to resolve the matter, the Entity prepared revised framework contracts expressly providing for a six-month contract period. However, the service provider declined to sign the revised contracts, further demonstrating that the omission in the original contractual documentation had created a material contractual dispute.

Implication

The omission of the contract period from the contract created uncertainty on the contract period thereby resulting into a contractual dispute.

Recommendation

The Accounting Officer and the Contracts Committee should immediately strengthen review of contracts prior to contract signing to spot any omissions. Similarly, the Head, Procurement and Disposal Unit and the Head, Legal should in future ensure in that all the relevant key information is provided in the contract before signing by the Accounting Officer.

The Accounting Officer should caution in writing, the Head, Procurement and Disposal Unit for omitting the contract period from the framework contracts.

Conclusion

Whereas the procurement process was largely conducted in accordance with procurement laws, the audit noted the use of direct procurement limited competition, resulting into the choice of NLS Waste Management Services.

2.0 Level of Efficiency and Effectiveness in Contract Implementation

The Authority conducted a contract audit of the management services contracts with NLS, and the following key findings were noted;

2.1 Poor contract performance

Clause 30.1 (Obligations of the Provider) in the General Conditions of the Contract of the framework contracts issued to NLS states that *"the provider shall perform the services under the contract with due care, efficiency and diligence, in accordance with best professional practices."*

Regulation 52 (3)(a)(i) of the PPDA (Contracts) Regulations, 2023 states that *"a Contract Manager shall ascertain that the provider meets all the performance or delivery obligations in accordance with the terms and conditions of the contract."*

Whereas the service provide generally carried out the management services during the contract period, the audit noted several instances of poor contract performance by the service provider, as denoted by operational disruptions at the stadium, mainly as result of personnel disagreements resulting into strikes arising from delayed payment of staff wages. For example, in the months of June 2026, February 2026, April 2026 and July 2026, there were

six sit down strikes which resulted into the service provider not undertaking cleaning services for a total of 19 days.

The audit further noted that the service provider did not consistently attend to all areas covered under the contract. For instance, landscaping and cleaning around the swamp area were not adequately undertaken, resulting in the area becoming bushy and overgrown with weeds. There were also instances of failure to prune trees and maintain flower beds, with some flowers dying due to failure to apply the required fertilizers and undertake appropriate spraying.

Furthermore, from April to July 2026, the audit observed that cleaning of the stadium was not undertaken without the required cleaning chemicals. The service provider mainly used liquid soap and brushes for cleaning, despite the availability of the prescribed cleaning chemicals in the stadium stores. This raised concerns regarding the quality and effectiveness of the cleaning services provided during the same period.

Whereas there were several engagements between the Entity and service provider pertaining to the poor performance, the audit noted that these issues remained unresolved. This formed part of the reasons why the Entity decline to renew the service provider's contract beyond 31st July 2026.

Implication

Poor contract performance exposed the Entity to the risk of operating inadequately clean stadium, thereby exposing the stadium infrastructure to the risk of deterioration. It also exposed the Entity to the risk of reputational damage.

Recommendation

The Accounting Officer should in future direct Contract Managers to carry out stringent contract management to ensure that service providers satisfactorily perform their roles and obligations as prescribed in the contract, in accordance to Regulation 52 (3)(a)(i) of the PPDA (Contracts) Regulations, 2023.

2.2 Failure to carry out fumigation services

GCC 2.1 of the Special Conditions of the Contract for fumigation services states that *"a framework contract means an arrangement for an estimated quantity of supplies and related services at fixed rates, where actual quantities are purchased by means of call-off orders and payment is made for actual quantities delivered."*

Whereas the Entity signed a contract with NLS on 24th December 2025 for provision of fumigation services, the audit noted that this service has never been performed by the service provider due to the Entity's failure to issue a Call-Off Order for the same in spite of the fact that the stadium severally required such services. The audit noted that were several instances

of infestations by rodents, bats, caterpillars, reptiles such as snakes and other unwanted animals. As a result, for example, rats started biting off electrical cables.

The audit attributed this failure to a misunderstanding of how a framework contract operates by the User Department, who thought that a framework contract did not require a Call-Off Order for a contractor to offer a particular service. As a result, the Contract Manager wrote several memos to the service provider to undertake fumigation services, but the same was not carried out by NLS. The service provider is also faulted for the same since the framework contract was clear that fumigation services would be carried out on a monthly basis.

The contract for fumigation was therefore redundant and was not executed, and no payment was made for the same, despite the urgent need to eradicate and management infestations.

Implication

Failure to activate and utilise the fumigation services exposed the stadium to continued pest and animal infestation, which compromised hygiene, public health and the safety of staff, athletes and other users of the facility.

Recommendation

The Accounting Officer should within 30 days require the Contract Manager to assess the extent of pest and animal infestations at Hoima City Stadium, and thereafter come up with a routine fumigation schedule to ensure proactive prevention of further infestations at the stadium. The Accounting Officer should also request the Authority to conduct training on framework contracts.

2.3 Inadequate planning for continuity of sanitation services

Whereas the framework contracts for the provision of cleaning, fumigation, waste management and landscaping services expired on 31st July 2026, the audit noted that the Entity had not completed the procurement process to ensure continuity of these essential services. As at the conclusion of the audit on 26th August 2026, the Entity had not secured a service provider to continue providing the services previously undertaken by NLS.

The audit further noted that the Entity only sought to identify alternative arrangements shortly before expiry of the existing contracts. On 16th July 2026, the Entity wrote to the Accounting Officers of the Judiciary, KCCA, JCRC, Financial Intelligence Authority, URBRA and National Housing and Construction Company Limited seeking assistance in identifying a suitable service provider. However, by the time of the audit, no positive responses had been received.

In the absence of a contracted service provider, the Entity opted to directly undertake the sanitation services on a temporary basis through temporary hire of casual workers. During a physical verification conducted at Hoima City Stadium on 25th August 2026, the audit noted that the Entity had temporarily engaged former NLS staff, who had been terminated in April 2026, to continue performing cleaning and other sanitation services previously undertaken by

the service provider. The audit further noted that these workers were being paid in cash by the Entity.

Implication

This created a gap in the continuity of essential sanitation services, including cleaning, fumigation, waste management and landscaping, which are critical to maintaining the hygiene, safety and functionality of the stadium.

Recommendation

The Accounting Officer should expedite the procurement of new service providers for provision of cleaning, fumigation, waste management and landscaping services to ensure continuity of services. In future, service providers should be procured and contracted before expiry of ongoing contracts.

2.4 Performance of Services Without a Valid Contract

Whereas the Entity entered into framework contracts for the provision of cleaning, fumigation, waste management and landscaping services, the audit noted that the contracts expired on 23rd June 2026. However, the service provider continued to perform the contracted services at Hoima City Stadium up to 31st July 2026, despite the contracts having expired and there being no documented renewal or extension of the contractual period.

Consequently, the services provided between 24th June and 31st July 2026 were rendered without a valid contract.

Implication

Allowing the service provider to continue performing services after expiry of the contracts exposed the Entity financial and legal risks, including the possibility of disputes over the terms, scope, quality and payment for services rendered after contract expiry.

Recommendations

The Accounting Officer should review and regularise the services performed between 24th June and 31st July 2026, including verifying the services actually rendered to ensure that payments for the same period are made based on a contract.

Contract Managers should in future ensure more stringent contract management and monitoring to ensure tracking of contract expiry dates and renewal of contracts were applicable, before expiry of contracts. No service provider should be permitted to perform services beyond the contract expiry date.

2.5 Delayed payment of the service provider

Whereas GCC 31.1 of the Special Conditions of the Contract for all the four management contracts provided a payment period of 15 working days from date of receipt of invoice and

other relevant documents, the audit noted significant delays in paying the service provider in 5 (23.8%) payments worth UGX 179,939,141 out of the 21 payments requested for by the service provider. The delays averaged 46 days beyond the 15 days payment period contractually provided for, as detailed in the table below:

No	Contract	Invoice Date	Amount	Payment Date	Payment Period	Delay
1	Cleaning services	31/03/2026	96,245,553	25/06/2026	56 days	41 days
2	Cleaning services	31/03/2026	23,513,588	25/06/2026	56 days	41 days
3	Landscaping, floral and plant maintenance	20/02/2026	20,060,000	25/06/2026	82 days	67 days
4	Landscaping, floral and plant maintenance	31/0/2026	20,060,000	25/06/2026	56 days	41 days
5	Landscaping, floral and plant maintenance	30/04/2026	20,060,000	23/06/2026	55 days	40 days

The audit noted that there is one pending payment of UGX 125,493,285.06 for the month of July 2026, which was formally submitted to the Entity on 24th August 2026 for payment. As per the 15 days payment period, this payment is due on 14th September 2026.

The Entity attributed the delayed payments to contractual dispute with the service provider regarding the contract period, which had to be sorted before payment was made to the contractor. The audit disagreed with this explanation due to the fact that the contractor had provided the service and had submitted the required payment documents such as invoices, as provided for under GCC 31.1 of the Special Conditions of the Contract. The payment to the service provider was therefore not contingent on the payment period. Consequently, the service provider used the excuse of delayed payments by the Entity, to delay payments to the company's staff working at the stadium.

Implication

The delayed payment of the service provider constrained the company's cashflows and may contributed to the delayed payment of staff wages and poor contract performance.

Recommendation

The Accounting Officer should ensure that the pending July 2026 payment is completed before 14th September 2026. Similarly, the Accounting Officer should in future ensure that service providers are paid within the payment period provided for in the Special Conditions of the Contract.

Conclusion

The contracts for fumigation, cleaning, waste management and landscaping which were awarded to NLS were poorly managed and executed, as evidenced by the poor contract performance.

3.0 Level of adherence to Environmental, Social, Health and Safety (ESHS) requirements during execution of the contract

The Authority conducted the audit with view of establishing whether the service provider adhered to the ESHS requirements while performing the contract. The following exceptions were noted:

3.1 Payment of staff wages

The audit noted several social concerns pertaining to none payment and delayed payment of staff wages, as detailed below:

a) None payment of staff wages

The audit noted that the July 2026 salary for approximately 70 former staff remain unpaid to date despite the fact that the service providers contract expired on 31st July 2026. The service provider attributed the none payment to delayed payment of the July invoices worth UGX 125,493,285 by the Entity. The audit however established that the service provider only submitted to the Entity the invoice and accompanying documents for July 2026 on 24th August 2026.

The audit further established that wages for eight former staff worth UGX 2,400,000 who carried out slashing from January 2026 to May 2026 remain unpaid to date. The matter has been reported to the Resident City Commission, Hoima, but still remains unresolved.

b) Delayed payment of staff wages

The audit noted that NLS engaged two cohorts of staff to provide services at Hoima City Stadium during the contract period. The first cohort worked from 24th December 2025 to 8th April 2026, when their employment was terminated following a sit-down strike and disagreements over delayed payment of wages. The second cohort was engaged from 11th April 2026 to 31st July 2026, when NLS was stopped from providing the services.

The audit noted repeated delays in payment of staff wages for both cohorts, resulting in six sit down strikes in February, April, June and July 2026. For example, wages for the period 24th December 2025 to 31st January 2026 were paid on 27th and 28th February 2026; wages for February and March 2026 were paid on 8th April 2026; wages for April and May 2026 were paid on 15th June 2026; and wages for June 2026 were paid on 17th July 2026. As at 26 August 2026, wages for July 2026 remained unpaid.

The service provider attributed the delays primarily to delayed payments by the National Council of Sports. While the audit acknowledges that delayed payment by the Entity may have contributed to the contractor's cash flow challenges, the service provider remained responsible for meeting its employment obligations and ensuring that staff wages were paid in accordance with the agreed employment terms.

The audit further noted that payment of wages was generally made only after staff strikes and intervention by local authorities, indicating inadequate management of the contractor's workforce and failure to ensure timely fulfilment of its obligations to employees.

Implication

Non-payment and delayed payment of staff wages resulted into sit down strikes which consequently resulted into the poor contract performance that was noticed. It also created a reputational risk for the Entity due to the various media coverage on staff none payments.

Recommendation

Ms. Lydia Syson Nayiga, Director NLS should within 15 working days from the date of receipt of this report, pay all the outstanding wages of former staff that remain unpaid date. Failure to do so will result into the Authority commencing suspension proceedings of NLS in accordance with Section 129 of the PPDA Act, Cap 205.

3.2 Failure to Remit Statutory Deductions for Staff

The audit noted that NLS deducted NSSF contributions and Pay As You Earn (PAYE) from staff remuneration, and required staff to provide their NSSF and Tax Identification Numbers for purposes of making the statutory payments. However, the audit found no evidence that the deducted amounts had been remitted to the respective statutory bodies for the period from 24th December 2025 to 31st July 2026.

When interviewed, the service provider stated that the company had filed the relevant NSSF and PAYE obligations and intended to remit the outstanding amounts. However, as at the conclusion of the audit, evidence of actual remittance had not been provided and yet deductions had already been made from staff wages.

Implication

The continued retention of deductions from employees without timely remittance demotivated former staff and resulted into the strikes and impacted on their performance. It has also exposed the Entity to reputational and compliance risks arising from engaging a service provider that may not be fulfilling its statutory obligations to employees.

Recommendation

Ms. Lydia Syson Nayiga, Director NLS should within 15 working days from the date of receipt of this report, pay all the outstanding statutory deductions for all the NLS former staff, for the seven months contract period. Failure to do so will result into the Authority commencing suspension proceedings of NLS in accordance with Section 129 of the PPDA Act, Cap 205.

3.3 Failure to Provide Appointment Letters or Employment Contracts

The audit noted that none of the staff employed by NLS at Hoima City Stadium were provided with appointment letters or written employment contracts during the contract period. Consequently, important terms and conditions of employment were not formally documented or communicated to the workers.

The audit established that there were verbal understandings regarding monthly net wages of approximately UGX 250,000 for casual workers, UGX 450,000 for supervisors and UGX 800,000 for administrators. However, workers reported that these arrangements were subsequently changed, with some workers receiving lower amounts and the payment arrangement reportedly changing from monthly wages to a daily rate of UGX 8,333 for casual labourers for example.

The absence of written employment terms also created uncertainty regarding the applicable payment rates and periods, working hours, provision of meals and drinking water, staff entitlements, termination procedures and other conditions of employment.

Implication

Failure to provide appointment letters and written contracts contributed to disagreements between the service provider and its workers and made it difficult for the affected staff to establish and enforce their employment entitlements. It also limited the Entity's ability to verify whether the contractor is complying with its obligations to staff.

Recommendation

The Accounting Officer should in future require Contract Managers to closely monitor performance of service providers engaged with the view of ensuring that all personnel deployed to the stadium are engaged based on written contracts or appointment letters.

3.4 Failure to Provide First Aid Kits and Basic Medical Support

The audit noted that throughout the contract period, NLS did not provide first aid kits or basic first aid supplies for staff deployed at Hoima City Stadium. Consequently, staff who became sick or sustained injuries during working hours had to seek medical attention or purchase medication at their own cost, and outside the stadium.

The audit further noted that this arrangement did not provide an adequate mechanism for addressing minor injuries, accidents or medical emergencies that could arise during the performance of work, particularly given that the staff were engaged in cleaning, landscaping, waste management and other activities within the stadium.

Implication

Failure to provide appropriate first aid arrangements may increase the risk of minor injuries or illnesses becoming more serious due to delayed treatment. It may also expose workers and the Entity to health and safety risks and may contribute to reduced staff welfare and productivity.

Recommendation

The Accounting Officer should in future make it a contractual requirement for all service providers at the stadium to provide first aid kits and basic medical care to staff. Similarly, Contract Managers should be directed to frequently monitor compliance with the same.

3.5 Failure to Provide Drinking Water to Staff

The audit noted that NLS required its staff to work at Hoima City Stadium from Monday to Saturday, between 8:00 a.m. and 5:00 p.m. However, staff reported that they were generally not provided with drinking water during working hours, despite of the fact that the service provider had agreed to do so.

The audit established that the service provider purchased approximately 100 cartons of drinking water during the first two weeks of the contract, which commenced on 24th December 2025, but there was no evidence of a sustained arrangement for provision of drinking water for the remainder of the contract period.

The audit further noted that although the contractor had verbally indicated that drinking water would be provided to staff during working hours, there was no clear documented agreement regarding the provision of meals, resulting in uncertainty among workers regarding whether meals constituted part of their employment benefits.

Implication

Failure to provide adequate drinking water to staff working for extended periods may adversely affect worker welfare, health, productivity and ability to perform their duties effectively, particularly for personnel engaged in physically demanding cleaning, landscaping and waste management activities.

Recommendation

The Accounting Officer should require Contract Managers to ensure workers' welfare is well taken care of by the service provider, by specifically providing safe drinking water, and meals where agreed, to enable proper performance of the contract.

Conclusion

In conclusion, the Authority noted the service provider did not adequately ensure compliance with ESHS and workers' welfare requirements during implementation of the sanitation and related management services at Hoima City Stadium.

General Conclusion

Overall, the audit concluded that NLS Waste Management Services Limited did not satisfactorily perform the cleaning, landscaping, fumigation and waste management contracts, mainly due to poor workforce management and inadequate attention to staff welfare. Delayed payment of wages, lack of written employment terms, non-remittance of statutory deductions and inadequate welfare provisions contributed to staff disputes and repeated sit-down strikes, disrupting service delivery at Hoima City Stadium.

The audit also identified weaknesses in the Entity's procurement and contract management, including inadequate contract monitoring, delayed payments, failure to enforce contractual requirements, weaknesses in procurement planning and delays in securing a replacement service provider. Although the contracts have expired and were not renewed, the Entity should address these weaknesses, to ensure that they do not reoccur in future contracts.