



**CONTRACT AUDIT REPORT FOR THE CONSTRUCTION OF BUSHOGYE  
MOSLEM SEED SCHOOL AND THE INSTALLATION OF MICRO SCALE  
IRRIGATION SYSTEMS IN KANUNGU DISTRICT UNDER THE UGIFT  
PROGRAM**

**CONTRACTORS: G-HEAD ENGINEERING LTD, BENKUNDA INVESTMENTS  
LTD AND KINOMBE NYARUZINGA CONSTRUCTION CO. LTD**

**PROCUREMENT REF: KANU851/WRKS/2024-2025/00001, KANU851/WRKS/2024-  
2025/00022/21**

**APRIL 2026**

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## **ACRONYMS**

ESHS	Environmental, Social, Health and Safety
PPDA	Public Procurement and Disposal of Public Assets Authority
PPDA Act Cap 2025	Public Procurement and Disposal of Public Assets Act Chapter, 205
UGX	Uganda Shillings
UGIFT	Uganda Intergovernmental Fiscal Transfer Program
FY	Financial Year
GoU	Government of Uganda
LTD	Limited

## EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority conducted a contract audit into the contract for the construction of Bushogye Moslem Seed Secondary School worth UGX 2,300,000,000 and installation of 26 micro irrigation systems for the Financial Year 2024-2025 worth UGX 551,986,740 in accordance with Section 8(1)(j)(ii) of the PPDA Act, Cap 205. The contract details shown in Tables 1 and 2 below:

**Table 1: Contract details for the Construction of Bushogye Moslem Seed Secondary School**

Contract Name	Construction of Bushogye Moslem Seed Secondary School
Contract Amount (UGX)	2,300,000,000
Funder	UgIFT
Implementing Entity	Kanungu District Local Government
Contractor	G-Head Engineering Limited
Contract Type	Lump sum
Defects Liability Period	6 months
Contract Signing Date	3 <sup>rd</sup> December 2024
Contract Period	7 months
Intended Contract Completion Date	3 <sup>rd</sup> July 2025
Actual Completion Date	29 <sup>th</sup> January 2026

**Table 2: Contract details for the micro scale irrigation beneficiaries**

No	Beneficiary	Supplier	Contract Amount	Co-Funding	Government Funding
1.	Brenda Ahumuza	Bekunda Investments Ltd	21,982,990	5,495,747.50	16,487,243
2.	Charles Shagye	Kinombe Nyaruzinga Construction Co. Ltd	19,500,950	4,875,237.50	14,625,713
3.	David Baguma	Bekunda Investments Ltd	21,500,000	5,375,000.00	16,125,000
4.	Eliab Tukwasibwe	Bekunda Investments Ltd	21,930,000	5,482,500.00	16,447,500
5.	Francis Twinamatsiko	Bekunda Investments Ltd	22,600,000	5,650,000.00	16,950,000
6.	Fredrick Mugisha	Bekunda Investments Ltd	21,700,000	5,425,000.00	16,275,000
7.	Furaha Rugasira	Bekunda Investments Ltd	22,800,000	5,700,000.00	17,100,000
8.	Gerald Tugume	Bekunda Investments Ltd	23,055,000	5,763,750.00	17,291,250
9.	Godon Muhebwa	Bekunda Investments Ltd	21,935,000	5,483,750.00	16,451,250
10.	Herbert Mugisha	Bekunda Investments Ltd	21,800,000	5,450,000.00	16,350,000
11.	Ivan Nyeneizina	Bekunda Investments Ltd	21,500,000	5,375,000.00	16,125,000
12.	Jacob Kato	Bekunda Investments Ltd	22,000,000	5,500,000.00	16,500,000
13.	Jaireth Munyaruharo	Bekunda Investments Ltd	22,700,000	5,675,000.00	17,025,000
14.	James Ndyanabo	Bekunda Investments Ltd	22,800,000	5,700,000.00	17,100,000
15.	Josephat Karatambi	Kinombe Nyaruzinga Construction Co. Ltd	19,603,950	4,900,987.50	14,702,963
16.	Jotham Musinguzi	Bekunda Investments Ltd	23,954,690	5,988,672.50	17,966,018
17.	Karl Moses Sabiti	Bekunda Investments Ltd	23,500,000	5,875,000.00	17,625,000
18.	Lucas Justus Kiiza	Bekunda Investments Ltd	21,542,500	5,385,625.00	16,156,875

No	Beneficiary	Supplier	Contract Amount	Co-Funding	Government Funding
19.	Nusura Ninzeyimana	Bekunda Investments Ltd	22,000,000	5,500,000.00	16,500,000
20.	Pada Mubaraka	Bekunda Investments Ltd	15,000,000	11,250,000.00	3,750,000
21.	Pison Mugarura	Bekunda Investments Ltd	21,500,000	5,375,000.00	16,125,000
22.	Prosper Byaruhanga	Bekunda Investments Ltd	16,000,000	4,000,000.00	12,000,000
23.	Ramathan Kiyimba	Kinombe Nyaruzinga Construction Co. Ltd	20,343,310	5,085,827.50	15,257,483
24.	Robert November	Kinombe Nyaruzinga Construction Co. Ltd	19,603,950	4,900,987.50	14,702,963
25.	Samuel Mwitabagoma	Kinombe Nyaruzinga Construction Co. Ltd	20,134,400	5,033,600.00	15,100,800
26.	Teopista Kyamunyogonya	Bekunda Investments Ltd	21,000,000	5,250,000.00	15,750,000
	<b>Total</b>		<b>551,986,740</b>	<b>145,496,685</b>	<b>406,490,055</b>

The overall objective of the audit was to assess the status of contract implementation with emphasis on verification that all parties to the contract complied with the requirements and standards set forth in the contract and the provisions of the PPDA laws and UGIFT guidelines. The specific objectives of the contract audit were to assess:

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

### **Key Findings and recommendations of the Authority**

#### **A. CONSTRUCTION OF BUSHOGYE MOSLEM SEED SECONDARY SCHOOL**

##### **Finding**

Contrary to Regulation 52(3)(a)(vi) of the PPDA (Contracts) Regulations that require the Contract Managers to ascertain that all contract obligations are completed within the contracted period, the Entity failed to complete the works within the original contract period of 3<sup>rd</sup> July 2025, the works were completed on 29<sup>th</sup> January 2026 after a time overrun of 210 days, which represents a 100% overrun of the original contract period. This delayed the provision of secondary education services to the intended beneficiaries. The project was completed after the intervention by the Authority.

##### **Audit conclusion**

The Authority found the construction of the Bushogye Moslem Seed School contract to be low risk contract. The project requirements were completed within the contract specifications, cost and ESHS requirements. The contract was not satisfactory because the project was completed out of the scheduled time.

##### **Recommendation**

Going forward, the Accounting Officer should strengthen the contract management function within the Entity to enable completion of the works within the contracted timelines in accordance with

Regulation 52 (3)(a)(vi) of the PPDA (Contracts) Regulations, 2023.

## **B. INSTALLATION OF MICRO IRRIGATION SYSTEMS**

### **Findings**

The Authority made the following findings:

1. Contrary to Regulation 52(3)(a)(vi) of the PPDA (Contracts) Regulations that require the Contract Managers to ascertain that all contract obligations are completed within the contracted period, six micro scale irrigation systems worth UGX 130,300,000 supplied by Bekunda Investments Limited, were not installed for the beneficiary farmers within the contracted time despite the farmers making their co-funding payments in a timely manner. This creates a reputational damage to the government program and could lead to future rejection by the intended beneficiaries.
2. The Entity failed to fully utilize the government funding for the micro scale irrigations. UGX 436,253,826 was received for FY 2024/2025 but only UGX 406,490,055 was spent, leaving a balance of UGX 29,763,771 amounting to 7% of the released funds unutilized. The project focal person explained that at times the farmers who express interest fail to raise the co-funding to implement the contracts even after running the procurement process hence leading to the low absorption. The program objectives were therefore not fully achieved, which limits improvement in the livelihoods of the targeted beneficiaries.

### **Audit Conclusion**

The installation of micro-scale irrigation systems contract was a low risk. All 26 systems were installed, fully functional and in use. The contract was not rated satisfactory because government funding worth UGX 29,763,771 representing 7% of the released funds was not utilized, and six irrigation systems worth UGX 130,300,000 had implementation delays which affects the beneficiaries.

### **Recommendations**

1. The Accounting Officer should strengthen the contract time management controls for contracts for installation of micro irrigation systems for example; requiring submission of contract management plans by the Contract Managers, and contractor work programs by the contractors, and implementation updates to ensure that the contracts are completed in a timely manner in accordance with Regulation 52 (3)(a)(vi) of the PPDA (Contracts) Regulations, 2023.
2. The Micro Scale Irrigation Systems Project Focal Person should increase sensitization and awareness of the micro scale irrigation programme opportunities to increase coverage and also strengthen the screening criteria to ensure that the selected beneficiaries can ably meet project requirements to enable full absorption of the government co-funding.

## CHAPTER 1: INTRODUCTION

### 1.1 Contract summary

On 3<sup>rd</sup> December 2024, Kanungu District Local Government entered into a contract with G-Head Engineering Limited to construct Bushogye Moslem Seed Secondary School at UGX 2,300,000,000 with an intended completion period of seven months. The key information about the contract is summarized in Table 3 below:

**Table 3: Contract summary for the Construction of Bushogye Moslem Seed School**

Contract Name	Construction of Bushogye Moslem Seed School
Contract Amount (UGX)	2,300,000,000
Funder	UgIFT
Implementing Entity	Kanungu District Local Government
Contractor	G-Head Engineering Limited
Contract Type	Lump sum
Defects Liability Period	6 months
Retention	5 percent
Liquidates Damages	0.05 percent per day
Maximum amount for liquidated damages	10% of the contract price
Performance Security	5%
Advance Payment	30%
Project Manager	District Engineer
Contract Signing Date	3 <sup>rd</sup> December 2024
Construction Start Date	3 <sup>rd</sup> December 2024
Contract Period	7 months
Construction End Date	3 <sup>rd</sup> July 2025
Extension	17 <sup>th</sup> September 2025
Completion Date	30 <sup>th</sup> September 2025

The Entity also entered into contracts with Benkunda Investments Limited (Ltd) and Kinombe Nyaruzinga Construction Co. Ltd to install micro irrigation systems for 26 beneficiaries at a cost of UGX 551,986,740 in the FY 2024-2025. The payment structure required the beneficiaries to fund 25% of the cost while the Government of Uganda (GoU) would fund 75% for solar powered irrigation systems while it would be 75% for the beneficiary and 25% for GoU if the system was petrol or diesel powered. The details are in Table 4 below:

**Table 4: Contract details for the micro scale irrigation beneficiaries**

No	Beneficiary	Supplier	Contract Amount	Co-Funding	GoU Funding
1.	Brenda Ahumuza	Bekunda Investments Ltd	21,982,990	5,495,747.50	16,487,243

No	Beneficiary	Supplier	Contract Amount	Co-Funding	GoU Funding
2.	Charles Shagye	Kinombe Nyaruzinga Construction Co. Ltd	19,500,950	4,875,237.50	14,625,713
3.	David Baguma	Bekunda Investments Ltd	21,500,000	5,375,000.00	16,125,000
4.	Eliab Tukwasibwe	Bekunda Investments Ltd	21,930,000	5,482,500.00	16,447,500
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6.	Fredrick Mugisha	Bekunda Investments Ltd	21,700,000	5,425,000.00	16,275,000
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8.	Gerald Tugume	Bekunda Investments Ltd	23,055,000	5,763,750.00	17,291,250
9.	Godon Muhebwa	Bekunda Investments Ltd	21,935,000	5,483,750.00	16,451,250
10.	Herbert Mugisha	Bekunda Investments Ltd	21,800,000	5,450,000.00	16,350,000
11.	Ivan Nyeneizina	Bekunda Investments Ltd	21,500,000	5,375,000.00	16,125,000
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13.	Jaireth Munyaruharo	Bekunda Investments Ltd	22,700,000	5,675,000.00	17,025,000
14.	James Ndyanabo	Bekunda Investments Ltd	22,800,000	5,700,000.00	17,100,000
15.	Josephat Karatambi	Kinombe Nyaruzinga Construction Co. Ltd	19,603,950	4,900,987.50	14,702,963
16.	Jotham Musinguzi	Bekunda Investments Ltd	23,954,690	5,988,672.50	17,966,018
17.	Karl Moses Sabiti	Bekunda Investments Ltd	23,500,000	5,875,000.00	17,625,000
18.	Lucas Justus Kiiza	Bekunda Investments Ltd	21,542,500	5,385,625.00	16,156,875
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22.	Prosper Byaruhanga	Bekunda Investments Ltd	16,000,000	4,000,000.00	12,000,000
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25.	Samuel Mwitabagoma	Kinombe Nyaruzinga Construction Co. Ltd	20,134,400	5,033,600.00	15,100,800
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	<b>Total</b>		<b>551,986,740</b>	<b>145,496,685</b>	<b>406,490,055</b>

## 1.2 Laws applicable

The applicable laws and legal framework were:

- (i). The Public Procurement and Disposal of Public Assets Act Cap 205;
- (ii). The signed contract between the Entity and the contractors for both projects; and
- (iii). PPDA (Contracts) Regulations, 2023.

## 1.3 Objectives

The overall objective of the contract audit was to assess the status of contract implementation in regard to the obligations of the Entity and the contractor.

The specific objectives of the contract audit were to assess:

- (i). The progress of the works;
- (ii). The effectiveness of time, quality & cost control of works undertaken; and
- (iii). Adherence to Environmental, Social, Health and Safety safeguard requirements.

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

The audit covered the contract execution and management of the construction of Bushogye Moslem Seed School and the installation of micro scale irrigation systems in Kanungu District.

#### **1.5 Audit Methodology**

The Authority adopted the following methodology:

- i. Review of documentation in the procurement action file;
- ii. Physical verification of the projects;
- 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.

#### **1.6 Limitation of Scope**

The contract audit was undertaken by auditors who did not have professional competence in engineering and building construction. As such, we could not conclusively give an opinion on the technical quality of the works undertaken.

## CHAPTER 2: FINDINGS AND RECOMMENDATIONS

This chapter details the findings and recommendations from the contract audit.

### 2.1 Construction of Bushogye Moslem Seed School

#### 2.1.1 Progress of Works

Contrary to Regulation 52(3)(a)(vi) of the PPDA (Contracts) Regulations that requires the Contract Managers to ascertain that all contract obligations are completed within the contracted period, as of 20<sup>th</sup> November 2025, the project completion was behind schedule by 5 months with a time progress of 171% from the original intended completion period of 3<sup>rd</sup> July 2025. The estimated physical progress was 99% against a payment progress of 95%. The contract had expired on 30<sup>th</sup> September 2025 and the Project Manager resolved to handle the remaining works as snags through an instruction issued on 1<sup>st</sup> October 2025.

The Authority conducted a site physical verification on 20<sup>th</sup> November 2025 and established that the works were still incomplete. The pictorial, physical, time, payment progress and pending works as of 20<sup>th</sup> November 2025 are shown in Tables 5-7 below:

**Table 5: Contract progress as of 20<sup>th</sup> November 2025**

<b>Project Duration</b>	
Contract Signing Date	3 <sup>rd</sup> December 2024
Construction Start Date	3 <sup>rd</sup> December 2024
Contract Period	7 months
Construction End Date	3 <sup>rd</sup> July 2025
Extension	17 <sup>th</sup> September 2025
Completion Date	30 <sup>th</sup> September 2025
Project Period Elapsed	12 months
<b>Time Progress</b>	<b>171%</b>
Delay	5 months
<b>Estimated Physical Progress as of 20<sup>th</sup> November 2025</b>	<b>99%</b>
<b>Project Cost</b>	
Contract Amount	2,300,000,000
Cumulative Payment as of 20 <sup>th</sup> November 2025	2,184,012,900
<b>Percentage Payment</b>	<b>95%</b>

**Table 6: Pending works as of 20<sup>th</sup> November 2025**

	<b>Admin Block</b>
1	Storm Water Channel- Not Fixed
2	Furniture - Not Engraved
3	Burglar proofs-Not Fixed
	<b>ICT Lab</b>
1	Storm Water Channel not fixed
2	2no 600x150mm high Aluminium kickplates (with round edges) Screws fixed to doors - Not fixed

3	4 no. union -Flush Bolt-SS—200mm,8’’ -Not fixed
4	6 no. Heavy duty adjustable power parallel arm overhaul door closer-Not Fixed
5	Soft boards-only 4 fixed instead of 6
6	Fire extinguishers only 2 fixed instead of 4
8	Second lightening conductor not fixed
	<b>2 Class room blocks</b>
1	Lightening conductors -Not Fixed
2	Second rams not fixed for both
3	No Electrical report
	<b>Science Lab</b>
1	Storm water channel-Not fixed
2	5 no. of 900x 150mm high Aluminium kickplate (with round edges) screws fixed doors-Not fixed
3	5 no. heavy duty adjustable power parallel arm overhead door closer-Not fixed
4	4 no. fire extinguishers -Only 2 fixed
5	Furniture -Not Engraved
6	No Electro- Mechanical report from a licensed technician
	<b>Multi-Purpose Hall</b>
1	Storm water channel-Not fixed
2	1 ram fixed instead of 2
3	Burglar proofing-Not fixed
4	Curtain rods -Not fixed
5	No Electrical report
6	Lightening arrestor-Only 1 fixed instead of 2
	<b>Staff House</b>
1	Storm Water Channel- Not yet fixed
2	Missing with Aluminium kick plates (814x220mm) on all wooden doors-Not fixed
3	Burglar proofing-Not fixed
4	Curtain rods-Not fixed
5	Ceramic tiles-Not fixed
6	Non slippery tiles- Not fixed
7	No Electrical report
8	Lightening arrestor-1 fixed instead of 2
	<b>External Works</b>
1	500M of open Drain size 500mm wide (bottom),1000mm wide (Top) (Internal) x 500mm average (Depth varies to slope) open drain-Not worked on
2	100 well protected and planted tress-Not Planted

NB: After the Authority’s intervention through the contract audit that was done and physical verification exercise, the Contractor expedited the works and had the project 100% completed on 26<sup>th</sup> January 2026.

**Table 7: Status of works for the construction of Bushogye Moslem Seed School as of 20<sup>th</sup> November 2025**



**Image 1 shows the front view of a completed staff house.**



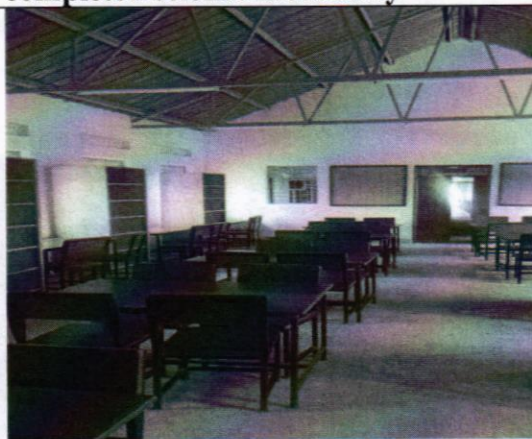
**Image 2: A completed multipurpose hall**



**Image 3: Shows the inside of the completed science laboratory**



**Image 4: Shows the front view of a two class room block**



**Image 5: Shows the inside of the completed ICT Block**



**Image 6: Shows the inside of the completed library**



**Image 7: Completed Administration block with pending landscaping works in the compound**



**Image 8: Completed staff room on the administration block**

**Implication**

Delayed project completion continues to deprive the sub county of the much-needed secondary education services.

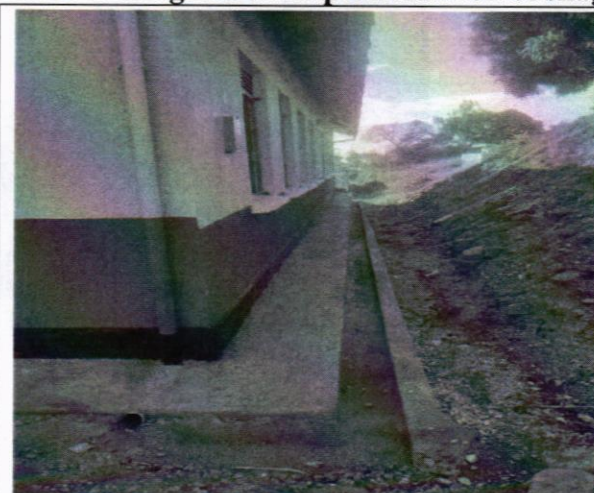
**Management Response**

*The issue raised by the Auditor has been noted and as management we have ensured that all the pending works have been completed as the contract agreement.*

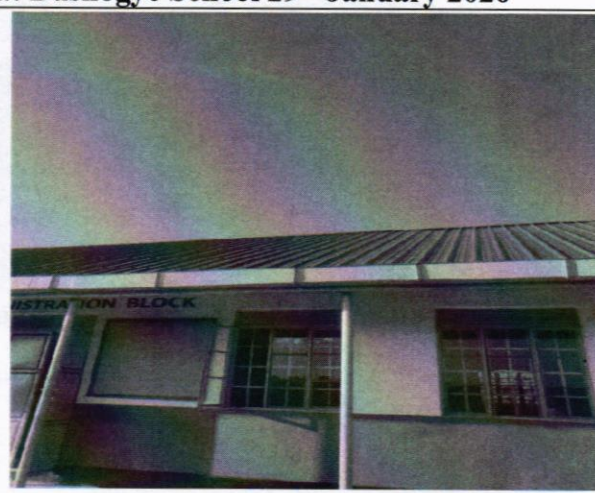
**Authority Comment**

The Authority reviewed the management response and evidence submitted and noted that the pending works were completed even though this was after the intended contract completion date of 3<sup>rd</sup> July 2025 as per the contract completion report dated 29<sup>th</sup> January 2026 and submitted evidence as indicated in Table 8 below:

**Table 8: Progress on implementation of snags at Bushogy School 29<sup>th</sup> January 2026**



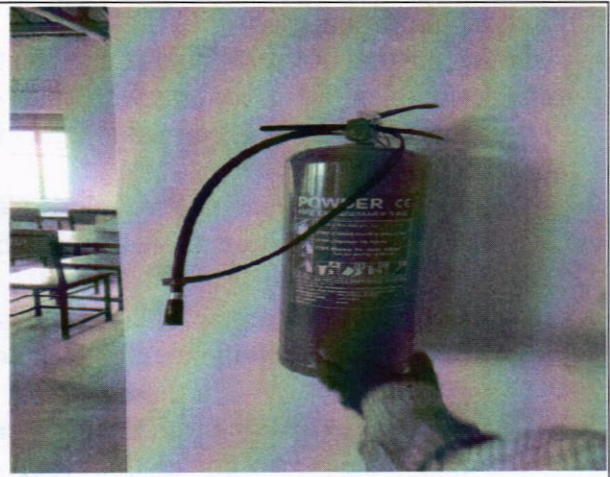
**Storm water Channels**



**Burglars in administration, ICT/Laboratory**



**Open drainage channels and grass planting**



**Fire extinguishers are all in place**



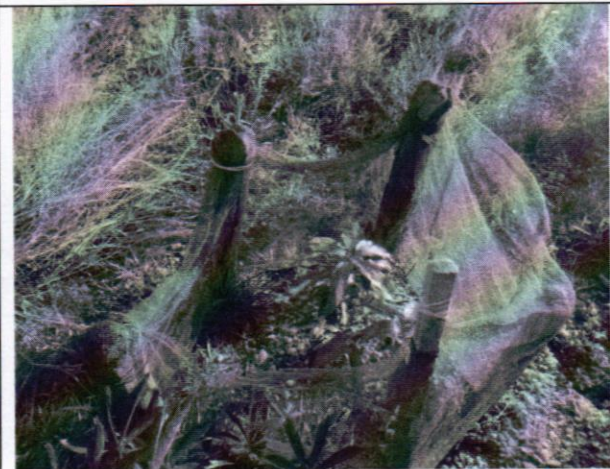
**Burglars in staff house**



**Curtain rods**



**Furniture Engraving**



**Implementation of ESHS (Planting of trees)**

An electrical test report on lightening arrestors was done.

### **Recommendation**

The Accounting Officer should strengthen the contract management function within the Entity to enable completion of the works within the contracted timelines in accordance with Regulation 52 (3)(a)(vi) of the PPDA (Contracts) Regulations, 2023.

#### **2.1.2 Effectiveness of Time, Quality & Cost Control of Works Undertaken**

The Entity undertook tests to guarantee the quality of the installations and works completed and provided the test certificates from the Central Materials Laboratory for verification. Works remained within the contracted costs and concerns over time overruns were raised under Section 2.1.1 above. The Authority therefore had no exceptions under this objective.

#### **2.1.3 Adherence to Environmental, Social, Health and Safety safeguard requirements**

According to the project completion report dated 29<sup>th</sup> January 2026 and evidence submitted in the management response, the required ESHS measures were implemented in accordance with Section 66 of the PPDA Act, Cap. 2025. These included provision of insurance covers, planting of 100 trees, construction of storm water drainage, installation of fire extinguishers for the science laboratory, and site leveling with grass planting. The Authority therefore had no exceptions under this objective.

### **2.2 Installation of micro scale irrigation systems for farmers**

#### **2.2.1 Progress of Works**

The Authority found that all the 26 micro scale irrigation systems in Table 2 worth UGX 551,986,740 installed in the Financial Year 2024-2025 had been completed and full payment made to the service providers. The Authority further noted that:

- (i). All the 26 farmers met their co-funding payment obligations as shown in Table 2;
- (ii). Records of installation, payment, testing, completion and user acceptance were available for all the 26 sampled farmers;
- (iii). Payments for all the 26 installations were made within 30 days of certification of the payment claims.
- (iv). The Authority randomly sampled five farmers and conducted a physical verification on 21<sup>st</sup> November 2025. The verification indicated that all micro scale irrigation systems were functional and the users had rated their performance as satisfactory. The visited farmers are shown in Table 9 below:

**Table 9: Micro Irrigation Systems visited on 21<sup>st</sup> November 2025**



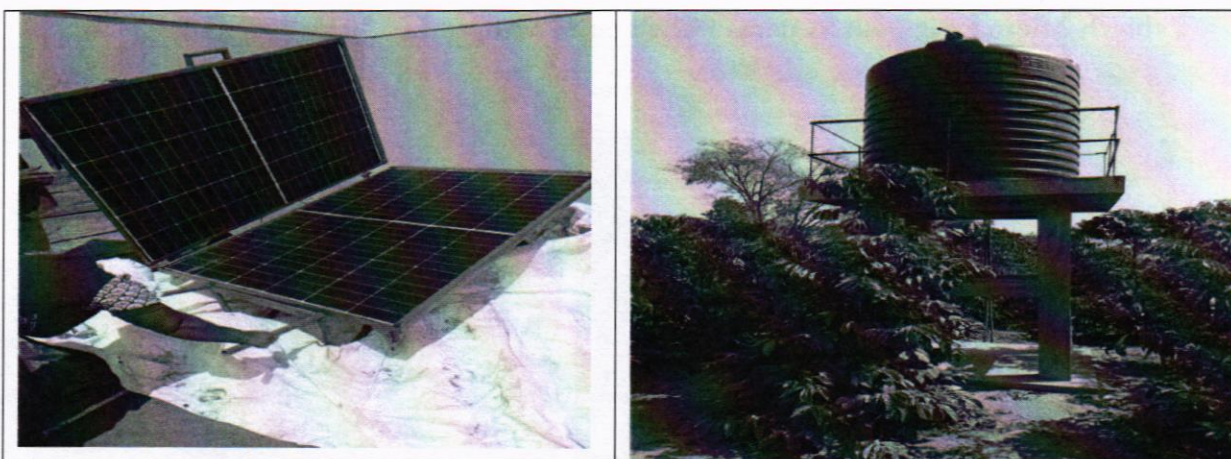
**Functional irrigation system for Jotham Musinguzi**



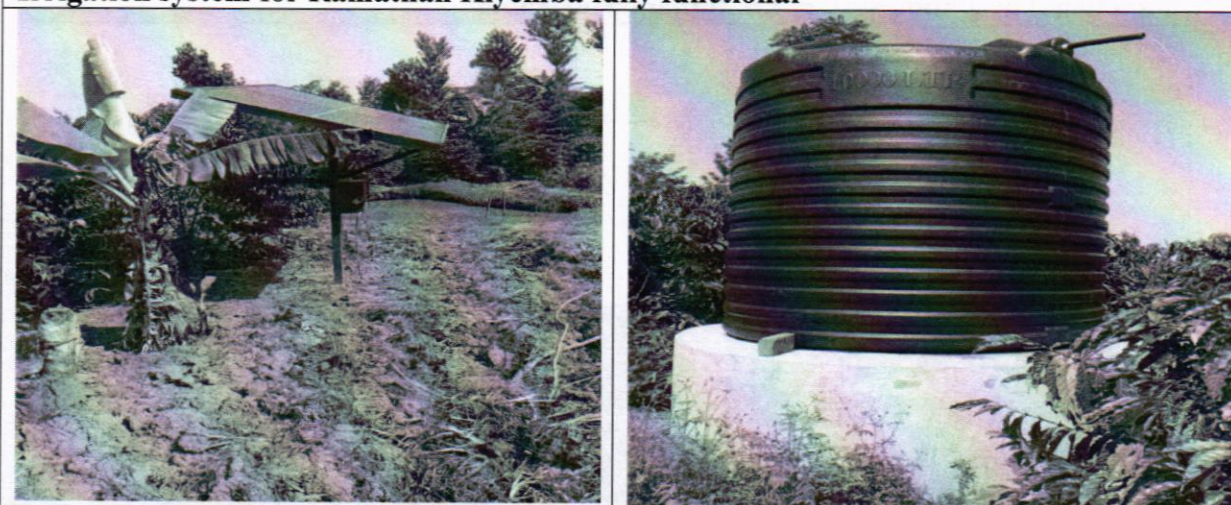
**Micro irrigation system for Lucas Justus Kiiza fully functional**



**Micro Irrigation system for Robert November fully functional**



**Irrigation system for Ramathan Kiyemba fully functional**



**Irrigation System for Samuel Mwitabagoma fully functional**

The Authority commends the Entity for this good performance and advises the Accounting Officer to ensure that all procurements conducted by the Local Government always achieve value for money.

### 2.2.2 Effectiveness of Time, Quality & Cost Control Of Works Undertaken

The Authority made the following findings:

#### a) Contract Implementation Delays

The Authority found that installation of six micro scale irrigation systems worth UGX 130,300,000 by Bekunda Investments Ltd delayed and was not completed within the contracted time as shown in Table 10 below:

**Table 10: Contract implementation delays for micro scale irrigation**

No.	Beneficiary	Contract Amount (UGX)	Contract signing Date	Contract Completion Date	Completion Date	Completion on Delay (Days)
1.	David Baguma	21,500,000	7 January 2025	7 April 2025	5 May 2025	28

No.	Beneficiary	Contract Amount (UGX)	Contract signing Date	Contract Completion Date	Completion Date	Completion Delay (Days)
2.	Ivan Nyeneizina	21,500,000	7 January 2025	7 April 2025	5 May 2025	28
3.	James Ndyanabo	22,800,000	7 January 2025	7 April 2025	5 May 2025	28
4.	Nusura Ninzeyimana	22,000,000	7 January 2025	7 April 2025	5 May 2025	28
5.	Pison Mugarura	21,500,000	7 January 2025	7 April 2025	7 May 2025	30
6.	Teopista Kyamunyogonya	21,000,000	7 January 2025	7 April 2025	5 May 2025	28
	<b>Total</b>	<b>130,300,000</b>				

### **Implication**

This creates a reputational damage for the government program and could lead to future rejection by the intended beneficiaries.

### **Management Response**

*Management acknowledges the Auditor's observation and will ensure that Contractors adhere to the contract timelines through strict supervision and enforcement of contract terms.*

### **Recommendation**

The Accounting Officer should strengthen the contract time management controls for contracts for installation of micro irrigation systems for example; requiring submission of contract management plans by the Contract Managers, and contractor work programs by the contractors, and implementation updates to ensure that the contracts are completed in a timely manner in accordance with Regulation 52 (3)(a)(vi) of the PPDA (Contracts) Regulations, 2023.

### **b) Failure to fully utilise or absorb the government funding for the micro scale irrigations**

The Entity received co-funding from Government worth UGX 436,253,826 for the Financial Year 2024-2025. However, only co-funding worth UGX 406,490,055 was spent leaving a balance of UGX 29,763,771 unutilized. The project focal person explained that at times the farmers who express interest fail to raise the co-funding to implement the contracts even after running the procurement process hence leading to the low absorption as shown in Table 11 below.

**Table 11: Failure to absorb government co-funding for microscale irrigation**

Numbers		Amounts		
Target Farmers	Achieved	Budget (GoU)	Spent	Variance
24	26	436,253,826	406,490,055	29,763,771

### **Implication**

The objectives of the micro irrigation program are not fully achieved hence not improving the livelihoods of the targeted beneficiaries.

### **Management Response**

*The project focal person shall ensure that co-funding is fully utilized by identifying and selecting potential beneficiaries who are capable of full co-funding after farmers sensitization and thorough assessment.*

### **Recommendation**

The Project Focal Person should increase sensitization and awareness of the micro scale irrigation programme opportunities to increase coverage and also strengthen the screening criteria to ensure that the selected beneficiaries can ably meet project requirements to enable full absorption of the government co-funding.

### **2.2.3 Adherence to Environmental, Social, Health and Safety Safeguard Requirements**

The Authority did not find any exceptions under this objective.

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

### **3.1 Audit conclusion**

1. The Authority found the construction of the Bushogye Moslem Seed School contract to be low risk contract. The project requirements were completed within the contract specifications, cost and ESHS requirements. The contract was not satisfactory because the project was completed out of the scheduled time.
2. The installation of micro-scale irrigation systems contract was a low risk. All 26 systems were installed, fully functional and in use. The contract was not rated satisfactory because government funding worth UGX 29,763,771 representing 7% of the released funds were not utilized, and six irrigation systems worth UGX 130,300,000 had implementation delays which affects the beneficiaries.