

**CONTRACT AUDIT REPORT INTO FOR THE CONSTRUCTION OF DR APORU
OKOL MEMORIAL SEED SECONDARY SCHOOL IN KUMI DISTRICT UNDER
UGIFT PROGRAM**

CONTRACTOR: AMURIA FARMERS AND TRANSPORTERS LTD

PROCUREMENT REF: MOES-UGIFT/WRKS/21-22/00005-Lot 31

MAY 2025

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ACRONYMS

ESHS	-	Environmental, Social, Health and Safety
PPDA Act	-	Public Procurement and Disposal of Public Assets Act Cap 205
PPDA	-	Public Procurement and Disposal of Public Assets Authority
UGX	-	Uganda Shillings
UGIFT	-	Uganda Intergovernmental Fiscal Transfer Program
VAT	-	Value Added Tax

EXECUTIVE SUMMARY

The Government of Uganda appropriated funds worth initially UGX. 2,582,253,293 and amended to UGX. 3,339,261,495 to undertake the construction of Dr Aporu Okol Memorial Seed secondary school in Kumi District. Funds were obtained from the World Bank through the Uganda Intergovernmental Fiscal Transfer Program (UGIFT), the implementing ministry was the Ministry of Education and Sports.

On 12th December 2022, Kumi District Local Government entered into a contract with Amuria Farmers and Transporters Ltd for the construction of Dr. Aporu Okol Memorial Seed Secondary school at a cost of initially UGX. 2,582,253,293 and amended to UGX. 3,339,261,495 with the intended completion date on 21st October 2024 and a defects liability period of 180 days.

In line with Section 8 (1) (j) (ii) of the PPDA Act, Cap 205, the Public Procurement and Disposal of Public Assets Authority (hereinafter “PPDA or the Authority”) conducted a contract audit into the contract with an overall objective of assessing the status of contract implementation. The specific objectives of the contract audit were to assess the;

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

Key Findings of the Authority

The Authority found the following exceptions: -

1. **Expired Performance security:** It was observed that during the contract audit that the entity received a performance security dated 26th May 2023 worth UGX. 206,580,263 that was issued by Centenary Bank and expired on 26th May 2024 yet works were not completed and physical progress of works was at 78% which exposed the entity to high risk of financial loss in the event the contractor failed to meet their contractual obligations;
2. **Delayed completion of works and abandonment of site:** It was observed during the contract audit that whereas the contract signed between the Entity and the contractor dated 12th December 2022 indicated that the original contractual completion period of works was on 21st June 2024 (18 months) and was further extended to 24th October 2024, It was revealed during physical verification exercise at the site carried out on 21st October 2024 that works were incomplete and the contractor had abandoned the site. Furthermore, it was noted that at the time of the Entity’s management letter response submitted to the Authority on 17th December 2024, works were still incomplete with physical progress at 78%, financial progress at 74.4%, and time lapse at 175% which led to delayed service delivery to the intended beneficiary’s contrary to Regulation 52(3) (a) (vi) of the PPDA (Contracts) Regulations, 2023;
3. **Expired Contract:** It was observed that there was no legally binding contract between the entity and Amuria Farmers and Transporters Ltd since it had expired by lapse of time on 24th October 2024 without any further extension of duration yet works were incomplete with physical progress at 78%. There was no evidence to justify why the contractor had not completed works as per the contractual period nor remedies taken by the Entity against the contractor.

- 4.
5. **Missing Contract Management Records:** It was observed that there were vital missing contract management records on the procurement action file such as site meetings records, interim payment certificates, progress reports, and payments records which affected the audit trail and risked giving room for fraudulent practices by the Entity thus compromising accountability of funds contrary to Section 33 (o) of the PPDA Act Cap 205 and;
6. **Failure to keep log of the site safety risks and welfare concerns of the contractor's personnel on site by the contractor's Coordinator in-charge of Environmental Social & Health Standards (ESHS):** It was observed that the contractor's Coordinator in-charge of Environmental Social & Health Standards (ESHS) failed to keep and maintain log of site safety risk & concerns such as record of evidence of site accidents & periodic grievance harm upon the contractor's workers on site which led to lack of record of evidence of risks/accidents on site to facilitate immediate remedial/ mitigation measures by the contractor so as to ensure the safety of personnel on site contrary to Section 66 of the PPDA Act, Cap 205.

Audit Conclusion

The audit findings indicated that the contractor had not fully adhered to their contractual obligations such as ensuring completion of the works on time, failure to renew their performance security, and failure to adhere to the Environmental, Social, and Health Standards (ESHS) requirements that affected hindered the achievement of service delivery to the intended beneficiaries.

Recommendations

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

1. The Accounting Officer should: -
 - i. Ensure that contractors submit to the entity renewed performance securities or signed performance declaration securities before expiry of the same which shall not be released until such a time when all contract obligations by the contractor have been fulfilled in accordance with Regulation 11 (5) of the PPDA(Contracts) Regulations, 2023.
 - ii. Engage another contractor to finalize the remaining works using competitive methods provided for under Regulation 6 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023 so that the project can be handed over and commissioned for use by the intended beneficiaries using competitive methods of procurement that promote open competition and value for money.
 - iii. Strengthen contracts management in the Entity and task the Contract Management team to always execute their roles diligently accordance with Regulation 52 (1) of PPDA (Contracts) Regulations, 2023 including having the contractors comply with their obligations such as submitting renewed performance securities or performance declaration securities in time and executing works in time.
 - iv. Task the contract management team to show cause why disciplinary action should not be taken against for the inadequate contract supervision of the contractor contrary to Regulations 52(1) of the PPDA(Contracts) Regulations,2023.

- v. Task the contact management team and all those staff appointed as contract managers in the entity to always perform their responsibilities in line with Regulation 52 of the PPDA (Contracts) Regulations 2023 and where there is need for contact extension, extension should be granted before contract expiry.
 - vi. Ensure that the Head Procurement and Disposal Unit has ensures that all procurement action files are complete with all documents in accordance with Section 33 (o) of the PPDA Act Cap 205.
 - vii. Ensure that the contract management team and the Chief Finance Officer always share copies of payments records with the Procurement and Disposal Unit in order for procurement action files to be closed off in accordance with Regulation 52 (3) a (vii) of the PPDA (Contracts) Regulations, 2023.
 - viii. Task the Community Development Officer, Environment Officer, Contract Management team, and Labour Officer to assess the site ESHS risks of the project to have them incorporated in the Bills of Quantities and later the ESMP of the project that will form a basis of regularly monitoring and reporting on the same during contract implementation so that appropriate compliance intervention can be put in place by the entity so that the Contractor adhere to them in accordance with Section 66 of the PPDA Act, Cap 205.
2. The contract management team should also regularly monitor, supervise, prepare and share contract implementation progress reports and payment records. with the Accounting Officer and Procurement and Disposal Unit so that appropriate remedies to ensure effective contract implementation are deployed by the entity in time.
 3. The Authority shall institute suspension hearing against Amuria Farmers and Transporters Ltd for abandonment of the site and breach of its contractual obligations in accordance with Section 128 of the PPDA Act Cap 205.

CHAPTER 1: INTRODUCTION

1.1 Contract summary

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

Table 1: Contract summary for Dr. Aporu Okol Construction Seed School

Contract Title	Construction of Dr.Aporu Okol Memorial Seed Secondary School
Reference Number	Moes-UgIFT/WRKS/21-22/00005-Lot 31
Contract Sum	Initially UGX. 2,582,253,293 and amended to UGX. 3,339,261,495
Contract Scope	<ol style="list-style-type: none"> 1. Preliminaries-UGX. 27,350,000 2. Site levelling works -UGX. 25,743,000 3. Three 2-classroom blocks-UGX. 389,508,030 4. One 2-Unit Science Laboratory Block-UGX. 238,760,725 5. One Administration Block-UGX. 149,454,200 6. Three 2-Unit Teachers House-UGX. 418,072,725 7. Three 2-Unit Teachers Kitchen-UGX. 109,269,960 8. One 2-Stance Lined VIP Latrine at Administration Block-UGX. 18,053,000 9. Three Two-Stance Lined VIP Latrine Block for Teachers House-UGX. 68,975,250 10. One Five Stance Lined VIP Latrine Block for Boys-UGX. 34,669,675 11. One Five Stance Lined VIP Latrine Block for Girls-UGX. 34,670,075 12. External works -UGX. 86,775,000 13. One rain water harvest system with 5000 litres-UGX. 6,910,000 14. One ICT library Block-UGX. 299,549,300 15. One Multipurpose Hall-UGX. 230,758,250 16. One sports field-UGX. 50,000,000
Contract Signing date	12 th December 2022
Site hand over date	20 th December 2022
Original contract completion date	21 st June 2024 (18 months)
Defects Liability period	12 months
Contract Extensions	4 months to 24 th October 2024
Lapse of time as at 24 th February 2025	26 Months
Name of Contractor	Amuria Farmers and Transporters Ltd
Method of procurement	Open National Bidding
Type of Contract	Lumpsum
Amount Paid	UGX. 2,485,632,384
Contract supervisor of works	Mr. Justine Orone -District Engineer

Project Manager	Sarah Adong-District Education Officer
Clerk of works	Paul Akellem-District Engineering Officer
Progress at site	Physical progress: 78% Financial: 74.4% Time: 175%

1.2 Laws applicable

The applicable laws and legal framework were:

1. The Public Procurement and Disposal of Public Assets Act Cap 205;
2. The Local Governments (PPDA) Regulations, 2006;
3. The Local Governments (PPDA) Guidelines, 2008;
4. The bidding document issued to bidders;
5. The signed contract between Kumi District Local Government and Amuria Farmers and Transporters Ltd and;
6. The circular on contract management and safeguard requirements under the Uganda Intergovernmental Fiscal Transfer (UGIFT) program dated 16th March 2021.

1.3 Objectives

The overall objective of the contract audit was to assess the effectiveness of the contracting process and the status of contract implementation in regard to the obligations of Kumi District Local Government (the Entity) and Amuria Farmers and Transporters Ltd (the Contractor).

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

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

1.4 Scope of the Audit

The audit covered the contract implementation and management of the construction of Dr. Aporu Okol Memorial Seed Secondary School.

1.5 Audit Methodology

The Authority adopted the following methodology:

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

1.6 Limitation of Scope

1. 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.

2. The Authority was unable to acquire the records of cumulative payments made to the contractor and the substantial updated progress reports prepared by the entity's Chief Finance Officer, and the District Engineer.
3. The Authority was able to ascertain information about the progress of works through the procurement action file, the physical verification exercise carried out on 21st October 2024 by the Authority, and the entity's management letter response.

The Authority however despite several attempts to request the entity to submit the current physical progress report prepared by the District Engineer for the site, this was not submitted by the entity to the Authority which made it difficult for the Authority to ascertain the current physical progress of the site after the physical verification exercise carried out by the Authority on 21st October 2024 hence the status of the site was formed from the basis of physical verification exercise.

CHAPTER 2: FINDINGS AND RECOMMENDATIONS

2.1 ASSESSMENT OF THE PROGRESS OF WORKS

2.1.1 Progress of works.

i. Time Progress

According to the entity management responses received by the Authority on 17th December 2024 the contractor had not yet returned to site and thus the contract progress had not changed. As at 17th December 2024, the time progress of the project was at 24 months accounting for 175% of the contract duration period yet works remained stalled. The time progress is shown in the Table 2 below: -

Table 2: Time Progress as at 17th December 2024

Start Date	20 th December 2022
End Date	24 th October 2024 from initial original contract completion date of 21 st June 2024.
Works Measurement Date	21 st October 2024
Original Contract Period (Months)	18 months
Extended contract period	4 months (June to October 2024)
Time Lapse (Months) as at 17th December 2024	24 months
Time Progress	175%

The project was behind schedule with 175% time spent yet works were incomplete and stalled at 78% physical progress.

ii. Physical Progress

Table 3 below shows that at the time of the physical verification held on 21st October 2024, the physical progress of the project at 78% and all the super structures had been roofed such as the pit latrines, classroom blocks, library, computer laboratory, science laboratory, administration block, teachers 'staff room, and teachers' staff houses. The works that were yet to be done included internal and external finishes, painting, electrical installations, plumbing installation of water tanks, and football pitch works among others.

It was furthermore observed from the Entity's management letter response dated 17th December 2024, that no significant works had been done and the entity's failure despite several interventions after receiving the management letter response to provide to the Authority the latest updated substantial progress reports. Therefore, the Authority concludes that the physical progress had not changed. The details of the physical progress of the project structures are shown in Table 3 below: -

Table 3: Physical Progress as at 17th December 2024

Contract Amount	3,339,261,495
Valued works as at 17th December 2024	2,604,623,966
Physical Progress	78%

iii. Financial Progress

The financial progress of the project was determined by analysing the cumulative amount of money paid out to the contractor as at 12th June 2024 visa vis the contract amount sum since those were the only records availed to the Authority for review.

The Authority noted the financial performance at 74.4% with money worth UGX. 2,485,632,384. Details are shown in Table 4 below:

Table 4: Financial Progress as at 17th December 2024

Contract Amount	3,249,192,658
Payments Made	2,485,632,384
Total Payments as at 17th December 2024	2,485,632,384
Financial Progress	74.4%

Note: The Entity despite several interventions failed to provide all current records of cumulative payments made to the contractor both in its management letter response and after requests of the Authority.

Management response

Management acknowledged the Authority's findings and shall intervene with the contractor to resume works and complete all pending remaining works.

Authority's Comment

The Entity's management letter did not avail evidence for the above payments in terms of interim payment certificates and payment vouchers.

There was no further elucidation by the Entity on the physical and time progress of the site by the contractor that was observed by the Authority hence the query was maintained for urgent implementation of its recommendations.

Recommendations

1. The Accounting Officer should: -
 - i. Provide to the Authority the current status of the works on site and justifiable reasons within two- weeks of receipt of this report why if works are not completed, reasons why the Accounting Officer has not yet forwarded the contractor to the Authority for blacklisting in line with section 128 (e) of the PPDA Act, Cap 205.
 - ii. Task the contract management team to always ensure that all contract management records such as progress reports, interim payment certificates and payment vouchers among others are properly kept on the procurement action file in line with Regulation 52 (3) (a) (vii) (Contracts) Regulations 2023.
 - iii. The Accounting Officer should ensure that the entity meets all its payment and other obligations in accordance with the terms and conditions of a contract in line with Regulation 52 (3) (a) (iii) (Contracts) Regulations 2023.

2. The Authority shall institute a suspension hearing against the contractor Amuria Farmers and Transporters Ltd for breach of contract such as abandonment of site and failure to complete works within the scheduled contractual time in line with Section 128 of the PPDA Act, Cap 205.

iv.Physical Verification

On 21st October 2024, physical verification site visit of the project was carried out which revealed works progress of the site as shown in the pictures in Table 5 which has since not changed as at the date of finalising this report for issuance on 2nd May 2025 and site has not been completed and handed over to the intended beneficiaries: -

Table 5:Physical verification of site status of works as at 21st October 2024 (Status has since not changed to date)

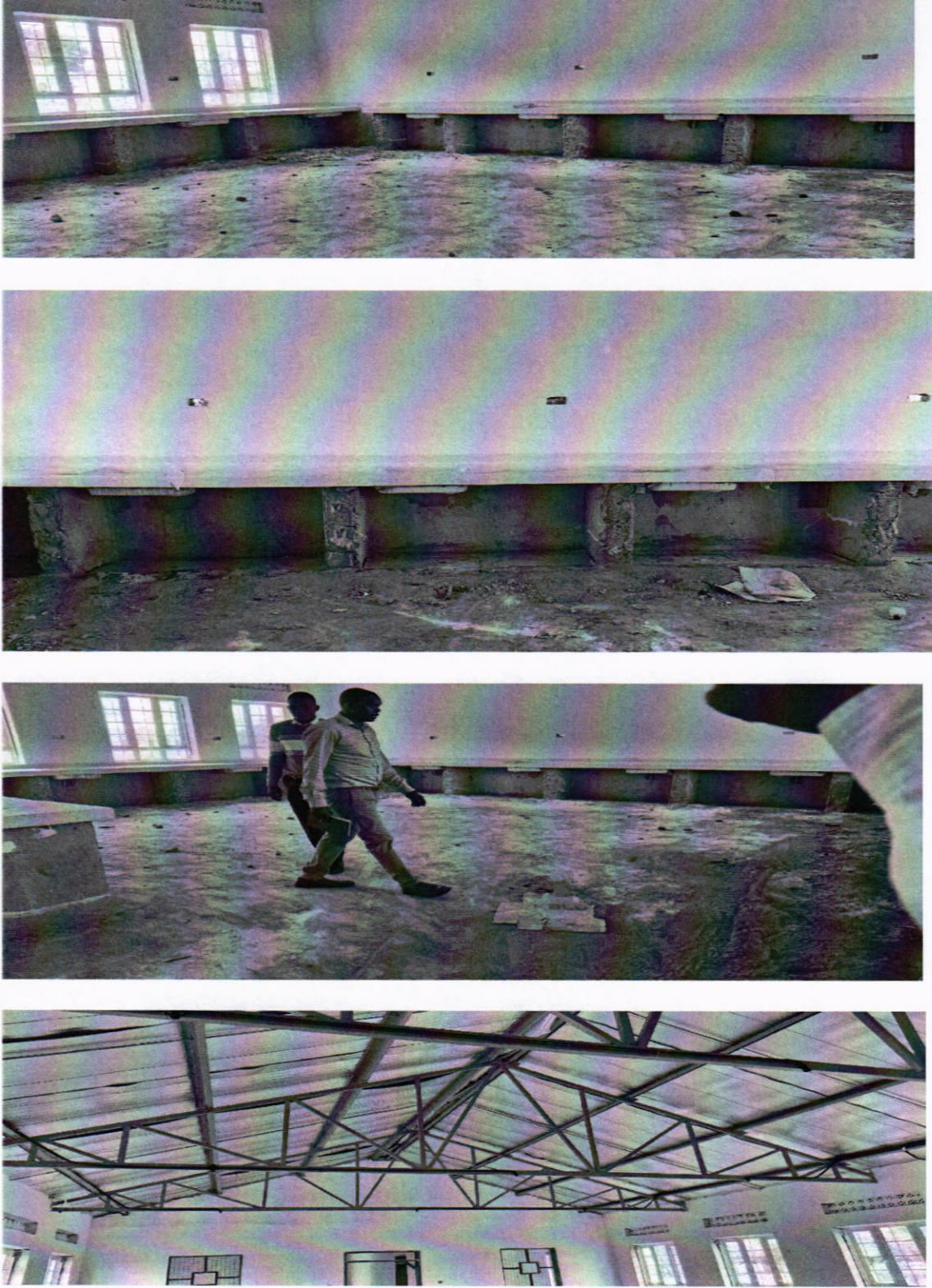
No.	Subject of Procurement
1.	<p data-bbox="292 770 536 808">Classroom blocks</p> 

No. Subject of Procurement

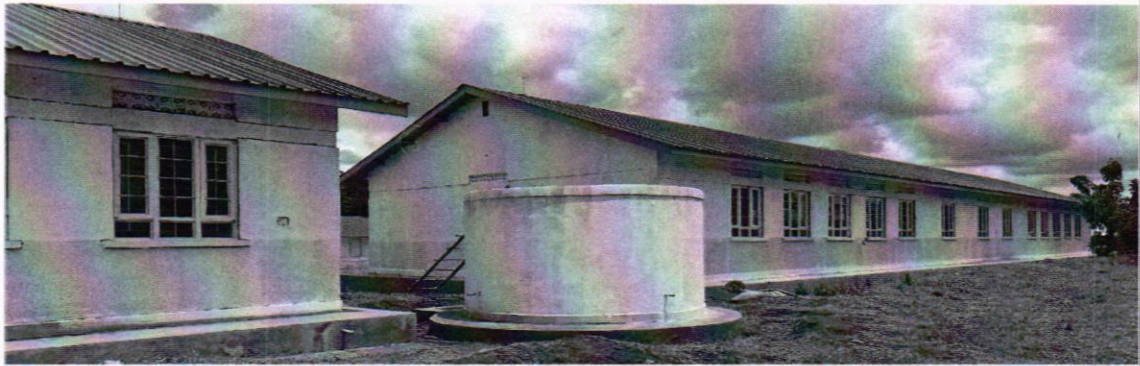
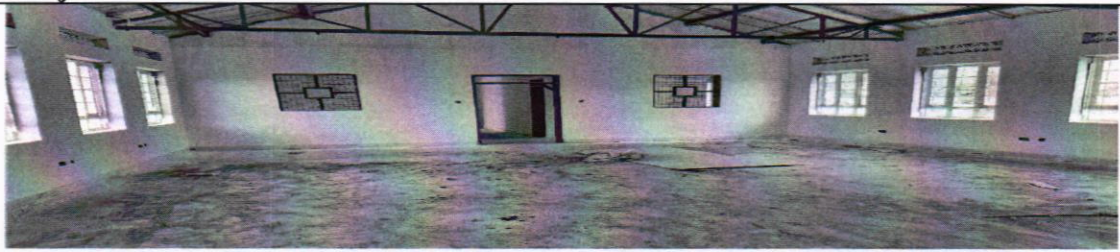


Laboratory and library Blocks




No.	Subject of Procurement
	



No.	Subject of Procurement
-----	------------------------



Teachers' staff houses, Kitchens and Latrines



No.	Subject of Procurement
	 A photograph of a white, two-story building with a flat roof, situated on a hillside. The building is partially obscured by dense green vegetation and trees. In the background, a large, rocky mountain peak is visible under a cloudy sky.
	Administration Block
	 A photograph of a long, single-story building with a corrugated metal roof and white walls. The building has several windows and a small porch. In the foreground, there are several large, dark-colored water tanks stacked together. The ground is dirt and gravel.
	 A photograph of a long, single-story building with a corrugated metal roof and white walls. In the foreground, there is a green concrete mixer truck. A person is walking on the dirt ground to the left of the mixer. The sky is cloudy.
	Contractor's storage

No.	Subject of Procurement
	 <p data-bbox="293 584 363 616">Field</p>  <p data-bbox="293 999 475 1030">Observations</p> <ul data-bbox="341 1039 1422 1518" style="list-style-type: none"> • Site was abandoned and no works were going on yet works had delayed by 175%-time progress yet physical progress was at 78%. • The external and interior of all the structures is not yet completed as the contractor has only done undercoat painting, no electrical installation. • The laboratory is incomplete as there is not electrical and laboratory installations made. • The school desks and office furniture had not yet been delivered. • Library books and computers had not been delivered. • The field had not been terraced. • Water tanks had not been installed. • The ESHS requirements had not been adhered to and there was bushy vegetation surrounding the staff latrines and the compound had not been cleared.

2.2 EFFECTIVENESS OF THE QUALITY, TIME AND COST CONTROLS

2.2.1 Expired Performance Security

It was noted that the Entity received a Performance Security dated 26th May 2023 worth UGX. 206,580,263 that was issued by Centenary Bank and expired on 26th May 2024 yet works were not completed and physical progress of works was at 78%.

Implication

Government of Uganda funds are exposed to a risk of financial loss in case the contractor does not fulfil their contractual obligations.

Management Response

Management observed the Authority's observation and stated that the contract was issued with instruction to renew the performance securing declaration where the contractor submitted a performance securing declaration in line with the presidential directive to MOFPED dated 23rd September 2024 as evidenced in annex 1

Authority's comment

The Entity's response was acknowledged however it was found to be unsatisfactory since no evidence of a performance declaration security was submitted as alluded to by the entity.

Recommendation

The Accounting Officer should always ensure that contractors submit to the entity renewed performance securities or signed performance declaration securities before expiry of the same which shall not be released until such a time when all contract obligations by the contractor have been fulfilled in accordance with Regulation 11 (5) of the PPDA(Contracts) Regulations, 2023.

2.2.2 Delayed Completion of works and abandonment of site

The Authority observed that whereas the contract signed between the Entity and the contractor indicated that the original contractual completion period was 18 months with an intended completion date of 21st June 2024 and was extended to 24th October 2024, it was observed that the works on site were incomplete and the site had been abandoned accounting for a time progress of 175% against physical progress of 78% contrary to Regulation 52 (3) (a) (i) of the PPDA (Contracts) Regulations 2023.

Implication

The delayed completion of works delays service delivery to the intended beneficiaries.

Management Response

Management acknowledged the Authority's observation and the contract manager has written to the contractor issuing instructions to resume works as evidenced in Annex 2 as the Entity also has pledged to strengthen contract supervision.

Authority's Comment

The Authority acknowledged the entity's response however found it unsatisfactory as there was no record of evidence of the contractor instructing the contractor to resume works under Annex 2 hence query was maintained.

Recommendation

1. The Accounting Officer should;
 - ii. Engage another contractor to finalize the remaining works using competitive methods provided for under Regulation 6 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023 so that the project can be handed over and commissioned for use by the intended beneficiaries.
 - iii. Strengthen contracts management in the Entity and task the Contract Management team to always execute their roles diligently accordance with Regulation 52 (1) of PPDA (Contracts) Regulations, 2023 including having the contractors comply with their obligations such as submitting renewed performance securities or performance declaration securities in time and executing works in time. The Contract Management team should also regularly monitor, supervise, prepare and share contract implementation progress reports and payment records. with the Accounting Officer and Procurement and Disposal Unit so that appropriate remedies to ensure effective contract implementation are deployed by the entity in time.
 - iv. Task the contract management team to show cause why disciplinary action should not be taken against for the inadequate contract supervision of the contractor contrary to Regulations 52(1) of the PPDA(Contracts) Regulations,2023.
2. The Contract Management team should also regularly monitor, supervise, prepare and share contract implementation progress reports and payment records. with the Accounting Officer and Procurement and Disposal Unit so that appropriate remedies to ensure effective contract implementation are deployed by the entity in time.
3. The Authority shall constitute a suspension hearing against the contractor Amuria Farmers and Transporters Ltd for abandonment of site and breach of contractual obligations in line with Section 128 (e) of the PPDA Act, Cap 205

2.2.3 Expired contract

The Authority noted that whereas the Entity extended the original contract completion date from 21st June 2024, to 24th October 2024. Works remained incomplete to date and the contract had expired with no evidence to justify why the contractor had not completed works as per the contractual period and neither was there any evidence provided in regard to remedies provided to the Entity.

Implication

Expiry of the contract yet works were incomplete indicated failure by the contractor to meet their contractual obligation hence delaying service delivery to the intended beneficiaries.

Management Response

Management acknowledged the Authority's observation and stated that this was due to: -

- i. Lack of capacity by the contractor and delay to deliver the specific colour of paint ordered from the factory including well-seasoned timber for furniture.*
- ii. The Entity engaged the contractor and extended the contract up to 28th February 2025 to enable successful completion of the remaining works and the contractor submitted a new works schedule which was the basis for extension of the contract.*

Authority's Comment

The Authority noted the Entity's response however did not find it satisfactory since no evidence for extension of the contact and new works schedule was submitted for verification as purported by the entity.

Recommendation

- The Accounting Officer should task the contract management team and all those staff appointed as contract managers in the entity to always perform their responsibilities in line with Regulation 52 of the PPDA (Contracts) Regulations 2023 and where there is need for contract extension, extension should be granted before contract expiry.

2.2.4 Missing Contract Management records

The Authority observed that the procurement action file lacked most vital contract management records such as; site meeting records, interim payment certificates, some progress reports and evidence of payments to the contractor. Some of these were; Progress reports prepared by the District Engineer dated 28th June 2024;

- ❖ Progress report prepared by the District Engineer dated 30th August 2024;
- ❖ Progress report prepared by the district Engineer dated 23rd January 2024,
- ❖ Progress report prepared by the district Engineer dated 12th December 2023,
- ❖ Interim certificates NO.1 to No.4.
- ❖ Payment vouchers (EFT No. 6428213 dated 18th July 2023 worth UGX. 397,314,464, EFT No. 6428213 dated 29th June 2023 worth UGX. 174,766,903, similar EFT for payment of UGX. 546,146,572, and EFT No. 6428213 paid on 18th July 2023 worth UGX. 397,314,464).

Implication

Such missing records compromise the audit trail may give room for unethical and fraudulent practices in the Entity.

Management response

Management acknowledged the Authority's observation and shall ensure that the procurement action files are complete and all documents are availed to the Procurement and Disposal Unit.

Recommendations

1. The Head Procurement and Disposal Unit should ensure that all procurement action files are complete with all documents in accordance with Section 33 (o) of the PPDA Act Cap 205.
2. The Accounting Officer should ensure that the contract management team and the Chief Finance Officer always share copies of payments records with the Procurement and Disposal Unit in order for procurement action files to be closed off in accordance with Regulation 52 (3) a (vii) of the PPDA (Contracts) Regulations, 2023.

1.3 ADHERENCE TO THE ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY SAFEGUARD REQUIREMENTS

1.3.1 Non-adherence to Environmental, Social, Health, and Safety (ESHS) safeguards

The contractor did not adhere to the following ESHS contract provisions and standards. Notably, the Project Management team that included the Community Development Officer and the Labour Officer signed on the Interim Payment Certificate No. 1 without ensuring that the contractor met these requirements:

(i) Failure to keep documentation of the site safety risks and concerns by the contractor's personnel in charge of ESHS

The contractor had demonstrated the availability of a Health, Safety and Environmental Coordinator who was in charge of the contractor's ESHS strategy. However, during a site visit by the Authority, it was observed that there was no log of the ESHS risks, accident and incident logs, grievance etc.

Implication

Inadequate safety practices can lead to unsafe work places, shutdowns, and the allocation of resources to address accidents or incidents that could have been prevented with proper safety measures.

Management response

Management acknowledged the Authority's observation and has directed the Community Development Officer in-charge labor affairs in future to assess the site ESHS risks from time to time and have the issues identified/ reported addressed promptly in liaison with the contractor's personnel in-charge.

Management shall going forward be committed to addressing the issues raised and/ or highlighted in the management letter for the financial year 2024/2025 to improve on procurement, financial, ESHS management, public accountability and service delivery.

Authority's Comment

The Authority noted the Entity's response and maintained the query for the Entity's compliance.

Recommendation

Task the Community Development Officer, Environment Officer and Labour Officer to assess

the site ESHS risks of the project to have them incorporated in the Bills of Quantities and later the ESMP of the project that will form a basis of regularly monitoring and reporting on the same during contract implementation so that appropriate compliance intervention can be put in place by the entity so that the Contractor adhere to them in accordance with Section 66 of the PPDA Act, Cap 205.

CHAPTER 3: CONTRACT CLOSURE AND AUDIT CONCLUSION

3.1 Contract Closure and Handover

The Entity's management letter response indicated that the outputs of the contract derived from the contractual obligation of the contractor had not been achieved since the contractor had abandoned site yet works were incomplete at the time of issuance of this report hence denying service delivery to the intended beneficiaries

3.2 Audit conclusion

The audit findings indicate that the contractor had not fully adhered to their contractual obligations such completing the works in time, failure to renew their performance security, and failure to adhere to the Environmental, Social, and Health Standards (ESHS) requirements which was partially attributed to weak and ineffective contract management at the entity.