



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**
"Procurement That Delivers"

**PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS
AUTHORITY**

**CONTRACT AUDIT INTO THE PROCUREMENT OF KATIKEKILE
SEED SECONDARY SCHOOL IN MOROTO DISTRICT**

**CONTRACTORS: M/S GEOMAX ENGINEERING LTD
M/S TESO GENERAL INVESTMENT LTD
M/S KDE BUILDERS & ENGINEERS LTD
M/S DIO BUILDERS & ENGINEERS LTD**

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ACRONYMS

BOQ	-	Bills of Quantities
GCC	-	General Conditions of the Contract
GESI	-	Gender Equality and Social Inclusion
ESHS	-	Environmental, Social, Health and Safety
GOU	-	Government of Uganda
MOES	-	Ministry of Education and Sports
PPDA Act	-	Public Procurement and Disposal of Public Assets Act No. 1 of 2003
PPDA	-	Public Procurement and Disposal of Public Assets Authority
SCC	-	Special Conditions of the Contract
UGX	-	Uganda Shillings
UGIFT	-	Uganda Intergovernmental Fiscal Transfer Program
VAT	-	Value Added Tax

EXECUTIVE SUMMARY

The Government of Uganda appropriated funds worth UGX. 701,975,492 to undertake the construction of Katitekile seed secondary school in Topac Sub County in Moroto 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 that was responsible for developing the Bills of Quantities, the bidding document. Moroto District Local Government was responsible for approving the bidding document, running the advert, conducting evaluation, signing of the contract as well as contract management.

Moroto District Local Government on 10th September 2018 placed an open bidding advert in the New vision newspaper inviting potential bidders to bid for construction works at Katitekile Seed Secondary School under lots specifically;

Lot -8 Construction of Boys dormitory (MORO538/WRKS/18-19/DG/00008).

Lot -9 Construction of Girls dormitory (MORO538/WRKS/18-19/DG/00009).

Lot-10 Construction of Library Block (MORO538/WRKS/18-19/DG/10).

Lot 11 Construction of Dining Hall and Kitchen (MORO538/WRKS/18-19/DG/11).

Subsequently the Entity entered in to contract with the following firms;

- i. Lot -8 Construction of Boys dormitory at Katitekile Seed SS (MORO538/WRKS/18-19/DG/00008) by M/s Kide Builders & Engineers Ltd
- ii. Lot -9 Construction of Girls dormitory at Katitekile Seed SS (MORO538/WRKS/18-19/DG/00009) M/s Dio Builders and Engineers Ltd.
- iii. Lot-10 Construction of Library Block at Katitekile Seed SS (MORO538/WRKS/18-19/DG/10) by M/s Teso General Investments Ltd
- iv. Lot 11 Construction of Dining Hall and Kitchen at Katitekile Seed SS (MORO538/WRKS/18-19/DG/11) by M/s Geomax Engineering Ltd.

The Authority was not availed the procurement action files for construction of the boys and girls 5 stance pit line VIP latrines, and construction one 2-unit science laboratory block and as such the audit team could not ascertain how the contractors had been procured.

In view of Section 7 (j) (ii) of the PPDA Act, 2003, 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 objective of the contract audit was to assess the level of achievement of value for money in terms of effectiveness, efficiency, economy and equity in contract execution.

Key findings of the Authority;

The Authority found the following exceptions;

1. The school had not been operationalised and was not in use since its completion in June 2019 due to delayed operationalization approvals and recruitment of teaching staff at the facility by

the Ministry of Education and Sports. This greatly affected the education service benefit to the intended beneficiaries and failure to achieve value for money.

2. The school had been neglected by the District Officials and was being misused by the locals to graze and keep their animals which led to dilapidation of the structures.
3. The Entity did not have an operation and maintenance plan for the school structures which has further led to deterioration of the structures integrity.
4. There was no formal appointment of a contract management team for this project by the Accounting Officer. This could have weakened effective contracts management and supervision of the project thus compromising the achievement of value for money.
5. The Authority noted poor record keeping of documents relating to the project such as progress reports and payments made to contractors which grossly compromised the audit trail. It was further noted that three procurement action files for the construction of a 5 stance pit latrine for boys, 5 stance pit latrine for girls and construction of a 2-unit science laboratory block were totally missing which compromised accountability of public funds and could be an indicator of unethical and fraudulent practises at the Entity.

Audit Conclusion

From the above findings;

- i. The school was completed in June 2019 but had not been operationalized and was not in use due to delayed operationalization approvals and recruitment of teaching staff at the facility by the Ministry of Education and Sports. It was also noted that there was no enrollment of students done.
- ii. The school structures were getting dilapidated as a result of misuse such as keeping and grazing of animals and also lack of a maintenance and operation plan over the years.
- iii. This project has not realised value for money and is of no benefit to the intended beneficiaries unless its fully operationalised and well maintained.
- iv. There was no accountability for public funds for the construction of a 5 stance pit latrine for the boys' and girls' latrine and the construction of a 2-unit science block.

The Ministry of Education and Sports and the UGFIT technical team is recommended to have a comprehensive technical visit to the site and urgently intervene to ensure full operationalization of the school facility to avoid further dilapidation, misuse and delivery of services to the intended beneficiaries.

Key Recommendations

In light of the above findings arising from the contract audit exercise and in accordance with Section 9 of the PPDA Act, 2003, the Authority recommends the following measures:

1. The Ministry of Education and Sports and the UGFIT technical team is recommended to have a comprehensive technical visit to the site and urgently intervene to ensure full operationalization of the school facility to avoid further dilapidation, misuse and delivery of services to the intended beneficiaries.
2. The District Administration should be held responsible for neglecting the school that got misused by the local community that kept and grazed animals at the school premises which led to deterioration and dilapidation of the structures.

3. The District Administration should come up with an operation and maintenance plan that will be used to keep the structures in condition to avoid unnecessary dilapidation.
4. The Accounting Officer should always ensure that a contract management team is appointed after contract signing and a contract implementation plan prepared to ensure effective management and supervision of the works as per the contract in accordance with Regulation 119 (1) and (9) of the Local Governments (PPDA) Regulations, 2006.
5. The Office of the Inspectorate of Government should investigate the matter of the three missing procurement action files for the Construction of a 2-unit science laboratory and that for the construction of a 5 stance lined VIP latrine block for boys and that for girls.
6. The Head Procurement and Disposal Unit / contract management team should ensure that all records are maintained on their respective action files in accordance with Section 31(o) of the PPDA Act 2003.

1.0 CHAPTER 1: INTRODUCTION

1.1 Background

The Government of Uganda appropriated funds worth UGX. 701,975,492 to undertake the construction of Katitekile Seed Secondary school (construction of boys' dormitory, construction of girls' dormitory, construction of a library block and construction of a dining hall and kitchen), in Topac Sub County in Moroto 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 that was responsible for developing the Bills of Quantities, the bidding document. Moroto District Local Government was responsible for approving the bidding document, running the advert, conducting evaluation, signing of the contract as well as contract management.

Moroto District Local Government on 10th September 2018 placed an open bidding advert in the New vision newspaper page 23 inviting potential bidders to bid for works under lots specifically;

Lot -8 Construction of Boys dormitory at Katitekile Seed SS (MORO 538/WRKS/18-19/DG/00008).

Lot -9 Construction of Girls dormitory at Katitekile Seed SS (MORO538/WRKS/18-19/DG/00009).

Lot-10 Construction of Library Block at Katitekile Seed SS (MORO538/WRKS/18-19/DG/10).

Lot 11 Construction of Dining Hall and Kitchen at Katitekile Seed SS (MORO538/WRKS/18-19/DG/11).

On 5th December 2018, Entity entered in to contracts with the following firms;

1. Lot 8 Construction of Boy's Dormitory by M/s Kide Builders & Engineers Ltd at UGX. 176,664,644
2. Lot 9. Construction of Girls' Dormitory by M/s Dio Builders and Engineers Ltd at UGX. 141,460,471
3. Lot 10. Construction of a library block by M/s Teso General Investments Ltd at UGX. 168,400,667 and
4. Lot 11 Construction of Dining Hall & Kitchen by M/s Geomax Engineering Ltd at UGX. 215,449,710

The Authority also noted that the boys and girls 5 stance pit line VIP latrines, and construction one 2-unit science laboratory block had been constructed. However, the procurement files for these were not availed to the Authority and as such the audit team could not ascertain how the contractors had been procured.

In view of Section 7 (j) (ii) of the PPDA Act, 2003, the Public Procurement and Disposal of Public Assets Authority (hereinafter "PPDA or the Authority") conducted a contract audit into the abovementioned contracts.

1.2 Laws applicable

The applicable laws and legal framework were:

- i. The Public Procurement and Disposal of Public Assets Act, 2003 as amended;
- ii. The Local Governments (PPDA) Regulations, 2006;
- iii. The Local Governments (PPDA) Guidelines, 2008; and
- iv. The circular on contract management and safeguard requirements under Uganda Intergovernmental Fiscal Transfer (UGIFT) program dated 16th March 2021.

1.3 Objectives

The overall objective of the contract audit was to assess the status of contract implementation for the construction of a seed secondary school at in Topac Sub County in Moroto District with emphasis on verification that all parties to the contract had complied with the requirements and standards set forth in the contract and the provisions of the PPDA law and UGIFT guidelines. The specific objectives of the contract audit were:

- i. To assess the progress of works for the construction of a seed secondary school in Topac Sub County in Moroto District.
- ii. To assess timeliness of contract implementation;
- iii. To assess whether the project costs are within the contract price;
- iv. To assess adherence to Environmental, Social, Health and Safety (ESHS) requirements; and
- v. To recommend actions for operationalization of the school.

1.4 Scope of the Audit

The audit covered the the review of the contract document, contract implementation and management records for the construction a seed secondary school in Topac Sub County in Moroto District Local Government. Specifically, the scope included; assessing the contract management system, obligations of the provider, obligations of the Entity, contract closure, and undertaking a value for money assessment in order to address the audit objectives such as assessing the progress of works, timelines of contract implementation, assessing whether the project costs incurred were within market, adherence to Environmental, Social, Health and Safety (ESHS) requirements as well as making appropriate recommendations.

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

- i. The contract audit was undertaken by auditors who did not have professional competence in engineering and building construction. We 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.

- ii. Three procurement action files for the construction two five stance lined VIP pit latrines (one for boys and another for girls) and construction of a two-unit laboratory science block were not provided by the Entity to the audit team. Therefore, the team could not make comprehensive review of the procurement process that led to these works.

CHAPTER 2: FINDINGS AND RECOMMENDATIONS

This chapter details the findings and recommendations out of the contract audit having assessed the contract management system, obligations of the provider, obligations of the Entity, contract closure, and undertaking a value for money assessment in order to address the audit objectives such as determining the progress of works, timelines of contract implementation, assessing whether the project costs incurred were within market, adherence to Environmental, Social, Health and Safety (ESHS) requirements as well as making appropriate recommendations.

2.1 CONTRACT SUMMARY.

The Entity entered in the various contracts with the following contractors indicated in Table 1 below:-

Table 1: Contract Summary

NO.	Subject of Procurement	Contractor	Lot No.	Contract Amount in UGX.	Date of contract signing & commencement	Contract End date
1.	Construction of Boy's Dormitory	M/s Kide Builders & Engineers Ltd	Lot 8	176,664,644	5 th December 2018	5 th March 2019
2.	Completion of Girls' Dormitory	M/s Dio Builders and Engineers Ltd	Lot 9	141,460,471	5 th December 2018	5 th March 2019
3.	Construction of a library block	M/s Teso General Investments Ltd	Lot 10	168,400,667	5 th December 2018	5 th March 2019
4.	Construction of Dining Hall & Kitchen	M/s Geomax Engineering Ltd	Lot 11	215,449,710	5 th December 2018	5 th March 2019
5.	5 stance latrine for Boys	NIL		NIL	NIL	Missing procurement action file
6.	5 stance latrine for Girls	NIL		NIL	NIL	Missing procurement action file
7.	One 2 unit science laboratory block	NIL		NIL	NIL	Missing procurement action file
Defects Liability period 90 days						
Project Manager: Orup Ceasar (District Engineer)						

NO.	Subject of Procurement	Contractor	Lot No.	Contract Amount in UGX.	Date of contract signing & commencement	Contract End date
1.	Construction of Boy's Dormitory	M/s Kide Builders & Engineers Ltd	Lot 8	176,664,644	5 th December 2018	5 th March 2019
2.	Completion of Girls' Dormitory	M/s Dio Builders and Engineers Ltd	Lot 9	141,460,471	5 th December 2018	5 th March 2019
3.	Construction of a library block	M/s Teso General Investments Ltd	Lot 10	168,400,667	5 th December 2018	5 th March 2019
4.	Construction of Dining Hall & Kitchen	M/s Geomax Engineering Ltd	Lot 11	215,449,710	5 th December 2018	5 th March 2019
NB: No contract management records such as progress reports and payment documents were availed to the audit team.						

2.2 CONTRACT MANAGEMENT SYSTEM

2.2.1 Failure to nominate and appoint a contracts management team

The audit team observed that there was no evidence of nomination and appointment of a contract supervisor and contract management team contrary to the PPDA circular No. 3 of 2019 on the implementation of procurements under the UGIFT program for results that required the Accounting Officer to have appointed the following as part of the contracts management team.

- i. Accounting Officer
- ii. District Engineer
- iii. District Education Officer,
- iv. District Environmental Officer
- v. District Community Officer
- vi. Sub County Chief
- vii. Clerk of Works
- viii. Representative from the line ministry

Implication

This increased the risks in derailing the project from realizing an effective contract supervision or contract monitoring process which could be attributed to the failure to attain quality of works and value for money.

Management Response

Management acknowledged the above observation from the auditors that the contract management team was not appointed. However the project was supervised by the District

Engineer and the Assistant Engineering Officer from the Ministry of Education and Sports as indicated in letter from MOES (Annex I)

Authority's comment;

The Authority appreciated the Entity's response and noted limited knowledge of the UGIFT contracts management and implementation structure by the Entity.

Recommendation

The Accounting Officer should always ensure that a contract management team is formally appointed and a contract implementation plan prepared to ensure management and supervision of the works on in accordance with Regulation 119 (1) of the Local Governments (PPDA) Regulations, 2006 and contractual obligations.

2.2.2 Failure to prepare contract Implementation Plans

The audit team observed that the Mr. Ceasar Orup (District Engineer) that supervised the project did not prepare contract implementation plans upon contract signing between the Entity and the contractors.

Implication

Failure to prepare contract implementation plans by the District Engineer compromised the efficiency and quality contract supervision and management during the execution of the contract by the Contractor.

Management response

Management acknowledged the auditor's observation and records are now in different files and have been acquired for verification.

Authority's comment;

The Authority appreciated the Entity's response and noted that all the missing records referred to were not submitted to the Authority in the Entity's management response letter. Thus response was unsatisfactory.

Recommendation

The Accounting Officer should prevail over contract supervisors to ensure that upon receipt of a copy of the signed contract, preparation of a contract implementation plan is immediately done in accordance with Regulation 119 (3) of the Local Governments (PPDA) Regulations, 2006.

2.2.3 Failure to prepare contract progress and management reports

The audit team observed that Mr. Ceasar Orup (District Engineer) did not prepare the contract progress/management reports.

Implication

Lack of contract management reports/progress reports and other records casts doubt on whether contracts were executed in accordance with contractual requirements, terms and conditions. This also compromise accountability of public funds.

Management response

Management acknowledged the auditor's observation and records are now in different files and have been acquired for verification.

Authority's comment;

The Authority found the Entity response unsatisfactory since all the missing records referred to were not provided to the Authority for verification as part of the entity's management response.

Recommendation

The Accounting Officer should prevail over contract supervisors to always submit progress reports/contract management reports and all contract implementation documentation to the Procurement and Disposal Unit in accordance with Regulation 119 (10) (f) of the Local Governments (PPDA) Regulations, 2006.

2.3 OBLIGATIONS OF THE ENTITY

The following anomalies were found in fulfilment of the Entity's contractual obligations and duties to protect the interests of the Entity:

2.3.1 Lack of evidence of payment to contractors for implemented works done

The audit team observed that there was no sufficient evidence on file indicating that all the works done by the different contractors had been paid for despite preparation of interim payment certificates by Mr. Ceasar Orup (District Engineer/Project Manager) as indicated in Table 2 below:

Table 2: Status of payment of contractors on the procurement files

NO.	CONTRACTOR	WORKS	CONTRACT VALUE (UGX)	PAYMENT CERTIFICATE ON FILE	STATUS ON ACTION FILES
1.	M/s Geomax Engineering Ltd	Construction of Dining Hall & Kitchen	215,449,710	<ul style="list-style-type: none">• UGX.121,580,946 prepared on 14th May 2019.• UGX.93,868,764 prepared on 14th June 2019.	There was no evidence of payment to the contractor.
2.	M/s Teso General Investments Ltd	Construction of a library block	168,400,667	<ul style="list-style-type: none">• UGX.113,031,981 prepared on 28th March 2019.• UGX.55,368,415 prepared	There was no evidence of payment to the contractor.

NO.	CONTRACTOR	WORKS	CONTRACT VALUE (UGX)	PAYMENT CERTIFICATE ON FILE	STATUS ON ACTION FILES
				on 14 th June 2019.	
3.	M/s Kide Builders & Engineers Ltd	Construction of Boy's Dormitory	176,664,644	<ul style="list-style-type: none"> UGX. 73,827,054 prepared on 13th March 2019. UGX.102,718,746 prepared on 14th June 2019. 	There was no evidence of payment to the contractor.
4.	M/s Kide Builders & Engineers Ltd	Completion of Girls' Dormitory	141,460,471	<ul style="list-style-type: none"> UGX. 34,929,180 prepared on 13th March 2019. UGX.106,530,282 prepared on 14th June 2019. 	There was no evidence of payment to the contractor.

Implication

No payment or delayed payment of contractors may compromise the quality of works to be done and also delay project completion thus denying the intended beneficiaries timely services.

Recommendation

The Accounting Officer should direct the Finance Department to always share copies of payments records with the Procurement and Disposal Unit in order for procurement action files to be closed off.

Management Response

Management acknowledged the auditors' observations however payment records were with finance department and were attached in Annex 3.

Authority's comment;

The Authority found the Entity response unsatisfactory since the records were not submitted to the Authority for verification as part of the management responses ascertain proof of payment of contractors.

2.3.2 Poor record keeping and missing records

The audit team observed that three procurement files specifically for the construction of a 5 stance lined pit latrine for boys, construction of a 5 stance lined pit latrine for girls and construction of One 2-unit science laboratory block were missing . The other four (4) procurement action files worth UGX. 701,975,492 lacked contract management records, site meeting minutes, handover reports, and payment records on file as indicated in Table 3 below:-

Table 3: Missing records

NO	SUBJECT OF PROCUREMENT	CONTRACT VALUE (UGX)	CONTRACTOR	MISSING RECORDS
1.	Construction of 5 stance lined VIP latrine Block – Boys	NIL	NIL	<ul style="list-style-type: none"> ▪ Procurement file missing completely.
2.	Construction 5 stance lined VIP latrine Block – Girls	NIL	NIL	<ul style="list-style-type: none"> ▪ Procurement file missing completely.
3.	Construction of One 2 unit science laboratory	NIL	NIL	<ul style="list-style-type: none"> ▪ Procurement file missing completely..
4.	Construction of Dining Hall & Kitchen	215,449,710	M/s Geomax Engineering Ltd	<ul style="list-style-type: none"> ▪ Issued Bill of Quantities (BOQs) ▪ CC Minute Approving Solicitation Document, method of procurement, and members of the Evaluation committee. ▪ Issued Bid document to bidders. ▪ CC minute approving evaluation report. ▪ Performance Security. ▪ Appointment of contract supervisor. ▪ site meeting minutes. ▪ Progress reports prepared. ▪ Payment records. ▪ Evidence of handover records.

NO	SUBJECT OF PROCUREMENT	CONTRACT VALUE (UGX)	CONTRACTOR	MISSING RECORDS
				<ul style="list-style-type: none"> ▪ Operation and maintenance plan
5.	Construction of a library block	168,400,667	M/s Teso General Investments Ltd	<ul style="list-style-type: none"> ▪ Issued Bill of Quantities (BOQs). ▪ CC approval of procurement method, SBD and EC. ▪ Copy of Bid documents issued. ▪ Contracts Committee of approval evaluation report. ▪ Performance Security. ▪ Appointment of contract supervisor. ▪ Site meeting minutes ▪ Progress reports. ▪ Records of payment of Interim Certificates and all payment records. ▪ Records of completion certificates. ▪ Evidence of Handover records. ▪ Operation and maintenance plan.
6.	Construction of Boy's Dormitory	176,664,644	M/s Kide Builders & Engineers Ltd	<ul style="list-style-type: none"> ▪ Issued Bill of Quantities (BOQs). ▪ CC approval of Contracts Committee approval of Solicitation Document, method of procurement, and members to constitute the Evaluation

NO	SUBJECT OF PROCUREMENT	CONTRACT VALUE (UGX)	CONTRACTOR	MISSING RECORDS
				Committee. <ul style="list-style-type: none"> ▪ Issued Bid document to bidders. ▪ Contracts Committee approval of the evaluation report. ▪ Record of Performance Security. ▪ Nomination and appointment of contract supervisor. ▪ site meeting minutes. ▪ Progress reports. ▪ Payment records ▪ Evidence of Handover records. ▪ Operation and maintenance plan.
7.	Completion of Girls' Dormitory	141,460,471	M/s Dio Builders and Engineers Ltd	<ul style="list-style-type: none"> ▪ Issued Bill of Quantities (BOQs) ▪ Contracts Committee approval of procurement procedures. ▪ Issued Bid document ▪ Performance Security. ▪ Appointment of contract supervisor. ▪ Site meeting minutes. ▪ Progress reports. ▪ Payment records. ▪ Operation and maintenance plan ▪ Evidence of Handover records.
	Sub Total	701,975,492		

Implication

Such missing records and files compromise the principle of accountability for public funds and could give room for unethical and fraudulent practices in the Entity.

Management Response

Management acknowledged the observation of the auditors however stated that the missing records such as Contracts Committee minutes, records of site meetings, payment of interim certificates and all payments were in different files.

Authority's comment;

The Authority noted the Entity's response which had only certificates of practical completion prepared by Mr. Ceasar Orup (District Engineer) for construction of boys' dormitory dated 14th June 2019 by Kide Builders & Engineers Ltd worth UGX. 176,664,644, construction of library block dated 14th June 2019 by Teso General Investments Ltd worth UGX. 168,400,667, completion of girls' dormitory dated 14th June 2019 for M/s Dio Builders & Engineers Ltd worth UGX. 141,490,471 and construction of dining hall and kitchen dated 14th June 2019 for M/s Geomax Engineering Ltd worth UGX. 215,449,710.

The Authority did not receive any other contract management records including payment records and the missing three files for the following works: -

- Construction of five stance latrine toilet for boys.
- Construction of Five stance latrine for girls.
- One 2 Unit Science Laboratory block.

Recommendations

1. The Office of the Inspectorate of Government should investigate the matter of the three missing procurement action files for the Construction of a 2-unit science laboratory and that for the construction of a 5 stance lined VIP latrine Block for boys and another for girls.
2. The Head Procurement and Disposal Unit should ensure that procurement action files are complete with all documents in accordance with Section 31 (o) of the PPDA Act 2003.
3. The Accounting Officer should direct the District Engineer and Finance Department to always avail all contract management records to the Procurement and Disposal Unit.

2.4 Dilapidating structures.

The school was found in a very sorry state with poorly maintained structures that were being used by local community to graze and keep animals. Some cracks were noted in some structures such as cracked walls of the 5 stance lined pit latrines for the boys and girls, floor the classroom blocks and the dining hall.

Implications

- Shoddy works and poor maintenance structures compromises the achievement of value for money and deny the intended beneficiaries the desired quality of services. There is a great risk of increased costs to be spent to rectify the defects on the project.

Management Response

Management acknowledged the observation of the audit team that consisted from the physical verification of the facility where there were visible cracks at both the 5 stance lined pit latrines for the boys and girls, cracks on the floor of the classroom blocks and the dining hall. The Entity recalled the contractors to make good of the works done and have since fixed the defects.

Authority's comment;

The Authority appreciates the Entity's response however maintains the finding as there was no sufficient record or evidence to back up the claim that the defects were fixed by the contractors.

Recommendation

The Accounting Officer should in writing require the two contractors' M/s Geomax Engineering Uganda Limited, contractors of the 5 stance lined VIP latrine Blocks for the boys and girls respectively, and M/s Kide Builders & Engineers Ltd to fix and repair out all shoddy and maintenance works. Failure by the contractors to fix their shoddy and carry out maintenance works should cause the Accounting Officer to submit them to PPDA for black listing /suspension for shoddy works in accordance with Regulation 60 (7) of the Local Governments (PPDA) Regulations 2006.

2.5 CONTRACT CLOSURE

2.5.1 Handover of Outputs

The outputs of the contract were to be completed by the contractors within the completion date of 5th March 2019, however most works were completed by June 2019.

The audit team however through interviewing the Chief Administrative Officer and District Engineer were informed that there hadn't been a formal handover of the facility by the contractors to Moroto District Local Government and there was no official handover and commissioning.

2.5.2 Management of Defects Correction Period

The contractors did not fix the respective defects on the school facilities since completion of works in June 2019. The defects liability period was 90 days which were too short for such a project. The defects identified were after the expiry of the defects liability period and the District did not plan for any maintenance of the facility to cater for such eventualities. The District should come up with an operations and maintenance plan for the structure.

2.5.3 Provider Appraisal

The contractors did not fix the respective defects on the school facilities since completion of works in June 2019. The defects liability period was 90 days from completion which expired.

2.6 VALUE FOR MONEY ASSESSMENT

This section assessed whether Government of Uganda realized value for money out of this contract.

Overall, Government has not achieved value for money out of this project since the project had not delivered the intended objective to the community as per the value for money indicators reported on below:

2.6.1 Economy

This section looked at whether the works were executed at the lower cost possible given the desired quality and whether the contract management was undertaken in such a manner to minimize the costs but maximize the benefits.

The Authority found that most of the works involved were completed by June 2019. Despite this, the Authority observed that the delayed operationalization of the school since June 2019 which has immensely affected value for money and the intended services delivery.

2.6.2 Efficiency

This section looked at whether the contract was completed or scheduled to be completed within original implementation time and work schedules.

The Authority found that most of the works involved were completed after the contractual completion date of 5th March 2019 and instead completed by June 2019. However, the audit team after interviewing the Accounting Officer and District Engineer were informed that there was no official hand over of the facility by the contractors and also handover by the Entity to the intended beneficiaries. Despite this, the Authority observed that the delayed operationalization of the school since June 2019 created significant risks such as vandalism and dilapidation of the school facilities.

2.6.3 Effectiveness

This section looked at whether the originally intended measurable benefits/objectives had been realized/met or whether there were significant risks and uncertainties (threats) to realizing intended benefits/objectives).

The Authority noted that the project objective was not realized since the school had not been commissioned, handed over and operationalized since its completion in June 2019.

2.6.4 Equity

This section reports on whether the interests of the vulnerable groups had been catered for. The Authority found that there was no evidence of community sensitization and community engagement on social and gender issues.

2.7 Other Key Observation

2.7.1 Delayed authorization of facility, recruitment of teaching staff and creation of a payment vote for the school by Ministry of Education and Sports

The audit team observed that since the completion of works in June 2019 and from physical verification that was done on 8th November 2022, the school had not been operationalized and the facility was not being utilized. This was due to the following issues as was stated by the Technical management team of the District and as was evidenced by Entity's letters dated 22nd

April 2021 and 5th January 2022 from the Chief Administrative Officer to the Ministry of Education and Sports.

- i. The Seed school had not been commissioned
- ii. Teachers and other staff had not been recruited and posted to the School.
- iii. The School had not been given a salary vote/code
- iv. There was no enrolment of students done.

As a result of the non-operationalization of the school, some locals resorted to misusing the school structures to keep and graze animals.

Implications

- This exposes the entity to a risk of further depreciation of the facility and risk of vandalism of the school property or facilities.
- The continued delay to operationalize the school facility since 2019 has immensely affected the education service benefit to the intended beneficiaries and has denied community to achieve value for money.

Management Response

Management acknowledged the observation of the audit team however after several communications with the Ministry of Education on the operationalization of Katikekile Seed School, the school is in the process of being coded and teachers have been posted by the Ministry of Education to commence operation as indicated in Annex 2.

Authority's comment;

The Authority appreciates the Entity's response however maintains the finding due to insufficient response by the Entity as there was no evidence availed to the Authority that the school has been operationalized and is being utilized. The Entity's management letter indicated Annex 2 that showed the request to the line ministry requesting for operationalization and Annex 4 that was an announcement dated 9th February 2023 written by Mr. Ariz Coxtan (Head teacher) announcing the general public that the school will be open for Senior One admission on 20th February 2023. The Authority without submitted evidence of the required authorization from Ministry of Education and Sports and recruitment of the headmaster and teaching staff by the District Service Commission retained the query.

Recommendations

1. The Ministry of Education and Sports, the Ministry of Works and Transport and the UGFIT technical team should have a comprehensive technical visit to the site and urgently intervene in enabling the operationalization of the school facility as the continued delay shall greatly increase the physical dilapidation of the school's structures and continue to deny service delivery to the intended beneficiaries.
2. The Ministry of Education and Sports together with the Education Service Commission should ensure that teachers are recruited and posted to the facility in a bid to operationalize it.

2.8 OVERALL AUDIT CONCLUSION

From the above findings;

- i. The school had been completed in June 2019 but had not been operationalized and was not in use due to delayed operationalization approvals and recruitment of teaching staff at the facility by the Ministry of Education and Sports. It was also noted that there was no enrollment of students done.
- ii. The school structures were getting dilapidated as a result of misuse such as keeping and grazing of animals at the premises and also lack of a maintenance and operation plan over the years.
- iii. This project has not realised value for money and is of no benefit to the intended beneficiaries unless its fully operationalised and well maintained.
- iv. There was no accountability for public funds for the construction of a 5 stance pit latrine for the boys' and girls' latrine and the construction of a 2-unit science block.

The Ministry of Education and Sports and the UGFIT technical team is recommended to have a comprehensive technical visit to the site and urgently intervene to ensure full operationalization of the school facility to avoid further dilapidation, misuse and delivery of services to the intended beneficiaries.

The above issues if not remedied shall greatly affect the intention of the construction of the school and the Entity risks failure to achieve value for money.

CHAPTER 3: FINDINGS AND RECOMMENDATIONS TO THE MINISTRY OF EDUCATION AND SPORTS

In accordance with Section 9 of the PPDA Act, 2003 the Authority recommends the following measures:

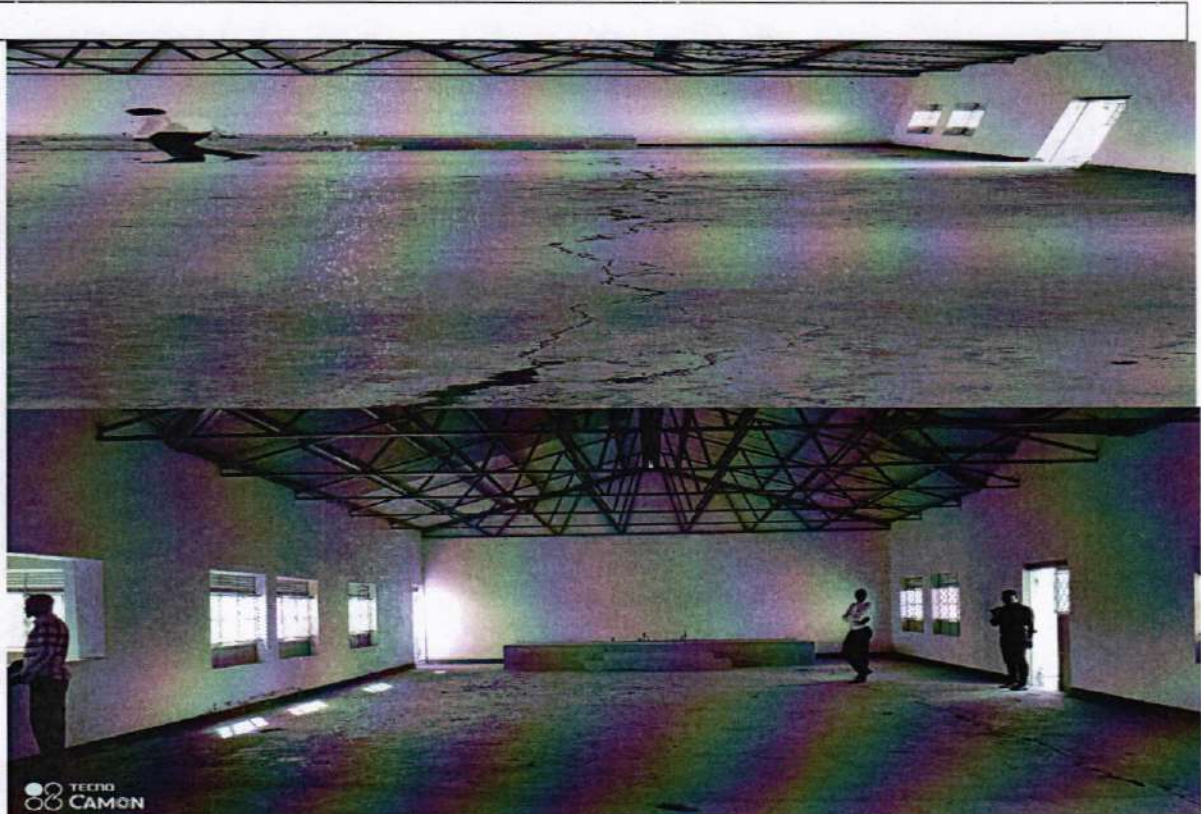
1. The Ministry of Education and Sports, the Ministry of Works and Transport and the UGFIT technical team should have a comprehensive technical visit to the site and urgently intervene in enabling the operationalization of the school facility as the continued delay shall greatly increase the physical dilapidation of the school's structures and continue to deny service delivery to the intended beneficiaries.
2. The Ministry of Education and Sports together with the Education Service Commission should ensure that teachers are recruited and posted to the facility in a bid to operationalize it.
3. The Ministry of Education and Sports should consider planning for the construction of staff quarters at the school in order to motivate them to operate in such a difficult environment and in future consider construction of dormitories for the students since concentration of students in Karamoja region is compromised by the domestic chores at home.

APPENDICES

APPENDIX 1: STATUS OF IMPLEMENTATION OF WORKS

This appendix shows images of the project site taken during the audit site visit conducted jointly by the audit team and representatives of the Entity management on 8th November 2022:

Physical verification and status of the project site /school



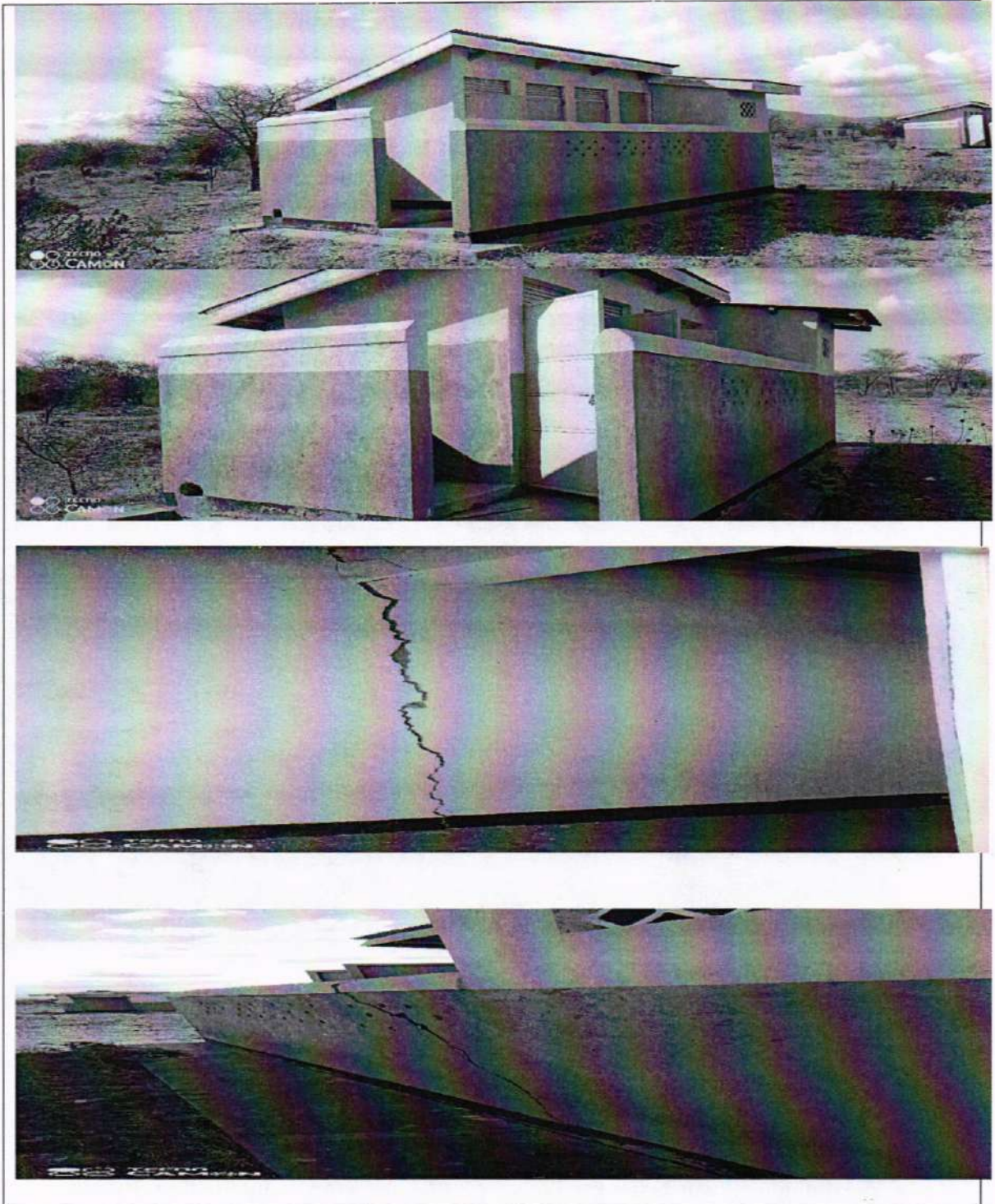
Dining and kitchen hall

M/s Geomax Engineering Ltd

Construction of Dining Hall & Kitchen UGX. 215,449,710

Findings;

- Cracked floor
- Paint was peeling off.
- The walls were being infested with termites' moulds
- The dining hall was being used to keep cattle compromising the floor further





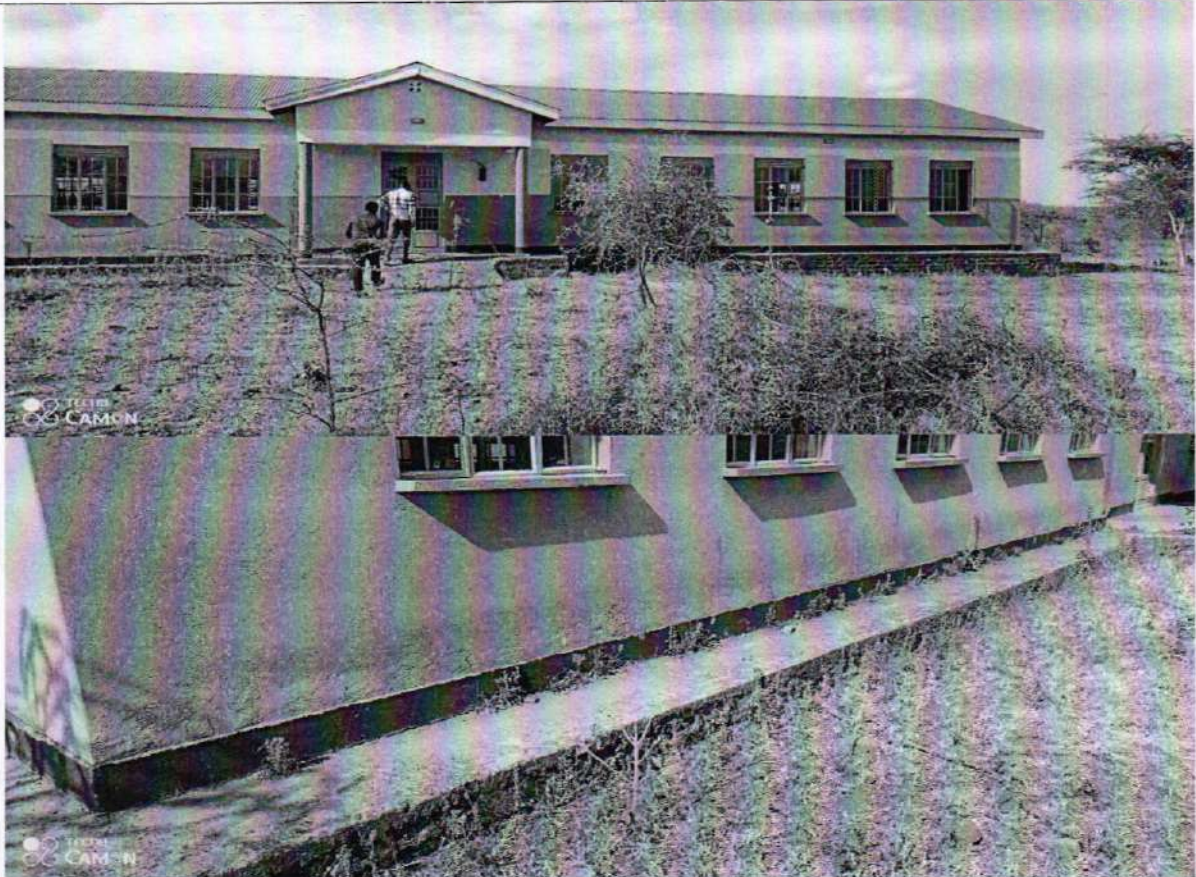
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5 stance VIP Latrine for Boys and 5 stance VIP latrine for Girls

Findings;

- Cracks on external walls and interior walls
- Lack of man haul covers
- Open soak pits.
- Lack of wash hand tanks
- There were no labels made.



**M/s Kide Builders & Engineers Ltd,
Completion of Girls' Dormitory
UGX. 141,460,471**

Findings;

- Broken windows
- Incomplete works on the veranda and ramp that have never been completed by the contractor.
- Paint was peeling off



School compound and structures

Findings;

- There were no lightening conductors for the staff room, girls' dormitory, boys' dormitory, and laboratory.
- There were no rain water harvesting facilities such as gutters on all structures

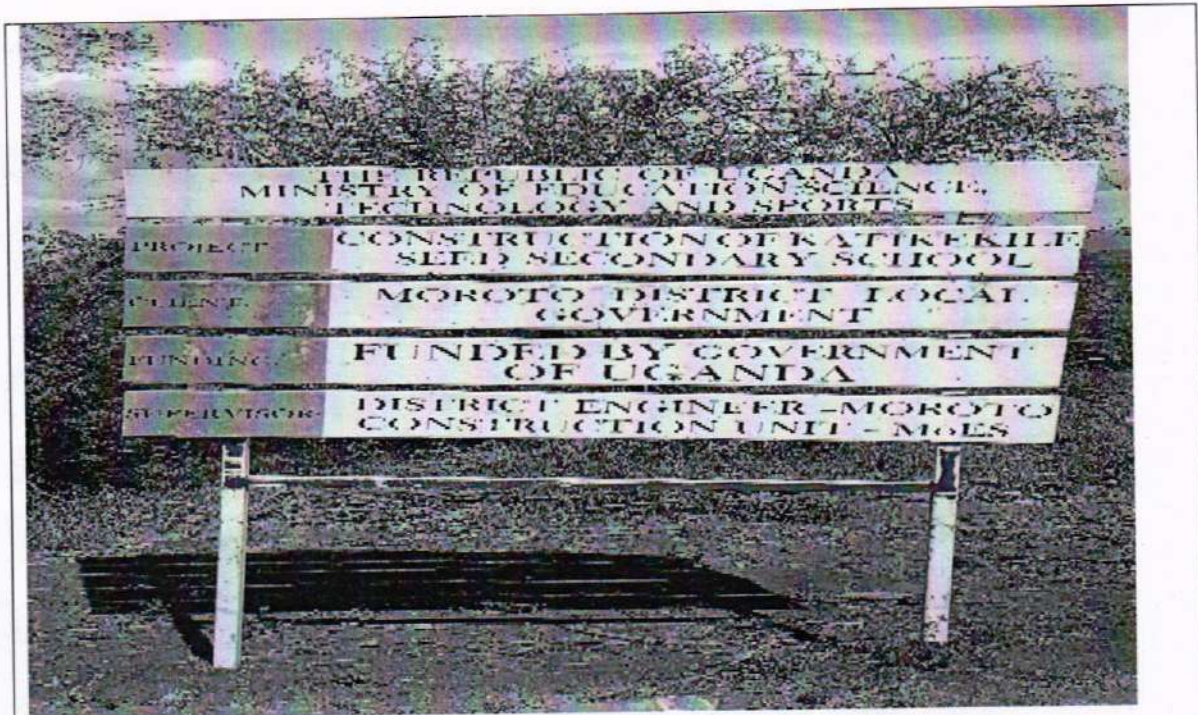
- There was no fencing wall or fencing wire mesh and gate to protect the school facility.
- There were no trees planted hence no environmental measures established.



Laboratory

Findings;

- Lack of gutters and water collection pipe for the 10,000 litres tank installed
- Water taps, bunsen burner fittings, and electric installation were never installed.
- Paint was peeling off.



Construction sign Post

Finding;

- Lack of social awareness such as HIV awareness etc