PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY
"Regulating for Results"

CONTRACT AUDIT REPORT ON THE CONSTRUCTION OF KIRU SEED SECONDARY SCHOOL IN ABIM DISTRICT LOCAL GOVERNMENT

CONTRACTOR: VISVAR INVESTMENT LIMITED

JUNE 2026

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ACRONYMS

BOQs	-	Bills of Quantities
ESHS	-	Environmental, Social, Health and Safety
PPDA	-	Public Procurement and Disposal of Public Assets Authority
UgIFT	-	Uganda Intergovernmental Fiscal Transfer
UGX	-	Uganda Shillings
VAT	-	Value Added Tax

EXECUTIVE SUMMARY

On 27th November 2024, Abim District Local Government entered into a contract with Visvar Investment Limited for the Construction of Kiru Seed Secondary School at a cost of UGX 3,325,000,000 with an intended completion period of 18 months.

In accordance with Section 8 (1) (j) (ii) of the PPDA Act, Cap. 205, the Public Procurement and Disposal of Public Assets Authority conducted a contract audit for the Construction of Kiru Seed Secondary School in Abim District Local Government, with an overall objective of assessing 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 Law and UgIFT Guidelines

The Authority noted the following exceptions:

1. **Inadequate contract monitoring and supervision.** Regulation 52 (1) of the PPDA (Contracts) Regulations, 2023 requires the contract manager to manage the obligations and duties of the Procuring and Disposing Entity as specified in the contract and to ensure that the provider performs the contract in accordance with its terms and conditions. However, the Authority identified gaps in contract monitoring and supervision, including the absence of contract management records such as progress reports, measurement sheets, payment records, site meeting minutes, and program of works updates. These gaps indicate inadequate contract monitoring and supervision and may lead to poor contract performance.

2. **Noncompliance with the Environmental, Social, Health and Safety (ESHS) safeguards.** Regulation 37(2)(i) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, requires that the work be environmentally and socially responsive. During a site inspection on 20th November 2025, the Authority observed anomalies regarding the ESHS requirements, including the absence of an Environmental and Social Management Plan (ESMP) to guide the implementation of environmental and safety measures, contrary to GCC 29 of the signed contract. Workers lacked personal protective equipment, such as helmets, and the site was not fully hoarded off. The health, safety, and security of workers, the community, and on-site materials were compromised.

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

1. The Accounting Officer should;
    i. Enforce a mandatory reporting system for both the Contractor and the Contract Manager in accordance with Section 52(3)(g) of the PPDA (Contracts) Regulations, 2023.
    ii. Task the contract manager to show cause why disciplinary action should not be taken against him for failing to maintain and archive contract management records in line with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations 2023

2. The Contract Managers should;
    i. Organise monthly site meetings with all key stakeholders to review project progress, address challenges, assess work quality, and identify any deviations from the plan. This

will ensure that timely, appropriate actions are taken to resolve issues and keep the project on track.

ii. Always require the contractor to implement the ESMP to protect the environment; take all reasonable precautions to maintain the health and safety of the contractor's personnel and visitors on site; and put in place safety measures and protocols during the execution of the works in accordance with Section 66 of the PPDA Act, Cap. 205

CHAPTER ONE: INTRODUCTION

1.1 Background

The Government of Uganda received a loan from the World Bank to fund the Uganda Intergovernmental Fiscal Transfer (UgIFT) Program for the construction of Seed Secondary Schools in selected districts. Abim District Local Government was one of the beneficiaries.

On 27th November 2024, Abim District Local Government entered into a contract with Visvar Investment Limited for the Construction of Kiru Seed Secondary School at a cost of UGX 3,325,000,000 with an intended completion period of 18 months.

In accordance with Section 8 (1) (j) (ii) of the PPDA Act, Cap. 205, the Public Procurement and Disposal of Public Assets Authority conducted a contract audit for the Construction of Kiru Seed Secondary School in Abim District Local Government, with an overall objective of assessing 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 Law and UgIFT Guidelines

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 PPDA Regulations 2023;
iii. The bidding document issued to bidders;
iv. The signed contract between Abim District Local Government and Visvar Investment Limited and;
v. The Circular on contract management and safeguard requirements under the Uganda Inter-Governmental Fiscal Transfer (UglFT) program dated 16th March 2021.

1.3 Objectives

The overall objective of the contract audit was to assess the status of contract implementation, with an emphasis on verifying that all parties to the contracts had complied with the requirements and standards set out in the contract and with the provisions of the PPDA laws and UgIFT guidelines.

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

1. Progress of the works.
2. Effectiveness of cost and quality control of works undertaken.
3. Adherence to Environmental, Social, Health, and Safety (ESHS) requirements.

1.4 Scope of the Inspection

The Inspection covered the implementation and management of the contract for the Construction of Kiru Seed Secondary School in Abim District Local Government.

1.5 Audit Methodology

The Authority adopted the following methodology:

Between 18th and 20th November 2025, one Senior Officer-Performance Monitoring and two Officers-Performance Monitoring conducted the audit exercise under the supervision of the Regional Manager.

During the exercise, the team reviewed the signed contract, contract implementation records, and any correspondence related to the matter, and conducted a physical verification of the project site to obtain sufficient evidence to support the audit conclusions.

Following completion of the fieldwork, the PPDA Officers debriefed the Accounting Officer on **21st November 2025**. The Management Letter was issued on **1st April 2026**, and the Entity responded on **22nd May 2026**. This report sets out the findings and recommendations arising from the audit exercise.

1.6 Limitation of Scope

The contract audit was conducted by auditors who lacked professional competence in engineering and building construction. The audit team could not conclusively opine on the technical quality of the works undertaken. The overall responsibility for the quality of the works undertaken lies with the Entity management and the contractor.

CHAPTER TWO: FINDINGS AND RECOMMENDATIONS

2.1 ASSESSMENT OF THE PROGRESS OF WORKS

i. Contract summary

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

Table 1: Contract summary for Construction of Kiru Seed Secondary School

Entity	Abim District Local Government
Contract Title	Construction of Kiru Seed Secondary School in Abim District
Name of the Contractor	Visvar Investment Limited
Type of Contract	Admeasurement contract
Original Contract Value exclusive of VAT	UGX 3,325,000,000
Addendum No. 1 -Variation	UGX 221,113,997
New contract price	UGX 3,546,113,997
Contract Signature Date	27th November 2024
Commencement Date	27th November 2024
Original Contract End Date	27th May 2026 (18 months as per SCC (GCC) 22)
Defects liability period	12 months
Contract Outputs/ Deliverables	(see works table below)

Works Description	**Amount (UGX)**
Preliminaries	95,634,913
Site levelling works	23,100,000
Three 2-classroom blocks	553,939,170
One 2-Unit Science Laboratory Block	355,265,220
One Administration Block	210,546,340
Three 2-Unit Teachers House	591,320,640
Three 2-Unit Teachers Kitchen	146,956,590
One 2-Stance Lined VIP Latrine at Administration Block	24,462,570
Three Two-Stance Lined VIP Latrine Block for Teachers House	92,471,610
One Five Stance Lined VIP Latrine Block for Boys	49,213,200
One Five Stance Lined VIP Latrine Block for Girls	49,213,200
External works	43,470,000
One rain water harvest system with 5000 litres Tank	8,145,000
One ICT library Block	717,149,170
One Multipurpose Hall	322,445,710
One sports field	50,000,000
Sub Total 1	**3,333,333,333**
VAT 18%	166,666,667

	TOTAL AMOUNT (after negotiations)	**3,325,000,000**
Status (as per Activity Supervision Report dated)	Time Progress – 106% Physical progress – Could not be determined because the auditors were not technical, there were no progress reports or measurement sheets available, and the contractor was not on site to estimate the physical progress	
Securities		

Security	Status
Performance security (3% of contract price)	UGX 99,975,000 submitted on 5th December 2024 and expiring on 30th June 2026
ES Performance Security (2% of contract price)	UGX 66,500,000 submitted on 5th December 2024 and expiring on 30th June 2026
Advance Payment Security (20% of contract price)	UGX 665,000,000 submitted on 5th December 2024 and expiring on 30th June 2026

Project Management Team appointed on 28th November 2024	Contract manager; District Education Officer Project manager; District Engineer

ii. Progress of works

The Authority reviewed the contract documents and contract management records and conducted a physical inspection of the project on 20th November 2025 to assess the time, physical, and financial progress of the works. In addition, the Entity's Engineer provided an update on the project's physical progress on 17th June 2026, which was used to establish the current implementation status.

The Authority could not assess the project's financial progress because no payment records were available. Tables 2 and 3 show the time and physical progress as of 17th June 2026

a) Time progress

Section 51 of the PPDA Act, Cap. 205 requires that all procurement and disposal proceedings be conducted in a manner that promotes economy, efficiency, and value for money. The Authority noted that the Entity entered into a contract with Visvar Investment Limited on 27th November 2024 to execute the project within 18 months, with the original completion date set for 27th May 2026. Before the expiry of the initial contract period, the contract was extended by three (3) months. Accordingly, the contract remained valid as of 17th June 2026. Consequently, a total of 19 months had elapsed since contract commencement, representing 106% of the original contract duration. The project timeline is presented in Table 2 below.

Table 2: Time Progress as at 17th June 2026

Contract Start Date	27th November 2024
Original Contract End Date	27th May 2026
Contract Extension No. 1	3 months up to 27th August 2026
Measurement Date for works	Measurement sheets and progress reports were not provided
Contract Period (Months)	18 months
Time Lapse (Months)	19 months, contract extended for three months
Time Progress	106%.

b) Physical progress

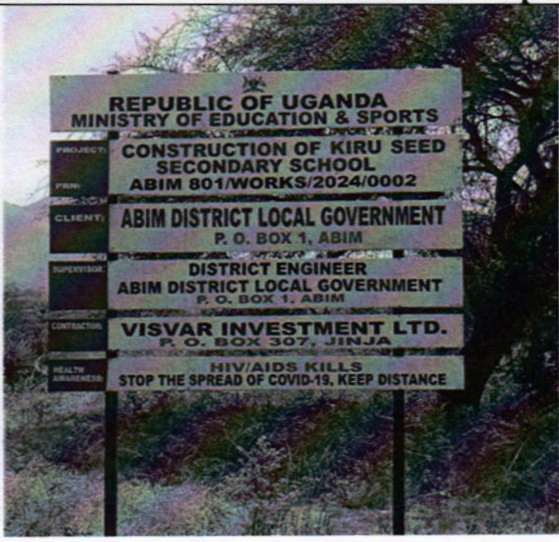
Section 51 of the PPDA Act, Cap. 205 states that "*all procurement and disposal shall be conducted in a manner that promotes economy, efficiency, and value for money.*" The Authority noted that the contract had an initial completion period of 18 months, which expired on 27th May 2026, and was extended by three months, ending on 27th August 2026. However, as of 17th June 2026, there was significant outstanding work relative to the contract extension period.

Table 3: Physical Progress as at 17th June 2026

Contract Amount	UGX 3,325,000,000
Measured/Valued works as at 17th June 2026, as per the Engineer's measurements.	There were no progress reports or measurement sheets to confirm the project's current status.
Physical Progress based on measured/valued works as of 17th June 2026	There were no progress reports or measurement sheets to confirm the project's current status.
On-site physical progress	Could not be determined because the auditors were not technical, there were no progress reports or measurement sheets available, and the contractor was not on site to estimate the physical progress

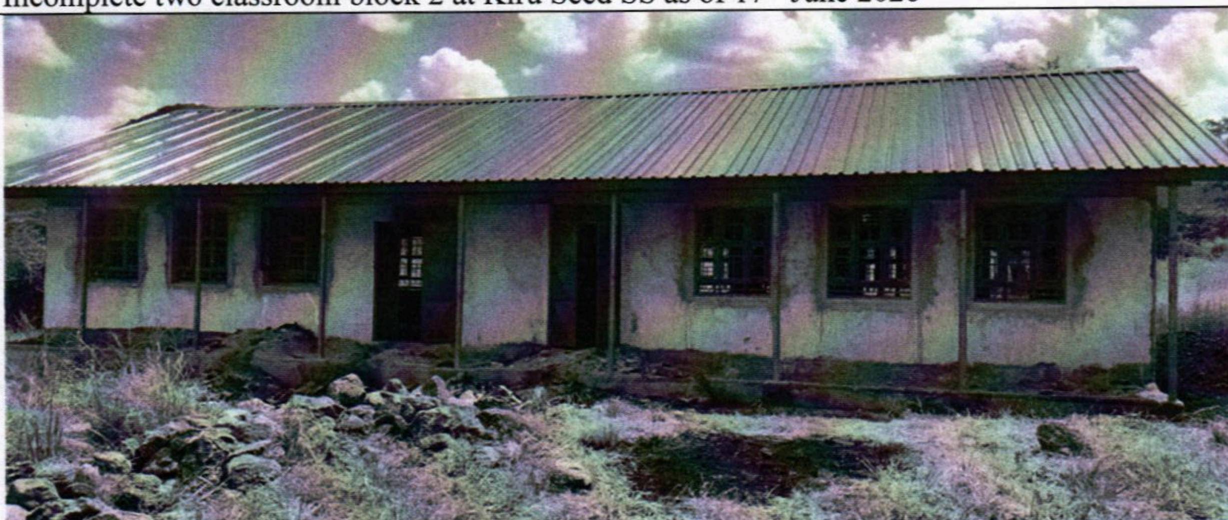
Table 4 below shows the physical progress of the project as of 17th June 2026

Table 4: Construction of Kiru Seed SS pictures as of 17th June 2026



Incomplete two classroom block 1

Incomplete two classroom block 2 at Kiru Seed SS as of 17th June 2026



Incomplete two classroom block 3 at Kiru Seed SS as of 17th June 2026


Incomplete multipurpose hall as of 17th June 2026

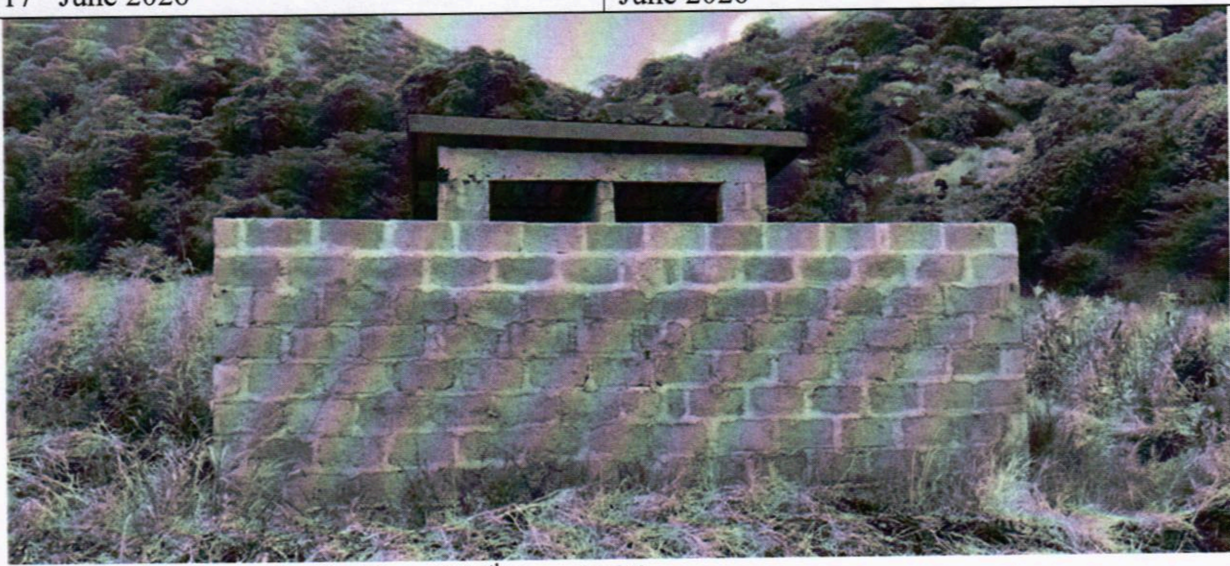

Incomplete Administration block as of 17th June 2026


Incomplete Science lab as of 17th June 2026

Incomplete ICT/Library as of 17th June 2026

Incomplete 5-stance latrine for Girls as of 17th June 2026

Incomplete 5-stance latrine for Boys as of 17th June 2026



Incomplete 2 stance for Staff as of 17th June 2026

Incomplete Teacher's house 1 as of 17th June 2026

Incomplete Teacher's house 2 as of 17th June 2026

Incomplete Teacher's house 3 as of 17th June 2026

2.2 EFFECTIVENESS OF THE QUALITY, TIME, AND COST CONTROLS

2.2.1 Inadequate contract monitoring and supervision

Regulation 52(1) of the PPDA (Contracts) Regulations, 2023 requires the contract manager to manage the obligations and duties of the Procuring and Disposing Entity as specified in the contract and to ensure that the provider performs the contract in accordance with its terms and conditions. However, the Authority identified gaps in contract monitoring and supervision, including the absence of contract management records such as progress reports, measurement sheets, payment records, site meeting minutes, and program of works updates, indicating inadequate monitoring and supervision.

Implication

This may result in poor contract performance

Management response

The findings and recommendations of the audit team are noted.

At the time of the audit, the required information was unavailable. All required information, as listed below, is now available for audit verification. i. Progress reports, ii. invitations, iii. attendance and minutes of site meetings, iv. payment details, including measurement sheets, v. quality control test results, vi. updated work schedules, vii. Instructions to the contractor.

Authority's comment

The Authority noted the entity's response; however, the documents referenced above were not provided for verification, as alleged.

Recommendation

1. The Contract Manager should, in future, hold monthly site meetings with all key stakeholders to review project progress, address challenges, assess work quality, and identify any

deviations from the plan. This will ensure that timely, appropriate actions are taken to resolve issues and keep the project on track.

2. The Accounting Officer should;
   - Enforce a mandatory reporting system for both the Contractor and the Contract Manager in accordance with Section 52(3)(g) of the PPDA (Contracts) Regulations, 2023
   - Task the contract manager to show cause why disciplinary action should not be taken against him for failing to maintain and archive contract management records in line with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023

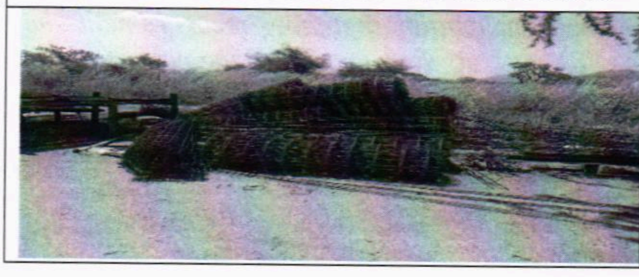
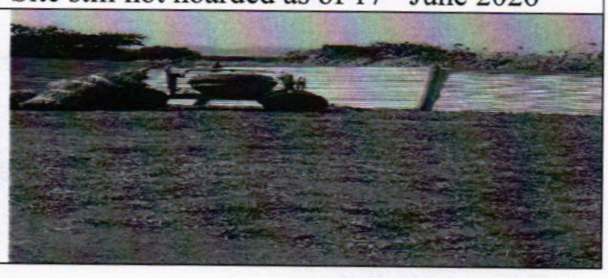
2.3 ADHERENCE TO THE ENVIRONMENTAL, SOCIAL, HEALTH, AND SAFETY SAFEGUARD REQUIREMENTS

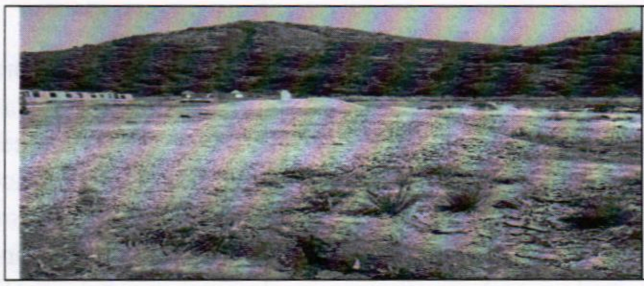
2.3.1 Non- compliance with the Environmental, Social, Health and Safety (ESHS) safeguards

Regulation 37(2)(i) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, requires that the work be environmentally and socially responsive. The Authority observed the following anomalies regarding the ESHS requirements during a site inspection on 20th November, 2025.

- There was no Environmental and Social Management Plan (ESMP) in place to guide the implementation of measures addressing environmental and safety issues, contrary to GCC 29 of the signed contract.
- The workers had no personal protective equipment, such as helmets.
- The site was not hoarded off, as shown in Table 5 below.

Table 5: Images showing the **site not fully hoarded off**

 Site not hoarded off as of 20th November 2025	 Site still not hoarded as of 17th June 2026
	

Implications
The health, safety and security of the workers, the community and materials on site were compromised.

Management response
The findings and the recommendations of the Audit team are noted.

- *At the time of the audit, the Environmental and Social Management Plan (ESMP) was not accessible. However, the Environmental and Social Management Plan (ESMP), including implementation progress, is now available for audit verification.*
- *The contractor had been instructed to ensure all workers on site have personal protective equipment as discussed in one of the site meetings, and as a result, some of the workers were issued with personal protective equipment.*
- *In one of the site meetings, this was discussed, and they promised to complete the hoarding. No payment will be made against that item until it is complete.*

Authority's comment
The Authority noted the entity's response; however, the entity did not provide any evidence for verification.

Recommendation
The Contract Manager should always require the contractor to implement the ESMP to protect the environment; take all reasonable precautions to maintain the health and safety of the contractor's personnel and visitors on site; and put in place safety measures and protocols during the execution of the works in accordance with Section 66 of the PPDA Act, Cap. 205.

CHAPTER 3: AUDIT CONCLUSION

In summary, as at 17th June 2026, the project had been under implementation for 19 months, against the original contractual period of 18 months, representing 106% of the contract duration elapsed. Although the contractual completion date of 27th August 2026 had not yet been exceeded due to a three-month extension, the auditors were unable to independently verify the actual physical progress of the works because no progress reports, measurement sheets, or other supporting documentation were available for review, and the audit team lacked the technical expertise required to assess the extent of completion. Nevertheless, a physical inspection of the site revealed substantial outstanding works relative to the remaining extension period. This raises concerns about the likelihood of timely completion and the achievement of value for money, contrary to the requirements of Section 51 of the PPDA Act, Cap. 205, which requires public procurement to be conducted in a manner that promotes economy, efficiency, and value for money.

Furthermore, the Authority was unable to comprehensively assess and verify the actual status of the works because key contract management records, including progress reports, measurement sheets, and payment documentation, were unavailable. The absence of these records undermined effective contract monitoring, accountability, transparency, and informed decision-making during implementation. Accordingly, the Authority concludes that contract management and record-keeping for the project were inadequate and may expose the Entity to risks of delays, disputes, and challenges in accurately determining the status and value of the works executed.

In light of the above, the Accounting Officer should implement the Authority's recommendations herein in order to realise the project's objectives

(31)

PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY

Procurement That Delivers

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29th June 2026

The Chief Administrative Officer,
Abim District Local Government,
P.O. Box 1
ABIM

CONTRACT AUDIT REPORT ON THE CONSTRUCTION OF KIRU SEED SECONDARY SCHOOL IN ABIM DISTRICT LOCAL GOVERNMENT

Reference is made to the above subject:

The Government of Uganda appropriated UGX 3,325,000,000 to undertake the phased construction of Kiru Seed Secondary School in Abim District. The 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 27th November 2024, Abim District Local Government entered into a contract with Visvar Investment Limited for the Construction of Kiru Seed Secondary School at a cost of UGX 3,325,000,000, with an intended completion period of 18 months.

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.

From the contract audit conducted, the Authority noted the following exceptions:

1. **Inadequate contract monitoring and supervision.** Regulation 52(1) of the PPDA (Contracts) Regulations, 2023 requires the contract manager to manage the obligations and duties of the Procuring and Disposing Entity as specified in the contract and to ensure that the provider performs the contract in accordance with its terms and conditions. However, the Authority identified gaps in contract monitoring and supervision, including the absence of contract management records such as progress reports, measurement sheets, payment records, site meeting minutes, and program of works updates. These gaps indicate inadequate contract monitoring and supervision and may lead to poor contract performance.

Head Office
PPDA - URF Towers, Plot 39 Nakasero Road
P.O Box 3925, Kampala Uganda
Tel: +256-414-311100
Email: info@ppda.go.ug

Western Regional Office
RDC's Building, Bishop Stretcher Road, Opposite BOU Currency Centre, Mbarara-Kabale Road
P.O. Box 1353, Mbarara, Uganda
Tel: +256-417-733800
Email: mbararaoffice@ppda.go.ug

Northern Regional Office
Plot 1, Lower Churchill Drive
P.O. Box 999, Gulu, Uganda
Tel: +256-417-432010
Email: guluoffice@ppda.go.ug

Eastern Regional Office
Oval Plaza, Plot 1, Court Road
P.O. Box 2173, Mbale, Uganda
Tel: +256-417-890100
Email: mbaleoffice@ppda.go.ug

PPDA Uganda @PPDAUganda PPDA Uganda info@ppda.go.ug www.ppda.go.ug

2. **Noncompliance with the Environmental, Social, Health and Safety (ESHS) safeguards.** Regulation 37(2)(i) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, requires that the work be environmentally and socially responsive. During a site inspection on 20th November 2025, the Authority observed anomalies in relation to the ESHS requirements, including the absence of an Environmental and Social Management Plan (ESMP) to guide the implementation of environmental and safety measures, contrary to GCC 29 of the signed contract. Workers lacked personal protective equipment, such as helmets, and the site was not fully hoarded off. The health, safety, and security of workers, the community, and on-site materials were compromised.

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

1. The Accounting Officer should;
    i. Enforce a mandatory reporting system for the Contractor and the Contract Manager in accordance with Section 52(3)(g) of the PPDA (Contracts) Regulations, 2023.
    ii. Task the contract manager to show cause why disciplinary action should not be taken against him for failing to maintain and archive contract management records in line with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations 2023

2. The Contract Managers should;
    - Organise monthly site meetings with all key stakeholders to review project progress, address challenges, assess work quality, and identify any deviations from the plan. This will ensure that timely, appropriate actions are taken to resolve issues and keep the project on track.
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This is to inform you of the findings and recommendations of the Authority, as detailed in the attached contract audit report. As the Accounting Officer, you are responsible for the overall procurement process in your Entity and are therefore required to ensure that the recommendations and the specific actions in this report are implemented by the responsible persons within the specified period.

The Authority shall undertake a follow-up to ascertain the status of implementation of the recommendations. You are expected to submit to the Authority a status of implementation of the recommendations within four months from the date of receipt of the letter

Dr. Aloysius M. Byaruhanga
FOR: EXECUTIVE DIRECTOR

c.c. The Permanent Secretary and Secretary to the Treasury –MoFPED
c.c. The Auditor General,

c.c. The Permanent Secretary, Ministry of Local Government
c.c. The Permanent Secretary, Ministry of Education and Sports

Encl. *Contract Audit Report of Kiru Seed Secondary School in Abim District Local Government*

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OF PUBLIC ASSETS AUTHORITY
"Regulating for Results"

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

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CHAPTER ONE: INTRODUCTION

1.1 Background

The Government of Uganda received a loan from the World Bank to fund the Uganda Intergovernmental Fiscal Transfer (UgIFT) Program for the construction of Seed Secondary Schools in selected districts. Abim District Local Government was one of the beneficiaries.

On 27th November 2024, Abim District Local Government entered into a contract with Visvar Investment Limited for the Construction of Kiru Seed Secondary School at a cost of UGX 3,325,000,000 with an intended completion period of 18 months.

In accordance with Section 8 (1) (j) (ii) of the PPDA Act, Cap. 205, the Public Procurement and Disposal of Public Assets Authority conducted a contract audit for the Construction of Kiru Seed Secondary School in Abim District Local Government, with an overall objective of assessing 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 Law and UgIFT Guidelines

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 PPDA Regulations 2023;
iii. The bidding document issued to bidders;
iv. The signed contract between Abim District Local Government and Visvar Investment Limited and;
v. The Circular on contract management and safeguard requirements under the Uganda Inter-Governmental Fiscal Transfer (UglFT) program dated 16th March 2021.

1.3 Objectives

The overall objective of the contract audit was to assess the status of contract implementation, with an emphasis on verifying that all parties to the contracts had complied with the requirements and standards set out in the contract and with the provisions of the PPDA laws and UgIFT guidelines.

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

1. Progress of the works.
2. Effectiveness of cost and quality control of works undertaken.
3. Adherence to Environmental, Social, Health, and Safety (ESHS) requirements.

1.4 Scope of the Inspection

The Inspection covered the implementation and management of the contract for the Construction of Kiru Seed Secondary School in Abim District Local Government.

1.5 Audit Methodology

The Authority adopted the following methodology:

Between 18th and 20th November 2025, one Senior Officer-Performance Monitoring and two Officers-Performance Monitoring conducted the audit exercise under the supervision of the Regional Manager.

During the exercise, the team reviewed the signed contract, contract implementation records, and any correspondence related to the matter, and conducted a physical verification of the project site to obtain sufficient evidence to support the audit conclusions.

Following completion of the fieldwork, the PPDA Officers debriefed the Accounting Officer on **21st November 2025**. The Management Letter was issued on **1st April 2026**, and the Entity responded on **22nd May 2026**. This report sets out the findings and recommendations arising from the audit exercise.

1.6 Limitation of Scope

The contract audit was conducted by auditors who lacked professional competence in engineering and building construction. The audit team could not conclusively opine on the technical quality of the works undertaken. The overall responsibility for the quality of the works undertaken lies with the Entity management and the contractor.

CHAPTER TWO: FINDINGS AND RECOMMENDATIONS

2.1 ASSESSMENT OF THE PROGRESS OF WORKS

i. Contract summary

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

Table 1: Contract summary for Construction of Kiru Seed Secondary School

Entity	Abim District Local Government
Contract Title	Construction of Kiru Seed Secondary School in Abim District
Name of the Contractor	Visvar Investment Limited
Type of Contract	Admeasurement contract
Original Contract Value exclusive of VAT	UGX 3,325,000,000
Addendum No. 1 -Variation	UGX 221,113,997
New contract price	UGX 3,546,113,997
Contract Signature Date	27th November 2024
Commencement Date	27th November 2024
Original Contract End Date	27th May 2026 (18 months as per SCC (GCC) 22)
Defects liability period	12 months
Contract Outputs/ Deliverables	(see below)

Works Description	Amount (UGX)
Preliminaries	95,634,913
Site levelling works	23,100,000
Three 2-classroom blocks	553,939,170
One 2-Unit Science Laboratory Block	355,265,220
One Administration Block	210,546,340
Three 2-Unit Teachers House	591,320,640
Three 2-Unit Teachers Kitchen	146,956,590
One 2-Stance Lined VIP Latrine at Administration Block	24,462,570
Three Two-Stance Lined VIP Latrine Block for Teachers House	92,471,610
One Five Stance Lined VIP Latrine Block for Boys	49,213,200
One Five Stance Lined VIP Latrine Block for Girls	49,213,200
External works	43,470,000
One rain water harvest system with 5000 litres Tank	8,145,000
One ICT library Block	717,149,170
One Multipurpose Hall	322,445,710
One sports field	50,000,000
Sub Total 1	**3,333,333,333**
VAT 18%	166,666,667

	TOTAL AMOUNT (after negotiations)	**3,325,000,000**
Status (as per Activity Supervision Report dated)	Time Progress – 106% Physical progress – Could not be determined because the auditors were not technical, there were no progress reports or measurement sheets available, and the contractor was not on site to estimate the physical progress	
Securities	**Security** / **Status** Performance security (3% of contract price): UGX 99,975,000 submitted on 5th December 2024 and expiring on 30th June 2026 ES Performance Security (2% of contract price): UGX 66,500,000 submitted on 5th December 2024 and expiring on 30th June 2026 Advance Payment Security (20% of contract price): UGX 665,000,000 submitted on 5th December 2024 and expiring on 30th June 2026	
Project Management Team appointed on 28th November 2024	Contract manager; District Education Officer Project manager; District Engineer	

Securities:

Security	Status
Performance security (3% of contract price)	UGX 99,975,000 submitted on 5th December 2024 and expiring on 30th June 2026
ES Performance Security (2% of contract price)	UGX 66,500,000 submitted on 5th December 2024 and expiring on 30th June 2026
Advance Payment Security (20% of contract price)	UGX 665,000,000 submitted on 5th December 2024 and expiring on 30th June 2026

ii. Progress of works

The Authority reviewed the contract documents and contract management records and conducted a physical inspection of the project on 20th November 2025 to assess the time, physical, and financial progress of the works. In addition, the Entity's Engineer provided an update on the project's physical progress on 17th June 2026, which was used to establish the current implementation status.

The Authority could not assess the project's financial progress because no payment records were available. Tables 2 and 3 show the time and physical progress as of 17th June 2026

a) Time progress

Section 51 of the PPDA Act, Cap. 205 requires that all procurement and disposal proceedings be conducted in a manner that promotes economy, efficiency, and value for money. The Authority noted that the Entity entered into a contract with Visvar Investment Limited on 27th November 2024 to execute the project within 18 months, with the original completion date set for 27th May 2026. Before the expiry of the initial contract period, the contract was extended by three (3) months. Accordingly, the contract remained valid as of 17th June 2026. Consequently, a total of 19 months had elapsed since contract commencement, representing 106% of the original contract duration. The project timeline is presented in Table 2 below.

Table 2: Time Progress as at 17th June 2026

Contract Start Date	27th November 2024
Original Contract End Date	27th May 2026
Contract Extension No. 1	3 months up to 27th August 2026
Measurement Date for works	Measurement sheets and progress reports were not provided
Contract Period (Months)	18 months
Time Lapse (Months)	19 months, contract extended for three months
Time Progress	106%.

b) Physical progress

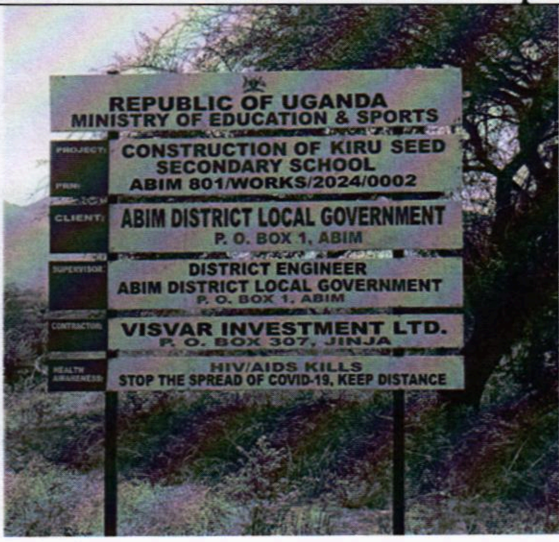
Section 51 of the PPDA Act, Cap. 205 states that "*all procurement and disposal shall be conducted in a manner that promotes economy, efficiency, and value for money*." The Authority noted that the contract had an initial completion period of 18 months, which expired on 27th May 2026, and was extended by three months, ending on 27th August 2026. However, as of 17th June 2026, there was significant outstanding work relative to the contract extension period.

Table 3: Physical Progress as at 17th June 2026

Contract Amount	UGX 3,325,000,000
Measured/Valued works as at 17th June 2026, as per the Engineer's measurements.	There were no progress reports or measurement sheets to confirm the project's current status.
Physical Progress based on measured/valued works as of 17th June 2026	There were no progress reports or measurement sheets to confirm the project's current status.
On-site physical progress	Could not be determined because the auditors were not technical, there were no progress reports or measurement sheets available, and the contractor was not on site to estimate the physical progress

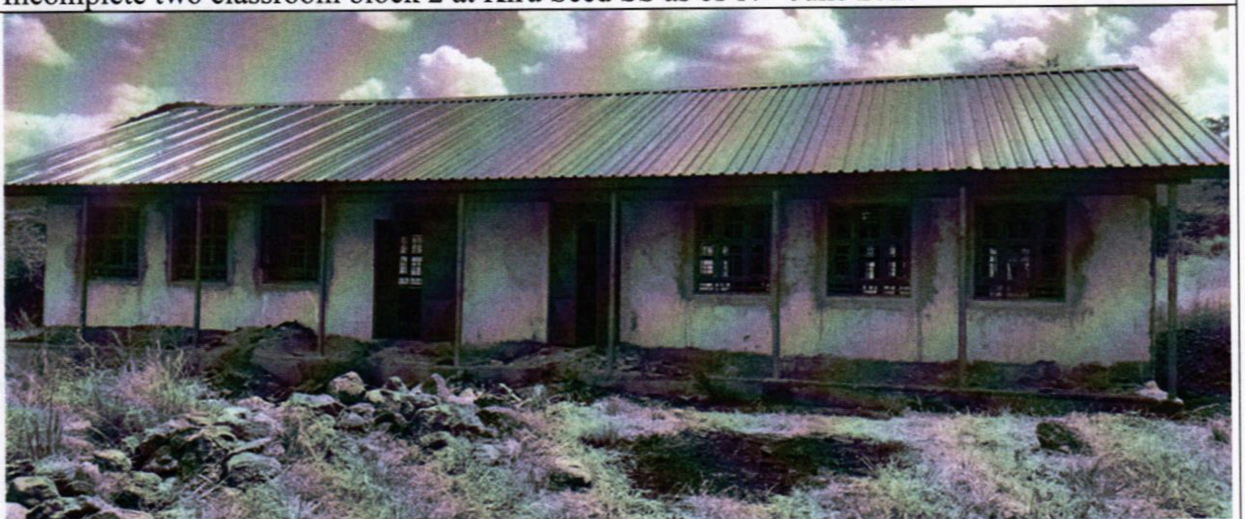
Table 4 below shows the physical progress of the project as of 17th June 2026

Table 4: Construction of Kiru Seed SS pictures as of 17th June 2026




Incomplete two classroom block 1


Incomplete two classroom block 2 at Kiru Seed SS as of 17th June 2026


Incomplete two classroom block 3 at Kiru Seed SS as of 17th June 2026

Incomplete multipurpose hall as of 17th June 2026

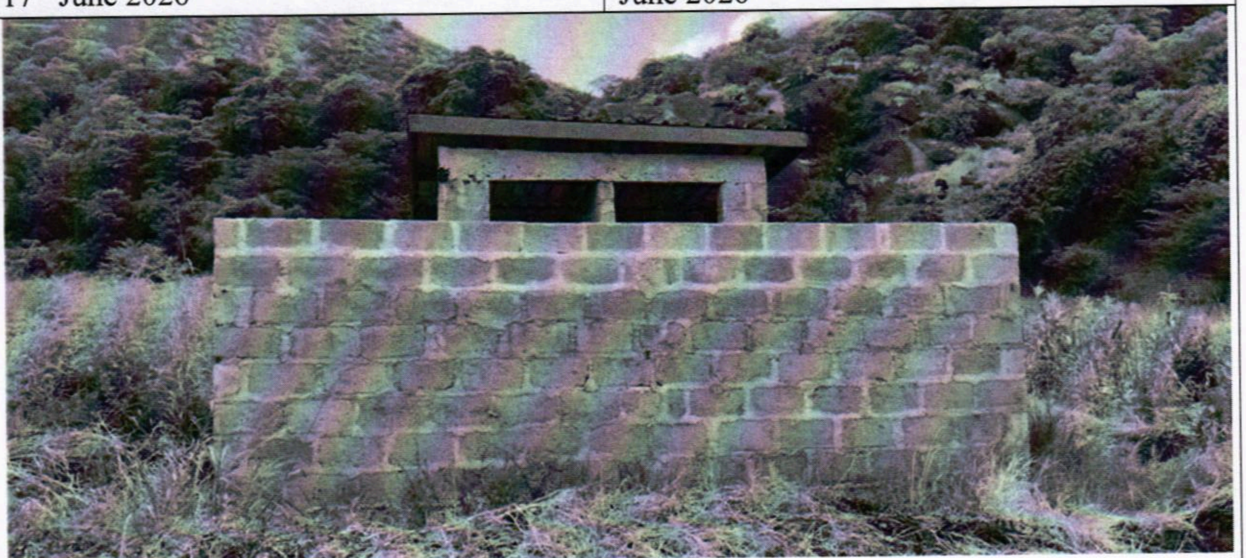
Incomplete Administration block as of 17th June 2026

Incomplete Science lab as of 17th June 2026


Incomplete ICT/Library as of 17th June 2026


Incomplete 5-stance latrine for Girls as of 17th June 2026


Incomplete 5-stance latrine for Boys as of 17th June 2026


Incomplete 2 stance for Staff as of 17th June 2026

Incomplete Teacher's house 1 as of 17th June 2026

Incomplete Teacher's house 2 as of 17th June 2026


Incomplete Teacher's house 3 as of 17th June 2026

2.2 EFFECTIVENESS OF THE QUALITY, TIME, AND COST CONTROLS

2.2.1 Inadequate contract monitoring and supervision

Regulation 52(1) of the PPDA (Contracts) Regulations, 2023 requires the contract manager to manage the obligations and duties of the Procuring and Disposing Entity as specified in the contract and to ensure that the provider performs the contract in accordance with its terms and conditions. However, the Authority identified gaps in contract monitoring and supervision, including the absence of contract management records such as progress reports, measurement sheets, payment records, site meeting minutes, and program of works updates, indicating inadequate monitoring and supervision.

Implication

This may result in poor contract performance

Management response

The findings and recommendations of the audit team are noted.
At the time of the audit, the required information was unavailable. All required information, as listed below, is now available for audit verification. i. Progress reports, ii. invitations, iii. attendance and minutes of site meetings, iv. payment details, including measurement sheets, v. quality control test results, vi. updated work schedules, vii. Instructions to the contractor.

Authority's comment

The Authority noted the entity's response; however, the documents referenced above were not provided for verification, as alleged.

Recommendation

1. The Contract Manager should, in future, hold monthly site meetings with all key stakeholders to review project progress, address challenges, assess work quality, and identify any

deviations from the plan. This will ensure that timely, appropriate actions are taken to resolve issues and keep the project on track.

2. The Accounting Officer should;
   - Enforce a mandatory reporting system for both the Contractor and the Contract Manager in accordance with Section 52(3)(g) of the PPDA (Contracts) Regulations, 2023
   - Task the contract manager to show cause why disciplinary action should not be taken against him for failing to maintain and archive contract management records in line with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023

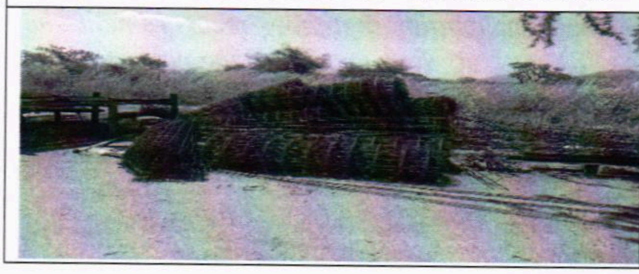
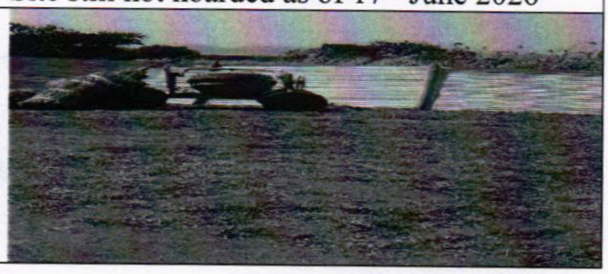
2.3 ADHERENCE TO THE ENVIRONMENTAL, SOCIAL, HEALTH, AND SAFETY SAFEGUARD REQUIREMENTS

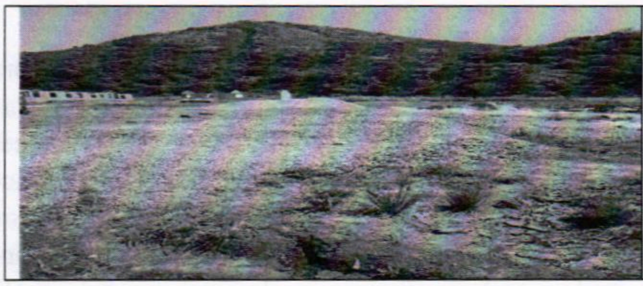
2.3.1 Non- compliance with the Environmental, Social, Health and Safety (ESHS) safeguards

Regulation 37(2)(i) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, requires that the work be environmentally and socially responsive. The Authority observed the following anomalies regarding the ESHS requirements during a site inspection on 20th November, 2025.

- There was no Environmental and Social Management Plan (ESMP) in place to guide the implementation of measures addressing environmental and safety issues, contrary to GCC 29 of the signed contract.
- The workers had no personal protective equipment, such as helmets.
- The site was not hoarded off, as shown in Table 5 below.

Table 5: Images showing the **site not fully hoarded off**

 Site not hoarded off as of 20th November 2025	 Site still not hoarded as of 17th June 2026
	




Implications
The health, safety and security of the workers, the community and materials on site were compromised.

<u>Management response</u>
The findings and the recommendations of the Audit team are noted.

- *At the time of the audit, the Environmental and Social Management Plan (ESMP) was not accessible. However, the Environmental and Social Management Plan (ESMP), including implementation progress, is now available for audit verification.*
- *The contractor had been instructed to ensure all workers on site have personal protective equipment as discussed in one of the site meetings, and as a result, some of the workers were issued with personal protective equipment.*
- *In one of the site meetings, this was discussed, and they promised to complete the hoarding. No payment will be made against that item until it is complete.*

Authority's comment
The Authority noted the entity's response; however, the entity did not provide any evidence for verification.

Recommendation
The Contract Manager should always require the contractor to implement the ESMP to protect the environment; take all reasonable precautions to maintain the health and safety of the contractor's personnel and visitors on site; and put in place safety measures and protocols during the execution of the works in accordance with Section 66 of the PPDA Act, Cap. 205.

CHAPTER 3: AUDIT CONCLUSION

In summary, as at 17th June 2026, the project had been under implementation for 19 months, against the original contractual period of 18 months, representing 106% of the contract duration elapsed. Although the contractual completion date of 27th August 2026 had not yet been exceeded due to a three-month extension, the auditors were unable to independently verify the actual physical progress of the works because no progress reports, measurement sheets, or other supporting documentation were available for review, and the audit team lacked the technical expertise required to assess the extent of completion. Nevertheless, a physical inspection of the site revealed substantial outstanding works relative to the remaining extension period. This raises concerns about the likelihood of timely completion and the achievement of value for money, contrary to the requirements of Section 51 of the PPDA Act, Cap. 205, which requires public procurement to be conducted in a manner that promotes economy, efficiency, and value for money.

Furthermore, the Authority was unable to comprehensively assess and verify the actual status of the works because key contract management records, including progress reports, measurement sheets, and payment documentation, were unavailable. The absence of these records undermined effective contract monitoring, accountability, transparency, and informed decision-making during implementation. Accordingly, the Authority concludes that contract management and record-keeping for the project were inadequate and may expose the Entity to risks of delays, disputes, and challenges in accurately determining the status and value of the works executed.

In light of the above, the Accounting Officer should implement the Authority's recommendations herein in order to realise the project's objectives