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

CONTRACT AUDIT REPORT ON THE CONSTRUCTION OF SIDOK SEED SECONDARY SCHOOL BUILDING AND REHABILITATION OF 10KM OF COMMUNITY ACCESS ROADS IN KATHILE SUBCOUNTY, KAABONG DISTRICT

CONTRACTORS: GREAT DEEDS SUPPLY AND CONSTRUCTION CO. LTD AND WOTAMAX ENGINEERING LIMITED

PROCUREMENT REF NO: UGIFT/WRKS/2022-2023/00001 AND MOLG-NOSP/KAABONG/WORKS/23-24/00032-LOT 11

JULY 2026

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ACRONYMS

BoQs	-	Bills of Quantities
ESHS	-	Environmental, Social, Health and Safety
FY	-	Financial Year
GCC	-	General Conditions of Contract
GESI	-	Gender Equity and Social Inclusion
PMT	-	Project Management Team
PPDA	-	Public Procurement and Disposal of Public Assets Authority
PPE	-	Personal Protective Equipment
SoRs	-	Statements of Requirements
UGIFT	-	Uganda Intergovernmental Fiscal Transfer program
UGX	-	Uganda Shillings

EXECUTIVE SUMMARY

On 27th November 2023, Kaabong District Local Government entered into a contract with Great Deeds Supply and Construction Co. Ltd for the Construction of Sidok Seed Secondary School at UGX 2,268,727,800. The construction consisted of preliminaries, Site levelling works, Three, Two 2-classroom blocks, Two 2-Unit Science Laboratory Blocks , Administration Block, Two, 2-Unit Teachers House, Two, 2-Unit Teachers Kitchen Two 2-Stance Lined VIP Latrines- Administration Block Two 2-Stance Lined VIP Latrine Blocks for the Teachers' House Five Stance Lined VIP Latrine Block for Boys Five Stance Lined VIP Latrine Block for Girls, external works, one rain water harvest system with a 5,000 litre tank, one ICT library block, one multipurpose hall and one sports field.

On 28th March 2025, Kaabong District Local Government entered into a contract with Wotamax Engineering Limited for the Rehabilitation of 10km of community access roads in Kathile subcounty, Kaabong District at UGX 1,048,138,111. The works consisted of site preparation works, setting out and site clearing works, earth works, drainage works gravelling and completion works Preliminary and general items.

In line 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 into the Construction of Sidok Seed Secondary School and Rehabilitation of 10km of community access roads in Kathile subcounty, Kaabong District with an overall objective of assessing the status of contract implementation.

The following key exceptions were noted:

A. Construction of Sidok Seed Secondary School

1. Slow progress of works. Section 51 of the PPDA Act, Cap 205, states that '*All procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money*'. Whereas the Entity signed a contract with M/s Great Deeds Supply and Construction Co. Ltd on 27th November 2023, with a completion period of eighteen months, expiring on 6th June 2025. By 30th June 2026, the time lapse was 167% yet significant works remained incomplete. These included site leveling, flooring, drainage works, the sports field among others. This denied timely delivery of services to the intended beneficiaries and also exposed the Entity to risks of cost overruns such as human resource and additional funding.

2. Excess financial advancement. Regulation 44 (1) (b) of the PPDA (Contracts) Regulations, 2023 requires the Procuring and Disposing Entity to ensure that the individual payments do not exceed the cost or value of the deliverable, period or work to which the payment relates. The Authority found that the contractor had been paid 75.8% of the contract value, which was disproportionately high compared to the actual physical progress of only 70%, indicating an excess financial disbursement not backed by equivalent work completed. This exposes the Entity to financial loss and undermines value for money and may also be a red flag for fraudulent practices within the Entity.

3. Expired contract. Regulation 52 (3) (a) (vi) of the PPDA (Contracts) Regulations 2023 requires that all contract obligations be completed before the contract expires. The contract was signed on 27th November 2023 for a duration of 18 months, with an expected completion date of 6th June 2025. The Contracts Committee granted a contractual extension for three months on 20th June 2025, running from 20th June 2025

to 30th September 2025; however, the works remained incomplete at the expiry of the extended period. The contractor continued executing works beyond the extended period. Engaging a contractor under an expired contract may lead to legal disputes between the Entity and the Contractor, as works performed outside a valid contractual framework lack clear legal backing regarding rights, obligations, and remedies available to either party.

4. Failure to prepare and submit monthly reports. Regulation 52(3) (g) of the PPDA (Contracts) Regulations, 2023 requires the Contract Manager to submit monthly progress reports on the status of the contract to both the Accounting Officer and the Procurement and Disposal Unit. The Authority found that only three progress reports were submitted by the Contract Manager, namely June 2024, April 2025 and June 2025. Without monthly progress reporting, emerging issues such as cost overruns, quality deficiencies and missed deadlines may escalate unchecked, which may result in low-quality work, site operational challenges, and potential financial leakages before corrective measures can be applied.

Key Recommendations

In view of the above, the Authority recommends the following:

1. The Accounting Officer should:
   - In future contracts recommend contractors to the Authority for suspension that fail to substantially perform the obligations specified in the contract in accordance with Section 128 (e) of the PPDA Act, Cap. 205.
   - Only make payments that are commensurate to the physical progress or value of the deliverables in accordance with Regulation 44 (1) (b) of the PPDA (Contracts) Regulations, 2023.
   - Establish a contract monitoring and early warning system that flags contracts at least 60-90 days before their expiry date.
   - Enforce the performance security worth UGX 226,872,780 in accordance with GCC 61.1 of the contract given the contractor demonstrated failure to complete the works within the contractual timelines. This will serve to compensate the Entity for losses arising from the delay and non-performance, and act as a deterrent against similar breaches in future contracts.

2. Contract Managers should always appraise the performance of a contractor and submit a report to the Procurement and Disposal Unit in accordance with Regulation 52 (3) (f) of the PPDA (Contracts) Regulations, 2023. This helps in early detection of contract failures and allows the Accounting Officer to intervene early when a provider is falling behind on deliverables and timelines and also reduces the likelihood of a contractor continuing work beyond expiry unnoticed.

B. Rehabilitation of 10km of community access roads in Kathile subcounty in Kathile subcounty, Kaabong District.

Key Findings

1. Slow progress of works. Section 51 of the PPDA Act, Cap 205, states that 'All procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money'.

The Authority found that the Entity signed a contract with M/s Wotamax Engineering Limited on 28th March 2025, with a completion period of eight months, which expired on 28th November 2025. By 30th June 2026, physical progress of works was still estimated at 75% pending completion of graveling of about four kilometres of the road and drainage works. The delay cut off agricultural areas in Kathile sub-county from commercial markets in the town areas which limited smallholder farmers to easily access the market.

2. 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 specified in the contract and to ensure that the provider performs the contract in accordance with its terms and conditions. The Authority noted laxity in contract monitoring and supervision, including a lack of payment records, site meeting minutes, measurement sheets, and programme of works updates, as well as the use of apparently substandard-quality stones and cracked culverts with chipped and fragmented edges, all of which are indicators of poor contract monitoring and supervision. Inadequate supervision resulted in the use of substandard materials, including cracked culverts and allowed poor workmanship to go unchecked. As a result, the Entity may be exposed to cost overruns arising from potential rework or rehabilitation.

3. Failure by the Contract Management Team to prepare a contract management plan. Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023 requires a Contract Manager, upon receipt of the contract, to prepare a contract management plan using Form 49 in Schedule 2 and to forward a copy of the plan to the Procurement and Disposal Unit for monitoring purposes. The Authority found that the Contract Management Team did not prepare a contract management plan for the construction project to clearly set out the intended milestones at the different stages of construction. The absence of a contract management plan undermined effective monitoring and supervision of contractual obligations. This deficiency weakened accountability in supervision which led to delay in completion of the road rehabilitation works.

4. Failure to prepare and submit monthly progress reports. Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023 requires the Contract Manager to submit monthly progress reports on the status of the contract to both the Accounting Officer and the Procurement and Disposal Unit. The Authority found that throughout the contractual duration, no contract report had been submitted to the Accounting Officer. The lack of monthly progress reports led to quality deficiencies and missed contractual timelines.

Key Recommendations

In view of the above, the Authority recommends the following:
The Accounting Officer should:

- In future contracts recommend contractors to the Authority for suspension for failure to substantially perform the obligations specified in the contract in accordance with Section 128 (e) of the PPDA Act, Cap. 205.
- Strengthen contract management within the Entity and ensure that the Contract Manager and Supervisors fulfil their roles diligently in accordance with Regulation 52 (3) of the PPDA (Contracts) Regulations, 2023.

CHAPTER 1: INTRODUCTION

1.1 Background

On 27th November 2023, Kaabong District Local Government entered into a contract with Great Deeds Supply and Construction Co. Ltd for the Construction of Sidok Seed Secondary School at UGX 2,268,727,800. The construction consisted of preliminaries, Site levelling works, Three, Two 2-classroom blocks, Two 2-Unit Science Laboratory Blocks , Administration Block, Two, 2-Unit Teachers House, Two, 2-Unit Teachers Kitchen Two 2-Stance Lined VIP Latrines- Administration Block Two 2-Stance Lined VIP Latrine Blocks for the Teachers' House Five Stance Lined VIP Latrine Block for Boys Five Stance Lined VIP Latrine Block for Girls, external works, one rain water harvest system with a 5,000 lite tank, one ICT library block, one multipurpose hall and one sports field.

On 28th March 2025, Kaabong District Local Government entered into a contract with Wotamax Engineering Limited for the Rehabilitation of 10km of community access roads in Kathile subcounty at UGX 1,048,138,111. The works consisted of Site Preparation Works Setting Out and site clearing works Earth works Drainage works Gravelling and completion works Preliminary and general items

In line 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 into the Construction of Sidok Seed Secondary School and Rehabilitation of 10km of community access roads in Kathile subcounty with an overall objective of assessing the status of contract implementation with emphasis on verification that all parties to the contracts complied with the requirements and standards set forth in the contracts, PPDA Law and other attendant regulations and guidelines.

1.2 Objective of the contract audit

The overall objective of the two contract audits was to assess the status of contract implementation for the Construction of Sidok Seed Secondary School and Rehabilitation of 10km of community access roads in Kathile subcounty 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 above.

The specific objectives of the contract audit were:

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

1.3 The applicable legal framework

i. The Public Procurement and Disposal of Public Assets Act. Cap. 205;
ii. The PPDA Regulations of 2023;
iii. The bidding document issued to bidders;
iv. The signed contract between Kaabong District Local Government and Great Deeds Supply and Construction Co. Ltd for the Construction of Sidok Seed Secondary School
v. The signed contract between Kaabong District Local Government and with Wotamax Engineering Limited for Rehabilitation of 10km of community access roads in Kathile subcounty.

1.4 Scope of the Contract Audit

The contract audit covered the review of the procurement action files and the contract management files for the Construction of Sidok Seed Secondary School and Rehabilitation of 10km of community access roads in Kathile subcounty by Great Deeds Supply and Construction Co. Ltd and Wotamax Engineering Limited and any other correspondences related to the contract.

1.5 Methodology

The Authority adopted the following methodology during the contract audit:

i. Request and review of documentation in the procurement action and the contract management files including:
   a) Original issued bidding document and original submitted bid of the contractor;
   b) Signed contract and contract management plan;
   c) Contract monthly progress reports and contract program updates;
   d) Contract variations/amendments and change orders, where applicable;
   e) Contracts Committee decisions on contract proceedings; and
   f) Payment records and related contract correspondences.

ii. Physical verification of the site.
iii. Debriefing the Entity's management on the preliminary findings from the contract audit.
iv. Issuing a management letter to the Entity for an official management response.
v. Reporting on findings from the contract audit and providing recommendations where applicable.

CHAPTER 2: FINDINGS AND RECOMMENDATIONS

This section presents the findings arising from the contract audit based on the objectives of the exercise.

A. Construction of Sidok Seed Secondary School. The key information about the contract is summarized in Table 1 below:

Table 1: Contract summary- Sidok Seed Secondary School

<table>
<tr><td>Contract Title</td><td>Construction of Sidok Seed Secondary School</td></tr>
<tr><td>Reference Number</td><td>UGIFT/WRKS/2022-2023/00001</td></tr>
<tr><td>Name of the Contractor</td><td>M/s Great Deeds Supply and Construction Co. Ltd</td></tr>
<tr><td>Type of Contract</td><td>Lumpsum</td></tr>
<tr><td>Contract Sum (UGX)</td><td>2,268,727,800</td></tr>
<tr><td>Contract Signature Date</td><td>27th November 2023</td></tr>
<tr><td>Contract end date</td><td>6th June 2025</td></tr>
<tr><td>Commencement Date</td><td>6th December 2023
Seven days after signing the contract agreement (as per clause 6a)</td></tr>
<tr><td>Contract duration</td><td>18 months</td></tr>
<tr><td>Contract Scope</td><td>
<table>
<tr><th>S/No</th><th>Works Description</th><th>Value in UGX</th></tr>
<tr><td>1.</td><td>Preliminaries</td><td>54,250,000</td></tr>
<tr><td>2.</td><td>Site levelling works</td><td>33,000,000</td></tr>
<tr><td>3.</td><td>Three, Two 2-classroom blocks</td><td>441,162,300</td></tr>
<tr><td>4.</td><td>Two 2-Unit Science Laboratory Blocks</td><td>255,347,000</td></tr>
<tr><td>5.</td><td>Administration Block</td><td>164,689,200</td></tr>
<tr><td>6.</td><td>Two, 2-Unit Teachers House</td><td>325,567,800</td></tr>
<tr><td>7.</td><td>Two, 2-Unit Teachers Kitchen</td><td>98,970000,</td></tr>
<tr><td>8.</td><td>Two 2-Stance Lined VIP Latrines- Administration Block</td><td>27,978,000</td></tr>
<tr><td>9.</td><td>Two 2-Stance Lined VIP Latrine Blocks for the Teachers' House</td><td>34,938,000</td></tr>
<tr><td>10.</td><td>Five Stance Lined VIP Latrine Block for Boys</td><td>40,070,000</td></tr>
<tr><td>11.</td><td>Five Stance Lined VIP Latrine Block for Girls</td><td>40,070,000</td></tr>
<tr><td>12.</td><td>External works</td><td>51,597,500</td></tr>
<tr><td>13.</td><td>One rainwater harvest system with a 5000-litre tank</td><td>9,840,000</td></tr>
<tr><td>14.</td><td>One ICT library Block</td><td>376,538,500</td></tr>
<tr><td>15.</td><td>One Multipurpose Hall</td><td>264,709,500</td></tr>
<tr><td>16.</td><td>One sports field</td><td>50,000,000</td></tr>
<tr><td></td><td>Total</td><td>2,268,727,800</td></tr>
</table>
</td></tr>
<tr><td>Advance Payment Security (30% of contract price)</td><td>UGX 680,618,340</td></tr>
<tr><td>Performance security (10% of contract price in UGX)</td><td>226,872,780</td></tr>
</table>

Contract extension	From 20th June to 30th September 2025
Submission of the program of works	By 6th December 2023 (Within 7 days of contract signature) as per GCC 36.1
Defects liability period	27th November 2025 (12 months) as per GCC 44.1
ES Performance security	UGX 45,374,556 2% of the contract price, as per GCC 61.1
Amount Paid	UGX 1,720,423,347
Contract supervisor of works	District Engineer
Progress at site	Physical progress: Approximately 70% Financial: 78.5% Time: 167%

2.1 Progress of works

2.1.1 Slow progress of works

Section 51 of the PPDA Act, Cap 205, states that '*All procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money*'. The Authority found that the Entity signed a contract with M/s Great Deeds Supply and Construction Co. Ltd on 27th November 2023, with a completion period of eighteen months, expiring on 6th June 2025. By 30th June 2026, the construction remained incomplete with 167% of time spent on the project. Table 2 below shows the time progress of the Project:

Table 2: Time Progress as at 30th June 2026

Contract start date	6th December 2023
Contract end date	27th May 2025
Measurement Date	20th November 2025
Contract Period (Months)	18
Time Lapse (Months) as of June 2026	30
Time Progress	167%

Implications

- Delay in implementing government projects denies timely delivery of services to the intended beneficiaries.
- The Entity is also exposed to risks of cost overruns such as human resource and additional funding.

Management Response

The district has devised strategies to expedite the progress of works by;

- *Having weekly site visits by the project management team.*
- *Monthly site meetings are now for every two weeks.*
- *We have renewed the contract by extending the end date of contract to 26th June 2026.*
- *We have written warning letters to the contractor.*

Authority's comments

The Authority noted the Entity's responses however;

- There was no evidence that site visit meetings were held every two weeks.

- With respect to renewing the contract by extending the end date of contract to 26th June 2026, the Entity did not provide formal documentation to support the response. The Entity submitted an action plan indicating the pending works, the agreed action, responsible parties and the intended timeline of completion. Regarding extension of the contract to end by 26th June 2026, it should be noted that extending an expired contract is an irregularity.

Recommendations
The Accounting Officer should recommend the contractor to the Authority for suspension for failure to substantially perform the obligations specified in the contract in accordance with Section 128 (e) of the PPDA Act, Cap. 205.

2.1.2 Financial progress

Regulation 44 (1) (b) of the PPDA (Contracts) Regulations, 2023 requires the Procuring and Disposing Entity to ensure that the individual payments do not exceed the cost or value of the deliverable, period or work to which the payment relates. The Authority found that the contractor had been paid 75.8% of the contract value, which was disproportionately high compared to the actual physical progress of only 70%, indicating an excess financial disbursement not backed by equivalent work completed. Details of the Financial Progress are shown in Table 3 below:

Table 3: Financial Progress-Sidok Seed School

S/No.	Date of payment	Amount in UGX
1.	12th Feb 2024	680,618,340
2.	13th June 2024	451,017,315
3.	22nd June 2024	67,131,450
4.	17th January 2025	220,283,269
5.	13th May 2025	82,935,570
6.	5th February 2026	218,437,403
	Total	**1,720,423,347**
	Financial Progress (%)	**75.8**

Implication
This exposes the Entity to financial loss and undermines value for money. It may also be a red flag for fraudulent practices within the Entity.

Management Response
This percentage is higher than realistic because it included advance of UGX 680,618,340 and yet this advance is being recovered in the subsequent certificates. See attached the actual financial progress as Annex 1 attached.

Authority's comment
There were no attachments in form of payment certificates to verify the current actual financial progress.

Recommendation
The Accounting Officer should only make payments that are commensurate to the physical progress or value of the deliverables in accordance with Regulation 44 (1) (b) of the PPDA (Contracts) Regulations, 2023.

2.1.3 Physical progress

Section 51 of the PPDA Act, Cap. 205, provides that all procurement and disposal shall be conducted in a manner that promotes economy, efficiency, and value for money. The Authority noted that, despite the contractor exceeding the contractual duration, significant work remained outstanding on the project. Table 4 below shows the physical progress as at 26th June 2026.

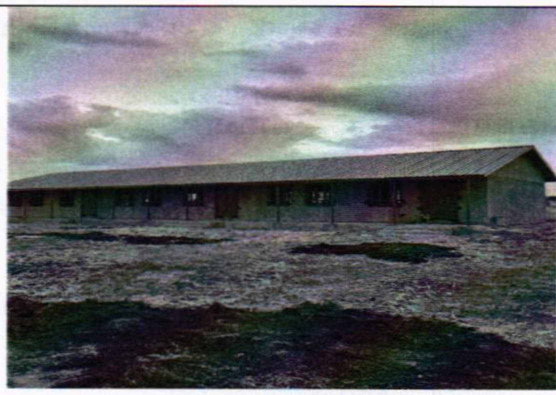
Table 4: Physical Progress

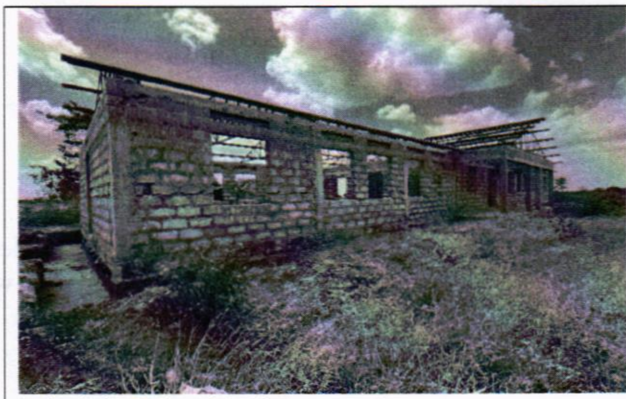
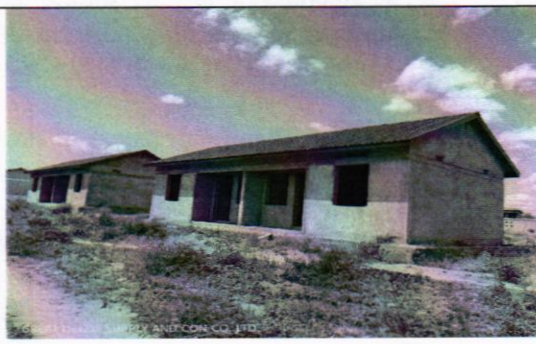
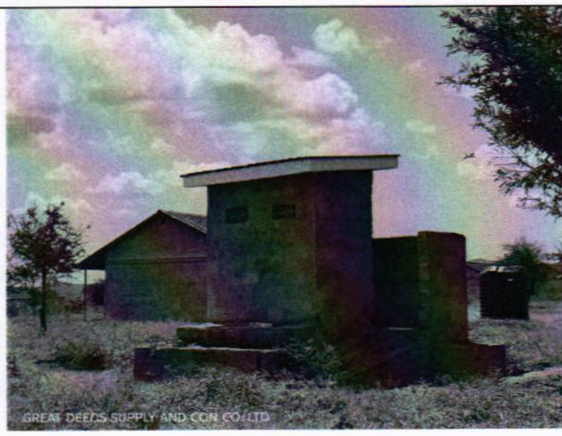
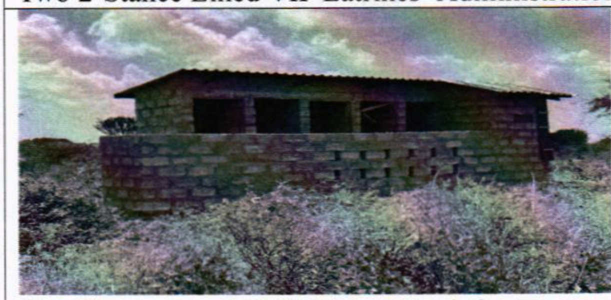
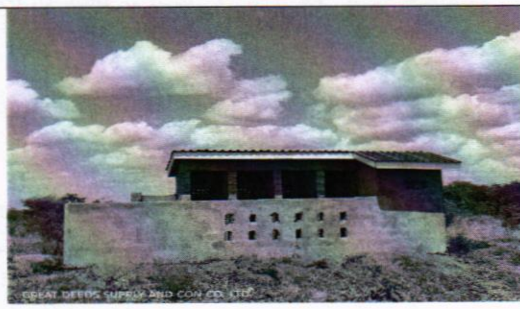
Contract Amount	UGX 2,268,727,800
Valued works	There were no progress reports or measurement sheets on file to confirm the project's current status.
Physical Progress	There were no progress reports or measurement sheets on file to confirm the project's current status.
On-site physical progress	Approximately 70%

i. Physical verification pictures

Physical verification of the project was carried out by the Authority on 20th November 2025 to establish the status of works on site. The findings of this verification, supported by the most recent photographs taken during the inspection, are summarized in Table 5 below, which presents the current status as of 30th June 2026.

Table 5: Physical verification pictures

Physical verification pictures as at 20th November 2025	Physical verification pictures as at 30th June 2026
 Science laboratory	
 classroom block	

 Administration block	
 Two 2-Unit Teachers' Houses	
 Two 2-Stance Lined VIP Latrines- Administration	
 Five Stance Lined VIP Latrine Block for Boys	

Implications

- Slow progress of works denies timely services delivery to the intended beneficiaries
- It may also lead to potential cost overruns

Management Response

The on-site progress is about 75% since all buildings are roofed, plastered and have doors and windows fixed. The works remaining now are flooring, painting and some fittings, playing field and apron of the science laboratory.

Authority's comment

The Authority noted the Entity's comment. Despite the contractor progressing, the works are still largely incomplete and a lot has to be done. Site clearance was still pending, the water harvest system was yet to be fully installed as well as the sports field.

Recommendation

The Accounting Officer should recommend the contractor to the Authority for suspension for failure to substantially perform the obligations specified in the contract in accordance with Section 128 (e) of the PPDA Act, Cap. 205.

2.2 To assess the effectiveness of the quality, time and cost control

2.2.1 Expired contract

Regulation 52 (3) (a) (vi) of the PPDA (Contracts) Regulations 2023 requires that all contract obligations be completed before the contract expires. The contract was signed on 27th November 2023 for a duration of 18 months, with an expected completion date of 6th June 2025. The Contracts Committee granted a contractual extension on 20th June 2025, running from 20th June 2025 to 30th September 2025; however, the works remained incomplete at the expiry of the extended period. The contractor continued executing works beyond the extended period despite the Entity's refusal to grant a second extension, as requested by the contractor.

Implication

Engaging a contractor under an expired contract may lead to legal disputes between the Entity and the Contractor, as work performed outside a valid contractual framework lacks clear legal backing regarding rights, obligations, and remedies available to either party.

Management response

- *Contracts are renewed before they expire and of now, we have up to 30th June 2026 as the final deadline.*
- *The contract manager has followed up with the contractor to ensure that all contract obligations are completed before the contract expires except this contractor has been very slow.*
- *Funds have also been secured for continuity.*

Authority's response

The Authority noted the Entity's response. However, with respect to the reported extension of the contract period to 30th June 2026 as the final deadline, there was no formal documentation on file to substantiate that the extension had been duly granted or approved. What the Entity attached was an action plan indicating the pending works, the agreed action, responsible parties and the intended timeline of completion.

Recommendations

i. The Accounting Officer should establish a contract monitoring and early warning system that flags contracts at least 60-90 days before their expiry date.

ii. The Contract Manager should always appraise the performance of a contractor and submit a report to the Procurement and Disposal Unit in accordance with Regulation 52 (3) (f) of the PPDA (Contracts) Regulations, 2023. This helps in early detection of contract failures and allows the Procurement and Disposal Unit to intervene early when a provider is falling behind on deliverables and timelines and also reduces the likelihood of a contractor continuing work beyond expiry unnoticed.

2.2.2 Delayed completion of works

The contract was signed on 27th November 2023 and was scheduled to commence within seven days of signing, as stipulated under Clause 6 (a), by 4th December 2023, for a duration of 18 months, with a completion date of 6th June 2025. The contractor was subsequently granted a contractual extension from 20th June 2025 to 30th September 2025; however, the works remained incomplete at the end of that extension. The contractor thereafter requested a second extension of the contract duration on 29th September 2025. The Entity declined the Entity's request and maintained its position that the contractor was obligated to complete the remaining works within the contractual extension period that had earlier been granted.

Implication

The contractor's failure to complete the works within the contractual period delayed service delivery to the intended beneficiaries.

Management response

- *The Entity has undertaken appropriate action such as writing warning letters and conducting regular meetings at site regarding delays by the contractor.*
- *The contractor has been warned and directed several that the contract is completed on time in accordance with the terms and conditions of the contract.*
- *Looking at the nature of contract formulation and site challenges, the Contracts Committee could not terminate the contract and recommend to PPDA for suspension in hope that it could be concluded by 30th June 2026.*

Authority's comment

The Authority noted the Entity's response; however;

There was no documentary evidence that the contractor had been formally notified through warning letters.

Recommendations

The Accounting Officer should enforce the Performance Security worth UGX 226,872,780 in accordance with GCC 61.1 of the contract given the demonstrated failure to complete the works within the contractual timelines. This will serve to compensate the Entity for losses arising from the delay and non-performance, and act as a deterrent against similar breaches in future contracts.

2.2.3 Failure to prepare and submit monthly reports

Regulation 52(3) (g) of the PPDA (Contracts) Regulations, 2023 requires the Contract Manager to submit monthly progress reports on the status of the contract to both the Accounting Officer and the Procurement and Disposal Unit. The Authority found that only three progress reports were submitted by the Contract Manager, namely June 2024, April 2025 and June 2025. Table 6 below shows the months for which progress reports were not provided.

Table 6: Missing progress reports

S/No.	2024	2025
1.	January 2024	January 2025
2.	February 2024	February 2025
3.	March 2024	March 2025
4.	April 2024	May 2025
5.	July 2024	
6.	August 2024	
7.	September 2024	
8.	October 2024	
9.	November 2024	
10.	December 2024	

Implication

Without monthly progress reporting, emerging issues such as cost overruns, quality deficiencies, or missed deadlines may escalate unchecked, which may result in low-quality work, site operational challenges, and potential financial leakages before corrective measures can be applied

Management Response

This is noted with thanks. The Accounting Officer has directed the Contract Manager to submit all monthly contract progress reports going forward.

Authority's comment

The Authority noted the Entity's response, whereas the Accounting Officer directed the Contract Manager to submit all monthly contract progress reports going forward, no such reports were submitted for verification.

Recommendation

The Accounting Officer should task the Contract Manager to provide an explanation for failure to report monthly procurements, thereafter, ensure that all monthly contract progress reports are submitted in accordance with Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.

2.2.4 Failure to submit a program of works

GCC 36.1 required the contractor, M/s Great Deeds Supply and Construction Co. Ltd, to submit the programme of works within 7 days of the contract signature, i.e., by 6th December 2023. GCC 36.1 also stated that UGX 200,000 would be withheld for late submission of an updated programme. There was no documentary evidence that the contractor submitted a programme of works showing the general methods, resource mobilisation arrangements, order, and timing for all activities in the works. As such, the contract was being implemented without an updated programme of works. There was also no evidence that UGX 200,000 was withheld for late submission of an updated programme of works.

Implication

The absence of a work program denied the Contract Manager a basis for monitoring task sequencing, timelines, resource allocation, and key milestones. This resulted in time losses during contract execution and ultimately delayed completion of the works.

Management Response

- *The Contract Manager and Project Manager will ensure to make deductions of non-compliance to program adjustments in the preceding certificates.*
- *Caution to the Contract Manager for failing to take immediate and appropriate action especially upon contract extension.*

Recommendations

The Accounting Officer should;

i. Formally caution the Contract Manager for failing to take immediate and appropriate action in response to the contractor's breach of contractual terms and conditions. This lapse in enforcement undermined effective contract oversight and exposed the project to delays.

ii. In future procurements, the Accounting Officer should consider termination of a contract if the contractor causes a fundamental breach of the contract as per GCC 36.1.

2.3 To assess the adherence to Environmental, Social, Health and Safety (ESHS) requirements

2.3.1 Failure to have ESHS aspects in the contract

Section 66 of the PPDA Act, Cap. 205, requires a Procuring and Disposing Entity to take into account environmental protection and social inclusion in each procurement. The Authority found that the signed contract lacked consideration for ESHS aspects under the Special Conditions of Contract, and as such, the following observations were made:

i. Toilet inspection chambers were neither demarcated nor covered, posing a significant safety hazard to construction personnel and other individuals engaged in project inspection activities.

ii. There were no trees planted to restore the environmental integrity of the area.

Management Response

- *The signed contract with signed bills of quantities have consideration for ESHS and they have been implemented accordingly.*
- *All hazards observed were cautiously implemented and even those seen were temporal and they have been rectified.*
- *Trees have been planted though wildlife destroyed some trees and they have been re-planted.*

Authority's comment

The Authority noted the Entity's response; however, while the Entity claims that ESHS considerations were included in the bills of quantities, they were not reflected in the contract as claimed.

Implications

- Un-demarcated and unclosed toilet inspection chambers expose workers to potential accidents. If not addressed, this could lead to a disruption in construction works and delayed project completion
- Failure to replant trees disrupts the ecological balance of the area, leading to loss of biodiversity, displacement of species, and long-term damage to the ecosystem

Recommendations

i. The Accounting Officer should direct the Head, Procurement and Disposal Unit, to include ESHS aspects in all procurements of infrastructure projects.

ii. The contract manager, together with the Community Development Officer, should assess the site's ESHS risks through regular site visits to mitigate any incidents or grievances suffered by the contractor's personnel on site, and recommend remedial actions in accordance with Section 66 of the PPDA Act, Cap 205.

B. Rehabilitation of 10km of community access roads in Kathile subcounty. The key information about the contract is summarized in Table 7 below:

Table 7: Contract Summary-Road Rehabilitation in Kathile Sub- County

Contract Title	Rehabilitation of 10km of community access roads in Kathile subcounty, Kaabong District
Reference Number	MoLG-NOSP/KAABONG/WORKS/23-24/00032-LOT 11
Name of the Contractor	Wotamax Engineering Limited
Type of Contract	Admeasurement
Contract Sum (UGX)	1,048,138,111
Contract Signature Date	28th March 2025
Contract end date	28th November 2025
Commencement Date	11th April 2025
Contract duration	8 months after contract signing
Contract Scope	**Item** — **Value in UGX** Site Preparation Works — 3,000,000 Setting Out and site clearing works — 15,565,000 Earth works — 62,830,333 Drainage works — 515,468,892 Gravelling and completion works — 178,620,000 Preliminary and general items — 70,470,667 Subtotal 1 — 845,954,892.40 5% contingency — 42,297,744.62 Subtotal 2 — 888,252,637.02 18% VAT — 159,885,474.66 **Grand Total** — **1,048,138,111.68**
Submission of the program of works	22nd April 2025 15 days from the date of the signature of the contract
Performance security	GCC 52.1 10% of the contract value: UGX 61,745,248
Liquidated damages	0.05% of the final contract price per day
Progress at the site	Estimated physical progress: 75% Time: 188% Financial: Payment records not provided, unable to assess the financial progress

2.1 Progress of works

2.1.1 Slow progress of works

Section 51 of the PPDA Act, Cap 205, states that *'All procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money'*. The Authority found that the Entity signed a contract with M/s Wotamax Engineering Limited on 28th March 2025, with a completion period of eight months, with an expiry date of 28th November 2025. However, by 30th June 2026, the project was not yet complete indicating a 188% lapse in time. Table 8 below shows the project's progress over time.

Table 8: Time Progress as at 30th June 2026

Contract start date	28th March 2025
Contract end date	28th November 2025
Measurement Date	Measurement sheets and progress reports are not on file
Contract Period (Months)	8
Time Lapse (Months) as of 30th June 2026	15
Time Progress	188%

The project exceeded the contractual timelines and by 30th June 2026 works were still incomplete pending graveling of about four kilometres of the road and drainage works.

Management Response

- *The progress reports were on file except not provided at the time of visit.*
- *Signed measurement sheets, payment reports and certificates are with payment certificate that was issued once and the Ministry of Local Government-the payment authority.*

Authority's comment

The Authority noted the Entity's response; however, progress reports were not presented for verification.

Implications

- Delay in implementing government projects denies timely delivery of services to the intended beneficiaries.
- The Entity is also exposed to risks of cost overruns such as human resource and additional funding.

Recommendations

The Accounting Officer should in future;

i. Issue a formal default notice to the contractor demanding completion of outstanding works within a specified final deadline.
ii. Recommend contractors to the Authority for suspension that fail to substantially perform the obligations specified in the contract in accordance with Section 128 (e) of the PPDA Act, Cap. 205.

2.1.2 Financial progress

The Authority could not assess the project's financial progress because there were no payment records on file.

2.1.3 Physical progress

Section 51 of the PPDA Act, Cap. 205 provides that all procurement and disposal shall be conducted in a manner that promotes economy, efficiency, and value for money. The Authority noted that although the contractual timelines had elapsed, works remained incomplete. By 30th June 2026, the physical progress was at approximately 75%. Table 9 below shows the project's estimated physical progress as of 30th June 2026.

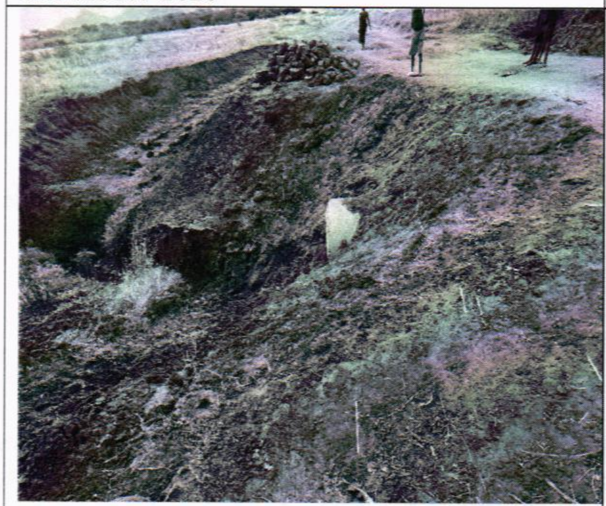
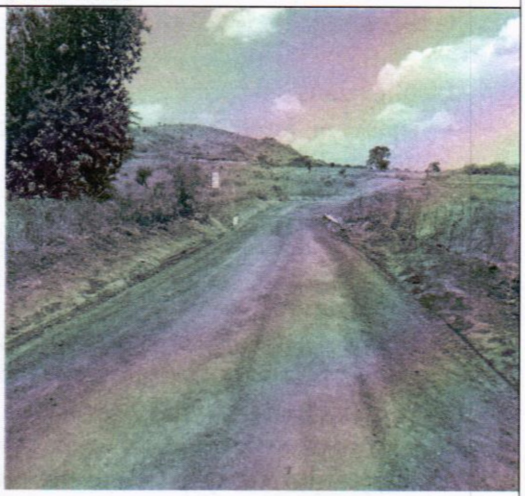
Table 9: Physical Progress

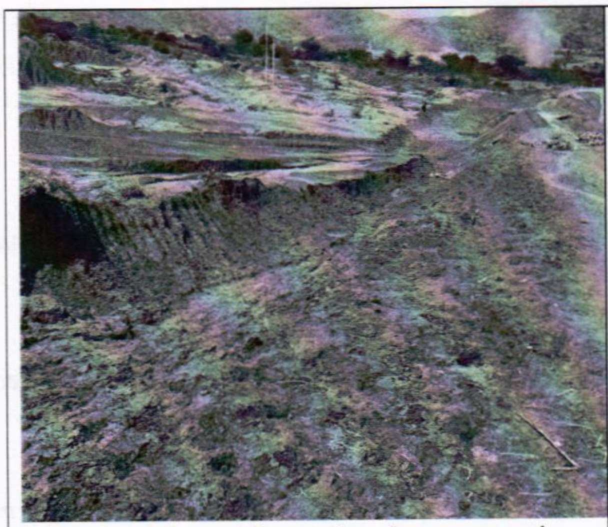
Contract Amount in UGX	**1,048,138,111.68**
Valued works	There were no progress reports or measurement sheets on file to confirm the project's current status.
Physical Progress	There were no progress reports and measurement sheets on file to confirm the current status of the project
On-site physical progress as per the auditor	Approximately 75%

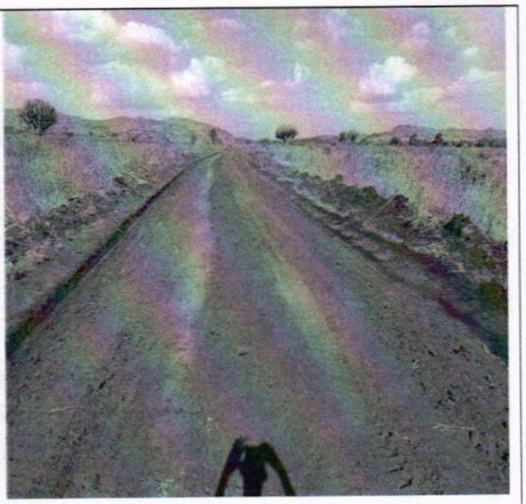
i. Physical verification

Physical verification of the project was carried out by the Authority on 20th November 2025 to establish the status of works on site. However, following the physical verification conducted by the Authority, the status has seen changed. Table 9 below shows the physical status as of 20th November 2025 and the current status as of 30th June 2026.

Table 10: Physical verification pictures

Physical verification pictures as at 20th November 2025	**Physical verification pictures as at 30th June 2026**
	





A cross-section of the road under construction

Implication
The delay cut off agricultural areas in Kathile sub-county from commercial markets in the town areas, resulting in high transport, and increased post-harvest costs which limited smallholder farmers to easily access the market.

Management Response
The progress reports were in the file except not provided at the time of visit.

Authority's comment
The Authority noted the Entity's response; however, no documentary evidence was provided to verify the progress report.

Recommendation
The Accounting Officer should recommend the contractor to the Authority for suspension for failure to substantially perform the obligations specified in the contract in accordance with Section 128 (e) of the PPDA Act, Cap. 205.

2.2 Assess the effectiveness and quality, time and cost control

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 specified in the contract and to ensure that the provider performs the contract in accordance with its terms and conditions. The Authority noted laxity in contract monitoring and supervision, including a lack of payment records, site meeting minutes, measurement sheets, and programme of works updates, as well as the use of apparently substandard-quality stones and cracked culverts with chipped and fragmented edges, all of which are indicators of poor contract monitoring and supervision.

Implication
Inadequate supervision resulted in the use of substandard materials, including cracked culverts and allowed poor workmanship to go unchecked. As a result, the Entity may be exposed to cost overruns arising from potential rework or rehabilitation.

Management response
The recommendation is received with thanks. Management will ensure to streamline contract management.

Recommendation
The Accounting Officer should strengthen contract management within the Entity and ensure that the Contract Managers and Supervisors fulfil their roles diligently in accordance with Regulation 52 (3) of the PPDA (Contracts) Regulations, 2023.

2.2.2 Failure by the Contract Management Team to prepare a contract management plan
Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023 requires a Contract Manager, upon receipt of the contract, to prepare a contract management plan using Form 49 in Schedule 2 and to forward a copy of the plan to the Procurement and Disposal Unit for monitoring purposes. The Authority found that the Contract Management Team did not prepare a contract management plan for the construction project to clearly set out the intended milestones at the different stages of construction.

Implication
The absence of a contract management plan undermines effective monitoring and supervision of contractual obligations. This deficiency weakened accountability in supervision but also contributed to delay in completion of the road rehabilitation works.

Management response
The contract management plan was prepared but not implemented due to challenges encountered due to site related difficulties unique to this particular contract, i.e survey for Batch B instead of batch A category of road.

Authority's response
The Authority noted the Entity's response, however, no contract management plan was submitted to the Authority for verification.

Recommendations
The Contract Management Team should:
i. Explain why a contract management plan was not prepared.
ii. In subsequent procurements, always prepare a contract management plan using Form 49 and forward a copy of the plan to the Procurement and Disposal Unit for monitoring the contract in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.

2.2.3 Failure to prepare and submit monthly progress reports
Regulation 52(3)(g) of the PPDA (Contracts) Regulations, 2023 requires the Contract Manager to submit monthly progress reports on the status of the contract to both the Accounting Officer and the Procurement and Disposal Unit. The Authority found that throughout the contractual duration, no contract report had been submitted to the Accounting Officer.

Implication
Without monthly progress reporting, emerging issues such as cost overruns, quality deficiencies, or missed deadlines may escalate unchecked, resulting in low-quality work, site operational challenges, and potential financial leakages before corrective measures can be applied.

Management Response
It is true, not all reports were submitted but site stalemate affected regular reporting. This was exacerbated by the fact that this nature of contract involved central government to determine their fate and thus difficulties in implementation.

Recommendations
The Accounting Officer should;
i. Provide assurance with evidence that works meet the required quality standards and task the Contract Manager to submit all monthly contract progress reports in accordance with Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023
ii. Task the Contract Manager to provide an explanation for failure to prepare and submit monthly progress reports in accordance with Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.

2.3 To assess the adherence to Environmental, Social, Health and Safety (ESHS) requirements

2.3.1 Failure to implement ESHS aspects in the contract
Section 66 of the PPDA Act, Cap. 205, requires a Procuring and Disposing Entity to take into account environmental protection and social inclusion in each procurement. The Authority found that, although the ESHS aspects were included in the contract, they were not implemented by the contractor, and made the following observations:

i. There was no designated materials storage area at the construction site, and culverts were unevenly spread out along different sections of the road.
ii. The road lacked the requisite road safety and directional signposts to alert motorists and pedestrians of ongoing works.
iii. Deep gullies and unprotected trenches.
iv. Visible soil erosion and land degradation due to vegetation clearance and earthworks.
v. Drainage obstruction caused by the incomplete culvert installations.
vi. Disruption of local access routes for residents, schools, markets, and health centres
vii. There were no trees planted to restore the environmental integrity of the area.

Implications
- Lack of a designated material storage area exposes construction materials to damage, theft, and wastage, potentially leading to increased project costs and inefficiencies in project implementation.
- Lack of road safety and directional signposts increases the risk of road traffic accidents, injuries, and confusion among road users, thereby compromising community safety.
- Deed gullies and trenches posed significant safety hazards to workers, motorists, pedestrians, and nearby communities and could result in accidents, injuries, or fatalities.
- Drainage obstruction could result in flooding, waterlogging, road deterioration, and damage to nearby farmlands.

- Disruption of local access routes adversely affected movement and access to essential services, which potentially disrupted livelihoods, education, healthcare access, and economic activities within the community.
- Failure to undertake revegetation may contribute to continued environmental degradation, increased soil erosion, loss of biodiversity, and diminished ecological restoration of the affected area.

Management Response

Its true most ESHS aspects were not fully implemented but given the difficulties encountered in contract implementation, the contractor failed.

Recommendation

The Contract Management Team, together with the Community Development Officer, should assess the site's ESHS risks through regular site visits to mitigate any accidents or grievances that may affect the community, and recommend remedial actions in accordance with Section 66 of the PPDA Act, Cap. 205.

CHAPTER 3
Conclusion

A. Construction of Sidok Seed Secondary school

The contract was poorly managed, resulting in significantly project delays and over payment relative to actual physical progress. By 30th June 2026, the physical progress was estimated at 75%. The combination of an expired contract still being executed without authorization, payments exceeding physical achievement, and minimal progress reporting reflects a serious breakdown in contract oversight, exposing the Entity to potential financial loss, prolonged non-delivery of public infrastructure, and diminished value for money.

B. Rehabilitation of 10km of community access roads in Kathile sub-County, Kaabong District

The contract management on the Wotamax Engineering Ltd Road works contract was weak across, supervision and reporting, directly contributing to delayed and questionable-quality delivery. The contract was estimated at 75% physical progress despite the contractual duration expiry, a failure traceable to the absence of a required contract management plan, which left no milestones to track progress. This gap fed into poor supervision, evidenced by missing payment records, site minutes, and measurement sheets, plus substandard stones and damaged culverts, while the total absence of monthly progress reports meant management had no visibility into the contractual issues until the audit. Together, these lapses breach the requirement for economy, efficiency and value for money, leaving limited assurance that the works will meet quality standards or that funds have been used efficiently.