



THE REPUBLIC OF UGANDA

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS
OF MINISTRY OF WORKS AND TRANSPORT
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2019

OFFICE OF THE AUDITOR GENERAL

UGANDA

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List of Acronyms

CGV	Chief Government Valuer
F/Y	Financial Year
GOU	Government of Uganda
INTOSAI	International Organization of Supreme Audit Institutions
IWTV	Inland Water Transport Vessels
MDA	Ministry, Department, and other Agencies
MoWT	Ministry of Works and Transport
PFMA	Public Finance Management Act, 2015
RoW	Right of Way
TAI	Treasury Accounting Instructions
TLB	Transport Licensing Board
UGX	Uganda Shillings

**REPORT OF THE AUDITOR GENERAL ON THE AUDIT OF FINANCIAL STATEMENTS OF
MINISTRY OF WORKS AND TRANSPORT
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2019**

THE RT HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the accompanying financial statements of Ministry of Works and Transport which comprise the statement of Financial Position as at 30th June 2019, the Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows together with other accompanying statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements of Ministry of Works and Transport for the year ended 30th June 2019 are prepared, in all material respects, in accordance with section 51 of the Public Finance Management, 2015 and the Financial Reporting Guide, 2018.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Ministry in accordance with the Constitution of the Republic of Uganda 1995 (as amended), the National Audit Act, 2008, the International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics, the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code), and other independence requirements applicable to performing audits of Financial Statements in Uganda. I have fulfilled my other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing audits in Uganda. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined the matters described below to be key audit matters communicated in my report.

1.0 Implementation of the approved budget

The Public Finance Management Act 2015, Section 13 (1) and (2) requires preparation of a National Budget in consultation with stakeholders. Section 13 (6) requires that the annual budget is consistent with the National Development Plan. In addition, Section 45 of the Public Finance and Management Act, 2015, requires the Accounting Officer to control the regularity and proper use of the money appropriated to the vote.

Further, Section 21(1) of the Public Finance Management Act entrusts the Accounting Officers with the responsibility of planning and managing the entity activities as indicated in the policy statement of the votes based on the annual cash flow plan issued by the Secretary to Treasury during budget execution. Budget estimates are based on outputs to be achieved for the financial year and during implementation,

effort should be made to achieve the agreed objectives or targets of the entity within the availed resources.

The mandate of the Ministry is to plan, develop and maintain an economic, efficient and effective transport infrastructure and service; manage public works and develop and enforce standards in the construction industry. The Ministry provides policy and strategic guidance to Government parastatal bodies under its supervision, namely; Uganda National Roads Authority (UNRA), Civil Aviation Authority (CAA), Uganda Road Fund (URF) and Uganda Railways Corporation (URC).

During the audit, a detailed review of the performance of the Ministry's approved budget for the financial year 2018/19 was undertaken with the objective of assessing the extent of delivery of planned outputs. The following matters were observed:

1.1 **Revenue performance**

The Ministry's approved budget for the year amounted to UGX.881.billion expected to be received from GoU (UGX.455.6bn) and external financing (UGX.425.4 bn) as indicated table below.

No	Item	GOU (UGX Bn)	Donor (UGX Bn)	Total (UGX Bn)
1	Budgeted Revenue	455.6	425.4	881
2	Receipts	718.3	344.8	1,063.1
	Revenue Performance	157.7%	81%	124.9%

Of the projected funding, the ministry realized UGX.718.3 bn from GOU and UGX.344.8 bn in respect of external financing representing 157% and 81% respectively. The funds received from external financing were transferred by the Ministry to the respective projects, such as upgrading and expansion of Entebbe International Airport under CAA.

1.2 **Implementation of planned activities**

A review of the implementation of activities revealed that the Ministry planned to implement a total of 30 outputs during the year. Of these, the audit team sampled 18 outputs representing 60% of the planned outputs for review. The review established that only 1 output representing 5.56% was fully achieved, 16 outputs (88.88%) were partially achieved, while 1 output (5.56%) was not achieved or implemented at all. Details are in **Appendix I**.

The overall performance of the Ministry in terms of delivery of the expected outputs is attributed to the following factors:

	Observation	Recommendation
1.3	<p>Planning and Budgeting</p> <p>The MoWT performance indicators and targets in the MPS vary from those in NDPII. For a number of indicators, the targets are much lower or higher than the NDPII targets. For instance, the NDPII target for the local motor-vehicle inspection scheme was 600,000 vehicles but 50,000 vehicles were captured in the budget instrument. Furthermore, a number of interventions that were prioritized in the NDPII by the Ministry have not been budgeted for.</p> <p>The lack of standardization of indicator setting makes it difficult for the Ministry to relate the expenditure activities to outputs/outcome indicators in the various performance reports.</p>	<p>I advised the Accounting Officer to annually prioritize and budget for all those priority interventions proposed in the National Development Plan.</p>

	<p>The Accounting Officer explained that the Ministry is engaging MoFPED in liaison with OPM so that the sector targets are in agreement with the National indicators. In addition, the Ministry has engaged MoFPED to increase its budget ceilings to accommodate the prioritized institutional interventions as outlined in NDP11. Therefore the implementation of these interventions remains unfunded.</p>									
1.4	<p><u>Diversion of Funds</u></p> <p>There were instances of diversion of funds to other outputs with no relation to the output in question. This impacted on the financing of the planned activities resulting in some activities not being implemented. A total of UGX 1,050,532,082 was found to have been diverted by the Ministry towards unrelated activities.</p> <p>Mischarge/diversion of funds impacts on the implementation of planned activities.</p> <p>The Accounting Officer attributed this practice to budget constraints imposed by the MTEF limits issued by MOFPED and the priority demands the Accounting Officer had to meet even in instances where resources are not forthcoming. As a result, Management was constrained to fully adhere to the approved budget guidelines, resulting in the apparent diversion.</p>	<p>I advised the Accounting Officer to develop a more realistic budget to avoid significant deviations from the annually planned activities. Where variations are inevitable, reallocations should be sought in accordance with the established procedures.</p>								
1.5	<p><u>Inherent lags or delays in the procurement system and cost variations</u></p> <p>I also noted that delays in procurement affected the timely delivery of outputs. A case in point was the procurement of station wagon for the East African Civil Aviation Academy Soroti that should have been purchased in 2017/18 but the procurement was finalized in 2018/19. Similarly, the procurement for the construction of the Uganda Computerized Driving Permit premises which started in August 2018 was completed in August 2019. This further delayed the implementation of the project.</p> <p>Delayed procurements negatively impact on the implementation of planned activities.</p>	<p>I advised the Accounting Officer to ensure that procurements are undertaken within the timelines prescribed in the procurement regulations. This will require the establishment of a mechanism to routinely monitor the time taken throughout all the procurement processes.</p>								
1.6	<p><u>Monitoring and evaluation of implemented activities</u></p> <p>It was noted that although the Ministry had developed the Monitoring and Evaluation Policy there were no work plans developed to enable implementation of the policy. The indicators used to assess the different outputs under the Directorates of Transport Services and Infrastructure; Construction Standards and Quality Assurance and Policy, Planning and Capacity Building varied from output to output. I also noted that the different Directorates had a budget amount allocated for monitoring activities as detailed in Table 2 below, but the funds were not applied to monitoring activities;</p> <table border="1" data-bbox="379 1863 1098 2020"> <thead> <tr> <th>Directorate</th> <th>Approved Budget (UGX. billions)</th> <th>Release (UGX. billions)</th> <th>Spent (UGX. billions)</th> </tr> </thead> <tbody> <tr> <td>Transport Services and Infrastructure</td> <td>0.45</td> <td>0.44</td> <td>0.44</td> </tr> </tbody> </table>	Directorate	Approved Budget (UGX. billions)	Release (UGX. billions)	Spent (UGX. billions)	Transport Services and Infrastructure	0.45	0.44	0.44	<p>I advised the Accounting Officer to ensure that monitoring activities are streamlined by having annual work plans with clear indicators and targets. I also advised the Accounting officer that monitoring reports should be prepared and properly filed as a basis for proper accountability.</p>
Directorate	Approved Budget (UGX. billions)	Release (UGX. billions)	Spent (UGX. billions)							
Transport Services and Infrastructure	0.45	0.44	0.44							

	Construction Standards and Quality Assurance	10.76	8.85	8.85	
	Policy, Planning and Capacity Building	2.29	2.17	2.17	
	Totals	13.5	11.46	11.46	
	<p>These funds were mainly spent on allowances, workshops, and seminars; welfare and entertainment and consultancy services among others. In instances where monitoring activities were carried out, implementation of the recommendations from these monitoring activities was not followed up.</p> <p>The Accounting Officer acknowledged the gaps in the Monitoring and Evaluation (M&E) function. He indicated that in order to strengthen the M&E capacity, the Ministry has created an M&E Division under the new structure, and recruitment of staff is on-going. The new M&E Division is expected to be fully operational during FY 2019/20 and will address the current gaps in M&E.</p>				
1.7	Performance Reporting	<p>There is a lack of standardized indicators for the assessment of performance by the Ministry and as a result, the indicators are stated and described differently in the various reports and planning documents.</p>			<p>I advised the Accounting Officer to standardize all the indicators used in performance reporting to avoid inconsistencies in performance reporting.</p>

Emphasis of Matter

Without qualifying my opinion, I draw attention to the following matters presented in the financial statements that, in my judgment, are of such importance and fundamental to users' understanding of the financial statements:

2.0 Outstanding domestic arrears

Section 21(2) of the Public Finance Management Act, 2015 states that a vote shall not take any credit from any local company or body unless it has no unpaid domestic arrears from a debt in the previous financial year, and it has the capacity to pay the expenditure from the approved estimates as appropriated by Parliament for that financial year. Further paragraph 10.10.17 of the Treasury Accounting Instructions 2017 states that "An Accounting Officer will ensure that no payments due in any financial year remain unpaid at the end of that year. Towards the close of each financial year, the Head of Finance and Accounts function will take steps to obtain bills from any persons to whom money may be due, and submit payment vouchers for them to the appropriate Accounting Officer for payment".

A trend analysis of the domestic arrears showed a movement of arrears from UGX. 68,791,650,844 in the previous year to UGX.27,450,457,680 in the year under review, a decrease of 60.1%. The arrears remained unsettled at the close of the year. The table below shows the trend analysis of the domestic arrears for the past three years:

No	Year End	Amount (UGX)	% increase/decrease
1	30 th June 2017	63,806,298,032	
2	30 th June 2018	68,791,650,844	7.8%
3	30 th June 2019	27,450,457,680	-60.1%

I noted that the major component of the arrears outstanding related to pension for former employees of the Uganda Railways Corporation (URC). In the financial year

2017/18, the Ministry took over the payment of salary arrears for 1,200 Uganda Railways Corporation pensioners and these pension amounts were to be budgeted under the Ministry.

At the close of the financial year 2018/19, the Ministry received a court order to pay URC pensioners arrears amounting to UGX. 14.42 billion. These had not been budgeted for and have been accrued in the financial statements.

Accrued domestic arrears negatively impact on budget performance in the subsequent year as outputs anticipated in the appropriated budget cannot be attained due to settlement of the arrears. They also present a risk of litigation for non-payment. In addition, delayed payment of retired staff denies them the right to their social benefits and deprives them of a good social life after retirement.

The Accounting Officer explained that a request to the Ministry of Finance, Planning and Economic Development (MOFPED) to release funds amounting to UGX 14.42 bn to pay URC Pension arrears had been made.

I advised the Accounting Officer to ensure that sufficient budget provisions are made to enable settlement of the outstanding arrears.

Other Information

The Accounting Officer is responsible for the other information. The other information comprises the statement of responsibilities of the Accounting Officer and the commentaries by the Head of Accounts and the Accounting Officer and other supplementary information. The other information does not include the financial statements and my auditors' report thereon. My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

Management Responsibilities for the Financial Statements

Under Article 164 of the Constitution of the Republic of Uganda, 1995 (as amended) and Section 45 of the Public Finance Management Act, 2015, the Accounting Officer is accountable to Parliament for the funds and resources of the Ministry of Works and Transport.

The Accounting Officer is also responsible for the preparation of financial statements in accordance with the requirements of the Public Finance Management Act, 2015 and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the Ministry's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Accounting Officer has a realistic alternative to the contrary.

The Accounting Officer is responsible for overseeing the Ministry's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an

auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users, taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:-

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Ministry to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Accounting Officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the Accounting Officer, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Responsibilities

In accordance with Section 19 (1) of the National Audit Act, 2008, I report to you, based on my work described on the audit of Financial Statements, that; except for the matters raised in compliance with legislation section below, and whose effect has been considered in forming my

opinion on financial statements, the activities, financial transactions and information reflected in the financial statements that have come to my notice during the audit, are in all material respects, in compliance with the authorities which govern them.

Report on the Audit of Compliance with Legislation

The material findings in respect of the compliance criteria for the applicable subject matters are as follows;

3.0 Engineering Audit of a Selected Sample of Road and Bridge Projects implemented by the Ministry of Works and Transport during the Financial Year 2018/19

During the financial year 2018/19, the Ministry of Works and Transport (MoWT) implemented 155 public works projects whose contracts amounted to UGX.1,652,739,749,464. The OAG undertook technical audits on a sample of fourteen (14) projects worth UGX 27,195,600,966 representing 1.64% of the total value of the projects.

The projects consisted of eleven road construction/rehabilitation projects, of which six were under the road interconnectivity program, one from the urban roads sealing program while four were under the Low Cost Sealing (LCS) program. In addition, three bridge projects of which one is a swamp crossing were assessed. The list of projects audited is presented below;

S/No	Project	Contractor	Total Contract Sum
1	Bong Cao-Corner Boroboro Road (7.1km), Awiirao Primary School - Otai Village Banya Parish Road Section (3km) includes Swamp Filling, Abongo Rwot Corner Pajero Road (4.0km) including Swamp Raising and Barjwinya - Barobogo - Acwao - Ayago Boarder (5.9km); Total length = 20.0km	M/s Akaaba Enterprises Ltd	819,802,640
2	Nfasha - Kigunguzo - Rwabahondame Road (8.0km) and Kitagata - Mushanje Road (3.5km); Total Length = 11.5km	M/s Destiny Civil Engineering Ltd.	905,192,042
3	Bulucheke - Muchomu - Nyende Road (8.4km)	M/s Gadi (U) Ltd	1,041,634,380
4	Kizungu Rise in Nyamwamba division (0.6km), Mariseri road in Nyamwamba division (0.5km), Mumbuzi-Basecamp road (1.5km), Nyamwamba west road (0.5km), Mumbuzi 2 (0.1km), Nyakasanga Upper (1.0km), Mutanywana road in Central division (1.8km), Kidodo road (1.2km) and Land fill road (0.9km) (Total Length =8.1 km)	M/s Suleigh Engineering Ltd	757,626,373
5	Runga - Waaki - Butiaba (19.2km)	M/s Saed Technical Services Ltd	1,199,844,060
6	Akura Health Centre II – Agoro-Atiriglwo- Okwalo Moko Market Road (6.9km), J B Odwee Road (1.1km) and Okello Field Marshall Road (1.0km); Total length = 9.0km	M/s Buwekula Mixed Farm Ltd	385,706,600

7	Low cost sealing of Kisozi - Nawanyago road section A (4.0 Km)	M/s Rema (U) Ltd	2,915,000,256
8	Low cost sealing of Nyaruzigati - Kyapa - Kitabu road section B (5.7 Km)	M/s Pehan Construction Ltd	3,652,948,656
9	Low cost sealing of Kisozi - Nawanyago road section B (4.60 Km)	M/s Mogen EnterprisesLtd	2,894,695,524
10	Low cost sealing of Nyaruzigati - Kyapa - Kitabu road section A (5Km)	M/S Remmy Technical Services Ltd	2,597,432,711
11	Upgrading of Access Road to Busoga College Mwiri 3.1km	Multiplex	4,200,000,000
12	Gem Farm Bridge	Marvel Contractors & Road Maintenance Ltd	1,678,055,000
13	Kisaigi Bridge	M/s Juco Logistics Ltd	2,902,578,290
14	Kabindula Swamp Crossing	M/s Shattaman Contractors (U) Ltd	1,245,084,434
TOTAL			27,195,600,966

Below is a summary of key audit findings. Details including the management responses and recommendations can be obtained in the detailed technical report which was issued separately and forms an integral part of this report.

3.1.1 Planning and Design

(i) Inadequate Feasibility Studies

It was observed that on the projects of the upgrading of the access road to Busoga College Mwiri and rehabilitation of Bulucheke-Muchomo-Nyende Road, there was a substantial increase in the quantities of some of the items implemented (as shown in the table below) which is indicative of inadequate feasibility studies during the planning and design phase.

S/No	Project	Item	% Increase
1	Rehabilitation/Upgrading of the Access Road(3.1km) to Busoga College Mwiri in Jinja and Paving the Parking Area at Central Materials Laboratory in Kireka Kampala	Cut to Spoil	561%
		Imported Subgrade Fill	163.2%
		Stone Pitching	31.2%
2	Rehabilitation of Bulucheke-Muchomo-Nyende Road	Common excavation or cut to spoil of soft material	161%
		Rock excavation or cut to spoil in rock	2,456%
		Fill as instructed by the engineer	197%

It was further observed that for the construction of Kisaigi Bridge in Kakumiro District, the design of the project was changed majorly from 15m to 17m span due to the widening of the river banks. This implies that feasibility studies were insufficient during the design process. I advised the Accounting Officer to ensure that for future projects and especially for projects in hilly terrain, feasibility studies are properly undertaken so as to avoid a substantial increase in quantities of executed items.

(ii) The omission of Essential Work Items

Essential items such as speed control infrastructure, stone pitching and river training were noted to have been omitted on the low cost sealing projects for Kisozi – Nawanyago Road Sections A and B while Left Hand Side (LHS) road edge protection, and guard rails were not provided for in the contract for rehabilitation of the Access Road to Busoga College Mwiri.

I advised the Accounting Officer to ensure that the omitted work items are executed and for future projects, detailed planning is undertaken to ensure that all items are catered for in the contract.

(iii) Preparation of BoQ's for Low Cost Sealing Projects

Review of the BoQs prepared for the low cost sealing projects indicated that a number of items included within the BoQ were not aligned to the specifications with regards to the numbering and units of measurement for example; clearing and grubbing, preparation of the roadbed whose units were linear meters instead of cubic meters. Further, it was established that a number of items that are specified as non-separately measurable/payable items within the specifications had been included in the BoQs. These included; restoration of borrow pits, Construction of access roads to quarry sites including their maintenance throughout the working period, Preparation of quarry Sites consisting of clearing vegetation and removing topsoil.

The Accounting Officer explained that the specifications for Low volume roads were developed and eventually approved in 2018 after the BoQs of these contracts had been prepared. However, all BoQs for new projects shall be aligned with the General Specification for low volume roads.

I advised the Accounting Officer to put in place measures to ensure that BoQs prepared are aligned to the specifications of the respective work in terms of units of measurements and numbering.

3.1.2 Progress of Works

Of the fourteen (14) projects assessed, five (5) projects were found to have been completed within the contractual timelines, seven (7) had been delayed; one (1) was still on-going within the extended period but was lagging behind schedule while works for one (1) had been suspended. The Accounting Officer indicated that liquidated damages shall be charged to all contractors who fail to complete the works within the contractual timelines.

I advised the Accounting Officer to institute a comprehensive investigation into the causes of delays of completion of works and set up the appropriate remedial measures.

3.1.3 Unjustified Extensions of Time

It was noted that on six (6) of the fourteen projects, extension of times was granted to the contractors due to inclement weather. However, it is the opinion of the audit that the extension of time granted was unjustified because;

- (i) The extension of time arising from the heavy rainfall was not computed as per the procedures set out in section 1229 of the general specifications for road and bridge works and there was no authenticated rainfall data provided by the contractor.
- (ii) There was no evidence of consideration of the performance of the contractor in the assessment of his consideration for the extension of time.
- (iii) The computation of extension of time on two of the projects took into consideration the same months when the contractor was off site.

As a result of the unjustified extension of time, UGX.178,014,445.57 was forfeited by the Ministry in liquidated damages as detailed below;

Project	Contract Sum (UGX)	Damages per Day	No of Days	Liquidated Damages (UGX)
Rehabilitation of roads in Rubanda District	905,192,042	452,596	60	27,155,761.26
Rehabilitation of roads in Alebtong District	385,706,600	192,853	30	5,785,599.00
Rehabilitation of roads in Lira South	819,802,640	409,901	40	16,396,052.80
Low cost sealing of Nyaruzigati - Kyapa - Kitabu road section A (5Km)	2,597,432,711	1,298,716	30	38,961,490.67
Low cost sealing of Nyaruzigati - Kyapa - Kitabu road section B (5.7Km)	3,652,948,656	1,826,474	16	29,223,589.25
Construction of Kisaigi Bridge	1,512,298,815	756,149	80	60,491,952.60
Total				178,014,445.57

The Accounting Officer indicated that for future projects, extension of time arising from inclement rainfall shall be computed based on the formulae provided in the general specifications for road and bridge works.

I advised the Accounting Officer to put in place measures to ensure that extension of time arising from inclement rainfall is always computed as per the procedures set out in the specifications and the requisite authenticated documentation forms the basis for this computation.

3.1.4 Delayed Submission of Performance Guarantees

Whereas the works contracts required the contractors to submit performance guarantees within 21 days of contract signing, it was observed five (5) of the contractors delayed submission of the performance guarantees with delays ranging from 33 days to 223 days. Delayed submission of performance guarantees exposes the Ministry to the risk of loss in case the contractor breaches the contract and also constitutes a fundamental breach of contract as per clause 59.2(f).

The Accounting Officer explained that no payments for works were affected to any of the contractors without performance guarantees and in addition, the Ministry was regularly instructing the contractors to submit the performance guarantees.

I advised the Accounting Officer to put in place measures to ensure that contractors submit performance guarantees within the stipulated contractual timelines.

3.1.5 Payment/Certification for Excess Quantities

It was noted that on some of the projects, certifications and payments equivalent to UGX.202,288,300 had been made for quantities of works in excess of those executed. The table below shows the value of the certifications and payments made in excess of the quantities executed on various contracts.

S/N	Project Name	Certification/ Payment In Excess Of Executed Qty (UGX)
1	Rehabilitation/Upgrading of the Access Road(3.1km) to Busoga College Mwiri in Jinja	17,486,856
2	Rehabilitation of Runga-Waaki-Butiaba road in Hoima District (19.2km)	9,882,810
3	Rehabilitation of Bulucheke-Muchomo-Nyende Road in Bududa District (8.4km)	22,604,400

4	Rehabilitation of Roads in Rubanda District	72,037,960
5	Rehabilitation of Roads in Kasese Municipality	56,719,560
6	Rehabilitation of Roads in Alebtong District	0
7	Rehabilitation of roads in Lira South	0
8	Low Cost Sealing of Selected District Roads; Lot 1: in Kasese District	20,852,440
9	Low Cost Sealing of Selected District Roads; Lot 2: in Kasese District	19,060,800
10	Low Cost Sealing of Selected District Roads; Lot 6: In Kamuli District.	24,588,000
11	Low Cost Sealing of Selected District Roads; Lot 6: Kisozi – Nawanyago Road Section A (4.0km) in Kamuli District.	0
12	Construction of Gem Farm Bailey Bridge in Atiak, Amuru District	23,580,000
13	Construction of Kisaigi Bridge in Kakumiro District Lot 1	90,083,300
14	Construction of Kabindula Swamp Crossing in Kyankwanzi District Lot 20	64,037,000
TOTAL		202,288,300

The Accounting Officer indicated that verifications shall be undertaken and where overpayments are established, the excess payment shall be recovered from the contractors' subsequent payments.

I have advised the Accounting Officer to ensure that the amounts certified and paid in excess of the quantities executed are recovered from the contractors prior to concluding the contracts. MoWT should also ensure that accurate measurement of executed works are undertaken by the supervising staff before payments are effected.

3.1.6 Implementation of Road Safety, Environmental and Social Safeguards

During the physical site inspection of the works, poor adherence to environmental and social safeguards was observed;

- i. Kasaigi Bridge had been opened to traffic despite the fact that guard/handrails had not yet been installed which could compromise the safety of both motorists and pedestrians. At Kabindula swamp, the constructed diversion had been washed away and the temporary crossing provided could not be used by vehicular traffic and was also unsafe for pedestrians as it consisted of broken timber pieces placed over the structures being constructed. Further, it was observed that the contractors for the low cost sealing of sections A and B of Nyaruzigati-Kyapa-Kitabu Road in Kasese District had not provided traffic signage or diversions despite having damped gravel in different sections of the road.
- ii. Environmental requirements for road works in respect of restoration of borrow pits after exploitation were not addressed for two projects namely; Rehabilitation of roads in Alebtong District and Rehabilitation of roads in Rubanda District. Furthermore, poor disposal of equipment fuel/oil was observed in the yard of the contractor responsible for the construction of Kasaigi Bridge.
- iii. The contractor responsible for the low cost sealing of section B of Nyaruzigati-Kyapa-Kitabu failed to show the audit team the facilities used for sanitary purposes while the sanitary facility at Kabindula swamp crossing was constructed just beside the river, without any privacy thereby directly polluting the river. The non-use of Personal Protective Equipment (PPEs) was observed at the construction sites for the low cost sealing of sections A and B of Nyaruzigati-Kyapa-Kitabu Road in Kasese District.

The Accounting Officer indicated that all the contractors had been instructed to enforce the required road safety, environmental and social safeguards.

I advised the Accounting Officer to ensure that road safety, environmental and social safeguard measures are enforced on all projects.

3.1.7 Physical Inspection of Works

During the physical inspection of works, a number of observations were made that if not corrected could lead to the faster deterioration of the works and as such, would require corrective action prior to completion of the works. These are summarized below;

S/No	Road Project	Observations
1	Rehabilitation/Upgrading of the Access Road(3.1km) to Busoga College Mwiri in Jinja	Bleeding, stripping, cracked access culvert, damaged stone pitching and end structures, pothole development
2	Rehabilitation of Runga-Waaki-Butiaba road in Hoima District (19.2km)	Silted culverts, under scoured culvert apron, unconstructed end structures, washed off culvert backfill
3	Rehabilitation of Bulucheke-Muchomo-Nyende Road in Bududa District	Gullies on the carriageway uninstalled culverts at water crossing points
4	Rehabilitation of Roads in Rubanda District	Gullies, road edge breaks, washed off culvert backfill, unconstructed end structures, uninstalled culverts at water crossing points
5	Rehabilitation of Roads in Kasese Municipality	Cracked culverts, washed off culvert backfill, poorly constructed end structures
6	Rehabilitation of Roads in Alebtong District	Cracked culverts, broken end structures, washed off culvert backfill, silted culverts
7	Rehabilitation of Roads in Lira South	Silted culverts, broken/cracked end structures,
8	Low Cost Sealing of Selected District Roads; Lot 1: in Kasese District	Cracked culverts, culvert with exposed mesh, broken end structures
9	Low Cost Sealing of Selected District Roads; Lot 2: in Kasese District	Broken culverts, damaged sub-base, silted culverts
10	Low Cost Sealing of Selected District Roads; Lot 6: In Kamuli District.	Bleeding, broken end structures, broken and scoured aprons, Stripped capping layer along road carriageway, silted culverts
11	Low Cost Sealing of Selected District Roads; Lot 6: in Kamuli District	Silted culverts, damaged culvert bases, washed off culvert backfill, damaged road base, damaged end structures
12	Construction of Gem Farm Bailey Bridge in Atiak, Amuru District	Collapsed gabion at Abutment 2 RHS, Inadequate backfill at the approach to the bridge (LHS) in the corner, Need for river training
13	Construction of Kisaigi Bridge in Kakumiro District Lot 1	Honeycombs, collapsing backfill, Crack at Abutment wall, Formwork left within the bridge structure at different locations
14	Construction of Kabindula Swamp Crossing in Kyankwanzi District Lot 20	Extensive Honeycombing, poor workmanship on concrete works

The Accounting Officer indicated that contractors had been instructed to address the identified defects prior to the issue of the practical completion certificate.

I advised the Accounting Officer to ensure that all defects observed are rectified and in addition, the supervising team should thoroughly inspect the works prior to completion and ensure that all defects identified are rectified.

3.1.8 Supervision of the Works

All the projects audited were supervised in-house by the staff of the Ministry. For the interconnectivity projects, the Ministry staff were assisted by representatives of the respective District Local Governments. The following general observations were made;

- On eight of the fourteen projects, the number of monthly progress reports prepared was found to be insufficient.
- There was no evidence of the appointment of a works supervisor to undertake the daily supervision of works on Runga-Waaki-Butiaba road while there was delayed appointment of a clerk of works on the projects for low cost sealing of Kisozi – Nawanyago Road Sections A and B.
- On the construction of Kabindula Swamp crossing, the observations made during physical inspections, and field tests were undertaken are indicative of the poor supervision of the concrete works.

I advised the Accounting Officer to put in place measures to improve the contract supervision and monitoring arrangements.

3.1.9 Assessment of Quality of Works

During the physical inspection, in-situ tests were undertaken to assess the quality of the works. The results obtained indicated that on some of the projects, some elements of the works did not meet the required specifications;

S/No	Road Project	Test	Failed Parameters
1	Upgrading of Busoga College Mwiri Road	DCP	CBR - there are some weak points in the base layer on the right-hand side of the road
	Construction of Kasaigi Bridge	Rebound Hammer Test	Concrete Compressive Strength of Wing Walls Kagadi Side LHS & RHS
3	Construction of Kabindula Swamp crossing		Concrete compressive strength of Headwall (RHS), Headwall (LHS), Headwall (LHS), Wing wall (LHS), Headwall (RHS), Headwall (RHS), Headwall (LHS) at 0+170, 0+170, 0+255, 0+255, 0+215, 0+200, 0+200 respectively

The Accounting Officer indicated that further investigations shall be undertaken and in the event of failure appropriate remedies shall be undertaken.

I advised the Accounting Officer to undertake further tests on the failed work elements and undertake appropriate remedial action.

3.1.10 Summary of Key Findings per Project

The Summary of Key findings for each of the projects audited for the FY 2018/19 is provided in **Appendix II**.

4.0 Staff Performance Management Initiatives

The Government of Uganda has been implementing Public Service Reforms since the 1990s geared towards cultivating a performance culture focused on results, excellence, and professionalism. Consequently, a number of performance management initiatives have been introduced for enhancing performance and service delivery in the Public Service. These include Open Performance Appraisal System, Rewards and Sanctions Framework, Client Charters and Service Delivery Standards and Performance Agreements/Plans among others.

To implement the staff performance management initiatives, public service issued Circular Standing Instructions No. 1 of 2010, Circular Standing Instruction No. 1 of 2016, Public Service Standing Orders, Circular Standing Instruction No.1 Of 2011 to offer guidance to MDAs and Local Governments in undertaking the different activities on staff performance management.

Ministry of Works and Transport has an approved organization structure comprising of 788 staff out of which 576 posts have been filled, leaving a balance of 212 posts vacant. I undertook a review of the ministry staff in post to examine how the entity has implemented the above initiatives and I noted the following;

- 57 out of the 59 members of Senior Management had not completed Performance Agreements by 31st July 2018 contrary to Section 1.3 of the circular standing instructions No. 1 of 2010.
- There were no development plans undertaken for 788 staff during the year under review.
- Out of 594 staff in post at the beginning of the financial year, only 135 staff completed the performance appraisals while 459 did not undertake the activity.
- The Ministry had not submitted any performance appraisals to the Ministry of Public Service by 15th September 2018 as required by the guidelines.
- The Ministry did not carry out performance reviews for 594 staff in the year under review.
- The Ministry did not carry out any performance improvement initiatives in the audited year to address gaps noted during the previous year's assessment of staff performance.
- Reports on performance agreements, performance appraisals and performance improvement plans were not submitted to MoPS contrary to the set timelines.
- There were no reports prepared on absenteeism.

I advised management to ensure that all the prescribed performance management procedures are enforced.

5.0 Compensations by Standard Gauge Railway (SGR) Project

The Government of Uganda is undertaking the development of the Standard Gauge Railway (SGR) through the Ministry of Works and Transport as well as the development of the Greater Kampala Metropolitan Area (GKMA) Light Rail Mass Transit (LRT) system. A total of 1,724Km of SGR and 240Km of LRT will be developed in a phased manner. The Main SGR project is being implemented as a regional project with Uganda's partner states of Kenya, Rwanda and South Sudan and the network will stretch from Mombasa through Nairobi to Kampala, Kigali, and Juba.

Acquisition of Right of Way (RoW) is a key component of this project and involves the compensation of the landowners, commonly referred to as Project Affected Persons (PAPs) whose land will be taken over. A review of the payments made for PAPs by the SGR Project under the Ministry revealed the following;

4.5.1 Delays in the valuation of PAPs

The guidelines for compensation assessment under the Land Acquisition Act require the office of the Chief Government Valuer (CGV) who heads the valuation division in the Directorate of Land Management in the Ministry of Lands, Housing and Urban Development (MOLHUD), to provide timely and reliable real property valuations to Government. The period within which the official assessor drafts a valuation report and submits to the CGV shall not exceed 6 months.

I noted that the valuation process for land and properties was not undertaken timely in accordance with the compensation guidelines. I noted significant delays in the valuation process of properties for compensation of PAPs in the areas of Buikwe, Mukono, Wakiso, and Jinja where, by the close of the year 2018/19, it had taken over 6 months and still the valuation had not yet been approved. The delayed compensations affect the timely acquisition of land and subsequent project implementation.

The Accounting Officer explained that the Chief Government Valuer (CGV) guided that, due to lapse of time between earlier assessment of FY 2016/17 and delayed report approval, there is a need for the draft reports to be revised using the new district compensation rates and current market land prices. The Ministry continues to engage the respective districts directly and through the Ministry of Lands, Housing and Urban Development (MoLHUD) to fast track the approval process of the district compensation rates.

I advised the Ministry of Works and Transport to engage the Ministry of Lands Housing and Urban Development to ensure that the process of surveying and mapping and valuation is fast tracked for the project.

4.5.2 Variances between budgeted and actual releases for PAPs

According to the Ministerial policy Statement approved budget estimates for the year under review, Parliament appropriated a total of UGX 39.2 billion to enable the Ministry to implement its activities on the compensation of PAPs under the SGR project. However, only UGX.25 billion (64%) was released representing a shortfall of UGX. 14.2 billion (36%). This was attributed to inadequate budget allocations and budget cuts from the Ministry of Finance and Economic Development (MoFPED).

Compensation of PAPs was not undertaken in a timely manner, which impedes the progress of the RAP implementation process. This may lead to PAPs contesting amounts in the valuation reports due to lapse of time resulting in further cost escalations.

The Accounting Officer explained that the budget releases to the SGR project have been used for project activities including, but not limited to; land compensation and project administration activities such as staff costs, rent, land acquisition related expenditures and procurement of survey equipment. The Accounting Officer also explained that the Ministry has been making an effort to have additional funding to fast track the compensation of PAPs though with little success.

I advised the Accounting officer to liaise with the relevant stakeholders to ensure adequate disbursement of funds for compensations.

4.5.3 Delays in payment of PAPs

The 2007 Guidelines on Compulsory Land Acquisition, Compulsory Land Acquisition Process Procedure No. 11 requires that with consideration to arbitration, compensation, and resettlement, the period from the approval of the valuation report to payment of compensation awards shall not exceed 6 months.

I observed that out of the total approved 4,772 PAPs along with the districts of Tororo, Iganga, Butaleja, Namutumba and Luuka with land and properties valued at UGX 137 billion, only 3,556 PAPs with claims of UGX 62 billion have been fully compensated. It was further noted that over 85% of these PAPs were awarded compensation in financial year 2015/16 and to date, some have not yet been paid.

Delays in compensation of PAPs pose a risk of increased costs of acquisition of the Right of Way and lawsuits.

The Accounting Officer explained that the delays were due to inadequate budget allocations.

I advised the Accounting Officer to engage the Ministry of Finance and lobby for adequate resources to facilitate the timely implementation of the project.

4.6 Funds absorption and implementation of Projects at Mt. Elgon Labour Based Technology (MELTC) Training Centre

4.6.1 Projects fund absorption

The school implemented a number of projects during the year. It was however noted that most of these projects had not been planned. Furthermore, there were projects for which funds were spent beyond the allocated amount while others did not exhaust the allocated funds. Details are in the table below:

Project Name	Release Amount (18/19) (UGX)	Spent (UGX)	Balances as at 18/19 (UGX)	Audit Remarks	RESPONSES
Bridges to Prosperity	595,580,000	720,039,891	124,459,891	Expenditure higher than the allocation.	This is a five-year jointly funded project between GoU and B2P with balances and activities that straddle financial years. The unspent balance was a provisional amount to pay for materials on the Kibembe suspended bridge. The actual amount spent on Kibembe was UGX136,042,688 in FY 2019/20
Development Initiative for Northern Uganda	372,410,000	406,777,044	(34,367,044)	Expenditure was above what had been received. The school started spending way before funds had been approved and therefore by the time the funds had come in, there was a projected deficit already.	The process to approve the first release to MELTC for DINU activities was delayed as a new Bank account had to be opened in BoU. The invitations for training had been sent out to the beneficiary districts already and cancellation would affect other scheduled training at MELTC. The second release from DINU to clear the deficit is expected in quarter 2 of FY 2019/20
Training of UNRA staff in road maintenance, LBT, and LCs	540,428,999	395,340,388	145,088,611	There was a project balance at the end of the training meaning they had over allocated funds the activity.	The t balance on this training arose because MELTEC had planned to train three groups. At the end of the FY, only two groups had been trained. The unspent balance was to cater to one of the 3 remaining groups to be trained.
Training of Mid-Level contractors	379,409,250	13,790,000	365,519,250	Funds were not utilized. The project will commence in 2019/20	The delayed absorption of the funds was caused by a delayed procurement process that also involved a post-qualification evaluation of the prospective contractors for training. The activity was completed in quarter 1 of

					FY 2019/20
District Road Improvement projects	391,110,000	393,910,000	2,800,000	Funds were utilized with no substantial reports attached for the expenditure. Works are still ongoing as per the progress reports.	The exercise was completed and the reports were submitted.
Rolling out of low cost sealing	106,843,004	142,979,004	36,136,000	BoQs were developed and the civil works will commence in FY 2019/20. The project account was overdrawn as indicated.	The project account was overdrawn due to extra field activities that had to be undertaken to achieve the desired objective(s). This is still an ongoing project and the deficit will be recovered from the subsequent releases
Training in constructing stone arch bridges	300,000,000	118,502,625	181,497,375	The activity was partially done. Training is scheduled for 2019/20. Under absorption observed.	The under absorption was occasioned by the need to train key stakeholders from MoWT and DLGs in the design and construction of low cost bridges under AfDB capacity building. Training of technical staff from DLGs at MELTC will commence in Quarter3 of FY 2019/20
Construction of ladders	274,000,000	190,956,800	83,043,200	Under absorption observed.	There was a delay in the completion of the Steel ladders due to heavy rains and poor access roads. However, the Steel ladders at Sigwa were completed and commissioned on 10 th October 2019.

The excess expenditure and implementation of unplanned activities contravene financial regulations and result in planned activities not being implemented.

I advised the Accounting Officer to ensure that activities are implemented in accordance with approved plans and budgets.

4.6.2 Status of Project Implementation

A review of the status of implementation of various projects at the training school revealed that implementation of a number of projects had been delayed and some stalled. Details are provided in the table below.

Project Name	Objective	Amount Received (UGX)	Audit Remarks
Bridges to Prosperity	Construction of suspended cable footbridges across river crossing bottlenecks.	595,580,000	This is a five-year project and 10 footbridges were to be constructed in selected parts of the country.
Development Initiative for Northern Uganda	Training technical and technical staff from DLGs in North & North Eastern Uganda in LBT,	372,410,000	The project started late and will continue through to 2019/20. However, it should be noted that the budget had

	CCIs, and LCs		been exhausted by the year end.
Training of Mid-level contractors	Improve the capacity of local contractors to take on LCs contracts in the country.	379,409,250	The project was not implemented due to the late release of funds.
District Road Improvement projects	Prefeasibility study for the district's roads improvement project.	391,110,000	It was difficult to establish if these activities had been carried out as there were no feasibility study reports presented but payments were made to individual ministry staff.
Training of Mechanical Operators	Training mechanical operators from the districts in Eastern Uganda.	214,462,000	As per the progress report of the accountant, the activity was completed in the 3 rd quarter.
Rolling out of low cost sealing	Carry out geotechnical investigations, materials testing and develop BoQs for roads in selected districts in the country.	106,843,004	Funds were mainly spent on allowances instead of the project activity. 60% of the funds were spent on allowances.
Training in constructing stone arch bridges	Improve community access across rivers.	300,000,000	Geotechnical investigations were done at Mutoto and Nabidoko. Training to be done in 2019/20
Construction of ladders	Improve community access in mountainous hard to reach areas.	274,000,000	There was no inspection report to confirm what was delivered.
AFDB funded capacity building training	Training MoWT Engineers, MELTC trainers and district engineers in LCs, Road Asset Management.	554,926,000	The training was delayed by the procurement of individual consultants to boost the MELTC training team.

The delay in the implementation of the projects may lead to failure to achieve the intended objectives.

I advised the Accounting officer to review the implementation of the projects to address the causes of these snags to ensure that the expected outputs under the various activities are achieved.



John F.S. Muwanga
AUDITOR GENERAL
 KAMPALA
 27th December 2019

Appendix I – Implementation of planned activities

Output	Planned Activity	Amount (UGX. Billion)	Activity Delivery	Audit Remarks
Project 1096: Support to computerized driving permit: Partially Achieved				
Road safety programs coordinated and monitored	Contractor for new office premises for UCDP procured	Budget: 2.7 Released: 2.322 Spent: 2.322	Partially Achieved	Scheme designs and concepts for the one-stop center building to accommodate the One-Stop Centre and New site (URC facility) assessment concluded.
Government Buildings and Administrative Infrastructure	10% of building works for new office premises for UCDP completed		Not Achieved	The plan to complete 10% building works for the new office premises was not achieved due to a change of location as top management anticipated congestion around the original proposed location (Current TLB premises).
Purchase of office and ICT Equipment, including software.	Support to Automated Licensing System provided		Achieved	Funds were spent on installation of digital archiving system
Program 02: Transport infrastructure and services- Partially Achieved				
Policies, Laws, Guidelines, Plans and Strategies	a)Performance of URC, CAA, EACAA Soroti monitored and evaluated;	Budget: 13.47 Released: 293.51 Spent: 293.25 Note: UGX 122,668,603,403 was utilized towards the Purchase of passenger planes (Airbus) and consolidated allowances to National Airline.	Partially Achieved	a) Interviews indicated that monitoring activities relating to URC, CAA, and EACAA were undertaken and these formed the basis for the release of funds to the Agencies.
	b) Regional Transport Sector projects and programs coordinated;			b) The activities relating to the regional transport sector projects and programs like Regional workshop to review the draft final Management Plan of Lake Edward and Albert Basin in Gisenyi Rwanda was held; Report of refined Petroleum Product Pipeline Cluster Experts Site Visit held at Kenya Pipeline Company Limited was also held in Kisumu. The report with respect to International Arbitration between Rift Valley Railways

				and GoU was held on 12-14 March 2019. This is part of the coordination for the Regional Transport Sector Projects and Programs.
	c)Support to Logistics Development group (Green Transport and Logistics activities);			c) Support to Logistics Development Group (Green Transport and Logistics Activities) was not implemented.
	d)Railway Transport Policy developed			d) The Railway Transport Policy was not completed. It is still in draft form pending the ministry approval.
Project 0951 East African Trade and Transport Facilitation-Partially Achieved				
Boarder Post Rehabilitation/ Construction	Construction of Elegu OSBP completed	Budget: 7.01 Release:11.88 Spent: 5.633 Note: UGX 1.65bn was spent on repair of Japanese Equipment;	Partially Achieved	a) Elegu border post, Phase 2 has started and almost to completion. However, completion certificate and occupancy are yet to be issued.
	b)85% construction works for Katuna OSBP (Phase 1) completed;	Development of Kabaale International Airport and Supply of digital Archiving System.	Achieved	b) Construction of Katuna border post was done.
	c)90% construction works for the exit road at Malaba OSBP completed;		Achieved	c) The exit road to Malaba was constructed.
	d) Contractor for the construction of Katuna OSBP (Phase 2) procured		Not achieved	d) The procurement contract for the construction of Katuna border post Phase II was not completed which is still at the evaluation stage at the time of the audit. e)

	<p>e) Designs for Mpondwe, Bunagana, Goli and Ntoroko OSBPs completed; Monthly project progress reports prepared.</p>		Partially achieved	<p>e) Designs for Mpondwe, Bunagana, Goli and Ntoroko border posts were done. The monthly progress reports as planned for the progress of works were not available.</p>
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Project 1097: New standard gauge railway line- Partially Achieved

Development of Standard Gauge Railway Infrastructure	<p>a)A comprehensive financial analysis of the Eastern route finalized;</p>	<p>Budget: 39.2 Release: 33.43 Spent: 33.432</p> <p>Note: The funds released related to quite a number of activities and were therefore difficult to attach the amount spent on a specific output.</p>	Not Achieved	<p>a) The comprehensive fiscal analysis report was not completed. This was still pending review and adoption by the Peer Review Committee;</p>
	<p>b) Training of staff undertaken;</p>		Not Achieved	<p>b) Training of staff was not undertaken;</p>
	<p>c)Profiling of unsolicited local content participants undertaken;</p>		Not Achieved	<p>c) The profiling of unsolicited local content participants was not completed;</p>
	<p>d) National and Regional coordination of the SGR project undertaken;</p>		Partially Achieved	<p>d) The National and Regional coordination of the SGR project undertaken;</p>
	<p>e)Statistical and economic software and equipment are procured;</p>		Not Achieved	<p>e) Statistical and economic software and equipment were not procured.</p>
	<p>f)Affected PAPs along the corridor acquired;</p>		Achieved	<p>f) 264 PAPs were compensated along the corridor.</p>

	g)14.433acres of SGR corridor acquired		Achieved	e) 26.704 acres for the SGR corridor was acquired.
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Project 1284: Development of New Kampala port in Bukasa- Partially Achieved

Feasibility / Design Studies	Implementation of RAP	Budget:3.9 Release:3.7 Spent: 7.7 Note: Funds totaling to UGX 766.9m	Achieved	a) The Resettlement Action Plan study report for Bukasa was approved and implementation commenced.
Construction/R rehabilitation of Inland Water Transport Infrastructure	b)20% of port dredging and surcharging works completed	for this activity had been used for the construction of Sezibwa Swamp and office consumables.	Not Achieved	b) The 20% of dredging and surcharging works were not done due to procurement delays of dredging and surcharging contractors. The law required that a local contractor should be included in the civil works which were eventually resolved as proposed. The works were also affected by delays in compensation of PAPs in the area where works were to be done.
Construction/R rehabilitation of Inland Water Transport Infrastructure	Detailed engineering design for the New Kampala Port at Bukasa completed		Not Achieved	The Detailed Engineering design for New Kampala Bukasa was not completed

Project 1373 Entebbe Airport Rehabilitation Phase 1-Not Achieved

Rehabilitation of Upcountry Aerodromes	a)100% works for the new cargo center complex for Entebbe Airport completed	Budget:151.58 Released: 92.68 Spent:92.68 Note: Overall the project progress was at 64%	Not Achieved	a) The works on the new cargo center complex for Entebbe Airport were not completed.
			Not Achieved	

	b)100% rehabilitation works for aprons 1 and 2 completed	physical progress as of October 2019. Error! eference source not found. refers		b) The rehabilitation works for aprons 1 and 2 were not completed.
	c)100% rehabilitation works for runway 12/30 and its associated taxiways completed		Not Achieved	c) The rehabilitation works for runways and its associated taxiways were not completed.
	d)20% works for the New Passenger Terminal completed		Not Achieved	d) The new passenger terminal building works are yet to commence as it is dependent on the completion of the new cargo center complex. Physical progress was at 0%.
Project 1489 Development of Kabaale Airport- Partially Achieved				
Border Post Rehabilitation/ Construction	a)50% physical works for the development of Kabaale Airport (Phase I) completed;	Budget:0.5 Release:6.25 Spent: 6.25	Partially Achieved	Planned activities for Phase I not fully completed. Activities done include: Clearing and grubbing; swamp treatment; cut and fill, plus the drainage works and road diversion of 3.8km was accomplished. Progress was affected by land compensation issues, delays in procurement of supervision consultant and release of GoU counterpart funding.
Project 1512: Uganda National Airline Project- Partially Achieved				
Policies, Laws, Guidelines, Plans, and Strategies	a)National Airline launched and operational	Budget: 129.5 Release: 409.55 Spent: 117.232	Achieved	a) National Airline launch and operationalization was achieved. Key staff was recruited as planned using a consultancy. The Uganda National Airline started operations. However, the Five phase certification process for the Air Operator Certificate was still ongoing at the end of June 2019.

Purchase of Motor vehicles and Other Transport Equipment	a) 4 aircraft for the National Airline procured;		Partially Achieved	b) Two bombardier CRJ900 aircraft were delivered out of the four planned aircraft.
Subprogram: Roads and Bridges-Achieved				
Support to MELTC	TNA carried out in 20DLGs & 20 urban LGs for selection of Technical Supervisors and Non-Engineering staff to undertake training in LBT, LCS, & CCIs.	Budget:4 Release:4 Spent:4	Achieved	a) TNA carried out in 20DLGs & 20 urban LGs for selection of Technical Supervisors and Non-Engineering staff to undertake training in LBT, LCS, & CCIs output was achieved. 198 No. Road maintenance gang leaders and 19No road overseers from various districts (20) and urban local governments (20). The non-engineering staff was also trained.
	TNA carried out in 10 DLGs for the selection of trainable Road Gang Leaders in LBT/Routine road maintenance.		Achieved	TNA carried out in 10 DLGs for the selection of trainable Road Gang Leaders in LBT/Routine road maintenance. The training needs assessment for 10 DLGs was carried out on routine road maintenance.
	c) Technical Supervisors from 10 DLGs		Achieved	The technical supervisor was also trained for the 10 DLGs.
Project 1421: Development of the construction industry-Partially Achieved				
Policies, Laws, Guidelines, Plans and Strategies	a)General specifications for roads and bridges work reviewed and updated ;	Budget:8.2 Release:7.79 Spent: 3.8	Achieved	a) The General specifications for roads and bridges works were not updated.
	b) UCICO bill finalized and established;		Not Achieved	b) UCICO bill was not finalized. The government reversed and canceled the bill.
	c)Unit cost study for road construction and maintenance prepared;		Partially Achieved	c) The Unit cost Study for road construction and maintenance was partially completed. However, this was yet to be approved.

	d) Non-motorised transport manual prepared;		Partially Achieved	d) Non-motorized transport manual was partially completed. It was in draft form yet to be approved by the responsible authorities.
Project 0269: Construction of Selected Bridges- Partially Achieved				
Monitoring and capacity building support for district road works	Construction of Bambala and Kabindula Swamp Crossings (Kyankwanzi District) completed	Budget:18.6 Release:18.4 Spent: 17.03	Achieved	a) The construction of the Bambala and Kabindula swamp crossing was completed.
	Construction of Kisaigi Bridge (Kakumiro District) completed;		Achieved	b) The construction of the Kisaigi Bridge was completed.
Major Bridges	c) Design and Construction of Sezibwa swamp crossing between Kayunga and Nakasongola; Wangobo-Nsonkwe-Namunyumya; Muzizi and Amodo swamp among others.		Partially Achieved	The design and construction of sezibwa swamp crossing were not completed. This activity was still ongoing at the time of the audit. However, there were a number of bridges that had not been completed like Wangobo-Nsonkwe-Namunyumya; Muzizi and Amodo Swamp among others. This was attributable to procurement being halted and taken over by UNRA for the case of Amua Bridge; while for others there was Delayed procurement of materials for the construction of the metallic ladder and lack of equipment.
Project:0307 Rehabilitation of District Roads-Not Achieved				
Urban Roads construction and rehabilitation (Bitumen Standards)	a) Rehabilitation of roads in Mityana MC - 2.35km on Old Kampala Rd & Station road completed	Budget: 8.411 Release: 8.274 Spent: 8.096 Note: The activities were not achieved due to various reasons. For example, the procurement delays noted in obtaining contractors for the works to be done on	Not Achieved	a) Rehabilitation of roads in Mityana MC was not completed. The only 1.7km of the road was completed.
	Feasibility study/design for urban roads rehabilitation project in 20 Municipal Councils undertaken		Not Achieved	b) The feasibility study or design for the urban road rehabilitation project was not undertaken at the time of the audit.

		Mityana MC on Kampala Road and Station Road.; Delays in concluding detailed designs and engineers cost estimates affected the planned road works.		
	c) Additional works on tarmacking parking areas and access road to Guest Wing & Health Facility at NALI		Not Achieved	c) The additional works on tarmacking parking areas and access road to Guest Wing and Health facility at NALI Estate were not completed as we noted that drainage works were still ongoing along with other activities.
Project 0306: Urban Road Re-sealing-Not Achieved				
Roads, Streets, and Highways	a)Rehabilitation/Upgrading to bitumen standard of Busabala Road (12km) in Makindye Ssabagabo MC-Phase 1	Budget: 6 Release: 5.860 Spent: 5.860	Not Achieved	Rehabilitation/upgrading to bitumen standard of Busabala Road (121km) in Makindye Ssabagabo MC-Phase I was not achieved. This was due to the change by the Top Management Team to rehabilitate the Cathedral and Church Roads in Bugemebe TC and Internal Roads at the National Agric Show Grounds in Jinja M.C.
Project 0307: Rehabilitation of district roads- Partially Achieved				
Roads, Streets, and Highways	a)Construction of roads using probase technology undertaken for 75km of roads including Nansana- Bira- Kireka road (4.7km);	Budget:73.895 Release:74.085 Spent: 80.779 Note: It was difficult to establish how much had been spent on a specific planned output vis-a-vis the deliverables reported.	Achieved	a) Construction of roads using probase technology undertaken for 75km of roads including Nansana-Bira- Kireka road (4.7km) was completed.
	b) Geometric and pavement design of road sections to be constructed		Partially Achieved	b) The geometric and pavement design of the road section was not completed.

	c) Specialized Equipment for survey procured		Not Achieved	c) Specialized Equipment for the survey was not procured.
	Construction of access road to Mwiri (3.1km) completed		Achieved	d) The construction of the access road to Mwiri was completed.
Subprogram: Mechanical Engineering Services-Partially Achieved				
Operation and maintenance of MV Kalangala ship and other delegated ferries	a) Ferry landing at Nakiwogo (Entebbe) and Lutoboka Kalangala) maintained;	Budget: 33.2 Release: 33.07 Spent: 32.594	Achieved	a)The landing site at Nakiwogo and Lutoboka was in a maintained;
	b) Operation of MV Kalangala ship supported and monitored;		Achieved	b) The operation of the MV Kalangala ship was supported.
	c) Marine insurance for MV Kalangala and lake Bisina ferry secured;		Achieved	c) Marine Insurance for MV Kalangala and L Bisina was secured.
	d) Class survey for MV Kalangala undertaken;		Partially Achieved	d) I could not confirm is the survey had been extensively undertaken as there were no reports presented to the audit team.
Project 1405: Rehabilitation of Regional Mechanical Workshop- Partially Achieved				
Government Buildings and Administrative Infrastructure	a) Gulu Regional Mechanical Workshop parking yard paved;	Budget:3.030 Release: 2.810 Spent: 2.810	Achieved	a) Gulu Regional Workshops' parking yard was paved.
	Mbarara Regional Mechanical Workshop yard paved;		Achieved	b) Mbarara Regional Mechanical Workshop yard was also paved.
	c) 2 Zonal Centers established;		Not Achieved	The two zonal centers were not established.

Project 1105: Strengthening Sector Coordination, Planning and ICT- Partially Achieved				
Strengthening sector coordination, planning, and ICT	a) Ministerial ICT Policy developed;	Budget: 1.2 Release: 1.098 Spent: 7.966	Partially Achieved	a) The Ministerial ICT Policy was developed.
	b) Coordinates and mapping of infrastructure on Lake Victoria.		Not Achieved	c) Coordinates and mapping of infrastructure identified on Lake Victoria, the activity was not completed.
	The ToRs for Ministerial ICT policy and Environmental Impact Assessment reviewed the report of Portbell and Jinja landing sites completed.		Achieved	The ToRs for Ministerial ICT policy and Environmental Impact Assessment review report for Portbell and Jinja landing sites were provided for audit.
	d) Feasibility Study and detailed engineering designs for access roads, community jetties and landing sites on L.Victoria completed.		Not Achieved	d) Feasibility study and detailed engineering designs for access roads, community jetties and Landing sites on Lake Victoria were not done since there was no funding from world bank as expected.
	e) National Transport Master Plan conducted and preparation of a Multimodal transport strategy commenced;		Partially Achieved	The National Transport Master Plan conducted and preparation for the Multimodal transport strategy. The National Transport Master Plan was conducted while the preparation of the Multi-Modal transport strategy was not done.

Source: MPS, Interviews, OAG reviews

Appendix II: Summary of Audit Findings per project

The table below presents the summary of findings per project

S/No	Project/Contract Amount	Key Findings
1	Rehabilitation/upgrading of the access road(3.1km) to Busoga College Mwiri in Jinja and paving the parking area at the central materials laboratory in Kireka, Kampala.	Inadequate feasibility studies during design, and increased quantities; Audit noted that the original geometric design was shifted at sections 1+150 to 1+410, and 1+600 to 1+700 with an intention of reducing on the earthworks as indicated in progress reports. It was however noted that the quantities of Cut to spoil, imported subgrade fill material, and stone pitching exceeded the original by 561%, 163.2%, and 31.2% respectively. This is a clear indicator that thorough investigations were not carried out at the design stage.
		The omission of essential components in the contract; Audit review of project bills of quantities, and inspection of the implemented project revealed that LHS road edge protection and guard rails were not provided for in the contract.
		Expired Performance guarantee; The extended performance guarantee expired on 24 th July 2019 and has not been renewed to-date. It should be noted that the contractor has not yet achieved substantial completion and still has outstanding works to implement.
		The slow progress of works; Review of Progress report of August 2019, revealed that the original project period of six (6) months had been extended by 15weeks. The audit noted that with the extension of 15 weeks, by 31 st July 2019, the progress of works was only 86.3%, against elapsed project time of 133.68%.
		Inspection of Works; some of the observations made included; Bleeding at Ch 0+030, Silted side drain at LHS of kakira access, Short side drain at LHS of kakira access, Poorly finished and failed stone pitching at end of Bugembe access LHS, Shrub Overgrown side drain on LHS of Iganga access affecting flow of water, Cracked access culvert line at 0+200 LHS, Washed/damaged stone pitching bases at several locations, Damaged end structures at several access culverts, Unconstructed outlet end structures on all cross culverts, Potholes developing at km 0+975 centreline, Stripping of second seal chippings at Ch 1+850 – Ch 1+950.
		Quality of Works; Audit undertook DCP tests, and noted that the Subbase layer passed, while there are some weak points in the base layer on the right-hand side of the road. The average CBR for the base layer is 68% on the LHS, and 54.26% on RHS.
		Quantity Verification; A comparison of the quantities of the items assessed by the audit team and those certified for payment revealed inconsistencies in some of the quantities of the measured items resulting in an overpayment of UGX.17,486,856
		Insufficient progress reports; Review of availed project documentation revealed that out of the ten (10) reports expected on file, six had been prepared.
2	Rehabilitation of Runga-Waaki-Butiaba road in Hoima district (Total	Inadequate planning. The contractor was denied access to the road section from km11+500 to 19+200 due to land acquisition and compensation issues.

	<p>Length=19.2km) UGX.1,199,844,060</p>	<p>Performance security validity period and extension. The performance security was not valid for the full period required in the contract and was not extended upon awarding of extension of time.</p> <p>Insurance Cover. There was delayed effecting of Insurance which was effected to cover only the contractor and not the Employer and was not extended upon extension of the contract period.</p> <p>Inspection of Works. The following observations were made; Vegetation growth inside drains and edges of the road, culverts without end structures, Culverts with no fill close to the end structures, Culvert silted to half its diameter and Collapsed end structure of culverts.</p> <p>Quality of Works. The contractor duly submitted test results for compaction and borrows pit materials but there is no evidence of written approval by the contract manager to the contractor.</p> <p>Quantity Verification. Overpayments equivalent UGX 9,882,810 were noted during quantity verifications</p> <p>Supervision of Works. There was no evidence of the appointment of a site supervisor by the Chief Administrative Officer, Hoima district and site dairies were signed by the contract manager.</p>
<p>3</p>	<p>Rehabilitation of Bulucheke-Muchomo-Nyende road in Bududa district (8.4km) UGX.1,041,634,380</p>	<p>Inadequate planning and design. The quantities for common excavation or cut to spoil, rock excavation, and fill items were underestimated and the executed quantities increased the contract amount by UGX 218,496,700.</p> <p>Delayed initiation of Performance security. Performance security was issued 5 months and 6 days late, exposing the client to the risk of loss in the event of the poor performance of the contractor.</p> <p>Insurance Cover. Insurance was effected to cover only the contractor and not the Employer and was not extended upon extension of the contract period.</p> <p>Inspection of Works. The following observations were made; Cuts were made at close to 90 degrees, gulleys had developed in the carriageway, there is a need for culvert installation at several points at which water flows across the carriageway along the road, collapsed edges of fill sections, rock outcrops in the carriageway.</p> <p>Quality of Works. The Audit team noted that the contractor duly submitted field density compaction test results for completed sections.</p> <p>Quantity Verification. Some overpayments worth UGX 22,604,400 were made</p> <p>Inadequate supervision. The contract manager prepared only two progress reports and minutes for one site meeting as opposed to the expected 9 reports and minutes.</p>
<p>4</p>	<p>Nfasha - Kigunguzo - Rwabahondame Road (8.0km) and Kitagata - Mushanje Road (3.5km); Total Length = 11.5km, UGX.905,192,042</p>	<p>Expired Advance payment guarantee. Advance payment guarantee expired with only 10% having been recovered, leaving the rest unsecured and exposing MOWT to the risk of financial loss.</p> <p>Unjustified extension of time. Extension of time based on inclement weather was unjustified due to contractor's failure to give early warning on the matter, questionable records on site daily reports and lack of evidence of computing extension of time as stipulated in General specifications for roads and bridge works.</p>

		<p>Delayed completion of works and uncharged liquidated damages. At the time of the audit, works were incomplete, the completion certificate was yet to be issued and extended contract period had been exceeded. Liquidated damages worth UGX 28,985,345 remained uncharged.</p> <p>Inspection of Works. The following were observed; Culverts missing where water flows across the carriageway, Metal pipe culvert end structures not constructed, Fill on top of metal pipe culverts has been washed off, gulleys had developed in sections of both roads, all borrow pits used on the project had not been reinstated, and edge breaks at various fill sections on both roads</p> <p>Quality of Works. Desk Review of Quality Assurance Control The Audit team noted that the contractor duly submitted field density compaction test results for completed sections. Testing of Quality of Materials Of the 12 tests carried out on samples of gravel from three borrow pits, 5 parameters failed to meet specification requirements</p> <p>Quantity Verification. Some overpayments worth UGX UGX. 72,037,960 were made.</p> <p>Inadequate supervision. Reports for January, April, June, and July were not seen during audit.</p>
5	Rehabilitation of Kizungu Rise in Nyamwamba division (0.6km), Mariseri road in Nyamwamba division (0.5km), Mumbuzi-Basecamp road (1.5km), Nyamwamba west road (0.5km), Mumbuzi 2 (0.1km), Nyakasanga Upper (1.0km), Mutanywana road in Central division (1.8km), Kidodo road (1.2km) and Landfill road (0.9km) (Total Length =8.1 km), UGX. 650,661,440	<p>Payment for tests ordered or carried out by the engineer. Money amounting to UGX 3,150,000 was paid under the above item however instructions and test results of these were not availed.</p> <p>Inspection of Works. The following were observed; Culverts without end structures, Poor workmanship on end structures finishes, deformed culverts, access roads without culvert, Fill washed off from culvert top, all gravel washed off carriageway on Nyamwamba West Road, and side drains on Nyakasanga road had been heavily eroded by surface runoff</p> <p>Quality of Works. Desk Review of Quality Assurance Control The contractor duly submitted test results for compaction and borrows pit materials but there is no evidence of approval by the contract manager. Testing of Quality of Materials The gravel used met all the required parameters for wearing courses except the percentage passing 37.5mm sieve. Quantity Verification. Some overpayments worth UGX. 56,719,560 were made.</p> <p>Supervision of Works. It was observed that the contract manager duly prepared and submitted monthly progress reports in accordance with PPDA regulation 52</p>
6	Rehabilitation of Bong Cao-Corner Boroboro Road (7.1km), Awiirao Primary School - Otai Village Banya Parish Road Section (3km) includes Swamp Filling, Abongo Rwot Corner Pajero Road (4.0Km) including Swamp Raising and Barjwinya -	<p>Insurance Cover; The insurance cover provided expires before the end of the defects liability period contrary to clause 13.1 of the works contract. Accordingly, the audit noted that the works were not adequately insured for the entire duration of the contract period</p> <p>Unjustified Extension of Time; The extension of time of 40 days granted to the contractor was considered unjustified because;</p> <ul style="list-style-type: none"> The extension of time arising from the heavy rainfall was not computed as per the procedures set out in section 1229 of the general specifications for road

	<p>Barobogo - Acwao - Ayago Boarder (5.9km); Total length 20.0km UGX.819,802,640</p>	<p>and bridge works and there was no authenticated rainfall data provided by the contractor</p> <ul style="list-style-type: none"> Inconsistencies were noted regarding the rainfall experienced in the area in the months of May and April <p>Change of Contractor's Key Personnel; some of the contractor's key personnel such as the site engineer, Contract Manager and Construction Superintendent that had originally been named in the schedule of key personnel were not participating in the execution of the contract and had been replaced without approval.</p> <p>Work Programs; whereas the contractor submitted a work program at the start of the works, there was no evidence of submission of updated work programs every 30 days as is required by clause 27.3</p> <p>Inspection of Works; Works were completed; observations made included; cracked headwalls, water ponding and vegetative overgrowth in some sections of the roads</p> <p>Quantity Verification; A comparison of the quantities of the items assessed by the audit team and those certified for payment showed that the quantities paid for were consistent with the audit quantities</p> <p>Supervision of Works; Progress reports for the months of May and June were not availed to the audit team for review. In addition, site diaries for the months of May, June, July, and August were also not availed</p>
7	<p>Rehabilitation of Akura Health Centre II – Agoro-Atiriglwo- Okwalo Moko Market Road (6.9km), J B Odwee Road (1.1km) and Okello Field Marshall Road (1.0km) in Alebtong District UGX.385,706,600</p>	<p>Delayed Submission of Performance Guarantee; Review of related correspondences showed that the contractor submitted the performance guarantee 134 calendar days late contrary to clause 52.1 of the contract</p> <p>Expiry of the Performance Security Prior to Completion of Works; Audit established that the bank guarantee submitted was valid until 27th June 2019, 47 calendar days prior to the stipulated contractual date of expiry and contrary to clause 52.4 of the works contract</p> <p>Unjustified Extension of Time; The extension of time of 40 days granted to the contractor was considered unjustified because;</p> <ul style="list-style-type: none"> The extension of time arising from the increment weather was not computed as per the procedures set out in section 1229 of the general specifications for road and bridge works and the rainfall data provided by the contractor was not authenticated by the meteorological authority The extension of time did not take into consideration the slow progress of works by the contractor. From March to July 2019, the physical progress achieved was reported as 56% to 60% respectively <p>Delayed completion of works; the completion date was extended from 4th July to 24th August 2019. However, at the time of audit inspection on 6/11/2019, it was observed that works had not yet been completed. Unexecuted works included graveling works on J B Odwee Road and Okello Field Marshall Road</p> <p>Inspection of Works; some of the observations made included; cracked culverts, broken culvert end structures, washing off of culvert backfill, unrestored borrow pit, and</p>

		heavily silted culverts.
		Quality of Works; A sample of gravel used was tested and results showed that it met all the required parameters for use as wearing course
		Quantity Verification; A comparison of the quantities of the items assessed by the audit team and those certified for payment revealed showed that the quantities paid for were consistent with the audit quantities
8	Low Cost Sealing of Selected District Roads; Lot 2: Nyaruzigati-Kyapa-Kitabu Road Section A (5.7Km) in Kasese District UGX 2,597,432,711	<p>Preparation of BoQs; A review of the BoQs prepared indicated that a number of items included within the BoQ were not aligned to the specifications with regards to the numbering and units of measurement. Further, it was established that a number of items that are specified as non-separately measurable/payable items within the specifications had been included in the BoQs</p> <p>Delayed Submission of Performance Security; Review of related correspondences showed that the contractor submitted the performance guarantee 33 calendar days late contrary to clause 52.1 of the contract</p> <p>Irregular/unjustified Extension of Time; The extension of time of 62 days granted to the contractor was considered unjustified because;</p> <ul style="list-style-type: none"> • The extension of time arising from the inclement weather was not computed as per the procedures set out in section 1229 of the general specifications for road and bridge works and the rainfall data provided by the contractor was not authenticated by the meteorological authority • The contractor did not provide an early warning as is required under clause 32.1 of the contract • The computation of delays arising from heavy rains in the months of June and July took into consideration some of the days when the contractor was reportedly off the site due to Ebola outbreak • There was no evidence of consideration of the performance of the contractor in the assessment of his consideration for the extension of time <p>Delayed Completion of Works; The contractor's intended completion date was extended by 62 days to 6th November 2019, however, at the time of the physical inspection of works 17th November 2019, significant works such as road base construction, road surfacing, and stone pitching had not yet been completed</p> <p>Work Programs; No work program or updated work programs were found on the contract management file submitted to the audit team for review</p> <p>Performance of the Contractor; Basing on the slow progress of works, failure of the contractor to mobilize the required equipment on time and reported challenges of the contractor's cash flow, the contractor's performance with regards to the timely completion of the works is considered poor.</p> <p>Inspection of Works; Defects observed included; cracked culverts, culverts with exposed wire mesh, unjointed culverts, and culvert end structures exhibited poor workmanship as they were cracked/broken and loosely jointed</p> <p>Road Safety and OHS; no deviations or traffic signage to control the traffic was seen on site despite the on-going</p>

		<p>works; some of the workers of the contractor did not have appropriate Personal Protection Equipment (PPE's)</p> <p>Quality of Works; Despite on-going works on the base layer, test results for the gravel used on the sub-base and base layers were not seen. In addition, the contractor had stockpiled K1-60 emulsion bitumen and MC-30 cutback; however, test results of these were not availed</p> <p>Quantity Verification; A comparison of the quantities of the items assessed by the audit team and those certified for payment revealed inconsistencies in some of the quantities of the measured items resulting in an overpayment of UGX. 20,852,440</p> <p>Supervision of Works; Apart from the progress report of August 2019, all the other progress reports availed to the audit team for verification were found to be lacking as they missed out essential information</p>
9	<p>Low Cost Sealing of Selected District Roads; Lot 2: Nyaruzigati-Kyapa-Kitabu Road Section B (5.7Km) in Kasese District UGX.3,652,948,656</p>	<p>Preparation of BoQs; A review of the BoQs prepared indicated that a number of items included within the BoQ were not aligned to the specifications with regards to the numbering and units of measurement. Further, it was established that a number of items that are specified as non-separately measurable/payable items within the specifications had been included in the BoQs</p> <p>Delayed Commencement of Works; The contractor was ordered to commence works a month later than the stipulated contractual commencement date</p> <p>Delayed Submission of Performance Security; Review of related correspondences showed that the contractor submitted the performance guarantee 223 calendar days late contrary to clause 52.1 of the contract</p> <p>Irregular/Unjustified Extension of Time; The extension of time of 68 days granted to the contractor was considered unjustified because;</p> <ul style="list-style-type: none"> • There was no evidence on file of the contractor giving early warning of the possible delay resulting from the ebola virus outbreak and the heavy rains as is required in clause 28.2 of the works contract • The computation for the number of days lost due to bad weather took into consideration the months of June and July which are the same months when the Ebola outbreak occurred and the contractor wasn't on site • For the Ebola outbreak alone, the contractor was awarded a total of 58days as time lost; however, according to the Ministry of Health, the Ebola outbreak lasted for a maximum of only 42 days • The contractor was granted an extension of time despite his failure to maintain a performance guarantee for the entire • There was no evidence of consideration of the performance of the contractor in the assessment of his consideration for the extension of time <p>Slow Progress of Works; The intended completion date was extended by 68 days from 1st October 2019 to 9th December 2019. However, at the time of audit inspection on 16/11/2019 works such as sub-base layer and drainage works had not yet been completed while construction of the base layer and road surfacing works had not commenced. There</p>

		<p>was no evidence of equipment or materials on site (apart from gravel at the borrow pits)</p> <p>Works Program; No work program or updated work programs were found on the contract management file submitted to the audit team for review</p> <p>Change of Contractor’s Key Personnel; Review of the progress reports and minutes of site meetings indicated no evidence of participation of all the key personnel including the site engineer, general foreman, and plant manager in the execution of works</p> <p>Performance/ Capacity of the Contractor; Basing on the slow progress of works, failure of the contractor to mobilize the required personnel, delayed submission of a performance guarantee and reported challenges of the contractor’s cash flow, the capacity of the contractor to execute the works is considered doubtful.</p> <p>Inspection of Works; On some sections of the road, the sub-base had been damaged; Some of the culvert lines inspected had broken culvert pieces and were heavily silted</p> <p>Road Safety and OSH Issues;</p> <ul style="list-style-type: none"> • The contractor had damped gravel for the sub-base however; there was no signage to warn oncoming traffic of this impediment • Some of the contractor’s staff did not have appropriate Personal Protection Equipment (PPE’s) • The contractor failed to show the audit team the facilities used for sanitary purposes <p>Quantity Verification; A comparison of the quantities of the items assessed by the audit team and those certified for payment revealed inconsistencies in some of the quantities of the measured items resulting in an overpayment of UGX.19,060,800</p> <p>Supervision of Works; Apart from the progress report of August 2019, all the other progress reports availed to the audit team for verification were found to be lacking as they missed out essential information</p>
10	<p>Low cost sealing of selected district roads; lot 6: kisozi – Nawanyago road section A (4.0km) in Kamuli district.</p>	<p>Preparation of BoQs; A review of the BoQs prepared indicated that a number of items included within the BoQ were not aligned to the specifications with regards to the numbering and units of measurement. Further, it was established that a number of items that are specified as non-separately measurable/payable items within the specifications had been included in the BoQs</p> <p>The omission of essential items in the contract; Audit review of project bills of quantities, and inspection of the implemented project revealed that river training works, speed control infrastructure, were not included in the original contract.</p> <p>Delayed Submission of Performance Security; Review of related correspondences showed that the contractor submitted the performance guarantee 90 calendar days late contrary to clause 52.1 of the contract</p> <p>Liquidated Damages; The contract between MoWT, and M/S Rema Limited expired on 22nd November 2019 and was not extended. As per GCC 49.1, the Contractor is to be charged Liquidated damages.</p> <p>Inadequate pavement layers; Audit inspection of works revealed that the upper layer had been stabilized indicating it</p>

		<p>was the base. However, after an investigation to confirm the thickness of layers, it was noted that the layers above the subgrade are on average 180mm thick indicating that the Subbase layer doesn't meet the required thickness.</p> <p>Delayed/Slow execution of works; Audit inspection of works, and review of progress reports revealed that the project had achieved only 25% of physical progress by the end of the original contract duration.</p> <p>Inspection of Works; Defects observed included; Silted cross culvert at Ch 0+005, damaged bedding at cross culvert at Ch 0+255 LHS, Potholes development and ponding at Ch 0+270 LHS, Scoured bedding at cross culvert at Ch 0+300, Less cover on all culvert lines towards the End structures on both sides, Damaged End structure at cross culvert at Ch 1+620, Collapsed End structure at access culvert at Ch 1+628, Pothole at Ch 3+010 within stabilized base layer, Sugar cane, and sweet potatoes farming within swamp section that blocks flow of water. All lines are not functioning since water cant flow</p> <p>Lack of Equipment and Material on site; Audit inspection of works on 13th November 2019, noted that there was neither single equipment on site nor construction material yet the progress was only 25% against time of 96.4%.</p> <p>Damaged base layer; Audit inspection of works noted that the stabilized base layer (stabilized in August 2019) was opened to traffic, and received a lot of rain leading to its deterioration in strength, riding quality and can't be sealed.</p> <p>Quality of Works; Samples of gravel used as sub-base, and base material, were collected from the borrow pits and taken to an independent laboratory for testing. The results indicate that the gravel met the required Specifications</p> <p>Quantity Verification; At the time of Audit, the contractor had not raised a certificate and this assessment could not be done.</p> <p>Insufficient progress reports; Review of availed project documentation revealed that out of the eight (8) reports expected on file, only three (3) had been prepared.</p>
11	Low cost sealing of selected district roads; lot 6: kisozi – Nawanyago road section B (4.6km) in Kamuli district.	<p>Preparation of BoQs; A review of the BoQs prepared indicated that a number of items included within the BoQ were not aligned to the specifications with regards to the numbering and units of measurement. Further, it was established that a number of items that are specified as non-separately measurable/payable items within the specifications had been included in the BoQs</p> <p>The omission of essential items in the contract; Audit review of project bills of quantities, and inspection of the implemented project revealed that stone pitching works, speed control infrastructure, were not included in the original contract.</p> <p>Liquidated Damages; The contract between MoWT, and M/S Mogen Enterprises Limited expired on 11th November 2019 and was not extended. As per GCC 49.1, the Contractor is to be charged Liquidated damages.</p> <p>Inspection of Works; Defects observed included; Silted access culvert at ch 4+947, Damaged End structure at access culvert at Ch 5+181 LHS, Bleeding at several sections of the road, Silted cross culvert at Ch 6+635, Bleeding and overgrown side drains at Ch 7+065 to 7+300, Broken and</p>

		<p>scoured bedding of culvert at Ch 7+498, Bleeding at joint due new sealing works at Ch 8+000, Use of soil for internal filling during stone pitching works, Need for river training at the crossings at the swamp section, Stripped capping layer along road carriageway.</p> <p>Quantity Verification; A comparison of the quantities of the items assessed by the audit team and those certified for payment revealed inconsistencies in some of the quantities of the measured items resulting in an overpayment of UGX.24,588,000</p> <p>Insufficient progress reports; Review of availed project documentation revealed that out of the eight (8) reports expected on file, only three (3) had been prepared.</p> <p>Delayed appointment of Clerk of Works; Audit noted that the Clerk of works meant to supervise day to day works was appointed on 28th August 2019 after over five (5) months of project implementation.</p>
12	Construction of Gem Farm Bailey Bridge in Atiak, Amuru District.	<p>Delayed Advance payment; GCC 51.1 of the Special Conditions of the contract states that the advance payment will be equivalent to 20% and paid to the contractor within 45 days. The audit noted a delay of 15 days after reviewing payment dates.</p> <p>Expiry of Advance Payment Guarantee before full recovery; Audit revealed that the Advance payment guarantee submitted by the Contractor with a value of Ugx 335,611,000 expired on 3rd June 2019, before the revised completion date of 30th August 2019 with Ugx 66,033,863 unrecovered.</p> <p>Unimplemented essential works; Audit noted that at the end of contract duration, essential works i.e. river training, stone masonry (embankment protection), and landscaping had not been implemented.</p> <p>Inspection of Works; Works were completed; observations made included; honeycombs, collapsed gabion at abutment 2, need river training, inadequate backfill at the approach to the bridge (LHS0, short lengths for installed guardrails.</p> <p>Quality of Works; Audit noted that all the concrete on the implemented bridge met the required specifications.</p> <p>Quantity Verification; A comparison of the quantities of the items assessed by the audit team and those certified for payment revealed inconsistencies in some of the quantities of the measured items resulting in an overpayment of UGX. 23,580,000</p> <p>Insufficient progress reports; Review of availed project documentation revealed that out of the eleven (11) reports expected on file, only five had been prepared.</p>
13	Construction of Kisaigi Bridge in Kakumiro district - lot 1	<p>Inadequate Feasibility studies; Audit noted that during implementation, the design of the project was changed from 15m to 17m span implying that feasibility studies were inadequate during the design process.</p> <p>Erroneous Contract Duration; Duration of 9 months effective 18th July 2018 means the original completion was to be 18th April 2019, but the audit noted that it was indicated as 30th April 2019, with 12 extra days.</p> <p>Full payment for items 13.01, and 17.01 before Substantial Completion; Audit noted that items that run through the entire project were paid for fully with only 75% of the works completed.</p>

		<p>Delayed delivery of Construction material by the Ministry; Audit noted that there were delays in supplying contractors with construction material by the MoWT, yet the request was made in time.</p> <p>Liquidated Damages; The contract between MoWT, and M/S Juco Logistics Co. Limited expired on 30th August 2019 and was not extended. As per GCC 49.1, the Contractor is to be charged Liquidated damages.</p> <p>Extension of time; It was noted that the Project Manager vide letter dated 1st April 2019, awarded the contractor the exact request of four (4) months as EOT without any detailed analysis of the contractor's request.</p> <p>Inspection of Works; Works were not complete; observations made included; Gap between walkways and deck slab concrete on both sides, Warped concrete section at the bottom of deck, Formwork left within the bridge structure at different locations, Honeycombs on LHS back face of deck, and other localized area, Lack of starter/connection bars to approach slabs, Poor disposal of demolished/broken Armco pieces, Equipment fuel/oil discharge that could be threat to human life, Crack at Abutment wall. Uninstalled Guard/handrails.</p> <p>Quality of Works; Apart from the wing walls on the Kagadi side, all the other concrete elements tested met the specified strength requirements.</p> <p>Quantity Verification; A comparison of the quantities of the items assessed by the audit team and those certified for payment revealed inconsistencies in some of the quantities of the measured items resulting in an overpayment of Ugx.90,083,300.</p> <p>Insufficient progress reports; All progress reports were availed and met the required specifications.</p>
	<p>Construction of kabindula swamp crossing in Kyankwanzi District lot – 20.</p>	<p>Erroneous Contract Duration; Duration of 9 months effective 18th July 2018 means the original completion was to be 18th April 2019, but the audit noted that it was indicated as 30th April 2019, with 12 extra days.</p> <p>Delayed delivery of Construction material by the Ministry; Audit noted that there were delays in supplying contractors with construction material by the MoWT, yet the request was made in time.</p> <p>Full payment for items 13.01, and 17.01 before Substantial Completion; Audit noted that items that run through the entire project were paid for fully with only 75% of the works completed.</p> <p>Questionable Contractor's Capacity; Review of progress reports revealed that the contractor's staff deployment is inadequate, frequent equipment breakdown, and slow procurement of material for the project. This clearly indicates that the contractor's capacity for this project is questionable.</p> <p>Inspection of Works; Extensive Honeycombing at Wingwall of crossing at ch 0+170 LHS. (Observed at several other locations on the project structures), Extensive Honeycombing at Wingwall of crossing at ch 0+170 RHS, Poor concrete works with plaster at lift joints, and corner concrete patch at Wingwall of crossing at ch 0+200, Poorly cast wingwall with step at 2nd lift of concrete on structure at ch 0+185, Plastered surface on concrete structure (Due to poor workmanship). Noted on parts of other structures as well,</p>

		<p>Honeycombing and poorly cast beam on the structure at km 0+185.</p> <p>Nonmotorable and unsafe crossing; the swamp is not motorable and unsafe for pedestrians and cyclists because of the broken timber pieces used in place of pavement and underlying water. Furthermore, it was observed that the constructed diversion at commencement collapsed, and hasn't been reinstated.</p> <p>Human Health threat from Project Pit Latrine next to the river; The site Latrine was constructed just beside the river, without any privacy, and all that can be seen in the pit is contaminated water. This clearly indicates that there is no barrier (concrete) between the excreta, and the soft soils or underlying groundwater. Accordingly, the human waste leaches into the groundwater and this could be a threat to the human health of the community living and using water from the river.</p> <p>Quality of Works; Audit noted that some concrete elements cast did not meet the required specifications.</p> <p>Quantity Verification; A comparison of the quantities of the items assessed by the audit team and those certified for payment revealed inconsistencies in some of the quantities of the measured items resulting in an overpayment of Ugx.64,037,000.</p> <p>Poor supervision of Concrete works; The extensive honeycombing, patched concrete parts, stepped wing wall at Ch 0+185 LHS, plastered concrete on several locations, some failed concrete of the constructed structures depicts that quality control, and works supervision during casting of concrete was very poor.</p> <p>Progress reports; All progress reports were availed and met the required specifications.</p>
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