



PRESS INFORMATION

ALLEGED MISAPPROPRIATION OF FUNDS MEANT FOR THE CONSTRUCTION OF SCHOOL BUILDINGS BY THE HEAD TEACHER AND CHAIRPERSON, B.O.G ALEBTONG DISTRICT

The Inspectorate of Government carried out investigations and established that: -

1. During **FY 2011/12**, the Ministry of Education and Sports (MoES) allocated **UGX.371,376,837/=** for the construction of facilities at Aloi Secondary School, Alebtong District under **UPPET/APLI** World Bank supported Project.
2. By letters dated **3rd August 2011** and **22nd August 2011**, the Permanent Secretary, **MoES** issued Guidelines to be followed while implementing the school-based procurements for the relevant works. The said Guidelines were to the effect that no payments should be effected to the Contractor without presentation of an authenticated Performance Bond of **10%** of the contract sum valid for the entire life of the contract, an Advance Payment Certificate issued by the Technical Supervision Firm (**TSF**) and that advance payment should not be effected without a duly authenticated unconditional Bank Guarantee received from the Contractor, among other conditions.

The said guidelines further provided that the **TSF** should verify the authenticity of the Bank Guarantee and that in case the contractor defaulted after you had effected advance payment without the aforementioned securities, you would be solely held responsible for recovery of the lost funds.

3. The Contracts Committee awarded the contract for the construction to **M/s Green House Construction Limited (GHC)** at a price of **UGX.384,798,300/=** after obtaining necessary approvals from MoES and the Solicitor General.
4. In breach of the said Guidelines, you effected advance payment of **UGX.76,959,660/=** to Green House Construction Limited on **23rd April 2012**.
5. M/s Green House Construction Limited carried out works worth **UGX.122,483,000/=** at Aloi S.S and abandoned the construction site without completing the work. Despite the grant of extension of the completion date, the works were not completed. In addition only **UGX.28,130,400/=** was recovered of the advance payment made to the Contractor.
6. After consultation with the Solicitor General, the Contracts Committee of Aloi S.S terminated the contract with the said Company. As a result, M/s Excel Insurance paid **UGX.38,478,830/=** to Aloi S.S being payment of claim settlement of performance security by the Construction Company in issue, leaving an **outstanding payment of UGX.10,350,430/=** on advance payment made to the same Company.

Owing to the above facts, the Inspectorate of Government has found that you are personally liable and hereby **directs** that you refund the **UGX.10,350,430/=** which you irregularly paid to M/s Green House Construction Limited.

The payment should be made to the Inspectorate of Government Cash office located on **6th Floor** Jubilee Insurance Centre Building on **Plot 14** Parliamentary Avenue within **90 days** from the date of this letter.

If you do not comply with this directive, we will take more stern action against you.

By copy of this letter, the Chairperson, Education Service Commission is hereby directed to take disciplinary action against you for non-compliance with the Guidelines issued by the Ministry of Education in respect of managing the **UPPET/APLI** World Bank supported project which could have potentially caused loss of **UGX.76,959,660/=**.

This correspondence was made to Mr. Francis Aluma of Aloii Secondary School by the Mr George Bamugemereire, Deputy Inspector General of Government