



**PPRA**

**PUBLIC PROCUREMENT  
REGULATORY AUTHORITY**

**SUMMARY OF THE PUBLIC PROCUREMENT AND  
ASSET DISPOSAL REVIEW REPORT FOR THE  
NATIONAL INDUSTRIAL TRAINING AUTHORITY FOR  
THE 2016-2017 FINANCIAL YEAR**

**MAY, 2019**

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This report is a product of a Procurement and Disposal Review conducted by the Public Procurement Regulatory Authority (the Authority) pursuant to its mandate under the Public Procurement and Asset Disposal Act, 2015 (the Act). Section 9 of the Act bestows on the Authority the responsibility to monitor the public procurement system and report on the overall functioning and recommend any actions required for improvement. Part IV of the Act, further requires the Authority to ensure that the procurement procedures established under this Act are complied with. Specifically, Section 43 of the Act gives the Authority powers to review procurement and disposal records / systems to monitor compliance with the Act.

In view of the above, a procurement and disposal review of the National Industrial Training Authority was conducted from 26<sup>th</sup> April to 14<sup>th</sup> May 2018. The main objective of the review was to determine the extent to which the Procuring Entity (PE) followed the procedures and rules established in the Act and the applicable regulations; circulars and directives issued by the Authority and other generally acceptable professional best practices, in conducting their procurement and disposal activities. The review also helps to identify strengths and weaknesses, as well as risks inherent in the procurement system and propose measures against any weaknesses and irregularities identified.

The review covered procurement proceedings for the period 1<sup>st</sup> July, 2016 to 30<sup>th</sup> June 2017. The areas of focus during the review were: the institutional arrangements, procurement processes and contract management. The reviewers examined sampled contracts to verify their compliance with the Act, the attendant Regulations and other directives issued by the Authority and other relevant bodies from time to time.

An entry meeting with the PE's management team was held on 24<sup>th</sup> April 2018 to discuss the scope of the review, the review plan, the reviewers' and PE's expectations, access to documentation and other administrative issues. The contracts reviewed were sampled randomly but in a structured manner to include all item categories (i.e. goods, works, and services) and procurement methods. The review used qualitative and quantitative data collection methods. The methods included interviews, observation, confirmation, analysis and review of records.

The review was mainly limited to the institutional arrangements, procurement process compliance and contract management issues and does not address the disposal process of the Training Authority.

The summary of the key findings based on the three broad indicators were as follows:

In terms of institutional arrangements and organizational aspect, NITA's supply chain is managed by a well-qualified staff. However, their effectiveness is constrained by lack of procurement policy and procedure manual to guide on the conduct and managing of the procurement process; and in addition lack of a well-structured training plan to enhance their capacity.

In regards to the procurement process management, while there is in place a consolidated procurement plan, a number of procurements have been outside the plan and beyond the budget with an unacceptable margins of variance. Inappropriate award criteria were adopted which has jeopardized the entity's objective of achieving value for money.

NITA is faced with weak contract management practices. There are no contract implementation teams in place and sub-optimal inspection and acceptance committee.

Upon conclusion of the review the overall compliance and risk rating of the PE's procurement and asset disposal system was determined based on compliance and risk rating criteria defined in the Authority's Compliance Monitoring Manual. To this end National Industrial Training Authority has attained a compliance level of 57% which is marginally compliant. The response of the Procuring Entity is in Annex Four of this report.

The procuring entity should immediately address the institutional, organizational and procurement process capacity weaknesses identified. Detailed recommendations for addressing the weaknesses are captured in Section Two of this report. The procuring entity should implement the recommendations within the specified timelines and update the Authority on the same for purposes of follow up.

