



**PPRA**  
PUBLIC PROCUREMENT  
REGULATORY AUTHORITY

**SUMMARY OF CONTRACT AUDIT REPORT FOR  
KAJIADO COUNTY GOVERNMENT FOR THE PERIOD  
2018-2019 FINANCIAL YEAR**

*November, 2019*

This report is a product of Contract Audit(s) conducted by the Public Procurement Regulatory Authority (the Authority) pursuant to its mandate under the Public Procurement and Asset Disposal Act, 2015 (the Act). Part IV of the Act requires the Authority to ensure that the procurement procedures established under this Act are complied with. Specifically, Section 43 (2) of the Act bestows on the Authority the responsibility to conduct audits on contracts during tender preparation, contract execution and after contract completion.

In view of the above, contract audit of Kajiado County Government was conducted from 18<sup>th</sup> to 20<sup>th</sup> November; 2019. The audit covered eight (8) contracts signed during the period 1<sup>st</sup> July, 2018 and 30<sup>th</sup> June 2019 financial year. The main objective of the audit 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 processes and contract management activities with reference to selected contracts. In addition, the audit helped to identify strengths and weaknesses, as well as risks inherent in the procurement and contract management system and propose measures to mitigate weaknesses and irregularities identified.

An entry meeting with the PE's management team was not held to discuss the scope of the audit, the audit plan, the auditors' and PE's expectations, access to documentation and other administrative issues. The audit exercise involved examination of relevant procurement and contract management records from the selected 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. The auditors used qualitative and quantitative data collection methods including interviews, observation, confirmation, analysis and audit of records.

The audit was mainly limited / constrained by slow pace in which documents were submitted and the unwillingness of the management to hold both entry and exit meetings.

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

The Procurement Function was established, headed by a Director who reports to the Accounting Officer. The procuring entity did not establish the Disposal Committee in accordance with the law. Individual procurement files were maintained but were incomplete and not easily accessible. The procuring entity did not submit all the files sampled for audit. There was a consolidated procurement plan. There is a tender box with three padlocks with the keys kept by the HOPF and located in a secure and accessible place. Mandatory reports were not submitted to the Authority for most of the procurements sampled.

The procuring entity planned and used purchase requisitions to initiate most of its procurements. The blank tender documents issued out to bidders were missing in most of the sampled tenders. Hence adherence to evaluation criteria during evaluation was not ascertained. The tender opening and evaluation committees were appointed in accordance with the law. In most cases the committees carried out their functions in accordance with the law. The bidders were notified of the outcome. The head of procurement prepared signed professional opinion for most tenders. The procuring entity maintained incomplete procurement files. Though the entity had signed contracts with successful bidders, it did not report the contract awards to the Authority and did not publish the awards in the notice board or website. The performance security was not used in most tenders and inspection and acceptance committee were not appointed. The procuring entity did not maintain contract files.

Upon conclusion of the audit the overall compliance and risk rating of the PE's procurement and contract management system was determined based on compliance and risk rating criteria defined in the Authority's Compliance Monitoring Manual. To this end Kajiado County Government has attained a compliance level of **29 %** which is non-compliant with a risk level of **71%** which is considered high.

The procuring entity should submit mandatory reports to the Authority make use of performance security and appoint inspection and acceptance committees. 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.