



PPRA
PUBLIC PROCUREMENT
REGULATORY AUTHORITY

**SUMMARY OF THE CONTRACT AUDIT REPORT FOR
KERICHO COUNTY ASSEMBLY FOR THE PERIOD
2018-2019 FINANCIAL YEAR**

December, 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 Kericho County Assembly was conducted from 5th to 6th December 2019. The audit covered four (4) contracts signed during the period 1st July, 2018 to 30th June 2019. 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 held on 5th December 2019 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 chilly weather while conducting site visit on the projects on the ground.

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

Procurement processes

The strengths

The Assembly appoints opening and evaluation committees as prescribed in the PPADA 2015 and makes use of standard tender documents. Adequate time is provided for submission of tenders and Evaluation of tenders completed in a timely manner. Tenders were awarded by the accounting officer and within the tender validity period

Weaknesses

Procurement were not initiated through requisitions and Individual evaluators did not conducted independent evaluation of the tenders.

Contract management

The strengths

The Assembly entered into contracts with successful bidders in accordance with Section 135 and inspection and acceptance committees were appointed.

Weaknesses

Documents deemed to form part of the contracts were not attached to the contract.

Post implementation audit of the contract(s)

Strengths

Invoices and delivery notes were submitted by suppliers on time.

Weaknesses

Payment to suppliers were not on time due to late disbursement of funds

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 Kericho County Assembly has attained a **compliance level of 60.3%** which is rated as **marginally compliant** and a **risk rating 39.7%** which is considered as a **moderate risk**.

The procuring entity should sensitize/train Procurement professionals and others involved in matters of procurement on the current Procurement Law/regulations and other directives issued by the Authority. Detailed recommendations for addressing the weaknesses are captured in Section two (2) 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.