



**SUMMARY OF CONTRACT AUDIT REPORT FOR  
LAIKIPIA COUNTY ASSEMBLY FOR THE PERIOD  
2018-2019**

**March, 2020**

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 Laikipia County Assembly was conducted from *12<sup>th</sup> to 13<sup>th</sup> March 2020*. The audit covered four (4) contracts signed during the period *1<sup>st</sup> July, 2018 to 30<sup>th</sup> 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 *12<sup>th</sup> March 2020* 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 to the summary of contracts which were all processed through one method which was Request for Quotation.

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

### **Institutional arrangement**

#### **Strength**

The function is established with two (2) officers. The function is headed by a senior Procurement officer and reports to the clerk. One officer has the required procurement qualification and is a member of KISM. Procurement files were maintained and were filed in the sequence they were generated.

#### **Weaknesses**

One officer has got no qualification in procurement and membership to KISM. The County assembly did not have a documented Procurement and Disposal Manual/policy. The County assembly had not established.

## **Procurement processes for the contract(s)**

### **Strengths**

Most of the contracts were in the procurement plan and requisitions were used to initiate the procurement. Standard tender documents were used, and the choice of procurement was appropriate. Committees were duly appointed by the accounting officer and the head of procurement prepared professional opinion.

### **Weaknesses**

Tenders were awarded by the director of finance who is not the accounting officer. Individual evaluators did not conduct independent evaluation and individual score sheets were not maintained. Framework contract is not processed in accordance with the law.

## **Contract management of the contract(s)**

### **Strengths**

Local Purchase Orders were issued to successful bidders and payment were made in accordance with them same.

### **Weaknesses**

For all the sampled contracts there were no contracts created. Contract implementation teams were not appointed. No document was availed to show that the contract was reported or publicized.

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 County Assembly of Laikipia has attained a compliance level of **29.3 %** which is regarded as ***non-compliant*** and a risk level of **70.7%** which is considered ***high risk***.

The procuring entity should equip the procurement staff with procurement qualification and ensure that they have updated membership to a professional body, Maintain complete procurement file pursuant to Regulation 34(3) of the PPDR and the PPRMPM. The head of procurement function should be responsible for maintaining procurement file. 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.