



**SUMMARY OF THE PUBLIC PROCUREMENT AND ASSET DISPOSAL  
ASSESSMENT REPORT FOR KILIFI- MARIAKANI WATER AND SEWERAGE CO.  
LTD FOR 2017/2018 FINANCIAL YEAR**

**SEPTEMBER, 2018**

---

This report is a product of a Procurement and Asset Disposal Assessment 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 assess procurement and asset disposal records / systems as a way of monitoring compliance.

In view of the above, a procurement and disposal assessment of Kilifi- Mariakani Water and Sewerage Co. Ltd was conducted from 11<sup>th</sup> September, 2018 to 13<sup>th</sup> September, 2018. The assessment covered procurement and disposal proceedings for the period 1<sup>st</sup> July, 2017 to 30<sup>th</sup> June 2018. The main objective of the assessment was to determine the extent to which the Procuring Entity KIMAWASCO complied with 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 assessment also aimed at identifying strengths and weaknesses, as well as risks inherent in the procurement system and proposes remedial measures to address the weaknesses identified.

An Entry Meeting with the KIMAWASCO's representatives was held on 11<sup>th</sup> September, 2018 to discuss the scope of the assessment, the assessors' and KIMAWASCO's expectations, access to documentation and other issues relevant to the exercise. For purposes of assessing the procuring entity's compliance and risk levels, the assessors examined sampled contracts and focussed on two broad indicators namely: institutional arrangements, procurement and disposal processes. The sampling was done randomly but in a structured manner to include all item categories (i.e. goods, works, services and disposals) and procurement and disposal methods used during the period under assessment. The review used qualitative and quantitative data collection methods. The methods included interviews, observation, confirmation and examination of records.

The assessment went on smoothly because the entity was able to produce the required documents in short time as anticipated by the assessing team.

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

The Procurement Function was managed by procurement professional who reports to the MD, the Accounting Officer. Entity had a draft internal procurement manual, a consolidated procurement plan and a registry for procurement documents. However, the procurement plan had not aggregated procurements reserved for the youth, women and persons living with disability. Further, the entity did not have disposal plan nor the disposal committee. The store records were not regularly updated as the physical balances were not tallying with the ledger balances.

KIMAWASCO had not done any disposal activities within the financial year under review although there were several obsolete items lying in the entity's compound which alleged to belong to Coastal Water Service Board.

Upon conclusion of the assessment the overall compliance and risk rating of the KIMAWASCO'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 KIMAWASCO has attained a compliance level of 49.75% which is non-compliant compliant and high risk level of 50.25%.

KIMAWASCO should endeavour to improve its performance by implementing the recommendation contained in this report and put in place appropriate systems and structures to ensure that all procurement activities are undertaken in accordance with the procurement law and terms of the contracts and also should endeavour to implement the recommendations within the specified timelines in the Action plan and update the Authority on the same for purposes of follow up.

