



**SUMMARY OF THE PUBLIC PROCUREMENT AND ASSET DISPOSAL
ASSESSMENT REPORT FOR KISII COUNTY GOVERNMENT FOR 2017/2018
FINANCIAL YEAR**

JANUARY, 2019

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 **Kisii County Government** was conducted from 14th to 16th January, 2019. The assessment covered procurement and disposal proceedings for the period 1st July, 2017 to 30th June, 2018. The main objective of the assessment was to establish the extent to which Kisii County Government followed the procedures and rules established in PPADA, the attendant Regulations, Circulars and the Directives issued by PPRA for the procurement of goods, works and services and for disposal of public assets. The assessment also assessed procurement performance and risk levels of the PE's procurement function. Further, the assessment makes recommendations for corrective measures against weaknesses and irregularities identified.

An entry meeting with the PE's representatives was held on 14th January, 2019 to discuss the scope of the assessment, the assessors' and PE'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 was mainly limited / constrained by weaknesses in the maintenance of procurement records which made the retrieval of procurement records slow and time consuming.

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

The County Government has established a Procurement Function which reports directly to the Accounting Officer, had a procurement plan for the 2017-2018 financial year and used standard tender documents in the processing of the tenders. The choice of the procurement methods for the sampled procurement was also appropriate. However, there were some weaknesses in the institutional arrangements which included failure to appoint a disposal committee despite having huge stock of disposable items, failure to submit reports on contract awards to the Authority and to publicize the awards in the website and notice board; lack of procurement and asset disposal manual and inadequate storage facilities.

Among the strengths identified in the procurement and disposal processes were appointment of tender opening and evaluation committees and both committees prepared minutes/reports of

their meetings. The head of the procurement function prepared the professional opinions and submitted them to the Accounting Officers to facilitate the award of the tenders. Further, the successful and unsuccessful bidders were notified at the same time. However, there were some weaknesses identified in the procurement and asset disposal processes which included initiating procurement process without purchase requisition, failure by the tender opening and evaluation committees to perform some of the responsibilities; failure to disclose the successful bidder and the contract sum to the unsuccessful bidders. The PE did not carry out market survey to inform placing of orders and the contract agreements were very sketchy.

Upon conclusion of the assessment 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, the County Government of Kisii has attained a compliance level of 53% which is considered marginally compliant and a moderate risk of 47%.

The Procuring Entity should undertake urgent measures to ensure that the non-compliance issue identified in the report are adequately addressed. It is critical to note that some of issues cited in this report were raised in the assessments that were carried out by the Authority earlier. The detailed recommendations for addressing the weaknesses are captured in the action plan 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.

