



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

FEBRUARY, 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 **Laikipia County Government** was conducted from 18th to 20th February, 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 determine the extent to which the Procuring Entity (PE) 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 (if any), as well as risks inherent in the procurement system and propose remedial measures to address the weaknesses identified.

An entry meeting with the PE's representatives was held on 18th February, 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 communication breakdown in that though the engagement letter from the Authority was received at the office of the County Secretary, the letter was circulated. Therefore, County Government did not make prior arrangements for the entry meeting as had been scheduled. Further, the Procuring Function did not prepare a summary of procurement and disposal proceedings that were processed by the County Government in the financial year 2017-2018 as instructed in the engagement letter. Procurement files were not complete as some of the procurement records were not in the file and the procurement file were scattered in different departments. Thus retrieval of documents was slow

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

The institutional arrangements of the County Government had some strengths which included establishment of a Procurement a Procurement Function which reports to the Accounting Officer; staffing of the Procurement Function with qualified staff and provision of secure storage facility for procurement records. However, among the weaknesses identified in the institutional arrangements were lack of procurement and asset disposal manual/policy, failure by the Accounting officer to establish a disposal committee; failure to adhere to the format approved by the Authority in the preparation of procurement plan and maintenance of procurement files. signing of contracts before receiving performance security from contractors or accepting performance securities which did meet the required conditions.

With regard to procurement processes, the County Government had strengths which included use of standard tender documents, appointment of various procurement related committees by Accounting Officers, use of appropriate procurement methods and signing of contracts by the Accounting Officer. Weaknesses identified in the procurement processes included failure by the tender opening committees to follow some of procedures in carrying out their responsibilities, failure to disclose the successful bidders to unsuccessful bidders and signing contracts before receiving performance security from successful bidders or receiving inadequate performance securities

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 Laikipia has attained a compliance level of **53.5%** which is which is rated as marginally complaint and a moderate risk score of **46.5%**.

The procuring entity should take appropriate measures to address the weaknesses identified in this report. The detailed findings and 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.

