



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

NOVEMBER, 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 **Tharaka Nithi County Government** was conducted from 12th to 14th November, 2018. 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 12th November, 2018 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 the pace at which the procurement records were availed. The Procurement Function does not maintain complete procurement files and therefore some of the documents particularly contract documents and payment vouchers and the supporting documents took time to retrieve. The entity did not also provide in advance a summary of all procurement and disposal proceedings it undertook in the 2017-2018 financial year as required in engagement letter.

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

Among the strengths noted in the Institutional Arrangements were establishment of the Procurement Function, Procurement Plan for 2017-2018 financial year and placing of the tender and quotation boxes in an easily accessible; location. Storage facilities were also secure and the standard stores records were used and updated.

The institutional arrangements of the County Government had weaknesses which included lack of procurement and asset disposal manual, failure to establish disposal committee thus leading to accumulation of obsolete items, failure to submit reports of contract awards to the Authority and publication of contracts in the website and the notice of the County Government. Maintenance of procurement and contract management records was also weak.

The County Government had strengths in the procurement processes which included initiation of procurement processes by the users as required by Regulation 22(1) of the PPDR; publication of procurement opportunities and bidders were accorded adequate time for preparation and submission of tenders; choice of procurement methods; use of the standard tender documents and awarding of tenders within the tender validity periods. The Accounting Officers also appointed various on procurement. However, the procurement process had weaknesses failure to include estimated costs of procurements in the purchase requisition, failure by the tender opening and evaluation committees to carry out some of their functions; inadequate evaluation criteria particularly in the procurements processed through requests for quotation method; no professional opinions for most of the sampled procurements and no monthly progress reports on contracts.

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 Tharaka Nithi has attained a compliance level of **38.5%** which is considered **non-compliance** and a **high risk** level of **61.5%**.

The Procuring Entity should put in place measures to address the non-compliance issues identified in the report. The detailed recommendations for addressing the weaknesses are captured in Section II 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.

