



**SUMMARY OF CONTRACT AUDIT
REPORT FOR KAJIADO COUNTY
ASSEMBLY FOR THE PERIOD 2019-2020
FINANCIAL YEAR**

NOVEMBER, 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 Kajiado County Assembly was conducted from 26th to 27th November 2020. The audit covered four (4) contracts signed during the period 1st July, 2019 to 30th June 2020. 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 26th Nov 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 / constrained mainly by incomplete files.

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

Institutional arrangement

Strength identified here include; An established Procurement Function which reports to the Accounting Officer pursuant to Section 2 of the Public Procurement and Asset Disposal Act, 2015; establishment of Disposal Committee and procurement planning. Tender box is located in an easily accessible location. However, there were weaknesses such as; incomplete procurement files and some committees did not meet the quorum.

Procurement process

The County Assembly strength included; The use of standard tender documents, giving bidders adequate time for preparation and submission of their tenders; preparation of evaluation reports and professional opinions, notification of the bidders. However, it had weaknesses such as failure by some of the evaluation committees to prepare individual scores, failure to inform the unsuccessful bidders' reasons for rejection of their tenders and to disclose the successful bidder.

Contract management

The county assembly entered into written contracts with successful bidders. Inspection and Acceptance Committee were appointed and inspection and acceptance certificates issued. Weaknesses included; improper maintenance of contract management records and lack of monthly progress reports on contract implementation.

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 Kajiado County Assembly has attained a compliance level of **65.8%** which is **marginally compliant**.

The procuring entity should ensure that procurements reserved for the special groups should be at least 30 % of the total procurement plan, invitation to tender should require bidders to serialise their bids and all bidders should be notified in accordance with section 87 of the Act.

Detailed 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.