



PPRA

**PUBLIC PROCUREMENT
REGULATORY AUTHORITY**

**SUMMARY OF CONTRACT AUDIT
REPORT FOR KIAMBU COUNTY
ASSEMBLY FOR THE PERIOD 2019-2020**

October, 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 Kiambu County assembly was conducted from 15th to 16th October 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 15th October 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 by staff of the County assembly working in shift. Further, their workings hours i.e. from 10 am to 4p.m were a hindrance in carry out the audit effectively. This had an impact in quick retrieval of the documents.

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

Institutional arrangement

The strengths

The PE had an establishment Procurement Function which reports to the Accounting Officer pursuant to Section 2 of the Public Procurement and Asset Disposal Act, 2015, also there was an established Disposal Committee and Consolidated Annual procurement plan. Tender and quotation box were located in an easily accessible location.

Weaknesses

These included but not limited to incomplete procurement files and failure to demonstrate in the procurement plan that at least 30% of the procurement budget was reserved to the enterprises owned by youth, women and persons living with disability.

Procurement process

Strengths

They included the use of the standard tender documents, giving bidders adequate time for preparation and submission of their tenders; preparation of evaluation reports, professional opinions and notification of award letters to bidders.

Weaknesses

In some occasions, the Accounting Officer did not appoint opening and evaluation committees respectively.

Contract implementation

Strength

The Assembly entered into written contracts with successful bidders. Inspection and Acceptance Committee were appointed and inspection and acceptance certificates issued.

Weaknesses

The PE did not maintain contract management records and the head of procurement function did not prepare monthly progress reports on contract implementation. There were also some instances where contracts were signed and the successful bidders did not submit performance bonds to the assembly contrary to Section 142 of the PPADA, 2015.

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 County assembly of Kiambu has attained a compliance level of **32.5%** and a risk rating of **67.5 %** in respect of the indicators used in the audit. This is an indication of **non-compliant** and a **high risk level**.

The procuring entity should undertake urgent remedial measures to address the non-compliance issues identified in this report. Detailed recommendations for addressing the weaknesses are captured in Section two (2) 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.