



**SUMMARY OF PROCUREMENT PERFORMANCE
CONTRACT AUDIT FOR BARINGO CENTRAL
NATIONAL GOVERNMENT CONSTITUENCY
DEVELOPMENT FUND FOR THE 2019-2020
FINANCIAL YEAR**

March, 2021

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 Baringo Central NG-CDF was conducted from 15th to 17th March, 2021. The audit covered 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 March, 2021 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 constrained by time taken to avail the required documentation since some of the documents relevant to the sampled contracts were being retained at the respective schools hence more time was needed to retrieve and avail the same for review.

The audit revealed that Baringo Central NG-CDF did not have an independent procurement function but rather utilized the procurement function at the County Service Delivery Unit which was well established and staffed with procurement professionals. The entity did not prepare procurement plan for the year under review but rather relied on the approved project list in the implementation of their projects. The PE had a tender box well secured and placed in an accessible place within the CDF offices and maintains an asset register. However, there was no record availed to show that the entity filed mandatory reports with PPRA.

The initiation of procurement process was done in accordance with the provision of the Act and invitation to tender was carried out through notices

placed in the CDF office and the Sub county noticeboards boards. Adequate time was allowed to bidders for preparation and submission of bids.

In most cases the AO did not appoint adhoc committees as required under Section 78, 46 and Section 48 of the Act. Further, professional opinion was not issued contrary to the provision of Section 78 of the Act.

In regard to contract management, the PE did not have contract agreements in place but issued LSO/ LPO's to the successful bidders. It was also observed that the entity did not publish contract award on its website neither did they report to the Authority. Similarly, the PE did not maintain complete contract records besides not having contract close out reports and monthly progress reports were not prepared, an indication that the AO was not updated on the implementation status of the contracts.

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, Baringo Central NG-CDF has attained a compliance level of **70.4 (on Process)** and **29.3%** (on Contract Management) therefore the overall compliance level is **49.9%** which is partially compliant against a moderate risk rating of **50.1%**.

Detailed recommendations for addressing the weaknesses are captured in Section three 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.