



**SUMMARY OF PROCUREMENT PERFORMANCE
CONTRACT AUDIT FOR BARINGO COUNTY
ASSEMBLY FOR THE 2019-2020 FINANCIAL
YEAR**

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 Baringo County Assembly (BCA) was conducted from 1st to 2nd October 2020. The audit covered four 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 1st 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 constrained by time. This is because a lot of time was consumed in the process of availing the procurement documents. The procurement files were not complete and documents had to be gathered from different files

The audit established that the Baringo County Assembly prepared an annual procurement plan and procurement was initiated through a purchase requisition. The Assembly also used standard tender documents with an evaluation criteria attached inside. The attached evaluation criteria was used in the evaluation of tenders. The evaluation committee prepared evaluation report and the Head of Procurement prepared the professional opinion. The accounting officer also appointed the various procurement committees involved in the processing of the tenders. Due diligence was also undertaken on those tenders with big contract sums.

Some of the weaknesses observed by the audit team included that the PE did not appoint quotation opening committee and therefore no quotation opening minutes were prepared. The team also observed that the unsuccessful bidders

were not notified about the outcome of the tender. The PE also did not maintain complete procurement files for the awarded contracts.

In regard to contract management, the PE had signed contract agreements in place. However, no performance bond was demanded for contracts with big contract sum. There was no publication of awarded contracts nor reporting the same to the Authority. The accounting officer also did not appoint Contract implementation teams to oversee contracts taking long to be accomplished. Similarly, the PE did not maintain complete contract records besides not having contract close out reports. The awarded contracts should be reported to the Authority and published on the Assembly's website.

The procuring entity should notify the unsuccessful bidders about the outcome of the tender giving reasons why they were not successful. The procuring entity should publish the awarded contracts and report them to the Authority. The PE should also demand performance security for contracts with huge contract sums and maintain complete procurement files. The PE should also appoint quotation opening committee to open quotations and prepare quotation opening minutes. The unsuccessful bidders should also be notified about the outcome of the tender.

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 County Assembly has attained a compliance level of **67.1%** against medium risk rating of **32.9%**.

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.