



**SUMMARY OF PROCUREMENT PERFORMANCE  
CONTRACT AUDIT REPORT FOR BARINGO  
COUNTY GOVERNMENT 2019-2020 FINANCIAL  
YEAR**

**September, 2020**

This report is a product of Contract Audit 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 Government (BCG) was conducted from 28<sup>th</sup> to 30<sup>th</sup> September, 2020. The audit covered 254 contracts signed during the period 1<sup>st</sup> July, 2019 to 30<sup>th</sup> June, 2020. The main objective of the audit was to determine the extent to which the Procuring Entity (BCG) 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 BCG's management team was held on 28<sup>th</sup> September, 2020 to discuss the scope of the audit, the audit plan, the auditors' and BCG'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 because the procurement documents were in different departments from the procurement function.

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

The audit revealed that the BCG has an established procurement unit headed by a procurement professional who reports both functionally and administratively to the accounting Officer. The entity does not have a documented internal procurement policy manual to guide procurement decision making and the Accounting Officer had not constituted a disposal committee to deal with obsolete and surplus assets. Further there was no record availed to show that mandatory report were filled with the Authority as required by law. The entity maintains a departmental procurement plan prepared in the appropriate format.

Standard tender documents with an evaluation criteria provided was used by the entity in processing their procurements. The accounting officer also appointed the various procurement committees involved in the processing of the tenders and Performance security was demanded from successful bidders.

Some of the weaknesses observed by the audit team included that BCG did not publicize awarded contracts besides failure to report them to the Authority. The performance bonds were from insurance firm contrarily to provision of Section 143 of PPADA, 2015.

In regard to contract management, the BCG had signed contract agreements in place with commencement and completion dates for the contracts. In some instance, BCG was appointing inspection and acceptance committee. However, BCG was neither publishing their awarded contracts in their website nor reporting the same to the Authority. The county did not maintain complete contract records besides not having contract close out reports, monthly progress reports on the contracts implement.

The procuring entity should publish the awarded contracts and report them to the Authority. The PE should also carry out due diligence for contracts with huge contract sums and maintain complete procurement contract files.

### **Key Findings on Post Implementation of the Contracts**

BCG has no contract management file therefore it was hard to evaluate the contract implemented by BCG as there was no progress report availed and also their statutes not properly documented.

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 BCG has attained a compliance level of **63.7%** on procurement process and **36.3%** in contract management which are partially compliance.

BCG should endeavour to improve its performance by implementing the recommendation contained in this report and put in place appropriate systems and structures. Detailed recommendations for addressing the weaknesses are captured in Section 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.