



**SUMMARY OF PROCUREMENT/CONTRACT AUDIT  
REPORT FOR TURKANA 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 County Assembly of Turkana (CAT) was conducted from 15<sup>th</sup> to 16<sup>th</sup> October, 2020. The audit covered four (4) 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 (CAT) 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 CAT's management team was held on 15<sup>th</sup> 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 assessment went on smoothly because entity was able to produce the required documents in short time as anticipated by the audit team. However, the only limitation is on time allocated to carry out this assignment.

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

### **Key Findings on the Procurement Process**

CAT has an established procurement function headed by procurement professional and reports functionally and administratively to the accounting officer. Tender and quotation boxes are in place, secured and placed in easily accessible place although the entity currently receive tenders through the IFMIS portal. The entity prepared and maintains a consolidated procurement plan for the year under review. The plan has indication of some procurements reserved for the AGPO category however the 30% reservation was not aggregated in the plan. The AO appointed a disposal committee but the committee had not held any meeting as at the time of the Audit. A draft

procurement policy manual had been prepared awaiting further approvals and procurement transactional files were maintained but were incomplete since some records relevant to respective contracts were missing from the file. Further, it was noted that the entity had not filed mandatory reports with the Authority.

The entity planned for all the procurements sampled and in most case initiated procurement process using a purchase requisitions pursuant to Regulation 22 of the PPDR. Standard tender documents issued to procuring entities by the Authority were used by the PE and evaluation committees appointed dully appointed in accordance with the Act. Both the successful and unsuccessful bidders were notified by AO. However, Accounting Officer did not appoint members of the tender opening committee, Individual evaluators did not conducted independent evaluation of tenders in most of the tenders reviewed and some procurements did not had professional opinion.

### **Key Findings on Contract Management of the Contracts Audited**

In most case CAT entered into written contracts signing agreements with the successful bidders and in some instance, there was record hat the AO appointed inspection and acceptance committees .However, there was record availed to show that the AO appointed contract implementation teams. CAT did not publish the contract awards in its website and noticeboard neither did they report to the Authority as required by Section 138 of the Act. Further, the head of Procurement did not prepare monthly progress report an indication that the AO is not updated on the implementation status of the contract.

It is therefore prudent for CAT to ensure that for any contracts undertaking, contract management should be fully complied with and the contract documents are centralised in the procurement function office.

### **Key Findings on Post Implementation Audit of the Contract(s)**

CAT has not contract management file therefore it was hard to evaluate the contract implemented by CAT 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 processes and contract management system was determined based on compliance and risk rating criteria defined in the Authority's Compliance Monitoring Manual. To this end CAT attained a compliance level on of **60.7%** and a risk rating of **39.3%** in respect of the indicators used in the audit. This is an indication of partial compliance and low risk level.

CAT 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.