



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

**November, 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 Uasin Gishu County Assembly (UGCA) was conducted from 12<sup>th</sup> to 13<sup>th</sup> November, 2020. The audit covered five (5) 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 (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 UGCA's management team was held on 12<sup>th</sup> November, 2020 to discuss the scope of the audit, the audit plan, the auditors' and UGCA'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.

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

UGCA has an established procurement function with skeleton staff who are procurement professionals. There is no substantive head of the procurement which according to the approved staff establishment is supposed to be the Principal Procurement Officer. The entity has a consolidated procurement plan prepared using the appropriate format with some procurement allocation to AGPO business, however the 30% reservation was not aggregated in the plan. The AO dully constituted a disposal committee and the entity was in the process of developing a procurement policy manual, which by the time of the audit was in draft stage. The audit team observed that the PE had not filed mandatory reports with the Authority and procurement record keeping was not adequate since most of the procurement files were not complete as some of the records relevant to specific contracts were missing from individual procurement files.

Further, the entity was initiating all their procurement through purchase requisition in accordance to Section 73 of the Act and Regulation 22 of the PPDR. Appropriate standard tender document issued to procuring entities by the Authority were used by the entity in all their procurements. Most of the time the entity was inviting bidders via notices placed in the daily newspaper and in the cases of procurement processed through RFQ method, the bidders were invited from the list of registered suppliers maintained by the entity and threshold for used of respective procurement methods was observed. The Accounting Officer in most cases did not appoint appointed tender opening committees and opening of tenders was not done in accordance with the provision of Section 78 of the Act. Evaluation committees were dully constituted in accordance with Section 46 and evaluation of bids adopted the criteria provided in the tender document. In most case the entity was notifying both the successful and unsuccessful bidders but unsuccessful bidders were not provided with the reasons why they failed to secure the tender contrary to the provision of Section 87(3) of the Act.

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

UGCA entered into written contracts in accordance with Section 135 of the Act and inspection and acceptance committee were dully appointed by the AO. However, there were instances where contract implementation teams were not appointed to monitor implementation of contracts. The entity did not publish contract awards in their website and noticeboards neither did they report to the Authority contrary to the provision of 138 of the Act. Further, monthly progress reports were not prepared an indication that the accounting officer was not updated on the implementation status of the contract. The entity paid for the contracts in accordance with contractual terms provided in the signed agreement. The PE did not maintain complete procurement contract files. As at the time of the Audit most contracts were still under contract implementation period hence completion certificates had not been issued.

It is therefore prudence for UGCA to ensure that for any contracts undertaking, contract management processes should be fully complied.

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

UGCA has not contract management file therefore it was hard to evaluate the contract implemented by the entity 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, UGCA has attained a compliance level of **61.1%** with risk score of **38.9%**, which is partially compliant with low risk.

UGCA should endeavour to improve its performance by implementing the recommendation contained in this report and put in place appropriate

systems and structures for addressing the gaps noted in the procurement processes and contract management process. 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.