



**SUMMARY OF PROCUREMENT CONTRACT  
PERFORMANCE AUDIT FOR THE COUNTY  
GOVERNMENT OF WEST POKOT 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 government of West Pokot (CGWP) was conducted from 26<sup>th</sup> October, 2020 to 28<sup>th</sup> October, 2020. The audit covered six 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 CGWP 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 CGWP's management team was held on 26<sup>th</sup> October, 2020 to discuss the scope of the audit, the audit plan, the auditors' and CGWP'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 limited / constrained by Productions of procurement document because the documents were scattered in different departments. There is no centralised procurement registry and also few files availed were incomplete.

The Covid-19 outbreak affected the audit in that when the fifteen persons tested positive in the West Pokot Referral Hospital all officers were directed to isolate themselves in accordance with the protocol that were issued by the Ministry of Health to combat covid-19. As a result, the audit team could not access the stores as the stores officers had already left.

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

## **Key Findings on Procurement Process**

CGWP has an established procurement function headed by a procurement professional reporting both functionally and administratively to the accounting officer (AO). Disposal committee is duly constituted, prepared procurement plan and initiating their procurements through purchase requisition in accordance with Regulation 22 of the PPDR 2006. The entity used integrated financial management information system to process all procurements. Choice of procurement methods was appropriate as thresholds were being observed and Standard tender documents were used with evaluation criteria attached in the document. The evaluation was done based on the criteria attached in the tender document. The county appointed opening and evaluation committees and the evaluation committee prepared the evaluation reports. The head of procurement prepared the professional opinion and the award made by the accounting officer. The PE also entered into written agreement with the successful bidder. All bidders were notified at the same time.

However, the entity did not have a documented internal procurement policy manual to guide in procurement decision making, in some cases quotation opening committee was not appointed and therefore no tender opening minutes were prepared. The team also found out that in some cases the evaluation committee members did not undertake individual scoring during the evaluation of bids and evaluation reports were prepared but were undated and not signed by the committee. The procurement plan was not consolidated and the awarded contracts were not published the county website and notice boards contrary to the provision of Section 138 of the Act.

## **Key Findings on Contract Management**

There was no complete documentation hence the contract files are not complete. CGWP did not appoint contract implementation team to oversee the implementation of projects. Information relating to completion certificate and handing over certificates were missing in the files. No closeout certificates were found in the contract files and the procuring entity accepted performance security from insurance companies.

It is therefore prudent for CGWP to ensure that the contract implementation team is appointed and that the awarded contracts are published and reported to the Authority. Completion and handing over certificates should be issued upon successful completion of a project and performance security should only be accepted if they are from banks and other financial institutions.

Upon conclusion of the audit the overall compliance and risk rating of the CGWP'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 CGWP has attained a compliance level of **86 %**

(on process) and **43%** on contract management therefore overall compliance level of the entity is **62.9 %** which is partially compliant. It's worth noting this that this was huge improvement compared with the County's level of compliance in the 2019-2020 financial year procurement performance contract audit.

The procuring entity should appoint contract implementation team to oversee the implementation of projects. All the awarded contracts should be published on the county's website. The awarded contract should also be reported to the Authority.

The 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.