



FINAL REPORT

NAROK NORTH DISTRICT

PROCUREMENT REVIEW

REVIEW PERIOD: 1ST JULY 2007 – 30TH JUNE 2008

JUNE 2010

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ACRONYMS

AIE	Authority to Incur Expenditure
AO	Accounting Officer
D	Minor Deviations
DD	Moderate Deviations
DDD	Major Deviations
DP	Direct Procurement
DPO	District Procurement Officer
DTC	District Tender Committee
FY	Financial Year
GOK	Government of Kenya
HOD	Head of Department
IA	Internal Auditor
IFMS	Integrated Financial Management Information Systems
IPR	Independent Procurement Review
KACC	Kenya Anti Corruption Commission
LPO	Local Purchase Order
LSO	Local Service Order
LVP	Low value Procurement
MCA	Millennium Challenge Account
MPC	Ministerial Procurement Committee
NND	Narok North District
OIT	Open International Tender
ONT	Open National Tender
PE	Procuring Entity
PIN	Personal Identification Number
PPDA	Public Procurement and Disposal Act
PPDR	Public Procurement and Disposal Regulations
PPOA	Public Procurement Oversight Authority
PR	Procurement Review
PS	Permanent Secretary
PU	Procurement Unit
RFP	Request for Proposal
RFQ	Request for Quotations
RRI	Rapid Results Initiative
RT	Restricted Tender
SP	Satisfactory Performance
SPP	Specially Permitted Procurement
TP	Threshold Program
VAT	Value Added Tax

EXECUTIVE SUMMARY

This report presents the results of the procurement review of Narok North District undertaken jointly by Wachira Irungu & Associates/Gath Consulting team on behalf of PPOA, under Third Party Providers, which was carried out during the period of May to June 2009. The objective of the exercise was to carry out review of the status of Narok North District procurement contracting, and implementation processes and systems, in order to determine the level of compliance with the new procurement law, regulations, circulars, guidelines and directives issued by the Public Procurement Oversight Authority and generally accepted principles.

The review considered compliance with the law, regulations, internal controls, generally accepted principles, and institutional framework as they relate to procurement functions for the period 1 July 2007- 30 June 2008. The review scope encompassed key areas of the public procurement and disposal processes from planning to the final stage of the procurement proceedings undertaken by the Institution selected by random sampling method.

The fieldwork was undertaken by going through the District's procurement systems and processes and, where appropriate, was integrated with discussions with the key persons involved in the functions related to procurement. The work was then finalized in consultation with the standing committees.

During the review period, NND undertook 4,371 procurements of a total value of Kshs 370,852,787 and 25 disposals of a total value of Kshs 1,481,385. The value of ONT procurement transactions during the review period was the highest amounting to KShs 197,755,338.47 which is approximately 53% of the total procurement budget. High value goods and services are purchased through ONT which is commendable. RFQ procurement transactions were more than necessary compared to ONT.

On the scope of application of the Act and the Regulations, only about half of the required standing and specific committees are operational.

Budget rules, regulations and financial procedures that support timely procurement, contract execution and payment were sufficient. The system of filing and record keeping is very poor thus hampering document location, retrieval, and traceability. There was no single comprehensive procurement file for each procurement activity selected for sampling. There is no evidence of any report written to PPOA as stipulated in the PPDA 2005 and PPDR 2006.

The Internal Audit unit needs to be strengthened to ensure effective checks on compliance of the procurement transactions. The auditor should contact senior management for intervention in areas where his recommendations are ignored by the Procurement Unit and the user departments.

The review also considered the reports of earlier reviews carried out in the District including External Audit Report for YR2006-2007. The review evaluated the implementation of some of the findings and recommendations of these reports.

The detailed results of the review, and recommended action, are documented in this report. Key findings and recommendations as they relate to each of the areas considered in this review is provided in Chapter 3 of the report. A complete action plan of the recommendations as they relate to each of the areas considered in this review is provided at the end of this report which the PPOA will monitor, review and work with Narok North District to ensure that the recommendations are implemented.

The areas considered in the report are felt to be critical to the future success of the compliance effort. However, there is great concern that unless changes are implemented, the Institution will not be able to fully comply with the Public Procurement and Disposal Act 2005, the Public Procurement and Disposal Act 2006, circulars, guidelines and directives issued by PPOA.

I.0 INTRODUCTION

The Government of Kenya (GOK) established the Public Procurement Oversight Authority (PPOA) in 2005 as a body corporate under Section 8 of the Public Procurement and Disposal Act of (PPDA) 2005, and vested it with the full responsibility for executing the activities and outputs necessary to carry out procurement reforms in the country's public sector.

According to the PPDA 2005, procurement has been decentralized and all the Procuring Entities (PEs) are now carrying out their procurement and disposal activities. These Procuring Entities include Central Government ministries and departments, Statutory Bodies, State owned corporations, all the Local Government Authorities, Co-operative Societies and Constituency Development Funds (CDF).

PPOA is the oversight agency and advises government on all matters to do with Public Procurement and disposal, including, policy, the law, regulations, guidelines, etc as well as monitoring and reviewing performance and compliance by the PEs with the laws and best procurement practices. The overriding objectives of the Government public procurement reforms include:

- a) Improving accountability, integrity and transparency;
- b) Reducing the incidence of corruption; and
- c) Ensuring value for money in the application of public funds.

In assessing compliance, "procurement reviews" have been used in place of "audits," to distinguish these activities from those of the Kenya National Audit Office.

I.1 Mandate of PPOA

As mentioned above, the Public Procurement Oversight Authority (PPOA) is established as a body corporate under Section 8 of the Public Procurement and Disposal Act of 2005. Section 9 of the Act sets out the functions of PPOA as follows, to:

- a) Ensure that the procurement procedures per the PPDA are complied with;
- b) Monitor and report on the public procurement system and recommend improvements;
- c) Assist in the implementation and operation of the public procurement system; prepare and distribute manuals and standard documents to be used by PEs; provide advice and assistance to the PEs; develop, promote and support the training and professional development of the persons involved in procurement; and ensure that procuring entities engage procurement professionals in their procurement units;
- d) Initiate public procurement policy and propose amendments to the Act; and

e) Perform such other functions and duties as are provided for under the Act.

As part of its mandate, PPOA is also expected to foster more transparency, non-discrimination, fairness, competition, accountability, economy, and effectiveness in the procurement and disposal processes and to strengthen the public sector management aspects. It is expected that government ministries and departments would play an increased role in the procurement and disposal process while PPOA will provide the policy regulation, coordination, supervision, and control to achieve value for money in public procurement and disposal activities.

The PPOA's procurement review function is derived from Section 49(1) (a) of the PPDA 2005, which states that *"the Director-General or anyone authorized by him may inspect at any reasonable time the records and accounts of a procuring entity, and the procuring entity and contractor shall co-operate and assist whoever does such an inspection"*.

The Acting Interim Director General wrote to the District Commissioner on 29 April 2009, informing him that the review would take place and attaching the checklist of the information and documents to be provided by the District.

1.2 Responsibility of Procuring Entity

Section 27(1) of the Public Procurement and Disposal Act 2005 provides that a public entity shall ensure that this Act, the regulations, and any directions of the PPOA are complied with respect to each of its procurements.

1.3 Specific Review Objectives

The main purpose is to carry out review of the status of Narok North District procurement, contracting and implementation processes and systems, in order to establish the state of compliance with the new procurement law, regulations, circulars, guidelines and directives issued by PPOA.

The specific objectives of this procurement review are:

- a) To verify the procurement and contracting procedures, processes and documentation followed by Narok North District, in order to determine whether they were carried out in accordance with the Public Procurement and Disposal Act 2005 and the associated Regulations;
- b) To establish the District's adherence to the general principles of economy and efficiency; equal opportunities; transparency; integrity; fairness; and value for money;
- c) To determine the technical compliance, physical completion and price competitiveness of each contract in the selected representative sample;

- d) To review the capacity of Narok North District to handle procurement efficiently, comment on the quality of procurement and contracting and identify reasons for delay, if any;
- e) To establish whether adequate systems are in place for procurement planning, implementation and monitoring and whether reliable documentation is maintained as required by the regulations;
- f) To make recommendations for improvement in an action plan which will be followed up within a specified period of time to establish whether these improvements have been implemented;
- g) To assist in clarification of areas where Narok North District may have misunderstood the requirements of the legislation; and
- h) To identify weaknesses e.g. staff shortages, lack of equipment, which impede good performance and need to be rectified.

I.4 Review Methodology

I.4.1 Entry meeting

Before the commencement of fieldwork, an entry meeting with the District's management team was organized on 12th May 2009 to discuss the scope of the review, the review plan, the reviewers' expectations, access to documentation and other administrative issues. Mr. Peter Ndung'u, (Acting Deputy Manager, Compliance), led the review team to the entry meeting. The PE team was led by the Mr. A. Mohammed, the Senior DO and included among others, the Head of the Procurement Unit and Heads of the User Departments. The fieldwork followed upon the entry meeting.

I.4.2 Key documents

The fieldwork of the review concentrated on gathering sufficient evidence to support any findings regarding the compliance and performance of the Entity. The team reviewed the supporting documentation, such as procurement files, contract files, project documentation, budgets, business plans, etc.

Other background documents included but were not limited to the following: Public Procurement and Disposal Act, 2005 Public Procurement and Disposal and Regulations, 2006, Reports by Kenya National Audit Office, District Internal Audit among others.

I.4.3 Interviews and Discussions

The team held discussions/interviews with relevant staff/officials of Narok North District directly involved in the procurement process to ascertain general and specific information about the procurement/disposal process, procedures, and existing capacity at the Narok North District.

Persons met during the review

Name	Title	Role
Mr. Njoroge Ndirangu	District Commissioner	Overall in charge of NND
A.N. Mohammed	Senior District Officer	Deputy to DC
Richard Gichuki	District Procurement Officer	Head of PU
Benard Nchoko	Deputy District Procurement Officer	Deputy Head of PU
Maroko Sijeny	District Accountant	Financial management
Thuku	Internal Auditor	Verification of procurement processes

1.4.4 Sampling

A total of 32 samples of procurement transactions were selected in accordance with the procedures outlined in the Procurement Review Manual.

The review team estimated compliance level they would be looking for at 50% and the probability of non-conformity to be **99.61 %**. The number of contracts, which were selected for review in order that a realistic review report is achieved, included four areas and categories or procurement functions. With random selection of eight there is a high probability of finding, one sample, which does not comply, can be found from the table below. This sampling table is adapted from international standard EN45503.

Number of samples	Estimate initial compliance with Public Procurement and Disposal Act 2005									
	10	20	30	40	50	60	70	80	90	100
	Probability of finding a sample which does not comply with PPDA 2005 %									
3	99.90	99.20	97.30	93.60	87.50	78.40	65.70	48.80	27.10	0
4	99.90	99.84	99.19	97.44	93.75	87.04	75.99	59.04	34.39	0
5	100	99.97	99.76	98.98	96.88	92.22	83.19	67.23	40.95	0
6	100	99.99	99.93	99.59	98.44	95.33	88.24	73.79	46.86	0
7	100	100	99.98	99.84	98.44	97.20	91.76	79.03	52.17	0
8	100	100	99.99	99.93	99.61	98.32	94.24	83.22	56.95	0
9	100	100	100	99.97	99.80	98.99	95.96	86.58	61.26	0
10	100	100	100	99.99	99.90	99.40	97.18	89.26	65.13	0

The review team selected an estimated compliance level of 50% and the probability of finding non-conformity to be 99.61%. The low level of estimated compliance level was based on the discussion with the head and staff of the procurement unit on the overall management and organization of procurement function in the District. The procuring entity staff handling the procurement related

functions have not undergone sensitization training on the Public Procurement and Disposal Act and the related regulations.

1.4.4.1 Distribution of the procurement methods in the samples reviewed

Procurement Method	Sample size	Value sample (Kshs)
International Shopping	-	-
Open National Tender	8	19,877,153
Restricted Tender	-	-
Request For Quotation	8	13,229,943
Request For Proposal	-	-
Direct Procurement	8	8,940,954
Low Value Procurement	8	75,410
Total	32	42,123,460

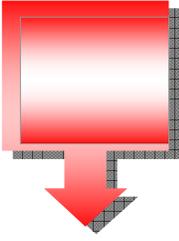
1.4.4.2 Details of the Samples Reviewed

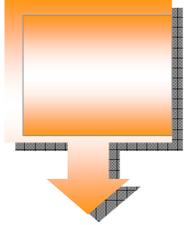
Tender No.	Method	Description	Value (Kshs)
NRK/1/2007-2008/11	ONT	Supply and Delivery of Hardware, Building and Construction Materials	4,800,000
D42RV/NRK/701/JOB No. 8250A	ONT	Construction of 2 Typical Workshops	5,000,000
NRK/BUILD/2007-2008	ONT	Construction of a Youth Empowerment Centre	4,970,000
NRK/BUILD/4/2007-2008	ONT	Construction of Children's Office	1,887,003
NRK/12/2007-2008	ONT	Supply and Delivery of Petroleum, Oils, Lubricants and Wood Fuel	978,150
NRK/14/2007-2008	ONT	Supply of G.I. Pipes and Fittings	998,500
NRK/5/2007-2008	ONT	Supply and Delivery of Foodstuffs, Cereals and Pulses	684,000
NRK/3/2007-2008	ONT	Supply and Delivery of Meat, Chicken and Eggs	559,500
NRK/238/DWO/2007-2008	RFQ	Gravel Spread on 6m wide and 150mm thick (2000m ³)	4,200,000
NRK/118/DWO/2007-2008	RFQ	Hire of Dozer (Wet Rate)	2,400,000
NRK/83/DWO/2007-2008	RFQ	Installation of a Multistage Centrifugal Pump	1,385,000
NRK/104/DCOOP/2007-2008	RFQ	Renovation Works to District Co-operatives Office	650,000
NRK/134/DMO/2007-2008	RFQ	Construction of Esokori-Tikako Water Pan (15,000m ³)	1,761,220
NRK/206/DMO/2007-2008	RFQ	Construction of Eor-Esimu Water Pan (10,000 m ³)	1,579,440
NRK/224/DMO/2007-2008	RFQ	Construction of Ekerende Cultural Village Market	751,783
NRK/157/DMO/2007-2008	RFQ	Supply and Delivery of Plastic Water Tanks	502,500
-	DP	Hire of Equipment Rd. C12	8,103,220
-	DP	Supply of Volvo Grader Parts	159,851
-	DP	Loading and off-loading of Foodstuffs (SFP)	127,380

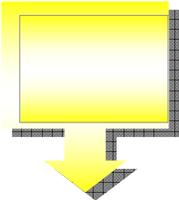
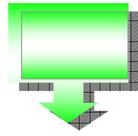
-	DP	Hire of Hall and Accommodation Services	235,900
-	DP	Purchase of Foodstuff	100,000
-	DP	Supply of Foodstuff for Prisoners	80,000
-	DP	Supply of Meals Narok Police Station	68,910
-	DP	Purchase of Oxygen gas, Acetylene and Nitrous Oxide	65,693
-	LVP	Medical Drugs for Inmates	10,000
-	LVP	Fuel for Tractor	10,000
-	LVP	Methylated Spirit	8,000
-	LVP	Tender Advertisements	10,000
-	LVP	Servicing 2 Computers	9,000
-	LVP	Purchase of Airtime	10,000
-	LVP	Meals for Prisoners	9,910
-	LVP	Unblocking Cells, Bathrooms, etc	8,500

1.4.5 Rating Criteria

The reviewed procurements were categorized according to the procurement/disposal deviation rating criteria outlined in the interim procurement manual and TOR. The method was discussed with the Head of Procurement Unit and consisted of four categories namely:

<p>Major Deviation (DDD)</p> 	<p>Where the major requirements of the PP&D Act and Regulations were not adequately followed. This could cause material, financial loss or carry risk for the regulatory system or the entity’s reputation. These cases include deficiencies in the structures and systems to implement the law and regulations, or where the procedures have been so flawed that there is severe risk of mis-procurement or procurement fraud such as:</p> <ul style="list-style-type: none"> • Procuring entity is not established and operational; • Procurement procedures are not integrated within the financial framework of the entity; • Main structures are not appointed and operationalised e.g. <ul style="list-style-type: none"> • Accounting Officer • Tender Committee • Procurement Unit • Procurement Committee • Disposal Committee • Inspection and Acceptance Committee • Tender Opening Committee • Evaluation Committee. • Coverage not complete e.g. <ul style="list-style-type: none"> • Procurement process • Contract management • Disposal • Goods, works and service categorization • Standard and specific committees not meeting as stipulated; • No consolidated procurement plan linked to approved budget; • Lack of procedures for making procurement decisions; • Not adhering to the threshold matrix; • Open tenders not advertised as provided for in the Act and Regulations • Choice of improper procurement procedures; • Procurements split or inflated; • Contracts are not awarded to qualified person; • Unjustified termination of procurement proceedings; • Lack of approved pre-qualified list for suppliers; • Lack of annual disposal plan; • Inappropriate influence on evaluation; • Inadequate protection of confidential information; • Lack of comprehensive procurement records; • Restricted /direct procurement tendering not approved by DTC; • Tender committees not meeting as required; • Tender evaluation committees not appointed in accordance with the Act; • Standard tender documents not used; • Not reporting to PPOA as required; in cases of: contracts of over Kshs 5 Million, direct procurements, terminated proceedings and disposal to staff; • External observers not invited for large contracts;
	<ul style="list-style-type: none"> • Failure to advertise bid opportunities for contracts above certain value

	<p>thresholds;</p> <ul style="list-style-type: none"> • Many key procurement records that are stipulated by law for retention are missing; <p>Such cases warrant immediate attention by the Accounting Officer.</p>
<p>Moderate Deviation (DD)</p> 	<p>Where procurement procedures were considered to have significant omissions or deviations, including:</p> <ul style="list-style-type: none"> • Some procurement records are missing; • Lack of central comprehensive procurement files; • Open tenders not the main method of procurement; • Procurement unit not functioning as per the regulations. • Lack of signatures on key minutes • Choice of selection procedure not justified; • Consolidated Procurement plan not updated; • Contracts awarded not from the approved list of suppliers; • Criteria for the evaluation of proposals not specified in the tender documents; • Award Letter missing; • Description of goods, works or services in the bid not adequate; • Direct procurement is created by dilatory conduct of the PE; • Disposal procedures not followed; • Entities with recurring or ongoing requirements have not analyzed their medium to long term needs to adopt long-term arrangements or framework contracts; • No evidence of analysis of bid documents by Tender Evaluation Committee; • No evidence of award by Tender Committee; • Lack of evidence of commencement certificate in contract missing; • Lack of evidence of contract being countersigned by AO; • Evidence of performance bond not in the contract file; • No evidence of the use of weighting in the award criteria in tender documents; • Inspection and acceptance certificates confirming delivery not available; • No justification/Authorization for Applying the method; • No authorized procurement requisitions; • No schedules of duties for initiating, certifying and approving officers; • Non-disclosure of tender evaluation details; • Lack of notice of invitation of expressions of interest and preparation of shortlists for RFPs; • No specified period of validity of tenders; • Unjustified modification and withdrawal of tenders; • Prequalification proceedings not adequate;
	<ul style="list-style-type: none"> • Absence of award criteria in tender documents; • Absence of procurement requisitions; • Record of procurement proceedings not comprehensive;

	<ul style="list-style-type: none"> • Lack of justification for direct and restricted procurement; • Termination of procurement proceedings not reported to PPOA; and • Inadequate oversight by internal auditor. <p>These weaknesses warrant immediate attention of the senior management.</p>
<p>Minor Deviation (D)</p> 	<p>Where procurement practices and procedures conformed to most regulations, though there were deviations, which are relatively small in quantity, size or degree and are low in risk.</p> <p>These weaknesses warrant immediate attention of the procurement unit or user department. The deviations include:</p> <ul style="list-style-type: none"> • Absence of an Award Letter in procurement file; • Absence of authorization Date of LPO; • Absence of Invoice copy in the procurement file; • Absence of LPO Authorization; • Absence of LPO or LSO in the procurement file; • Absence of Payment Voucher copy in the procurement file; • Absence of Procurement Request in the procurement file; • All tenderers not informed of the result of a tendering process in accordance with the law; • Anti corruption mechanisms not defined and published; • Commencement of contract date missing; • Date of evaluation committee report or recommendation letter missing; • Date of the bid opening missing; • Date of the TC meeting awarding the contract missing; • Evidence of award by Tender Committee not in file; • No evidence of contract being countersigned by AO in procurement file; • No evidence of performance bond in the contract file missing; • Goods or Services Received Note missing in file; • Inadequate monitoring of contracts awarded; • Incomplete procurement plan; • Methods and criteria for selecting firms and for awarding contracts are not documented; • Records are available but not in the procurement file; and • Time limits for replies not adhered to <p>These weaknesses should be addressed by senior management as part of an ongoing improvement plan.</p>
<p>Satisfactory Performance (SP)</p> 	<p>Where procurement practices and procedures met the requirements of the law and regulations and were considered to meet standards of good practice.</p>

I.4.6 Exit Meeting

Before the conclusion of the review assignment, an Exit Meeting with the District's management team was held on 21st January 2010 to discuss the review findings and recommendations, and to agree on the action plan and follow-up review. Mr. Morris Juma, the Director General, led the PPOA team at the exit meeting while Mr. Stephen Tumbo led the Consultants review team (Wachira Irungu & Associates/Gath Consulting Engineers). Mr. Maroko Sijeny, the District Accountant who represented the District Commissioner led NND's team comprising the Procurement Officer and other staff handling procurement related functions.

I.5 Limitation of scope

Our scope was limited by the following:

- a) Lack or incompleteness of records, data and documentation relating to the procurement processes selected;
- b) Because of the lack of central storage and absence of a reliable records control system, document location and retrieval was difficult;
- c) Lack of documented organizational internal control manuals relating to initiation, certification, and approvals at various levels; and
- d) Inability to verify the authenticity of the documents sampled against authorized official schedules of duties.

2. BACKGROUND AND ORGANIZATION OF NAROK NORTH DISTRICT

2.1 Preamble

Narok North District was hived off from the larger Narok District when it was split into two (2) Districts, namely Narok North and Narok South Districts.

2.2 Mandate

All the government ministries are represented in the district with each Ministry having its own mandate.

2.3 Vision

All the government ministries are represented in the district with each Ministry having its own vision.

2.4 Mission

All the government ministries are represented in the district with each Ministry having its own mission. Their functions are also different.

2.5 Functions of NND

All the government ministries are represented in the district with each Ministry having its own functions.

2.6 Funding Grants for FY 2007-2008 – Extracted from the vote book

Recurrent

	Ministry / Department	Amount Kshs
1.	Provincial Administration & Internal Security	22,313,600
2.	Office of the Vice Resident & Home Affairs	12,025,615
3.	Planning & Development	1,061,504
4.	Finance	2,340,150
5.	Agriculture	5,228,579
6.	Health	5,040,108
7.	Roads & Public Works	237,118,757
8.	Transport	469,000
9.	Labour	228,146
10.	Trade & Industry	709,940
11.	Gender, Culture Sports & Social Services	1,828,240
12.	Livestock & Fisheries	5,841,661
13.	Water & Irrigation	11,089,345
14.	Environment & Natural Resources	2,769,458
15.	Co-operative Development	2,247,343
16.	Judicial	628,000
17.	Education	6,939,561
18.	Information	166,276
19.	Electrol Commission	55,984,070
20.	Special Programmes	236,875
21.	Lands	2,480,140
22.	Immigration	2,097,550
23.	National Heritage	40,900
24.	Youth Affairs	681,872
25.	Housing	3,075,977
26.	NSIS	961,125
	Sub-Total	383,603,792

Development

	Ministry / Department	Amount Kshs
1.	Provincial Administration & Internal Security	1,170,000
2.	Office of the Vice President & Home Affairs	2,600,000
3.	Agriculture	6,274,908
4.	Health	1,346,295
5.	Roads & Public Works	51,420,000
6.	Transport	250,000
		63,061,203
	GRAND TOTAL	446,664,995

Donor grants for Narok North District for FY2007-2008

	Ministry	DONOR			
		NALEP (SIDA)	ALLPRO	GLOBAL FUND	ALRMP (IDA)
1	Agriculture	4,999,908	-	-	-
2	Livestock & Fisheries Development	-	10,433,460	-	-
3	Ministry of Health	-	-	1,346,295	-
4	Special Programmes	-	-	-	21,434,464
	Total	4,999,908	10,433,460	1,346,295	21,434,464

3. GENERAL FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

During the period under review, Narok North District undertook approximately 4371 procurements of a total value of Kshs 370,852,786.67 and 25 disposals amounting to Kshs 1,481,385.

In order to provide an overall reflection of better picture of the level of compliance, the team selected a sample of 32 procurements of total value of Kshs 42,123,460.

3.1 Legal Framework

The PPDA 2005 and PPDR 2006 are largely adopted and operational in Narok North District.

3.2 Institutional Structures and Capacity

Findings

Standing and Specific Committees

The status of all the standard standing committee is as follows;

District Tender Committee	Standing	Complying with regulations
Procurement Committee	Standing	Complying with regulations
Tender Opening	Adhoc	Not Complying with regulations
Evaluation Preliminary	Adhoc	Not Complying with regulations
Evaluation Technical	Adhoc	Not Complying with regulations
Evaluation Financial	Adhoc	Not Complying with regulations
Inspection and Acceptance	Standing	Complying with regulations
Disposal Committee	Standing	Complying with regulations

All key personnel handling functions related to procurement are in place. The staff of the PU generally understands the provisions of the Act and Regulations. However, most of the members from the user departments involved in the functions relating to procurement have not undergone sensitization training by PPOA. The review team did not find any training policy or work plan in place to ensure continued development of skills and professionalism.

Recommendations

A procedural requirement should also be implemented to ensure that all personnel involved in procurement related function undergo sensitization training in PPDA 2005 and PPDR 2006.

NND's Responses

This has been noted. We will liaise with PPOA for assistance.

3.3 Procurement Unit

Findings

The Procurement Unit is established in accordance with the PPDA Section 26 (4). The District Procurement Officer is responsible for undertaking all the procurement functions in NND, in accordance with the Public Procurement Act and Regulations and is the Secretary to the DTC. *He is accountable to the Accounting Officer* for efficient and effective management of the procurement unit. There is no training policy or work plan in place to ensure continued development of skills and professionalism in supply chain management for the procurement personnel.

The scope of the work of the Procurement Unit includes but is not limited to:-

- a) The organization of procurement and procedures to ensure compliance;
- b) Record keeping of procurement documents;
- c) Staffing and professionalism of procurement personnel;
- d) Inventory management system and warehouses for Narok North District;
- e) Contracts Management from inception to completion; and
- f) Any other issues within the purview of the Act and the Regulations

Procurement Staff

Name of Staff	Designation	Qualifications
Richard Gichuki	District Procurement Officer (DPO)	B.A Economics, Diploma in Supplies Management
Bernard Nchoko	Deputy District Procurement Officer	O Level (Diploma)
Kipyegon Ng'etich	Clerical Officer I (SSM)	O Level (Diploma)
Richard Gichuru	Clerical Officer I	A Level
Alice Amega	Clerical Officer II	KATC (Intermediate)

Recommendations

The procurement function in the District is both a high risk and strategic function. The unit should be strengthened and provided with adequate tools and skills to enable it adopt strategic procurement methods including framework contracts that will increase value for money procurements.

The unit should put in place a procurement strategic focus on:

- a) Optimizing costs
- b) Simplifying transactions

- c) Streamlining the process
- d) Contract management
- e) Compliance program with PPDA provisions
- f) Comprehensive filing systems

NND's Responses

Lack of adequate facilitation of the PU greatly hampers its operation.

3.4 Budgeting and Expenditure

Findings

We noted that the procuring entity did not prepare a procurement plan as part of the annual budget preparation process as stipulated in the PPDA Section 26 (3) (a) and Regulation 20 (1) of the PPDR. There was also no evidence that the heads of departments submitted their annual procurement plans to the Accounting Officer at least thirty days before the close of each financial year as stipulated in Regulation 20 (4) of the PPDR.

Recommendations

The PE should establish an appropriate budget for the procurement of all the activities projected in the consolidated procurement plan.

NND's Responses

For the procurement Unit, the Budget is normally prepared and forwarded through the DCs Office. It may never reach the intended destination.

3.5 Procurement Plans

Findings

The PU had not prepared the consolidated annual procurement plan for all tenders, contracts and/or LPOs reviewed as stipulated in the Act Section 26 (3) (a) and the Regulations 20 and 21 of the PPDR. There was also no evidence of user departments having prepared their annual procurement plans to facilitate their consolidation.

Recommendations

- a) The PU should commence the preparation of the comprehensive consolidated procurement plan.
- b) All future procurement requests should be linked to the consolidated procurement plan. The timing of both the procurement department's activities and the development of document content by others should be driven from this plan.

- User Departments normally prepare their own Annual workplans and Budget
- c) A master procurement schedule, showing the target dates for procurement related activities and the actual progress achieved, should be generated by Narok North District scheduling system to serve as a communication tool for future procurement planning with heads of departments and subsequent progress tracking.
 - d) The procurement plan must be updated continuously to meet changing needs and changes in budgetary provisions

NND's Responses

Heads of Departments need to be trained on preparation of procurement plans. It is difficult to prepare plans due to inconsistency in flow of funds.

3.6 Purchase Requisition and Authorization

Findings

The procurement requests from user departments do not have official standard purchasing requisitions as stipulated in the Regulation 22(1). There are however some departments who have devised their own procurement requisition forms while others use internal memos. There was however no evidence that the purchase requests had been approved by the person specified in the first schedule, prior to the initiation of Procurement Proceedings [Regulation 22(3) and 22(4)].

Recommendations

- a) All future procurement requests should be initiated through the official purchase requisition, which should be duly authorized and linked to a consolidated procurement plan.
- b) There should be a budget line indicated on the purchase requisitions to show source, allocation, and availability of funds in the budget for particular procurement, or authority to incur expenditure for the purchases being requested and authorization. The information on the documentation should be similar to that on the Vote Book Certificate on the payment voucher namely;
 - Budget Vote Item No.
 - Total amount budgeted
 - Accumulated plus commitment
 - Amount requested
 - Balance c/f
 - Signed by AIE holder
 - Approved by Accounting officer/designated officer

NND's Responses

Inadequate and untrained staff makes it impractical to have an orderly requisitioning procedure.

3.7 Operations and Procedures Manual

Findings

The PE has not developed a procurement manual (pursuant to PPDA 2005 Section 9 (c) (i) and Regulation 30) of procurement policies and procedures that sets out the procurement policies, procedures, instructions and regulations that the PE's employees must adhere to in matters relating to procurement.

It is therefore difficult to determine whether there is clear separation of powers for those undertaking various stages of procurement process. In the absence of an internal updated handbook, outlining schedules of duties, it was not possible to verify the persons authorized to originate, certify and approve various stages of the procurement process from inception to completion contrary to Regulation 27 (4).

Recommendations

The PE should develop operations and procedures manuals to guide the personnel involved in the procurement process. Such manuals are meant to strengthen financial and oversight management procedures that should be observed at various levels of procurement management. The same would also ensure linkages between procurement procedures with PPDA and PPDR and the financial functions. The manual aims:

- i) To disseminate good practice in public sector procurement, including guidance on roles and responsibilities, procurement strategies and the appointment process, health and safety, design quality and sustainability;
- ii) To deliver value for money and sound financial management; and
- iii) To achieve compliance with procurement law and regulations including PPOA circulars and guidelines.

NND's Responses

This has been improved since the period under review, but there is need to prepare a Manual tailor made for the district.

3.8 Pre-qualification of Suppliers

Findings

NND publishes invitations to candidates to submit applications to be pre-qualified for specialized, complex tenders for goods and services in accordance with PPDR Regulation 23. During the review period, NND pre-qualified suppliers for the supply and delivery of various good, services and works, a sample of which is as follows:

- Supply and Delivery of Hardware, Building and Construction Materials
- Construction Works;

- Supply and Delivery of Petroleum, Oils, Lubricants and Wood Fuel;
- Supply of G.I. Pipes and Fittings;
- Supply and Delivery of Foodstuffs, Cereals and Pulses;
- Supply and Delivery of Meat, Chicken and Eggs;

Recommendations

Prequalification procedures for suppliers of specialized and complex works, goods, and professional services should be encouraged whenever possible and appropriate.

NND's Responses

Poor response to invitations for tenders due to poor payment records by the government and under developed contractor/supplier base from the locals. Improved advertising of procurement opportunities is bearing fruits.

3.9 Registration of Suppliers

Findings

There exists a list of registered suppliers for solicitation of RFQ and LVP bids, which was obtained through an open national tender in accordance with the procedures stipulated in Regulation 8.3 (a).

There is however no evidence that the entity verified the documents provided by bidders with the Registrar's Office and/or Kenya Revenue Authority to determine their validity. The review team also noted that the list did not cover all the categories of goods and services frequently procured by the PE.

Recommendations

NND should improve the caliber of invitation lists and reduce the number of RFQs required, and shorten the length of RFPs by using registered [Regulation 8.3 (a)] and prequalified (Regulations 23-25) suppliers.

NND's Responses

Improved since the date of the review. This has been effected through Prequalification of contractors by use of annual tenders.

3.10 Procurement Volume

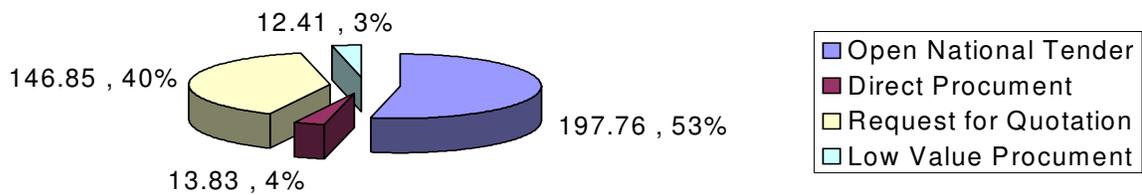
Findings

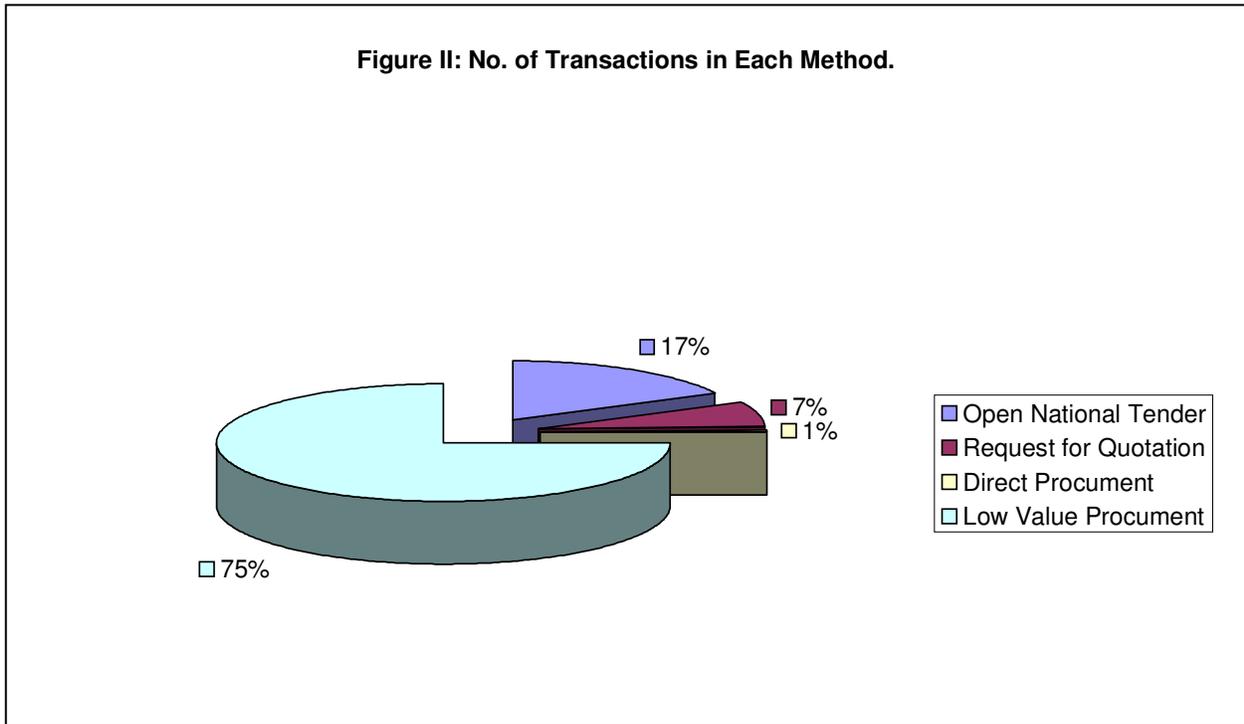
During the period under review, Narok North District undertook approximately 4371 procurement transactions of goods, works and services of total value of Kshs 370,852,786.67.

3.10.I Total number and value of transactions by method of procurement:

Procurement Method	Number	Value (Kshs)
International Shopping Tender	-	-
Open National Tender	760	197,755,338.47
Restricted Tender	-	-
Request For Quotation	303	146,852,867.52
Request For Proposal	-	-
Direct Procurement	31	13,834,736.79
Low Value Procurement	3,277	12,409,844.00
Total	4,371	370,852,786.67

Figure I: Value and Percentage of Procurement Method. (Kshs. M)





Recommendations

The procurement unit should improve their systems to shorten the procurement process, have a list of pre-qualified suppliers available for quick response times, reduce costs, and achieve value for money. Procurement unit must prioritize procurements and correct inefficiencies in the processes identified as soon as possible.

NND’s Responses

Improved since the date of the review, due to increased use of annual tenders.

3.11 Terminated Procurements

Finding

One procurement proceeding was terminated during the period under review. There was however no evidence that PPOA was informed of this termination as is required by Section 36 (7) of the PPDA 2005.

Recommendations

Any termination of procuring proceedings should be reported to PPOA as required under Section 36(7) and (8); and PPOA CIRCULAR NO.4/2009 on Reporting Requirements and Procurement Planning of 24th June, 2009.

NND's Responses

Improved since the date of the review.

3.12 Record Keeping and Management

Findings

The system of filing and record keeping is not proper as the records are scattered among various departments/offices. This hampers document location, retrieval and traceability. None of the reviewed tenders for the year had files with comprehensive information pertinent to the tender in question. Some of the data and information needed for verification purposes could not be accessed and therefore the accuracy of information is highly compromised. The payment vouchers were also not arranged in any order making it very difficult to retrieve the vouchers selected for the review purposes.

Recommendation

NND should upgrade the record keeping in line with the requirements of Section 45 of the PPDA Act and Regulation 34 (3) of the PPDR requiring PEs to maintain a comprehensive file for each procurement activity. An official should be assigned the duty of co-ordinating management of procurement records. All payment vouchers should be filed properly and in sequence for ease of retrieval.

NND's Responses

Need for an integrated training on record management for all departments and improved Level of staff training and Numbers of staff members.

3.12.1 Tender files

Findings

The PU does not maintain tender files complete with all the required documents.

Recommendations

It is important to ensure that a complete file is maintained for each procurement activity. The file should contain all the relevant documents starting with the initial memo for purchase, documents for the tendering process, evidence of receipt and payment for goods. As far as possible, these

should be original documents, or where not possible, certified copies of the originals. Evidence for payment of goods should be in form of a certified copy of the payment voucher, together with the payment cheque number.

The papers in the file should be maintained in the correct order and filed in the order of transactions or activity they document in chronological order. Placing documents in this order establishes the context within which decisions were taken and confirms the sequence of those transactions. To safeguard the completeness and integrity of the files it is important to serialize (folio number) the documents within it. The individual tender and quotation files will be physically maintained according to tender or quotation reference number order and in accordance with the financial year.

Centralized co-ordination of records keeping will remove the need for officers to maintain official documents in personal filing.

NND's Responses

The tender and project files are maintained by the user/respective departments. More copies should be availed to relevant departments.

3.12.2 Tender Committee Minutes

Findings

The Review Team was not provided with evidence to show that the standard procurement documents used by the entity such as the form of tender documents, form of tender notices (invitation for bids), or other approvals related to procurement procedures as required by the PPDA and the PPDR, and the choice of procurement method, were approved by the DTC.

The DTC secretariat prepares the agenda, and maintains the minute's files. The internal organization of the minutes file is that minutes are not numbered serially and according to the numbered sessions of DTC meetings in a financial year, but they are filed chronologically. Some of the minutes were missing from the file. The officers said they could not locate these missing minutes in the DTC file.

The same scattering and dispersed storage of other procurement records is evident in the maintenance of DTC minutes.

The Procurement Committees did not prepare quarterly procurement reports, and hence the DTC did not review the same.

Recommendations

DTC minutes' files are important, and should be securely maintained. The file containing confirmed minutes, signed by the tender committee chairman and the secretary, and approved by the accounting officer should be considered the most definitive and authoritative. These files should therefore be securely maintained:

- a) NND should upgrade their record keeping and where possible the record keeping system should be computerized;
- b) The procurement unit must keep procurement records as stipulated in the Act;
- c) NND should be advised on the need to improve their budgeting and procurement record keeping. Therefore, training to all procurement officers on records and data management is essential;
- d) NND should increase sensitization training to all staff responsible for key stages of the functions relating to procurement.

NND's Responses

Improvement since the date of the review. Need for funds to train staff and recruit more.

3.12.3 Fragmentation and Scattering of Procurement Records

Findings

Section 34 (3) of the Public Procurement and Disposal Act requires procuring entities to maintain an individual file for each procurement activity. Such a file should be complete and comprehensive and should cover the entire procurement cycle. NND record keeping system falls far short of this requirement in that documents pertaining to a single procurement activity are kept in different offices and in many instances, several different files. Specifically, the following weaknesses were observed with regard to maintenance of procurement files:

- A tender file will have the bid documents, but the initial memo for purchase is maintained in another file and in a different office;
- Tender evaluation forms and reports are maintained in a different file;
- Contract agreement documents are kept in the office of the user department.
- Minutes of the District Tender Committee are kept by the DTC secretariat;
- Documents pertaining to receipt of goods and services such as goods received vouchers, invoices and delivery notes are kept by the stores section; and
- Records pertaining to payment for goods and services, such as payment vouchers, are kept at the District Treasury.

The result of this fragmentation and scattering of procurement records is that it is very difficult to retrieve a needed document. Secondly, the non-maintenance of complete records means it is very difficult to conduct any meaningful procurement audit and review.

Recommendations

The PU should open a comprehensive file for each Procurement Proceeding as stipulated in the PPDA Section 34 (3).

NND's Responses

Inadequate staff and the recent transfers of clerical officers has greatly affected Operations negatively.

3.13 Mandatory Reports to PPOA

Findings

We noted that although there were some contracts whose values exceeded Kshs 5 Million, e.g. NRK/NSIS/01/2007-2008 of the amount of Kshs 8,276,768, the details were not submitted to PPOA as required by PPDA 2005 Section 46. We also noted a direct procurement of Kshs 8,103,220 in respect of line of equipment which was not reported to PPOA as stipulated in Regulation 62(3).

Recommendation

All the reports required by PPOA should be submitted promptly in accordance with PPOA CIRCULAR NO.4/2009 on Reporting Requirements and Procurement Planning of 24th June, 2009, namely;

- All terminated procurement proceedings (PPDA Section 36 (7)).
- All direct procurements (Regulation 62 (3) of the PPDR).
- All procurements equal to and exceeding the value of Kshs 5 Million.
- Disposal to employees (Regulation 93(2) of the PPDR).

NND's Responses

Improved since the date of the review.

3.14 Internal Audit

Findings

There is an Internal Audit Department with an establishment of only one staff the District Internal Auditor. The department has an annual audit work plan and has listed procurement as high risk area for audit purposes. Considering that there are very many areas to be covered during the year apart from the procurement system, we feel that this department is not adequately staffed.

Recommendation

In order to enable the department to consistently review the procurement system and provide timely information for management action, the department should be adequately staffed.

NND's Responses

Need for more staff and better facilitation. Also need to train the existing staff on the procurement function.

3.15 Contract Management

Findings

The contract agreements are not in the procurement files.

The following information was found to be either lacking or weak in areas of contract management:

- a) Claims and dispute resolution mechanism not constituted;
- b) Progress payments for works;
- c) Inspection Reports;
- d) Performance and Bid Security Register;
- e) Signed Contract documents
- f) Supplier Performance Evaluation Reports;
- g) Breach or Termination of Contracts not summarized and forwarded to PPOA; and
- h) Certificates of Completion.

Recommendations

Periodic operation meetings, involving project management, and procurement staff, should be instituted by NND to discuss the progress of contracts to enable procurement update their schedules and documentation. There is an urgent need to strengthen contract management functions across horizontal departmental boundaries.

NND's Responses

Contract agreements documents are maintained by the user/respective departments. Need for enough copies for all the departments.

3.16 Inspection and Acceptance Committee

Findings

The review team noted that the entity has established an Inspection and Acceptance Committee, as stipulated in Regulation 17 (I) of the Regulations, to inspect, test, review the works, goods and

services and issue completion certificates in accordance with the contracts. The review team however did not find any inspection and completion certificates for all major contracts for goods, works and services undertaken by NND during the period under review.

Recommendations

The Inspection and Acceptance Committee should inspect and review all the goods, works or services in order to ensure compliance with terms and specifications of the contract and issue interim or completion certificates or goods received notes, as appropriate and in accordance with the contract. No payments should be made before the certificates have been issued by the committee, unless this is included under the terms and conditions of the contract.

NND's Responses

Certificates of completion issued by the technical departments are kept by the user department. Minutes of inspection and acceptance committees meeting are available. There is need to have enough copies for all the departments involved.

3.17 Disposal

Findings

There were 25 disposal actions undertaken during the period under review. We however noted that the procuring entity does not have a disposal plan as stipulated in Regulation 8(3)(w), neither is there a fully constituted Disposal Committee for the purposes of recommending the best method of disposing unserviceable, obsolete or surplus stores or equipment as stipulated in PPDA Section 128 (1).

Recommendations

The PE should constitute a Disposal Committee. The Procurement Unit should develop a consolidated disposal plan for obsolete and surplus equipment and stores according to Regulation 8(3) (w) of the Regulations.

NND's Responses

Impractical to implement a disposal plan due to delays in getting authority to dispose from some accounting officers for some departments. Concerned departments require training on disposal.

3.18 Management of Stores

Findings

There are several stores in NND commensurate with the number of ministries/departments. A visit to the stores revealed that most of the stores are inadequate for proper and efficient storage of the store items. In one of the stores i.e. the District Hospital, the stores for the Ministry of

Medical Services and those of the Ministry of Public Health and Sanitary services have not been segregated. The store records i.e. stock cards, receipt vouchers and issue vouchers have also not been segregated.

Recommendations

We recommend that the stores at the District Hospital should be segregated and manned by different people. Each store should also have its own stores records i.e stock cards, receipt vouchers and issue vouchers. In all the stores, storage facilities should be improved by expanding them, installing shelves/ranks and labeling all stores items for ease of identification.

NND's Responses

Inadequate space and the need to reduce stocks to avoid leakages and spoilage need for more space and storage facilities.

3.19 Complaints

Findings

Narok North District does not keep a complaints/protest log. There is no effective mechanism on how the entity handles complaints and disputes raised by bidders.

Recommendations

NND should establish and maintain complaint logs for providing necessary information internally as well as to all interested stakeholders. A procedural requirement should be implemented to have award and rejection letters submitted to winners and losers within the tender validity period to enable any complaint or dispute to be filed as appropriate.

NND's Responses

Intergrating operations of all the departments the district is difficult due to the diversity and different departments. We require to train all officers handling the procurement function in the district to understand their roles properly.

4.0 SPECIFIC FINDINGS

4.1 Specific Findings for Institutional and Legal Framework

AREA	FINDINGS
Legal Aspects	<p>The PPDA 2005 and PPDR 2006 are by and large operational in NND procurement functions and procedures. However, the review team did not find established procurement policies and procedures documents available, accessible and regularly updated (PPDA 26 (1):</p> <ul style="list-style-type: none"> • Financial Regulations and Rules • Updated Schedule of Duties • Applicable Administrative instruments • Internal Control Framework • Sectoral Procurement handbook or manuals • Handbook of financial management • Medium-term budgetary expenditure framework <p>Such manuals are meant to strengthen financial management procedures that should be observed at various levels of procurement management. The procurement manuals would be intended to articulate the principles and practices to be observed by sector procuring entities in the procurement of goods, services and works. They would also ensure linkages between procurement and the financial functions.</p>
Organization and Structure of Procurement Unit.	<p>The procurement unit is in place with a total staff of five officers. The procurement staff interviewed not have specific job descriptions, responsibilities and accountability hence the roles and delegation of responsibilities in the PU is obscure.</p> <p>In the absence of the foregoing we were not able to establish the adequacy of personnel, and/or procurement management skills consistent with responsibilities.</p>
Management Process	<p>In the absence of an internal updated handbook outlining schedules of duties, it was not possible to verify the persons authorized to originate, certify, and approve various stages of the procurement process from inception to completion.</p>
Budgets and Accounting	<p>The PE did not prepare a procurement plan as part of the annual budget preparation process as stipulated in PPDA Section 26 (3) (a)</p>
Procurement	<p>There are no consolidated annual procurement plans prepared by the PU for all procurements reviewed (PPDA</p>

Plans	<p>Section 26 (3) (a).</p> <p>The user departments have not prepared departmental procurement plans and forwarded them periodically to the AO in adherence with the timeframe (Regulation 20 (4) of the PPDR. The team did not see any standard format of Procurement plans approved by PPOA (PPDR Regulation 21(3).</p>
Purchase Requisitions	<p>There is no official procurement requisition forms used for initiation of procurement processes for all procurements (PPDR Regulation 22 (1). All purchase requests are initiated by LPOs/LSOs from the user departments.</p>
Pre-qualification procedures	<p>The team saw the pre-qualified list of suppliers. However the team did not see any assessment of contractors for large and complex purchases for capability and suitability.</p>
Solicitation Documents	<p>The following templates and forms were found to be operational as stipulated in the PPDR and following the PPOA formats:</p> <ul style="list-style-type: none"> • Request for Quotations • Tender Documents • Bid Security Form • Confidential Business Questionnaire <p>Other templates and forms lacking are:</p> <ul style="list-style-type: none"> • Tender opening documents • Evaluation documents • Performance Security Form • Price comparison schedules

<p>Tender Documents</p>	<p>All the tender documents reviewed were initiated by the user departments and passed to procurement unit to process. The tender documents reviewed conform to the standard ones approved by PPOA. The following deficiencies were noted:</p> <ul style="list-style-type: none"> • No Tender Notice. • The Contracts have no commencement dates. • No annual tender contract documents were provided to the review team. • No Bid Security and Performance Bonds for contracts reviewed were provided to the team. • The preference schemes clause, to some degree, is not considered when bidding (PPDA Section 39). • Tender opening register • LPO that was raised for the advertisement • Letter of tender award to the winning bidder. • Letter of acceptance by the winning bidder. 	
<p>Standing and Specific Committees</p>	<p>Only two standing and specific committees were found to be operational, but the following are constituted on an adhoc basis;</p> <ul style="list-style-type: none"> • Tender Opening • Evaluation Preliminary • Evaluation Technical • Evaluation Financial • Disposal Committee <p>The team reviewed extensively the DTC records and found the following vital documentation incomplete:</p> <ul style="list-style-type: none"> • No standard DTC submission form containing the minimum information necessary to render a reasonable assessment. • Financial Rules including budget lines, sources and availability of funds indicated on the requests. • Copy of the bid documents; published advertisements seeking offers. • Standard Form for DTC Recommendation and Minutes. • Some DTC minutes are not signed. • Some DTC minutes are missing. 	

	<ul style="list-style-type: none"> The DTC has not reviewed the quarterly reports of the procurement committee. <p>Records showing that that the DTC has ensured that the procuring entities do not pay in excess of prevailing market prices.</p>	
Award of Contract	<p>The contract agreement itself specifies the items for which the supplier is contracted and the amount. The supplier's bid is attached, as are the technical specifications of the initial tender. Furthermore, the General and Special Conditions of Contract and the Letter of Acceptance are annexed. The following deficiencies were observed:</p> <ul style="list-style-type: none"> The contracts register is not maintained in an up to date manner at NND e.g. Tender No. NRK/BUILD/2007-2008 for the construction of a Youth Empowerment Centre is not in the contracts register. The budget line is not specified in any of the contract documents. LPOs are issued for all of the items on one contract. This is because contracts documents are not considered accounting. Contracts over Kshs 5 million were not advised to PPOA e.g. Tender No. NRK/NSIS/01/2007-2008 of amount Kshs 8,276,768.50. Performance Bonds for contracts reviewed were not provided raising doubts as to their existence. 	
Contract Management	<p>There are no contract managers assigned to specific procurement contracts. Post contract management is only limited to procurement of works, done by the District Works Officer (DWO).</p> <p>The review team did not find evidence of post contract monitoring mechanism in place. The following information was found to be lacking in areas of contract management:</p> <ul style="list-style-type: none"> Relevant PPOA Contract Management Policies adapted to NND. Claims and dispute resolution mechanism. Advance payments and Letters of Credit register. Progress payments for works. Taxes credit and refunds. Bid Security and Performance Bonds Register. Certificates of Completion. 	

	<ul style="list-style-type: none"> • Supplier Performance Evaluation reports. • Return of samples or taking into charge the samples not taken back by the suppliers. 	
Handling of complaints	Narok North District does not keep a complaints/protest log.	
Termination of the procurement Proceedings	Terminated tenders are not advised to PPOA. No written report to PPOA.	
Record keeping, data management and documentation	<p>This is the most wanting area in the whole procurement management and procedures in NND (PPDA Section 45).</p> <ul style="list-style-type: none"> • There are no established norms for safekeeping of records, documents and contract management. • The procurement documentation were poorly filed and maintained in an indiscriminate state. • The system of filing is very weak. None of the tenders reviewed for the financial year 2007-2008 had complete information pertinent to the tender process <p>The filing of minutes, letters of offer, contracts and bid documents for the period under review was not consistent.</p> <p>The contracts have no dedicated files and do not have the supporting documents filed together with them.</p> <p>Not all bid documents and the performance bond files were made available to the reviewers. It was thus impossible to verify whether all had been submitted in the first place and whether the amounts and validity periods conformed to the requirements. There are no clear links of documentation between procurement and expenditure files.</p> <p>There are no operating manuals to guide the practitioners on the detailed instructions, systems and control measures in the procurement process.</p> <p>No claims and dispute resolution records were provided to us.</p>	

4.2 Specific Deviations in Reviewed Open National Tenders

TENDER	METHOD	FINDINGS	DDD	DD	D	SP
NRK/1/2007-2008/11 Supply and Delivery of Hardware, Building and Construction Materials	ONT	No Procurement Plan No Procurement Requisition Tender Security/Performance Bond not available and not in file No Delivery Notes copies in the file No Completion Certificates in the file No Inspection and Acceptance Certificates in the file No Invoices and payment documents in the file No bidders submitted the Business Registration	X X	X	X X X X	
D42RV/NRK/701/JOB No. 8250A Construction of 2 Typical Workshops	ONT	No Procurement Plan No Procurement Requisition No extracts of the TC minutes in the procurement file Tender Security/Performance Bond not available and not in file No preliminary evaluation committee minutes in procurement file No Delivery Notes copies in the file No Completion Certificates in the file No Inspection and Acceptance Certificates in the file No Invoices and payment documents in the file No bidders submitted the Business Registration	X X	X X X	X X X X	

<p>NRK/BUILD/2007-2008 Construction of a Youth Empowerment Centre</p>	<p>ONT</p>	<p>No Procurement Plan No Procurement Requisition No extracts of the TC minutes in the procurement file Tender Security/Performance Bond not available and not in file No preliminary evaluation committee minutes in procurement file No Delivery Notes copies in the file No Completion Certificates in the file No Inspection and Acceptance Certificates in the file No Invoices and payment documents in the file No bidders submitted the Business Registration</p>	<p>X X</p>	<p>X X X X X X X</p>	<p>X X X</p>	
<p>NRK/BUILD/4/2007-2008 Construction of Children’s Office</p>	<p>ONT</p>	<p>No Procurement Plan No Procurement Requisition No extracts of the TC minutes in the procurement file Tender Security/Performance Bond not available and not in file No preliminary evaluation committee minutes in procurement file No Delivery Notes copies in the file No Completion Certificates in the file No Inspection and Acceptance Certificates in the file No Invoices and payment documents in the file No bidders submitted the Business Registration</p>	<p>X X</p>	<p>X X X X X X X</p>	<p>X X X</p>	
<p>NRK/12/2007-2008 Supply and Delivery of Petroleum, Oils and Lubricants</p>	<p>ONT</p>	<p>No Procurement Plan No Procurement Requisition No preliminary evaluation committee minutes in procurement file No Delivery Notes copies in the file No Inspection and Acceptance Certificates in the file</p>	<p>X X</p>	<p>X X</p>	<p>X</p>	

		No Invoices and payment documents in the file No bidders submitted the Business Registration			X X	
NRK/14/2007-2008 Supply of G.I. Pipes and Fittings	ONT	No Procurement Plan No Procurement Requisition No preliminary evaluation committee minutes in procurement file No Delivery Notes copies in the file No Inspection and Acceptance Certificates in the file No Invoices and payment documents in the file No bidders submitted the Business Registration	X X	X X	X X X X	
NRK/13/2007-2008 Supply of P.V.C Pipes and Fittings	ONT	No Procurement Plan No Procurement Requisition No preliminary evaluation committee minutes in procurement file No Delivery Notes copies in the file No Inspection and Acceptance Certificates in the file No Invoices and payment documents in the file No bidders submitted the Business Registration	X X	X X	X X X X	
NRK/27/2007-2008 Repair and Redecorations to Government Houses and Buildings	ONT	No Procurement Plan No Procurement Requisition No preliminary evaluation committee minutes in procurement file No Delivery Notes copies in the file No Inspection and Acceptance Certificates in the file No Invoices and payment documents in the file No bidders submitted the Business Registration	X X	X X	X X X X	
NRK/5/2007-2008 Supply and Delivery of	ONT	No Procurement Plan No Procurement Requisition	X X			

Foodstuffs		No preliminary evaluation committee minutes in procurement file No Delivery Notes copies in the file No Inspection and Acceptance Certificates in the file No Invoices and payment documents in the file No bidders submitted the Business Registration		X X	X X X	
NRK/3/2007-2008 Supply and Delivery of Meat	ONT	No Procurement Plan No Procurement Requisition No preliminary evaluation committee minutes in procurement file No Delivery Notes copies in the file No Inspection and Acceptance Certificates in the file No Invoices and payment documents in the file No bidders submitted the Business Registration	X X	X X	X X X	
NRK/20/2007-2008 Supply and Delivery of Non-Pharmaceuticals	ONT	No Procurement Plan No Procurement Requisition No preliminary evaluation committee minutes in procurement file No Delivery Notes copies in the file No Inspection and Acceptance Certificates in the file No Invoices and payment documents in the file No bidders submitted the Business Registration	X X	X X	X X X	

4.3 Specific Deviations in Reviewed Request for Quotations

NRK/238/DWO/2007-2008 Gravel Spread on 6m wide and 150mm thick 2000m ³	RFQ	No Procurement Plan No Procurement Requisition No preliminary evaluation committee minutes in procurement file No Delivery Notes copies in the file No Inspection and Acceptance Certificates in the file No Invoices and payment documents in the file No bidders submitted the Business Registration	X X	X X	X X	
NRK/118/DWO/2007-2008 Hire of Dozer (Wet Rate)	RFQ	No Procurement Plan No Procurement Requisition No preliminary evaluation committee minutes in procurement file No Delivery Notes copies in the file No Inspection and Acceptance Certificates in the file No Invoices and payment documents in the file No bidders submitted the Business Registration	X X	X X	X X	
NRK/83/DWO/2007-2008 Installation of a Multistage Centrifugal Pump	RFQ	No Procurement Plan No Procurement Requisition No preliminary evaluation committee minutes in procurement file No Delivery Notes copies in the file No Inspection and Acceptance Certificates in the file No Invoices and payment documents in the file No bidders submitted the Business Registration	X X	X X	X X	
NRK/104/DCOOP/2007-2008 Renovation Works to	RFQ	No Procurement Plan No Procurement Requisition	X X			

District Co-operatives Office		No preliminary evaluation committee minutes in procurement file No Delivery Notes copies in the file No Inspection and Acceptance Certificates in the file No Invoices and payment documents in the file No bidders submitted the Business Registration		X X	X X X	
NRK/134/DMO/2007-2008 Construction of Esokori-Tikako Water Pan 15,000m ³	RFQ	No Procurement Plan No Procurement Requisition No preliminary evaluation committee minutes in procurement file No Delivery Notes copies in the file No Inspection and Acceptance Certificates in the file No Invoices and payment documents in the file No bidders submitted the Business Registration	X X	X X	X X X	
NRK/206/DMO/2007-2008 Construction of Eor-Esimu Water Pan 10,000m ³	RFQ	No Procurement Plan No Procurement Requisition No preliminary evaluation committee minutes in procurement file No Delivery Notes copies in the file No Inspection and Acceptance Certificates in the file No Invoices and payment documents in the file No bidders submitted the Business Registration	X X	X X	X X X	
NRK/224/DMO/2007-2008 Construction of Ekerende Cultural Village Market	RFQ	No Procurement Plan No Procurement Requisition No preliminary evaluation committee minutes in procurement file No Delivery Notes copies in the file No Inspection and Acceptance Certificates in the file No Invoices and payment documents in the file	X X	X X	X X X	

		No bidders submitted the Business Registration			X	
NRK/I57/DMO/2007-2008 Supply and Delivery of Plastic Water Tanks	RFQ	No Procurement Plan No Procurement Requisition No preliminary evaluation committee minutes in procurement file No Delivery Notes copies in the file No Inspection and Acceptance Certificates in the file No Invoices and payment documents in the file No bidders submitted the Business Registration	X X	X X	X X X X	
NRK/I48/DC/2007-2008 Completion of Civil Works at AP Headquarters	RFQ	No Procurement Plan No Procurement Requisition No preliminary evaluation committee minutes in procurement file No Delivery Notes copies in the file No Inspection and Acceptance Certificates in the file No Invoices and payment documents in the file No bidders submitted the Business Registration	X X	X X	X X X X	
NRK/I58/DWE/2007-2008 Installation and Commissioning of a new High Lift Pump	RFQ	No Procurement Plan No Procurement Requisition No preliminary evaluation committee minutes in procurement file No Delivery Notes copies in the file No Inspection and Acceptance Certificates in the file No Invoices and payment documents in the file No bidders submitted the Business Registration	X X	X X	X X X X	

5.0 ACTION PLAN AND FOLLOW-UP REVIEW

	Tasks	Lead Accountable	Timeline	PPOA Review Date
1.	Organize sensitization training in the Public procurement and Disposal act 2005 and the related regulations for all members of standing committees and staff involved in procurement related functions.	AO/PPOA	28 th February 2010	
2.	PU to upgrade the record keeping and where possible the record keeping system should be computerized.	Head of PU	28 th February 2010	
3.	Establish the appropriate budget for the procurement for all the activities projected in the consolidated procurement plan.	DA/HODs/PU	31 st March 2010	
4.	NND should prepare annual consolidated procurement plans for all procurements to better manage all aspects of its procurements including the procurement of professional / works / goods / other services. Train all PU staff on how to prepare procurement plans using templates approved by PPOA	Head of PU	31 st March 2010	
5.	Develop a master procurement schedule for all on-going contracts, showing the target dates for procurement-related activities and the actual progress achieved, to serve as a communication tool for future procurement planning with project managers and subsequent progress tracking.	Head of PU/HODs	28 th February 2010	
6.	Implement outstanding internal and external audit findings and recommendations relating to procurement management.	HODs/IA	28 th February 2010	
7.	NND should introduce comprehensive purchase requisitions for initiating procurement with clear links to budget lines.	Head of PU	Immediate	
8.	Institute central control register for the purchase requisitions initiated from various departments.	PU	31 st March 2010	
9.	Develop an operations manual outlining schedules of responsibilities and authorization levels for procurement documents.	HODs/PU	30 th June 2010	
10.	Develop internal procurement manuals for procurement and contract management to regulate procurement processes and reporting.	HODs/AO/PU/P POA	30 th June 2010	
11.	Introduce a procedural requirement that encourage the use of the prequalification for suppliers of specialized works, goods, and professional services whenever possible and appropriate. PU to improve the calibre of invitation lists, reduce the number of RFQs and LVPs required by using prequalified suppliers. PU also to endeavor to implement alternative framework contracts and long term arrangements.	PU/DTC/HODs	31 st January 2010	

	Tasks	Lead Accountable	Timeline	PPOA Review Date
12.	Develop a training policy for the PU staff for continued development of skills and professionalism in the areas of supply chain management for PU staff.	HODs/PU	28 th February 2010	
13.	Procurement unit to respond to all outstanding recommendations and findings of the internal and external auditors.	PU/IA	28 th February 2010	
14.	Periodic operations meetings, involving project management, and procurement staff, should be instituted by NND to discuss the progress of contracts to enable procurement update their schedules and documentation.	PU	31 st January 2010	
15.	Open contract control registers.	PU	30 th June 2010	
16.	Open procurement files for all active contracts and build up with relevant documentation.	PU	28 th February 2010	
17.	Organize training for the senior management staff and heads of user departments on the compliance, documentation and record keeping	PPOA/PU	28 th February 2010	
18.	Submit all reports for procurements to PPOA as required by the PPDA and associated regulations.	PU	28 th February 2010	
19.	Institute local complaints and dispute resolution mechanism.	PU	31 st January 2010	
20.	Constitute a Disposal Committee which shall be responsible for developing an annual disposal plan for obsolete and surplus equipment and stores.	AO/Chairman Disposal Committee	30 th April 2010	
21.	Put in place strategic and innovative procurement systems that would focus on optimizing costs, simplifying transactions, streamlining the procurement process, contract management, comprehensive filing systems, managing deliveries and compliance with PPDA provisions.	AO/PU	30 th June 2010	
22.	Ensure minutes of all Committee meetings are signed by the respective Chairman and Secretary for validation purposes.	AO/PU	31 st January 2010	
23.	Ensure preparation of Tender evaluation report after an evaluation process duly signed by the Chairman and Secretary of the Evaluation Committee. The report to be forwarded to the DTC for the purposes of award of tenders.	TC/PU	30 th June 2010	
24.	Ensure opening and evaluation of quotations is carried out jointly by the PU and the respective user department of P.E as stipulated in PPDR 2006 Regulation 61.	DTC/PU/User Departments	31 st January 2010	
25.	Ensure analysis and evaluation reports for RFQ are prepared and submitted to DTC	DTC/PU	31 st January	

	Tasks	Lead Accountable	Timeline	PPOA Review Date
	for award purposes.		2010	
26.	Establish a program to strengthen the internal audit unit staff capacity to ensure effective checks on compliance of the procurement transactions.	AO/Internal Auditor	28 th February 2010	
27.	Prepare inventory reports showing the stocks received, stocks issued and stocks balances during the FY. Work out stock values from the purchase price of the goods.	HODs/Store Keepers/Store Technicians	30 th June 2010	
28.	Create more space for the stores experiencing inadequate storage space and develop a training policy for the training of store keepers and technicians in efficient management of stores.	AO/Heads of Departments	30 th June 2010	
29.	Establish a fully constitute Inspection and Acceptance Committee immediately to inspect and review all goods, works and services in order to ensure compliance with the terms and specifications of the contract and issue interim or completion certificates or goods received notes, as appropriate and in accordance with the contract.	AO/PU/DA	30 th June 2010	

6.0 CONCLUSIONS

We have carried out procurement reviews in procurement functions and procedures to verify whether they conform to the Public Procurement and Disposal Act 2005, Public Procurement and Disposal Regulations 2006. We have also assessed whether the functions comply with generally accepted good practices. We have identified deviations in general and specific areas of procurement stages. In the selected areas, we concluded that the NND level of compliance with the provisions of the Act and Regulations is low and the management should demonstrate greater commitment to follow the Act in their operations. It is important for NND to embrace the law and prepare an organization-wide compliance program. We have included a follow-up phase in our recommendations to ensure that the corrective measures are carried out in order to improve compliance, efficiency and effectiveness in procurement management.

The management of NND welcomed the review exercise as a mechanism to identify and address any pending shortcomings and weaknesses. The management pointed out that when the Act and Regulations was introduced, NND could not immediately implement the laws because the management needed time to harmonize the systems to accept the new law.

NND has hardly taken any steps to comply with the provisions of the procurement law, still a number of outstanding issues need to be addressed. The issues raised are important and warrant immediate attention by the procuring entity and the intervention of the PPOA to avert further non-conformity.

We congratulate NND on the proportion of its spend covered by open tendering which is 53% and we encourage the management to continue this practice.

The District Internal Auditor should contact senior management for intervention in areas where his recommendations are ignored by the Procurement Unit and the user departments.

The District Accountant should ensure that settlement of bills for works are adequately supported with interim or completion certificates as appropriate and in accordance with the contract and regulations.

Record keeping, data and documentation controls and contract management is a major challenge in NND. Retrieving records for review purposes was difficult and time consuming. Some records pertaining to execution of the procurement process were incomplete, limiting the review scope. This area needs an urgent attention of the Accounting Officer, since poor record keeping compromises validity, authenticity, quality and reliability of the information coming from the PE.

While PPOA is tasked with measuring and enforcing compliance, NND needs to reduce risk and ensure that all departments implement the regulations. An effective compliance program can make the PE more effective and efficient in reducing the risk of internal and external threats, while at the same time providing proof of compliance demanded by PPOA across multiple compliance initiatives.

There are adverse risks from non-compliance with procurement law and regulations, which can have far reaching consequences to NND like fraud, corruption, mis-procurement collusion and financial loss. An active compliance program enables the organization to accurately detect the violations, to take the appropriate action (even blocking the payment from being made), and to quickly find and review the violation in order to address the situation, preventing further damage or loss.

7.0 APPENDICES

7.1 Entry Meeting

Notes of Narok North Review meeting held on 12th May 2009 at CDF Offices, Narok.

Present:	Peter Ndung'u	PPOA
	Joseph Kimani	PPOA
	Mr. Tumbo	PPOA Consultant
	Paul Mbatia	PPOA Consultant
	A.N. Mohammed	Senior DO
	Richard Gichuki	DPO
	Nelson Kamau	District Registrar
	Leonard Lutta	D/CIO
	Julius Mbidha	DDO
	S.M. Karinga	DDIO
	Maroko Sijeny	DA
	M.O. Otieno	DWO (Water)
	Joel K. Langat	DMO
	Christopher Twala	DHAO
	Fidel Mumbua	DPO
	Joseph K. Muge	CIP
	Joseph E. Mungai	DSO
	Mumbu Wanyama	DEO
	Joseph G. Kariuki	DCRO
	Harrison Githae	SRIC
	Maurice Suji	DAO
	Christopher Kunder	DLPO
	Gladys Ogonda	SOB
	Dr. Muriithi	DVO
	Wilfred M. Miruru	SPORTS
	John K. Ololchoki	D.A.E OFFICE
	Bernard Korir	DMO & OFFICE

Purpose

The purpose of the meeting was to introduce PPOA review team to Narok North District management. The meeting's objective was also to inform Narok North District management the purpose of carrying out the review is to establish the status of Narok North District's procurement contracting, and implementation processes and systems, in order to determine the level of compliance with the new procurement law, regulations, circulars, guidelines and directives issued by the Public Procurement Oversight Authority.

Matters Arising

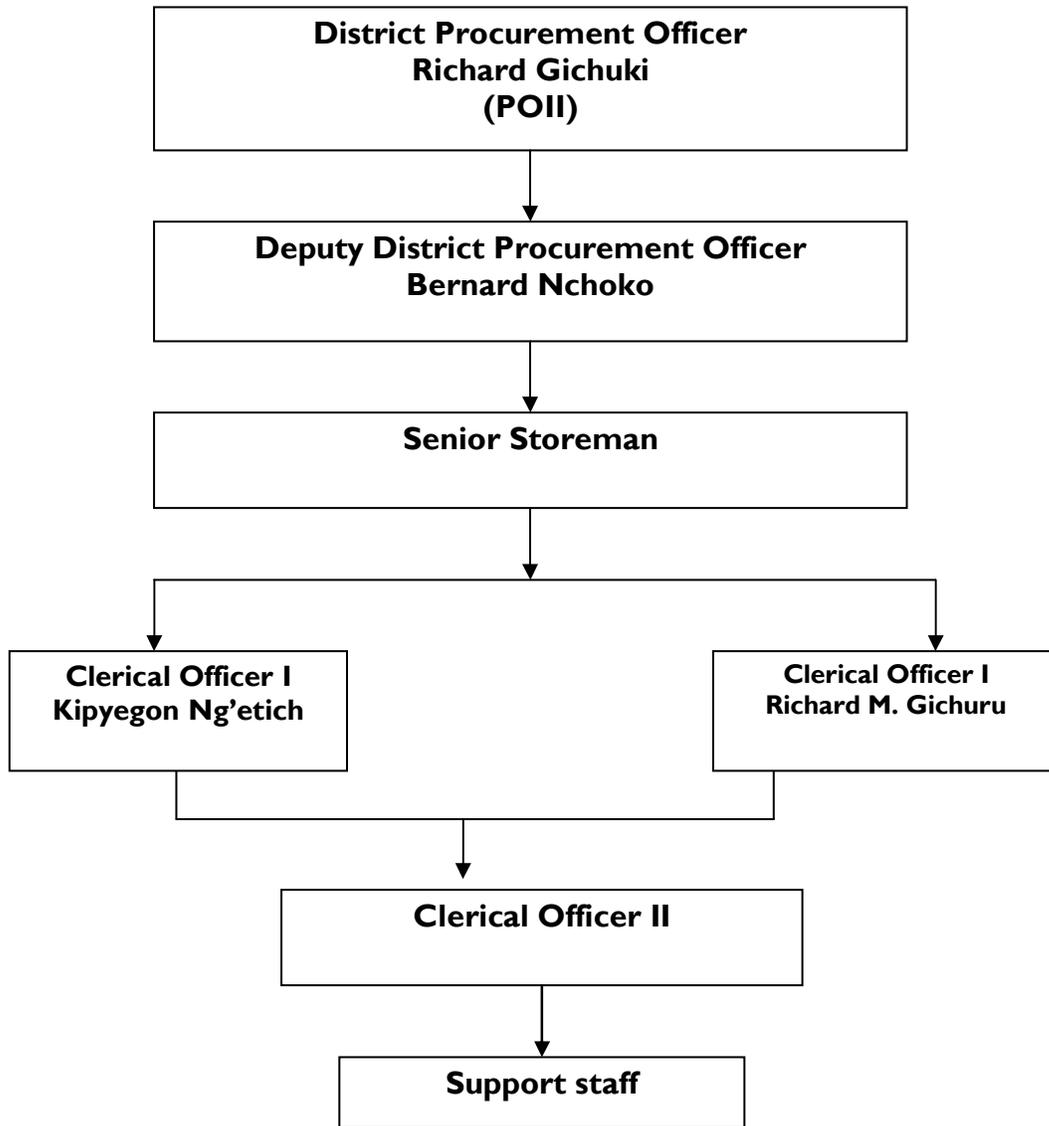
Mr. Peter Ndung'u, Ag. Deputy Manager Compliance, PPOA, took the team through the review process and its expectations. The review was meant to assist NND improve on their procurement procedures which should be carried out according to the PPDA & Regulations and to assess NND's compliance with the Act. He stated that the review should address the shortcomings and enable capacity building through training. He stated that measures will be taken to address institutional challenges and shortcomings. The review process covers procurement of goods, works and services in the financial year 2007/08.

Mr. Ndung'u reported that after the review, the team would prepare a draft report, which would then be forwarded to PPOA. Once PPOA is satisfied with the draft, it would then be forwarded to NND management. NND management's comments will be included in the final report. The review would look at the mandate of NND, structures, tender committees and their mandates, mandatory reporting requirements, record keeping and management, minutes of tender committee meetings, contract administration among, disposal processes and institutional challenges. He reported that the recommendations will be part of the action plan and the final report will be posted on the PPOA website. Mr. Ndung'u appealed for co-operation between NND management, PPOA and review team.

Mr. Kimani, Compliance Officer, PPOA, stated that everybody is free to seek clarifications from PPOA head office. He thanked the Senior DO and NND management for attending the meeting.

Mr. Mohammed, the Senior DO, reported that this exercise will be beneficial to the management of Narok North District. He asked the review team to facilitate sensitization and training programs for the district. Mr. Mohammed asked Narok North District staff to ensure that there's maximum co-operation with the review team.

7.2 Organization Structure of Procurement Unit



7.3 Ministry/Departments under NND

Ministry/Departments	H.O.D.
1) O.O.P	DISTRICT COMMISSIONER
2) OCPD	
3) DCIO	
4) HOME AFFAIRS	G.K PRISONS
5) PLANNING	DDO
6) FINANCE	DA
7) AGRICULTURE	DAO
8) A.M.S	
9) F.T.C	
10) HEALTH	MOH
11) PUBLIC HEALTH	DPHO
12) WORKS	DWO
13) ROADS	DRE
14) TRANSPORT	MET
15) LABOUR	DEDO
16) TRADE	DTDO
17) GENDER	SPORTS & SOCIAL SERVICE
18) LIVESTOCK DEV.	DLPO
19) SHEEP & GOAT	
20) VETERINARY	DVO
21) WATER	DWE
22) IRRIGATION	DIO
23) ENVIRONMENT	NEMA
24) CO-OPERATIVE	DCO
25) JUDICIARY	SRM
26) PROBATION	DPO
27) EDUCATION	DEO
28) INFORMATION	DIO
29) E.C.K.	DEC
30) SPECIAL PROGRAMMES	DMO
31) LANDS	LAND ADJ.
32) LAND SURVEY	
33) LAND REGISTRY	
34) IMMIGRATION	DROP
35) IMMIGRATION	DCR
36) YOUTH AFFAIRS	DYO
37) HOUSING	
38) N.S.I.S	SRIC
39) FISHERIES	
40) CHILDREN	
41) METEOROLOGICAL	
42) ADULT EDUCATION	DAEO

7.4 District Tender Committee Members

Name	Designation
M.O. Otieno – D.WO. (WATER)	Chairman
Julius Mbidha- D.D.O	Vice Chairman
Richard Gichuki- D.P.O	Secretary
Maroko Sijeny – D.A	Member
C.K. Kunder - D.L.P.O	Member
Maurice Suji – D.A.O	Member
P.W. Muchai – D/DWO - WORKS	Member
M.K. Cheruiyot – DR.E/D.W.O-WORKS	Member
Jane Mtange - D.E.O	Member
Dr. Kiilu - D.M.O.H	Member

7.5 Inspection and Acceptance Committee Members

Name	Designation
Mr. Mohammed -S.D.O	Chairman
Richard Gichuki -D.P.O	Secretary
Maroko Sijeny -D.A	Member
Dr. Mureithi - D.L.P.O	Member

7.6 Exit Meeting

The exit meeting was held on 21st January 2010 at CDF Office Hall, Narok North District at 11.00am.

Present

Name	Designation
Maurice Juma	Ag. Director General, PPOA
Mr.S. Miheso	Compliance Department, PPOA
Stephen Tumbo	Consultants-Team Leader, Wachira Irungu & Associates
Paul Mbatia	Consultants-Team Member, Gath Consulting Engineers
Maroko Sijeny	D.A
Richard Gichuki	D.P.O. District Procurement Officer
Kennedy Oyaro	D.T.D.O
Mary Yiapanoi Nkoyo	P.O.
Nelson N. Kamau	D.R.O.P
Herbert O. Mose	D.D.O
Yonni O. Erick	D.C.R.O (D)

Joseph E. Mungai	D.S.O KNBS
Edwin K. Boiyon	P.O
Charles Onyancha	D.G.S.D.O
Toel Busienei	GK Prison Narok
Dr. Eric Eshitera	V.O
Julius L. Kooke	S.L.H.A
Bernard C. Korir	Rep D.M.O
Francis Ambale	Water Narok
Francis Kangangi	D.P.H.O
Lawrence Kinyari	I.E
John K. Ololeltoke	D/D.A.E.O
Joash M. Ratemo	D/D.Y.O
Issac A. Nyagaiga	D.Y.O
Samson Michura	H.A.O
Alex Muchemi	D.C.O/Coop
Lewis M. Muthaura	C.O II
Dorcas Nalamae	C.O II
Kipyegon Ng'etich	S.S.M
Richard S. Molel	C.O I
Alice Amega	C.O. II
Jane Muriu	D.I.O

Purpose

The purpose of the meeting was to discuss the findings of the review and to agree on the action plan and follow-up review by obtaining the entity's commitment to implement the recommendations according to the period in the action plan. A timeline was to be established for each of the tasks in the action plan.

The exit meeting was arranged between the PPOA/ Consultants review team (Wachira Irungu & Associates/Gath Consulting Engineers) and the reviewed entity, so that those present have the necessary authority to agree on changes in procedures and other measures necessary to rectify the problems and deficiencies observed in the course of the review.

Mr. Maurice Juma, the *Ag. Director General* PPOA, led the PPOA team at the exit meeting. Mr. Stephen Tumbo led the Consultants review team (Wachira Irungu & Associates/Gath Consulting Engineers). Due to the absence of both the DC and the Senior DO, the District Accountant, Mr. Maroko Sijeny, was the acting chair and leader of NND's team comprising of the Procurement Officer and other staff handling procurement related functions.

Matters Arising

After a word of prayer from a member of NND management, introductions were then carried out. Mr. Maroko Sijeny, the acting chair, explained the absence of both the District Commissioner and the Senior DO. The DC was attending a court case in Kisumu town while the Senior DO had accompanied an assistant minister and other government officials on an impromptu visit regarding

security matters. Mr. Maroko then invited Mr. Maurice Juma who then briefed the participants on the purpose of the meeting among other issues.

The Ag. Director General, Mr. Maurice Juma, stated that the review is not a fault finding mission. He said that the purpose of the review was to test the level of compliance in order to improve the procurement processes in NND. However, he categorically stated that compliance is mandatory and breaches of the Public Procurement and Disposal Act and Regulations cannot be accepted and there are instances where they can necessitate court cases.

Mr. Juma noted that some areas of the Public Procurement and Disposal Act 2005 and Regulations, all being relatively new, require clarifications and possible improvements through amendments. Conceding to the fact that implementation of the law bears its own challenges it has to be followed and complied with. Mr. Juma then gave an overview of the contents of the final draft report. He noted that as far as the Public Procurement and Disposal Act 2005 and Regulations are concerned Narok North District's procurement performance is below average.

The chair then handed the meeting to Mr. Tumbo from the Consultants team. He then took the meeting through a summary of the findings and recommendations of the review report. During this meeting, all findings, recommendations and NND's issues for clarification were brought forward by both parties. The DPO, during this session, took the attendees through some areas that he was not in agreement with and issued some responses. The necessary corrections and/or clarifications were then identified and agreed upon to be reflected in the Final Report.

The Ag. Director General then took the meeting through the action plan and the follow-up review which he stated that it should be a firm commitment by the entity to implement every item within the timelines agreed upon by both the PPOA team and the NND team. Upon completion of the action plan session Mr. Juma reiterated that the review should address the shortcomings and enable capacity building through training facilitated by PPOA. He stated that the procurement office should undertake measures to address institutional challenges and shortcomings in the department.

After taking questions from the participants and responding to them, Mr. Juma thanked all the participants for attending the exit meeting. Mr. Juma encouraged all participants to make use of the information and materials contained in the PPOA website and the print media that PPOA has initiated about procurement related procedures. He then issued his closing remarks highlighting the need for NND to strive to comply with the Public Procurement and Disposal Act 2005 and Regulations.

Mr. Juma handed the meeting back to the chair, Mr. Maroko Sijeny who moved a vote of thanks and closed the meeting after a word of prayer from a member of Narok North District management.