

ANNUAL REPORT

2020 ~ 2021



UPHOLDING PROCUREMENT
STANDARDS



Mission

To regulate the public procurement and asset disposal system through monitoring and enforcement for socio economic development in Kenya.

Vision

A dynamic public procurement and asset disposal system for a prosperous nation.



Slogan

Upholding Procurement Standards

Core Values

In the endeavour to realize its vision and mission, PPRA upholds the following core values:

- Integrity
- Customer focus
- Courage
- Teamwork
- Innovativeness



PPRA ANNUAL REPORT 2020 - 2021

Prepared in accordance with section 26 of the
Public Procurement and Asset Disposal Act, 2015.

Public Procurement Regulatory Authority

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Abbreviations and Acronyms

PE	Procuring Entity
KRA	Kenya Revenue Authority
CSR	Corporate Social Responsibility
KFS	Kenya Forest Service
CDF	Constituency Development Fund
NGCDFs	National Government Constituency Development Fund
DCI	Directorate of Criminal Investigations
EACC	Ethics & Anti-corruption
DC	Debarment Committee
SAGAs	State Administered General Assistance
NDC	National Data Centre
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
PPARB	Public Procurement Administrative Review Board
PPIP	Public Procurement Information Portal
PPRA	Public Procurement Regulatory Authority

CHAIRMAN'S STATEMENT



During the period in review, the Authority monitored compliance through procurement assessments, reviews, contract audits, complaints management, investigations and review of mandatory reports submitted by Procuring Entities.

This annual report is prepared pursuant to the provisions of section 26 of the Public Procurement and Asset Disposal Act, 2015. It provides a summary of activities undertaken by the Authority during the 2020/2021 financial year with highlights of its operations, requisite statistical information; and challenges experienced during the review period and recommendations thereof.

During the period in review, the Authority monitored compliance through procurement assessments, reviews, contract audits, complaints management, investigations and review of mandatory reports submitted by Procuring Entities.

Compliance and monitoring reviews have continued to ensure value for money is achieved by a public procurement system that pays attention to economy and efficiency. A strategic outcome of compliance has allowed stakeholders to understand and monitor how public funds are spent through public procurement.

The Administrative Review Board has continued to play a central role in ensuring bidders have an avenue to be heard when procurement disputes arise. The Board has strived to exercise impartiality and demonstrate consistency in its decisions and is applying various strategies in its operations with an aim of enhancing efficiency in handling applications for review and compliance with the Public procurement law.

A number of challenges affected the execution of the Authority's mandate during the year under review; these include inadequate budgetary allocation & institutional capacity and delayed operationalization of the Capacity-building levy. It was noted that some procuring entities failed to submit mandatory reports as prescribed.

Beside these challenges, the Authority is committed to providing uninterrupted services to stakeholders within the ambit of its legal framework.



Andrew M. Musangi
Chairman

DIRECTOR GENERAL'S STATEMENT



Compliance and Monitoring reviews have continued to ensure value for money is achieved by a public procurement system that pays attention to economy and efficiency.

The robust public procurement law is aimed at strengthening procurement planning; promote growth of the Kenyan economy by encouraging micro and small enterprises through participation in public procurement opportunities. This is mainly achieved through implementation of the preference and reservation schemes, ensuring transparency and accountability by streamlining the functions at the National Government, County Governments and all other public procuring entities (PEs) across the board.

The operation of the Authority is guided by the Public Procurement and Asset Disposal Act and other relevant Acts of Parliament and Regulations. Further, the Strategic plan summarizes priorities areas and sets out objectives, strategies and action plans that will help in its implementation with much emphasis on the monitoring, assessing and reviewing the public procurement and asset disposal system with the ultimate aim of ensuring value for money, transparency and accountability . This annual report is therefore a summary of the activities undertaken by the Authority during the 2020/2021 financial year with highlights of its operations, requisite statistical information; and challenges experienced during the review period and recommendations thereof.

Compliance and Monitoring reviews have continued to ensure value for money is achieved by a public procurement system that pays attention to economy and efficiency. The Authority continued to monitor the level of compliance with the Legal and Regulatory Framework through review of mandatory reports submitted by procuring entities. During the period, 269 procuring entities submitted 38,246 contract awards to the Authority. In addition, 517 reports were received on termination of procurement proceedings, 403 on use of direct procurement method and 237 on contract variations/amendments. Six procurement assessments, 11 procurement reviews, 111 contract audits, 4 follow ups and 4 inspections were conducted.

The Authority has also continued to offer the appropriate training and advisory services to the procuring entities to ensure that the procurement process is indeed smooth for all the stakeholders. During the year the Authority received and addressed 126 requests for advices and clarifications from procuring entities and stakeholders with the main area of concern being contract formation and management (reporting, variation/Amendment, extension, and expiry).

Through its Complaints, Investigations and Enforcement department, the Authority receives complaints from PEs, suppliers, and the general public. During the period under review, handled 483 complaints out of which 435 were resolved while 48 were pending by close of the year.

During the period, the Authority collaborated with the National Treasury to sensitize procuring entities at the county level on the Public Procurement and

Asset Disposal Regulation, 2020 the Competition Authority of Kenya during the sensitization of counties on the Code of Ethics for Persons Participating in the Public Procurement and Asset Disposal Activities, between February and March, 2021.

The Review Board received 160 appeals against procurements undertaken by given procuring entities. As per the requirement of section 171 of the Act, all the cases were heard and determined by the Review Board within a period of twenty-one (21) days from filing, and thus this requirement was satisfied in all the cases.

The Authority was only able to achieve success in performing the above activities through the support extended by its stakeholders. I wish to sincerely take this opportunity to thank the National Treasury and Planning, for supporting the developments of the various products and initiatives in Public Procurement. I would also like to extend my sincere appreciation to the various stakeholders both in Government and private sector that have made the implementation of the public procurement law a reality.



Pauline O. Opiyo
Ag. Director General

KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

The Public Procurement Regulatory Authority (the Authority) is established under Section 8 (1) of the Public Procurement and Disposal Act, 2015 (PPADA, 2015) and is charged with monitoring, assessing and reviewing the public procurement and asset disposal system to ensure that they respect the national values and other provisions of the Constitution of Kenya, 2010. To ease access to its services, the Authority has four (4) regional offices situated in Mombasa, Kisumu, Eldoret and Nakuru.

(b) Vision, Mission and Core values

Vision

A dynamic public procurement and asset disposal system for a prosperous nation.

Mission

To regulate the public procurement and asset disposal system through monitoring and enforcement for socio-economic development in Kenya.

Core values

1. Integrity: We uphold honesty and professional ethics in all our operations
2. Innovativeness: We are a learning organization that embraces creativity and innovativeness in service delivery and responsive to changes in the operating environment.
3. Customer focus: We are committed to upholding the highest standards in service delivery to all customers and stakeholders.
4. Courage: We are bold in the execution of our duties.
5. Teamwork: We work together towards the realization of our mandate.

(c) Principal Activities

The Authority has a mandate to among other functions; monitor, assess and review the Public Procurement and Asset Disposal system in Kenya to ensure they respect the National Values and other provisions of the law including Article 227 of the Constitution of Kenya, 2010.

The functions of the Authority as spelt out under section 9 of the PPADA, 2015, include:

- (a) Monitor, assess and review the public procurement and asset disposal system to ensure that they respect the national values and other provisions of the Constitution, including Article 227 and make recommendations for improvements;
- (b) Monitor the public procurement system and report on the overall functioning of it and present to the Cabinet Secretary and the county executive member for finance in each county, such other reports and recommendations for improvements;
- (c) Enforce any standards developed under the Act;
- (d) Monitor classified procurement information, including that of specific items of security organs and make recommendations to the Cabinet Secretary;
- (e) Monitor the implementation of the preference and reservation schemes by procuring entities;
- (f) Prepare, issue and publish standard public procurement and asset disposal documents and formats to be used by public entities and other stakeholders;
- (g) Provide advice and technical support upon request;
- (h) Investigate and act on complaints received on procurement and asset disposal proceedings from procuring entities, tenderers, contractors or the general public that are not subject of administrative review;
- (i) Research on the public procurement and asset disposal system and any developments arising from the same;
- (j) Advise the Cabinet Secretary on the setting of standards including international public procurement and asset disposal standards;
- (k) Develop and manage the State portal on procurement and asset disposal and ensure that it is available and easily accessible;
- (l) Monitor and evaluate the preference and reservations provided for under the Act and provide quarterly reports;
- (m) Create a central repository or database that includes-
 - (i) Complaints made on procuring entities;
 - (ii) Record of those prohibited from participating in tenders or those debarred;
 - (iii) Market prices of goods, services and works;
 - (iv) Benchmarked prices;
 - (v) State organs and public entities that are non-compliant with procurement laws;
 - (vi) Statistics related to public procurement and asset disposal;
 - (vii) Price comparisons for goods, services and works; and
 - (viii) Any information related to procurement that may be necessary for the public
- (n) Inform as applicable, the Cabinet Secretary, Parliament, the relevant County Executive member for finance, the relevant County Assembly or Auditor-General on issues of non- compliance with procurement laws once the

- relevant State organ or public entity ignores the written directives of the Authority, including material breaches of the measures established under the Act;
- (o) Generally, report to Parliament and the relevant County Assembly;
 - (p) Develop a code of ethics to guide procuring entities and winning bidders when undertaking public procurement and asset disposal with State organs and public entities;
 - (q) In undertaking its functions, co-operate with state and non-state actors with a view to obtaining recommendations on how public procurement and disposal can be improved;
 - (r) Ensure the procurement entities implement the preference and reservations and provide data to the Authority disaggregated to indicate the number of disadvantaged groups that have benefitted;
 - (s) Perform such other functions and duties as are provided for under the Act and any other relevant law.

(d) Key Management

The Authority's day-to-day management is under the following key organs:

- The Public Procurement Regulatory Board
- Director General
- Management

(e) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

S/No.	Name	Designation
1.	Maurice O. Juma, MBS	Director General. Retired in November 2020 having served as Director General for 2 terms.
2.	Ms. Pauline Opiyo	Was appointed as Acting Director General effective November 2020.
3.	Jane Njoroge	General Manager, Technical Services (Retired on 10th December, 2020).

S/No.	Name	Designation
4.	Rose Nyamweya (Mrs.)	General Manager, Finance & Admin.
5.	Henock K. Kirungu	Was appointed Acting General Manager, Technical Services effective November 2020.
6.	Lucy J. Barno	Corporation Secretary and Head of Legal & Corporate Affairs
7.	Chris Sakwa	Manager, Finance
8.	Maximus K. Siwa	Head of Procurement

(f) Fiduciary Oversight Arrangements

The operations of the Authority are guided by the Public Procurement and Asset Disposal Act 2015, Public Finance Management Act 2012, relevant Acts of Parliament and Regulations and the Mwongozo Code of Governance for State Corporations.

Key fiduciary arrangements covering the Authority include:

- The Public Procurement Regulatory Board activities
- Audit and Finance Committee activities
- Parliamentary Committee activities

(g) Entity Headquarters

P.O. Box 58535-00200
National Bank Building, 11th Floor
Harambee Avenue
Nairobi, Kenya

(h) Entity Contacts

Tel: +254 20 3244000
Email: info@ppra.go.ke,
Website: www.ppra.go.ke

(i) Entity Bankers

National Bank of Kenya
Harambee Avenue Branch
P.O. Box 41862-00200
Nairobi, Kenya

Kenya Commercial Bank
KICC Branch
P.O Box 46950-00100
Nairobi, Kenya

(j) Independent Auditors

Auditor General
Office of Auditor General
Anniversary Towers, University way
P.O. Box 30084 - 00100
Nairobi, Kenya

(k) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112 - 00100
Nairobi, Kenya

THE BOARD OF DIRECTORS

The Act has established two Boards; the Public Procurement Regulatory Board which is the Board of Directors of the Authority, and the Public Procurement Administrative Review Board, an independent quasi-judicial body that presides over public procurement disputes.

THE PUBLIC PROCUREMENT REGULATORY BOARD

The Public Procurement Regulatory Board (PPRB) is the management Board of the Public Procurement Regulatory Authority. It is established under section 10(1) of the PPADA 2015. Its main responsibility being oversight of management, operations and activities of the Authority. The PPRB was constituted in September 2018.

THE BOARD OF DIRECTORS



Mr Andrew M. Musangi
Board Chairperson

Mr Musangi is an advocate of the High Court of Kenya with more than 25 years in legal practice. He is the managing partner at Mukite Musangi & Company Advocates and was previously an associate at Sheth & Wathigo Advocates.

He is a previous Chairman of the Law Society of Kenya, Rift Valley Branch and a past Director of the Kenya Rugby Union. From 2005-2012 Mr. Musangi served as a Council member of the Nakuru Business Association . He has also served as a Chairman, of the KRA Local Committee, South Rift Region.

Currently Mr Musangi also serves as the Chairman of GenAfrica Asset Managers; and as a Director at Smart Applications and at Resolution Insurance.

He holds a Bachelor of Laws degree (LL.B) (Hons) from University of Hull (UK) and a Postgraduate Diploma in Law from Kenya School of Law.



**Commissioner Lydia W.
Gachoya**
Board Member

Commissioner Lydia is a seasoned Human Resources specialist having worked in the private sector both locally and internationally up to Director level.

She has previously held the following positions: Head of HR, Unga Ltd; HR Team Leader, UN-The Netherlands; Regional HR Director, Colgate Palmolive and Commissioner, National Gender & Equality Commission.

She is the current Vice President, Regional Women Forum of International Conference of the Great Lakes Region. She also serves in the Board of St. Monica Children's Orphanage in Machakos.

She holds a Bachelor of Education from the University of Nairobi and a Post Graduate Diploma in Institutional and Project Management.



Dr Jared M. Siso
Board Member

Dr Siso has vast experience having worked in the private sector and academia. He is a serving Lecturer in Anthropology and Gender & Development Studies at the University of Nairobi, and the Executive Director of the Wiper Democratic Movement.

He also undertaken many research consultancies for Kenyan and multinational corporations and has several publications under his name.

Dr Siso, holds a PhD from the University of Nairobi; a Postgraduate Diploma in Research Methodology from DBL-Copenhagen University, Denmark; an M.A (Anthropology) from the University of Nairobi and B.A (Anthropology) from University of Nairobi.



Mr Paul Nyamodi
Board Member

Mr. Nyamodi is an Advocate of the High Court of Kenya with vast experience in legal practice. He has been practicing law for more than 22 years. He is the proprietor of V.A Nyamodi & Co Advocates and was previously an Associate at the same firm.

Mr Nyamodi is also a director at Jamii Bora Bank, at Brook House International Schools and Uhuru Ltd. He has previously served as a director at the Kenya Rugby Union and as Chairman of the Privatization Appeals Tribunal.

He holds a Bachelor of Laws (LLB) degree from the University of Central England and a Diploma in Legal Practice from the Kenya School of Law.



Hon Cecilia M. Sereka
Board Member

Hon Cecilia has a wealth of experience having served in various leadership positions for more than 10 years. She has previously held positions of Member of County Assembly in Machakos County Assembly representing Kiwanie ward and councilor in Mavoko Municipal Council. She is a serving director of Mavoko Water and Sewerage Company.

She holds a Diploma in Community Development and Social work and a second diploma in Leadership and Development. She has also attended many short courses on leadership, management and legislation. She is currently pursuing a Bachelor of Leadership and Management at Scotts Christian University.



Ms. Lilian Moraab Abishai
Board Member

Ms. Lilian Abishai is a representative of the Attorney General at the Board. She is a Deputy Chief State Counsel at the Office of the Attorney General.

From 2008-2009, she was a coordinator at Kenyans for Peace with Truth and Justice. She has also been an Assistant Program Officer at the International Foundation for Election Systems.

Lilian has served as an alternate director at the Kenya Film Commission, and is a current alternate director at Kerio Valley Development Authority. She has a wealth of experience in negotiating high level financing, and contracts on behalf of the Government. She participated in the drafting of the Public Private Partnership legislation for Kenya.

Lilian holds a Bachelor of Laws degree from the University of Nairobi and a Diploma in Legal Studies from the Kenya School of Law.



Livingstone Bumbe
Board Member

Mr Livingstone Bumbe is the alternate to the Cabinet Secretary/National Treasury on the Board. He is a Deputy Director, Debt Management at the National Treasury and Planning.

He holds a Masters in Public Sector Management from the Africa University, Mutare, Zimbabwe and a Bachelor of Arts from the University of Nairobi.



Ms. Linda Susan Ingari
Board Member

Linda is a Supply Chain management specialist with over 18 years' experience in the Manufacturing, Education, Telecommunication and Banking Sectors. She is a resource person in supply chain management at Kenya Institute of Supplies Management (KISM) and a part-time facilitator.

Linda has served as: Team leader, Procurement and logistics, Equity Bank Ltd; Procurement manager, KCB Bank Kenya Ltd; Category Manager, Technology Solutions, Safaricom; Head of College Procurement Section, University of Nairobi (College of Agriculture and Veterinary services); Part-time Lecturer in Masters of Supply Chain Management at The University of Nairobi and Jomo Kenyatta University of Agriculture and Technology among other positions.

Linda holds master of Business Administration (Kenyatta University), Bachelor of Education (Arts) - First class honours (Kenyatta University), Graduate Diploma in Procurement and Supply (CIPS, UK), International Diploma in Supply Management (International Trade Centre), Postgraduate Diploma in Business Management among other qualifications.

She serves as a Board Member at Kenya Institute of Supplies Examination Board.



**FCPA Jane Wanja Muthaura
Board Member**

FCPA Jane has over 33 years' experience in the fields of Finance, Accounting and Company Secretary. Jane currently serves in among other positions as: Chairperson Salaries and Remuneration Commission (SRC) Audit committee, Director - Mhasibu Sacco, Director - Empire microsystem, Director - Association of Women Accountants of Kenya (AWAK).

She has previously held directorship and senior management positions in various institutions including: Director - Institutional Consultants Ltd, Council member - Institute of Certified Secretaries, Acting CEO - EACC, Director Finance & Admin - Mater Hospital, warehouse manager/chief accountant/Company secretary - East Kenya/Nairobi Bottlers Ltd.

Jane holds Bachelor of Commerce (University of Nairobi, Master of Arts (ongoing) - Pan Africa Christian University. In addition she is a Certified Secretary, Certified Public Accountant, Certified Professional Mediator and Certified Financial Analyst. In addition, she holds professional membership of: Institute of Public Accountant of Kenya (ICPAK), Institute of Certified Secretaries (ICS), Institute of Directors, Kenya Institute of Management, Institute of Certified Investments & Financial Analysts among others.

THE PUBLIC PROCUREMENT ADMINISTRATIVE REVIEW BOARD

The PPARB is established under section 27 (1) of the Act. It is a central independent procurement appeals Review Board. The functions of the PPARB include: review, hear and determine disputes arising from procurement and asset disposal activities; and perform any other function conferred to it by the Act, Regulations or any other written law. The profiles of members of the PPARB are provided below.

THE PUBLIC PROCUREMENT ADMINISTRATIVE REVIEW BOARD



Faith Waigwa
Chairperson

Ms. Faith Waigwa is an advocate of the High Court of Kenya and has been practicing law for more than 15 years. She is the Managing Partner of NOW Advocates LLP since March 2011. She has served as: Council member of the Law Society of Kenya, Deputy Secretary General of the East Africa Law Society and Vice President of the Law Society of Kenya. She has served as the Chairperson of the Review Board since 21st September, 2018.

She holds a Bachelor of Laws degree (LL.B) (Hons) from the University of Nairobi and a Postgraduate Diploma in Law from Kenya School of Law. She is currently a Post Graduate student at the University of Nairobi pursuing a Master of Laws degree (LL.M) in Environment and Natural Resources Law; with a specific interest in Regulation of Power and Energy and a Master of Laws (LL.M) degree in Oil and Gas at Strathmore University.



Irene N. M. Kashindi
Member

Mrs. Irene Kashindi is an advocate of the High Court of Kenya, a Commissioner for Oaths and Notary Public with over 12 years' experience as a practicing advocate. She is a partner in the firm of Munyao Muthama and Kashindi Advocates. She was until June 2018 a partner in Hamilton Harrison & Mathews. She has a wealth of experience in commercial and civil litigation as well arbitration.

She has been a Partner and an Advocate in two leading law firms in Kenya, having been an advocate of the High Court of Kenya for over 12 years, six of which at partner level. She is a co-author of the Kashindi's Digest of Employment Cases. She holds a Masters and a Bachelor's Degrees in Law, and a Post-Graduate Diploma in Law, having done her thesis on public procurement.



Mr. Hussein Were
Member

Hussein Were has over 27 years' experience in quantity surveying and project management. He also has 8 years experience in the field of governance and forensic investigation. Mr. Were is the Honorary Treasurer and member of Governing Council of the Architectural Association of Kenya; as well as Principal Partner and founder of Fanisi Consultants, a quantity surveying and project management firm.

He holds an MA (Building Management) and a BA (Building Economics) from the University of Nairobi.



**Dr. Paul Akida Jilani, DBA,
MCIPS, CHSCA, CSSC,
CSCA**
Member

Dr. Paul Jilani is a seasoned Supply Chain Specialist with over 15 years' extensive experience in industry procurement, logistics and supply chain management. He has extensive training and expertise in procurement and logistic processes, humanitarian supply chain, operations management, strategic sourcing and management, warehousing and distribution, shipping and imports management among others.

Dr. Jilani has previously worked as a Supply Chain Director, Advisory Contractual Role and been the Chairman of the Tetra Pak Sacco Limited. He has also been a part-time faculty of the KCA and JKUAT universities.

He holds a Doctor of Business Management in Global Supply Chain Management, a Master of Business Administration in Supply Chain Management, a Bachelor of Business Administration in Entrepreneurship, and a Graduate Diploma in Procurement & Supplies Management, UK.

He is a licensed member of the Kenya Institute of Supplies Management; a Certified Executive Coach and an alumnus of the Strathmore Business School Executive Coaching for Managers Program (ICF certified); and Public Policy Executive Program.



**Mr. Jackson Awele
Onyango
Member**

Mr. Awele is a partner at Awele Jackson Advocates LLP and a Board Member at the LSK SACCO Board of Management. He was instructed as a pupil and began practice as an Advocate at Kaplan & Stratton and later joined Oraro & Co, Clifford chance LLP and One Essex Court Chambers (London) before founding his current private practice - Awele Jackson Advocates LLP.

Mr. Awele advises and represents local and international clients in criminal, civil, public law and commercial legal disputes including property disputes, private client, insolvencies, labor, shareholder disputes, debt recoveries, redemption actions among others before the High Court, Court of Appeal, the Supreme Court and Chartered Arbitrators.

He holds a Bachelor of Laws degree (Moi University), Postgraduate Diploma in Law (Kenya School of Law) and a Master's in Business Administration (Finance) (University of Nairobi) and various advanced certifications in Intellectual Property and other fields.



**CPA Isabel Juma
Member**

CPA Isabel Juma is a Finance Professional with over 20 years of experience across Education, FMCG and Beverages. Seasoned in leading multi-faceted teams across Strategy, Capital Structuring and Financial Management functions, resulting in improved business efficiency and resource utilization. She currently holds the position of Finance Director in a leading brewing company in the region, and has been a Chief Finance Officer in an international private university.

She holds directorships at the CPF Financial Services Ltd and the Association of Women Accountants of Kenya, and is a member of the Institute of Certified Public Accountants of Kenya).

CPA Isabel is a Certified Public Accountant - Kenya, and a holder of Master in Business Administration and a Bachelor's in International Business Administration from the USIU.



Nicholas Sauka Mruttu
Member

Mr. Mruttu has been a successful General Manager & commercial executive with over 20 years' experience in the FMCG, Telecommunications, Mobile Payments & Insurance Sectors, and has become an expert in Insurance; Distribution & the value chain; Budget control & management of sales & revenues in a very large organisation. He has previously held the positions of Head of Sales for a leading digital TV organization in Africa, General Manager - Retail for a leading insurance company in Kenya, and Head of Sales for two other leading telcom companies.

He holds a Global MBA from the United States International University (USIU) and a B.A. Economics from the University of Nairobi.



Ms. Phyllis Chepkemboi
Member

Ms. Phyllis Chepkemboi is an Advocate of the High Court of Kenya with over 11 years' experience, a holder of an MBA degree with a bias for Human Resource Management and a certified professional mediator with a rich working experience in diverse fields including general law practice, litigation and conveyancing.

Ms. Chepkemboi has previously been employed at a state corporation in the water sector as a Manager (Legal & Compliance) and at Mumma Nyagaka & Co. Advocates as an Associate. She is a member of the Law Society of Kenya, FIDA-Kenya, and a Life member of the Kenya Red Cross. She was also a member of the national steering committee team that came up with the Water Act 2016.



Alfred Mumpasoi Keriolale
Member

Mr. Keriolale has been a Community Based Natural Resource Management (CBNRM) Liaison Officer with the Ministry of Environment and Forestry and previously served in the NGO sector.

He has served as CEO/Secretary of Narok County Bursary Management Board.

He is pursuing a Master's of Business Management (Strategic Management) from the Maasai Mara University, and has a Bachelor of Education Degree from Egerton University.



Njeri Onyango
Member

Mrs Njeri Onyango She is an Advocate of the High Court of Kenya, and proprietor of Njeri Onyango & Co. Advocates.

She previously served as a board member of the Independent Policing Oversight Authority (IPOA). She also serves as a member of the Sports Disputes Tribunal, FIVB Legal Tribunal, FINA Disciplinary Panel and the Africa Continental Result Management Hearing Panel (Anti-Doping).

Mrs. Onyango has also undertaken legal consultancies with various organizations nationally and internationally.

She holds an LLB Degree from the University of Nairobi and a Diploma in Law from the Kenya School of Law.

Mrs. Njeri Onyango is a fellow of the Chartered Institute of Arbitrators London and a member of the Chartered Institute of Arbitrators-Kenya chapter.



Hon. Rahab Robi Chacha
Member

Hon. Rahab Robi Chacha is the founder of the Kuria Women & Youth for Change, that comprises of political and youth activist volunteers. Hon. Robi Chacha was previously a member of the County Assembly of Migori, and has been a Director, Youth & Gender at the Migori County Assembly Senator's Office. She has also been the Deputy Regional Coordinator, Nyanza & Western Region of the Truth, Justice & Reconciliation Commission.

She holds a Bachelor's Degree in Criminology and Security Studies from Rongo University and a Diploma in Human Resource Management.



Dr. Joseph B. Gitari
Member

A political economist, Dr. Gitari has over three decades of frontline experience in human rights, governance and strategic communications nationally, regionally and globally.

Dr. Gitari has held senior positions in global development organizations in Kenya, Africa and other worldwide regions. He has also carried out several governance consultancies in public and corporate governance regionally.

Dr. Gitari holds degrees in: PhD (International Relations); an M.A.: International Relations and B.A.: Mass Communications and Political Science, all from the University of Denver, Denver, Colorado, USA.



**Steven Oundo Wandera
Bwire, OGW**
Member

Mr. Steven Oundo has over 24 years' experience in the Practice of Architecture and Alternative Dispute Resolution Mechanisms in the Construction Sector.

He is a past Chairman of the National Construction Authority, Past Chairman of the Association of Professional Societies in East Africa and a Past Chairman of the Architectural Association of Kenya (AAK).

Mr. Steven Oundo is a Fellow Member of the Chartered Institute of Arbitrators, A Fellow Member of AAK and a Trustee of the Registered Trustees of AAK.

He has a Bachelor of Architecture, (Hons) and an MBA both from the University of Nairobi.



Ambrose Ngare, SS
Member

Mr Ngare is passionate on application of Alternative Dispute Resolution (ADR) in Conflict Management and Criminal Justice.

Notable achievements include being a leader on Prison Reforms and Human Behavior change and Leader in fake seed reduction in Kenya on Promotion of Food Security.

Mr. Ngare previously served at Kenya Seed as Head of Security, Egerton University as a Lecturer and Kenya Prisons Service as a Regional Coordinator.

He holds a Master of Arts in Criminal/Social Order; B.A. Sociology/political Science, PgD in Human Recourse Management from the UON,



Eng. Mbiu Kimani
OGW, HSC
Member

Eng. Mbiu Kimani is a Practicing Civil and Structural Engineer. Prior to this, Eng. Kimani worked with the Government of the Republic of Kenya, in the State Department of Public Works until he retired on 26th October, 2016. He was Acting Works Secretary from December 2015 up to his retirement in October 2016. He was Chief Engineer (Structural) from 1998 up to December 2015.

Eng. Mbiu Kimani has previously served on the Boards of; Sports Stadia (2012-2014) and Egerton University Council (2006-2013) as alternate to the PS, Public Works. He has also been a Committee Member-Githunguri Constituency Development Fund (2008-2012), Kiambu County.

He holds a M.SC (Construction), BSc (Civil Eng) and a Certificate in Earthquake Engineering and Seismology from the Institute of Earthquake Engineering and Engineering Seismology, University of Kiril and Metodi, Yugoslavia. He has also attended many Arbitration and Dispute Resolution Courses offered by the Chartered Institute of Arbitrators (Kenya Branch).

He is a Fellow of the Institution of Engineers of Kenya and a Registered Consulting Engineer with the Engineers Board of Kenya.

MANAGEMENT TEAM



Pauline O Opiyo
Ag. Director General
MSc (Proc& Logistics), BA, CIPS
GDip (Purchasing & Supply mgt)



Rose Nyamweya
General Manager, Finance and Admin
PhD (ongoing), MBA, Bcom, CPA(K), CPS(K)



Henock Kirungu
Ag. General Manager, Technical Services
BA, B.Com, CIPS, PGD(Purchasing & Supplies), PGD (Computer Sci)



Lucy J. Barno
Corporation Secretary, Head of legal & Corporate Services
LLB, Dip (Law), CPS (K), Advocate of the High Court



Julius G. Mungai
Manager, Internal Audit
MBA, MA, BA, CPA (K), CPS (K), CISA



Peter K Ndung'u
Manager, MERRAS
MA (Econ), BA (Econ), CIPS
Dip (Purchasing & Supplies)-UK



James K. Kihara
Manager, HR & Admin
MBA, BA, MCIPS



Chris Sakwa
Manager, Finance
MBA, BBM, CPA (K)



Philip J. Okumu
Ag. Manager, ARB Secretariat
BSc (Proc& Logistics)
Dip (Purchasing & Supply mgt)



Thomas O. Otieno
Manager, CIE
MSc (Proc& Logistics), BA,
Dip (Purchasing & Supply mgt)



Peter Wangai
Ag. Manager, Compliance
MSc (Procurement & Logistics),
BA (Hons), Dip (Purchasing &
Supply Chain Mgt,
Dip (Forensic & Criminal
Investigations)



Samson Odhiambo
Ag. Manager, ICT
BBIT, Higher Diploma IMIS



Maximus K. Siwa
Head of Procurement
MA, BA, Dip. Purchasing &
Supplies, Dip. Education,
MKISM

CORPORATE GOVERNANCE STATEMENT

The Public Procurement Regulatory Board is committed to applying and maintaining the highest standards of corporate governance at the Authority as it recognizes this to be a key contributor to the long term success, value and sustainability of the Authority.

Good corporate governance enables effective and efficient decision making and gives a structural aid for the Board to discharge their duty to promote the success of the Authority while taking into account the interest of stakeholders. Effective governance is achieved through a combination of strong policies, process and structures, underpinned by the right values and culture.

The operations of the Authority are guided by the Public Procurement and Asset Disposal Act, 2015 (the Act) and other relevant Acts of Parliament and Regulations. The Authority has also adopted and continues to be guided by the Mwongozo code of governance in its operations.

The Public Procurement Regulatory Board

The Public Procurement Regulatory Board is established under section 10(1) of the Act. Further, the Act provides for a Regulatory Board to comprise of nine members. The Director General who is the Chief Executive Officer of the Authority is the Secretary to the Board. The Regulatory Board is responsible for the long-term sustainability and success of the Authority through provision of strategic leadership, steadfast oversight of management and ensuring that the Authority provides its stakeholders with a balanced and understandable assessment of its current position and prospects.

Specifically, the functions of the Regulatory Board are:

- (a) Ensure the proper and effective performance of the functions of the Authority;
- (b) Approve and ratify the policies of the Authority;
- (c) Oversee the management, control and administration of the assets of the Authority in a manner and for purposes that promote the object and purpose of the Authority;
- (d) Receive any gifts, grants, donations or endowments made to the Authority;

- (e) Determine the provisions to be made for capital and recurrent expenditure, and for the reserves of the Authority;
- (f) Subject to concurrence of The National Treasury, approve the opening of bank accounts for the funds of the Authority in accordance with the Public Finance Management Act, 2012;
- (g) Subject to the approval of the Cabinet Secretary, invest any of the Authority funds not immediately required for the purposes of the Act, as it may determine; and
- (h) Co-operate with other organizations undertaking functions similar to its own, whether within or outside Kenya as it may consider appropriate and in furtherance of the functions of the Authority.

The Regulatory Board's leadership responsibilities involve working together with management to set Corporate values and to develop strategy including which risks it is prepared to take in pursuit of strategic objectives. Its oversight responsibilities involve providing constructive challenge to the management team in relation to operational aspects of the Authority's business, including approval of budgets and probing whether risk management and internal controls are sound. It has the responsibility of ensuring that timely and understandable information is provided to stakeholders.

The Board has delegated the responsibility of management of the Authority to the Director General, who is the Chief Executive Officer and the management team. The main areas where the decisions remain with the Board are the approval of budget and annual corporate plan, approval of policies and approval of financial statements. The Board is also responsible for setting the Authority's risk management policy.

As a good corporate governance practice, the Board has delegated some of its responsibilities to committees of the Board. The Board receives reports at its meetings from the Chairpersons of each of the committees on their current activities.

Board Independence, Separation of Roles and Responsibilities

A clear division of responsibility exists between the Chairperson of the Board who is non-executive, the non-executive Board members and the Director General. Each of the responsibilities are clearly set out in writing. During financial year 2020/2021:

(a) Board Composition

S.No	Name	Position	Appointment Date
1.	Mr Andrew M. Musangi	Chairperson	20.09.2018
2.	Commissioner Lydia W. Gachoya	Member	20.09.2018
3.	Dr Jared M. Siso	Member	20.09.2018
4.	Mr Paul Nyamodi	Member	20.09.2018
5.	Hon Cecilia M. Sereka	Member	20.09.2018
6.	Ms. Lilian M. Abishai	Member	20.09.2018
7.	Mr Livingstone Bumbe	Member	20.09.2018
8.	FCPA Jane W. Muthaura	Member	15.11.2019
9.	Ms. Linda S. Ingari	Member	15.11.2019

(b) Board Meetings

The law provides that the Board shall hold at least one meeting in every quarter. The Board holds regular scheduled meetings in every year and special meetings as and when necessary. In case of non-attendance of a Board member, the information is communicated to the Chairman in advance.

The Director General, is the secretary to Board. He/she is responsible for implementing the decisions of the Board and the day-to-day operations of the Authority.

The Corporation Secretary provides administrative support to the operations of the Board and convenes Board meetings as directed by the Chairman of the Board. The Board Secretary provides advice on corporate governance principles and plans and also on the implementation of corporate governance programs such as Board evaluation. The Corporation Secretary is an advocate of the high court, qualified certified public secretary and a member of the Institute of Certified Public Secretaries (ICPSK) in good standing.

During the year ended 30th June 2021, the Regulatory Board and its Committees held meetings to deliberate on strategic and policy matters central in the realization of the Authority's mandate. Notable strategic resolutions made by the Board include;

- (i) The appointment of Ms. Pauline Opiyo as the Acting Director General following the expiry of term of the former Director General, Mr. Maurice Juma.

- (ii) The appointment of Mr. Henock Kirungu as the Acting General Manager, Technical Services Directorate following the retirement of Mrs Jane W. Njoroge.
- (iii) The Board also established a debarment committee with the mandate of determining debarment cases as provided under Section 41 of the Public Procurement and Asset Disposal Act, 2015 (the Act) and Regulation 22 of the Public Procurement and Asset Disposal Regulations, 2020 (the Regulations).

(c) Board Committees and Responsibilities

The Board discharges its functions through committees. All committees of the Board are chaired by a member of the Board. A number of members of the management team are incorporated in the Board Committees as invitees to add value to key Board decisions. This structure ensures that the Board pays attention to critical areas of the Authority's business and provides timely guidance on arising opportunities and mitigation of risks.

To enhance efficiency and effectiveness in discharge of its duties, the Board has formed four (4) board committees:

- (i) Finance & Administration Committee
- (ii) Compliance, Communication & Strategy Committee
- (iii) Audit, Risk and Governance Committee
- (iv) Debarment Committee

(d) Board Development

Training and development programs were organized to equip the Board with the necessary skills for effective discharge of their duties and enhancing their understanding of the Authority's mandate. The trainings and capacity building programmes were on the following areas:

- (i) The Debarment Committee - The committee was trained on conduct of debarment proceedings between 22nd and 23rd February, 2021. This paved way for commencement of debarment proceeding, with the first debarment sitting being held on 22nd March, 2021.
- (ii) The Compliance, Communication and Strategy Committee also held a training from 17th to 19th March, 2021, on the Public Procurement and Asset Disposal Regulations, 2020.
- (iii) The Audit, Risk and Governance and the Finance and Administration Committees of the Board held a joint virtual training session between from

27th to 29th January, 2021. The training was aimed at enlightening the management, Internal audit, Audit Committee and Finance Committee of their roles in the preparation and presentation of financial statements, risk management and business continuity. The training was conducted by the Institute of Certified Public Accountants of Kenya (ICPAK).

(e) Board Remuneration

The non-executive Board members are paid taxable sitting allowance as approved by the Cabinet Secretary responsible for The National Treasury following guidelines from the State Corporations Advisory Committee. The Chairperson is paid honoraria at a rate approved by the Government. Transport expenses are reimbursed on travel for Board business at the prevailing Automobile Association of Kenya (AA) rates. The members are also entitled to outpatient and inpatient medical cover, and a personal accident cover.

(f) Conflict of Interest, Code of Conduct and Ethics

The Board has developed a Code of Conduct, Ethics and Performance Manual to guide the Board members and staff of the Authority on ethical conduct.

The code requires that all Board members and employees disclose any interest that conflicts or may possibly conflict with the interests of the Authority. If a conflict of interest is declared, it is a requirement that the Board member affected is excluded from any discussion or decision over the matter in question.

(g) Sustainability

The Authority continues to be fully supported through Government budgetary funding (Exchequer grants). Management confirms that with the support from the Government, the Authority will continue in business for the foreseeable future. For this reason, the Authority continues to adopt the going concern basis when preparing financial statements.

(h) Risk Management and Internal Control

The Board has put in place a comprehensive risk management framework which identifies and manages risks. The Authority continues to be guided by this risk management framework in its daily operations. The following were identified as the key risks facing the Authority: -

1. Compliance Audit Risk
2. Loss of Authority's and clients' records
3. Reputational risks

4. Litigation risks
5. Occupational Safety, health and environmental risks

(i) Legal Challenges

The Authority faced no legal challenges related to its operations during the period under review.

(j) Stakeholder Relationships

The Board endeavours to actively engage with stakeholders by providing regular and timely information. The Board is guided by a Corporate Communication Strategy which encompasses internal and external communication and customer service. The Authority communicates with stakeholders through press releases, stakeholder forums and annual reports.

The Board regularly monitors customer service as embodied in the service charter.

Corporate Social Responsibility/Community Engagements

In line with the Presidential directive dated 4th June 2018 on "inclusion of tree planting in Corporate Social Responsibilities activities" and towards the national requirement on attainment of 10% tree cover by 2022, PPRA partnered with Kenya Forest Service (KFS) and established an ideal tree planting project dubbed "Adopting a forest". This project will see PPRA establish and maintain its own area of natural forest for five years.

During the financial year, the Authority undertook a tree planting activity in Kimondi Forest station, Nandi region on 29th June 2021.



EXECUTIVE SUMMARY

This report demonstrates the progress that the Public Procurement Regulatory Authority (the Authority) has made in regards to the execution of its mandate during the 2020/2021 financial year. The Report is segmented into four chapters with each addressing a broad area containing a number of strategic objectives. The first chapter provides the organizational overview of the Authority in terms of establishment and mandate/functions, vision, mission, core values and structure. Chapter 2 covers the description of Activities of the Authority while chapter 3 outlines the Management of Internal Organization of the Authority. Chapter presents conclusions and recommendations to the National Treasury and to Accounting Officers. The content of the subsequent chapters is summarised below.

1. Strengthening Performance and Compliance Monitoring of the Public Procurement and Asset Disposal System

(a) Review of Mandatory Reports

The Authority continued to monitor the level of compliance with the Legal and Regulatory Framework through review of mandatory reports submitted by procuring entities. During the period, 269 procuring entities submitted 38,246 contract awards to the Authority. Some of the weaknesses observed included: some PEs failed to use the prescribed reporting formats thus ended up not disclosing all the required information, such as total contract values, thus making aggregation difficult; some procuring entities contracts with values or sums in different currencies thus making it difficult to establish the total contract sums for all contracts submitted by the PEs; and a number of the PEs submitted reports after lapse of the prescribed timelines, while a majority failed to submit the reports.

In addition, 517 reports were received on termination of procurement proceedings, 403 on use of direct procurement method and 237 on contract variations/amendments. On termination, the main reason given by most of the PEs for terminations is non-responsiveness of the tenders, quoted prices being above market prices and material governance. On use of direct procurement method, the major reasons were need for standardization and existence of only one supplier for the items under procurement.

(b) Compliance Monitoring Activities

During the year, the Authority conducted six procurement assessments, 11 procurement reviews, 111 contract audits, four follow ups and four inspections.

Based on the compliance monitoring activities, the average compliance level was 55.4% which indicates average compliance with the Legal and Regulatory Framework.

Some of the weaknesses identified included; most of the PEs not having internal procurement and asset disposal manuals; failed to maintain complete procurement and contract files as envisaged by Regulation 34(2) of the Public Procurement and Disposal Regulations, 2006 and the Public Procurement Records Management Procedures Manual (2010); failure by Accounting Officers to appoint Disposal Committees as envisaged by Section 163 of the Act and Regulation 177 despite having asset that were not being used/obsolete asset /inactive Disposal Committees leading to accumulation of obsolete/unserviceable assets; heads of procurement functions failed to prepare monthly progress reports on all contracts to update the Accounting Officers on the implementation of contracts; and most of the PEs failed to publicize contract awards and submit the same to the Authority as prescribed.

2. Enhancing Enforcement of the Public Procurement and Asset Disposal Standards

(a) Complaints Management

The Authority, during the period under review, handled 483 complaints out of which 435 were resolved while 48 were pending by close of the year. The nature of the complaints is shown in the figure below.

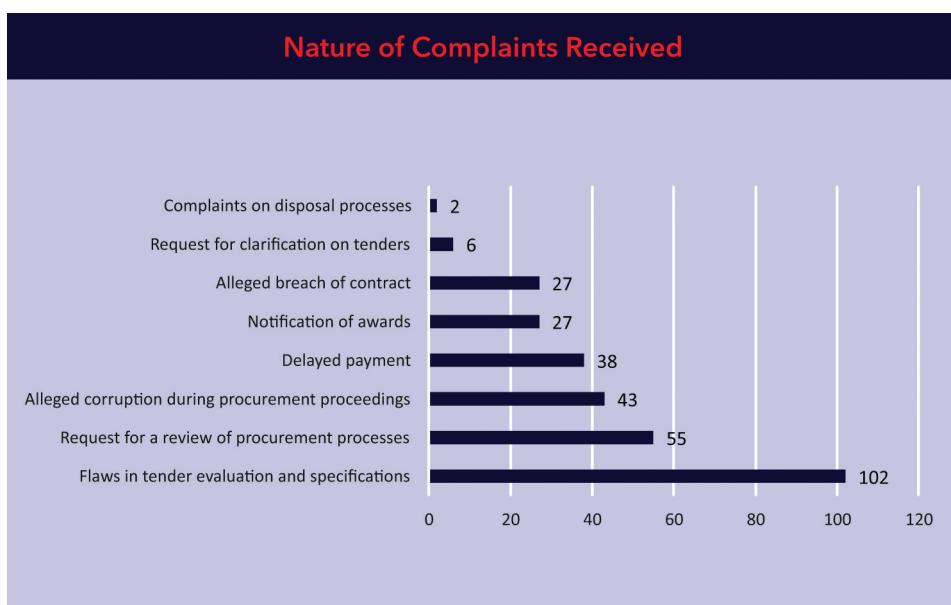


Figure 1: Nature of Complaints Received

The Authority also commenced 10 investigations during the financial year, of which nine had been completed while one was still ongoing as at the close of the financial year.

(b) Debarment

During the year, the Regulatory Board constituted a Debarment Committee to hear and determine all debarment cases. The Debarment and the Secretariat were trained by Kenya School of Law between 22nd to 23rd February, 2021 on processes and procedures for conducting debarment operations. The Debarment Committee of the Board received eight requests for debarment, out of these five were determined not to have met the *prima facie* case, and three resulted into debarment determination. In addition, two matters out of three cases determined were referred to the High court.

3. Conducting Quality Research on Public Procurement and Asset Disposal Issues for Enhanced Service Delivery

The Authority in collaboration with the Kenya National Bureau of Statistics (KNBS) through a memorandum of agreement prepared and published two (2) market price reference guides during the year. In addition, the Authority prepared the third market price index report, which was shared with the National Treasury for comments and application. The published market price reference guide reports are available in the website www.ppra.go.ke for reference by all stakeholders. The Authority due to financial constraints following budget cuts, did not undertake additional two market surveys as envisaged.

4. Strengthening the Public Procurement and Asset Disposal Legal and Regulatory Framework

(a) Advisory Services to Stakeholders

The Authority received and addressed 126 requests for advices and clarifications from procuring entities and stakeholders mainly on contract formation and management (reporting, variation/Amendment, extension, expiry), including where entities sought to extend contracts owing to delays in finalizing fresh procurement proceedings, seeking concurrence to terminate procurement proceedings after entities had issued notification letters; and use and customization of the new standard tender documents.

(b) Circular on Mandatory Reporting Requirements for Procuring Entities

The Authority on 22nd April, 2021, brought to the attention of all procuring entities the various reports to be submitted to the Authority as required under the Act and the Regulations,2020; and to be published in the Public Procurement Information Portal (PPIP), vide PPRA Circular No. 01/2021. The reporting formats accompanying the Circular are available in the Authority's website: www.ppra.go.ke.

(i) Circular on Insurance of Standard Tender Documents & Formats Aligned to the Public Procurement and Asset Disposal Act, 2015 and Regulations, 2020.

The Authority pursuant to Sections 9(1)(f), 58 and 70 of the Act, brought to the attention of all procuring entities the availability of the new standard bid/tender documents and formats via PPRA Circular No. 02/2021 of 22nd April, 2021. The same can be accessed from the Authority's website www.ppra.go.ke or through the link <http://ppra.go.ke/standard-tender-documents>.

(ii) Roll-out of the Upgraded Public Procurement Information Portal (PPIP)

To ensure that the Portal (PPIP) is optimized and meets new requirements suggested by users and stakeholders, the Authority with of the support of the Public Financial Management Reforms program engaged a consultant to upgrade the Portal. The Authority brought to the attention of all procuring entity users the planned roll-out of the new Portal via PPRA Circular No. 03/2021 of 17th May ,2021. The Portal is available for access by all stakeholders through <https://tenders.go.ke>.

5. Equipping Persons Involved in Public Procurement with Requisite Knowledge and Skills on Public Procurement and Asset Disposal

The Authority during the period under review, facilitated training and technical support for 35 government agencies on the Public Procurement and Asset Disposal Act, 2015; Regulations, 2020; development of internal operational manuals and policies and in consultative meetings.

6. To Leverage and Enhance Partnerships and Collaborations with Stakeholders

During the period, the Authority collaborated majorly with:

- (a) the National Treasury to sensitize procuring entities at the county level on the Public Procurement and Asset Disposal Regulation, 2020 during the months of March, April, May and June, 2021.
- (b) the Competition Authority of Kenya during the sensitization of counties on the Code of Ethics for Persons Participating in the Public Procurement and Asset Disposal Activities, between February and March, 2021.

7. Public Procurement Administrative Review

During the year, the Review Board presided over 166 appeals/cases, where most of the cases were lodged in the fourth quarter. Of the 166 cases, 106 (64%) were successful (determined in favour of the applicant), and 15 (9%) of the cases were withdrawn. All the decisions rendered by the Board in the reporting period have been signed, filed, and uploaded on the Authority's website: www.ppra.go.ke.

8. Challenges faced by the Authority

During the year under review, the Authority faced a number of challenges including:

- (a) Financial constraints that saw most of the planned activities not being implemented as planned. This has major implications as the Authority was not able to meet its regulatory, statutory obligations and stakeholder expectations.
- (b) Inadequate institutional capacity in terms of human resource numbers and multidisciplinary competencies required to effectively implement the expanded mandate of the Authority. The Authority requires additional funding for recruitment of additional personnel to the approved establishment.
- (c) The COVID-19 pandemic, which affected implementation of the activities planned for the last two quarters of the financial year in compliance with the Government directives.
- (d) Some procuring entities have continued to fail to submit mandatory reports as prescribed. This has denied the Government and stakeholders valuable data for informed decision making on public procurement. This includes ignoring the Presidential Executive Order No. 2 of 2018.
- (e) Delayed Operationalization of the Capacity building levy: The Authority has not been able to meet the stakeholder needs for capacity development due to constraints in funding which had been targeted once the levy was operationalized.

9. Conclusion

Based on the compliance monitoring activities, the average compliance level was 55.4% which indicates average compliance with the Legal and Regulatory Framework. This presents an improvement of 25% down from 44.32% registered during the previous 2019/2020 financial year. To enhance compliance with the Legal and Regulatory Framework, the Authority issued the concerned entities with directives on corrective measures to be implemented in order to mitigate the risks associated with the identified weaknesses. In addition, the Authority continued to offer technical support to the procuring entities to ensure that they complied with the law and directives. The operations of the Authority during the year were limited following budget cuts and the COVID-19 pandemic that stalled implementation of planned activities. The Authority looks forward to cooperation and support from the stakeholders to facilitate realization of the mandate and aspirations detailed in the Strategic Plan in the coming financial year.

10. Recommendations

- (a) The National Treasury should allocate adequate resources to the Authority to strengthen delivery of its mandate owing to the importance of ensuring efficiency and effectiveness in the public procurement and asset disposal system. A well-funded regulator has the capacity of minimizing malpractices currently experienced in the public procurement system and immensely contributing to the fight against corruption.
- (b) The Accounting Officers should uphold compliance with the provisions of the Act while undertaking procurement and asset disposal proceedings.
- (c) The Accounting Officers should submit mandatory reports to the Authority as prescribed as well as publish in the Public Procurement Information Portal (PPIP) in accordance with the provisions of the Executive Order No. 2 of 2018;
- (d) The Accounting Officers should strengthen records and inventory management systems within their entities, to ensure continuity in procurement and contract records management.
- (e) The Accounting Officers should continuously professionalize and build capacity of their staff on the Public Procurement Law and other relevant requirements.
- (f) The Accounting Officers should promptly pay suppliers and contractors within the stipulated contractual requirements.



CHAPTER ONE

ORGANIZATION OVERVIEW

1.1 Introduction

The Public Procurement Regulatory Authority (the Authority) is established under Section 8 (1) of the Public Procurement and Disposal Act, 2015 (the Act) and is charged with monitoring, assessing and reviewing the public procurement and asset disposal system to ensure that they respect the national values and other provisions of the constitution.

A part from the Regulatory Board described above, there exists also the Public Procurement Administrative Review Board (the Review Board) which is established under section 27 (1) of the Act. The Review Board is an independent procurement body primarily mandated to review, hear and determine disputes arising from public procurement and asset disposal activities. The Review Board is required to ensure reasonable access to its services in all parts of the Republic as far as it is appropriate to do so. The Authority provides secretariat and administrative services, as well as appointing the secretary to the Review Board.

1.2 Statutory Functions of the Authority

Section 9 of the Act confers the Authority with the following functions:

- (a) Monitor, assess and review the public procurement and asset disposal system to ensure that they respect the national values and other provisions of the Constitution, including Article 227 and make recommendations for improvements;
- (b) Monitor the public procurement system and report on the overall functioning of it and present to the Cabinet Secretary and the county executive member for finance in each county, such other reports and recommendations for improvements;
- (c) Enforce any standards developed under the Act;
- (d) Monitor classified procurement information, including that of specific items of security organs and making recommendations to the Cabinet Secretary;
- (e) Monitor the implementation of the preference and reservation schemes by procuring entities;
- (f) Prepare, issue and publish standard public procurement and asset disposal documents and formats to be used by public entities and other stakeholders;
- (g) Provide advice and technical support upon request.
- (h) Investigate and act on complaints received on procurement and asset disposal proceedings from procuring entities, tenderers, contractors or the general public that are not subject of administrative review;

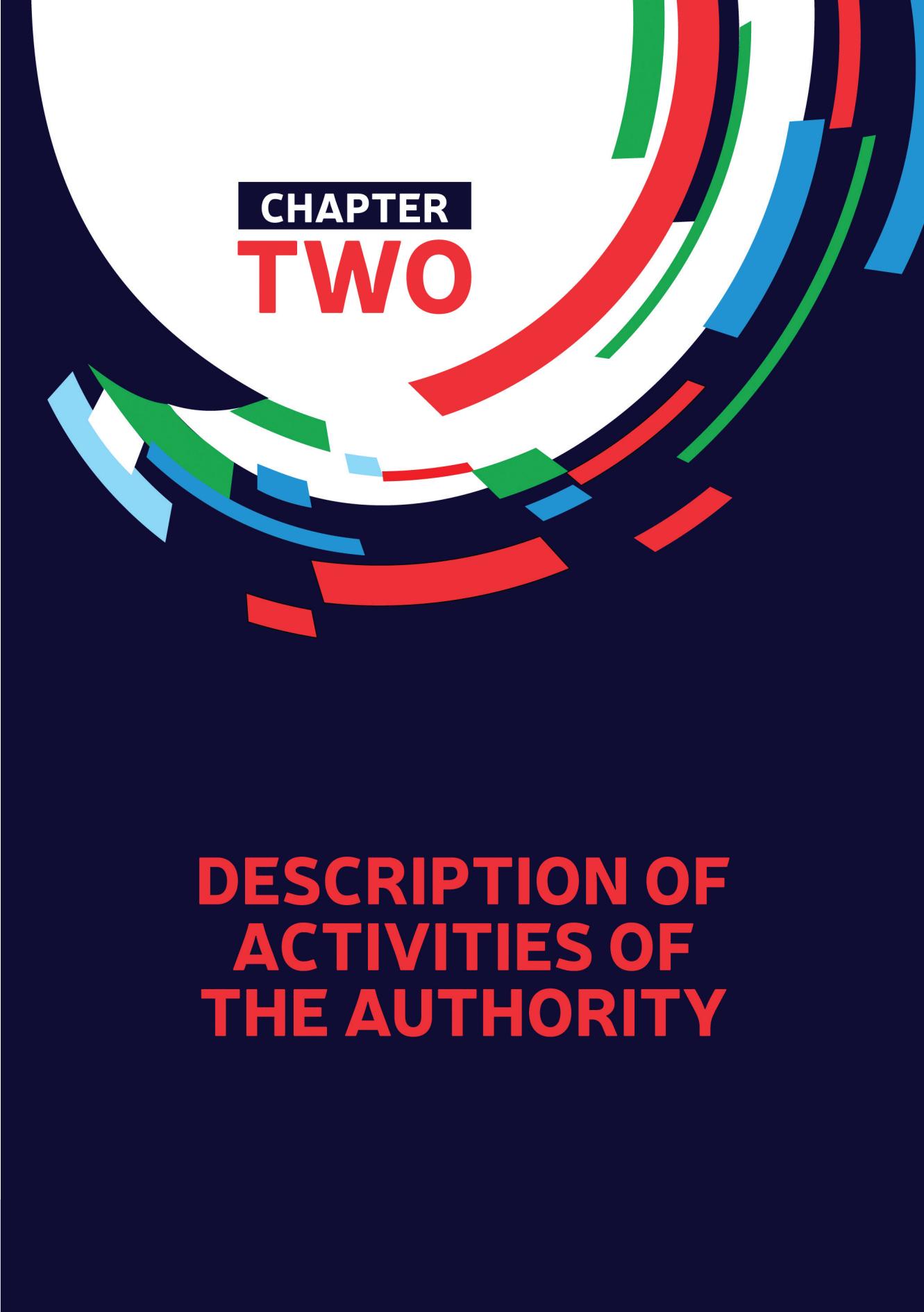
- (i) Research on the public procurement and asset disposal system and any developments arising from the same;
- (j) Advise the Cabinet Secretary on the setting of standards including international public procurement and asset disposal standards;
- (k) Develop and manage the State portal on procurement and asset disposal and ensure that it is available and easily accessible;
- (l) Monitor and evaluate the preference and reservations provided for under the Act and provide quarterly reports;
- (m) Create a central repository or database that includes-
 - (i) Complaints made on procuring entities;
 - (ii) Record of those prohibited from participating in tenders or those debarred;
 - (iii) Market prices of goods, services and works;
 - (iv) Benchmarked prices;
 - (v) State organs and public entities that are non-compliant with procurement laws;
 - (vi) Statistics related to public procurement and asset disposal;
 - (vii) Price comparisons for goods, services and works; and
 - (viii) Any information related to procurement that may be necessary for the public
- (n) Inform as applicable, the Cabinet Secretary, Parliament, the relevant County Executive member for finance, the relevant County Assembly or Auditor-General on issues on non- compliance with procurement laws once the relevant State organ or public entity ignores the written directives of the Authority, including material breaches of the measures established under the Act;
- (o) Generally, report to Parliament and the relevant county assembly;
- (p) Develop a code of ethics to guide procuring entities and winning bidders when undertaking public procurement and disposal with State organs and public entities;
- (q) In undertaking its functions, co-operate with state and non-state actors with a view to obtaining recommendations on how public procurement and disposal can be improved;
- (r) Ensure the procurement entities implement the preference and reservations and provide data to the Authority disaggregated to indicate the number of disadvantaged groups that have benefitted; and

- (s) Perform such other functions and duties as are provided for under the Act and any other relevant law.

1.3 Organizational structure

The Authority is headed by the Director General and has two directorates namely; Directorate of Technical Services and Directorate of Finance and Administration each headed by a General Manager. The Corporate Services and ICT departments report administratively to the Finance and Administration Directorate, but functionally to the Director General. The Internal Audit Department reports functionally to the Board Audit Committee and administratively to the Director General.

The Technical Services Directorate comprises of Compliance; Monitoring & Evaluation Research, Reporting and Advisory Services; Complaints, Investigations, Enforcement & Debarment, Administrative Review Board Secretariat, and Regional Offices; whereas Finance and Administration Directorate comprises of Finance; Procurement, and Human Resource Management & Administration.



CHAPTER TWO

DESCRIPTION OF ACTIVITIES OF THE AUTHORITY

2.1 Introduction

The Authority's functions in the 2020/2021 financial year focused on implementation of programmes under the six thematic areas as outlined in the Strategic Plan for the 2018-2023 period. The thematic areas include: Compliance and Enforcement of Standards; Research and Information Management; Legal and Regulatory Framework; Capacity Building and Technical Support; Stakeholder Engagement; and Institutional Capacity Strengthening.

Each thematic area has a set of strategic objectives and strategies being implemented to facilitate achievement of our mission and vision. These strategic objectives are:

- (a) To strengthen performance and compliance monitoring of the public procurement and asset disposal system;
- (b) To enhance enforcement of the public procurement and asset disposal standards;
- (c) To conduct quality research on public procurement and asset disposal issues for enhanced service delivery;
- (d) To strengthen the public procurement and asset disposal legal & regulatory framework;
- (e) To equip persons involved in public procurement with requisite knowledge and skills on public procurement and asset disposal;
- (f) To leverage and enhance partnerships and collaborations with stakeholders; and
- (g) To strengthen institutional capacity.

This annual report describes the work and activities implemented by the Authority between 1st July, 2020 and 30th June, 2021. It summarizes work carried out to meet the regulatory obligations for the realization of the vision through the different strategic objectives.

2.2 Strategic Objective 1: To Strengthen Performance and Compliance Monitoring of the Public Procurement and Asset Disposal System

The Authority is mandated under Section 9 (1) (a) & (b) of the Act to monitor, assess and review the public procurement and asset disposal system to ensure respect for the national values and other provisions of the Constitution, including Article 227 and make recommendations for improvements. This includes monitoring the performance of the system and reporting on its overall

functioning. This subsection therefore details the strategies deployed by the Authority to realize this goal and the milestones realized thus far.

2.2.1 Monitoring of Compliance with the Legal and Regulatory Framework

The Authority monitors compliance with the Legal and Regulatory Framework through a number of strategies including, procurement assessments, procurement reviews, contract audits, inspections, follow up of implementation of recommendations and review of mandatory reports submitted by procuring entities (PEs). During this year, the Authority implemented a number of activities as discussed in subsequent subsections.

2.2.1.1 Review of Mandatory Reports

Pursuant to the provisions of the Act, procuring entities (PEs) are required to submit mandatory reports to the Authority within the prescribed timelines. The reports include, all contract awards; terminations of procurement proceedings; direct procurement above Kes. 500,000; disposal to employees; contract variations/amendments, terminated contracts, contract awards under the preference and reservation schemes and part of the consolidated annual procurement plan demonstrating application of preference and reservation schemes. The Authority reviews the reports to assess compliance with the provisions of the Procurement Law and relevant directives.

(a) Review of Annual Procurement Plans

The Act requires PEs to submit to the Authority the part of the consolidated annual procurement plan demonstrating compliance with Section 158(2) of the Act on preference and reservation schemes and PPRA Circular No.1/2021 of 22nd April, 2021. The Authority reviewed the plans to determine whether they were prepared in accordance with Sections 53 (6) and 157(5) & (10) of the Act, Regulations 40 and 41 of the Public Procurement and Asset Disposal. Regulations, 2020 (the Regulations) and the directives issued by the Authority. The PEs are required to reserve at least 30% of their annual procurement budget for procurement of goods, works and services from enterprises owned by youth, women and persons with disabilities. County Government entities are further required to apply preference and reservation scheme whereby 20% of their annual procurement budgets should be reserved for resident tenderers in the respective counties, pursuant to Section 33(2) (g) of the Act and Regulation 40(5).

During the year, 118 PEs submitted part of the annual procurement plans for the 2020/2021 financial year to the Authority. This presents a drop of 26.7% (43 PEs) from 161 PEs that submitted procurement oplan in the previous

2019/2020 financial year. The plans were reviewed and a summary of the findings presented in the table below.

Table 1: Summary of Findings on the Annual Procurement Plans (APPs)

No.	Number
1.	Number APPs for the 2020/2021 FY submitted to the Authority
2.	Number of APPs submitted within the prescribed deadline of 31st August, 2020
3.	Number of APPs submitted after the deadline of 31st August, 2020
4.	Number of APPs where at least 30% of the Procurement Budget was Reserved
5.	Number of PEs whose allocation for Reservation Scheme was below the minimum threshold of at least 30% of the Procurement Budget
6.	Number of APPs without evidence of reserving at least 30% of the Procurement Budget for Reservation Scheme

From the table above, out of 118 PEs that submitted plans, 44 PEs reserved at least 30% of their procurement budget for procurement of goods, works and services from enterprises owned by youth, women and persons with disabilities (PWDs). The remaining PEs reserved less than the prescribed minimum threshold of at least 30% of their procurement budget or none at all. The details of the PEs that submitted the plans is presented in annex 1.

Among the weaknesses identified in the procurement plans included, failure by some of the PEs to comply with the requirement of reserving at least 30% of the procurement budget for enterprises owned by youth, women and persons living with disability contrary to Sections 53(6) and 157 (5) & (10) of the Act; failure by some of the PEs to reserve any procurement for the reservation scheme; failure by all other PEs to submit procurement plans to the Authority as directed.

(b) Review of Reports on Procurement Transactions

(i) Reports on All Contract Awards

During the year, 269 PEs (compared to 263 PEs during previous reporting period) reported a total of 38,246 contracts. A list of the PEs and the nature of the reports that they submitted to the Authority is presented in Annex 2. The table below presents a summary of the number of PEs that submitted reports on contract awards.

Table 2: Summaries of PEs that submitted Reports on All Contract Awards

No.	National Government Entities	Estimated Number of PEs	Number of PEs that Reported
1.	State Corporations and SAGAs	370	121
2.	Ministries and State Departments	46	16
3.	Constitutional Commissions and Independent Offices	19	11
4.	Public Colleges and Polytechnics, Technical Training Institutions	110	29
5.	Public Universities and University Colleges	39	31
6.	NGCDF Committees	290	9
7.	NGAAF Committees	47	0
8.	County Service Coordination Units	47	0
9.	Diplomatic Commissions	56	0
10.	Public Primary and Secondary Schools	32,800	0
11.	Pension Funds for Public Entities	-	5
Sub-total		33,824	222
County Government Entities			
12.	County Executives	47	25
13.	County Assembly	47	21
14.	County Agencies	57	1
15.	City Boards and other Urban Areas	1	0
Sub-total		152	47
Total		Est. 33,976	269

From the review of the reports, the Authority observed the following:

- (i) Some of the PEs failed to use the prescribed reporting formats thus ended up not disclosing all the required information, such as total contract values, thus making aggregation difficult.
- (ii) Some procuring entities contracts with values or sums in different currencies thus making it difficult to establish the total contract sums for all contracts submitted by the PEs.

- (iii) A number of the PEs submitted reports after lapse of the prescribed timelines for submission of reports.
- (iv) Some PEs were reporting only contracts awarded under the Preference and Reservation schemes, without reporting on other contracts awarded.

(ii) Reports on use of Direct Procurement Method

During the year, a total of 403 reports on use of direct procurement method for procurements above KES 500,000, were submitted to the Authority by 72 PEs. During the previous 2019/2020 financial year a total of 603 reports on use of direct procurement method for procurements were submitted which presents a decline of 33.25%.The PEs and number of reports submitted is presented in the table below.

Table 3: PEs that Submitted Reports of Direct Procurement

No.	Procuring Entity	Number of Reports
State Corporations and SAGAs		
1.	Kenya Airports Authority	12
2.	Kenya Ports Authority	17
3.	Kenya Ferry Services Limited	19
4.	Kenya Civil Aviation Authority	2
5.	Kenya Maritime Authority	1
6.	Geothermal Development Company	19
7.	Kenya Petroleum Refineries	3
8.	Kenya Power & Lightening Company	1
9.	Kenya Post Office Savings Bank	2
10.	Women Enterprise Fund	1
11.	Industrial & Commercial Development Corporation	1
12.	Office of Auditor General	4
13.	Kenya Revenue Authority	15
14.	Insurance Regulatory Authority	5
15.	Kenyatta University Teaching, Referral and Research Hospital (KUTRRH)	7
16.	South Nyanza Sugar Company Ltd	15
17.	East African Portland Co. Ltd	6
18.	National Transport & Safety Authority	1
19.	Kenya Medical Supplies Authority (KEMSA)	22
20.	Moi Teaching & Referral Hospital	25
21.	Kenya Railways	14

No.	Procuring Entity	Number of Reports
22.	National Housing Corporation	1
23.	Kenya National Highways Authority	1
24.	Retirement Regulatory Authority	2
25.	Nuclear Power and Energy Agency (NuPEA)	3
26.	Commission on Revenue Allocation	1
27.	Kenya Electricity Generating Company	10
28.	National Oil Corporation of Kenya	1
29.	Kenya Animal Genetic Resources Centre	8
30.	Kenya National Bureau of Statistics	1
31.	Kenya Veterinary Production Institute	3
32.	Athi Water Works Development Agency	32
33.	Public Procurement and Regulatory Authority	2
34.	Kenya Veterinary Board	1
35.	Kenyatta National Hospital	40
36.	Nyayo Tea Zones Development Corporation	1
37.	Kenya Forest Services	3
38.	Kenya Safari Lodges and Hotels	1
39.	Kenya Tourism Board	1
40.	Kenyatta International Convention Centre	2
41.	National Crime Research Centre	1
42.	National Hospital Fund	1
43.	Nzoia Sugar Company	1
44.	Kenya Film Commission	1
45.	Universities Fund	1
Sub-total		311
Commissions & Independent Offices		
46.	Teachers Service Commission	7
47.	Parliamentary Service Commission	1
48.	Ethics and Anti - Corruption Commission	1
49.	Independent Electoral & Boundaries Commission	1
Sub-total		10
Public Universities and Colleges		
50.	Kisii University	1
51.	Jomo Kenyatta University of Agriculture and Technology	49

No.	Procuring Entity	Number of Reports
52.	University of Nairobi	1
53.	Pwani University	1
54.	Tharaka University College	1
55.	Taita Taveta University	1
56.	University of Eldoret	
Sub-total		54
	Ministries & State Departments	
57.	Ministry of Sports, Culture and Heritage	1
58.	State Department of Broadcasting	3
59.	Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works	1
60.	Ministry of Water, Sanitation and Irrigation	1
Sub-total		6
	Pension Funds for Public Entity	
61.	Kenya Power Pension Fund	1
Sub-total		1
	County Assemblies	
62.	County Assembly of Nairobi	2
63.	County Assembly of Wajir	1
64.	County Assembly of Nandi	1
Sub-total		4
	National Government CDF Committees	
65.	National Government CDF Juja	1
66.	National Government CDF Mukurweini	1
Sub-total		2
	County Governments	
67.	County Government of Elgeyo Marakwet	4
68.	Nakuru County Government	3
69.	County Government of Kirinyaga	2
70.	County Government of Nyandarua	4
71.	County Government of Laikipia	1
72.	County Government of West Pokot	1
Sub-total		15
Total		403

From the table above, Jomo Kenyatta University of Agriculture and Technology submitted the highest number of reports (49) on use of direct procurement method, followed by Kenyatta National Hospital (40), Athi Water Works Development Agency (32), Moi Teaching and Referral Hospital (25) and Kenya Medical Supplies Authority (22). The common reasons given by the PEs for use of direct procurement method were that the goods or services were available only from a particular supplier, and need for standardization pursuant to Sections 103 (2)(a) and (d) of the Act.

Among the weaknesses identified from the reports submitted were failure by some of the PEs to prepare their reports using the appropriate format and as result failing to submit some of the required information/documents; submission of reports on quarterly basis rather than within the prescribed period of fourteen (14) days after notification of award.

The Authority has planned to make follow-ups to verify the circumstances that necessitated use of direct procurement methods by the procuring entities that reported the highest instances of use of the method in the 2021/2022 financial year.

(iii) Reports on Termination of Procurement and Asset Disposal Proceedings

During the year, a total of 517 reports on termination of procurement proceedings were submitted to the Authority by 131 procuring entities. During the previous 2019/2020 financial year a total of 631 reports on termination of procurement proceedings were submitted which presents a decline of 18.1%. A list of PEs that submitted the termination reports is presented in the table below.

Table 4: PEs that Submitted Reports of Termination of Procurement Proceedings

No.	Procuring Entity	Number of Reports
State Corporations and SAGAs		
1.	Kenya Ports Authority	30
2.	Geothermal Development Company	23
3.	Kenya Pipeline Company Ltd	22
4.	Kenya Revenue Authority	16
5.	Kenya Airports Authority	15
6.	Kenya National Highways Authority	11
7.	Retirement Benefit Authority	10
8.	National Oil Corporation of Kenya	10
9.	Communication Authority of Kenya	9

No.	Procuring Entity	Number of Reports
10.	Kakamega County Urban Water and Sanitation Corporation	8
11.	National Construction Authority	7
12.	Privatization Commission	7
13.	Kenya Reinsurance Corporation Ltd	7
14.	National Transport & Safety Authority	6
15.	Kenya petroleum Refineries	6
16.	Kenya Electricity Generating Company	6
17.	Moi Teaching & Referral Hospital	6
18.	Unclaimed Financial Assets Authority	5
19.	Numerical Machining Complex	5
20.	Kenya Post Office Savings Bank	4
21.	National Water Harvesting & Storage Authority	4
22.	Kerio Valley Development Authority	4
23.	Kenya National Hospital	4
24.	Kenya Rural Roads Authority	4
25.	Kenya Maritime Authority	3
26.	Nuclear Power& Energy Agency	3
27.	Capital Markets Authority	3
28.	Athi Water Works Development Agency	3
29.	Thika Water and Sewerage Company	3
30.	Kenya Railways	3
31.	Insurance Regulatory Authority	3
32.	Kenya Civil Aviation Authority	3
33.	Kenya Power & Lightening	2
34.	Kenya Power Pension Fund	2
35.	Kenya Water Towers Agency	2
36.	East Africa Portland Cement Co. Ltd	2
37.	South Nyanza Sugar Co. Ltd	2
38.	ICT Authority	2
39.	Media Council of Kenya	2
40.	Kenya Deposit Insurance Corporation	2
41.	Kenya Broadcasting Corporation	2
42.	Kenya Medical Supplies Authority	2
43.	Public Procurement Regulatory Authority	2

No.	Procuring Entity	Number of Reports
44.	Kenya Safari Lodges and Hotels	2
45.	University of Nairobi Enterprises and Services	2
46.	Kenya Vision 2030 Delivery Secretariat	1
47.	Sacco Societies Regulatory Authority	1
48.	Kenya Bureau of Standards	1
49.	Nairobi City Water and Sewerage Company Limited	1
50.	Commodities Fund	1
51.	Kenya Dairy Board	1
52.	Kenya Ferry Services	1
53.	Warehousing Receipt System Council	1
54.	Kenya Film Commission	1
55.	Kenya National Trading Corporation	1
56.	National Hospital Fund	1
57.	Energy and Petroleum Regulatory Authority	1
58.	Kenya Urban Rural Authority	1
59.	Kenya Veterinary Board	1
60.	Nyayo Tea Zones Development Corporation	1
61.	Agricultural Finance Corporation	1
62.	Kenya Agricultural and Livestock Research Organization	1
63.	Kenya International Convention Centre	1
64.	Kenya National Convention Bureau	1
65.	Kenya Leather Development Council	1
66.	Kenya Literature Bureau	1
67.	National Crime Research Centre	1
68.	Kenya Institute of Curriculum Development	1
69.	Kenya National Examination Council	1
70.	Kilifi-Mariakani Water and Sewerage Company Limited	1
71.	Kenya Animal Genetic Resources Centre	1
72.	University Fund	1
73.	Tourism Fund	1
74.	Water Sector Trust Fund	1
Sub-total		308

No.	Procuring Entity	Number of Reports
	Pension Funds for Procuring Entities	
75.	Kenya Power Pension Fund	9
	Sub-total	12
	Constitutional Commissions and Independent Offices	
76.	Independent Electoral & Boundaries Commission	4
77.	Office of Auditor General	3
78.	Judiciary Service Commission	3
79.	Parliamentary Service Commission	3
80.	Teachers Service Commission	2
81.	Ethics and Anti - Corruption Commission	2
82.	Office of The Director of Public Prosecutions	1
	Sub-total	19
	County Assemblies	
83.	County Assembly of Nairobi	8
84.	County Assembly of Nyeri	5
85.	County Assembly of Machakos	2
86.	County Assembly of Siaya	1
87.	County Assembly of Nandi	1
88.	County Assembly of Laikipia	1
89.	County Assembly of Embu	1
	Sub-total	19
	County Governments	
90.	County government of Kitui	41
91.	County government of Uasin Gishu	31
92.	County government of Kisumu	10
93.	County Government of Bungoma	6
94.	County Government of Nandi	5
95.	County Government of Kiambu	2
96.	County Government of Kakamega	2
97.	County Government of Bomet	1
98.	County Government of Muranga	1
99.	County Government Kirinyaga	1
100.	County Government of Embu	1

No.	Procuring Entity	Number of Reports
101.	County Government of West Pokot	1
Sub-total		101
	Public Universities and Colleges	
102.	Technical University of Mombasa	11
103.	Meru University of Science and Technology	7
104.	Pwani University	3
105.	Multimedia University of Kenya	3
106.	Masinde Muliro University of science and Technology	3
107.	Kisii University	2
108.	Maseno University	1
109.	Egerton University	1
110.	Maasai Mara University	1
111.	Chuka University	1
112.	Embu University	1
113.	Karatina University	1
114.	Kenya Coast National Polytechnic	1
115.	Taita Taveta University	1
116.	Kenya Institute of Mass Communication	1
117.	University of Eldoret	1
118.	Bandari Maritime Academy	1
Sub-total		40
	National Government CDF Committees	
119.	National Government CDF Juja	1
120.	National Government CDF Mukurwe-ini	1
Sub-total		2
	Ministries & State Departments	
121.	Ministry of Energy	4
122.	Ministry of Water, Sanitation & Irrigation	3
123.	The National Treasury and Planning	3
124.	Ministry of East African Community and Regional Development	2
125.	Ministry of Environment and Forestry	2
126.	Ministry of Sports, Culture and Heritage	1

No.	Procuring Entity	Number of Reports
127.	Ministry of Tourism and Wildlife	1
128.	State Department of Trade	1
129.	State Department of Public Service	1
130.	Ministry of Health	1
131.	Office of Attorney General and Department of Justice	1
Sub-total		20
Total		517

Based on the above information, County Government of Kitui submitted the highest number (41) of reports on termination of procurement proceedings followed by County Government of Uasin Gishu (31), Kenya Ports Authority (30), Geothermal Development Company (23), Kenya Pipeline Company (22), Kenya Revenue Authority (16) and Kenya Airport Authority (15).

The main reasons that were given by the PEs for terminations of procurement proceedings were non-responsiveness of the tenders, inadequate budgetary provision, operational of law, material governance and the quoted prices being above the prevailing market prices. Among the weaknesses of the reports submitted were failure by some of the PEs to adhere to the reporting timelines; to adhere to the reporting format and failure to submit some of the required information. The Authority communicated the weaknesses to the concerned PEs to undertake corrective measures.

(d) Reports on Contract Variations/Amendments

Section 139(5) of the Act requires procuring entities to submit reports on contract variations or amendments to the Authority on a quarterly basis. During the year, the Authority received 237 reports on varied/amended contracts from 20 PEs which presents an increase of 243.5% down 69 reports on varied/amended contracts submitted during the previous 2019/2020 financial year. The details of the reports on varied/amended contracts are as detailed in the table below.

Table 5: Reports on Contract Variation/Amendments

No	Procuring Entity	Contract Variation/ Amendment
State Corporations and SAGAs		
1.	Kenya Medical Supplies Agency	76
2.	Kenya Airports Authority	49

No	Procuring Entity	Contract Variation/ Amendment
3.	Kenya National Highway Authority	42
4.	National Oil Corporation of Kenya	13
5.	National Environment Trust Fund	10
6.	Kenya Civil Aviation Authority	7
7.	Kenya Revenue Authority	6
8.	Kenya Electricity Generating Company	5
9.	Kenya Safari Lodges and Hotels	3
10.	National Transport & Safety Authority	2
11.	ICT Authority	2
12.	Kenya Maritime Authority	1
13.	South Nyanza Sugar Company	1
14.	Kenya Veterinary Production Institute	1
15.	Consolidated Bank	1
16.	Kakamega County Urban Water and Sanitation Corporation	1
Subtotal		220
	County Government & Assemblies	
17.	County Government of Kwale	1
Subtotal		1
	Ministries & State Departments	
18.	Ministry of Transport, Infrastructure, Housing, Urban Development & Public Works	2
19.	The Judiciary	13
Subtotal		15
	Public Universities and Colleges	
20.	Kaimosi Friends University College	1
Subtotal		1
Total		237

From the above information, Kenya Medical Supplies Authority submitted the highest number (76) of contract variations reports, followed by Kenya Airport Authority and Kenya National Highway Authority at 49 and 42 respectively.

Whereas most of the contract variations/amendments conformed to the conditions set out in Section 139 of the Act, there were some weaknesses identified in the reports which included; some of the reports being submitted

outside the prescribed period of 14 days after the end of the quarter the contracts were varied. Other PEs submitted reports without attaching the relevant supporting documents, while other PEs prepared reports without adhering to the format provided by the Authority thus providing incomplete information. There were also some PEs who varied contract before lapsing of one (1) after signing of the contrast contrary to Section 139(4) of the Act.

2.2.1.2 Procurement Assessments, Reviews and Contract Audits

Section 43 of the Act mandates the Authority to conduct Inspections, Assessments, audits, and Reviews relating to contracts, procurement and asset disposal proceedings. During the reporting period the Authority conducted Assessments, contract audits, and procurement Reviews. The Authority evaluates the level of compliance with the Procurement Law by the PEs against pre-set scoring criteria in the Compliance Monitoring Manual. The interpretation of compliance level and risk rating is as follows.

Table 6: Level of Compliance and Risk Rating

S/ No.	Compliance Rating	Compliance level	Risk Rating	Risk Level
1.	Below 50%	Non-compliant	70-100%	High
2.	51-80%	Average compliance	30-70%	Moderate
3.	81-99%	Above Average compliance	Below 30%	low
4.	100%	Fully Compliant	0%	No Risk

The higher the compliance rating, the lower the risk score and vice versa. When the compliance level is low, the procurement performance by the PE is low and the risk for not achieving value for money expended through public procurement is high.

(a) Procurement Assessments

During the year, the Authority conducted procurement assessments in six (6) PEs at National Government level. The compliance levels of the six (6) PEs are indicated in the table below:

Table 7: Procurement Assessment Compliance Rating and Risk Scores

No.	Procuring Entity	Rating	
		Compliance Score (%)	Risks Score (%)
1.	Nyayo Tea Zones Development Corporation	60.3	39.7
2.	Coast Water Works Development Agency	56.5	43.5
3.	Kenya Deposit Insurance Corporation	54.0	46.0
4.	Kenya Medical Training College-Kilifi	54.0	46.0
5.	Bondo Teachers Training College	53.0	47.0
6.	Kakamega Golf Hotel	36.0	64.0
7.	Eldama Ravine Technical and Vocational Training Institute	41	59
8.	Narrok High School	26.6	73.4
9.	National Government Constituency Development Fund, Bomet Central Constituency	13.3	86.7
Average Score (%)		.43.9%	56.1%

From the above information, the average compliance score for the PEs that were assessed in the review period was 43.9% which is indication of average compliant with the Legal and Regulatory Framework, with a corresponding moderate risk level of 56.1%. A general finding from the assessments was that the compliance level of the Schools and CDF was low with high level of risk ratings than the other categories of the PEs that were considered in the procurement assessments.

Among the key strengths from the findings of the assessment included establishment of procurement function, procurement planning and use of the standard tender documents by most of the procuring entities. The PEs that were assessed during the year had common weaknesses which included failure to maintain individual procurement files, in some instances the individual procurement files did not have some of the procurement records like payment vouchers, delivery notes and invoice; and lack of updated procurement and asset disposal manual/policy. The Schools and the CDF had very weak procurement system which contributed to low compliance level and high risk rating.

(b) Compliance Monitoring through Contract Audits

During the year, the Authority conducted contract audits in 111 procuring entities. This included 23 PEs from the National Government; 44 County

Executives and 44 County Assemblies. The compliance and risk ratings for all the PEs that were audited in the review period is presented in tables below.

Table 8: Compliance Rating and Risk Scores for National Government Entities

No.	Procuring Entity	Rating	
		Compliance Score (%)	Risks Score (%)
1.	Machakos University	80.9	19.1
2.	Machakos County Service Delivery Coordinating Unit	66.0	34.0
3.	Pwani University	64.0	36.0
4.	Koitaleel Samoei University College	64.0	36.0
5.	Nakuru Water & Sewerage Co. Ltd	63.9	36.1
6.	Kirinyaga University	59.12	40.88
7.	Rongo University	59.0	41.0
8.	Migori Teachers College	59.0	41.0
9.	National Authority for the Campaign Against Alcohol and Drug Abuse	58.2	41.9
10.	Bomet University College	58.2	41.8
11.	Matuga NGCDF	57.5	42.5
12.	Kenyatta International Convention Centre	56.4	43.6
13.	Kenya Medical Training College-Kilifi	54.0	46.0
14.	Central Rift Valley Water Works Development Agency	51.9	48.1
15.	Baringo Central National Constituency Development Fund	49.9	50.1
16.	Jaramogi Odinga Oginga University of science and Technology	48.5	51.5
17.	Moi University ACE II Project	45.6	54.4
18.	Kwale Water & Sewerage Co. Ltd	42.0	58.0
19.	Kirinyaga County Service Delivery Coordinating Unit	40.8	59.2
20.	Baringo County Service Delivery Coordination Unit	34.2	65.8
21.	Nyeri County Service Delivery Coordinating Unit	28.7	71.3
22.	Maasai Mara University	27.5	72.5
23.	Kimathi University	26.9	73.1
Average Scores (%)		52.0%	48.0%

Based on the scores in the table above, the average compliance level for the audited County Executive was 52% while the risk level is 48 %. This implied that all the six PEs that were audited during the first quarter demonstrated average compliance with the Public Procurement Law.

Table 9: Compliance Rating and Risk Scores for County Executives

No.	Procuring Entity	Rating	
		Compliance Score (%)	Risks Score (%)
1.	Trans Nzoia County Government	75.3	24.7
2.	Nyamira County Government	75.0	25.0
3.	Bungoma County Government	74.0	26.0
4.	Nyeri County Government	73.9	26.1
5.	Nandi County Government	72.0	28.0
6.	Busia County government	70.0	30.0
7.	Bomet County Government	69.2	30.8
8.	Tharaka Nithi County Government	69.1	30.9
9.	Wajir County Government.	69.0	31.0
10.	Kwale County Government	68.0	32.0
11.	Kilifi County Government	67.0	33.0
12.	Kericho County Government	66.7	33.3
13.	Embu County Government	65.0	35.0
14.	Baringo County Government	64.8	35.2
15.	Mombasa County Government	64.0	36.0
16.	West Pokot County Government	62.9	37.1
17.	Isiolo County Government	61.6	38.4
18.	County Government of Narok	60.8	39.2
19.	Makueni County Government	59.9	40.1
20.	Uasin Gishu County Government	59.3	40.7
21.	Elgeyo Marakwet County Government	59.0	41.0
22.	Taita Taveta County Government	58.5	41.5
23.	Samburu County Government	57.2	42.8
24.	Nyandarua County Government	56.5	43.5
25.	Laikipia County Government	56.4	43.6
26.	Kajiado County Government	56.3	43.7
27.	Kirinyaga County Government	55.8	44.2
28.	Siaya County Government	55.0	45.0

No.	Procuring Entity	Rating	
		Compliance Score (%)	Risks Score (%)
30.	Turkana County Government	53.5	46.5
31.	Nakuru County Government	52.9	47.1
32.	Homabay County Government	51.0	49.0
33.	Murang'a County Government	50.5	49.5
34.	Garissa County Government	50.0	50.0
35.	Lamu County Government	49.0	51.0
36.	Machakos County Government	48.8	51.2
37.	Kakamega County government	48.0	52.0
38.	Vihiga County Government	47.0	53.0
39.	Migori County Government	42.0	58.0
40.	Nairobi County Government.	41.3	58.7
41.	Meru County Government	39.3	0.7
42	Kiambu County Government	34.0	36.0
43.	Kitui County Government	33.1	66.9
44.	Marsabit County Government.	23.7	76.3
Average Scores (%)		58.5%	44.5%

From the information above, the average compliance level of the County Executives is 58.5% which is considered non-compliant and a moderate risk of 44.5%.

Table 10: Compliance and Risk Scores of County Assemblies

No.	Procuring Entity	Rating	
		Compliance Score (%)	Risks Score (%)
1.	Siaya County Assembly	89.0	11.0
2.	Kericho County Assembly	77.7	22.3
3.	Garissa County Assembly	76.0	24.0
4.	Nandi County Assembly	74.4	25.6
5.	Kilifi County Assembly	71.0	29.0
6.	Elgeyo Marakwet County Assembly	70.8	29.2
7.	Bungoma County Assembly	69.0	31.0
8.	Murang'a County Assembly	67.5	32.5
9.	Nyandarua County Assembly	67.0	33.0
10.	Kwale County Assembly	67.0	33.0
11.	Kajiado County Assembly	65.8	24.2

No.	Procuring Entity	Rating	
		Compliance Score (%)	Risks Score (%)
12.	Wajir County Assembly	65.6	34.4
13.	Baringo County Assembly	64.0	36.0
14.	Trans Nzoia County Assembly	63.4	36.6
15.	Tharaka Nithi County Assembly	63.0	33.0
16.	Nakuru County Assembly	62.8	37.2
17.	West Pokot County Assembly	62.0	38.0
18.	Uasin Gishu County Assembly	61.1	38.9
19.	Tana River County Assembly	61.0	39.0
20.	Turkana County Assembly	60.7	39.3
21.	Nyamira County Assembly	60.2	39.8
22.	Laikipia County Assembly	59.8	40.8
23.	Kitui County Assembly	59.1	40.9
24.	Taita Taveta County Assembly	59.0	41.0
25.	Marsabit County Assembly	57.4	42.6
26.	Nairobi County Assembly	57.0	43.0
27.	Bomet County Assembly	54.5	45.5
28.	Kirinyaga County Assembly	53.0	47.0
29.	Migori County Assembly	53.0	47.0
30.	Busia County Assembly	53.0	47.0
31.	Mombasa County Assembly	51.0	49.0
32.	Kakamega County Assembly	51.0	49.0
33.	Homabay County Assembly	50.0	50.0
34.	Vihiga County Assembly	47.0	53.0
35.	Nyeri County Assembly	44.8	58.2
36.	Meru County Assembly	43.0	57.0
37.	Embu County Assembly	39.9	60.1
38.	Lamu County Assembly	39.0	61.0
39.	Isiolo County Assembly	36.9	63.1
40.	County Assembly of Narok	36.5	63.5
41.	Samburu County Assembly	36.2	63.8
42.	Makueni County Assembly	35.0	75.0
43.	Kiambu County Assembly	32.5	67.5
44.	Machakos County Assembly	20.3	79.7
Average Scores (%)		56.6%	43.4%

From the table above, the compliance level of the County Assemblies audited is 56.6% while the risk level is 43.4%.

The overall compliance level based on the available data on the PEs that were audited during year is 55.0% which is rated as average compliance, while the risk rating is 45.0% which is rated as moderate. A general finding in almost all the PEs that were audited was that the compliance rating of procurement processes was slightly higher compared with compliance rating of the contract management processes.

Some of the common strengths that were identified in the procurement system in most of the PEs that were audited included establishment of Procurement Functions; establishment various committees on procurement processes such tender opening and evaluation committees; Heads of Procurement Functions prepared Professional Opinions and submitted them to the Accounting Officer and the PEs used the standard tender documents. On the other hand, some of the common weaknesses found were:

- (i) Failure to develop internal procurement and asset disposal operations manual to guide making of decisions on procurement activities as required by Section 45(1) of the Act. The PEs which had Procurement and Asset Disposal Manual/policies, the manuals/policies were not aligned with the Public Procurement and Asset Disposal Regulations, 2020.
- (ii) Failure to maintain complete individual procurement and contract files with all the relevant procurement and contract records as envisaged by the Public Procurement Records Management Procedures Manual (2010). Documents were filed in different files and were kept by different departments making their retrieval cumbersome and time consuming.
- (iii) Failure to make prompt payments on completed contracts thus risking loss of public funds in the event the contractors invoked the provisions of Section 140 of the Act on overdue payments.
- (iv) Failure by heads of Procurement Functions to prepare monthly progress reports on procurement contracts pursuant to Section 152 of the Act and Regulation 140 of the Public Procurement and Asset Disposal Regulations, 2020 to update the Accounting Officers on implementation of contracts under them.
- (v) Failure to publicize contract awards as required by Section 138 of the Act and Regulations, PPRA Circular No.1/2021 of 22nd April 2021 and Executive Order No. 2 of 28th June, 2018.
- (vi) Failure by Accounting Officers to appoint Disposal Committees as envisaged by Section 163 of the Act and Regulation 177 despite having asset that were not being used/obsolete asset /inactive Disposal Committees leading to accumulation of obsolete/unserviceable assets.

(c) Procurement Reviews

A procurement review is a comprehensive and detailed audit of the procurement and asset disposal activities of a procuring entity for a specified period of time to ascertain their level of compliance with the Public Procurement Law. The key indicators used in procurement reviews were institutional arrangements, procurement and asset disposal procedures, and inventory management. During the year, the Authority conducted compliance monitoring reviews in 11 procuring entities. The compliance and risk scores for the 11 PEs are presented in the table below.

Table 11: Compliance Reviews Rating and Risk Scores

No.	Procuring Entity	Rating	
		Compliance Score (%)	Risks Score (%)
1.	Kitale National Polytechnic	80.3	19.7
2.	New Kenya Cooperative Creameries Ltd	77.5	22.5
3.	Kenya Revenue Authority	64.3	35.7
4.	Tambach Teachers College	60.0	40
5.	Technical University of Kenya	55.0	45.0
6.	University of Kabianga	51.3	48.7
7.	University of Nairobi	51.2	48.8
8.	Kibabii University of Science and Technology	51.0	49.0
9.	Taita Taveta University	50.0	50.0
10.	Nzoia Water Services Co. Ltd	44.0	56.0
11.	Kericho Teachers College	22.0	78.0
Average Score (%)		52.9%	47.1%

From the above information, the average compliance score for the eleven PEs that were reviewed was 52.9% which is indication of average compliant with the Public Procurement Law, with a corresponding moderate risk level of 47.9%.

The eleven PEs had strengths in such areas as; establishment of Procurement Functions, undertaking annual procurement planning, use of standard tender documents, appointment of tender opening and evaluation committees, preparation of tender opening and evaluation reports, preparation of professional opinions by heads of Procurement Functions and use of standard stores records like S11 and S13.

The PEs had common weaknesses which included failure to customize the tender documents appropriately before issuing them to bidders, failure by tender opening committees to adhere to some of the tender opening procedures like

recording the number of pages for all the tender documents received, failure by the evaluation committees to adhere to some of the evaluation procedures such as evaluating tenders independently and preparation of individual scores sheets.

(d) Follow-Ups on Implementation of Recommendations

During the year, the Authority conducted four follow-up assessments at the Kenya Coast National Polytechnic, Kenya National Bureau of Statistics, Narok County Government and Kerio Valley Development Authority. The purpose of the follow-ups was to gauge the extent to which the PE had implemented the recommendations made by Authority to address the non-compliance issues that were identified in their procurement system in the past compliance monitoring. The table below presents the level of implementation of the recommendations of the Authority by the four (4) PEs that were considered in the follow-ups.

Table 12: Level of Implementation of Recommendations

No.	Procuring Entity	Rating	
		Compliance Score (%)	Risks Score (%)
1.	Narok County Government	90.9	9.1
2.	Kenya National Bureau of Statistics	70.0	30.0
3.	Kerio Valley Development Authority	70.0	30.0
4.	Kenya Coast National Polytechnic	50.0	50.0
Average Scores (%)		70.2%	29.8%

From the follow-ups, the PEs attained an average compliance level of 70.2% with a corresponding risk score of 29.8%. This implied that on average the PEs had implemented 70.2% of the recommendations while 29.8% of the recommendations were not implemented. All the PEs except Kenya Coast National Polytechnic fairly implemented the recommendations made by the Authority.

(e) Compliance Monitoring through Procurement Inspections

Section 43 of the Act mandates the Authority to conduct procurement inspection to measures the level of compliance of a procuring entity with the Procurement Law. The key indicators used in the inspections includes establishment of procurement function, management of procurement records, inventory management, appointment of disposal committees, procurement plans and security of tender documents submitted by the bidders. During the year under review, the Authority conducted four compliance inspections in secondary schools as presented in the table below.

Table 13: Compliance Inspections Rating

No.	Procuring Entity	Rating	
		Compliance Score (%)	Risks Score (%)
1.	Karbanet Boys High School	73.0	27.0
2.	Sharif Nasir Girls' High School	46.0	54.0
3.	Nakuru Girls' High School	34.9	65.1
4.	Eldama Ravine Girls' High School	27.0	73.0
Average (%)		45.2%	54.8%

From the above table, the aggregate compliance level for the four PEs where procurement inspections were conducted is 45.2% with a corresponding risk level of 54.8%. If the compliance levels are low, then procurement performance is low. Kabarnet Boys High School had the highest compliance rating of 73.0%, which may be attributed to a better procurement system/structure characterized with procurement planning, properly maintained procurement records, and updated inventory management records. However, the school had some weaknesses such as failure to publicize contract awards and submission of reports on contract awards to the Authority.

The other Schools with low compliance ratings and high-risk ratings had common weaknesses in its procurement systems which included failure by the schools to assign an officer to be responsible for managing procurement records, failure to maintain tender registers, failure to undertake stock takings and failure to maintain updated store records as evidenced by variance between the ledger balances and physical balances for the sampled items.

2.3 Strategic Objective 2: To Enhance Enforcement of the Public Procurement and Asset Disposal Standards

The Authority is mandated under sections 9 and 35 of the Act to act on, including investigation of complaints received on public procurement and asset disposal proceedings, enforce any standards developed under the Act.

2.3.1 Complaints Management

The Authority is committed to ensure that stakeholders complaints on public procurement and asset disposal matters are managed and resolved through an efficient, effective, accountable, transparent and fair process. resolution of complaints lodged by stakeholders. The Authority recognizes that effective complaints management is essential in strengthening the performance of the public procurement system.

During the year, the Authority handled 483 complaints, comprising of 300 received within the year and 183 carried forward from the previous year, 2019/2020. Out of this, 435 complaints were resolved while 48 were at different stages of being resolved as at the end of the financial year, as presented in the table below.

Table 14: Status of Complaints Handled

Category of PE	Complaints Handled in 2020/2021					Total	Status of Complaints	
	2019/ 2020	Q 1	Q 2	Q 3	Q 4		Resolved	Pending
State Corporations and SAGAs	72	67	17	29	18	203	183	20
County Governments	36	32	3	24	7	102	91	11
Ministries and State Departments	31	9	4	19	4	67	60	7
Public Universities & Colleges	12	13	2	3	3	33	30	3
Constitutional Commissions	8	10	1	3	9	31	25	6
Technical Training Institutions & Schools	13	4	6	4	2	29	28	1
NGCDFs	5	1	2	1	1	10	10	0
County Assemblies	7	0	0	1	0	8	8	0
Total	184	136	35	84	44	483	435	48

The complaints are further summarised by category of procuring entities as presented in the table below. From the table, majority of the complaints were on procurement and asset disposal processes undertaken by State Corporations at 42%, followed by County Governments, 21.1%, and Ministries & State Departments, at 13.9%.

Table 15: Distribution of Complaints by Procuring Entities

Category of PE	Complaints Handled	Percent
State Corporations	203	42.0%
County Governments	102	21.1%
Ministries and State Departments	67	13.9%
Public Universities & Colleges	33	6.8%
Constitutional Commissions	31	6.4%
Technical Training Institutions & Schools	29	6.0%
NGCDFs	10	2.1%
County Assemblies	8	1.7%
Total	483	100.0%

On nature of complaints received during the year, 102 were on flaws in tender evaluation and development of specifications, followed by request for review of procurement processes at 55, allegations of corruption during procurement proceedings at 43, and delayed payments at 38, amongst others, as presented in the figure below.

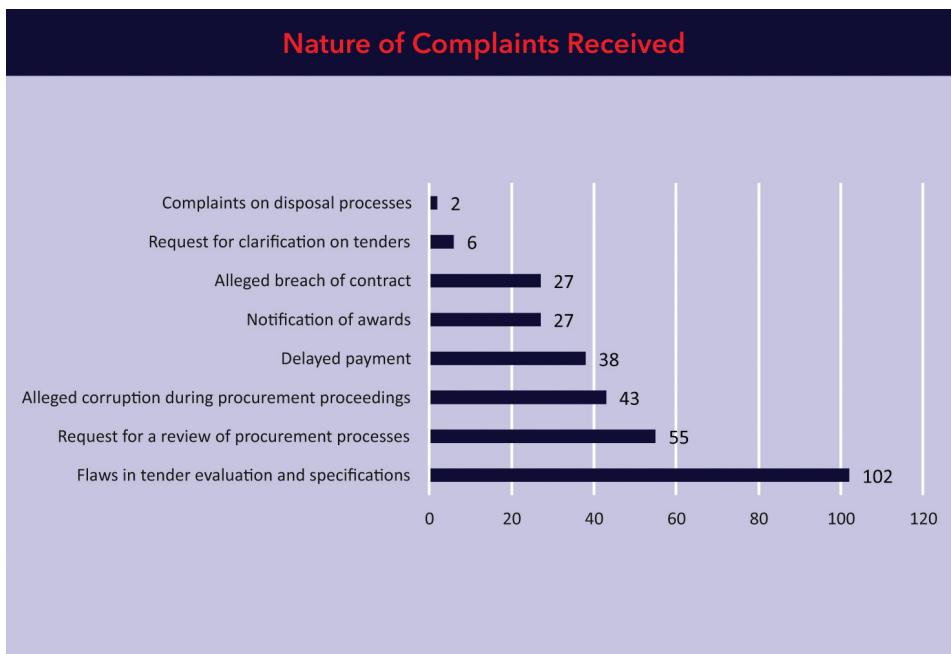


Figure 2:Nature of Complaints Received

2.3.2 Investigations Undertaken

During the period under review, the Authority commenced 10 investigations as shown in the table below. As at the end of the financial year, 9 investigations had been completed while one was still ongoing, as presented in the table below.

Table 16: Investigations Undertaken

No.	Procuring Entity	Complainant/ Agency	Nature of Complaint	Status
1.	Kenya Electricity Transmission Company (KETRACO)	Getrio Insurance Brokers Limited	Alleged Irregularities in the processing for Tender Nos. KETRACO/ PT/002/2019-2020 and KETRACO/ PT/006/2020 - Provision of Insurance Services	Completed
2.	Kenya Medical Supplies Agency (KEMSA)	The Senate	Alleged Irregular Procurement Activities of the Kenya Medical Supplies Authority (KEMSA) One Hundred and Sixteen (116) Tenders	Completed
3.	Nzoia Water Services Company Limited	Ag. Managing Director Nzoia Water Services Company Limited	Alleged Irregular Processing and Award of Tender for Development, Installation and Maintenance of Integrated Software - RFP No. PQ/01/2017 - 2018	Completed
4.	Kaimosi University College	Anonymous	Alleged abuse of Office and Irregular Award of Tenders	Completed
5.	Kimilili NGCDF Committee	Bryan Khaemba, Kamau and Company Advocates	Investigation into Execution of CDF Projects	Completed report

No.	Procuring Entity	Complainant/ Agency	Nature of Complaint	Status
6.	Moi Teaching and Referral Hospital	Tonasco Insaat Anonim Sirketi Ltd	Irregular processing of Tenders	Completed and Report shared with the procuring entity and EACC, DCI, AG, ODPP.
7.	Kenya Vision 2030 Delivery Secretariat	Director General Vision 2030 Secretariat	Irregularities in processing of tenders/quotations	Completed and Draft report shared with PE for response
8.	Central Bank of Kenya	ISMS Control Case International Ltd	Irregularities in procurement of integrated security management security system	Completed and Report shared with PE
9.	Kenya Electricity Transmission Company (KETRACO)	Getrio Insurance Brokers Limited	Alleged Irregularities in the processing for Tender Nos. KETRACO/ PT/002/2019-2020 and KETRACO/ PT/006/2020 - Provision of Insurance Services	Report shared with PE and DCI, EACC
10.	Athi Water Works Development Agency	Benedict Kabugi Ndungu	Irregular Termination of Tender No. WWDA/GOK/ DESTP/W- 28/2020 - Rehabilitation and Expansion of Dandora Estate Sewerage Treatment Plant	Ongoing.

2.3.3 Debarment

Section 41 of the Act mandates the Regulatory Board to debar suppliers/contractors from participating in public procurement and asset disposal proceedings on various grounds. During the year, the Regulatory Board constituted a Debarment Committee (DC) to hear and determine all debarment cases. The Debarment and the Secretariat were trained by Kenya School of Law between 22nd to 23rd February, 2021 on processes and procedures for conducting debarment operations. The Debarment Committee during the year, handled eight requests for debarment as summarized in the table below.

Table 17: Details of Debarment Cases and Status

No.	Application No.	Case Details	Ground For Debarment	Status and Commencement	
				Debarred /Not Debarred	Commencement
1.	Application No. 1 and 2 consolidated of 2021	The Office of Auditor General and Dr. Nzai (APPLICANTS) VS EAA CO. LTD (RESPONDENT)	a) Presenting forged documents during tendering b) Presenting false information during tendering	Debarred for 3 years	Commencing 23rd June, 2021. Debarment challenged in the High Court.
2.	Application No.3 and 4 consolidated of 2021	The Office of Auditor General and Dr. Nzai (APPLICANTS) VS ATJ LTD (RESPONDENT)	a) Presenting forged documents b) Presenting false documents	Debarred for 3 years. (2nd june, 2021)	However, there is High Court petition No. E191 of 2021 which gave temporary orders stopping the DC from proceeding with the subject matter, a day before the Decision was communicated to the parties.

No.	Application No.	Case Details	Ground For Debarment	Status and Commencement	
				Debarred /Not Debarred	Commencement
3.	Application No.5 of 2021	Mr. Benard Kabugi (APPLICANT) VS China Gezhouba Group of Companies (RESPONDENT)	Debarred by world bank	Not debarred	Matter withdrawn by applicant. Reason: i) the applicant lost interest ii) claims matter handled by PPRA as complaint
4.	Application No. 6 of 2021	Nyeri Water and Sewerage Company ltd (APPLICANT) VS Stemar Agencies ltd (RESPONDENT)	Presented an invalid/forged AGPO certificate.	Debarred for 3 years	Commencing on 23rd June, 2021
5.	Application No.7	Coast Development Authority (APPLICANT) VS M/S Business Machines ltd (RESPONDENT)	The respondent was paid, but failed to deliver the goods.	Not debarred	The DC determined that there was no prima facie case as applicant did not provide evidence to support the allegations.
6.	Application No. 8 of 2021	Technical University of Mombasa (APPLICANT) VS Integrated Technologies & Systems ltd (RESPONDENT)	The respondent was paid, but did not deliver the goods	Not debarred	The DC determined that there was no prima facie case as the applicant did not provide the evidence to support the allegations

No.	Application No.	Case Details	Ground For Debarment	Status and Commencement	
				Debarred /Not Debarred	Commencement
7.	Application No.9 of 2021	Mr. Benedict Kabugi (APPLICANT) VS Justnice Ltd (Respondent)	Obtaining confidential information irregularly during tendering process.	Not debarred	The DC determined that there was no prima facie case as the applicant did not provide the evidence to support the allegations
8.	Application No.10 of 2021	Mr. Benedict Kabugi (APPLICANT) VS Sinotec Company Limited (both China and Kenya branch) (REPONDENT)	The respondent has been debarred by African Development Bank.	Not debarred	The DC determined that there was no prima facie case as the applicant did not provide the evidence to support the allegations

2.4 Strategic Objective 3: To Conduct Quality Research on Public Procurement and Asset Disposal Issues for Enhanced Service Delivery

2.4.1 Issuance of Market Price Reference Guide

The Authority in collaboration with the Kenya National Bureau of Statistics (KNBS) through a memorandum of agreement, has been undertaking surveys on prevailing market prices for standard goods and services to inform preparation of market price index for use by the procuring entities. The market price surveys are normally conducted in Nairobi, Mombasa, Kisumu, Eldoret and Bungoma towns.

During the year, the Authority prepared and published two (2) market price index. In addition, the Authority prepared the third market price index report, which was shared with the National Treasury for comments and application. The published market price reference guide reports are available in the website

www.ppra.go.ke for reference by all stakeholders. The Authority due to financial constraints following budget cuts, did not undertake additional two market surveys as envisaged.

In order to ensure that changes in the procurement environment and in the specifications of the items whose prices are collected are taken into account, the Authority commenced the process of reviewing the list of the common user items including the methodology of undertaking the assignment. A technical committee consisting of officers drawn from different government agencies has since been formed with the aim of delivering a comprehensive list of standard goods and services accompanied by detailed specifications, performance standards and identification codes. The Committee has met once in March, 2021 to deliberate on the scope of the assignment, as well as drawing a roadmap for the same.

2.5 Strategic Objective 4: To Strengthen the Public Procurement and Asset Disposal Legal and Regulatory Framework

The Authority is mandated under section 9 of the Act to provide advisory services and technical support upon request; monitor, evaluate and report on the performance of the public procurement and asset disposal system; as well as conduct research on the system.

2.5.1 Provision of Advisory Services

The Authority receives requests for advice in either written form, telephone calls or walk-ins (visits to the Authority's offices). During the period under review, the Authority received 126 requests for advice and issued written response letters to the concerned stakeholders, as presented in the table below.

Table 18:Quarterly Distribution of Requests for Advice

Category of Procuring Entity	Requests for Advice Handled				
	Q1	Q2	Q3	Q4	Total
State Corporations and SAGAs	7	9	15	11	42
Commissions and Independent Offices	4	0	2	4	10
Ministries and State Departments	3	4	5	1	13
Public Universities and Colleges	4	5	3	2	14
County Executives	3	2	3	3	11
County Assemblies	2	2	0	2	6
Other Stakeholders	10	6	4	10	30
Total	33	28	32	33	126

(a) Duration of Processing of Requests for Advice

The table below presents the summary of duration taken by the Authority to issue written advice to different stakeholders that made such requests. Majority of the requests (98) were handled within 30 days, whereas the remaining 28 were issued after 30 days due to consultations to facilitate issuance of informed advice, as presented in the table below.

Table 19: Duration of Issuance of Requests for Advice by quarters

Range (Days)	Q1	Q2	Q3	Q4	Total
1 - 15	7	9	24	17	57
15 - 30	16	7	5	13	41
30 +	10	12	3	3	28
Total	33	28	32	30	126

(b) Major areas of Requests for Advice

The most common areas where different stakeholders sought advice included:

- (a) Contract management (reporting, variation/ Amendment, extension, expiry); including contract variations and amendments owing to delays in finalizing fresh procurement proceedings.
- (b) Management of procurement processes where only a single bid was received.
- (c) Seeking concurrence to terminate procurement proceedings after entities had issued notification letters.
- (d) Use and customization of the new standard tender documents.
- (e) Composition of various committees considering the IFMIS platform.
- (f) Choice of procurement methods for different types of procurements.

2.5.2 Requests for Approval of Alternative Selection Method for Consultancy Services

Pursuant to Section 124 (15) of the Act, the Authority is mandated to approve requests from procuring entities in cases where an Alternative Selection Method for procurement of consultancy services is selected. During the year, the Authority received requests from the following institutions:

- (a) County Government of Trans Nzoia for procurement of consultancy services in the management and supervision of construction of proposed Kitale Multi -Storey business complex on LR. 2116/601, Kitale Municipality. However, the approval was not granted and were advised to source the services through a competitive process in accordance with the Act.

- (b) Ministry of Labour and Social Protection - State Department for Labour for the procurement of consultancy services for a technical advisor on Labour market observatory. The approval was not granted since the request did not fulfil the conditions for use of SSS method as outlined under section 124(12) of the Act
- (c) Athi Water Works Development Agency made the following requests for use of Single source selection method:
- (i) Request for approval of use of single source selection method for consultancy services for detailed designs supervision and coordination of works for the Northern Collector System Raw Water and treated water pipelines Phase B. Contract No. AWSB/WaSSIP AF/COMP.1/CS-01/2013. The approval was not granted as the procuring entity intended to procure the existing Consultant to undertake supervision services from January 2020 up to 30th April, 2021, whereas the approval was sought in October, 2020. In this regard, pursuant to Section 69(2) of the Act the request was declined.
 - (ii) Request for approval for use of single source selection method for consultancy services for the implementation of the Nairobi City Distribution network modification project. The approval was not granted since the proposed consultancy was to run up to October, 2020, which was the same period the request for approval for use of single source selection method was made to the Authority. The request was therefore declined pursuant to Section 69(2) of the Act.
 - (iii) Request for approval for use of single source selection method for conceptual design, design and build tender documentation and construction for the High level Kigoro water Treatment Plant. The approval was not granted since it was noted that the entity intended to procure the existing consultancy to undertake supervision services from November 2018 up to November 2020. The request was therefore declined pursuant to Section 69(2) of the Act.
- (d) Ministry of Petroleum and Mining (State Department for Petroleum): Request for approval to use single source selection method for consultancy services to modernize the national upstream data centre (NDC) of Kenya. The approval was not granted because the entity did not demonstrate that engaging the consultant through single source selection presents a clear advantage over competition as required by Section 124(12) of the Act.
- (e) County Government of Trans Nzoia: Request for use of single selection for procurement of consultancy services in the management and supervision of construction of proposed Kitale Multistorey Business Complex on LR.NO.2116/601, Kitale Municipality. The approval was not granted since the Contract referred had been executed.

- (f) State department for Trade and Enterprises Development: Requested for approval to use single source selection method of individual consultants to offer technical advisory services towards the negotiations for the proposed Free Trade Agreement (FTA) between Kenya and the United States of America, on 22nd January 2021. The Authority after considering the requests and the justification for use of the method, granted an approval on 1st February 2021.
- (g) County Assembly of Kisumu: Requested for approval to use quality-based selection method (QBS) on 19th January 2021. The Authority allowed the use of the QBS and advised you adhere to the provisions of Part X of both the Act and the Regulations; and in particular Section 124(7) of the Act read together with Regulation 123 of the Regulations which has set out the procedure for QBS.
- (h) Kenya Forestry Research Institute: Requested for approval to use least cost selection method 10th March, 2021, for development of ERP systems as the appropriate given that ERP systems are mainly procured from well-established firms through accredited country vendor. The Authority considered request and allowed that the procuring entity may explore use of Least Cost Selection method in subject procurement.
- (i) The Office of Attorney General and Department of Justice requested for approval to use single source selection method to procure consultancy services in respect of civil appeal application No. E163 of 2021: the Honourable Attorney General vs David Ndii & 73 others. The request was granted considering that the services were urgently needed and the matter constituted exceptional cases/circumstances.
- (j) The Office of Attorney General and Department of Justice sought the use of single source selection method for request for proposal: Legal services- Walam Energy Vs Republic of Kenya (ICSID ARB.15/7): Application for Annulment (R202000079). The request was granted considering the emergency of the matter and taking into account the experience, qualifications and exceptional worthy of the consultants to be engaged.
- (k) The Kenya Airports Authority requested for approval to use single source selection method for consultancy services. The approval was not granted as the request did not fulfil the conditions for use of single source selection method as outlined under Section 124 (12) of the Act and Regulation 129 (1) of the Regulations.

2.5.3 Request for Transfer of Procurement Responsibility

Pursuant to 52(1) of the Act, the Authority shall have power to transfer the procuring responsibility of a procuring entity to another procuring entity

or procuring agent in the event of delay or in such other circumstances as prescribed in the Regulations. Further, Section 52 (2) of the Act provides that a procuring entity can make arrangements to enable another procuring entity to carry out the procurement or part of the procurement, on its behalf subject to the approval of the governing body of the organ or entity, where applicable or upon recommendation of the Authority.

During the year, the Authority addressed the following requests for transfer of procurement responsibility:

- (a) County Assembly of Meru to transfer the procuring responsibility of the land for the construction of the speaker's residence to County Service Delivery Coordinating Unit. The request was granted.
- (b) Kenya power & Lighting Co. PLC to transfer the procurement responsibility of procuring lawyers to advise on power purchase agreements to the Office of the Attorney General. The request was granted given that the intention was consistent to the provisions of Circular Ref: AG/CONF/6/E/247VOL II issued by the Office of the Attorney General (AOG) on the engagement of private legal services by Government Ministries and State Departments.

2.5.4 Strengthening the Public Procurement and Asset Disposal Regulatory Framework

(a) Mandatory Reporting Requirements for Procuring Entities

The Authority noted that, despite the requirements of the Act and Regulations on mandatory reporting and the directives contained in the Executive Order No. 2 of 2018 and PPRA Circular No. 1/2016, most procuring entities have failed to submit the reports and to publish details of the required information as directed.

To that effect, on 22nd April, 2021, the Authority brought to the attention of all procuring entities the various reports to be submitted to the Authority as required under the Act and the Regulations,2020; and to be published in the Public Procurement Information Portal (PPIP), vide PPRA Circular No. 01/2021. The reporting formats accompanying the Circular are available in the Authority's website: www.ppra.go.ke.

(b) Insurance of Standard Tender Documents & Formats Aligned to the Public Procurement and Asset Disposal Act, 2015 and Regulations, 2020

Section 9(1)(f), 58 and 70 of the Act vest the responsibility of development and issuance of standard bid/tender documents and formats with the Authority. The Authority with technical support from GIZ reviewed, updated and developed new Standard tender documents (STDs) and Formats in

consideration of changes in the Act , the Regulations and international best practices.

Pursuant to Section 58(10) and 70(1) of the Act, it is mandatory for all procuring entities to use the standard bid/tender documents and formats in their procurement and asset disposal activities. In that regard, the Authority brought to the attention of all procuring entities the availability of the new standard bid/tender documents and formats via PPRA Circular No. 02/2021 of 22nd April, 2021. The same can be accessed from the Authority's website www.ppra.go.ke or through the link <http://ppra.go.ke/standard-tender-documents>.

(c) Roll-out of the Upgraded Public Procurement Information Portal (PPIP)

The Authority pursuant to the provisions of Sections 96(3)(a) & 138 of the Public Procurement and Asset Disposal Act,2015 and Regulations 85(2) and 131 of the Regulations 2020 and the Executive Order No. 2 of 2018 developed and rolled out the Public Procurement Information Portal (PPIP) to facilitate publication of tendering opportunities and details of all contracts awarded by procuring entities.

To ensure that the Portal (PPIP) is optimized and meets new requirements suggested by users and stakeholders, the Authority with of the support of the Public Financial Management Reforms program engaged a consultant to upgrade the Portal. The upgrade process was completed followed by a pilot phase with users from 19 procuring entities. The Authority brought to the attention of all procuring entity users the planned roll-out of the new Portal via PPRA Circular No. 03/2021 of 17th May ,2021. The Portal is available for access by all stakeholders through <https://tenders.go.ke>.

2.6 Strategic Objective 5: To Equip Persons involved in Public Procurement with Requisite Knowledge and Skills on Public Procurement and Asset Disposal

The Authority is mandated under section 9 of the Act to provide of technical support and training to procuring entities upon request. During the year, the Authority received and addressed the following requests for technical support:

Table 20: Technical Support and Trainings Offered

Source of Request	Nature of Request	Nature of Support/Status
Teachers Service Commission	Technical support in the development of a public procurement manual.	Manual reviewed and comments shared
Kenya National Highways Authority	Sensitization of Board members on the Public Procurement and Disposal Act, 2015 and Regulations, 2020.	The training was not conducted due to short of staff capacity in the Authority
Ministry of Environment and Forestry	Supported the Multi-Agency Team to develop the best methods and modalities for disposal of mature and over mature forest plantations.	Officer nominated and participated in the meetings
State Department for Trade and Enterprise Development	Request for technical assistance in the development of an online Local Content Monitoring and Management Tool to be used by all procuring entities.	A team of three officers were appointed and participated in the meetings.
Kenya National Bureau of Statistics	Training of Board of Directors and Management on public procurement and asset disposal legal framework.	Training conducted
Kenya Wildlife Service	Training of senior management team and Supply Chain Management staff on the New Public Procurement and Asset Disposal Regulations, 2020.	Training conducted
Unclaimed Financial Assets Authority	Offered support in the review and alignment of your procurement manual with the new Public Procurement and Asset Regulations 2020.	Offered support in the review and alignment of your procurement manual with the new Public Procurement and Asset Regulations 2020 from 18 th - 21 st January, 2021 Naivasha

Source of Request	Nature of Request	Nature of Support/Status
The Judiciary/Judiciary Training Institute	Facilitated training on procurement on the new Public Procurement and Asset Regulations 2020 for staff.	Facilitated training on procurement on the new Public Procurement and Asset Regulations 2020 for staff from 25 th -29 th January, 2021, Naivasha
	Facilitated training on procurement on the new Public Procurement and Asset Regulations 2020 for the management and Board Members	Facilitated training on procurement on the new Public Procurement and Asset Regulations 2020 for the management and Board Members from 1st to 5 th February, 2021, Mombasa
Numerical Machining Complex Limited	Facilitation of a session during the anti-Corruption, Money Laundering And Asset Recovery Training For Judges	Facilitated a session virtual from 27th -28th January, 2021 covering: <ul style="list-style-type: none"> • corruption in infrastructure procurement and projects • Opportunities and access to marginalized quotas in public procurement processes
Kenya Plant Health Inspectorate Service	Technical assistance in reviewing supply chain management manual.	Postponed
NG-CDF Kesses constituency	Training of Project Management Committees (PMCs) on public procurement process	Offered support in the review and alignment of your procurement procedure policy with the Act and the new Public Procurement and Asset Regulations 2020 from 26 th - 29 th January, 2021
		Training of the Project Management Committee (PMC)NG-CDF Kesses Constituency from 26 th - 29 th January, 2021

Source of Request	Nature of Request	Nature of Support/Status
Council of Governors	To participate in Validation of the 'Bidders' Guidebook - A Reference Guide for Women, Youth and PWDs	PPRA reviewed the Bidders' Guidebook - A Reference Guide for Women, Youth and PWDs and shared the comments/input with Council of Governors on 16 th February, 2021
The National Treasury and Planning - State Department for Planning	Capacity building of staff on public procurement and asset disposal procedures in the Act and Regulations, 2020.	Facilitated training on public procurement and asset disposal procedures in the Act and Regulations, 2020 for the state department staff on 5 th February, 2021, Mombasa
The Judiciary	Sensitization of staff on contract management.	Not facilitated due to prior planned programs/activities
Kenya Maritime Authority	Technical support in the development of supply chain management policy & procedures manual.	Officers nominated and supported the development of the policy and manual
Ethics and Anti-Corruption Commission	Capacity building of staff on the Act and Regulations, 2020.	Facilitated training on public procurement and asset disposal procedures in the Act and Regulations, 2020 for the Commissioners, Directors, and Heads of Departments from 22 nd -26 th February, 2021
	Training for reporting and data management officers on public procurement.	Training was conducted between 18 th and 21 st May, 2021

Source of Request	Nature of Request	Nature of Support/Status
Baringo Technical Teachers College	Training of staff & sensitization of suppliers on public procurement and asset disposal processes and procedures.	Conducted the training of staff & sensitization of suppliers on public procurement and asset disposal processes and procedures as outlined in the Act and Regulations, 2020 from 16 th - 17 th March 2021 at Baringo Technical Teachers College Kabarnet
Technical & Vocational Education Training Authority	Technical support in the review of TVET Leadership and management training manual.	Officer nominated and offered support in the review of TVET Leadership and management training manual from 15 th - 16 th February, 2021
Machakos University	Induction of Council Members on public procurement and asset disposal procedures.	Facilitated training on public procurement and asset disposal procedures in the Act and Regulations, 2020 for the Council Members on 26th February, 2021 Machakos
Commission on Administrative Justice	Technical support in the development of internal procurement and asset disposal manual.	Officers nominated and supported the development of the manual.
Women Enterprise Fund	Sensitization of staff on public procurement and asset disposal procedures and processes.	Postponed
Commission for University Education	Capacity building and training of middle-level members of staff on procurement and asset disposal procedures.	Conducted training on public procurement and asset disposal Act 2015 and Public Procurement and Asset Regulations 2020 for Middle-Level Management staff on 24 th February, 2021 at Maasai Technical Institute Kajiado

Source of Request	Nature of Request	Nature of Support/Status
County Assembly of Machakos	Training of County Assembly Service Board members and heads of departments on procurement and asset disposal procedures and processes.	Conducted training on Act and contract management on 4 th March, 2021 Mombasa
Office of the Auditor General	Training of staff on the Act and Regulations, 2020.	Conducted training on and Regulations, 2020 from 7 th to 9 th June 2021 at Maazoni Lodge.
		Conducted training on and Regulations, 2020 from 21 st to 23 rd June 2021 at Maazoni Lodge.
County Assembly Forum (CAF)	Facilitation of a session during the forum on Straighting Intra-Governmental Relations in Samburu County.	Training conducted
Kenya National Bureau of Statistics	Facilitation during a validation workshop on Gender Statistics.	participated in validation of Gender Statistics in the economic survey from 8 th -12 th March, 2021at Machakos
Public procurement Regulatory Board Communication and Strategy Committee	Training on the Public Procurement and Asset Disposal Law	PPRA officers facilitated training on public procurement and asset disposal procedures in the Act and Regulations, 2020 for the Communication and Strategy Committee from 17 th -19 th March, 2021at Nairobi
British Chamber of Commerce	Facilitation of a session during a forum on Public-Private Dialogue on Business Integrity.	Participated in the Public-Private Dialogue on Business Integrity and facilitated a session updates on the Public Procurement and Asset Disposal System In Kenya: Status of the Act and Updates on 23 rd March, 2021 Nairobi

Source of Request	Nature of Request	Nature of Support/Status
Kenya Medical Supplies Authority	Board induction on Public Procurement and Asset Disposal Act, 2015 and the Regulations, 2020	Training conducted on 18 th May, 2021
County Government of Laikipia	Training of staff on the Public Procurement and Asset Disposal Act, 2015 and the Regulations, 2020	The training was not offered due to constraints with manpower.
Communication Authority of Kenya	Training of staff on the new standard bid/ tender documents	Training to be conducted between 12 th and 16 th July 2021
Energy & Petroleum Regulatory Authority	Sensitization workshop on access to government procurement opportunities (AGPO)	The training was not conducted due to short of staff capacity in the Authority
Kenya Electricity Generating Company PLC	In-house training Public Procurement and Asset Disposal Act, 2015 and the Regulations, 2020	Training conducted virtually on 4 th May 2021
Agriculture and Food Authority	Request for a resource person for training on annual procurement planning and budgeting in line with public procurement and asset disposal Regulations 2020	Training conducted on 24 th June 2021
National Hospital Insurance Fund	Induction of the new chairperson on Public Procurement and Asset Disposal Act, 2015 and the Regulations, 2020	The request was not actioned as it was received late.

2.7 Strategic Objective 6: To Leverage and Enhance Partnerships and Collaborations with Stakeholders

(a) Sensitization of Procuring Entities on the Code of Ethics for Persons Participating in Public Procurement and Asset Disposal System

The Authority developed and issued a Code of Ethics (the Code) for persons participating in public procurement and asset disposal proceedings in May, 2019, pursuant to Section 181 of the Act. During the quarter under review, the Authority in collaboration with the Competition Authority of Kenya (CAK)

convened sensitization sessions on competition law and Code of Ethics in six counties of Lamu, Marsabit, Mandera, Wajir, Busia and Elgeyo Marakwet, in February and March 2021. The engagement targeted County Executive Committee Members, Chief Officers, directors and deputy directors as well as the county staff involved in the public procurement and asset disposal processes.

(b) Sensitization of Counties on the Public Procurement and Asset Disposal Regulations, 2020

During the year, the National Treasury with the support of the World Bank convened sessions for training of County Governments on the Act and Regulations, 2020. The Authority being a key institution in public procurement and asset disposal system, participated in the sessions. The training sessions covered 12 counties in the first phase, between March and April, 2021 targeting all persons involved in public procurement and asset disposal processes.

The second phase of training of County Governments on the Act and Regulations, 2020 was conducted between May and June, 2021 covering 30 counties. The training sessions targeted all persons involved in public procurement and asset disposal processes, where approximately 2,400 participants were trained.

2.8 Public Procurement Administrative Review Mechanism

The Act has provided for a mechanism through which bidders who are not satisfied with the decisions made by procuring entities on subject procurements may lodge an appeal or a request for review of such processes. The Procurement Administrative Review Board (Review Board) is established under Section 27 of the Act, to review, hear and determine tendering and asset disposal appeals/ disputes. The Authority is mandated to provide secretariat and administrative services to the Review Board.

The Review Board is established to promote and uphold fairness, equitability, transparency, competitiveness and cost-effectiveness in the public procurement and asset disposal system through judicious, expeditious and impartial adjudication of matters arising from disputed procurement and asset disposal proceedings in order to increase accountability and public confidence.

The Review Board's objective is to determine tendering and asset disposal disputes arising from candidates and/or tenderers who claim to have suffered or risk suffering, loss or damage due to the breach of a duty imposed on a procuring entity by the Public Procurement Legal and Regulatory framework.

2.8.1 Requests for Review Lodged

During the year, the Review Board presided over 166 appeals/cases, where most of the cases were lodged in the fourth quarter. Of the 166 cases, 106 (64%) were successful (determined in favour of the applicant), and 15 (9%) of the cases were withdrawn, as presented in the table below.

Table 21: Status of Cases Lodged within the Year by Quarter

Quarter	Request for Reviews Lodged	No. of Successful Cases	No. of Unsuccessful Cases	No. of Cases Withdrawn
Q1	39	19	13	7
Q2	31	23	6	2
Q3	42	30	10	2
Q4	54	34	16	4
Total	166	106	45	15
Percent	100%	64%	27%	9%

The Review Board delivered all the decisions within the prescribed period of 21 days. In addition, the decisions rendered were signed, shared with the parties, and uploaded on the Authority's website: www.ppra.go.ke for reference by stakeholders.

2.8.2 Decisions Referred for Judicial Review

The parties to the review process have a right to challenge the decisions of the Review Board at the High Court. During the year, 21 decisions of the Review Board were referred for judicial review at the High Court.

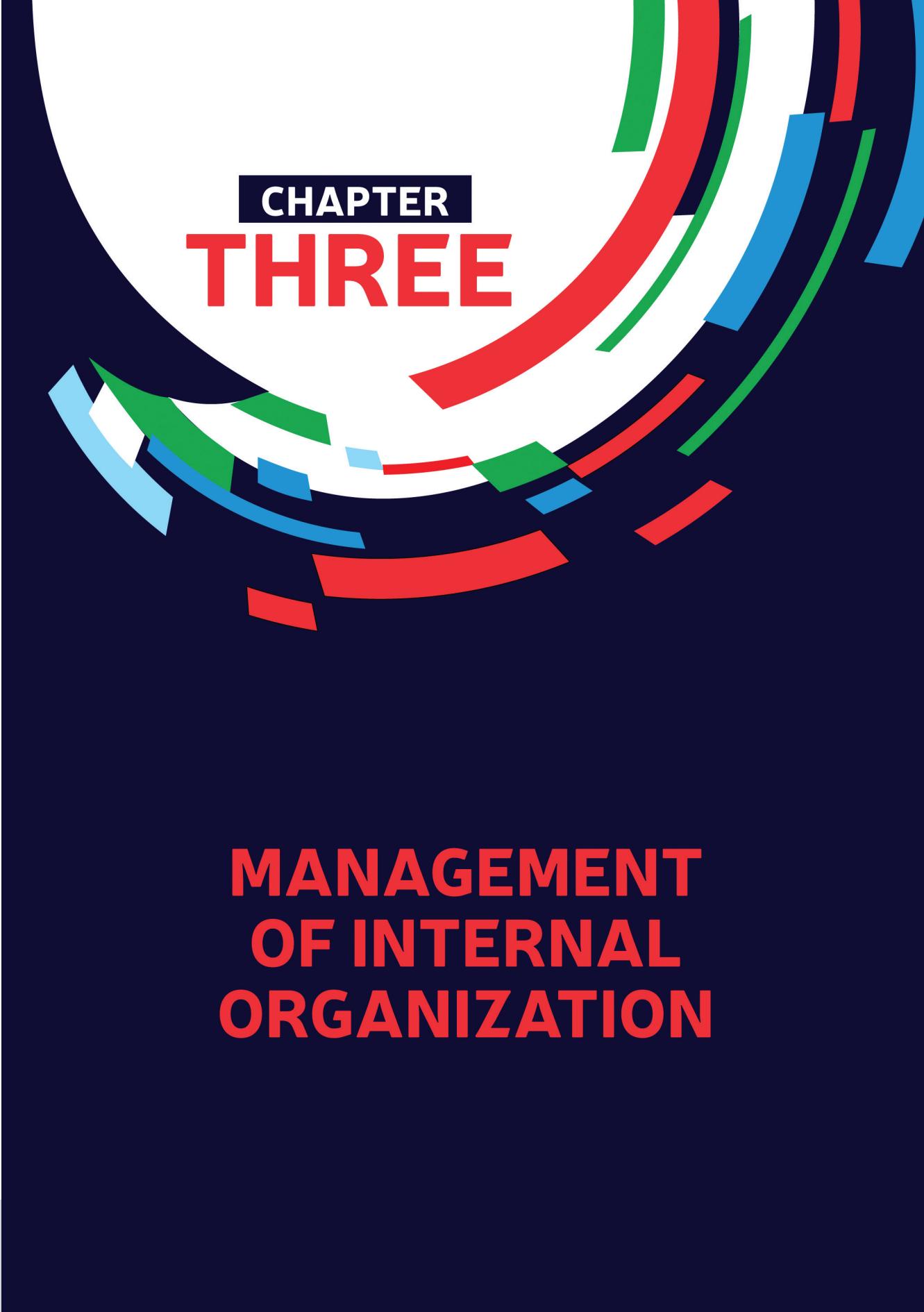
The Review Board ensured that for all cases that were referred for Judicial Review at the High Court, necessary documents and the draft affidavits were submitted to the State Law Office; including instructions to the Attorney-General to represent the Board in Court.

2.8.3 Embedded Legal Researchers at the ARB

The ARB benefitted from the sponsorship by the International Development Law Organisation (IDLO) of two (2) embedded Legal Researchers who assisted the Review Board in undertaking Legal Research on decisions rendered, and also in drafting Replying Affidavits on Judicial Review cases affecting the Review Board. The contracts of the two personnel lapsed at the end of the period in review, after serving for two and a half (30 months) years.

2.8.4 Development of electronic Administrative Review Management System

The development of an electronic Administrative Review management system was progressed in the course of the year. The identified consultant (provider) held several demonstrations of the dummy system to the Secretariat staff. The system began to be utilised by mostly the Secretariat by having the cases handled by the Board input into the online system.



CHAPTER **THREE**

MANAGEMENT OF INTERNAL ORGANIZATION

3.1 Corporate Services and Legal

(a) Publicity and Awareness Creation

During the year, the Authority run a supplementary feature in the Daily Nation dated 23rd December 2020 with a view to highlight its mandate, collaborations and other key aspects in its delivery of services. The article gave more emphasis on how the Authority has continued to deliver its mandate amid the covid-19 pandemic. The major tenets of the Regulations, 2020 were highlighted in the question-and-answer section of the article. Also, the code of ethics for persons participating in public procurement and asset disposal activities in Kenya was published.

The Authority also partnered with Nation Media Group during the SME conference and expo that took place on 18th to 20th March 2021 at KICC. The theme of this event was SME resilience, recovery and sustainability. This partnership opportunity enabled the Authority to benefit on the following: -

- Opportunity to take part in the first panel discussion in which the Acting Director General presented on the topic "Mechanisms in place in National and County Governments inclusion of private sector in doing business - SMEs doing business with Government". This discussion was Aired Live on Nation TV.
- Placement of two (2) half page adverts that appeared in the SMEs pull-out in Daily Nation and Business daily dated 18th and 19th March 2021 respectively. Through the adverts, the Authority publicised the mandatory requirements by public entities in line with the PPADA, 2015 and attendant regulations, 2020.
- The Authority participated in the three-day exhibition and showcased its services to the members of public. The Public Procurement Information Portal (PPIP) and launch documentary were also run at the stand.
- Placement of the Authorities logo across all media promos and pull-out which included TV adverts and Nation Media's website.

In addition, the Authority also run two adverts on issuance of standard tender documents and roll-out of the upgraded Public Procurement Information Portal, with an aim of promoting its mandate and update its stakeholders on new developments.

(b) Corporate Communications

The website continued to be a major hub of information to the public. The following table below indicates the most visited pages and most downloaded documents during the year.

Table 22: Most Visited Menus in the Authority's Website

Menu	Pageviews	Unique Pageviews
Homepage - http://ppra.go.ke/	77,981	57,859
PPADA Act - http://ppra.go.ke /ppda/	60,821	51,476
Standard tender documents - http://ppra.go.ke /standard-tender-documents/	25,329	20,287
AGPO - http://ppra.go.ke /agpo/	20,491	12,830
Regulations 2020 downloads - http://ppra.go.ke /download/the-public-procurement-and-asset-disposal-regulations-2020/	19,356	16,833
Tenders - http://ppra.go.ke /category/tenders/	12,880	9,419
Market price Index - http://ppra.go.ke /market-price-index/	12,658	9,997
Regulations - http://ppra.go.ke /regulations/	11,572	9,918
About us - http://ppra.go.ke /about-us/	9,939	7,751
Circulars - http://ppra.go.ke /circulars/	9,108	7,121
TOTAL	351,486	277,927

Table 23: Most Downloaded Documents

Document	Downloads
Public Procurement and Asset Disposal Act 2015	92,515
Public Procurement and Asset Disposal Act Revised Edition 2016	70,321
The Public Procurement and Asset Disposal Regulations, 2020	28,628
AGPO List as at 17th September 2019	15,724
Finance Act No. 15 of 2017	11,537
AGPO List as at 10th November 2017	8,536
Market Price Index - September 2019	6,278
MPI March 2020	5,667
Market Price Index March 2020	4,849
Market Price Index March 2019	4,758

(c) Customer service

During the year, the Authority continued to sensitize staff on service delivery charter, which was cascaded to all staff with the commitments grouped according to the departments responsible for providing the specific service(s). Members of staff were reminded of the specific service requirements to customers in their day-to-day delivery of service. The Authority also sensitised

the Access to Government Procurement Opportunities (AGPO) suppliers on its citizens' delivery charter through a virtual sensitisation workshop that was held on 25th March, 2021. The Authority did not undertake a customer satisfaction survey during the financial year due to financial constraints.

(d) Corporate Social Responsibility

In line with the Presidential directive on "inclusion of tree planting in Corporate Social Responsibilities activities", the Authority partnered with Kenya Forest Service and adopted one (1) hectare of degraded forest area in Kimondi Forest, Nandi County. The partnership involves establishment, protection and maintenance of the adopted forest for three years. During the year, the Authority participated by engaging in a tree planting activity that took place on 29th June, 2021.

(e) Legal affairs

During the year, the Authority handled 14 court case matters. Eight of them were filed in the Judicial Review Court, four in the Constitutional Petition Court, one in the Civil Division Court and one being a mediation matter. One judgment has been issued in favour of the Authority, while two judgments were awaiting delivery, and all other cases were ongoing matters.

(f) Complaints against the Authority and Access to Information

The Authority continued to positively address customers' feedback and requests to access information. During the year, seven complaints against the Authority were received and resolved. The most recurring complaint was on the standard tender documents that had been posted on the Authority's website whereby customers complained that they were poorly formatted. The error in the documents has since been corrected and the revisions shared with the stakeholders.

During the year, the Authority received 47 requests for information were received and provided as necessary. The requests for information were mainly derived on Administrative Review Board cases and advisory services. Subsequently, the reports on complaints and access to information were submitted to the Commission on Administrative Justice (CAJ), whereby the Authority attained a composite score of 98%.

3.2 Internal Controls and Risk Management

The Internal Audit function exists to provide reasonable assurance and consultancy services in order to add value as well as improve the Authority's

operations and internal control systems. The department assists the Authority to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

To ensure the independence and objectivity of the Internal Audit function, the department reports functionally to the Public Procurement Regulatory Board's Audit Committee (hereinafter referred to as 'the Audit Committee') and administratively to the Director General.

(a) Quality Assurance

During the year, the Internal Audit function undertook and completed a number of reviews on various systems within the Authority. Reports were shared with management with recommendations for implementation. Unresolved issues were escalated to the Audit Committee for consideration and eventually to the Full Board in which resolutions were made.

(b) Audit, Risk and Governance Committee of the Board

The Audit Committee forms a key element in the governance process by providing oversight of financial reporting, governance, internal controls and risk management. The Audit Committee assists the Board in fulfilling its statutory and fiduciary oversight responsibilities relating to governance, accountability, risk management and transparency to the Authority and its stakeholders. During the year, the Audit Committee held a number of activities as indicated below;

(i) Ordinary Committee Meetings: the Audit Committee held three ordinary committee meetings on the following dates; 23rd September, 2020; 11th January, 2021; and 7th April, 2021. Some of the issues deliberated on by the Audit Committee during the meetings included;

- Review of the Audit Committee's Work plan and Budget for the 2020/2021 Financial Year;
- Review of the Internal Audit Work plan, budget and training needs for the 2020/2021 Financial Year;
- Review of the internal audit report(s) on the Authority's financial transactions;
- Status of implementation of the outstanding audit issues;
- Consideration of the appeals made by management on the committee's report on outstanding audit issues;
- The status of absorption of the PPRA's budget for the 2020/2021 Financial Year;

- Reports of the trainings attended by the Audit Committee;
- Review of the continuous payroll audit report; and
- Periodic review of the internal audit function's activities during the year.

(ii) Audit Committee Training

For the Audit Committee to effectively discharge its mandate there's need for the committee members to continuously upgrade their knowledge and skills. During the year, the Audit Committee undertook two trainings as follows;

- **Joint training of the Audit, Risk & Governance Committee and the Finance and Administration Committee of the Board**

The Audit, Risk and Governance Committee and the Finance and Administration (F&AC) Committee of the Board held a joint virtual training between Wednesday, 27th to Friday, 29th January, 2021. The training was motivated by the fact that there was need for the various parties (that is management, Internal audit, Audit Committee and F&AC) to understand their various roles in the preparation and presentation of the financial statements as well as appreciate issues relating to risk management and business continuity. The training was conducted by the Institute of Certified Public Accountants of Kenya (ICPAK). A total of seventeen (17) participants took part in the training.

- **Effective Board Audit Committee Oversight Training**

Joint training for the full Board and Management held virtually on 3rd - 4th June, 2021. The training was facilitated by the Institute of Internal Auditors, Kenya. A total of 24 participants drawn from the Board and management took part in the training. The training introduced the participants to a wide range of issues that are critical in understanding the oversight role of the audit committee, the functioning of the internal audit function, business continuity and the management of risks in the changing business environment.

- **Conducting a Fraud Corruption Prevention Health Check-up Workshop**

This workshop was held virtually on 24th - 25th June, 2021. The workshop was facilitated by the Association of Certified Fraud Examiners, Kenya Chapter. The main objective of the workshop was to equip management and the board members with knowledge and skills to help them identify the fraud/corruption prevention and detection gaps in the Authority and enable to seal the loopholes and avoid huge losses due to fraud/corruption.

This was a practical course that enabled participants conduct a self-assessment of the Authority and made recommendations on how to fix the fraud/corruption prevention exposure gaps identified during the fraud health check-up.

(c) Risk Management

Risk management is an integral part of the Authority's strategic management. Risk is the potentiality that expected and unexpected events may have an adverse impact on the achievement of the Authority's objectives. Risk management aims at identifying, measuring and mitigating various risks that are intrinsic as well as extrinsic. The Regulatory Board and management realized the centrality of risk management in the Authority and have continuously advocated for an overarching risk management culture in strategy formulation and implementation.

The Authority has identified a number of key risks that are likely to impede the implementation of its objectives. Strategies to mitigate the identified risks have been mapped out and an implementation action plan developed. The key risks facing the Authority and the mitigation measures being implemented include:-

(i) Inadequate office space at the Head Office

The leased office space at the National Bank building, Nairobi that houses PPRA's headquarters is inadequate to accommodate the staff complement of the Authority and the operations of the Public Procurement Administrative Review Board. This challenge has adversely impacted on the health and safety of the workforce, security of records and the needs of the growing number of staff arising from the expanded mandate of the Authority. The Authority with the support of the National Treasury has made progress towards acquisition of adequate office space at Kenya Institute of Supplies Management (KISM) Towers along Ngong Road in Nairobi.

(ii) Corona virus (COVID - 19) Pandemic

The Corona Virus (COVID-19) pandemic outbreak in Kenya in the month of March 2020 has had an impact on the activities of the Authority. The Authority has put in place measures to mitigate the effects of the virus both to its staff as well as the stakeholders as guided by the directives issued by the Government from time to time.

(iii) Compliance Audit Risk

This is the likelihood that the Authority will not manage to provide assurance on most of the procurement activities carried out in procuring entities that are within the purview of the Authority. The mitigation measures for compliance audit risk being explored by the Authority include: acquisition of supervisory rights to Procure to Pay (P2P) module of the IFMIS system, strengthening the capacity of technical functions, collaborations with other law enforcement agencies, benchmarking with other procurement regulators within the region

and internationally, and the development and operationalization of ICT based monitoring & evaluation systems.

(iv) Inadequate Funding

The Authority continues to face the challenge of limited funds to deliver on its mandate. The mitigation measures undertaken include: prudent financial management, collaboration with development partners, implementation of the internal revenue generation strategies, and lobbying for additional government funding.

(v) Loss of Authority's and clients' records

The mitigation measures being explored and/or implemented include: frequent trainings of staff on records and information management, development of business continuity plans, recruitment of a records management officer, development and implementation of a records management policy, IT innovations, acquisition of adequate secure and convenient storage facilities, and development and operationalization of the ICT Policy.

(vi) Reputational risks

Reputation risk is the potential for negative publicity, public perception or occurrence of uncontrollable events that may have an adverse impact on the Authority's reputation thereby impacting on the achievement of its mandate.

The mitigation strategies being explored include; having a clear understanding of the Authority's mandate amongst the internal & external stakeholders, review of service charter and sharing it with all the stakeholders, rebranding, implementation of customer feedback, signing MOUs with strategic stakeholders, communicating and enforcing the Authority's Code of Conduct and Ethics, and development and implementation of the Anti- Corruption and Whistle blowing Policy.

(vii) Litigation risks

The mitigation strategies include: strengthening of the Authority's legal capacity, acquisition of professional indemnity insurance, promotion of amicable settlement of matters, and having a robust Complaints Management System and Case Management System for the Public Procurement Administrative Review Board.

(viii) Occupational Safety, Health and Environmental risks

These are risks arising from the negative exposures in relation to safety, health and other environmental factors at the workplace. The mitigation strategies being explored / implemented include: general cleaning and hygiene, fumigation,

social distancing, strengthening the Authority's security systems, staff training on safety and security matters, and having in place medical insurance and other related covers.

(ix) Corruption risk

The 17th Cycle Performance Contracting Guidelines has an indicator on corruption prevention. This performance indicator aims to combat and prevent corruption and unethical practices and promote standards and best practices in governance amongst public institutions in Kenya. As a mitigation measure, the Authority has developed the Corruption Prevention Plan and the Corruption Mitigation strategies in areas specified by the Guidelines. These areas include; Core Mandate of the Authority; Information Communication Technology; Payroll Management; and Procurement and Financial Management. The Authority has been making quarterly returns on the progress of implementation of the mitigation strategies to the Ethics and Anti-Corruption Commission.

3.3 ICT Support Services

The Authority continued to embrace and enhance the innovative use of ICT products and services to support its core mandate as well as its administrative processes. During the year, the Authority increased automation of its business operations through enhancement of the Public Procurement Information Portal (PPIP) to enable procuring entities submit mandatory reports required by the Act and Regulations. The Authority also leveraged on emerging technologies in its operations to ensure business continuity during the corona virus pandemic in compliance with Government directives. The key projects undertaken include:

(a) Upgrade of PPRA Server infrastructure & Implementation of a Disaster Recovery (DR) Site

The Authority commence the process of improving the capacity, resilience and security of its server infrastructure by acquiring additional servers and server storage as well as implementing a disaster recovery site. This will reduce downtimes and enhance the availability of newly rolled out systems whose data processing, storage and security demands have continued to rise. By the end of the year, procurement process for supply of new servers had been concluded, awaiting contract signing. The system will be implemented in the first quarter of the next financial year.

(b) Upgrade of the Public Procurement Information Portal (PPIP) - <http://tenders.go.ke>

The Executive Order No. 2 of 2018 (EO) requires all Public Procuring Entities to maintain and continuously update and publicize details of procurement

information and contracts awards. The Public Procurement Information Portal (PPIP) was developed to enable public procuring entities comply with the Executive Order through publication of the required information on public procurement.

During the year, the Authority upgraded and successfully rolled out the upgraded portal. All PEs were migrated to the new portal with enhanced features and functionalities. The Authority had also planned for capacity building and training to all PEs on the new portal which was however affected by the Covid-19 restrictions. PEs are however, continually being supported through telephone, email and other channels such as remote desktop connections. It is expected that there will be higher uptake and usage of the portal with the enhancements that were done.

(c) Automation of the Administrative Review Board Operations

The Authority has rolled out an electronic Administrative Review Case Management system (eARCMS). This system automates the operations on the Administrative Review Board, key among including Application filing, Receipt and Registration of Appeal, Notification of Request for Review, Case analysis, Review Hearing Management, Adjournment, Decision writing, and Communication of the Board's Decision. This system will enable the Secretariat and the Board improve their operational performance.

At the end of the year, the internal pilot roll-out of the system was completed and all cases for the current financial year captured in the system. All incoming cases are currently captured and processed through the system. The system is available online and is accessible through the link arcms.ppra.go.ke. The public launch is expected early in the next financial year.

(d) Automation of the Complaints Management

The Authority rolled out an online Case Management System (CMS). This system automates the Authority's Complaints Handling process of the Complaints and Investigations Department. The system allows members of the public to lodge their complaints against Procuring Entities through the online platform and be able to track the status of processing of their complaints without having to come to the Authority's premises.

As at the end of the year, the internal pilot roll-out of the system was completed and all incoming complaints captured and processed through the system. The system was also made available online and is accessible through the link cms.ppra.go.ke. The public launch is expected early in the next financial year.

3.4 Procurement Operations

(a) Procurement Planning

During the 2020/2021 financial year, the Authority planned to spend Kes. 41,800,000.00 for procurement of goods, works and services. The Authority therefore reserved Kes. 12,540,000 of its procurement budgets for the disadvantaged groups (women, youth and Persons with Disabilities (PWDs)); representing 30% of the total planned procurement budget. Of the 30% reserved procurement budget, Kes. 250,800.00 (being 2% of this budget) was reserved for PWDs.

(b) Compliance with Mandatory Reporting Requirements

During the quarter, the Authority filed mandatory reports that were due in the quarterly as required under the Act. The Authority did not undertake any procurements to facilitate advertising in the Public Procurement Information Portal (PPIP).

(c) Access to Government Procurement Opportunities (AGPO)

During the year, the Authority awarded 43 contracts worth Kes. 11,057,881.84 to the firms owned by youth, women and PWDs. This present a shortfall of Kes 1,482,145.16 against the reserved budget of Kes 12,540,000 to the target groups translating utilization level of 88.2%. The disaggregation of the number and value of contracts is presented in the table below.

Table 24: Distribution of Number and Value of Contracts by Target Groups

Category	No. of Contracts	Value of Contracts (Kes)
PWD	5	1,060,858
Women	24	8,136,290
Youth	13	1,860,733.84
Total	43	11,057,881.84

3.5 Human Resource Management and Administration

Human resource plays a major role in the success of the Authority given that the Authority is a service organization. The Authority continues to invest in employee related matters on areas of recruitment, training and development, employee compensation, welfare schemes administration, transport and security/safety compliance.

(a) Staff Establishment

During the year, the Authority had an approved staff establishment of 115 with a total in-post of 71. A summary of the number of employees that were in the Authority and their positioning is presented in the table below.

Table 25: Summary of Number and Positioning of Employees in the Authority

Position	Grade	No of Employee		Total
		Male	Female	
Management	1-3	9	2	11
Technical experts	4-8	32	17	49
Support Cadres	9-12	7	4	11
Total		48	23	71

The Authority maintained a fair balance with the majority of the employees being technical experts and a few being in management and support cadres. In addition, of the 71 employees, 60 are stationed at the head office, four (4) each at Kisumu and Mombasa regional offices and three (3) at the Eldoret regional office. one officer is still seconded to the National Treasury and Planning.

During the year, the Director General and the General Manager Technical Services exited the Authority. The Director General exited after end of his contract while the General Manager Technical Services exited after attaining the Mandatory retirement age. The Board appointed the persons holding the position of Manager Compliance and Manager Administrative Review Board (ARB) to act in the positions of Director General and the General Manager Technical Services respectively; and other staff to hold acting appointments to positions of Manager Compliance, Manager ARB and Manager ICT. Over the same period, the Board started the recruitment process to fill the positions of Director General, General Manager-Technical Services and Manager ICT. The processes had not been completed by the end of the year.

(b) Staff Development

In order to strengthen employee skills and improve individual and organizational performance, the Authority during the year supported staff trainings and participation in the following areas:

- (a) Senior Management Course
- (b) Conducting fraud/ corruption prevention health check-up workshop
- (c) Compliance reviews and audits
- (d) Internal audit

- (e) ISMS awareness training
- (f) ISO- QMS Lead Auditors Training
- (g) Road safety Mainstreaming
- (h) Defensive and First Aid Course
- (i) Gender Mainstreaming
- (j) Disability Mainstreaming
- (k) Alcohol and drug abuse mainstreaming
- (l) HIV & AIDS prevention
- (m) Defensive driving trainings
- (n) Microsoft Navision ERP self-service training

(c) Staff Welfare

The Authority provided support and conducive working environment and facilities, adequate transport management, security, medical and general insurances. This was aimed at enhancing employee satisfaction. The Authority facilitated the trustees to execute their responsibilities of managing the Public Procurement Oversight Authority Staff Pension Scheme (PPOASPS).

The Authority also provided support and conducive working environment and facilities, adequate transport management, security, medical and general insurances. This was aimed at enhancing employee satisfaction. Through a procurement process, the Authority entered into a new contract for provision of medical cover to Board members and staff with Jubilee Health Insurance Limited. The contract is for two years effective 19th January 2021. The new scheme has improved benefits with improvements on the overall limits on outpatients and enhancement of the sublimit in the in-patient cover. The cover also caters for COVID-19 and related complications.

(d) Public Service Internship Programme (PSIP)

During the year, the Authority received nine interns from the Public Service Commission under the PSIP programme cohort 3. The interns were deployed to various departments. The 12 interns who had been deployed to the Authority under PSIP cohort 2 successfully completed their contract term.

(e) Performance Contracting and Evaluation

The Authority implemented a results-based performance management system and implemented the annual performance contract for 2020-2021.

(f) COVID-19 Pandemic

The Authority continued to put measures to facilitate staff and customers are protected from COVID -19. This in with the work place guidelines on Covid-19 as stipulated in circular from the executive office of the president Head of the Public Service. Ref OP/CAB.26/1/3A dated 20th July, 2020. In March 2021 some cases on Covid-19 were detected in the Authority and arising from this KEMRI was invited to conduct COVID-19 tests to the Head office staff, interns and staff of service providers. The head office was also closed for two weeks effective 29th March 2021. The staff who had tested positive proceeded on self-isolation and they resumed duty once they tested negative.

(g) Review and development of Human Resource Instruments

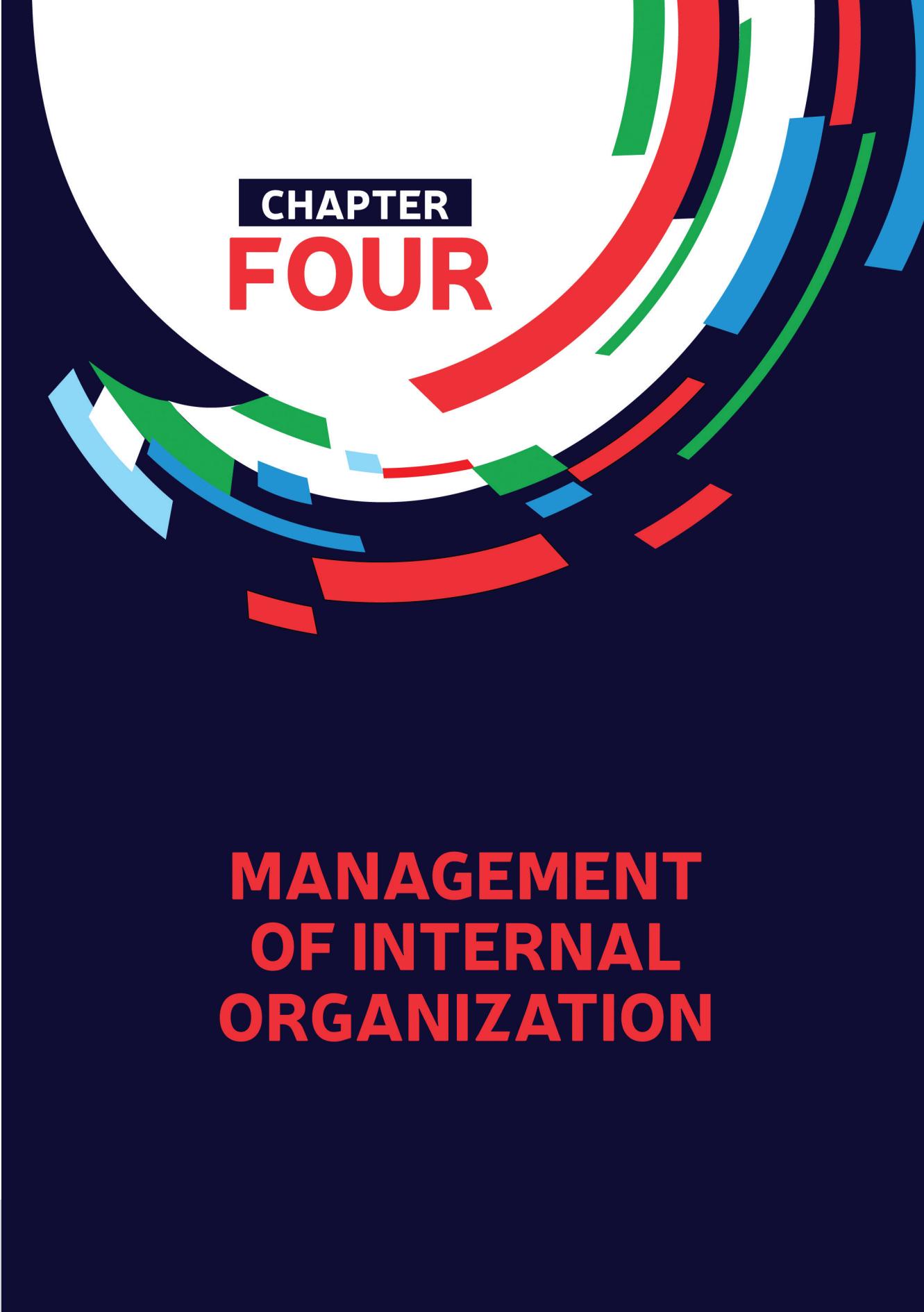
The Authority carried out a development and review of the existing Human Resource instruments in quarter two. The instruments were the Organization structure, Career progression guidelines and Human resource Policy and Procedures manual. The documents were submitted for approval to the National Treasury. In the fourth quarter the National Treasury returned the documents to the Authority with recommendations to make some amendments. The proposals from the National Treasury were taken on board and the document resubmitted to the National Treasury to review and forward to the State Corporations Advisory Committee (SCAC).

(h) Operationalisation of Nakuru Regional office

During the year, the Authority operationalised the Nakuru regional office by posting staff. The office is now fully operational to serve stakeholders within the central rift valley region.

(i) Acquisition of office space for the Head office

During the year the National Treasury facilitated allocation of office space to the Authority at KISM Towers, along Ngong Road. This will host the Authority's head office. The Authority is seeking additional funding to undertake partitioning works to allow occupation.



CHAPTER FOUR

MANAGEMENT OF INTERNAL ORGANIZATION

4.1 Conclusion

During the period under review the Authority continued to strengthen systems and processes aimed at realization of an effective and efficient public procurement system. The major activities of the year included compliance monitoring in terms of review of mandatory reports submitted by procuring entities, procurement reviews, assessments, follow ups and contract audits. The others include complaints management, investigations, research and information management and strengthening of internal organization capacity to undertake the regulatory functions.

On compliance monitoring activities, the average compliance level was 55.4% which indicates average compliance with the Legal and Regulatory Framework. This presents an improvement of 25% down from 44.32% registered during the previous 2019/2020 financial year. Some of the weaknesses identified included; most of the PEs not having internal procurement and asset disposal manuals; failed to maintain complete procurement and contract files as envisaged by Regulation 34(2) of the Public Procurement and Disposal Regulations, 2006 and the Public Procurement Records Management Procedures Manual (2010); failure by Accounting Officers to appoint Disposal Committees as envisaged by Section 163 of the Act and Regulation 177 despite having asset that were not being used/obsolete asset /inactive Disposal Committees leading to accumulation of obsolete/unserviceable assets; heads of procurement functions failed to prepare monthly progress reports on all contracts to update the Accounting Officers on the implementation of contracts; and most of the PEs failed to publicize contract awards and submit the same to the Authority as prescribed.

On complaints management, most of the complaints received by the Authority were on flaws in tender evaluation and specifications developed; delayed payments; allegations of corruption during procurement proceedings, and request for a review of procurement processes. On the other hand, the major areas of request for clarifications on the Act were on contract variations and amendments where entities sought to extend contracts owing to delays in finalizing fresh procurement proceedings; clarifications on choice of procurement methods including seeking of the Authority's concurrence on the entities' preferred method especially use of direct procurement method and seeking of guidance on termination of procurement proceedings after issuance of letters of notification of award.

The Authority issued the entities with advice on corrective measures to be implemented in order to mitigate the risks associated with the identified challenges. In addition, the Authority continued to offer technical support to

the procuring entities to ensure that they complied with the law and directives. The actions of the Authority during the year were limited by the challenges, including inadequate budgetary provision. The Authority looks forward to cooperation and support from the stakeholders to facilitate realization of the mandate and aspirations detailed in the Strategic Plan in the coming financial year.

4.2 Challenges Faced by the Authority

During the year under review, the authority faced a number of challenges that constrained realization of the planned activities for the year and as detailed in the strategic plan (2018/2019 – 2022/2023). These include:

- (a) Financial constraints that saw most of the planned activities such as sensitization of users on the new standard tender documents and formats not being implemented as planned. This has major implications as the Authority was not able to meet its regulatory, statutory obligations and stakeholder expectations.
- (b) Inadequate institutional capacity in terms of human resource numbers and multidisciplinary competencies required to effectively implement the expanded mandate of the Authority.
- (c) The COVID-19 pandemic, which affected implementation of the activities planned for the last two quarters of the financial year in compliance with the Government directives. The Authority requires additional funding for recruitment of personnel to the approved establishment.
- (d) Some procuring entities have continued to fail to submit mandatory reports as prescribed. This has denied the Government and stakeholders' valuable data for informed decision making on public procurement. This includes ignoring the Presidential Executive Order No. 2 of 2018.
- (e) Delayed Operationalization of the Capacity building levy: The Authority has not been able to meet the stakeholder needs for capacity development due to constraints in funding which had been targeted once the levy was operationalized.

4.3 Recommendations to Stakeholders

Based on the findings and experience from the regulatory activities implemented, the Authority recommends that:

1. The National Treasury should allocate adequate resources to the Authority to strengthen delivery of its mandate owing to the importance of ensuring

efficiency and effectiveness in the public procurement and asset disposal system. A well-funded regulator has the capacity of minimizing malpractices currently experienced in the public procurement system and immensely contributing to the fight against corruption.

2. The Accounting Officers should uphold compliance with the provisions of the Act while undertaking procurement and asset disposal proceedings.
3. The Accounting Officers should submit mandatory reports to the Authority as prescribed as well as publish in the Public Procurement Information Portal (PPIP) in accordance with the provisions of the Executive Order No. 2 of 2018;
4. The Accounting Officers should strengthen records and inventory management systems within their entities, to ensure continuity in procurement and contract records management.
5. The Accounting Officers should continuously professionalize and build capacity of their staff on the Public Procurement Law and other relevant requirements, and
6. The Accounting Officers should promptly pay suppliers and contractors within the stipulated contractual requirements.



CHAPTER

FIVE

FINANCIAL STATEMENTS

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the Authority's affairs.

Principal activities

The principal activities of the Authority are outlined on page 3 of this report.

Results

The results of the Authority for the year ended June 30, 2021 and accompanying notes are set out on pages 55 to 85.

Directors

The members of the Public Procurement Regulatory Board who served during the year are shown on pages 8 to 12 while members of the Public Procurement Administrative Review Board who served during the year are shown on pages 13 to 19.

Dividends/Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Authority did not make any surplus during the year under review and hence no remittance to the Consolidated Fund.

Auditors

The Auditor General is responsible for the statutory audit of the Authority in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



**Corporation Secretary
Nairobi**

Date:30/5/2022

STATEMENT OF DIRECTORS' RESPONSIBILITY

Section 81 of the Public Finance Management Act, 2012 and Section 25 of the Public Procurement and Asset Disposal Act, 2015 require the Directors to prepare financial statements in respect of PPRA, which give a true and fair view of the state of affairs of the Authority at the end of the financial year/period and the operating results for that year/period. The Directors are also required to ensure that PPRA keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Directors are also responsible for safeguarding the assets of the Authority.

The Directors are responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of its state of affairs for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Authority; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Authority; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Public Procurement and Asset Disposal Act 2015. The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of its transactions during the financial year ended June 30, 2021, and of the financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Authority's financial statements were approved by the Board on 15th September 2021 and signed on its behalf by:



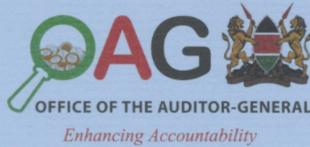
Director



Director

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON PUBLIC PROCUREMENT REGULATORY AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Public Procurement Regulatory Authority set out on pages 115 to 142, which comprise of the statement of financial position

Report of the Auditor-General on Public Procurement Regulatory Authority for the year ended 30 June, 2021

as at 30 June, 2021, the statement of financial performance, statement of changes in net assets, statement of cash flows, the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Public Procurement Regulatory Authority as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Procurement and Assets Disposal Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Board Expenses

1.1 Unsupported Board Expenses

The statement of financial performance reflects board expenses amounting to Kshs.46,218,233 also disclosed in Note 11 to the financial statements. However, schedules supporting the expenditure provided for audit review reflected Kshs.45,066,422, resulting in unexplained and unreconciled variance of Kshs.1,151,811.

In the circumstances, the accuracy and completeness of board expenses amounting to Kshs.46,218,233 reflected in the financial statements could not be confirmed.

1.2 Unauthorized Expenditure on Board Allowances

The statement of comparison of budget and actual amounts for the year ended 30 June, 2021 reflects board expenses amounting to Kshs.46,218,233 against approved budget for the financial year of Kshs.36,904,800 resulting to unbudgeted spending amounting to Kshs.9,313,433. Although the Management has stated that the over expenditure was due to increased public procurement dispute cases than was projected, no evidence was provided of any supplementary budget approval from the Board of Directors and The National Treasury.

In the circumstances, the accuracy of the board expenses amounting to Kshs.46,218,233 and the regularity of the expenditure amounting to Kshs.9,313,433 over the approved budget could not be ascertained.

2.0 Rent and Utilities Expenses

The statement of financial performance reflects general expenses amounting to Kshs.88,858,430 as disclosed in Note 12 to the financial statements. Included in the amount is Kshs.18,476,102 in respect of rent and utilities. However, the expenditure

excludes accrued service charge amounting to Kshs.8,157,952 which was reflected in the provisions ledger.

Consequently, the accuracy and completeness of rent and utilities expenditure amounting to Kshs.18,476,102 could not be confirmed.

3.0 Provisions

The statement of financial position as at 30 June, 2021 reflects provisions of Kshs.20,676,200 as disclosed in Note 24 to the financial statements. However, the schedule supporting the balance reflects a total of Kshs.15,179,605 in respect of provision for audit fees and outstanding staff leave days resulting in an unreconciled variance of Kshs.5,496,595.

In the circumstances, the accuracy and completeness of the provisions balance as at 30 June, 2021 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Public Procurement Regulatory Authority Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Poor Financial Performance

The statement of financial performance for the year ended 30 June, 2021 reflects a deficit of Kshs.29,001,007 (2020 - Kshs.28,828,791), an indication that the Authority was experiencing operational challenges which led losses totalling Kshs.57,829,798 in two consecutive years. The trend casts doubt on the Authority's ability to continue to sustain services. Should Management fail to put strategies in place to reverse the trend, the Authority may experience further financial difficulties and may not meet its obligations as and when they fall due.

My opinion is not qualified on the effects of the above matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflect final revenue budget and actual on comparable basis amounting to Kshs.443,269,951 and Kshs.385,675,335

respectively resulting in an under-funding of Kshs.57,594,616 or 4% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.443,269,951 and Kshs.367,678,719 respectively resulting in an under-expenditure of Kshs.75,591,232 or 17% of the budget.

Further, there was no itemized budget accompanying the financial statements presented for audit review and therefore, it was not possible to perform an itemized budget performance analysis. This is contrary to Paragraph 32 of IPSAS 24 - Presentation of budget information in financial statements which require that the comparison of budget and actual amounts will be presented on the same accounting basis (accrual, cash or other basis), same classification basis and for the same entities and period as for the approved budget.

Based on the approved estimates, under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: AG.4/16/2 Vol.3(72) dated 30 June, 2021

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, based on the audit procedures performed, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with the Public Finance Management Act, 2012

The statement of financial position as at 30 June, 2021 reflects receivables from non-exchange transactions amounting to Kshs.4,468,906 which includes outstanding imprest amounting to Kshs.3,948,210. Review of imprest records revealed that the Authority issued multiple imprests to Board members and staff totalling Kshs.2,993,407 contrary to Regulation 93(4)(b) of the Public Finance Management (National Government) Regulations, 2015. The Regulations requires that before issuing temporary imprest, the Accounting Officer shall ensure that the applicant has no outstanding imprests. Further, Management failed to recover long outstanding imprests from staff

members, Board members, and non-staff members totalling to Kshs.2,261,079 some dating back to 2019.

In the circumstances, the Management is in breach of the law.

2. Failure to Remit Taxes

Note 23 to the financial statements reflects other payables balance of Kshs.10,695,720. Included in the balance are various taxes amounting to Kshs.1,339,724 which had been deducted from amounts due to suppliers and contractors, but were not remitted to the Kenya Revenue Authority (KRA) within the statutory timelines. Although Management has indicated that the taxes have now been settled, no explanation was provided on how applicable penalties and interests levied after failure to remit taxes within the statutory deadlines as provided for by the Tax Procedures Act, 2015 will be settled. The Authority is therefore, exposed to incurring interests and penalties levied by KRA which could have been avoided.

In the circumstances, the Management is in breach of the law

3. Failure to Update Fixed Assets Register

Review of fixed asset register for the year ended 30 June, 2021 revealed that the Authority had not updated the register in the last three financial years. As a result, assets disposed prior to 30 June, 2018 comprising six motor vehicles, office partitions and computers remained in the asset register. Further, the asset register did not reflect dates of acquisition, asset status, location and working conditions. In addition, assets procured between 2019 to 2021 had not been tagged making it difficult to be identified. This is contrary to Section 143(1) of the Public Finance Management (National Government) Regulations, 2015 that require the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, the Accounting officer is in breach of the law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to

believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Authority's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Authority or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Board of Directors are responsible for overseeing the Authority's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with

Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

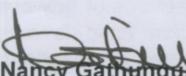
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Authority's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Authority to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Authority to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungo, CBS
AUDITOR-GENERAL

Nairobi

30 June, 2022

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30TH JUNE 2021

	Note	2021		2020
		Ksh		Ksh
Revenue from non-exchange transactions				
Unconditional Government Grants	6	306,987,152		340,000,000
Revenue from exchange transactions				
Rendering of services	7	23,979,983		22,125,022
Finance Income	8	19,175		8,200,800
Other Income	9	4,689,025		0
Total Revenue from exchange transactions		28,688,183		30,325,822
Total Revenue		335,675,335		370,325,822
EXPENSES				
Employee Costs	10	199,468,837		202,592,133
Board Expenses	11	46,218,233		45,157,774
General Expenses	12	88,858,430		105,332,131
Repairs and Maintenance	13	2,970,885		3,126,404
Contracted Services	14	14,325,216		32,932,314
Finance Costs	15	0		0
Depreciation and Amortization	16	12,180,468		10,013,857
Total Expenses		364,022,069		399,154,613
Surplus / (Deficit) for the year before extra ordinary item		(28,346,734)		(28,828,791)
Extraordinary item	27	(654,273)		0
Surplus / (Deficit) for the year after ex-traordinary item		(29,001,007)		(28,828,791)

The notes set out on pages 62 to 85 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

	Note	2021	2020	
		Ksh	Ksh	
ASSETS				
Current Assets				
Cash and cash equivalents	17	154,683,728	193,192,905	
Receivables from exchange transactions	18	24,278,860	11,486,290	
Receivables from non-exchange trans-actions	19	61,962,181	7,572,159	
Total Current Assets		240,924,769	212,251,354	
Non-current Assets				
Property, Plant and Equipment	20	7,856,737	9,644,819	
Intangible Assets	21	8,136,676	15,526,685	
Work In Progress	22	0	945,000	
Total Non-Current Assets		15,993,413	26,116,504	
Total Assets		256,918,182	238,367,858	
LIABILITIES				
Current Liabilities				
Trade & Other Payables from exchange transactions	23	18,571,530	21,020,199	
Provisions	24	20,676,200	20,676,200	
Deferred income	25	50,000,000	0	
Total current liabilities		89,247,730	41,696,399	
Net Assets				
Accumulated Fund	26	167,670,452	196,671,459	
Total Net Assets and Liabilities		256,918,182	238,367,858	

The financial statements and accompanying notes on page 55 to 85 were signed on behalf of the Authority by:

Mr Andrew M. Musangi
Chairman, PPRB

Ms Pauline O. Obonyo
Ag. Director General

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2021

	Notes	Accumulated Fund	Revalua-tion Reserve	Retained Earnings	Capital/Devel-opment Grants/Fund	Total
		Ksh	Ksh	Ksh	Ksh	Ksh
Balance at 01.07.2019		439,602,015	0	0	0	439,602,015
Transfers to Other Govt Institutions		(214,080,700)	0	0	0	(214,080,700)
Capital/Development Grants/Fund received during the year		0	0	0	0	
Adjustment for leave provision		(21,065)	0	0	0	(21,065)
Surplus for the year		(28,828,791)	0	0	0	(28,828,791)
Balance at 30.06.2020		196,671,459				196,671,459
Transfers to Other Govt Institutions		0	0	0	0	0
Capital/Development Grants/Fund received during the year	25	0	0	0	50,000,000	50,000,000
Surplus for the year		(29,001,007)	0	0	0	(29,001,007)
Balance at 30.06.2021		167,670,452	0	0	50,000,000	217,607,452

Note:

- PPRA Net Assets of Ksh 75,811,796 includes a development grant of Ksh 50 million for partition of office space at KISM Towers.
- PPRA Staff loans scheme net assets are Ksh 99,978,270

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2021

	Note	2021	2020
		Ksh	Ksh
Unconditional Government Grants	6	306,987,152	340,000,000
Rendering of services	7	23,979,983	22,125,022
Finance Income	8	19,175	8,200,800
Other Income	9	4,689,025	0
Total Revenue from exchange transactions			30,325,822
Total Revenue		28,688,183	370,325,822
 EXPENSES			
Employee Costs	10	199,468,837	202,592,133
Board Expenses	11	46,218,233	45,157,774
General Expenses	12	88,858,430	105,332,131
Repairs and Maintenance	13	2,970,885	3,126,404
Contracted Services	14	14,325,216	32,932,314
Finance Costs	15	0	0
Depreciation and Amortization	16	12,180,468	10,013,857
Total Expenses		364,22,069	399,154,613
Surplus / (Deficit)		(28,346,734)	(28,828,791)
Extra-ordinary item	27	(654,273)	0
		(29,001,007)	(28,828,791)
 Adjusted for:			
Depreciation and Amortization	16	12,180,468	10,013,857
Extra-ordinary item	27	654,273	0
Cash flows from operating activities before working capital changes			(18,814,934)
Increase/(Decrease) in trade & other payables		(16,166,266)	
Increase/(Decrease) in deferred income		(2,448,669)	(10,258,286)
Increase/(Decrease) in Provisions		50,000,000	0
Decrease/(Increase) in receivables from exchange transactions		0	106,833
Decrease/(Increase) in receivables from non-exchange transactions		(12,792,570)	10,783,879
		(54,390,022)	(685,254)

Note	2021	2020
	Ksh	Ksh
Decrease/(Increase) in work-in-progress	945,000	0
Net Cash flows from Operating Activities	(34,852,527)	(18,867,762)
Other Cash flows		
Transfers from other Government Institutions	0	160,600,000
Insurance refund/compensation	0	85,767
GPA funds received	616,026	4,060,000
GPA funds paid out	(616,026)	(4,160,000)
Transfers to other Government Institutions	0	(600,00,000)
Net other cash flows	0	(439,414,233)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of tangible assets	(3,656,650)	(1,038,495)
Acquisition of intangible assets	0	(8,793,883)
Net cash flow from Investing Activities	(3,656,650)	(9,832,378)
Net changes in Cash and Cash Equivalents	(38,509,177)	(468,114,373)
Cash & Cash Equivalents opening balance	193,192,905	661,307,278
Cash & Cash Equivalents closing balance	154,683,728	193,192,905

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30TH JUNE 2021**

Revenue	Note	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Variance	Utilization	Foot note
		Ksh	Ksh	Ksh	Ksh			
Recurrent Gov-ernment Grants	6	349,487,151	0	349,487,151	306,987,152	(42,499,999)	88%	a
Development Government Grants	25	50,000,000	0	50,000,000	50,000,000	0	100%	
Rendering of ser-vices	7	14,900,000	5,100,000	20,000,000	23,979,983	3,979,983	120%	b
Finance Income	8	0	4,400,000	4,400,000	19,175	(4,380,825)	0%	
Other income	9	0	0	0	4,689,025	4,689,025		
Revenue Reserve		0	19,382,800	19,382,800	0	(19,382,800)	0%	
Total Revenue		364,387,151	28,882,800	443,269,951	385,675,335	(57,594,616)	96%	
Expenses								
Employee Costs	10	207,300,000	0	207,300,000	199,468,837	7,831,163	96%	
Board Expenses	11	26,122,000	10,782,800	36,904,800	46,218,233	(9,313,433)	125%	c
General Expens-es	12	104,550,000	0	104,550,000	88,858,430	15,691,570	85%	d
Repairs and Maintenance	13	5,015,000	0	5,015,000	2,970,885	2,044,115	59%	e
Contracted Ser-vices	14	9,100,000	5,100,000	14,200,000	14,325,216	(125,216)	101%	
Finance Costs	15	300,151	0	300,151	0	300,151	0%	
Depreciation and Amortization	16	0	0	0	12,180,468	(12,180,468)		
Purchase of Tan-gible Assets	20	10,000,000	13,000,000	23,000,000	3,656,650	19,343,350	16%	f
Purchase of In-tangible Assets	21	2,000,000	0	2,000,000	0	2,000,000	0%	g
Partitioning of Office Space - KISM Towers	25	50,000,000	0	50,000,000	0	50,000,000	0%	h
Total Expenses		364,387,151	28,882,800	443,269,951	367,678,719	25,591,232	101%	

- (a) Recurrent Government grants:** The Authority did not receive the full exchequer for Q4 of FY 2020/2021. During Q4, PPRA received exchequer grant of Ksh 44,871,788.15 against expectation of Ksh 87,371,787.90.
- (b) Rendering of services:** The value of cases filed for review at the Review Board was higher than had been projected resulting in higher than projected filing fee.
- (c) Board expenses:** The expenses for the Review Board which is a tribunal were higher than anticipated.
- (d) General expenses:** There was less spending than the budget on a few of the budget lines.
- (e) Repairs & maintenance:** The variance is due to less than anticipated repair works during the year under review.
- (f) Tangible assets:** The Authority had committed funds for purchase of a server and also paid for delivery of a vehicle. Both assets had not been delivered as at 30th June 2021 thus the funds had not been expensed.
- (g) Purchase of Intangible assets:** The funds were for purchase of software for the server that was being procured but the procurement process had not been concluded by 30th June 2021.
- (h) Partitioning of office space at KISM Towers:** The architectural designs for the building were being done by State Department for Public Works and had not finished by 30th June 2021. The funds were committed and paid in FY 2021/2022 when the work was done.

Reconciliation of Expenses as per Statement of Financial Performance and Statement of Comparison of Budget Vs Actual.

Details	Ksh
Total expenses as per statement of Comparison of budget vs actual	367,678,719
Less: Purchase of assets	3,656,650
Total expenses as per statement of financial performance	364,022,069

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Public Procurement Regulatory Authority (the Authority) is established under Section 8 (1) of the Public Procurement and Disposal Act, 2015. PPRA is domiciled in Kenya and has regional offices in Mombasa, Kisumu and Eldoret. The Authority is mandated with monitoring, assessing and reviewing the public procurement and asset disposal system to ensure that they respect the national values and other provisions of the constitution.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Authority's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Authority. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

3. ADOPTION OF NEW AND REVISED STANDARDS

(i) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none">• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Standard	Effective date and impact:
	<ul style="list-style-type: none"> • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2022:</p> <p>(a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>(b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>(c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the entity;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

(ii) Early adoption of standards

The entity did not early - adopt any new or amended standards in year 2021.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

(i) Revenue from non-exchange transactions

Fees, taxes and fines

The Authority recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

(ii) Revenue from exchange transactions

Rendering of services

The Authority recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

(b) Budget information

The original budget for FY 2020 - 2021 was approved by the management of the Authority. Subsequent revisions were made to the approved budget in accordance with specific approvals from the appropriate authorities.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

(c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

(d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

(e) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

(f) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

(g) Depreciation

The Assets are depreciated as and when they are available for use by the Authority. Depreciation charge is calculated on a straight line basis for the various categories of assets as follows:

Motor vehicles	25.0%
Equipment and computers	33.3%
Furniture and fittings	12.5%
Office partitions	12.5%
Intangible assets	33.3%

(h) Financial instruments

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

(i) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

(j) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Entity does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

(k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

(l) Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

(m) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

(n) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

(o) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

(p) Related parties

The Authority regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Authority, or vice versa. Members of key management are regarded as related parties and comprise Managers and Directors including the Director General.

The following transactions were carried out with related parties:

- (i) Public Procurement Regulatory Board:** This is the Board that oversees the operations and governance of the Authority. The Board is responsible for providing strategic direction, approval of policies and overall governance of the Authority.
- (ii) Public Procurement Administrative Review Board:** The Authority has a duty to provide Secretariat and administrative services as well budgetary support to the Review.
- (iii) Management team:** The management team oversees the day to day operations of the Authority and also has the responsibility of formulating policies that govern operations of the Authority.
- (iv) Kenya Institute of Supplies Management (KISM):** The National Treasury has been allocating KISM part of the funds appropriated to PPRA by Parliament.

The Authority is a Government institution wholly owned by the Government of Kenya. The National Treasury is the parent ministry. The Authority relies on GoK for funding with GoK funds making up 97% of its annual revenues. During the year under review, the Authority received GoK budget funding of Ksh 306,987,152 against an allocation of Ksh 349,487,151.

(q) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement.

Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

(r) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

(s) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 24.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

(u) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2018.

6. UNCONDITIONAL GOVERNMENT GRANTS

Operational grants Government of Kenya funding of PPRA operations through Exchequer during the financial year.

	2021	2020
	Ksh	Ksh
Operational Grant	306,987,152	340,000,000

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

7. RENDERING SERVICES

Appeals fee: Relates to fees paid by parties seeking administrative review of public procurement disputes.

	2021	2020
	Ksh	Ksh
Income from appeals	23,979,983	22,125,022

8. FINANCE INCOME

The interest income earned during the financial year is for the staff loans scheme and not normal operations of the Authority.

	2021	2020
	Ksh	Ksh
Interest Income	19,175	8,200,800

The interest income was earned from loans to staff.

9. OTHER INCOME

This includes income from the sources listed below:

	2021	2020
	Ksh	Ksh
Other income	4,689,025	0

Other income comprises of Ksh 4,689,025 on the NBK account which includes Ksh 4.4m received as insurance compensation for fully depreciated vehicle that had an accident and was written off.

10. EMPLOYEE COSTS

This comprises of the staff personnel emoluments and employer pension contribution. A breakdown of the employee costs is as shown below:

	2021	2020
	Ksh	Ksh
Salaries and wages	122,657,467	124,328,000
Housing benefits & allowances	51,886,323	52,612,333
Pension & Gratuity contributions	24,925,047	25,651,800
Total	199,468,837	202,592,133

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11. BOARD EXPENSES

This comprises of costs related to the Public Procurement Regulatory Board and the Public Procurement Administrative Review Board.

	2021	2020
	Ksh	Ksh
Administrative Review Board other expenses	3,716,053	7,360,972
Administrative Review Board Emoluments	30,164,000	28,404,000
Regulatory Board other expenses	3,978,180	2,392,802
Regulatory Board Emoluments	8,360,000	7,000,000
Total	46,218,233	45,157,774

12. GENERAL EXPENSES

Below are the general expenses of the Authority.

Description	2021	2020
	Ksh	Ksh
Advertising	3,238,698	244,152
Bank charges	264,505	298,170
Branding PPRA	107,120	409,210
Car Park expenses	3,312,000	7,934,400
Catering	1,411,756	2,465,475
Club membership	355,000	210,500
Conference and delegations	1,272,268	3,392,240
Consumables	376,065	27,390
Corporate Security & Safety Management	0	561,100
Corporate Social Investment	416,300	0
Disposal expenses	17,500	0
Fuel and Oil	762,000	732,950
Insurance Costs	20,940,656	20,304,494
ISO expenses	377,000	0
Knowledge management	0	743,000
Legal expenses	612,110	5,500
Office Expenses	1,045,326	1,312,647
Printing & stationery	1,593,237	3,360,112
PPRA staff loans scheme expense	40,000	0
Rent & utilities	18,476,102	18,006,036

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	2021	2020
	Ksh	Ksh
Software upgrades and licences	426,400	1,493,019
Staff welfare	2,806,800	1,445,520
Telecommunication	5,699,537	7,500,000
Trade shows and exhibitions	5,000	293,000
Training	2,730,064	5,116,937
Travel & accommodation	22,572,986	29,476,279
Total	88,858,430	105,033,961

13. REPAIRS AND MAINTENANCE

The Authority spent Ksh 2,939,885 on maintenance of vehicles, equipment, computers and general maintenance. A breakdown of the expenditure is shown below:

	2021	2020
	Ksh	Ksh
Vehicles	748,790	1,024,554
Equipment	2,076,522	1,982,720
Property	145,573	119,130
Total	2,970,885	3,126,404

14. CONTRACTED SERVICES

These are services outsourced by the Authority.

	2021	2020
	Ksh	Ksh
Audit fees	858,400	858,400
Cleaning Services Fees	2,284,308	2,394,020
Guarding Services	836,768	21874
Consultancy Fees	10,345,740	29,658,020
Total	14,325,216	32,932,314

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15. FINANCE COSTS

These consist of costs associated with access to credit or other funding opportunities.

	2021	2020
	Ksh	Ksh
Bank charges	0	0

The Authority did not have any finance costs during the period under review.

16. DEPRECIATION AND AMORTIZATION

The depreciation charge for the year comprises of:

	2021	2020
	Ksh	Ksh
Property and equipment	4,790,459	7,008,226
Intangible assets	7,390,009	3,005,631
Total	12,180,468	10,013,857

17. CASH AND CASH EQUIVALENTS

	2021	2020
	Ksh	Ksh
NBK Account	56,283,092	93,192,768
KCB Account	98,400,636	100,000,000
Cash on hand and in transit	0	137
Total	154,683,728	193,192,905

18. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2021	2020
	Ksh	Ksh
Prepayments	13,135,092	10,863,983
Other receivables	11,128,768	243,307
Refundable Deposits	15,000	379,000
Total	24,278,860	11,486,290

Receivables from exchange transactions of Ksh 11,128,768 comprise of Ksh 9,237,593 for PPRA and Ksh 1,891,175 for loan due from a member of staff for purchase of a vehicle.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

19. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2021	2020
	PPRA	Ksh
Imprest advance	4,087,693	6,596,017
Salary advance	502,700	976,142
The National Treasury	57,371,788	0
Total	61,962,181	7,572,159

20. PROPERTY, PLANT & EQUIPMENT

	Motor Vehicles	Equipment & Computers	Furniture & Fittings	Office Partitions	Total
Cost	Ksh	Ksh	Ksh	Ksh	Ksh
At 1st July 2019	68,041,313	65,450,703	16,974,005	45,158,490	195,624,511
Additions	0	629,500	408,995	0	1,038,495
At 30th June 2020	68,041,313	66,080,203	17,383,000	45,158,490	196,663,006
Additions	0	1,561,495	2,095,155	0	3,656,650
At 30th June 2021	68,041,313	67,641,698	19,478,155	45,158,490	200,319,656
Depreciation & Impairment					
At 1st July 2019	67,709,591	55,756,779	12,430,147	44,113,444	180,009,961
Depreciation	331,722	5,502,228	921,438	252,838	7,008,226
Transfers/adjustments	0	0	0	0	0
At 30th June 2020	68,041,313	61,259,007	13,351,585	44,366,282	187,018,187
Depreciation	0	3,636,774	1,084,717	68,968	4,790,459
Disposal				654,273	654,273
At 30th June 2021	68,041,313	64,895,781	14,436,302	45,089,523	192,462,919
Net book values					
At 30th June 2021	0	2,745,917	5,041,853	68,967	7,856,737
At 30th June 2020	0	4,821,196	4,031,415	792,208	9,644,819

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

21. INTANGIBLE ASSETS

Intangible assets comprises ICT Systems and software used by the Authority in its operations.

	2021	2020
	Ksh	Ksh
Cost		
At beginning of the year	58,469,442	44,491,170
Additions	0	13,978,272
At end of the year	58,469,442	58,469,442
Amortization and Impairment		
At beginning of the year	42,942,757	39,937,126
Amortization	7,390,009	3,005,631
At end of the year	50,332,766	42,942,757
Net book value	8,136,676	15,526,685

22. WORK-IN-PROGRESS

Relates to implementation of the Fleet Management System.

	2021	2020
	Ksh	Ksh
Work-In-Progress	0	945,000
Balance	0	945,000

23. TRADE & OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

	2021	2020
	Ksh	Ksh
Trade Payables	7,875,810	9,489,845
Other Payables	10,695,720	11,530,354
Total	18,571,530	21,020,199

Other payables Ksh 10,695,720 comprise of Ksh 10,382,179 for PPRA and Ksh 313,541 being payables for the Loans Scheme.

24. PROVISIONS

Provision made to cater for audit of FY 2019/2020 books of accounts and outstanding staff leave days as at 30th June 2021.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	2021	2020
	Ksh	Ksh
Provisions	20,676,200	20,676,200
Total	20,676,200	20,676,200

25. DEFERRED INCOME

Is income received for a specific purpose i.e establishment of regional offices which had not been utilized at the end of the financial year.

	2021	2020
	Ksh	Ksh
National Government	50,000,000	0
Total Deferred income	50,000,000	0

The deferred income movement is as follows:

	2021	2020
	Ksh	Ksh
Balance brought forward	0	220,000,000
Additions	50,000,000	0
Transfer to Other Govt Institutions	0	(220,000,000)
Balance carried forward	50,000,000	0

26. ACCUMULATED FUND

The movement in revenue reserves for the year ended 30th June 2021 is shown below:

	2021	2020
	PPRA	Ksh
Balance as at 1st July	196,671,459	439,602,015
Adjustment of provisions	0	(21,065)
Transfers to other Govt Institutions	0	(214,080,700)
Surplus for the year	(29,001,007)	(28,828,791)
Balance as at 30th June	167,670,452	196,671,459

Note:

The accumulated fund amount of Ksh 167,670,452 includes Ksh 99,978,270 for the PPRA Staff Loans Scheme.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

27. EXTRA-ORDINARY ITEM

The Authority's lease of office space at Mombasa Trade Centre ended on 30th June 2020. Consequently, the Authority was required to vacate the offices on 1st July 2020 and remove the partitions. The salvaged items of the partition were disposed through donation to Kenya Ferry Services. The net book value of the partitions as at 1st July 2020 was Ksh 654,273 and this was written off in the books of accounts.

PPRA	2021	2020
	PPRA LOANS SCHEME	Ksh
Gain/(loss) on disposal	(654,273)	0

28. FINANCIAL RISK MANAGEMENT

The Authority's activities expose it to a variety of financial risks including credit and liquidity risks. The overall risk management programme focuses on unpredictability of changes in the business.

29. CONTINGENT ASSETS

The Authority had no contingent assets as at 30th June 2021.

30. CONTINGENT LIABILITIES

Litigation Matters: As at 30th June 2021, there were some cases before the courts in which the Authority is a party that had not been concluded. The outcome of the cases and the likely costs of the suits (damages/other court awards) that the Authority may have to bear cannot be estimated with certainty. This disclosure has been provided in conformity with IPSAS 19.

M/S SPA Infosuv East Africa Ltd

The Authority entered into contract No. PPRA/09/2015-2016 on 12th January 2017 with M/S SPA Infosuv East Africa Ltd to conduct country procurement assessment for a contract price of Ksh. 16,285,000. An amount of Ksh. 3,257,000 was paid to the consultant on 30th April, 2019 in respect of submission of inception report. Audit review of the correspondences between the Authority and the consultant reveals that there is a pending disputed invoice 031019 amounting to Ksh. 13,028,000 which has accrued interest but has not been disclosed as a contingent liability in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31. RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties:

- (i) Public Procurement Regulatory Board: This is the Board that oversees the operations and governance of the Authority. The Board is responsible for providing strategic direction, approval of policies and overall governance of the Authority.
- (ii) Public Procurement Administrative Review Board: The Authority has a duty to provide Secretariat and administrative services as well budgetary support to the Review.
- (iii) Management team: The management team oversees the day to day operations of the Authority and also has the responsibility of formulating policies that govern operations of the Authority.
- (iv) Kenya Institute of Supplies Management (KISM): The National Treasury has been allocating KISM part of the funds appropriated to PPRA by Parliament.
- (v) Government of Kenya and The National Treasury: The Authority is a Government institution wholly owned by the Government of Kenya. The National Treasury is the parent ministry. The Authority relies on GoK for funding with GoK funds making up 97% of its annual revenues.

During the year under review, the Authority received GoK budget funding of Ksh 306,987,152 against an allocation of Ksh 349,487,151.

32. SUBSEQUENT EVENTS

There were no subsequent events after year end that affect the Authority and that would affect the decisions made by a third party.

33. CURRENCY

The financial statements are presented in Kenya Shillings (Kshs).

ANNEXES

ANNEX 1: LIST OF PES THAT SUBMITTED ANNUAL PROCUREMENT PLANS

No	Procuring Entity	Date of Submission of the Plan	Annual Procurement Budget (Kes.)	Reserved Procurement Spend (Kes)	Percentage Reserved (>=30%)
1.	Nyeri Water and Sanitation	14/7/2020	838,200.00	755,000.00	90.07
2.	County Gov't of Nyeri	09/01/2020	519,517,523.50	381,164,523.57	73.37
3.	Thaka University	27/08/2020	412,040,587.00	284,840,587.00	69.13
4.	Lapsset Corridor Development Authority	09/03/2020	128,382,460.00	87,883,500.00	68.45
5.	Kenya School of Government	09/10/2020	1,524,800,743.50	914,880,446.10	60.00
6.	County Government of Kirinyaga	26/8/2020	597,373,529.49	281,290,682.00	47.09
7.	National Youth Council	07/03/2020	37,150,000.00	17,350,000.00	46.70
8.	Kenya Ferry	08/10/2020	361,234,018.00	135,717,060.00	37.57
9.	County Government of Uasin Gishu	31/08/2020	2,200,000,000.00	738,467,025.00	33.57
10.	The Judiciary	07/07/2020	4,702,633,160.00	1,576,590,441.00	33.53
11.	Kenya Institute for the Blind	16/09/2020	28,928,622.00	9,257,158.00	32.00
12.	NGOs Co-ordination Board	31/08/2020	36,795,000.00	11,708,000.00	31.82
13.	Jomo Kenyatta University of Technology	09/08/2020	655,427,781.41	207,533,127.22	31.66
14.	Sacco Societies Regulatory Authority	14/7/2020	97,918,580.00	30,908,000.00	31.57

No	Procuring Entity	Date of Submission of the Plan	Annual Procurement Budget (Kes.)	Reserved Procurement Spend (Kes)	Percentage Reserved (>=30%)
15.	Coast Institute of Technology	14/7/2020	224,046,724.00	69,362,000.00	30.96
16.	Maseno University	24/09/2020	413,565,934.00	127,494,229.00	30.83
17.	National Council for Population and Development	09/10/2020	89,545,832.00	27,401,025.00	30.60
18.	Kenya School of Law	07/08/2020	183,226,325.00	56,067,255.45	30.60
19.	Kenya Water Institute	31/08/2020	178,297,000.00	54,558,882.00	30.60
20.	Kenya literature Bureau	09/02/2020	447,250,000.00	136,858,500.00	30.60
21.	Kenya National Examination Council	31/08/2020	830,617,918.00	254,169,082.50	30.60
22.	Mathenge Technical Training Institute	13/08/2020	127,079,419.00	38,881,839.00	30.60
23.	Nairobi Centre for International Arbitration	08/05/2020	56,693,950.00	17,169,660.00	30.28
24.	Export Processing Authority	31/08/2020	194,140,040.00	58,422,012.00	30.09
25.	National Oil Corporation of Kenya	20/7/2020	1,408,964,288.00	423,263,304.00	30.04
26.	State Department of Planning	19/8/2020	2,737,836,211.00	821,550,863.00	30.01
27.	Kenya National Trading Corporation	20/7/2020	40,650,000.00	12,195,150.00	30.00
28.	Anti-Doping Agency Kenya	30/7/2020	71,501,075.00	21,450,323.00	30.00
29.	Public Sector Accounting Board	31/8/2020	97,273,018.00	29,181,906.00	30.00
30.	National Industrial Training Authority	20/7/2020	40,650,500.00	12,195,150.00	30.00
31.	National Council for Persons with Disabilities	30/7/2020	228,129,905.00	68,438,971.50	30.00

No	Procuring Entity	Date of Submission of the Plan	Annual Procurement Budget (Kes.)	Reserved Procurement Spend (Kes)	Percentage Reserved (>=30%)
32.	Runyenjes Technical Training Institute	27/08/2020	18,851,500.00	5,655,450.00	30.00
33.	Commodities Fund	27/8/2020	8,649,190.00	2,594,757.00	30.00
34.	LAP Fund	28/8/2020	390,304,980.00	117,091,494.00	30.00
35.	Tourism Regulatory Authority	28/8/2020	38,370,597.00	11,511,179.10	30.00
36.	State Department of Infrastructure	09/02/2020	1,059,792,596.00	317,937,778.80	30.00
37.	Kenya Tourism Board	09/02/2020	435,580,000.00	130,674,000.00	30.00
38.	Ministry of Education	21/08/2020	2,737,836,211.00	821,350,863.00	30.00
39.	Kisumu National Polytechnic	10/09/2020	218,881,609.98	65,664,482.85	30.00
40.	Kenya Promotion & Branding Agency	17/09/2020	356,431,758.00	106,929,527.00	30.00
41.	Machakos University	31/08/2020	261,896,329.00	78,568,898.00	30.00
42.	Kenya Institute for Public Policy Research & Analysis	31/08/2020	261,896,329.00	78,568,898.00	30.00
43.	Kisii University	25/8/2020	176,464,436.00	52,939,330.00	30.00
44.	Public Procurement Regulatory Authority	14/09/2020	50,568,000.00	15,170,400.00	30.00
45.	Kenya Institute of Special Education	14/8/2020	239,983,179.00	71,349,953.70	29.73
46.	Nuclear Power &Energy Agency	09/09/2020	250,922,754.00	73,925,000.00	29.46
47.	County Gov't of Nyeri	28/8/2020	2,901,920,416.00	802,051,503.00	27.64
48.	University of Eldoret	09/04/2020	532,208,961.50	140,499,310.19	26.40
49.	Kenya Law Reform Commission	09/02/2020	51,210,999.00	12,440,140.00	24.29
50.	National Housing Corporation	16/7/2020	1,275,005.00	302,501.50	23.73
51.	Women Enterprise Fund	31/8/2020	151,198,045.00	32,198,045.00	21.30

No	Procuring Entity	Date of Submission of the Plan	Annual Procurement Budget (Kes.)	Reserved Procurement Spend (Kes)	Percentage Reserved (>=30%)
52.	Murang'a University of Technology	43,959.00	431,567,158.00	89,429,000.00	20.72
53.	Kenyatta National Hospital	14/7/2020	474,000,000.00	94,000,000.00	19.83
54.	National Aids Council	31/08/2020	577,601,000.00	108,318,588.76	18.75
55.	Commission on Revenue Allocation		161,930,555.00	28,933,463.00	17.87
56.	Kenya Forest Service	24/8/2020	1,533,937,297.00	244,724,189.00	15.95
57.	Kenya Medical Laboratory Technicians & Technologists Board	09/04/2020	65,004,927.60	9,711,452.98	14.94
58.	Commission on Administrative Justice	16/7/2020	137,393,200.00	19,927,192.00	14.50
59.	Multimedia University of Kenya	31/08/2020	491,670,000.00	56,751,000.00	11.54
60.	Malindi Water & Sewerage co. Ltd	28/08/2020	158,707,000.00	17,007,000.00	10.72
61.	Kenya National Highway Authority	13/7/2020	25,833,475,000.00	2,645,559,297.00	10.24
62.	ICT Authority	26/08/2020	1,375,880,016.00	130,764,004.80	9.50
63.	University of Nairobi	31/08/2020	1,977,741,254.33	186,090,352.00	9.41
64.	Tourism Fund	27/08/2020	307,680,245.00	25,445,000.00	8.27
65.	Chuka University	09/04/2020	1,965,444,490.00	139,000,000.00	7.07
66.	National Transport and Safety Authority	25/8/2020	1,279,860,912.26	73,596,832.11	5.75
67.	Kenya Deposit Insurance Corporation	09/02/2020	660,772,500.00	31,042,500.00	4.70
68.	Engineers Board of Kenya	24/8/2020	137,026,780.00	5,424,834.00	3.96

No	Procuring Entity	Date of Submission of the Plan	Annual Procurement Budget (Kes.)	Reserved Procurement Spend (Kes)	Percentage Reserved (>=30%)
69.	Capital Market Authority	07/07/2020	922,820,990.00	35,600,650.00	3.86
70.	Karatina University	18/8/2020	130,349,547.33	3,988,961.48	3.06
71.	Nairobi Water& Sewerage Co Ltd	14/8/2020	2,126,323,375.00	63,897,013.00	3.01
72.	Commodities Fund	27/08/2020	8,649,190.00	172,983.80	2.00
73.	Nyamira County Gov't	31/8/2020	2,088,328,221.00	38,100,504.77	1.82
74.	Unclaimed Financial Asset Authority	19/8/2020	558,326,140.69	5,355,200.00	0.96
75.	National Construction Authority	24/8/2020	2,188,180,000.00	18,186,510.00	0.83
76.	Privatization Commission	18/8/2020	66,844,731.00	486,704.00	0.73
77.	Kenya Leather Development Council	10/01/2020	1,402,087,479.00	9,843,599.00	0.70
78.	Kenya Film Commission	09/04/2020	147,693,145.80	973,863.00	0.66
79.	Kenya Revenue Authority	17/8/2020	5,937,822,115.33	5,283,572.24	0.09
80.	Athi Works Development Agency	31/8/2020	18,834,667,535.00	15,052,551.20	0.08
81.	Thika Water and Sewerage Co.	43,990.00	279,250,000.00	14,500.00	0.01
82.	Gusii water Sanitation Co.	24/6/2020	69,257,000.00	-	-
83.	Kenya Roads Board	07/09/2020	539,900,000.00	-	-
84.	Kenya Urban Roads Authority	13/07/2020	642,466,100.00	-	-
85.	Kenya Investment Authority	24/7/2020	2,040,000.00	-	-
86.	Kenya Universities and Colleges Central Placement Service	08/06/2020	87,750,000.00	-	-

No	Procuring Entity	Date of Submission of the Plan	Annual Procurement Budget (Kes.)	Reserved Procurement Spend (Kes)	Percentage Reserved (>=30%)
87.	Kenya Electricity Transmission Co. Ltd	08/07/2020	1,652,319.00	-	-
88.	Centre for Mathematics, Science and Technology Education in Africa	08/07/2020	281,318,435.00	-	-
89.	Bungoma County Government	08/12/2020	2,016,261,482.35	-	-
90.	Kenya marine Fisheries Research Institute	13/08/2020	522,533,450.00	-	-
91.	Council of Legal Education	25/8/2020	113,385,846.00	-	-
92.	Higher Education Loans Board		5,889,968.00		-
93.	Tharaka University College	27/8/2020	412,040,587.00		-
94.	Kenya Trade Network Agency	31/08/2020	27,000.00	-	-
95.	Office of the Auditor General	31/08/2020	791,941,010.00	-	-
96.	Teachers Service Commission	09/01/2020	13,203,223,637.00	-	-
97.	Lake Victoria Water Works Development Agency	10/07/2020	102,424,402.82	-	-
98.	Kenya Dairy Board	18/09/2020	156,491,000.00	-	-
99.	Kenya Rural Roads Authority	29/09/2020	1,270,841,821.00	-	-
100.	Insurance Regulatory Authority	10/01/2020	1,270,841,821.00	-	-
101.	Kenya National Convention Bureau	13/10/2020			
102.	Nzoia Sugar Co.	28/7/2020			
103.	Kenya National Bureau of Statistics	08/03/2020	-	-	

No	Procuring Entity	Date of Submission of the Plan	Annual Procurement Budget (Kes.)	Reserved Procurement Spend (Kes)	Percentage Reserved (>=30%)
104.	Kenya Tourism Board	08/07/2020	1,24,009,383.00	-	
105.	Geothermal Development Co.	13/08/2020			
106.	Tranzoia County Government	30/8/2020		-	
107.	Michuki Technical Training Institute	31/08/2020			
108.	Ministry of Petroleum & Mining	31/08/2020	1,021,006,400.00		
109.	County Government of Nyamira	31/08/2020			
110.	Nyandarua County Assembly	09/01/2020		40,927,520.00	
111.	County Government of Kilifi	09/01/2020	2,360,325,889.00		-
112.	National Environment Trust Fund	09/01/2020			
113.	Bomet University College	09/07/2020	163,900,060.00		-
114.	New Partnership for Africa's Development	09/11/2020			
115.	Kwale Water and Sewerage Company Ltd	15/09/20			
116.	Ministry of Public Service & Gender. State Department of Public Service	16/09/2020		-	-
117.	County Assembly of Kilifi	21/09/2020	294,420,133.00		
118.	Tourism Finance Corporation	24/09/2020	191,410,238.00		

ANNEX 2:
LIST OF PROCURING ENTITIES THAT SUBMITTED
REPORTS ON CONTRACT AWARDS

No.	Categorization of PE's
Ministries and State Departments	
1.	Ministry of Energy
2.	Ministry of Industry, Trade and Enterprise Development
3.	Ministry of Tourism and Wildlife (Kenya National Convention Bureau)
4.	Ministry of Interior and Co-ordination of National Government
5.	Ministry of Agriculture, Livestock, Fisheries and Cooperatives (State Department for Livestock)
6.	Ministry of East African Community and Regional Development
7.	Ministry of Labour and Social Protection (State Department for Social Protection)
8.	Ministry of Lands and Physical Planning
9.	Ministry of Devolution and ASALs
10.	Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works
11.	Ministry of ICT, Innovation and Youth Affairs (State Department for Broadcasting and Telecommunication)
12.	Ministry of Public Service and Gender
13.	Ministry of Water, Sanitation and Irrigation
State Corporations and SAGAs	
14.	Kenya Airports Authority
15.	Kenya Railways Corporation
16.	Kenya Maritime Authority
17.	Kenya National Highway Authority
18.	Kenya Ports Authority
19.	Kenya Roads Board
20.	Kenya Trade Network Agency
21.	National Council of Population and Development
22.	Central Rift Valley Water Development Works Authority
23.	Postal Corporation of Kenya
24.	Kenya School of Government
25.	Kenya Forest Research Institute
26.	Huduma Kenya Secretariat
27.	National Construction Authority
28.	Geothermal Development Company

No.	Categorization of PE's
29.	Kenya Electricity Generating Company
30.	Kenya Petroleum Refineries Limited
31.	Kenya Pipeline Company Limited
32.	National Oil Corporation of Kenya
33.	Capital Market Authority
34.	Retirement Benefit Authority
35.	National Transport and Safety Authority
36.	Kenya Electrical Transmission Company Ltd
37.	Nuclear Power and Energy Agency (NUPEA)
38.	Moi Teaching and Referral Hospital
39.	Agricultural Development Corporation
40.	Agricultural Finance Corporation
41.	Kenya Dairy Board
42.	Lake Basin Development Authority
43.	Kenya Space Agency
44.	Kenya Accreditation Service
45.	Insurance Regulatory Authority
46.	Consolidated Bank
47.	IDB Capital Market
48.	Industrialization and Commercial Development Corporation
49.	Kenya Post Office Savings Bank
50.	Kenya Reinsurance Corporation Ltd
51.	Kenya Revenue Authority
52.	Kenya National Hospital
53.	Public Procurement Regulatory Authority
54.	Unclaimed Financial Assets Authority
55.	Athi Water Works Development Agency
56.	Kenya Water Institute
57.	Thika Water and Sewerage Company Ltd
58.	Northern Water Works Development Agency
59.	Engineers Board of Kenya
60.	Mavoko Water and Sewerage Company
61.	Tana and Athi Rivers Development Authority
62.	Pest control Products Board
63.	Kenya Animal Genetic Resource Centre
64.	South Nyanza Sugar Company Limited
65.	Kenya Forest Service

No.	Categorization of PE's
66.	National Environment Management Authority
67.	National Environment Trust Fund
68.	Kenya Medical Supplies Authority
69.	Kenya School of Government
70.	Kenyatta University Teaching Referral and Research Hospital
71.	Kenya National Trading Corporation Ltd
72.	Kakamega County Urban Water and Sanitation Corporation
73.	Kenya Rural Roads Authority
74.	Engineers Board of Kenya
75.	National Aids Council
76.	Coast Development Authority
77.	Kenya Industrial Research Development Institute
78.	Numerical Machining Complex
79.	East African Portlands Cement
80.	Anti-Counterfeit Authority
81.	Kenya Film Communication
82.	Kenya Communication Authority
83.	Kenya School of Law
84.	National Industrial Training Authority
85.	Kenya Medical Training College
86.	Higher Education Loans Board
87.	Kenya Institute for the Blind
88.	Kenya Institute of Curriculum Development
89.	Kenya Literature Bureau
90.	Centre for Mathematics, Science and Technology in Africa
91.	Coast Institute of technology
92.	Nairobi Centre for International Arbitration
93.	Teachers Service Commission
94.	Kenya National Examination Council
95.	Kenya Mass Institute
96.	National Hospital Insurance Funds
97.	Energy and Petroleum Regulatory Authority
98.	Kenya National Bureau of Statistics
99.	Kenya Vision 2030
100.	Agro-chemical and Food Company Limited
101.	Chemelil Sugar Company
102.	Kenya Veterinary Board

No.	Categorization of PE's
103.	Ewaso Nyiro South Development Authority
104.	Kenya Wildlife Services
105.	Kenya Safaris Lodges and Hotels
106.	Kenya Tourism Board
107.	The Kenyatta International Convention Centre
108.	Tourism Regulatory Authority
109.	Micro and Small Enterprises Authority
110.	Kenya Copyright Board
111.	Center for Mathematics, Science and Technology Education in Africa (CEMASTEA)
112.	Council of Legal Education
113.	Kenya Institute for Public Policy Research and Analysis
114.	Kenya Institute of Special Education
115.	University of Nairobi Enterprises and Services Ltd
116.	National Council for persons with Disabilities
117.	Kenya Leather Development Council
118.	Kenya Tsetse and Trypanosomiasis Eradication Council (KENTTEC)
119.	Kenya Seeds Company
120.	New Kenya Cooperatives Creameries Ltd
121.	Nyayo Tea Zones Development Corporations
122.	Kenya National Convention Bureau
123.	National Museum of Kenya
124.	Tourism Finance Corporation
125.	Kerio Valley Development Authority
126.	Kenya Bureau of Standards
127.	Export Processing Zone Authority
128.	Communication Authority of Kenya
129.	ICT Authority
130.	National Crime Research Centre
131.	Regional Centre on Groundwater Resource Education, Training and Research
132.	Technical and Vocational Education and Training Authority
133.	Water Service Regulatory Board
134.	Kenya Water Towers Agency
135.	Nairobi Water and Sewarage Company
Constitutional Commissions, Institutions and Independent Offices	
136.	Lands Commission
137.	The Judicial Service Commission

No.	Categorization of PE's
138.	Office of the Controller of Budget
139.	Office of the Registra of Political Parties
140.	Kenya National Commission for UNESCO
141.	Ethics and Anti-Corruption Commission
142.	Anti-female genital mutilation Board
143.	Office of The Auditor General
144.	Privatization Commission
145.	Commission on Revenue Allocation
146.	Office of The President (NGOs Co-Ordination Board)
147.	Office of the Deputy President
148.	Public Service Commission
149.	The Judiciary
150.	Office of the Director of Public Prosecutions
151.	Teachers Service Commission
152.	Parliamentary Service Commission
Public Universities and University Colleges	
153.	Chuka University
154.	Bomet University
155.	Dedan Kimathi University Of Technology
156.	Jomo Kenyatta University of Agriculture and Technology
157.	Karatina University
158.	Koitaleel Samoei University College
159.	Kisii University
160.	Kirinyaga University
161.	Kibabii Technical University
162.	Kenyatta University
163.	Egerton University
164.	The Corporative University of Kenya
165.	Masinde Muliro University of science and Technology
166.	Murang'a University of Technology
167.	Masaai Mara University
168.	Meru University of Science and Technology
169.	Multimedia University of Kenya
170.	Maseno University
171.	Jaramongi Odinga Oginga University
172.	Rongo University
173.	Technical University of Mombasa

No.	Categorization of PE's
174.	Tharaka University College
175.	Taita Taveta University
176.	Kaimosi Friends College and University
177.	Tom Mboya University College
178.	University of Embu
179.	Garisaa University
180.	Pwani University
181.	Laikipia University
182.	University of Nairobi
183.	University of Eldoret
184.	University of Kabianga
Public Colleges, Polytechnics & Training Institutes	
185.	Kitale National Polytechnic
186.	Koshin Technical Training Institute
187.	Meru National Polytechnic
188.	Nyandarua Institute of Science and Technology
189.	Mitunguu Technical Training Institute
190.	Maasai Mara Technical and Vocational College (MMTVC)
191.	Friends College Kaimosi
192.	Kenya Utalii College
193.	Machakos Teachers College
194.	Sigalagala National Polytechnic
195.	The Eldoret National Polytechnic
196.	The Kisumu National Polytechnic
197.	Wote Technical Training Institute
198.	Kasarani Technical and Vocational College
199.	Kenya Water Institute
200.	Masinga technical & Vocational College
201.	Kapcherop Technical & Vocational College
202.	weru technical and Vocational College
203.	Karumo Technical Training Institute
204.	Nkabune Technical Training Institute
205.	Siala Technical Training Institute
206.	Kenya Coast National Polytechnic
207.	Mukurewini technical training Institute
208.	Nairobi Technical Training Institute

No.	Categorization of PE's
NGCDF and NGAAF Committees	
210.	Embakasi West CDF
211.	Kesses CDF
212.	National Government CDF Likoni
213.	National Government CDF Ruaraka
214.	National Government CDF Juja
215.	National Government CDF Marakwet East Constituency
216.	Langata CDF
217.	National Government Affirmative Action Fund
218.	National Government Constituencies Development Fund Board
County Governments Executives	
219.	County Government of Muranga
220.	County Government of Elgeyo Marakwet
221.	County Government of Lamu
222.	County Government of Machakos
223.	County Government of Marsabit
224.	County Government of Mandera
225.	County Government of Meru
226.	County Government of Nakuru
227.	County Government of Nyandarua
228.	County Government of Kwale
229.	County Government of Taita Taveta
230.	County Government of Kiambu
231.	County Government of Nairobi
232.	County Government of Bungoma
233.	County Government of Kericho
234.	County Government of Kajiado
235.	County Government of Kisii
236.	County Government of Migori
237.	County Government of Busia
238.	County Government of Nyamira
239.	County Government of Nyeri
240.	County Government of Trans Nzoia
241.	County Government of Turkana
242.	County Government of West Pokot
County Assemblies	
243.	County Assembly of Makueni

No.	Categorization of PE's
244.	County Assembly of Kilifi
245.	County Assembly of Mandera
246.	County Assembly of Siaya
247.	County Assembly of Garissa
248.	County Assembly of Nairobi
249.	County Assembly of Nandi
250.	County Assembly of Embu
251.	County Assembly of Kirinyaga
252.	County Assembly of Kisumu
253.	County Assembly of Nakuru
254.	County Assembly of Nyandarua
255.	County Assembly of Wajir
256.	County Assembly of Nairobi
257	County Assembly of Kericho
258.	County Assembly of Nyeri
259.	County Assembly of Kitui
260.	County Assembly of Muranga
261.	County Assembly of Samburu
262.	County Assembly of Bungoma
263.	County Assembly of Baringo
Pension Funds for Public Entity	
264.	Policy Holders Compensation Fund
265.	Finance University Fund
266.	Women Enterprise Fund
267.	Tourism Fund
268.	Water Service Trust Fund
269.	Kenya Power Pension Fund



PPRA
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