

Audit query

Auditee:	KENTRADE	Reviewed by:	Name	Rank	Date
Period end:	30/06/2012	Level 1	B. Gitau	SS	7/8/2013
Prepared by:	S. Mwapula	Level 2	C.M. Kinuthia	AMA	
Rank:	AS II	Level 3	M.M. Mukiiri	Manager	
Date:	5/08/2013	Level 4			

To: The Procurement Manager,

KENTRADE

Issued on: 07.08.2013

Audit Query Number: 5.2

Title of Query: LSO/LPO being raised after the Invoice

Amount of misstatement/error: N/A

Category of Expenditure: Various

Description of finding:

Review of expenditures revealed that some procurement regulations were not being followed. When a merchant/supplier has been selected to provide a service or goods after being successful in all evaluations prior to the selection, the Agency is supposed to issue a notification of award to the supplier and raise a LPO/LSO as the case may be. When service or goods are delivered the supplier/provider is to raise an invoice from which the process of payment begins. This was not the case as demonstrated in the sample payments listed below where the invoices were received before the LSO/LPOs were raised.

Payment date	Invoice date	Invoice No.	LSO/LPO date	LSO/LPO No.	Cheque No.	Amount (Kshs.)	A/C Code	Payee	detail of transaction
28/8/2012	14/8/2012	49994	17/8/2012	0517806	000175	2,805,390	227	Akarim Agencies	Air tickets for staff & stakeholders on travel to Kuala Lumpur, Bangkok, Singapore.
28/11/2012	30/10/2012	TIN12100967	15/11/2012	0517842	000253	52,475	315	Uniglobe North line Travel	Local travel for staff between Mombasa and Nairobi

28/11/2012	5/10/2012	TIN12100218	9/11/2012	0517839	000254	690,075	227	Uniglobe North line Travel	International travel for staff
28/11/2012	24/10/2012	TIN12100720	9/11/2012	0517840	000253	597,740	315	Uniglobe North line Travel	Local travel for staff
28/9/2012	25/6/2012	IN000338028	17/9/2012	0157819	000209	499,380	305	Altech Swift Global	Internet bandwidth for June, July, August and September 2012.
21/1/2013	8/10/2012	12070	18/10/2012, 18/12/2012	1443541, 1443540	000292	1,993,750	410	Fast Choice Ltd	Supply of assorted furniture
24/10/2012	08/08/2012	TIN12080584	11/10/2012	051824	000226	133,360	315	Uniglobe	Local travel for chairman
13/12/2012	1/11/2012	187040	19/11/2012	0517844	000264	147,784	290	Bob Morgan Services Ltd	Provision for security and receptionist services
13/12/2012	24/10/2012	TIN1200721	19/11/2012	0517843	000262	165,665	226	Uniglobe	Local travel for staff
23/4/2013	14/1/2013	TIN13010206	27/3/2013	0842284	000381	100,625	226	Uniglobe	Local travel for staff
23/4/2013	15/2/2013	2957	13/3/2013	0842276	000382	34,800	287	Tamia Ltd	Cleaning services
29/4/2013	12/02/2013	509416	27/3/2013	0842280	000388	132,580	226	Satguru Travels & Tour Services Ltd	Local travel
29/4/2013	22/2/2013	900027	27/3/2013	0842283	000388	187,015	226	Satguru Travels & Tour Services Ltd	Local travel
29/4/2013	2/2/2013	7379	27/3/2013	0842278	000389	35,000	226	Signature Tours & Travel Ltd	Hire of shuttle
29/4/2013	19/12/2012	TIN12120549	27/3/2013	0842281	000391	297,535	226	Uniglobe	Local travel

29/4/2013	5/4/2013	SINV010155	8/4/2013	0842291	000392	197,316	300	The Star	Advertisement
11/2/2013	01/12/2012	RC000009271	11/2/2013	0842264	000313	227,360	305	Altech Swift Global	Internet services
14/2/2013	21/1/2013	151	22/1/2013	1443550	000317	372,680	245	Marindi Ndege Enterprises	Stationery supply
19/2/2013	01/01/2013	189161	30/1/2013	0842261	000322	113,680	290	Bob Morgan Services	Provision of security and receptionist services
19/2/2013	9/11/2012	TIN12110352	7/1/2013	0842254	000323	184,210	226	Uniglobe	international travel
17/5/13	15/5/13	-	16/5/13	0842356	000423	125,000	335	Blue York Hotel	Conference package
17/5/13	5/4/13	512227/512194	14/5/13	0842354	000421	312,875	226	Satguru travels	Air tickets
8/5/13	11/4/13	1591	25/4/13	0842297	000398	558,656	315	Software technologies	Electronic based application softwre
19/6/13	17/5/13	24630/24629/24651	3/6/13	0842366	0002458	269,725	300	African touch safaris	Air tickets
20/6/13	15/5/13, 4/4/13	514787/512161	23/5/13	0842364	000457	315,190	335	Satguru travels	Air tickets
20/6/13	1/3/13, 1/4/13	191364/192387	5/6/13	0842373	000453	341,040	290	Bob morgan securities	Security services
20/6/13	26/2/13	1443556	25/2/13	1443556	000352	159,000	250	Dotline graphics	Ss of entrance mounted on sign glass
20/5/13		20/5/13	16/5/13	0842357	000424	111,000	335	Jaki guest hotel	Conference facility

This is a clear breach of procurement regulations and it's not clear why LSO/LPOs would be raised after the Invoices were raised.

Recommended action to be taken by Management:

- Procurement regulations should be adhered to at all times.

Signature of Branch Head

Response date:

Response by Accounting Officer:

Auditor's comments:

Audit query

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Period end:	30/06/2012	Level 1	B. Gitau	SS	7/8/2013
Prepared by:	S. Mwapula	Level 2	C.M. Kinuthia	AMA	
Rank:	AS II	Level 3	M.M. Mukiiri	Manager	
Date:	5/08/2013	Level 4			

To: The Finance Manager,

KENTRADE.

Issued on: 07.08.2013

Audit Query Number: 1.5

Title of Query: Inadequately Supported Expenditure

Amount of misstatement/error: N/A

Category of Expenditure: Various

Detail of Transaction:

Description of finding:

Payment vouchers are supposed to be fully supported by all the relevant documents. This was not complied with since several vouchers examined had no clear supporting documents. These are as detailed below:-

No	Cheque no./Ref no.	Amount (Kshs.)	Payee	Detail of transaction	Missing information/details
1	000277	333,703	Ziyale Investments	Supply of vehicle tyres	No Quotations, VAT certificate, Tax compliance Certificate and registration details
2	000328	1,505,829.24	CIC General Insurance	Provision of Staff medical scheme	The terms of the cover not attached (contractual agreement)
3	000330	151,037	Glory Car Hire	Hire of vehicles by CEO while in Mombasa	No LSO, standing agreements, evidence of travel to Mombasa & on official duty not provided
4	000324	37,185	Glory Car Hire	Hire of vehicles by CEO while in Mombasa	No LSO, standing agreements, evidence of travel to Mombasa & on official duty not provided
5	000323	184,210	Uniglobe Northline Travel	Payment for provision of air tickets	No quotations/contract, no internal memos indicating request and approvals for travels
6	000322	113,680	Bob Morgan Services	Provision of security and receptionist services	Contract not attached

7	000317	372,680	Marindi Ndege Enterprises	Supply of various stationery	No quotations, Tax certificates
8	000313	227,360	Altech Swift Global Ltd	Provision of internet services	Contract and tax certificates not provided
9	000305	69,919	KENATCO Taxis Ltd	Provision of tax services	No contract/quotations, requisition forms, LSO
10	000298	114,840	Tidy Site Services Ltd	Provision for cleaning services	No quotations/contract, tax certificates
11	000392	197,316	The Star	Advertising services	No quotations
12	000391	297,535	Uniglobe Northline Travel	Payment for provision of air tickets	No quotations/contract, no internal memos indicating request and approvals for travels
13	000389	35,000	Signature Tours Ltd	Car hire	No quotations, tax certificates, memo indicating request for and approval for travel
14	000388	319,595	Satguru Travels & Tours Ltd	Provision for air tickets	No quotations, tax certificates, memo indicating request for and approval for travel
15	000383	242,440	The Standard paper	advertising	No quotations, requisition memo, excerpt of the advert, the invoice is also not attached
16	000382	34,800	Tamia Ltd	Provision of cleaning services	No contract/quotations, tax certificates, certificate of incorporation and other registration details
17	000381	100,625	Uniglobe Northline Travel	Payment for provision of air tickets	No quotations/contract, no internal memos indicating request and approvals for travels
18	000401	33,072	KENATCO Taxis Ltd	Provision of tax services	No contract/quotations, requisition forms, LSO
19	000380	26,960	Mahds Enterprises	Supply of newspapers	No contract, tax certificate and registration details
20	000378	580,580	Nation Media Grp	Advertising services	No requisition memos, excerpt of the advert, no invoice only advertising space order
21	000375	113,680	Altech Swift Global Ltd	Provision of internet services	Contract and tax certificates not provided, no requisition memos, LSO, Invoice
22	000371	160,000	Ambereland Etrps	Supply of toners	No quotations, tax certificates and registration papers,
23		29,650	Mahds Enterprises	Supply of newspapers	No contract, tax certificate and registration details
24	000262	165,665	Uniglobe Northline Travel	Payment for provision of air tickets	No quotations/contract, no internal memos indicating request and approvals for travels

25	000263	586,975	Kisiayato Agencies	General	Supply of stationery	Incorporated in 21/9/2006,(no.128588) vat no.0114592H has date of registration as 15/3/2000.tax compliance certificate not valid
26	000264	147,784	Bob Morgan Services		Provision of security and receptionist services	Contract not attached
27	000453	341,040	Bob Morgan Services		Provision of security and receptionist services	Contract not attached
28	000226	133,360	Uniglobe Travel	Northline	Payment for provision of air tickets	No quotations/contract, no internal memos indicating request and approvals for travels
29	000153	413,117	UAP Insurance		Medical insurance scheme	No performance/security guarantee from a bank attached, method of procurement not provided.
30	000209	499,380	Altech Swift Global Ltd		Provision of internet services	Contract and tax certificates not provided, no requisition memos
31	000246	1,340,290	Uniglobe Travel	Northline	Payment for provision of air tickets	No quotations/contract, no internal memos indicating request and approvals for travels
32	000164	154,700	Uniglobe Travel	Northline	Payment for provision of air tickets	No quotations/contract, no internal memos indicating request and approvals for travels
33	000145	3,266,745.60	Embankment Investment Ltd		Provision of rental space	Lease / tenancy agreement not attached
34	000175	2,805,390	Akarim Agencies		Provision of air tickets	No contract/quotations, tax certificates, registration details, memo approving travels
35	000171	87,000	Lavington Security		Provision of security services	No contract/quotations, tax certificates, registration details, memo approving travels
36	000445	69,600	Tamia Ltd		Provision of cleaning services	No contract/quotations, tax certificates, certificate of incorporation and other registration details
37			Enashipai Resort & Spa		Settlement for retreat charges	Voucher not seen, only the payment receipt was available.
38	000467	9,467,257	Toyota kenya		Supply of Prado	No treasury approval No inspection report from mechanical and transport department. The recommended cc of 1800 was exceeded. Delivery note was not availed for audit review.

					The payment was made before the vehicle was supplied as it was demanded through a profoma invoice.
39	000251	3,788,181.00	DT Dobie	Nissan-24 URVAN, 9seater van	No treasury approval No inspection report from mechanical and transport department. Delivery note was not availed for audit review.
40	000452	281,817.00	CMC motors	Repairs GKA 127Y	No LSO No inspections report from mechanical and transport department.
41	000454	215,296.00	Liberty Pensions	Pension scheme services	No evidence of competitive procurement for the services
42	000419	280,000.00	Magnate ventures	Business name panel	No evidence of competitive procurement. No inspections and acceptance certificate
43	00421	321,875.00	Satguru travels	Air tickets	Journey not supported by invitation letters or official nomination letters.
44	00423	125,000.00	Blue York hotel	Conference facilities	No evidence of competitive procurement. No Schedule/list of stakeholders in the sensitization.
45	00352	159,000.00	Dotline graphics	Entrance - mounted sign glass	No evidence of competitive procurement. No receipt, inspections, and acceptance certificate.
46	000357	406,000.00	Kenya web	Website development	No evidence of competitive procurement. No inspections and acceptance certificate
47	000345	1,748,780.00	Good hope travel	Air tickets	No evidence of competitive procurement. Journey not supported by invitation letter or nomination letter by the agency.
48	00341	168,000.00	Ruwamba investment	Extension cables	No evidence of competitive procurement. No receipt, inspections and

					acceptance certificate.
49	0425	124,000.00	Isebania border point hotel	Conference facility western kenya	No evidence of competitive procurement. List/schedule of stakeholders who attended the sensitization campaign not provided.
50	000456	92,043.00	UAP insurance company	extension premiums for medical cover.	No agreement to extend the contract was availed
51	000457	315,190.00	Satguru travel	Air tickets	No official invitation letter/nomination to attend official functions
52	000417	1,191,816.00	Nora nairi	Printer, antivirus	No evidence of competitive procurement No receipt, inspections and acceptance certificate.
53	000470	500,300.00	Talk africa	Mobilization professional fee	No evidence of competitive procurement
54		480,000.00	Gabriel Kimani	Additional per diem Singapore.	No official invitation/nomination letter No reasons were provided for the extension of stay in Singapore.
55	000444	85,530	Mayfair holdings	Conference package	No schedule/list of stakeholders who attended the conference.
56	000199	549,020.00	Enashipai resort	Conference packages	No evidence of competitive procurement. Schedule/list of attendance not provided.
57	000279	107,800.00	Sawela lodge	workshop	No evidence of competitive procurement.
58	000333	177,980.00	Royal court hotel	Conference package.	No evidence of competitive procurement. Schedule/list of attendance not attached.
59	00346	1,009,550.00	Enashipai resort	„	No evidence of competitive procurement. Schedule/list of attendance not attached.
60	000379	351,000.00	Nakuru golf club	Golf tournament sponsorship.	Services not requested thro LSO, No list of stakeholders who attended the tournament attached.

					The agency made an advanced payment on 22/4/13 while the tournament was to be held on 27/4/13.
61	-	85,000.00	Merica hotel	Conference package	No list of participants.
62	000424	111,000.00	Jaki guest house	Conference package	No evidence of competitive procurement. List of participants not provided.
63	000455	215,000.00	Rift valley sports club	Conference package	No evidence of competitive procurement. List of participants not provided
64	000178	182,140.00	Silver spring hotel	Conference when conducting interviews	No evidence of competitive procurement. List of participants not provided,
65	000441	284,200.00	The value directors	workshop	No evidence of competitive procurement. List of participants not provided
66	000315	130,000.00	Compton limited	20 Ipad covers	No evidence of competitive procurement No receipt, inspections and acceptance certificate.

We cannot therefore ascertain that these expenditures were properly incurred.

Recommended action to be taken by Management:

- The procedures as set out in the finance manual should be adhered to.
- Procurement regulations should be followed at all times.

Signature of Team Leader

Response date:

Response by Management:

Auditor's comments: