



**THE COPPERBELT UNIVERSITY (CBU)
AFRICA CENTRE OF EXCELLENCY IN SUSTAINABLE MINING
(CBU ACESM)
PROCUREMENT REVIEW FACTUAL FINDING REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2020**

Strictly Private and Confidential

25 March 2021

passion

teamwork

clarity

quality

integrity



STRICTLY PRIVATE & CONFIDENTIAL

Procurement review of the
Copperbelt University (CBU)
Africa Centre of Excellency in Sustainable Mining(CBU ACESM)

Dated : 25 March 2021

Confidentiality: This report is supplied on the understanding that it is for the sole use of the persons to whom it is addressed and for the purpose set out herein. No persons other than those to whom it is addressed may rely on it for any purpose what so ever. It may not be made available or copied in whole or in part to any other person without PKF Consulting Zambia Limited express written permission.

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NAMES AND ACCRONYMS

Detailed descriptions and explanations of terms and abbreviations relevant to this report are listed below. These descriptions and explanations however serve to clarify our report and are not intended to be authoritative.

Names and Abbreviations	Description
CBU	Copperbelt University
ACESM	Africa Centre of Excellency in Sustainable Mining
ZPPA	Zambia Public Procurement Authority

1. INTRODUCTION

1.1. Objectives of our review

PKF was appointed to carry out a procurement review of the Copperbelt University (CBU) Africa Centre of Excellency in Sustainable Mining during the year ended 31 December 2020.

The primary objectives of the exercise were;

- 1.1.1 To determine (ensure) that high quality and appropriate quantity of goods, works and services were procured.
- 1.1.2 To ascertain whether or not the recommendations made in the in the previous audit report were instituted and appropriate actions taken to fully address the issues.

1.2. Scope of work

The scope of our work was limited to inspection and analysis of the documentation and information relating to procurements done under the project and provided to us by the management during the course of our review.

We performed various procedures to determine facts as required including examination of documents.

Our engagement did not constitute an audit or review, other assurance engagement or an agreed-upon procedures engagement, performed in accordance with International Standards on Auditing (ISAs), International Standards on Review Engagements (ISREs), International Standards on Assurance Engagements (ISAEs) or International Standards on Engagements to perform Agreed-upon Procedures regarding Financial Information and consequently no opinion or conclusion will be expresse

1.3. Restriction on distribution of report

This report was prepared solely for the purposes of reporting our findings as per section 1.2 above. No part may be quoted, referred to or disclosed in whole or in part, by any party, without our prior written consent.

1.4. Legal advice

Although our report contains references to relevant laws and legislation, we do not provide any legal opinion on the compliance with such laws and our findings in this report are not to be construed as providing legal advice. Our discussion of the relevant laws is intended solely to facilitate the determination of applicable facts which may be relevant to the interpretation and/or application of such laws. Should such interpretation require legal advice, we recommend that independent legal advice be obtained.

1.5. Structure of this report

Our report has been set out as follows:

- Executive summary
- Section 1 outlines the background and the objective of the assignment;
- Section 2 outlines the procedures performed;
- Section 3 details the factual findings on the agreed scope of work.

2. EXECUTIVE SUMMARY

The Audit was carried out to determine whether the goods, services and works procured during the year ending 31 December 2020 were done in accordance with the public procurement regulations and the best procurement practices, and that the goods and services were of good quality and appropriate, and also to ascertain whether the recommendations made in the previous audit in 2019 were implemented.

The road map for the audit was to check whether the documents used at each stage in the Procurement Cycle (purchase requisitions, evaluation reports, orders and goods received notes) were attached to all payments. This was to check completeness of the cycle as this is vital in World Bank funded projects.

From our review we noted the following;

- i. All procurements for goods, services and works reviewed were done in accordance with the Zambia Public Procurement Act of 2008 and the 2011 Procurement Regulations and Procedures and best practices, with an exception of one (i) procurement, purchase of server for ZMW744,000, which did not comply in accordance with the aforementioned regulations. We noted that the Entity applied the simplified bidding as opposed to open tender method which was the most appropriate taking into account the value of the procurement;
- ii. Goods procured under the project were of the good quality and met the prescribed descriptions as per the requisitions made by the procuring entity;
- iii. Services and works procured by the Project were of good standards, no exception was noted.

3. FACTUAL FINDINGS

We reviewed all areas under the Terms of Engagement and we report our factual finding as follows;

The purpose of this report is to discuss our factual findings resulting from the procedures performed as listed below. The procedures were performed based on those facts supported by documents and records. As summarized in the table below, we reviewed and considered documents provided to us by CBU ACESM.

Table 1: Outline of procedures performed

REQUIREMENTS AS PER SCOPE OF WORK	PROCEDURES PERFORMED																					
<p>i. To determine (ensure) that high quality and appropriate quantity of goods, works and services were procured in the year ending 31 December 2020.</p>	<p>We conducted a thorough review of all the procurements done in the year ending 31 December 2020 to ascertain whether the appropriate procedures were followed and to confirm that the procurements were done as per the requirements of the Zambia Public Procurement Act of 2008 and the 2011 Procurement Regulations and Procedures; Specifically, we reviewed the following key documents submitted by the Management of the project;</p> <ul style="list-style-type: none"> • Project budget; • The purchase requisitions; • Evaluation reports; • Purchase orders; • Goods Received Notes; • Service Contracts; • Consultancy Contracts; • Delivery Notes; and • Payment documents. <p>We also held discussions with relevant procurement and programme staff to clarify on some of the areas under review;</p> <p><u>Our Coverage</u></p> <p>This review covered all the 29 procurements (100% sample) executed by the project during the period under review as shown in the table below;</p> <p>Table 2: Summary of procurements done in 2020;</p> <table border="1" data-bbox="696 1270 2123 1442"> <thead> <tr> <th>#</th> <th>Category</th> <th>Description</th> <th>Method</th> <th>Supplier</th> <th>Amount</th> <th>Delivery Status</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Goods</td> <td>Procurement of Furniture</td> <td>Simplified bidding</td> <td>Furnishing World</td> <td>K49,450</td> <td>Executed</td> </tr> <tr> <td>2.</td> <td>Goods</td> <td>Procurements of office equipment</td> <td>Simplified bidding</td> <td>City Centre Homeware</td> <td>K12,284</td> <td>Executed</td> </tr> </tbody> </table>	#	Category	Description	Method	Supplier	Amount	Delivery Status	1.	Goods	Procurement of Furniture	Simplified bidding	Furnishing World	K49,450	Executed	2.	Goods	Procurements of office equipment	Simplified bidding	City Centre Homeware	K12,284	Executed
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REQUIREMENTS AS PER SCOPE OF WORK		PROCEDURES PERFORMED					
	3.	Goods	Procurement of Desktops	Simplified bidding	STK Business Concept	K141,027	Executed
	4.	Servives	Procurement of services:	Simplified bidding	Njele Country Park	K10,307	Executed
	5.	Goods	Procurement of logistics services	Simplified bidding	Zambia National Broadcasting Corporation	K16,700	Executed
	6.	Goods	Procurement of network connectivity	Simplified bidding	Thasilum Tech. Ltd	K119,284	Executed
	7.	Goods	Procurement of team software project	Simplified bidding	Team Work Viewer	\$5,400	Executed
	8.	Goods	Procurement of hire of conference facility	Simplified bidding	Samfred Lodge	K37,680	Executed
	9.	Servives	Procurement of Buses Services:	Simplified bidding	Magodi Lodge	K38,700	Executed Executed
	10.	Servives	Procurement of hiring service:	Simplified bidding	Garden Court	K12,000	Executed
	11.	Goods	Procurement of research equipment:	Simplified bidding	IBAN Aqua Fish	K36,360	Executed Executed
	12.	Servives	Procurement of conference package:	Simplified bidding	Fatmos Lodge	K8,700	Executed
	13.	Servives	Procurement of conference facility for board orientation	Simplified bidding	Protea Hotels	K44,111	Executed
	14.	Servives	Procurement of accommodation for a board member:	Simplified bidding	Africanza Lodge	K2,228	Executed
	15.	Servives	Procurement of accommodation for some board members:	Simplified bidding	Africanza Lodge	K3,721	Executed
	16.	Servives	Purchase of conference facility proposal writing workshop	Simplified bidding	Samfred Lodge	K24,823	Executed
	17.	Servives	Procurement of conference facility proposal writing workshop	Simplified bidding	Samfred Lodge	K20,756	Executed
	18.	Goods	Procurement of branding items	Simplified bidding	Mission Press	K66,490	Executed
	19.	Goods	Procurement of PA system:	Simplified bidding	MK Empire Ltd	K7,000	Executed
	20.	Servives	Procurement of conference for planning workshop	Simplified bidding	Royal Kutachika Lodge	K49,330	Executed
	21.	Goods	Procurement of furniture:	Simplified bidding	City Centre Homeware	K36,270	Executed

REQUIREMENTS AS PER SCOPE OF WORK		PROCEDURES PERFORMED					
	22	Servives	Procurement of service: Award giving ceremony:	Simplified bidding	Nsonko Ltd	K3,000	Executed
	23	Servives	Procurement of service: Award giving ceremony	Simplified bidding	Creative Touch Branding	K7,308	Executed
	24	Servives	Procurement of service: Capacity building	Simplified bidding	Garden Court	K5,100	Executed
	25	Servives	Procurement of conference package: Board Advisory service	Simplified bidding	Garden Court	K17,856	Executed
	26	Servives	Procurement of conference package	Simplified bidding	Cross Roads Lodge	K40,571	Executed
	27	Servives	Procurement of toners:	Simplified bidding	Bersil Enterprises	K16,050	Executed
	28	Works	Procurement of works	Simplified bidding	Broach Tech Innovations	K113,400	Executed
	29	Goods	Purchase of the Server	Simplified bidding	Wave-Tech Innovations	744,000	Executed

The procurements in the table 2above were done in line with the Zambia Public Procurement Act of 2008 and 2011 procurement regulations and procedures. Quliaty goods, services and works obtained.

Findings and recommendations

From our review we noted the following exception;

Description of purchase	Findings	Risk
Non complienace with the Zambia Public Procurement Authority (ZPPA) and regulations in the procurement of the Server at a cost of K744,000.	Employed simplified bidding instead of open method as recommended by ZPPA Act of 2008. The simplified bidding is less competitive and transparent as compared to the open tender. Therefore the Project may not have obtained value for money for this procurement.	Non compliance with the Zambia Public Procurement Authority (ZPPA) Value for money may not have been achieved for this particular procurement

REQUIREMENTS AS PER SCOPE OF WORK	PROCEDURES PERFORMED								
	<p>Recommendations</p> <p>The project management should ensure that:</p> <ul style="list-style-type: none"> ▪ Appointment of ad hoc evaluation Committees for evaluation of complex procurements should be done, e.g purchase of the Server. <p>Conclusion.</p> <p>From our review we conclude as follows;</p> <ul style="list-style-type: none"> ▪ With the exception of the above finding, all procurement reviewed during the period were done in line with the Public Procurement Regulations. The procurements as listed in table 1 above on page 5. ▪ High quality and appropriate quantity of goods, works and services were procured and that value for money was obtained except for the one exception noted in the procurement of a server. 								
<p>ii. To ascertain whether or not the recommendations made in the in the previous audit report were instituted and appropriate actions taken to fully address the issues</p>	<p>The status of prior year audit recommendation implementation is as follows;</p> <table border="1" data-bbox="698 1002 2132 1283"> <thead> <tr> <th data-bbox="698 1002 1111 1066">Findings</th> <th data-bbox="1115 1002 1648 1066">Recommendations</th> <th data-bbox="1653 1002 2132 1066">Status of implementation</th> </tr> </thead> <tbody> <tr> <td data-bbox="698 1072 1111 1283"> <p>There are missing documents within the procurement cycle which makes it difficult to follow the work flow.</p> </td> <td data-bbox="1115 1072 1648 1283"> <p>The Project needs to improve in record keeping of the project to ensure that all the documents in the procurement cycle are kept;</p> </td> <td data-bbox="1653 1072 2132 1283"> <p>All the procurement documents were provided during the current audit, no exception was noted.</p> </td> </tr> </tbody> </table>			Findings	Recommendations	Status of implementation	<p>There are missing documents within the procurement cycle which makes it difficult to follow the work flow.</p>	<p>The Project needs to improve in record keeping of the project to ensure that all the documents in the procurement cycle are kept;</p>	<p>All the procurement documents were provided during the current audit, no exception was noted.</p>
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