



**THE COPPERBELT UNIVERSITY (CBU)
AFRICA CENTRE OF EXCELLENCY IN SUSTAINABLE MINING
(CBU ACESM)
PROCUREMENT REVIEW FACTUAL FINDING REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021**

Strictly Private and Confidential

21 July 2022

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 : 21 July 2022

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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 2021.

The primary objectives of the exercise were;

- 1.1.1 To confirm that the procurements were done in line with the requirements of the public procurement regulations and the grant agreements.
- 1.1.2 To determine (ensure) that high quality and appropriate quantity of goods, works and services were procured.
- 1.1.3 To confirm existence of adequate internal controls around the procurement function
- 1.1.4 To confirm that procurements in the project are managed by persons who are qualified to do so and have necessary experience.
- 1.1.5 To ascertain whether or not the recommendations made 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 expressed.

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.

2. FACTUAL FINDINGS

The Audit was carried out to determine whether the goods, services and works procured during the year ending 31 December 2021 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 2020 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.

2.1. Procurement Rules

The project management used the Zambia Public Procurement Act of 2008 and the 2011 Procurement Regulations. This was in line with the grant agreement and the entity being a public organisation are mandated to adhere to the aforementioned rules.

2.2. Organization and Staffing

The procurement functions of the Project are handled by the two staff members who have been specifically seconded to the project. These are the procurement officer and assistant procurement officer. The two are supervised by the University Procurement Manager. The procurement department of CBU is staffed as per the table below;

Position	Qualification	Key Roles in the procurement function
Manager Procurement	MCIPS	Oversee compliance & applicable roles
Procurement Officer	Level 5 C.I.P.S	Timely procurements of goods & services for CBU & for the project as well
Assistant Procurement Officer	Degree in Procurement	Assist the timely procurement of goods & services for CBU & project
Procurement Assistant	MCIPS	Routine purchases for CBU
Procurement Assistant	Degree in Procurement	Routine purchases for CBU

Both staff handling procurement requisites for the project have no valid practicing certificates from Zambia Institute of Purchasing and Supply (ZIPS), which is an offence according to the ZIPS ACT number 15 of 2003-part IV section 7(1).

We have also noted that the staff seconded to the project, have no specific terms of reference or job descriptions for the functions they are supposed to perform on the project.

The Procurement Officers have received training in the past however, there is need for more regular hands on training on: procurement laws and procurement planning.

2.3. Procurement Planning

The procurement plan was derived from the approved Project Budget. However, it did not capture the planned vs. actual and variance sections thus cannot be updated frequently or be used as a monitoring and reporting tool for the project. There were no market survey reports to inform procurement planning and procurement decisions.

2.4. Procurement Records

The procurement records were available and readily accessible as they were filed in a specific procurement and contracts files. The procurement records are kept in secure lockable cabinets to protect them from unauthorized persons.

2.5. Detailed examination of the selected procurement

During the year the project carried out the following procurements;

Description	Procurement Method	Supplier	Amount (ZMW)
Air cons	Simplified Bidding	M & M Enterprises	14,326.00
Laboratory Gases	Simplified Bidding	Mines gases	15,266.00
Laboratory Equipment	Simplified Bidding	Déscoe Electric	83,578.00
Accommodation	Simplified Bidding	Africanza Lodge & Restaurant	166,536.00
Accommodation	Simplified Bidding	Skyview Lodge	17,492.40
Conference package	Simplified Bidding	Fresh View Homes	152,872.50
External Hard Drive	Simplified Bidding	Benny's Ltd	2,400.00
Voice Recorders	Simplified Bidding	Diplosat Communication	15,500.00
Laboratory Consumables	Simplified Bidding	Chemicol Scientific	33,752.96
Accommodation	Simplified Bidding	Kariba Sunset Villas	10,890.00
Accommodation	Simplified Bidding	Garden Court Kitwe	8,400.00
Accommodation	Simplified Bidding	Garden Court Kitwe	6,120.00
Samsung tablets	Simplified Bidding	Mobile City General Dealers	13,900.00
Toners	Simplified Bidding	Bersil Enterprises	70,900.00
Printer	Simplified Bidding	Bersil Enterprises	22,900.00
Voice Recorders	Simplified Bidding	Benny's Ltd	5,180.00
Shirts/caps	Simplified Bidding	Khagios Media	10,500.00
Paper Shredder	Simplified Bidding	Bersil Enterprises	11,800.00
Accommodation	Simplified Bidding	Garden Court Kitwe	20,763.20
Conference Services	Simplified Bidding	Njele County Park	4,906.04
Accommodation	Simplified Bidding	Garden Court Kitwe	16,700.00
Meeting & Accommodation	Simplified Bidding	Africanza Lodge & Restaurant	12,283.00
Sanding Belts	Direct Biding	Micmar	1,887.00

Description	Procurement Method	Supplier	Amount (ZMW)
Accommodation	Simplified Bidding	Crossroads	31,373.65
Conference package	Simplified Bidding	Milford Lodge	49,592.90
Medals	Simplified Bidding	Shakti Engineering	3,625.00
Hire of the golf course	Simplified Bidding	Nkana Golf Club	55,000.00
Conference package	Simplified Bidding	Crossroads	27,544.00
Aerobics	Simplified Bidding	Defined Style Fitness	35,000.00
Accommodation	Simplified Bidding	Milford Lodge	3,600.00
Conference package	Simplified Bidding	Samford Garden Lodge	25,967.50
Accommodation	Simplified Bidding	Garden Court Kitwe	16,700.00
Conference package	Simplified Bidding	Skyview Lodge	40,471.17
Total			913,259.32

We conducted a thorough review of all the procurements done in the year ending 31 December 2021 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;

- Project budget;
- The purchase requisitions;
- Evaluation reports;
- Purchase orders;
- Goods Received Notes;
- Service Contracts;
- Consultancy Contracts;
- Delivery Notes; and
- Payment documents.

Our Coverage

This review covered 68% procurement executed by the project during the period under review as shown in the table below;

Category	Description	Procurement Method	Supplier	Amount (ZMW)	Contract Signature Date	Delivery Status
Goods	Laboratory Gases	Simplified Bidding	Mines gases	15,266.00	09-Jun-21	Executed
Goods	Laboratory Equipment	Simplified Bidding	Déscoe Electric	83,578.00	21-Jan-21	Executed
Services	Accommodation	Simplified Bidding	Africanza Lodge & Restaurant	166,536.00	02-Nov-21	Executed
Services	Conference package	Simplified Bidding	Skyview Lodge	40,471.17	29-Sep-21	Executed
Services	Conference package	Simplified Bidding	Fresh View Homes	152,872.50	08-Nov-21	Executed

Category	Description	Procurement Method	Supplier	Amount (ZMW)	Contract Signature Date	Delivery Status
Goods	External Hard Drive	Simplified Bidding	Benny's Ltd	2,400.00	16-Jun-21	Executed
Goods	Voice Recorders	Simplified Bidding	Diplosat Communication	15,500.00	18-Mar-21	Executed
Goods	Laboratory Consumables	Simplified Bidding	Chemicol Scientific	33,752.96	04-Jun-21	Executed
Services	Accommodation	Simplified Bidding	Garden Court Kitwe	8,400.00	21-May-21	Executed
Goods	Toners	Simplified Bidding	Bersil Enterprises	70,900.00	14-Jul-21	Executed
Goods	Printer	Simplified Bidding	Bersil Enterprises	22,900.00	28-Aug-21	Executed

2.6. Findings and recommendations

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

Findings	Risk	Recommendations
We noted that the Purchase of voice recorders was planned for September 2021 but was purchased in March 2021, this adjustment was not made on the procurement plan.	Non-compliance with the procurement plan may affect the project's implementation schedule.	Capacity build staff on procurement planning, procurement management and contract management
We have also noted that the staff seconded to the project, have no specific terms of reference or job descriptions for the functions they are supposed to perform on the project.	Failure to achieve the procurement objectives of the project due to uncertain terms of reference or no specificity of what is expected of the staff therefore creating an expectation gap between the project requirements and the actual functions performed by the staff.	Management should ensure that for all the procurement staff seconded to the project specific terms of reference are put in place to guide their functions.
The procurement plan does not capture the planned vs. actual and variance sections. Further there were no market survey reports to inform procurement planning and procurement decisions.	The risk that the plan cannot be updated frequently or be used as a monitoring and reporting tool for the project.	Management should ensure that all procurement plans should be reviewed and provision for budget vs actuals analysis be included to provide basis for monitoring the implementation. Further, management should have a form of market survey to support the data included in the procurement plan.

2.7. Follow up of prior year findings and recommendations

Findings	Recommendations	Status of implementation
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<p>Non-compliance with the Zambia Public Procurement Authority (ZPPA) and regulations in the procurement of the Server at a cost of K744,000.</p> <p>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.</p> <p>Therefore, the Project may not have obtained value for money for this procurement.</p> <p>Risk</p> <p>Noncompliance with the Zambia Public Procurement Authority (ZPPA)</p> <p>Value for money may not have been achieved for this particular procurement</p>	<p>Appointment of ad hoc evaluation Committees for evaluation of complex procurements should be done and ensure use of the correct procurement method.</p>	<p>There was no exception noted during the 2020 audit that indicated the recurrence of this finding.</p>
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2.8. Other recommendations

The project procurements should be included in the CBU's internal audit function plans and be reviewed to act as a monitoring function on the controls around the project procurements.

2.9. Conclusion

From our review, with the exception of the above findings our conclusion is that;

- All procurement reviewed during the period were done in line with the Public Procurement Regulations and the grant agreements
- High quality and appropriate quantity of goods, works and services were procured and that value for money was obtained;
- There exist an adequate internal controls and systems around the procurement function;
- The procurements in the project are managed by persons who are qualified to do so and have necessary experience that suits the nature and type of procurements done by the project; *and*
- All the recommendations made in the previous audit report were instituted and appropriate actions taken to fully address the issues.