

## **P17 - PROCUREMENT PERFORMANCE AUDIT REPORT ON ROAD WORKS**

MWENGE is among the Sub-Saharan African (SSA) country which have been receiving funds for roads and development projects from donors and development partners for many years now. Once money received are directly channeled to the Ministry of Infrastructure Development (MID). The MID delegates projects planning and implementation under its road agency known as MWENGE Roads Agency (MWARA). The agency performance for a couple of years has been wonderful and many project Managers from the agency were applauded by the audit teams that had investigated the organization.

In recent years the agency had been receiving qualified reports consecutively. Many of the performance audits had covered the whole procurement process from the needs assessment and planning stages to the delivery of the procured goods, and sometimes also covered storage and distribution. Though problems can arise in all the various phases and stages of the procurement process, the audit report indicated that the pre-tendering phase is of special concern in the procurement process. It is in this phase that decisions will be taken both on needs, volumes, requirements of the goods or services and time for delivery. If the needs analysis and planning are poorly accomplished and are not on time, this can affect subsequent phases in the process and in the end the key objective of the government activities. The audit report also indicates that contract management is also a phase of utmost importance. Inefficient and ineffective management of contracts can have serious consequences. The scenarios were illustrated by the performance audit of road works conducted by the National Audit Office described below.

### **MWENGE**

The purpose of the performance audit of the MID was to assess whether the government has an effective system of road works in the country in controlling road construction time, cost and quality. This included assessing the extent the system is working to minimize delays, cost overruns and quality problems in road works. The audit focused on the post-contract stage with case studies of the 15 road construction projects completed in the three financial years 2017/2018, 2018/2019 and 2019/2020. Due to failure in obtaining sufficient data, two projects had to be excluded from the audit.

A variety of methods were used, reviewing planning, project and contract documents for the 13 road projects as well as interviewing different stakeholders. Site visits were made for seven

projects. Development partners funding road projects were also interviewed. The Ministry and MWARA confirmed the accuracy of the figures used and the information presented in the report. Also, external experts and scientists in the field went through methods, evidence and findings. The audit showed that:

- (i) Extension of working days was granted as requested by contractors, without independent analysis to verify the adequacy of the time requested
- (ii) Inadequate design and mis-calculations were important, but not the only, causes for cost overruns.
- (iii) The quality control system needed further improvement, in particular improving the control during the design and construction phases, carrying out inspections and monitoring as planned and avoid giving conflicting tasks to consultants without proper follow-up by MWARA.

The audit concluded that the road works system in MWENGE is not managed efficiently, resulting in significant delays and cost overruns. Engaged consultants have multiple roles and are not managed well. There is serious lack of independent analysis to verify the adequacy of the time extension requested by contractors. Design works is not done properly and efficiently which resulted in redesigning leading to inevitable cost overruns. Further, the management of consultants by the Ministry and MWARA is not adequate. The MID and MWARA inspections and evaluations was not able to detect certain weaknesses of the road works, and sanctions were not properly used for addressing and correcting the frequent and extended delays, cost overruns and also quality assurance problems.