Republic of Kenya

PUBLIC SECTOR ACCOUNTING STANDARDS BOARD (KENYA)

GOVERNMENT OF KENYA

DRAFT SUPPLY CHAIN MANAGEMENT AUDIT

PROGRAMS FOR NATIONAL GOVERNMENT

SEPTEMBER 2026

SUPPLY CHAIN MANAGEMENT AUDIT PROGRAMS

(To be customized for each Program)

Audit Program No.:	**Period Under Review:**	**Department:**
Prepared By:		
Reviewed By:		

Sub-Process: Procurement Governance

Audit Objective: To establish whether the procurement function is staffed with qualified and competent staff.	
Risk: Unqualified and incompetent procurement staff	
Controls	**Tests**
Appointment letters for procurement staff.	**TEST OF DESIGN** • Establish whether there are key requirements of laws, regulations, policies and procedures on procurement function. • If the control is not documented, enquire from the process owner how it is meant to be executed

Approved organization structure and staff establishment Valid practicing license	**TEST OF IMPLEMENTATION** • Obtain appointment letters of procurement staff. • Confirm that the procedure under TOD is implemented as documented. • Walk through the process and note any gaps in implementation. **TEST OF OPERATING EFFECTIVENESS** • Confirm whether the procurement function is established in accordance with PPADA, 2015 Sec 47 and PPADR, 2020 Reg 33. • Confirm whether the procurement function reports directly to the head of the entity functionally and administratively. • Confirm whether the procurement function is handled by procurement professionals whose qualifications are recognized in Kenya. PPADA, 2015 Sec 47(1). • Confirm whether procurement officers have the right qualifications and appropriate practicing license as per Supplies Practitioners Management Act (SPMA), 2007, Sec 20(1). • Confirm that the Procurement Department has clearly set out segregation of duties
Audit Objective: To establish whether the procurement function performs its roles in compliance with procurement laws and regulations.	
Risk: Non-compliance with the procurement law, regulations and policies and ineffective procurement processes	
Controls	**Tests**

Signed Job Descriptions for procurement staff. Key Performance Indicators (KPIs) of the Procurement Function Signed Service Level Agreement (SLAs) with user departments.	**TEST OF DESIGN** • Establish whether there are key requirements of laws, regulations, policies and procedures on procurement function. • If the control is not documented, enquire from the process owner how it is meant to be executed. **TEST OF IMPLEMENTATION** • Obtain job descriptions of procurement staff. • Confirm whether the procedure under TOD is implemented as documented. • Walkthrough the process and note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Confirm whether the procurement functions effectively perform its roles as per PPADR, 2020 Reg 33(3). • Confirm whether the procurement processes are handled by different professional offices in respect of procurements, initiation, processing and receipt of goods, works and services PPADA, 2015 Sec 44(2h). • Confirm whether the procurement function has developed key performance indicators from which its performance is measured periodically. • Confirm whether the procurement function has signed service level agreements with user departments. • Confirm whether the procurement function ensures procurement records are kept as provided PPDA (2015) and PPDR Reg 33(4) , Reg. 34 (2)

Sub-Process: Public Procurement and Disposal Planning

Audit Objective: To establish whether the annual procurement and disposal plans are prepared in line compliance with applicable laws, regulations, guidelines, policies, and procedures.	
Risk: Ineffective annual procurement and disposal planning	
Controls	**Test**
Approved Annual Procurement and disposal Plan	**TEST OF DESIGN** • An indication of which items may be aggregated for procurement as a single package or for procurement through any applicable arrangements for common-user items • An indication of which items shall be packaged into lots. • An estimate of the value of each package of goods, works or services required and an indication of the available budget and sources of funding. • An indication of the appropriate procurement method for each procurement requirement. • Where transfer of responsibilities is justified, the optimal period for such transfer taking into account seasonal price variations, warehousing and distribution capacity, and product shelf life • The estimated cost for procurement of items which shall include insurance, clearing and forwarding,

	demurrage charges, warehousing, advertisement and all other incidental costs where applicable. **TOE** • Confirm whether asset disposals are planned by the accounting officer concerned through an annual asset disposal plan in a format set out in the Sec. 53(4) and in a format provided in schedule 13 of the PPADR. • Check conformity of annual disposal plan with the template provided for in the PPADR Reg. 176 (2) and thirteenth schedule. • Confirm the disposal plan is prepared before the commencement of the financial year [PPADA Sec 53(2)]. • Confirm that the plan is approved by Cabinet secretary or Governing body PPADR reg.40(4) • Confirm that a minimum of 30% of the disposal plan is reserved for women, youth, persons with disabilities and other disadvantaged groups [PPADA Sec 53(6)]. Establish that annual disposal plan includes. i) Item description for boarding. ii) Quantity (c) unit of issue. iii) Date of purchase. iv) Purchase price. v) Estimated current value. vi) Justification for disposal lifespan of item for boarding vii) Reference number to the assets register or records of the stores viii) Envisaged disposal method

	ix) Time schedule x) An indication whether the disposal is to be managed by the procuring entity or any special agency or hired expert xi) The cost of managing the disposal process. • Carry out other tests of operating effectiveness based on additional requirements of Entity policies and procedures.
Controls	**Test**
Submission of annual procurement and disposal plan to The National Treasury	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on Submission of annual procurement and disposal plan to The National Treasury • If the control is not documented, enquire from the process owner how it is meant to be executed. **TEST OF IMPLEMENTATION** • Obtain the Report submitted to The National treasury and evidence of submission • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Confirm that procurement plans are prepared in conformity with the medium-term fiscal framework and fiscal policy objectives and submitted to the National Treasury.

Controls	Test
	• Confirm compliance with submission deadlines set out on the electronic procurement system. • Carry out other tests of operating effectiveness based on additional requirements of Entity's policies and procedures.
Controls	**Test**
Monitoring of the implementation of the annual procurement plan.	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, on Monitoring of the implementation of the annual procurement plan. • If the control is not documented, enquire from the process owner how it is meant to be executed. **TEST OF IMPLEMENTATION** • Obtain one report and establish it was done and submitted as required. • Walkthrough and document the process flow/ map. Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Ascertain if the accounting officer prepares quarterly reports on the implementation of the annual procurement plan and submitted to the Cabinet Secretary or Governing Body. PPADR, 2020 Reg 40(6). • Carry out other tests of operating effectiveness based on additional requirements of entity policies and procedures.
Audit Objective: To ascertain whether appropriate and approved procurement methods have been applied	

Risk: Loss of value for money, financial loss, litigation and reputational damage	
Control	**TEST**
Approved Annual Procurement Plan	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on preparation and approval of annual procurement and disposal plans. • If the control is not documented, enquire from the process owner how it is meant to be executed. **TEST OF IMPLEMENTATION** • Obtain the approved annual procurement and disposal plan • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Obtain the annual procurement plan provided for in the PPADA [Sec 53 (2). • Ascertain if the approved annual procurement plan is prepared in line with the template in PPADR, 2020 Reg 42 and the third schedule. • Obtain the approved budget. • Take a sample of procured items and test against approved procurement methods. • Review reports on documented choice of procurement method. PPDA, 2015 Part IX.
Sub Process: Purchase requisition	

<table>
<tr><td colspan="2">Audit Objective: To establish that all purchase requisitions are in line with the approved plan and all the relevant law and regulations.</td></tr>
<tr><td colspan="2">Risks: Procurement of items not requisition for as well as procurement of goods not planned for</td></tr>
<tr><td>Controls</td><td>Test</td></tr>
<tr><td>Approved purchase requisition</td><td>TEST OF DESIGN
Establish the requirement of the law and regulation on initiation of procurement.
If the control is not documented, enquire from the process owner how it is meant to be executed.
TEST OF IMPLEMENTATION
Sample one procured item and establish that the initiation was in line with regulatory requirements documented in TOD.
Walkthrough and document the process flow/ map. Note any gaps in implementation
TEST OF OPERATING EFFECTIVENESS
Sample from the list of goods and services paid for.
Sample from the list of purchase orders/LSO/Contracts.
Sample from the list of goods received notes.
Sample from the list of purchase requisitions.
Sample from the list of payments.
Establish whether they are in the approved procurement plan Reg. 71(1) of PPADR, 2020.</td></tr>
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	• Establish whether the requisition was initiated by user dept in consultation with head of dept Reg. 71(1)and 2nd schedule of PPPADR, 2020. • Establish that requisition from user department is accompanied by the following [where applicable] PPADR, 2020 71(2)a-e]: i. Feasibility studies or surveys and reports ii. Specifications, bills of quantities, technical drawings, or terms of reference iii. Environmental and social impact assessment reports iv. Reasonable expected date of delivery v. Any other necessary vi. information pertaining to the procurement. • Confirm for each selected sample is supported by requisition, goods received note • Compare LPOs and requisitions to establish if the LPOs are supported • Compare all payments for goods and services with the purchase orders, requisitions, Inspection and acceptance, supplier statement and Goods Received Note. • Where the e-procurement system is in place, procuring entities shall requisition all the procurement and asset disposal requirements through the approved system in regulation 49 through the procurement function. Reg 52 of PPADR, 2020.
Sub-Process Tendering	
Tendering-Advertisement	

Audit Objective: To establish whether the tender invitation has reached out to the attention of those who may wish to submit tenders.	
Risk: Possible litigation from prospective tenderers Delayed procurement	
Control	**Test**
Approved Annual Procurement Plan	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on the provision of tender advertisement in the approved annual procurement plan • If the control is not documented, enquire from the process owner how it is meant to be executed. **TEST OF IMPLEMENTATION** • Obtain the approved annual procurement plan, confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Verify whether heads of department have submitted annual departmental plans to the Accounting Officer before the financial year end in line with Sec 53 of the PPADA, 2015 and Reg 40 (3) PPADR, 2020 . • Confirm that the submitted consolidated approved procurement plan has clearly shown the mode of advertisement for procurement as contained in the Third Schedule in the Public Procurement & Asset Disposal Regulation 2020

	• Sample procurements undertaken under open tendering so as to establish whether they were duly advertised. Third schedule in the PPADR, 2020 • Ascertain that the sampled open tendering procurement are contained within the approved procurement plan. Reg 40 (3) PPADR, 2020

Audit Objective: To establish whether the approved purchase requisition content matches the advert notice for the tender advertised.

Risk: Inconsistent and mismatch of purchase requisition against tender advertisement.

Controls	**Tests**
Approved Purchase Requisition	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on purchase requisition approval prior to commencing on procurements • whose threshold value dictates tender advertisements. If the control is not documented, enquire from the process owner how it is meant to be executed **TEST OF IMPLEMENTATION** • Obtain the purchase requisition form. • Obtain the tender advertised. • Confirm that the design documented under TOD is implemented as documented.

	• Walkthrough and document the process flow/ map. Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Confirm whether there is user requisition in each number of selected sample tender. Reg 71 PPADR, 2020 • Select a sample of the procurement requisitions to establish whether the approved requisition form content matches the advert notice for the initiated sample procurement. Sec 74 PPADA, 2015.
Audit Objective: To ascertain that the tender advertisements complied with the provisions of the procurement law and regulations.	
Risk: Possible Mismatch in content specification in tender advert and the standard tender document	
Control	**Tests**
Approved Tender Advert	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on the provision of approved tender adverts • If the control is not documented, enquire from the process owner how it is meant to be executed **TEST OF IMPLEMENTATION** • Obtain the tender advertisement • Confirm that the design documented under TOD is implemented as documented **TEST OF OPERATING EFFECTIVENESS** • Ascertain for the procurement undertaken approval was sought from the accounting officer or appointed

	officer. Reg 40 (4) PPADR, 2020 • Establish whether the sampled tender advertised have been placed in the Government tender's portal, or in the entity's website or in a notice in at least two daily newspapers of nationwide circulation. Sec 96 PPADA, 2015 • Carry out other tests of operating effectiveness aligned to specific entity policies, procedures, service delivery standards, minutes of meetings and strategic plans. • Ascertain that value for money was attained such that there was no tender advert cancelled. Sec 63 PPADA, 2015
Audit Objective: To ascertain that the tender opening complied with the provisions of the procurement law and regulations.	
Risk: Compromised transparency, increased exposure to irregularities, and potential legal and reputational consequences for the entity	
Controls	**Test**
Appointment Letter of Tender Opening Committee	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on the appointment of tender evaluation committee members. • If the control is not documented, enquire from the process owner how it is meant to be executed **TEST OF IMPLEMENTATION** • Obtain the tender opening appointment letters.

	• Confirm that the design documented under TOD is implemented as documented **TEST OF OPERATING EFFECTIVENESS** Ascertain the tenderopening committee appointment PPADA Sec 78(1) and composition is in line with Reg 25 of the PPADR, 2020.
Tendering- Evaluation	
Audit Objective: To ascertain the tender committee appointment was done in accordance with the provisions of the law.	
Risk: Noncompliance with the law on the appointment and composition of the evaluation committee.	
Controls	**Test**
Appointment Letter of Tender Evaluation Committee	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on the appointment of tender evaluation committee members. • If the control is not documented, enquire from the process owner how it is meant to be executed **TEST OF IMPLEMENTATION** • Obtain the tender evaluation appointment letters. Confirm that the design documented under TOD is implemented as documented. **TEST OF OPERATING EFFECTIVENESS**

Controls	Test
	• Ascertain the tender evaluation committee appointment and composition is in line with Reg 28 & 29 PPADR, 2020.
Audit Objective: To determine whether the responsive tenderers meet technical and financial criteria	
Risk: Selection of unqualified suppliers, poor service delivery, and potential financial loss to the entity.	
Controls	**Test**
Standard Tender document	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on the standard tender document • If the control is not documented, enquire from the process owner how it is meant to be executed **TEST OF IMPLEMENTATION** • Obtain the used standard tender document • Obtain the evaluation committee minutes. • Confirm that the design documented under TOD is implemented as documented **TEST OF OPERATING EFFECTIVENESS** • Ascertain whether the evaluation committee conducted the evaluation in line with Regulation 30 PPADR, 2020

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	• Ascertain that the members of the tender committee conducted independent evaluation in line with Reg 31 PPADR, 2020.
Risk: Possible litigation from prospective tenderers	
Control	**TEST**
Approved tender evaluation committee report and minutes	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on the tender evaluation committee report. If the control is not documented, enquire from the process owner how it is meant to be executed. **TEST OF IMPLEMENTATION** • Obtain the generated tender evaluation committee report • Confirm that the design documented under TOD is implemented as documented **TEST OF OPERATING EFFECTIVENESS** • Confirm whether the financial evaluation of the tenders was done in accordance with the criteria set out in the standard tender document as per PPADR, 2020 Reg 32. • Ascertain the contents of the evaluation report meets Requirements set out in Reg 78 (1), (2) & (3) PPADR, 2020.
Tender Award	
Audit Objective: To ascertain whether the professional opinion was prepared and approved as required by law.	

Risk: Potential litigation from prospective tenderers	
Controls	**Test**
Signed professional opinion	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on signed professional opinion • If the control is not documented, enquire from the process owner how it is meant to be executed **TEST OF IMPLEMENTATION** • Obtain the signed professional opinion, • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Confirm the professional opinion is in the format set out in the Ninth Schedule of PPADR, 2020 Reg 78(4) • Ascertain the contents of the professional opinion are in accordance with the requirements of the Reg 78 PPADR, 2020. • Ascertain the compliance of the professional opinion where there is recommendation of change of scope according to Regulation 78 (4)(f) of the PPADR, 2020. • Ascertain the approval of the professional opinion by the accounting officer is in accordance with the requirements of the Reg 79 PPADR, 2020

Audit Objective: To ascertain whether all the bidders who participated in the tender process were notified of the outcome of the tender evaluation.	
Risk: *R*educed transparency, and increased exposure to disputes and complaints., Delay in the execution of the tender	
Controls	**Tests**
Signed Procurement award letter.	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on the provision of tender advertisement in the approved annual procurement plan • If the control is not documented, enquire from the process owner how it is meant to be executed. **TEST OF IMPLEMENTATION** • Obtain the approved annual procurement plan, Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Confirm the professional opinion is in the format set out in the Ninth Schedule of PPADR Reg 78(4) • Ascertain the contents of the professional opinion are in accordance with the requirements of the Reg 78 PPADR, 2020. • Ascertain the compliance of the professional opinion where there is recommendation of change of scope

	according to Regulation 78 (4)(f) of the PPADR, 2020. • Ascertain the approval of the professional opinion by the accounting officer is in accordance with the requirements of the Reg 79 PPAD Reg 2020.
Procurement regret Letter	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on Procurement regret letter • If the control is not documented, enquire from the process owner how it is meant to be executed **TEST OF IMPLEMENTATION** • Obtain the sampled procurement regret letter, • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Ascertain the compliance of the regret letter notification detailing the reasons of no awarding according to Sec 87 (3) of PPADA 2015 and Reg 82 of the PPADR, 2020
Successful bidders acceptance letter	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on successful bidder acceptance letters. • If the control is not documented, enquire from the process owner how it is meant to be executed.

	TEST OF IMPLEMENTATION • Obtain the sample of successful bidder acceptance letters. • Confirm that the design documented under TOD is implemented as documented. **TEST OF OPERATING EFFECTIVENESS** • Ascertain the acceptance letter by the successful bidder is duly signed with the period provided in the letter according to Sec 87 (2) of the PPADA 2015.

Sub-Process: Contract Management

Audit Objective: To ascertain whether procurement or asset disposal contracts preparations were done in line with the award decision and provisions of the law.	
Risk: Possible litigation from prospective tenderers	
Controls	**Test**
Contract register	**TEST OF DESIGN** • Establish whether there are key requirements of laws, regulations, policies and procedures in preparation of the procurement and disposal contracts.

	• If the control is not documented, enquire from the process owner how it is meant to be executed **TEST OF IMPLEMENTATION** • Check the presence of updated contract register • Confirm whether all the sampled contracts are in the register • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Check whether the procuring entity has not contracted out both the procurement functions and its contract management function to the same procuring agent as prescribed in the PPADR 2020 Reg 38 (7). • Ascertain whether the accounting officer prepared the contracts in line with the award decision. PPADA 2015 Sec 134 (1). • Confirm whether all contracts of a value exceeding Kenya shillings five billion are cleared by the Attorney-General before they are signed as prescribed by the PPADA 2015 Sec 134 (2).
Audit Objective: To confirm whether creation of procurement contracts were done as provided by procurement law and regulations.	
Risk: Weak contract enforceability and potential financial and legal exposure for the entity	
Controls	**Test**
Tender document	**TEST OF DESIGN**

- Establish whether there are key requirements of laws, regulations, policies and procedures in creation of procurement contracts.
- If the control is not documented, enquire from the process owner how it is meant to be executed

TEST OF IMPLEMENTATION

- Confirm that the design under TOD is implemented as documented.
- Walkthrough and document the process flow/ map.
- Note any gaps in implementation

TEST OF OPERATING EFFECTIVENESS

- Confirm whether the contract is confirmed through the signature of a contract document, incorporating all agreements between the parties and such contract has been signed by the accounting officer or an officer authorized in writing by the accounting officer of the procuring entity and the successful tenderer. PPADA 2015 Sec 135 (1).
- Confirm that the accounting officer of a procuring entity entered into a written contract with the person submitting the successful tender based on the tender documents and any clarifications that emanated from the procurement proceedings. PPADA 2015 Sec 135 (2).
- Check whether the written contract was entered into within the period specified in the notification but not before fourteen days have elapsed following the giving of that notification provided that a contract was signed within the tender validity period as prescribed by the PPADA 2015 Sec 135 (3).

	• Confirm that a contract is formed between the person submitting the successful tender and the accounting officer of a procuring entity only when there is a written contract signed by the parties PPADA 2015 SEC 135 (4). • Check whether an accounting officer of a procuring entity does not enter into a contract with any person or firm unless an award has been made and where a contract has been signed without the authority of the accounting officer, such a contract shall be invalid. PPADA 2015 Sec 135 (5). • Confirm that the tender documents is the basis of all procurement contracts and shall, constitute at a minimum: (a) Contract Agreement Form (b) Tender Form (c) Price schedule or bills of quantities submitted by the tenderer (c) Schedule of Requirements (d) Technical Specifications (e) General Conditions of Contract (f) Special Conditions of Contract (g) Notification of Award.
Audit Objective : To ascertain that the contract agreement is duly signed by both parties as required by law.	
Risk: Non execution of the contract agreement	
Controls	**Test**

Risk register	**TEST OF DESIGN** • Establish whether there are key requirements of laws, regulations, policies and procedures in signing the contract agreement. • If the control is not documented, enquire from the process owner how it is meant to be executed **TEST OF IMPLEMENTATION** • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. • Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** Sample a number of contracts using a sampling methodology to check whether the contracts were signed by the person who submitted the successful tender. If not confirm if he/she refuses to enter into a written contract in writing as required under PPADA section 135 and section 64 of this Act.

Audit Objective: To confirm whether awarded contracts have been publicized at the notice boards, at conspicuous places, and website if available within a period as prescribed by the law
Risk: Possible fines and penalties for non- compliance. Reduced transparency, and increased exposure to accountability and reputational risks.

Controls	Test
Publication of procurement contracts	**TEST OF DESIGN** • Establish whether there are key requirements of laws, regulations, policies and procedures in publication of procurement contracts. • If the control is not documented, enquire from the process owner how it is meant to be executed **TEST OF IMPLEMENTATION** • Confirm that the design under TOD is implemented as documented. • Walkthrough and document the process flow/ map. • Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Check whether the accounting officer of a procuring entity published and publicized all sampled contract awards on their notice boards at conspicuous places, and website (if available) within fourteen days after signing the contract. PPADA 2015 Sec 138 and Reg 131(1) (a) and (b)
Audit Objective: To ascertain whether any amendment or variations to a contract were done as per the provisions of the law.	
Risk: Possible reputational damages and penalties for non-compliance	
Control	**TEST**

Approved contract amendment procedure	**TEST OF DESIGN** • Establish whether there are key requirements of laws, regulations, policies and procedures in amendment and variation of contracts. • If the control is not documented, enquire from the process owner how it is meant to be executed **TEST OF IMPLEMENTATION** • Confirm that the design under TOD is implemented as documented. • Walkthrough and document the process flow/ map. • Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Check whether all amendments or a variation to a contract has been approved in writing by the respective tender awarding authority within a procuring entity. PPADA 2015 Sec 139 (1) (a) • Check that contract price was not varied upwards within twelve months from the date of the signing of the contract and the variation meets all the requirements as prescribed by the PPADA 2015 Sec 139. (3) (4). • Confirm that any contract variations or amendments for goods, works and services shall be as prescribed. PPADA 2015 Sec 139 1 (b). • Confirm that the accounting officer of a procuring entity shall not request or require, as a condition of awarding a contract, that a person who submitted a tender undertake responsibilities not set out in the tender documents. PPADA 2015 Sec 137

	• Confirm if a contract implementation Team had been appointed. • Confirm if online provisions for processing contracts are adhered to e.g. Online Inspection and Acceptance processes.
Audit Objective: To confirm that the execution procedures on interests and liquidated damages is fully complied with.	
Risk: Delayed and non-delivery as per contract and financial loss	
Controls	**Test**
Signed Contract Agreement	**TEST OF DESIGN** • Establish whether there are key requirements of laws, regulations, policies and procedures in interests on overdue amounts and liquidated damages. • If the control is not documented, enquire from the process owner how it is meant to be executed **TEST OF IMPLEMENTATION** • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. • Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS**

	• Check whether overdue amounts owed by a procuring entity and a contractor under a contract for a Procurement unless the contract provides otherwise, the procuring entity shall pay interest on the overdue amounts PPADA 2015 Sec 140 (a). • Confirm that the contractor was held liable to liquidate damages for delayed performance PPADA 2015 Sec 140 (b). • Carry out other tests of operating effectiveness aligned to specific entity policies, procedures, service delivery standards.
Audit Objective: To ascertain whether the specialized and complex contracts are executed as provided and in compliance with the law	
Risk: Poor quality on the delivery of the contract.Lack of value for money	
Control	**Test**
Contracts Implementation Report	**TEST OF DESIGN** • Establish whether there are key requirements of laws, regulations, policies and procedures on complex and specialized contracts. • If the control is not documented, enquire from the process owner how it is meant to be executed **TEST OF IMPLEMENTATION** • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map.

	• Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Ascertain that the accounting officer has set up a contract implementation team to ensure the right • quality and quantity of goods, works and services are procured PPADA 2015 Sec 151 (1). • Check that the contract implementation is as per the project implementation plan agreed upon by the contractor and the procuring entity. PPADA 2015 Sec 151 (2). • Ascertain that the implementation plan includes the following • The list of activities planned to be carried out • The deadline for each activity • Monthly cash planning forecast • Any other information as required by a procuring entity PPADA 2015 Sec 151 (2) and PPADR Reg 137 • Check that a risk register is developed and maintained to monitor all identified contract risks such as • Incomplete or incorrect specifications. • Poor communication. • Supplier lacking sufficient resources. • Production problems. • Quality problems including technology. • Shipment details. • Underestimation of costs by supplier.

	• Inflation trends • Unexpected events
Audit Objective: To ascertain that the entity has complied with the limitation on contracts with state and public officers.	
Risk: Financial losses, conflict of interest, potential legal, ethical, and reputational damage.	
Controls	**Tests**
Signed contract agreement, Ethics and Code of Conduct Declaration Conflict of interest register.	**TEST OF DESIGN** • Establish whether there are key requirements of laws, regulations, policies and procedures on limitations of contracts with state and public officers. • If the control is not documented, enquire from the process owner how it is meant to be executed **TEST OF IMPLEMENTATION** • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. • Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Check whether the contract signed does not belong to a public officer or state officer or a member of a committee or Board of that entity or an officer of the entity as prescribed by the PPADA 2015 Sec 59(1).

	• Check whether a state officer or a public officer shall not award or influence the award of a contract as prescribed in law. PPADA 2015 Sec 59(2). • Confirm that a state officer or public officer who has an interest in a matter under consideration in a public procurement or asset disposal shall disclose in writing, the nature of that interest and shall not participate in any procurement or asset disposal relating to that interest. PPADA 2015 Sec 59(3).

Sub-Process: Inspection and Acceptance

Audit Objective: To assess compliance with procurement laws and regulations in the appointment of the inspection and acceptance committee.	
Risk: Delivery of substandard goods, Delayed delivery of goods and services, Sanctions from monitoring Authorities	
Controls	**Tests**
Appointment letters of Inspection & Acceptance Committee members	**TEST OF DESIGN** • Establish whether there are key requirements of laws, regulations, policies and procedures on limitations of contracts with state and public officers. • If the control is not documented, enquire from the process owner how it is meant to be executed

	TEST OF IMPLEMENTATION • Obtain appointment letters of inspection and acceptance committee. • Confirm that the procedure under TOD is implemented as documented. • Walkthrough the process and note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** Sample using the sampling methodology to establish if: • In the appointment of the inspection and acceptance committee the accounting officer took into consideration (a) the recommendations of the head of the procurement function (b) the value of the contract (c) the threshold matrix in the Second Schedule and (d) the technical specifications of the goods, works and services to be procured as per the law (PPADA Sec 48) and PPADR Reg 35. • In the composition of the inspection and acceptance committee the accounting officer ensured that the following persons were included (a) The user department (b) The technical department (c) The head of the procurement function (d) Any other person as may be deemed fit.

Audit Objective: To ascertain that the goods, works and services received are of a high quality and as per the order.

Risk: Substandard goods, works or services, Non-compliance to required legislation on receipt of goods, works and services	
Controls	**Tests**
Certificate from the Technical person Inspection and acceptance certificate. Contract Implementation Committee report Testing reports	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on key requirements for the certificate from the technical person. • If the control is not documented, enquire from the process owner how it is meant to be executed. **TEST OF IMPLEMENTATION** • Obtain appointment letters of the technical person. • Confirm that the procedure under TOD is implemented as documented. • Walkthrough the process and note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** Confirm that: • The technical person was appointed by the accounting officer in writing to form part of the inspection and acceptance committee. PPADR Reg 35 (3) • The technical person issued a certificate to the accounting officer confirming the right quality and quantity of goods, works or services. PPADR Reg 35 (4)
Audit Objective: To ascertain the Inspection and acceptance committee undertook its mandate effectively and in compliance with	

the law	
Risk: Delivery of substandard goods and services. Non-compliance to required legislations on receipt of goods and provision of legislation which may attract sanctions from monitoring Authorities	
Controls	**Tests**
Inspection and acceptance report, signed by all members.	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on function of inspection and acceptance committee. • If the control is not documented, enquire from the process owner how it is meant to be executed. **TEST OF IMPLEMENTATION** • Confirm the roles of inspection and acceptance committee. • Confirm that the procedure under TOD is implemented as documented. • Walkthrough the process and note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** Sample using the sampling methodology to establish if the inspection and acceptance reports/certificate took into account the following: • Where the procuring entity lacks internal technical expertise to carry out the inspection and acceptance, the accounting officer requested another procuring entity to nominate an officer with the

	relevant technical expertise to assist or procure a professional with the relevant technical expertise. PPADR Reg 35 (3). • The committee prepared and issued a report, interim or completion of inspection and acceptance certificate and submitted to the head of procurement function (PPADR Reg 35) • Establish that the minutes of the Inspection and Acceptance committee have been signed by all members. (PPAD Manual sec 4.7)
Audit Objective: To ascertain whether Goods, works or services were delivered as ordered.	
Risk: Goods, works and services paid for but not delivered	
Controls	**Tests**
Inspection and acceptance certificate Contract Implementation Committee report	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on receiving and accepting goods. • If the control is not documented, enquire from the process owner how it is meant to be executed. **TEST OF IMPLEMENTATION** • Confirm the procedure on receiving and accepting goods, works and services.

	• Confirm that the procedure under TOD is implemented as documented. • Walkthrough the process and note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** Sample using a sampling methodology to: • Confirm that the accounting officer has only received works, goods or services based on purchase orders, service orders or signed contracts (PPADR Reg 166). • Confirm if there is a certificate confirming delivery and acceptance of goods, works and services, issued to the contractor by the head of procurement (PPADA Sec 154).
Audit Objective: To confirm where goods are rejected the right procedure is followed as per the law	
Risk: Financial loss Disputes with suppliers and litigation	
Controls	**Tests**
Inspection Certificate Minutes and reports of the Inspection and acceptance Committee	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on receiving and rejecting goods, works and services. • If the control is not documented, enquire from the process owner how it is meant to be executed. **TEST OF IMPLEMENTATION** • Confirm the procedure on receiving and rejecting goods, works or services.

	• Confirm that the procedure under TOD is implemented as documented. • Walkthrough the process and note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** Sample using a sampling methodology to: • Establish whether for the rejected goods the committee followed up for replacement of the goods. • Establish whether for non-replaced rejected goods, the entity has cashed the performance bond.
Audit Objective: To ascertain whether the Entity ensures that there are procedures for Project closeout as prescribed in PPDA 2015	
Risk: Breach of contract, Litigation and loss of funds	
Control	
Project Closeout Certificate	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on receiving and rejecting goods, works and services. • If the control is not documented, enquire from the process owner how it is meant to be executed. **TEST OF IMPLEMENTATION** • Confirm the procedure on receiving and rejecting goods, works or services. • Confirm that the procedure under TOD is implemented as documented.

	• Walkthrough the process and note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** Sample using a sampling methodology to: • Confirm whether formal handover was undertaken • Confirm whether final Inspection was undertaken and minutes thereto. • Confirm the project had defects liability period provided. • Confirm whether the Contractor was issued with a defects liability Clearance Certificate • Confirm if project retention money has been released. • Review whether the final payment has been paid • Confirm if the project Completion Certificate has been issued • Confirm if Asset title has been transferred • Review of Achieving of project records has been done **Guiding laws include among them: PPDA Sec 44, Sec 151, Part X (sec. 134 - 142)**

Sub-Process: Inventory and Asset Management

Audit Objective: To check whether the procuring entity manages its inventory, assets and stores for the purposes of preventing wastage and loss and continued utilization of supplies	
Risk: Wastage and loss of inventory, Over-stocking and stock outs, Inventory deterioration, Obsolescence, Setup costs	
Controls	**Tests**
Inventory management system	**TEST OF DESIGN** • Establish whether for the rejected goods the committee followed up for replacement of the goods. • Establish whether for non-replaced rejected goods, the entity has cashed the performance bond. • If the control is not documented, enquire from process owner how it is meant to be executed **TEST OF IMPLEMENTATION** • Obtain the approved Inventory Management system framework. • Confirm that the Inventory Management system developed is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Obtain a sample of inventory and perform the following tests • Reconciliation of inventory records against the receipts to verify whether stores received are taken on

	charge (PPADR 166(2) • Obtain a movement register or records to confirm the movement and condition of the assets and inventory (PPADR 166 (4b) • Establish whether there is a record for lost, stolen, destroyed, damaged or rendered unserviceable. Reg. 168(d) • Check accessibility of the stores. • Confirm the insurance validity of Inventory and assets • Establish whether there is any arrangement for repairs and maintenance of Inventory and Assets, PPADR Reg 174.
Stock levels	**TEST OF DESIGN** • Establish whether there are provisions or key requirements for optimal stock levels and whether they have been documented. (General procurement manual) • If the control is not documented, enquire from process owner how it is meant to be executed **TEST OF IMPLEMENTATION** Take a sample of the inventory to perform the following test • Confirm that the set stock levels are maintained as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation

	TEST OF OPERATING EFFECTIVENESS Obtain a sample of inventory confirm the lead time, reserve (buffer) stock, dues-in, dues-out, re-order level, minimum stock level, maximum stock level, provisioning level and contingency level (Entity General procurement manual)
Storage premises	**TEST OF DESIGN** • Establish whether there are provisions or key requirements on storage of inventory and whether they have been documented. • If the control is not documented, enquire from process owner how it is meant to be executed **TEST OF IMPLEMENTATION** • Visit the physical storage premises and confirm that the key requirements are implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Obtain records to confirm whether there is an officer appointed in charge of the stores with defined roles and responsibilities (Entity General procurement manual) • Check whether the accessibility of the stores is restricted (Entity General procurement manual) • Inspect the physical facility to establish preventive measures put in place to eliminate theft, security and

	safety threats, losses, wastage and misuse PPADR Reg. 166(4a) • Check whether the citing of the store is convenient and not prone to flooding (Entity General procurement manual) • Confirm whether facilities are well lit and ventilated (Entity General procurement manual) • Confirm whether doors and windows are burglar proof and lockable for security (Entity General procurement manual). • Establish whether large stores facilities are secured with a perimeter wall or fence and guarded (Entity General procurement manual). • Establish whether appropriate stores handling equipment are provided to the stores attendants (Entity General procurement manual). • Verify whether bin cards are properly kept for each item of stores and placed on or near the respective item containing such information as the name of the supplier, quantity purchased and issued to user departments (Entity General procurement manual) • Obtain a sample of stores inspection reports to establish whether the head of procurement function arranges and undertakes for occasional visits of inspection to the stores, at least quarterly in each calendar year (PPADA Sec 162(2) • Confirm whether the store-rooms are clean, properly ventilated, in good condition and are well arranged and easy to access (Entity General procurement manual) • Confirm that stores of highly inflammable or explosive nature are kept in a separate storeroom (Entity

	General procurement manual) Confirm the insurance validity of Inventory and assets.
Physical stock take	**TEST OF DESIGN** • Establish whether there are provisions or key requirements on stock take and whether they have been documented. • If the control is not documented, enquire from process owner how it is meant to be executed • Obtain a stock take report and confirm that it is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **TEST OF IMPLEMENTATION** • Obtain a stock take report and confirm that it is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Obtain a sample of stock take reports and perform the following tests • Confirm whether the head of procurement has conducted quarterly and annual inventory and stock taking in order to ensure compliance with all respective governing laws and submit the report to the accounting officer PPADA Sec 162(2) • Verify that independent stock takers are appointed to undertake stock taking annually (Entity General procurement manual)

	• Verify that the Stock takers make a physical check of the stores and to compare them with the ledger balances and record to the position (Entity General procurement manual) • Verify whether stock takers prepare the report, and any surpluses or deficiencies are documented (Entity General procurement manual) • Establish whether the concerned storekeeper has signed a form indicating his acceptance of the surpluses or deficiencies (Entity General procurement manual). • Confirm whether the Head of Procuring Entity has replied to the observations of the stock taker (Entity General procurement manual). • Establish whether there is any arrangement for repairs and maintenance of Inventory and Assets, PPADR Reg. 174
Audit Objective: To check whether the procuring entity manages its assets for the purposes of preventing wastage and loss and continued utilization	
Risk: Wastage, loss of assets and obsolescence	
Controls	**Tests**
Asset Register	**TEST OF DESIGN** • Establish whether there are provisions or key requirements on managing assets and whether they have been documented. • If the control is not documented, enquire from the process owner how it is meant to be executed.

	TEST OF IMPLEMENTATION • Obtain the asset register PPADR Reg. (170 (1)(2)(3) to confirm that it is developed and implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation. **TEST OF OPERATING EFFECTIVENESS** • Obtain a sample of inventory and perform the following tests Reconciliation of inventory against the receipts, • Test the optimality of the stock levels, • Inspect the physical facility to establish preventive measures put in place to eliminate theft, security and safety threats, losses, wastage and misuse PPADR Reg. 166(4a) • Confirm the movement and condition of the assets and inventory PPADR Reg 166 (4b) • Establish whether there is a record for lost, stolen, destroyed, damaged or rendered unserviceable. PPADR Reg. 168(d) • Confirm whether there is an officer appointed in charge of the stores • Check accessibility of the stores. • Confirm the insurance validity of Inventory and assets • Establish whether there is any arrangement for repairs and maintenance of Inventory and Assets, PPADR

	Reg. 174.

Sub-Process: Disposal of Assets

Controls	Tests
Audit Objective: To assess that all assets disposed were planned for by the Accounting Officer through an annual asset disposal plan and in compliance with the laws and regulations.	
Risk: Loss of assets, Sale of assets not in the disposal plan, Failure to dispose obsolete and unserviceable assets Unrealized revenues	
Controls	**Tests**
Approved consolidated annual disposal plan	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on preparation, approval and reporting of annual disposal plan. • If the control is not documented, enquire from process owner how it is meant to be executed. **TEST OF IMPLEMENTATION** • Obtain the approved annual disposal plan • Confirm that the design documented under TOD is implemented as documented. • Walkthrough and document the process flow/ map. Note any gaps in implementation

	TEST OF OPERATING EFFECTIVENESS • Confirm existence of approved consolidated disposal plan(PPADA Sec. 53(4) • Check whether the department has submitted a disposal plan to the head of procurement function within 30 days after closure of the financial year. (PPADR Reg 183) • Check the format of the approved plan is in line with the provisions of the 13th schedule. PPADR Reg 176(2 and 3) • On disposal of land or building, confirm approval from National Treasury PPADR Reg 180(11 and 12)Confirm if the reports are prepared in line with the law • Sample disposal committee reports to Confirm that the report was submitted to the Accounting officer and approved within fourteen days. (PPADR 2020 Reg 179 and 180) • In case of rejection, check if the Accounting officer's recommendations have been considered by the disposal committee PPADR Reg 180(10) • Verify the quarterly reports from Accounting officer on implementation of disposal plan (PPADR Reg 180(13)
Appointment letters of the disposal committee	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on appointment and mandate of the disposal committee.

	• If the control is not documented, enquire from process owner how it is meant to be executed. **TEST OF IMPLEMENTATION** Obtain appointment letters of the disposal committee Confirm if the appointment is in line with the law. **TEST OF OPERATING EFFECTIVENESS** • Confirm Appointment and composition of the committee. (PPADASec 163(1) and PPADR Reg 177 • Sample some minutes of the disposal committee to establish**:** • Ascertain that the quorum of the disposal committee As per minutes provided PPADR Reg 178 • The committee performs its mandate as provided in the law PPADR Reg179 • Confirm that all items due for disposal have a reserve price from the disposal committee. (PPAD Regulation Sec 180) • Confirm where applicable, existence of a technical report prepared by the relevant expert of the subject item for disposal. (PPADA Sec 164(3))
Disposal report submitted to the Accounting officer	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on preparation and submission of disposal reports by disposal committee. • If the control is not documented, enquire from the process owner how it is meant to be executed.

	TEST OF IMPLEMENTATION • Obtain reports of the disposal committee • Confirm if the reports are prepared in line with the law **TEST OF OPERATING EFFECTIVENESS** • Sample disposal committee reports to Confirm that the report was submitted to the Accounting officer and approved within fourteen days. (PPADR 2020 Reg 179 and 180) • In case of rejection, check if the Accounting officer's recommendations have been considered by the disposal committee PPADR Reg 180(10) • Verify the quarterly reports from Accounting officer on implementation of disposal plan (PPADR Reg 180(13)

Annual approved budget	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on budgetary provisions for the disposal plan. • If the control is not documented, enquire from the process owner how it is meant to be executed. **TEST OF IMPLEMENTATION** • Obtain the approved annual budget • Confirm that the provisions are in line with the law. **TEST OF OPERATING EFFECTIVENESS** • Confirm if Asset and disposal plan is budgeted for (PPADA Sec 53(5) • Confirm if expenses incurred on disposal of assets were within the approved budget • Sample disposal expenses and verify that adequate approvals for all disposal expenses were obtained.
Audit Objective: To establish the adequacy of approval of the disposal methods and whether the disposal process is in compliance with the laws and regulations.	
Risk: Use of unapproved disposal method, Bid rigging, Lack of value for money in asset disposal, Unauthorized disposal of assets	
Controls	**Tests**

Approved Disposal methods – Sale by Public Tender Noncompliance with the laws and regulations	**TEST OF DESIGN** Establish the key requirements of laws, regulations, policies and procedures on sale by public tender. **TEST OF IMPLEMENTATION** • Confirm the sale by public tender was documented in approved Consolidated annual disposal plan (PPADA Sec 53(4) PPADR Reg 180(4) • Confirm that the provisions are in line with the law and Regulations. • Walkthrough and document the process flow. Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Check if the right procedure was followed under sale by public tender as documented on open tender under PPAD Act sec 74-87 and PPADR Reg 185. • Confirm where an accounting officer has advertised for disposal through an open tender method and has not attracted successful bidders, that accounting officer shall dispose of the items within six months through a public auction. PPADR Reg Sec 183 (3). • Confirm that standard assets disposal documents issued by PPRA have been used.
Approved Disposal methods – Public Auction	• Sample the public auctions to check whether a competitive process was used to procure services of a registered auctioneer in accordance with PPADA, 2015 Part X. • Sample sale by public auctions to confirm that only registered auctioneers who have valid licenses have

	conducted the public auctions PPADR Reg. 187. • Check whether successful bidders in the public auction were given a period of at least fourteen days from the date of the public auction to pay for the items and take possession of them and remove them from the procuring entity's premises. PPADR Reg 192
Approved Disposal methods - Disposal to Employees	**TEST OF DESIGN** Establish the key requirements of laws, regulations, policies and procedures on disposal to employees. **TEST OF IMPLEMENTATION** • Confirm that the provisions are in line with the law and Regulations. • Walkthrough and document the process flow. Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Check if the right procedure was followed and the requirements for disposal to employees met as documented on PPADA 166 and PPADR Reg 202. • Confirm that every disposal made by a procuring entity through disposal to employees method have been reported by an accounting officer of a procuring entity to PPRA within thirty days of the disposal. PPADR Reg 202 (4).
Approved Disposal methods – Other methods	**TEST OF DESIGN** Establish the key requirements of laws, regulations, policies and procedures on sale by public auction.

	TEST OF IMPLEMENTATION • Confirm that the provisions are in line with the law and Regulations. • Walkthrough and document the process flow. Note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Check if the right procedure was followed under each disposal method indicated in the plan (PPADR Reg. 182 to 199) PPADA Sec 165 and 166 • Confirm the disposal method was documented in the approved Consolidated annual disposal plan PPADA SEC 53(4) PPADR Reg 180(4) • Check whether the entity complies with the requirement of staff not being a party to or beneficiary of a contract for the disposal of goods The Conflict of Interest Act Sec 19
Audit Objective: To verify that the disposal documents are in line with formats provided by PPRA	
Risk: Inadequate asset disposal documentation	
Controls	**Tests**

Standard Asset Disposal Documents	**TEST OF DESIGN** Establish the key requirements of laws, regulations, policies and procedures on sale by public auction. **TEST OF IMPLEMENTATION** • Confirm that the documents are in line with the law and Regulations. • Obtain the standard asset disposal documents and note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Confirm that the assets disposal documents used are in line with the standard asset disposal documents and formats issued by PPRA in accordance with PPADA in Sec 70(1) of the Act and PPADR Reg 184.
Evaluation report and recommendations	**TEST OF DESIGN** • Establish the key requirements of laws, regulations, policies and procedures on disposal evaluations. • If the control is not documented, enquire from the process owner how it is meant to be executed. **TEST OF IMPLEMENTATION** • Confirm that the evaluations reports and recommendations are in line with the law and Regulations. • Obtain the evaluations report and note any gaps in implementation **TEST OF OPERATING EFFECTIVENESS** • Confirm whether the evaluation report and recommendation (PPADR Reg. 200) were submitted to the Accounting Officer.

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	• Ascertain whether the contents of the evaluation report are in line with the regulation (PPADR Reg. 200(2).