

ESTEEMING THE NECK AND NECK FOR COMPLIANCE OF PUBLIC PROCUREMENT POLICY IN THE PUBLIC INSTITUTIONS IN GHANA

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ABSTRACT: *Procurement policies are rules and regulations for governing procurement procedures in public organization. The study adopted purposive sampling method in selecting the respondents from whom data was collected. A total number of Sixty-five (65) questionnaires were administered. From the study, it was revealed that there should be some level of compliance with respect to professionalism, transparency, efficiency and value for money, competitiveness and accountability, ethics and compliance with regulatory framework. It was also revealed that there are weaknesses in public procurement system. The study therefore recommended that Procurement Units in the various institutions should make sure that tender evaluation be conducted by competent persons in order to make informed decisions.*

KEYWORDS: Public Procurement Policies, Level of Compliance, Efficiency

INTRODUCTION

Background of the Study

There is a specific objective for the existence of every business organization, be it public or private. This can be either for growth, sustenance, social interventions, support government projects and programs or paramount of all, maximize profitability. With respect to these deferent corporate objectives, organizations are structured with departments that work together to achieve such corporate goals.

The Procurement function, which is charged with a specialized responsibility and managerial expectations, cannot be effectively administered unless a recognized separate function is created and solely dedicated for such purposes, coupled with a sound cooperation between the function and the other functional units.

Public procurement is guided and regulated by the Public Procurement Act 663 (2003). The Act establishes the Public Procurement Authority (PPA), make administrative and institutional arrangement for procurement, stipulate tendering procedures and issue other guidelines for purposes connected with public procurement.

The basic objective of the Act (Act663) is to harmonize the processes of public procurement in the public institutions to ensure judicious, economic and efficient use of state resources through public procurement and to ensure that public procurement is carried out in a fair, transparent and non-discriminatory manner.

Procurement systems in most organizations, be it public or private, ensures standardization of materials for product quality which as a result, create goodwill and increase profitability of such organizations. These roles, objectives and management expectations act as standards against which the procurement department's performance is measured.

Organizations employing leading-edge approaches (world - class concepts) to the management of materials are putting into practice integrative ideas which are at least based on a strategic and integrated role for procurement. The demonstrated success of organizations which apply such world class concepts is stimulating great interest, and as other organizations attempt to replicate their success so procurement is brought to the fore.

Many organization or institutions have adopted various techniques and systems to enhance profitability but have failed to meet their targets as a result of less attention being given to procurement policy, its practices and systems. Many of these institutions are cutting corners in the bid of implementing procurement policy in the country, thereby making the law (ACT 663, 2003) useless. It is in view of this that this study is being carried out to investigate the level of compliance of procurement policy in the public institutions and some of the problems which remains unsolved in many these institutions, and therefore cladding the full benefits of a sound and a well-functioning procurement practices, prescribed by the public procurement policy of the country.

The overall objective of this research is to investigate how the use of proper systems and procedures in procurement can contribute to value for money and general productivity in government institutions that fulfills the public procurement policy and by this looking at the level of compliance in the implementation of public procurement policies by government assisted institution. The subsequent sections of this paper is organised as follows: section two presents a review of relevant literature on procurement policies and its practices together with other relevant considerations to the subject matter. Next, the methods used in gathering data and conducting the study are presented. We then present the results obtained from the data gathered and our discussion of the findings in the next section. Finally, we provide a summary of our findings, conclusion and recommend specific courses of action that can improve the level of compliances of procurement processes in our chosen unit of study.

LITERATURE REVIEW

Definition and Overview of Public Procurement

According to Lyson, (1996) organizational procurement may be defined as that function responsible for obtaining by purchase, lease or other legal means, equipment, materials, supplies and services required by an undertaking for use in satisfying wants. The definition of the overall purchasing task is “to obtain materials, goods and services at the right quality, in the right quantity from the right source delivered to the right place at the right time at the right price, to achieve an organizational objective. Public Procurement, according to the Public Procurement Act, 2003 (Act 663), is ‘the acquisition of goods, works and services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of governments, corporations, or individuals, generally via a contract’ (PPA Module, 2007). In other words, Public Procurement is the process by which organizations acquire goods, works and services using public funds. It is a

comprehensive process that runs from proper procurement planning, budget allocation, bids invitation, bids evaluation, award of contract, contract management, performance measurement, monitoring, auditing and reporting.

The Status and Level of Authority of Purchasing in an Organization

Status as defined by Lysons (1996) is "the position or standing of a person, group or function within an organization. In a much simpler term, it may be seen as the relative esteem accorded a person, position or function. This degree of esteem accorded will however depend on the contribution of the function, person, or the position to the cooperate goals of the institution. Purchasing within an organization may therefore be accorded high or low status depending on the following factors:

- The type and nature of the organization
- The policy of the organization in relation to centralization and decentralization of power and authority.
- The type of materials purchased.
- The kind of recognition given to purchasing function by the top management.
- The availability and risk of materials purchased to meet organizational needs.
- The absolute volume and value of purchases by the organization in relation to its overall expenditure.
- How crucial is efficient purchasing to the success and profitability of the organization.
- The percentage of production cost represented by the bought-in materials cost.
- The proportion of total purchase expenditure to total company expenditure.
- The policy of the organization towards the management and control of materials flow through the organization.

It must be noted that all the above conditions need not to prevail in a particular organization or institution before the requisite recognition is accorded the purchasing function.

Procurement within an Organizational Hierarchy

According to Baily et al, the position of a purchasing and supply function within the management hierarchy differs from one organization to the other. This is because the function's position within the hierarchy depends on the general contribution it is able to make to the competitive advantage of the organization. In any case, there are three hierarchical positions that purchasing and supply function can occupy, these are: A top or senior management function, a middle management function and a routine clerical procedure.

Definition of Procurement Policies

Procurement policies are rules and regulations for governing procurement procedures in an organization. A properly designed and implemented procurement policy plays a pivotal role

in providing a guiding framework for the implementation of effective procurement practices (Bartik 2009). The employed procurement policies in government training institutions do not provide a framework for supporting implementation of effective procurement practices.

A procurement policy is simply the rules and regulations that are set in place to govern the process of acquiring goods and services needed by an organization to function efficiently (Findlay 2009). The exact process will seek to minimize expenses associated with the purchase of those goods and services by using such strategies as volume purchasing; the establishment of a set roster of vendors, and establishing reorder protocols that help to keep inventories low without jeopardizing the function of the operation. Both small and large companies as well as non-profit organizations routinely make use of some sort of procurement policy (Bartik 2009). There is no correct way to establish a procurement policy, factors such as the size of the business, the availability of vendors to supply necessary goods and services, and the cash flow and credit of the company will often influence the purchasing procurement approach. (Golder 2007). The size of the company is likely to make a difference in the formation of procurement policy, in that a small company may not be able to command the volume purchase discounts that a large corporation can manage with relative ease (Gadde 2007).

Procurement policy benefits the organization by keeping costs in line and clearly defining how purchases will be made (Hall 2009). As the needs of the entity change, there is a good chance that the procurement policy will be adjusted to meet those new circumstances. This is necessary to make sure the policy continues to function in the best interests of the company or non-profit organization and keep the acquisition process simple and orderly (Günther 2007). It is in this light that the procurement act, Act 663, is currently going through some reforms to adjust the public policy on procurement to reflect the changing business environment.

Importance of Public Procurement and Policies

Public procurement has a direct impact on the successful delivery of government projects and public services, Sound public financial management by achieving value for money in government expenditure, Reducing corruption, Ensuring fairness, transparency and accountability and Encouraging private sector growth and investment.

Statistics show that public procurement accounts for 50-70% of the national budget (after personal emolument), 14% of GDP; and 24% of total imports (Adjei, 2006)

Procurement policies are important from a development perspective. Reducing poverty and attaining good health, education, and other objectives requires getting the most out of the limited funds available for state purchases of goods, services, and infrastructure. Efficient public procurement practices also contribute towards the sound management of public expenditures more generally (Hunja, 2003). Procurement planning enables the identification of major investment expenditures, which in turn facilitates budgetary decision-making. In addition, the effective provision of public services often requires the coordinated delivery of materials and the like, which the state purchasing apparatus must accomplish. It is difficult to imagine how a state can deliver substantial improvements in the wellbeing for its citizens without a public expenditure system that includes effective public procurement policies. This recognition accounts in part for the growing interest in public procurement laws and practices and in the feasibility and likely consequences of their reform. There is also a growing

appreciation of the linkages between specific national objectives and public procurement practices. For example, state contracting is often a central focus of campaigns to tackle corruption and to ensure that appropriate distance is kept between government officials and the private sector. Procurement policies may be part of an industrial policy or an instrument to attain social objectives (e.g., support for small and medium sized enterprises, minority-owned businesses, disadvantaged ethnic groups, or certain geographic regions) through set-asides and preference policies. The manner in which a country implements its public procurement policies has implications for the achievement of such objectives, and on the cost of doing so. Indeed, these policies may speak volumes about numerous other national priorities, practices, and concerns (McCrudden, 2008). Knowing what the various objectives are and how effective and efficient procurement policies are in attaining them should be an important dimension of assessing the performance of governments.

Compliance of Procurement Entities

The Public Procurement Act, 2003 (Act 663) specifies a number of rules, process, procedures and ethics for the whole procurement process. These rules aim to secure efficiency in the use of public funds to ensure non-discrimination, fairness, transparency and accountability in the procurement process. Assessment of public procurement management performance is defined in terms of compliance with the set procurement rules (Schapper, Veiga Malta, & Gilbert, 2006). Compliance as a concept compares the conduct of the regulators to the equivalent legal obligation that the regulators should comply with (Gelderman, Ghijsen, & Brugman, 2006). Therefore, compliance is considered by political and social regulators as a prescribed process of elimination or avoidance of risk that is normally associated with public procurement systems.

Subsequently, the Public Procurement Authority has been conducting annual procurement assessment via its Benchmarking, Monitoring and Evaluation Directorate. The main objective of the assessment is to find out how the procurement 'good practices' enshrined in the Act and its accompanying documents are being employed in the public entities and to inculcate into the public sector entities that need to monitor and evaluate procurement performance.

The Performance Assessment System (PAS) adopted by Ghana Procurement Authority gives a qualitative report on the performance of Public Entities as captured by the assessment exercise using the Public Procurement Model of Excellence. The PAS report looks at four (4) main areas: Management Systems, Information and Communication, Procurement Process, and Contract Management. Management system covers leadership, human resources, monitoring and control system, ethics and compliance with regulatory framework, and complaints, appeals and disputes resolution mechanism. Information and communication category examines entities' capacity to give out information in the right format, and ability to utilize information received including market place, data analysis, and knowledge of Apex Body. Procurement Process category provides information on the entities' knowledge of the procurement cycle and how they conduct their activities at each stage. This covers procurement planning, notice, preparation of tender documents invitation for tenders, submission of tender, tender opening, tender evaluation and contract award. Contract Management measures how entities follow through the performance of the contracts they award. This includes planning and mobilisation, implementation, supervision, inspection, inventory control and disposal, and reporting.

Challenges of Public Procurement and its consequences

The PPA (2011) Annual Report enumerated the following as the main challenges encountered in the procurement of goods, works and consultancy service in Ghana. The challenges included lack of funding, funding delays as a result of late releases, even where prior approval for the GoG funds had been secured, resulting in the delayed implementation of programmes. Other challenges were inadequate office accommodation, failure of entities to post their Procurement Plans online, Tendering Procedures and Contract Awards and insufficient Contract and Procurement Records management. (2011 Annual Report, PPA). A total of GH¢ 48, 435, 279.59 was misappropriated by Metropolitan, Municipal and District Assemblies (MMDAs) during the 2012 fiscal year. According to the Report of the Auditor-General on the management and utilization of the District Assemblies Common Funds (DACF) for 2012, cash irregularities recorded by the assemblies during the 2012 totaled, GH¢ 29.2 million; contract management irregularities, GH¢ 11.9 million; procurement and stores irregularities GH¢6.7 million and tax irregularities GH¢ 674, 891.15. (The Ghanaian Times Tuesday, December, 10, 2013). Procurement problems also increase scope for corruption, generate more complaints and raise concerns about the integrity of the procurement process. Finally, poor procurement discourages good firms (both national and foreign) from participating in bidding, thus deprive the country of receiving better prices and goods, works and services.

Procurement Principles affecting Compliance

The Public Procurement Act identifies the following principles affecting the achievement of good procurement objectives. It is the researchers' view that complying with these principles will result in attaining compliance with the Public Procurement reform.

Professionalism

Professionalism is the discipline whereby educated, experienced and responsible procurement officers make informed decisions regarding procurement operations. It is in the recognition of this fact that the Public Procurement Authority focuses its resources on the training, professional development, promotion and support for individuals that are engaged in public procurement to ensure adherence to professional and ethical standards (Adjei AB, 2006). To achieve this, the Authority developed a Capacity Development Policy Paper which aimed at ensuring that

- Each Procurement Entity has a functional Procurement Unit that is managed by personnel who have the requisite procurement training, competencies, and adhere to agreed code of ethics.
- Personnel in the Procurement Units in the public service will have career paths in procurement and given opportunities to gain professional procurement qualifications.
- Establishment of a Procurement Professionals Association

Over 1,289 stakeholders (from MDAs and MMDAs) were trained. Training of Practitioners, Service Providers, Media, Civil Society groups and the Oversight Groups (Parliament, Police, Judicial Service, Attorney General's Office, SFO, CHRAJ, Ghana Audit Service, and Internal Auditors) have not been left out (PPA Annual Report, 2008).

Transparency, Competitiveness and Fairness

Transparency means that the same rules apply to all suppliers of goods, works and services and that these rules are publicized as the basis of procurement decisions prior to their use. Transparent procurement procedures can contribute to a more efficient allocation of resources through increased competition, higher quality procurement and budgetary savings for governments and thus for taxpayers (PPB Training Module 3, 2007).

To avoid corruption in the public procurement systems there is the need to publish calls for tenders, notifying contract awards in the media, including the successful bidder's name and final price, and making award criteria more transparent and accountable. These are some of the basic principles of transparency in government procurement which directly affect corrupt practices (Evenett et al, 2005).

In this regard, the Act 663 and Regulations endorse the use of competitive tendering which encourages maximum competition in the procurement system. It involves the use of STDs, advertising procurement opportunities, public opening, publication of contract awards, creating windows of addressing appeal and complains, etc. Public Procurements using other uncompetitive methods are vigorously monitored and evaluated by PPA and Audit Agency to ensure transparency, fairness, and value for money (Act 663, 2003).

This position has been collaborated by Barden (2006) when he opined that, government agencies can achieve transparency by strategizing through effective and efficient advertising; publicly opening bid documents; effective evaluation of bid documents; the publication of award results; fair and speedy protest and dispute resolution handling processes and the disclosure of signed contracts; and the use of independent evaluation methods, that are consistent with the terms of bid documents.

Value for Money in the Procurement Process

This is the optimum combination of whole cost (ie, total cost of acquisition) and quality of a product to meet the customer's requirements. It is reflected in the price of the item or service procured. It has to be noted that Value for Money (VFM) is a critical measure of the effectiveness of the procurement process, its outputs and outcomes. Achieving VFM requires a strategic and integrated approach to procurement (PPA Manual, 2006). This, of course, has significant organizational and institutional implications. VFM may be compromised if the Public Procurement Act and Regulations are not followed. This in procurement function is an important test against which well functioned procurement management must be addressed to justify a procurement outcome as necessary conditions for best value for money, transparency and accountability in public procurement (World Bank, 2003). It is associated with deployment of resources for realization of some expected value in an economic, efficient and effective manner.

The concept of value for money concerns not only the acquisition price/cost but also takes into consideration efficiency and effectiveness of a procurement process. The procurement professionals need to continuously improve upon their performance and innovations necessary to deliver greater value to the procuring entity. Therefore, public procurement professionals need a defined skills and knowledge to efficiently and effectively run the procurement process whiles public entities strive to motivate procurement staff in terms of remuneration and better conditions of service.

However, studies (EOCD/DAC, 2007) indicate that some procurement officials lack some level of skills and knowledge to manage the procurement cycle. Thus simple issues like bid evaluation and selection were only based on lowest price and not the lowest evaluated price. Project time, cost, and communication are poorly handle in Ghana thereby rendering Value for Money concept ineffective.

Efficiency

Efficient public procurement system is the one which operates in a timely manner, with a minimum bureaucracy, while being responsive to the needs of the ultimate users of the goods or facilities procured. Efficiency is defined narrowly in terms of value for money – the best quality at the lowest cost. In this view, efficiency is best secured through open competition, so procurement reform is seen as encouraging a more liberalized system. A broader definition of efficiency that considers development gains alongside cost and quality would ensure that procurement plays more of a role for poverty reduction (McDonald, 2008). In Ghana to be efficient and effective in Public Procurement is to carry out procurement activities in a professional and transparent environment with a clear set of predefined rules to foster enhanced competition thus stimulating efficiency and innovation amongst bidders. There is a better utilisation of funding, increased attractiveness to private sector and improved customer satisfaction (PPA, 2008).

According to Cloete (1998), efficiency in the public sector means satisfying the most essential needs of the community to the greatest possible extent using the limited resources that are available for this purpose. Thus, public entities should be represented by competent personnel capable of putting the Public Procurement Act (Act 663) into practice to attain efficiency and value for money.

Accountability

Accountability can be explained as the process of holding an individual or an organization fully responsible for all aspects of the procurement process over which they exert authority. The essence of accountability is to strengthen the perception of transparency and fairness. It reduces the incidence of corruption and enforces the Act 663 and regulatory framework which clearly defined responsibilities (PPB Training Module 3, 2007).

Ethical Approach

Ethics is concerned with moral principles and values which govern our beliefs, actions and decisions. Ethical approach implies exemplary approach to all procurement processes that cannot be questioned or criticized. The following are examples of conducts prohibited by Ghana's Public Procurement Code of Ethics:

- Revealing confidential or “inside information” either directly or indirectly to any tenderer or prospective tenderer or discussing procurement with any tenderer or prospective tenderer outside the official rules and procedures for conducting procurements;
- Favouring or discriminating against any tenderer or prospective tenderer in the drafting of technical specifications or standards or the evaluation of tenders or destroying, damaging, hiding, removing, or improperly changing any official procurement document;

- Accepting or requesting money, travel, meals, entertainment, gifts, favours, discounts or anything of material value from tenderers or prospective tenderers or discussing or accepting future employment with a tenderer or prospective tenderer;
- Requesting any other Public Servant or Government official representing the Procurement Entity in a procurement to violate the public procurement rules or procedures.

Technology

E-procurement can increase transparency and procedural efficiency without prejudice to competition (Erridge et al., 1998; Hill, 2005). Hill (2005) argues for this, not only because of its transparency, but also to improve efficiency. The benefits of e-procurement include: an increase in contract compliance, leveraging the procurement spend, increased involvement of staff, and lower processing costs. The lack of a corporate e-procurement system in public sector entities means they will find it difficult to analyze their expenditure on a macro-economic level (Staatscourant, 2008).

Technological developments have added a new dimension to potential procurement reforms in both developing and industrialised economies. E-procurement offers the promise of cutting costs and simplifying administrative procedures. Promising innovative mechanisms that revolve around e-procurement have been implemented in countries such as Brazil (Almeida, 2004). In this Brazilian case it has reportedly led to significant cost savings and an increase in the transparency and accountability of government bodies. Moreover, E-procurement can support better statistical reporting, enhanced transparency (Wiseman 2000). However, implementing these innovations in Ghana entails costs of infrastructure development, and training personnel in the public entities, etc.)

With the growing use of computers in procurement systems, Ghana is able to assemble such data and made available procurement information such as procurement plan templates, standard tender documents, contract awards, dispute and complain resolutions, quarterly procurement bulletin, etc online.

Realizing the immense benefits of e-procurement, PPA is working hard to implement the e-Government Procurement (e-GP) system in Ghana. The e-Government Procurement (e-GP) is being implemented as one of the systems under the e-Ghana project being supported with funding from the World Bank. Implementation of e-GP began with a series of meetings with a team from the World Bank, the Public Procurement Authority and e-Ghana. The purpose of these meetings was to draw up an implementation plan for e-GP establishment in Ghana. In June 2011, the team completed work on the final Terms of Reference (TOR) to be used for the engagement of a Consultant for the Systematic Development of Electronic Government Procurement (e-GP) in Ghana. It is expected that evaluation will be completed after October 28, and a relevant contract signed for work to begin in November 2011.

Benefits of Procurement Compliance

From development point of view, public procurement policies are significant. Reducing poverty and attaining good health, education, and other objectives for the citizenry requires that the limited public funds available for public procurement of goods, services and works are properly managed. Generally, the efficient, effective and professional application of

public procurement laws can contribute towards sound management of public expenditures (Hunja, 2003).

Efficient public procurement planning leads to the identification of major investment expenditures, that in turn facilitates budgetary allocation and decision-making of procurement practitioners. It is difficult however, to envision how the public can deliver significant improvements in the welfare of its citizens without prudent management of public expenditure that emphasis on effective and efficient procurement policies. This recognition therefore accounts partly for the increasing concentration on public procurement laws and practices and the likely consequences of their reforms.

Furthermore, there is a growing appreciation of the linkages between specific public sector objectives and public procurement practices. For instance, public procurement issues are often a central focus of programmes to deal with corruption and to ensure that appropriate entrusted power for private gain by public officials are curbed (Evenett, et al, 2005).

In addition, public procurement activities are assuming growing access to international markets. International trade negotiations, whether bilateral, regional, or multilateral—are an instrument through which governments in developed and developing countries address the terms upon which international companies can compete in domestic public procurement markets.

Public procurement has increase donor trust in public systems and has helped improve in donor funding, grants and loans, and foreign direct investment in Ghana.

Assessment of Public Procurement Reforms in Ghana

Much tends to be claimed for the benefits of procurement reforms. However, there is little analysis whether these benefits were realized after the reform initiatives occurred. The public procurement reform programme in Ghana is a wider reform agenda aimed at improving public financial management. According to the Ministry of Finance (2001), the purpose of the public procurement reform is to promote national development through enhancement of harmonious relationship with other local and international laws and regulations. It is also to foster competition in public procurement processes; transparency and accountability in procurement functions; facilitating the ease of procurement administration; and ensuring that value for money is achieved (Anvuur et al, 2006).

There are improvements in transparency in the public procurement system in Ghana which contributes to a more efficient allocation of resources through increased competition, higher quality procurement. Transparency in the public procurement systems in Ghana also help in attracting more investment. Additionally, objective and transparent procedures in the public procurement systems enhanced the efficiency of local suppliers and contractors as they compete for public contracts. There is an improvement in tax payments, expanded private sector, with some foreign companies going into joint venture with Ghanaian businesses, generating employment and prospects for the economy. Finally, transparent procurement procedures help limit bribery and corruption, which are particularly rampant in the procurement field in both developed and developing countries (OECD 2003).

The Public Procurement Act (Act 663) tends to expand reforms covering procurement and project delivery strategies and methods with a focus on best value intended to maximize the potential and likelihood of achieving value for money in public procurement in Ghana.

With improved public financial management due to transparency and accountability in the public procurement as a result of procurement reforms, it is envisaged that there will be an annual savings of about US\$150 million in government-financed procurement alone in Ghana (World Bank, 2003; Anvuur et al, 2006).

The introductions of technological developments into the public procurement systems in Ghana have added a new dimension to its procurement reforms. The combination of greater computing power and internet-based communication has given rise to the e-procurement or electronic procurement regimes. However, it is an overt question how, and to what extent, public procuring entities in Ghana can take advantage of the technological developments and reap the benefits from recent innovations (Segal and Taylor 2001).

DATA ANALYSIS, DISCUSSIONS AND PRESENTATIONS

Background of Respondents for Questionnaire

A total number of Sixty-five (65) questionnaires were administered to Staffs of KNUST Procurement Office, Procurement Units of Tapa Senior High School, Konongo Odumase Senior High School, Kumasi Prisons and Kumasi Metropolitan Assembly (KMA). Details are presented in the table below:

Table 4.1 Summary of Questionnaire Administration

RESPONDENTS	NUMBER ISSUED	NUMBER RETURNED	RESPONSE RATE (%)	NON-RESPONSE RATE (%)
KNUST Procurement Office	35	34	97.14	2.86
Tapa Senior High School	10	10	100	0
Konongo Odumase Senior High School	10	9	90	10
Kumasi Prisons	5	3	60	40
Kumasi Metropolitan Assembly	5	4	80	20
TOTAL	65	60	92.31	7.69

Source: Field Data (May, 2016)

Sixty (60) questionnaires were obtained and valid for the data analysis. These valid questionnaires used for the analysis yielded 92.31% response rate. This indicates that the response rate was excellent and fairly reflects the views of the entire population.

PART A

Profile of the Respondents

This section presents the profile characteristics of the staffs who are the respondents at the various institutions of study. It comprises the sections, positions, status and duration of the

staff in the institution. These are presented in the tables and chart below:

Table 4.2 Respondents' Profile

Respondents	Frequency	Percentage (%)
Procurement Officers	32	53.3
Accountants	13	21.7
Head of Institution/Entity	5	8.3
Storekeepers	3	5.0
Municipal Planners/Engineers	2	3.4
Others (E.T.C. Members)	5	8.3
Total	60	100

Source: Field Survey (May, 2016)

Table 4.2 above shows the departments of the respondents at the various institutions. It indicates that the respondents have knowledge about procurement in respect to public procurement policy implementation. Therefore their knowledge was important for this research. The profile is better portrayed in the diagram below:

PART B: Level of Compliance in the Implementation of Public Procurement Policies in Government Institutions

Professionalism

Professionalism discusses the education/training and capacity development of personnel to make informed decisions regarding procurement operations.

Table 4.4 Professionalism

Professionalism	Mean
Procurement Staffs are qualified and experienced to handle Procurement Process	3.68
Procurement officers and entity tender committee members make informed decisions regarding procurement operations	3.32
Tender evaluation is conducted by competent persons	3.32
PROFESSIONALISM SCORE (Average)	3.44

Source: Field Survey (May, 2016)

Table 4.4 represents the level of compliance in the implementation of public procurement policies with respect to professionalism. On the scale used, 1 was 'strongly disagree', 2 was 'disagree', 3 was 'agree' and 4 was 'strongly agree'. Out of the listed items, procurement staffs that are qualified and experienced to handle procurement process was rated the highest concerning professionalism. With mean of 3.68 which represents procurement staffs' qualification and experience to handle procurement process indicate that respondents strongly agree to this item under professionalism. Procurement officers and entity tender committee members making informed decisions regarding procurement operations and tender evaluation been conducted by competent persons with means 3.32 and 3.32 respectively indicate that respondents agree to these items under professionalism. An average professionalism score of 3.44 indicate that there is a high professional competence in handling the procurement

process among the institutions accessed.

Transparency

Transparency serves as the mirror for the process of public procurement of which trust is created for the process. Thus, Act 663 endorse the use of Standard Tender Documents (STDs), advertising procurement opportunities, public opening, publication of contract awards, resolving disputes and complains, and effective monitoring.

Table 4.5 Transparency

Transparency	Mean
Procurement process in your institution encourages fairness	3.32
Procurement opportunities are advertised using the appropriate medium	3.68
Contract awards are posted on PPA entity website and notice boards	3.32
There is effective monitoring and auditing of procurement activities by oversight bodies	3.32
Unsuccessful tenderers are debriefed within reasonable time	3.68
Duration of advert is long enough to afford time for all interested suppliers to participate in the bidding procedures	3.32
Suppliers often complained about the tendering, evaluation or award processes of your institution	2.73

Source: Field Survey (May, 2016)

Table 4.5 represents the level of compliance in the implementation of public procurement policies with respect to transparency. On the scale used, 1 was 'strongly disagree', 2 was 'disagree', 3 was 'agree' and 4 was 'strongly agree'. Out of the listed items, procurement opportunities are advertised using the appropriate medium and unsuccessful tenderers are debriefed within reasonable time was rated the highest concerning transparency. The analysis reveals some efforts of transparency such as procurement process in the various institutions encouraging fairness has a mean score of 3.32 which indicate that respondents agree to this item, procurement opportunities advertised using the appropriate medium has a mean score of 3.68 indicate that respondents strongly agree to this item, utilization of the PPA website for notice, monitoring and auditing of procurement activities by oversight bodies and duration of advert been long enough for all interested suppliers to participate in the bidding procedures all with mean 3.32 indicate that respondents agree to this item. Suppliers often making complains about the tendering, evaluation or award processes in the various institutions with a mean score of 2.73 indicate that respondents agree to this item. To guard against this phenomenon the (Act 663, 2003) provides that Procurements using other uncompetitive methods (Price Quotation, Sole source etc.) are vigorously monitored and evaluated by Public Procurement Authority (PPA) and Audit Agency to ensure transparency. A position further supported by Schapper, et al (2006) when they agreed with (Shadrach and Ekeanyanwu, (2003) that e-commerce can be used to enhance transparency through effective audit and monitoring of low value transactions. According to them high value and complex procurement procedures must involve publicly available information on policies, bidding process, evaluation, and bid results.

Efficiency and Value for Money

The research intended to find out if public entities are showing concern in exercising their duty efficiently to achieve value for money in the practice of procurement.

Table 4.6 Efficiency and Value for Money

Efficiency and Value for Money	Mean
Better utilization of funds by public procurement entities as a result of applying procurement processes	3.32
There is effective contract management and reporting system by your entity	3.32
Value for money is achieved through the application of procurement rules and methods	3.68
Projects are completed on schedule and within cost	3.68
There is a greater efficiency in public procurement	3.37

Source: Field Survey (May, 2016)

Table 4.6 represents the level of compliance in the implementation of public procurement policies with respect to efficiency and value for money. On the scale used, 1 was 'strongly disagree', 2 was 'disagree', 3 was 'agree' and 4 was 'strongly agree'. Out of the listed items, value for money achieved through the application of procurement rules and methods and projects completed on schedule and within cost were rated the highest concerning efficiency and value for money. The analysis reveals some efforts of efficiency and value for money such as greater efficiency in public procurement and effective contract management and reporting system all with a mean score of 3.32 which indicate that respondents agree to these items, greater efficiency in public procurement with a mean score of 3.37 indicate that respondents agree to this item. Value for money achieved through the application of procurement rules and methods and projects completed on schedule and within cost all with mean 3.68 indicate that respondents strongly agree to these items.

Competitiveness

The section intended to measure whether Public Entities (PEs) are demonstrating competitiveness and whether they are actively encouraging greater supplier participation in the tendering process through transparency and interaction with the private sector to make them competitive in the procurement process.

Table 4.7 Competitiveness

Areas of Competitiveness	Mean
More companies compete for your advertised contracts	3.32
Public procurement reform has stimulated private sector growth	3.32
Going by the procurement processes has increased trust and confidence in public procurement among stakeholders	3.63

Source: Field Survey (May, 2016)

Table 4.7 represents the level of compliance in the implementation of public procurement policies with respect to competitiveness. On the scale used, 1 was 'strongly disagree', 2 was

'disagree', 3 was 'agree' and 4 was strongly agree. Out of the listed items, going by the procurement processes that have increased trust and confidence in public procurement among stakeholders was rated the highest concerning competitiveness. The analysis reveals some efforts of competitiveness such as more companies competing for advertised contracts and public procurement reform that has stimulated private sector growth all with a mean score of 3.32 which indicate that respondents agree to these items. Going by the procurement processes that have increased trust and confidence in public procurement among stakeholders with mean a 3.63 indicates that respondents strongly agree to this item. This shows that the public procurement reform ensures increased competition and expanded private sector with some foreign companies going into joint venture with local businesses to compete for contracts.

Accountability

Among the description, it was found that, accountability is one of the least actions taken by the practitioners of the public procurement reform.

Table 4.8 Accountability

Accountability	Mean
Do you think procurement practitioners are held accountable for their actions	2.73
There has been a procurement related sanction against your procurement entity or staff before	2.37

Source: Field Survey (May, 2016)

Table 4.8 represents the level of compliance in the implementation of public procurement policies with respect to accountability. On the scale used, 1 was 'strongly disagree, 2 was 'disagree', 3 was 'agree' and 4 was strongly agree. Among the listed areas, procurement practitioners being held accountable for their actions was rated the highest concerning accountability. Procurement practitioners being held accountable for their actions with a mean of 2.73 indicates that respondents agree with this item. A mean of 2.37 indicate that respondents disagree that there has ever been a procurement related sanction against their procurement entity or staffs before. It can be deduced from the scores above that respondents hardly agreement to the fact that procurement practitioners are held accountable for their procurement related activities. This is proven by the score on the second part that indicated that procurement practitioners are barely sanctioned for their ill decisions.

Table 4.9 Ethics and Compliance with Regulatory Framework

Ethics and Compliance with Regulatory Framework	Mean
All procurement stakeholders in your institutions uphold ethical code of conduct	2.73
Do you think public entities in general comply with the public procurement Act	3.37
Procurement entities apply appropriate procurement methods for appropriate thresholds in procurement	3.63
Entities used standard Tender Document from PPA in procurement	3.32
Entities post their tender advert and contract awards at PPA Website	3.68
Public entities prepare and post their Annual Procurement Plan on PPA Website	3.32

Source: Field Survey (May, 2016)

Table 4.9 represents the level of compliance in the implementation of public procurement policies with respect to accountability. On the scale used, 1 was 'strongly disagree', 2 was 'disagree', 3 was 'agree' and 4 was 'strongly agree'. Out of the listed items, entities posting their tender advert and contract awards at PPA Website was rated the highest concerning ethics and compliance with regulatory framework. Procurement stakeholders in the various institutions upholding ethical code of conduct with a mean of 2.73 indicates that respondents agree with this item. A mean of 3.37 indicates that respondents agree that public entities in general comply with the public procurement Act. A mean of 3.32 indicates that respondents agree that entities use standard tender document from PPA in procurement and also public entities prepare and post annual procurement plan on PPA Website. A mean of 3.63 indicates that respondents strongly agree that procurement entities apply appropriate procurement methods for appropriate thresholds in procurement. Lastly, a mean of 3.68 indicates that respondents strongly agree that entities post their tender adverts and contract awards at PPA Website.

Table 4.10 Assessment by PPA within the past five years

Response	Frequency	Percentage (%)
Yes	60	100.0

Source: Field Survey (May, 2016)

Table 4.10 represents the assessment of various institutions within the past five years. Sixty (60) respondents representing 100 percent shows that these institutions have been assessed by the Public Procurement Authority for the past years.

PART C: Challenges faced by institutions during Procurement Policy Implementation

Table 4.11 Challenges

Areas of Challenges	Mean
There are weaknesses in public procurement system	3.32
The general perception is that public procurement process is too long	3.68
The public procurement process takes a lot of time to be applied	2.68
There are delays in the procurement process	3.68
Inadequate training of procurement staff	3.68
The delays in establishing full time operational procurement units with the full complement of staff	3.68
Public procurement process delays decision making	2.68
<i>Average Level Of Challenges Faced</i>	3.34

Source: Field Survey (May, 2016)

Table 4.11 represents the challenges faced by institutions during procurement policy implementation. On the scale used, 1 was 'strongly disagree', 2 was 'disagree', 3 was 'agree' and 4 was 'strongly agree'. Out of the various areas of challenge listed, it can be seen that the general perception of the respondents is that public procurement process is too long, that there are delays in the procurement process, there is inadequate training of procurement staff and delays in establishing full time operational procurement units with the full complement of staff, as these were rated the highest among the areas of challenges. A mean of 3.34 indicates that respondents almost strongly agree to the fact that the procurement policy

implementation process in government assisted institutions is highly predicated with a number of challenges. A mean of 2.68 indicate that respondents agree that public procurement process takes a lot of time to be applied and public procurement process delays decision making are major challenges.

PART D: Measures put in place to ensure effective compliance of the Act 663 of 2003

Table 4.12 Measures

Measures	Mean
Proper monitoring by authority	3.88
Proper reference to the public procurement Act 663	3.05
Employee training and development on the procurement Act 663	3.68

Source: Field Survey (May, 2016)

Table 4.12 represents the measures put in place to ensure effective compliance of the Act 663 of 2003. On the scale used, 1 was 'strongly disagree', 2 was 'disagree', 3 was 'agree' and 4 was strongly agree. Out of the three measures listed in the table, proper monitoring by authority was rated the highest measure to ensure effective compliance of the Act. A mean of 3.88 indicate that respondents strongly agree that proper monitoring by authority is a measure that can be put in place to ensure effective compliance to the Act. Also a mean of 3.68 indicates that employee training and development of the procurement Act is another measure, as it can sharpen the skills of the procurement practitioners. Lastly, a mean of 3.05 indicate that respondents agree that proper reference to the public procurement Act 663 is also another measure.

When the question of whether the procurement act (Act663) has been of help to their institutions, all sixty (60) respondents 'yes', as depicted in the table below:

Table 4.14 Outcome of Procurement Compliance

Outcome of ensuring effective procurement compliance	Mean
Reduction of waste in the procurement systems	3.42
Promote value for money	3.23
Promote transparency, accountability and equity	3.87

Source: Field Survey (May, 2016)

Table 4.14 represents the outcome of ensuring effective procurement compliance. On the scale used, 1 was 'strongly disagree', 2 was 'disagree', 3 was 'agree' and 4 was strongly agree. Out of the listed items, promotion of transparency, accountability and equity was rated the highest outcome. A mean of 3.42 indicates that respondents agree that reduction of waste in the procurement systems would be an outcome of procurement compliance. A mean of 3.23 indicates that respondents agree that promoting value for money would also be another outcome of procurement compliance. A mean of 3.87 indicate that respondents strongly agree that promoting transparency, accountability and equity would be a major outcome of procurement compliance.

Summary of Major Findings

The overall objective of this study undertaking is to investigate how the use of proper systems and procedures in procurement can contribute to value for money and general productivity in government institutions that fulfills the public procurement policy. Higher compliance to the procurement policies will ensure sound and effective procurement planning, execution and management.

The level of Compliance in the implementation of Public Procurement Policies in Government Institutions

Professionalism

With reference to public institutions under study, it was revealed that procurement staff are qualified and experienced to handle any procurement processes as well as making an informed decisions regarding procurement operations and also tender evaluation is conducted by competent persons.

Transparency

- i. It was revealed that the respondents strongly agreed procurement opportunities are advertised using the appropriate medium and also unsuccessful tenderers are debriefed within reasonable time.
- ii. The study revealed high level of agreement by the various public institutions under study that the procurement processes there encourages fairness, contract awards are posted on Public Procurement Authority/Entity website and notice boards, there is effective monitoring and auditing of procurement activities by oversight bodies, the duration of advert is long enough to afford time for all interested suppliers to participate in the bidding procedures.
- iii. More so participants here do agreed that suppliers often complained about the tendering, evaluation or award processes of their institutions.

Efficiency and Value for Money

- i. It was revealed after the research that respondents strongly agreed that there is effective contract management and reporting system by their entities.
- ii. It was also revealed that the respondents agreed there is greater efficiency in public procurement, there is better utilization of funds by public procurement entities as a result of applying procurement processes and projects are completed on schedule and within cost.

Competitiveness

- i. It was revealed that respondents agreed that most companies compete for their advertised contracts and that the public procurement reform has stimulated private sector growth.

- ii. It was revealed that respondents strongly agreed that going by the procurement processes has increased trust and confidence in public procurement among stakeholders

Accountability

- i. It was revealed that respondents agreed that procurement practitioners are held accountable for their actions.
- ii. It was also revealed that respondents disagreed that there has a procurement related sanction against their procurement entity or staff before.

Ethics and Compliance with Regulatory Framework

- i. It was revealed that respondents agreed that procurement stakeholders in their institutions uphold ethical code of conduct, public entities in general comply with the Public Procurement Act, entities used Standard Tender Documents from PPA in procurement and also Public Entities prepare and post their annual Procurement plans on PPA website.
- ii. It was also revealed that the respondents strongly agreed that Procurement Entities apply appropriate procurement methods for appropriate thresholds in procurement and Entities post their tender adverts and contract awards at PPA website.

Challenges faced by Institution during Procurement Policy Implementation

- i. It was revealed after the research that respondents strongly agreed that the general perception is that Public Procurement process is too long; there are delays in the procurement process, inadequate training of procurement staff and the delays in establishing full time operational Procurement Units with the full complement of staff.
- ii. It was also revealed that respondents agreed that there are weaknesses in public procurement system and Public Procurement process delays decision making.

Measures put in place to ensure effective compliance of the Act 663 of 2003

- i. It was revealed after the research that respondents strongly agreed that there is proper monitoring by Authority and also employee training and development of Procurement Act 663.
- ii. It was revealed that respondents agreed that there should be proper referencing of the Public Procurement Act 663.

CONCLUSION

The Procurement function, which is charged with a specialized responsibility and managerial expectations, cannot be effectively administered unless a recognized separate function is created and solely dedicated for such purposes, coupled with a sound cooperation between the function and the other functional units. Although, interest in the performance of the procurement function has been a phenomenon primarily in the 20th century, it was

recognized as an independent and important function by many organizations well before 1900.

The basic objective of the Act (Act663) is to harmonize the processes of public procurement in the public institutions to ensure judicious, economic and efficient use of state resources through public procurement and to ensure that public procurement is carried out in a fair, transparent and non-discriminatory manner.

RECOMMENDATIONS

- i. The Procurement Units in the various institutions should make sure that there is continuous monitoring by the Public Procurement Authority. And also employees should be trained intermittently in or order to be abreast with the Public Procurement Act.
- ii. The Procurement Units in the various institutions should make sure that they continue to inform suppliers the reasons why they were not successful to avoid disputes. This will improve fairness and transparency.
- iii. The Procurement Units in the various institutions should make sure that the tender evaluation must always be conducted by competent persons in order to make informed decisions.
- iv. It is important that PPA organizes training sections for contractors, surveyors, architects, consultants and suppliers in the private sector on tendering process, and the Appeals, Complaints and Dispute Mechanism. Audit Service, the Judiciary, and other oversight bodies should be trained on the procurement process and audit to appreciate the public procurement issues to enforce accountability to improve compliance.
- v. The Public Procurement Act makes provision for the establishment of structures such as Procurement Units, Entity Tender Committees (ETCs) to manage procurement activities in all entities and to engage persons proficient in procurement. The study, therefore, recommends the establishment of permanent Procurement Units and Entity Tender Committees (ETCs) managed by qualified procurement experts to ensure an improved overall procurement performance and compliance with the Public Procurement Act, 2003.
- vi. Since competence is based on training, procurement practitioners must be given continuous practical training, especially, in procurement planning, posting of procurement documents on PPA website, contract management, appeals and complaints process, procurement methods and procedures and tender evaluation procedures.

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