

American Journal of Humanities and Social Sciences Research (AJHSSR)

e-ISSN :2378-703X

Volume-5, Issue-1, pp-360-366

www.ajhssr.com

Research Paper

Open Access

The Effectiveness of Procurement Accountability Framework in Tanzania Public Sector: Focus on the Ministry of Home Affairs Headquarters.

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ABSTRACT: The study aimed at examining the effectiveness of procurement accountability framework in Tanzania public sector focusing at the Ministry of Home Affairs Headquarters (MoHA-HQ). The study followed positivism philosophy, adopted the descriptive survey research design and used quantitative approach. A sample size of 61 was selected whereby stratified random sampling techniques employed. The study used questionnaire and documentary review as data collection methods. Data analysis involved the use IBM SPSS statistics software to run descriptive statistics such as means and standard deviation. Findings established that the effectiveness of the procurement accountability framework at MoHA-HQ was high. The study concludes that the procurement accountability framework at MoHA-HQ is highly effective due to several factors such as an adequate system in place to prevent fraud and corruption in procurement on the part of the procurement officers and the suppliers/contractors; all written records of procurement; publication of summaries of information about public procurement; adequate publication of bid/procurement opportunities; standard binding documents being used for all types of procurement; citizens and business community having access to information regarding the practices of procurement.

KEYWORD: *Public Procurement, Procurement Management Unit, Accountability,*

I. INTRODUCTION

For any organization to survive it must acquire inputs from the external environment for its sustenance; this provides favourable grounds for necessity of procurement accountability framework since the existence of organizations depend on obtaining goods and services of good quality, in a timely manner, at the right price and the precise quantity (Shiundu & Rotich, 2014).

Worldwide, public procurement has become an issue of public attention and debate, and has been subjected to reforms, restructuring, rules and regulations which intend to make it more effective and improve performance in organizations (Onyinkwa, 2013). Generally, public procurement is the procurement of the goods and services on behalf of public authority, such as the Government (Bappaditya, 2011) as cited in Mukuru and Moronge (2018). In Africa, public procurement is taken as a sensitive matter because of its progressive recognition in public service delivery, and it accounts for a high proportion of total government expenditure. For instance, statistics indicate that public procurement accounts for 60% in Kenya, 58% in Angola, 40% in Malawi and 70% of Uganda's public spending (Hui et al 2011).

Globally, governments and agencies have tried to accommodate several mechanisms to affect accountability in their procurement reform targeting to improve performance in their system. Among others, a clear chain of responsibility together with effective control mechanisms; handling complaints from suppliers; public review and scrutiny of procurement actions, are a mention of major factors for measuring the level of accountability in public procurement. For instance, in Mexico, social witnesses (non-government organizations and individuals selected by the Ministry of Public Administration (SFP) through public tendering) have been required to participate in all stages of public tendering procedures above certain thresholds since 2009, as a way to promote public scrutiny (OECD, 2009).

Despite all these efforts, problems associated with ineffective accountability mechanisms in public procurement exists and are normally associated with several scandals. In supporting this fact, Shu et al (2011) noted that it has been reported that lack of transparency in procurement activities can be the source of unwholesome activities such as corruption, scandal and abuse of public resources. Hence, accountability and

transparency have been recognized as key conditions for promoting integrity and preventing corruption in public procurement (OECD, 2011).

In Tanzania, the Public Procurement Regulatory Authority (PPRA) was set up under the Public Procurement Act (2004-repealed) (URT, 2004) and the establishment of PPRA was made as part of reforms in public procurement to make it transparent, accountable and capable of delivering better value for money. Among the various responsibilities of the PPRA was to ensure that procurement in public institutions is done under good governance principles. However, despite these reforms, PPRA (2014) indicated that there is no full compliance to the regulatory framework that provides for accountability framework.

Additionally, there are several challenges that has been reported as despite the efforts to improve accountability in public procurement of Tanzania. These challenges and serious irregularities still exist in Ministries, Departments and Agencies (Lawson, Hedvall, Thue-Hansen & Contreras, 2017). Some of the challenges facing public procurement system identified are corruption, lack of professionalism, political interference and unnecessary bureaucracy. Corruption lead to unfair/unqualified selection of bidders, politicians and government employees are driven by self-interest resulting in under provision of good government policies, procurement professionals lack acknowledge and devise strategies for managing all these complex challenges and due to unnecessary bureaucracy of the tendering process the country lose income (Biramata, 2014). Some of the irregularities identified by the reports from the Public Procurement Regulatory Authority show the waste of public funds due to poor contract management practices such as ineffectiveness and poor performance which stand as hindrances of value for money achievement.

This study was meant to unveil the unknown regarding the reported irregularities and uncover whether these irregularities are a result of ineffective procurement accountability framework at the Ministry of Home Affairs or not as it has been reported that lack of transparency in procurement activities can be the source of unwholesome activities such as corruption, scandal and abuse of public resources (Shu et al, 2011).

II. LITERATURE REVIEW

Empirical review

Kipkorir (2013) in Kenya established that despite the presence of the public accountability procurement legal framework, the efficiency and effectiveness of the procurement process had not been achieved. Study revealed continuous return of unutilized funds to the treasury by state agencies of about Kenya Shillings 142.5 and 105 billion in 2010/2011 and 2011/2012 financial years respectively. Study recommended the need to have direct interventions that would undo the complexities that affect the efforts of the government and international organizations in supporting the PP performance initiatives.

Ivar, Paula and Erik (2011) conducted a survey on the patterns of use, costs and effectiveness of EU procurement. Findings indicate that procurement costs and effectiveness vary significantly across countries and that the procurement directives support the core objectives of PP policy. In particular, PP markets are highly competitive and this helps to bring about efficient purchasing outcomes. The regulatory dilemma is how to balance the positive core features of the system, while responding to a perceived need for increased efficiency and flexibility.

Ntayi et al., (2012) examined the perceptions and effects of social value orientation, expected utility, fairness in procurement procedures, the legitimacy of the procurement law and the law enforcement authority on compliance with the procurement law, guidelines, procedures and regulations. Findings revealed that social value orientation, expected utility, legitimacy of the procurement law enforcement agency and perceptions of procedural justice were significant predictors of the PP regulatory compliance.

Amayi and Ngugi (2013) established that in spite of procurement contributing between 10-40% of the country's GDP, concerns on the way in which public organizations use the resources that are given to them has often raised doubts that value for money has not been realized. The study indicated that despite the fact that there have been reforms initiatives in the PP system in Kenya since mid-1990s, the government still lost billions of money through procurement irregularities with the Ministry of Water and Irrigation leading by 38% of the reported cases in 2010/2011 and 33% in 2011/2012.

Theoretical literature review

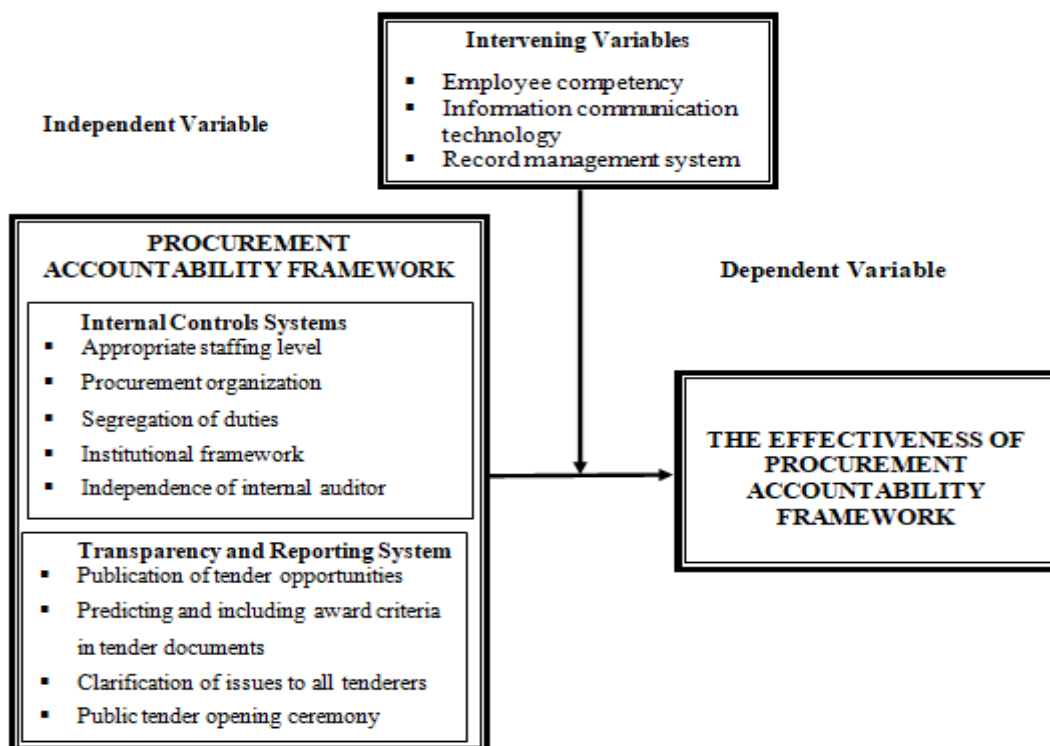
This study adopted Strategic Choice Theory (SCT) which was developed by Child (1972). Child traces the genesis of SCT in the works of researchers in US (Blau, Hage and Aiken, Hal, Lawrence, and Lorsch) and UK (Pugh and Woodward). In the 1960s the element of choice and the relationship between strategy and structure in strategic management was first acknowledged (Chandler, 1962). At that time Chandler pointed out that while the enterprise may have a life of its own, its present health and future surely depend on the individuals who guide its activities. These individuals who guide the activities of an organization nowadays are referred to as "dominant coalition"; the managers who have decisive power over the organization (Cyert & March, 1963).

Before Child (1972)'s early research on strategic choice most theories were characterized by determinism and neglected the elements of powerful managers; in other words, the element of agency in decision making (Child, 1972, Jewer & McKay, 2012). Therefore, another perspective on strategic management was proposed, stating that strategic choice can be seen as the critical element of organization theory (Chandler, 1962, Child, 1972). The SCT is defined by the argument that "organizational behaviour is only partially preordained by environmental conditions and that the choices which top managers make are the critical determinants of organizational structure and process" (Miles, Snow, Meyer, & Coleman 1978). Thereby it is based on the view that strategies, and thus strategic choices, are concerned with organizational long-term goals and objectives determining allocation of resources and action plans (Chandler, 1962).

SCT was developed as other theories were observed to neglect the power of managerial agency. Furthermore, strategic choice theory depicts the relationship between top management's choices and organization's performance and the overall interaction between environment and organizations. Strategic choice theory, as developed to underline the inadequacy of deterministic organizational views and stress the importance of managerial choice (Child, 1972). SCT is characterized by an integrative view and thus also underlines the view of businesses as adaptive organizations, which learn over time; thereby, their strategic choices lead to actions directed by top management (Child, 1997). Additionally, this theory is concerned with the decision-making in business enterprises for attaining the defined goals. It seeks to provide answers to some the aspects of procurement such as direct and indirect effects of procurement in decision-making on productivity and stock prices, adaptation of organizational supply chain strategies to organizational lifecycle and procurement strategies that can address various organizational strategies (Mukuru & Moronge, 2018).

This theory is relevant to the current study because it provides basis for the foundation of strategic decision-making process in the procurement accountability framework of MDAs. As revealed from the study findings, when strategic decisions becomes weak, then the organization will likely encounter some challenges as identified in the MoHA-HQ where findings noted several factors that inhibit the effectiveness of procurement internal control system to be factors like lack of a room for appeal against decision by lower jurisdiction body, unclear audit criteria for both internal and external audits, lack of an inclusive budget approving authority and works responsibly in preparation and or implementation of APP, questionable acts of the accounting officer in interfering the functions of EC, IA, PMU and TB with and failure of the review of decisions to considers timelines. Other factors involved poor procurement plan, lack of enough staff and the presence of irregularities such as corruption. Generally, the effectiveness of internal control system, complaints review procedures as well as transparency and reporting system all dependent on the effectiveness of organizational strategic decision-making process.

Theoretical Framework



III. RESEARCH METHODOLOGY

Research design

The study adopted the descriptive survey research design. According to Mugenda & Mugenda (1999), descriptive research design is useful as it helps to obtain information that describes the existing phenomena by asking individuals about their perceptions, attitudes and values. The design was used to explain the existence of two or more variables at a given point. Furthermore, descriptive research design reports things the way they are. In this regard, the descriptive research design was used so as to achieve the main objective of the study which was to assess the effectiveness of procurement accountability framework at the MoHA-HQ.

The study also used both quantitative research approach. Quantitative approach is based on the measurement of quantity and amount. Quantitative approach is the mathematical method of measuring and describing the observation of materials or characteristics (Mugenda & Mugenda, 2003). Quantitative approach was used in this study because it enabled the researcher to collect adequate information about the topic under investigation (Amin, 2005).

Data collection methods

Methods of data collection included questionnaire and documentary review; on the side of questionnaire a structured questionnaire was developed in a Likert scale format of 1 to 5. A total of 61 questionnaires were administered out of which 58 were returned and fully responded to yielding 95% response rate while 5(5%) of the questionnaires were either not returned or had inadequate responses to be considered for analysis. The 58 questionnaires that were returned and considered for analysis met 100% of the study's selected sample.

On the side of documentary review, the study used this method whereby different sources of data were reviewed such as the information from documentary records, published data and internet, also various document such as store ledger, issue voucher, contract manual, procurement news, tender documents and reports from various meeting that have been done at the MoHA-HQ as well as the CAG reports.

IV. FINDING AND DISCUSSION

Mean Score Interpretation

The effectiveness of procurement accountability framework in Tanzania public sector: Focus on the Ministry of Home Affairs Headquarters was examined whereby respondents were requested to rate the items provided in each objective basing on the scale provided. A five-point Likert scale was provided ranging from 1.00 to 5.00 as illustrated below.

Table 1: Mean Score Interpretation

Mean Range	Description	Interpretation
4.30 - 5.00	Strongly Agree	Very High
3.50 - 4.20	Agree	High
2.70 - 3.40	I do not know	Moderate
1.90 - 2.60	Disagree	Low
1.00 - 1.80	Strongly Disagree	Very Low

Source: Researcher, (2020)

Table 2: Descriptive statistics on the procurement accountability framework at the MoHA-HQ-HQ. (N=58)

Items	Mean	Std. Deviation	Interpretation
Publication of technical specifications, selection and award criteria is done.	4.18	.98153	High
There is an adequate review of the conducts of procurement officers by the management of the organization	2.96	.62029	Moderate
There is an adequate system in place to prevent fraud and corruption in procurement on the part of the procurement officers and the suppliers/contractors	4.22	1.02672	High
All written records of procurement including minutes of proceeding of all meetings are made available to the general public	4.17	.97581	High
Summaries of information about public procurement are usually published	4.10	1.19487	High
Bid/procurement opportunities are adequately publicized	4.08	1.28806	High

Standard Binding Documents are used for all types of procurement	4.22	.97411	High
Citizens and Business Community do have access to information regarding the practices of procurement	3.93	.76919	High
All successful and unsuccessful bidders are promptly informed about the results of the bid at the same time through written notification	3.87	.89986	High
All advertised bidding is opened in front of the public	4.10	1.00332	High
Qualification requirements for bidders are fair and appropriate	4.18	.80474	High
Electronic Procurement (E-procurement) has already been practiced.	1.91	.53915	Low
There is a clear mechanism for bid challenge by a disappointed or potential bidder	1.55	.72963	Very low
A complete and an adequate records of procurement activities are kept by the organization	4.00	.87860	High
The most frequently used method of procurement is open bidding	4.25	.60872	High
Average score	3.71	.886307	High

Source: Primary data, (2020).

Mean score from Table 2 above indicate that publication of technical specifications, selection and award criteria is done was rated high with (mean=4.18, std. deviation=.98153), there is an adequate system in place to prevent fraud and corruption in procurement on the part of the procurement officers and the suppliers/contractors was also rated high with (mean=4.22, std. deviation=1.02672), all written records of procurement including minutes of proceeding of all meetings are made available to the general public was rated high with (mean=4.17, std. deviation=.97581), summaries of information about public procurement are usually published was rated high with (mean=4.10, std. deviation=1.19487), bid/procurement opportunities are adequately publicized was rated high with (mean=4.08, std. deviation=1.28806), standard binding documents are used for all types of procurement was rated high with (mean=4.22, std. deviation=.97411), citizens and Business Community do have access to information regarding the practices of procurement was rated high with (mean=3.93, std. deviation=.76919), all successful and unsuccessful bidders are promptly informed about the results of the bid at the same time through written notification was rated high with (mean=3.87, std. deviation=.89986), all advertised bidding are opened in front of the public was rated high with (mean=4.10, std. deviation=1.00332), qualification requirements for bidders are fair and appropriate was rated high (mean=4.18, std. deviation=.80474), a complete and an adequate records of procurement activities are kept by the organization was rated high with (mean=4.00, std. deviation=.87860) and the most frequently used method of procurement is open bidding was rated high with (mean=4.25, std. deviation=.60872).

Additionally, there is an adequate review of the conducts of procurement officers by the management of the organization was rated moderate with (mean=2.96, std. deviation=.62029). Electronic Procurement (E-procurement) has already been practiced was rated low with (mean=1.91, std. deviation=.53915) and there is a clear mechanism for bid challenge by a disappointed or potential bidder was rated very low with (mean=1.55, std. deviation=.72963).

From the findings, the researcher observed that most respondents rated high the procurement accountability framework at the MoHA-HQ-HQ with a total mean score =3.71. This implies that, the procurement accountability framework is highly influenced by the following factors: publication of technical specifications, selection and award criteria; an adequate system in place to prevent fraud and corruption in procurement on the part of the procurement officers and the suppliers/contractors; all written records of procurement including minutes of proceeding of all meetings being made available to the general public; publication of summaries of information about public procurement; adequate publication of bid/procurement opportunities; standard binding documents being used for all types of procurement; citizens and business community having access to information regarding the practices of procurement; provision of prompt information about the results of the bid at the same time through written notification to all successful and unsuccessful bidders; all advertised bidding being open to the public; fair and appropriate qualification requirements for bidders and keeping of a complete and adequate records of procurement activities and use of open bidding as the most frequently used method of procurement.

These findings are contrary to Kipkorir (2013) who revealed that despite the presence of the public accountability procurement legal framework, the efficiency and effectiveness of the procurement process had not been achieved. However, the findings are in agreement with Wensink & Maarten de Vet (2013) whose study findings revealed that in public procurement, abuse of power can lead to a secret vertical relationship between one or more bidders and the procurement official, which materializes into a conflict of interest, bribery or kickback. Since corruption and collusion can cause a public contract to be awarded on a fraud basis other than

fair competition and the merit of the successful contractor as result a failure to achieve maximum value for public money. Furthermore, the findings concur with Transparency International (2015) which indicated that global principles and minimum standards of transparency, integrity and accountability must be place to ensure public procurement is corruption free and that procurement laws must identify principles, standards and key steps needed to ensure a clean contracting process and procedures. Hence, the MoHA-HQ was found to have an adequate system in place to prevent fraud and corruption in procurement on the part of the procurement officers and the suppliers/contractors.

V. CONCLUSION AND RECOMMENDATIONS

Conclusion

The study concludes that the procurement accountability framework at MoHA-HQ is highly effective due to several factors such as an adequate system in place to prevent fraud and corruption in procurement on the part of the procurement officers and the suppliers/contractors; all written records of procurement; publication of summaries of information about public procurement; adequate publication of bid/procurement opportunities; standard binding documents being used for all types of procurement; citizens and business community having access to information regarding the practices of procurement.

Recommendations

The researcher recommends the following to the management of the MoHA-HQ. Regarding the procurement accountability framework, the MoHA-HQ should,

- I. Embrace the use of technology and improve the practices of electronic procurement (e-procurement).
- II. Provide clear mechanism for bid challenge by a disappointed or potential bidder.

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