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Challenges in Achieving Transparency and Accountability in Public Procurement Procedures in Secondary Schools Sabatia Sub-County, Vihiga County, Kenya

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Abstract:

The study focuses on challenges in achieving transparency and accountability in public procurement procedures in Sabatia Sub-County public secondary schools which concentrates on internal and external factors, and internal processes in schools and how they affect transparency and accountability achievement in public procurement procedure hence the study targeted thirty public secondary schools hence a sample of ten public schools were surveyed through use of questionnaires. The analysis was both descriptive and inferential analysis where correlation and linear regression were used. Using model 1 regression in question, positive correlation is shown between EF,IF and IPP with achievement of transparency and accountability which is at 99% significant level. Using the step-wise regression model, the external factors contribute most in the variance in challenges facing transparency and accountability in procurement procedures while internal factors contribute least to change in variance in challenges facing transparency and accountability in procurement procedures hence emphasis should be put on external factors for schools to overcome the challenges in accountability in procurement procedures.

Key words: Contract, procurement, procurement entity, public procurement, tender committee

1. Introduction

Public procurement is the acquisition of goods, services and works by a procuring entity using public funds. (World Bank, 1995).

Further studies from developing countries show that huge amount of money is involved in government procurement hence need for accountability and transparency and the fact that the money comes from the public.

Worldwide, many countries have instituted procurement reforms involving laws and regulations e.g. in Uganda ,waves of reforms began in 1997 that led into the culmination of PPDA act 2003 and regulations 2003. In Kenya, the public procurement system likewise has evolved from a crude system to an orderly regulated legal and constitutional regime. Between 1963 and 1969, most purchases were done using the local purchase order. In 1969 to 1978, treasury circulars were used and between 1978 and 2001, supply manuals were used in the procurement process. Between 2001 and 2005, Exchequer and Audit regulation was used. In 2005, independent procurement review conducted by GOK and EU identified critical problems in Kenya's procurement system such as lack of transparency, poor link between procurement and expenditure, delays and inefficiencies and poor record management which culminated to the formation of PPDA act of 2005 and the regulation implementing the act in Jan 2007 that created PPOA. The PPDA regulations included the public secondary schools among institutions whose procurement system were to be regulated. It granted powers to teachers and the subordinate staff to control the tendering process in schools by setting up tendering committees.

The tender committee leadership includes; the deputy principal(chairperson),the burser in charge of finance as the deputy chairperson, six heads of departments and head of the procurement units –its' secretary. The established legal and regulatory framework in public secondary schools in Kenya has added some strength to the public procurement system but weaknesses still exist i.e. need for further developing of procurement functioning though open tenders were preferred and used by most public schools hence bringing closer its' intended status as the default method of procurement.

Likewise, Odhiambo and Kamau (2003) found out that despite steps taken to reform public procurement system, the process is still shrouded by secrecy, inefficiency, corruption and undercutting which implies that despite the enactment of the PPDA of 2005, public procurement procedures are facing a problem of rapid changes in public procurement requirements hence the study seeks to establish the challenges in achieving transparency and accountability in procurement procedures by procurement entities in public secondary schools in Sabatia Sub-County.

2. Problem Statement

The main objective of the Public Procurement Regulations of 2006 was to promote fairness, transparency and nondiscrimination in procurement in public institutions with the aim of ensuring efficient use of public funds. A survey carried by the Kenya publishers association on booksellers indicates how book distributors collude with school principals to embezzle money set aside for free education in public secondary schools in Kenya.

Some researchers (Thai, 2004; Wittig & Jeng, 2004; NPPA Annual Report, 2005) have focused their studies on compliance, non-compliance and implementation of the procurement Act of 2005 and not challenges facing achievement of objectives in the act in public secondary schools in Kenya. It is in view of this gap that the researcher will seek to establish the challenges in achieving transparency and accountability in procurement procedures by procurement entities public secondary schools in Sub-County, Kenya.

3. Research Objectives

- To establish internal processes established within secondary schools in Sabatia Sub-County that promotes accountability and transparency.
- To establish the internal factors that affect the achievement of transparency and accountability in procurement procedures in secondary schools in Sabatia Sub-County, Kenya
- To establish the external factors that affect the achievement of transparency and accountability in procurement procedures in secondary schools in Sabatia Sub-County, Kenya
- To find the strategies that can be put in place to enhance transparency and accountability in procurement procedures in secondary schools in Sabatia Sub-County.

4. Research Questions

- What are the internal processes established within secondary schools in Sabatia Sub-County that promote accountability and transparency?
- What internal factors affect transparency and accountability in procurement procedures secondary schools in Sabatia Sub-County, Kenya?
- What external factors affect transparency and accountability in procurement procedures in secondary schools in Sabatia Sub-County, Kenya?
- What strategies can be put in place to enhance transparency and accountability in procurement procedures in secondary schools in Sabatia Sub-County?

5. Literature Review

Obanda (2010) noted that, institutional theory is the traditional approach used to examine elements of public procurement. Scott (2004) noted that, institutions are composed of cultural, cognitive and regulative elements that give meaning to life. He further indicated that, the three pillars of institutions are; Regulatory (use of laws and sanctions), Normative (how things are done) and Cultural Cognitive (believes).

Sutinen and Kuperan (1999) proposed the social economic theory which integrates economic theory with psychology and sociology theories to account for social influence on individual's decision. Brinkerhoff (2004) identifies key components of accountability i.e. measurement of goals, justification of results and punishment for non-performance. He further noted strategies to increase accountability which includes; information system, watchdog organization, civil organizations to demand explanation of results, performance incentives and sanctions for poor performance. Authorities are expected to provide excellent services to their constituents in an effective and transparent manner hence utilization of ICT will enhance the procurement process in the public sector.

According to Armstrong (2005), transparency is a key requirement of modern public procurement system since it gives access to laws, regulations, policies and practices of procurement by government agencies to the public. Lack of it is a major impediment to sustain economic growth, sources of unwholesome activities such as corruption, scandal and abuse of public resource. (Shu, Othman, Omar, Abdul and Husna, 2011)

According to UNDP (2010) report, access to key procurement information in a civil society, media and other stakeholders directly affects accountability. The report noted that technology increases transparency and competence among suppliers through clear and comprehensive bidding procurements and contracts in the procurement process.

OECD (2007) report, a transparent procurement process requires legislative and administrative measures such as transparent proceedings, protection against corruption, fair pre-qualification procedures, transparent selection of the winning bidder, publication of procurement plans, dissemination of information concerning lists and registries of suppliers and procedure to apply for registrations. Moreover, OECD (2009) noted other transparency measures that includes open bidding procedures, prompt notifications

to successful as well as unsuccessful bidders, publication of annual procurement plans, bid challenges system, engaging the private sector in the procurement system, keeping a complete and adequate records of procurement system.

Raymond, (2008) noted that the need to find best practices in government procurement is by becoming more intense and the demand for transparency and accountability is increasing. Schiele and McCue,(2006)noted that environmental factors such as market conditions, illegal and political environment, political and social-economic environmental factors offers challenges in the implementation of public procurement. Similarly, (Forgor, 2007) agrees that lack of proper training of managers on procurement process is a major challenge to procurement reforms.

Worldbank (2004)report indicated that low salaries of procurement personnel, poor record keeping, delays in payment of contractors are crucial factors that challenge procurement reforms. Thai (2001)similarly noted that absence of capacity building inhibits successful public procurement reforms .That many bidders are limited in various capacity issues such as basic knowledge of the law, inadequate capacity to appreciate the standard tender documents, poor access to information and insufficient technical and managerial skills in the tendering process.

Tan,Chong and Uchema ,(2009)noted that public procurement has been overshadowed with inefficiency, corruption and disregard "value for money" considerations. Wymer and Regan,(2005)noted that access to procurement and other non-public information could affect a contact bid or the award process. Improper disclosure of such protected information violates laws as well as ethics and could be subject to criminal penalties. Wee,(2002) noted that ethics and 0the moral principles that guides officials on their work which encompasses concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency. He noted further that ethical behaviour supports openness and accountability in procurement process and gives confidence to suppliers. Ethical behaviour reduces the cost of management risks with fraud, theft, corruption and other improper behaviour and enhances confidence in public administration.

Amos and Weathington,(2008) noted that the effective way to maintain ethical awareness is through ethical training and seminars on areas such as procurement procedures, record keeping, records management and accountability and administrative law. They further noted that regular audits of procurement process and financial records could influence the model of procurement process positively.

6. Justification

The study findings will be used by other public institutions who share the same experience in public procurement. The study will initiate further positive reforms in public procurement in public secondary schools. The study will also inform the government with regards to designing changes to streamline the acquisition of goods and services in educational institutions set by the public procurement act (2007).Finally, the study will form a basis on which academic researchers can do further studies on the achievement of objectives set on the public procurement act in educational institutions.

7. Connectional Framework

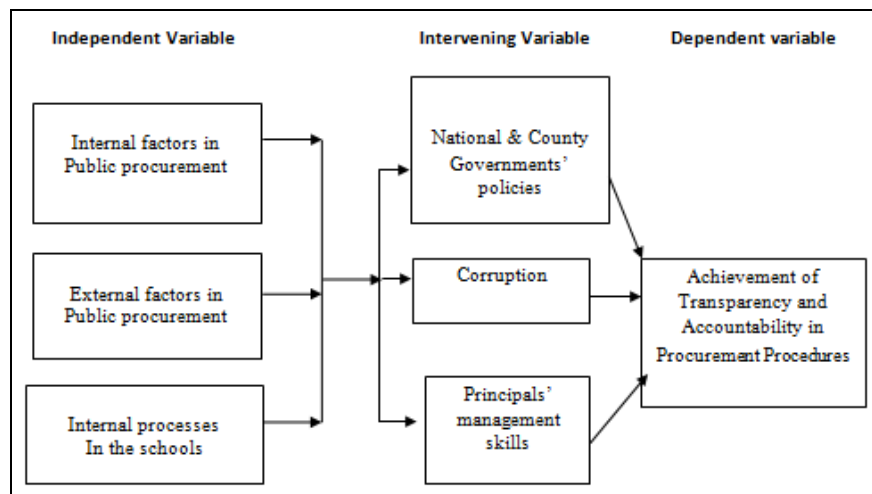


Figure 1

8. Research Methodology

The study was conducted through a descriptive survey research. The data was collected from members in the population to determine the current status of the population with respect to one or more variables. The opinions of tendering and procurement committee members in the public secondary schools was sought to generate both quantitative and qualitative data. The data from the pilots study was subjected to validity and reliability test to determine the internal consistency of the instrument used.

9. Sample Size and Selection Criteria

The study targeted 30 public secondary schools with regard to 270 school tender committee members in Sabatia Sub-County. Each school tender committee consists of 9 members. There are 3 procurement committees: Tender opening committee, Evaluation and Inspection committee, and the Acceptance committee each with a chairperson and at least 2 members appointed by the principal.

10. Data Collection

The data for this research was collected from the 270 school tender committee members through questionnaires and interviews.

11. Variables

The variables that have been used in the study are the independent variable; internal factors, External factors and the internal procurement process as well as the dependent variable which is the achievement of transparency and accountability.

12. Data Analysis

In this research, the researcher applied both descriptive and inferential analysis. Under descriptive statistics, frequencies, means and percentages were used to analyze the data. The data correlation technique was used and regression model used to run dependent variables against the independent variables.

13. Descriptive Statistics

	PRODUCTSERVICE					Total
	Food stuff	Uniform	Building Materials	Computer & Accessories	Stationery	
Tender opening committee	11	7	5	2	1	26
	42.3%	26.9%	19.2%	7.7%	3.8%	100.0%
Evaluation committee and inspection	7	8	4	4	1	24
	29.2%	33.3%	16.7%	16.7%	4.2%	100.0%
Acceptance committee	21	11	5	1	2	40
	52.5%	27.5%	12.5%	2.5%	5.0%	100.0%
Total	39	26	14	7	4	90
	43.3%	28.9%	15.6%	7.8%	4.4%	100.0%

Table 1: Product/Service

The table 1 shows results of respondents' products and service they deal with. The products were foodstuff accounting for 43.3%, uniform accounts for 28.9%, building materials accounted for 15.6%, computer accessories accounted for 7.8% and stationery accounted for 4.4% of the products, hence in tendering opening committee, foodstuff accounts for 42.3%, uniform accounts for 26.9%, building materials 19.2%, computer accessories 7.7% and stationery 3.8%. Evaluation and inspection committee, foodstuff accounted for 29.2%, uniform 33.3%, building material 16.7%, computer accessories 16.7% and stationery 4.2% of the products. In acceptance committee, foodstuff accounts for 52.2%, Uniform 27.5%, building materials 12.5%, computer accessories 2.5% and stationery 5.0% of the products/services.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	YES	65	72.2	72.2	72.2
	NO	25	27.8	27.8	100.0
	Total	90	100.0	100.0	

Table 2: Implementation Public Procurement Act

72.2% of the interviewed thinks that the public procurement act is being implemented to the latter in the institution, while 7.8% do not think the public procurement act is being implemented to the latter.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	YES	60	66.7	66.7	66.7
	NO	30	33.3	33.3	100.0
	Total	90	100.0	100.0	

Tables 3: Procurement Process and Systems Affected By PPD Act

66.7% agree that procurement processes and systems changed in any way following the enforcement of the Public Procurement and Disposal Act 2005 while 33.3% do not agree that procurement processes and systems changed in any way following the enforcement of the Public Procurement and Disposal Act 2005

14. Inferential Statistics

		INTERNAL FACTOR	EXTERNAL FACTOR	INTERNAL PROCUREMENT PROCESS	TRANSPARENCY & ACCOUNTABILITY
INTERNAL FACTOR	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	90			
EXTERNAL FACTOR	Pearson Correlation	.455**	1		
	Sig. (2-tailed)	.000			
	N	90	90		
INTERNAL PROCUREMENT PROCESS	Pearson Correlation	.586**	.444**	1	
	Sig. (2-tailed)	.000	.000		
	N	90	90	90	
TRANSPARENCY & ACCOUNTABILITY	Pearson Correlation	.484**	.514**	.476**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	90	90	90	90

** . Correlation is significant at the 0.01 level (2-tailed).

Table 4: Correlations

From the table 4 above there was a significant positive effect between internal factors and accountability in procurement procedures ($r=.484^{**}$, $p<0.01$) with 99.0% confidence level implying that increase in internal factor results to increase in challenges affecting transparency and accountability. Likewise there was a significant positive effect between the external factors and transparency and accountability in procurement procedures ($r=.514^{**}$, $p<0.01$) with 99.0% confidence level meaning that increase in external factors will result to increase in challenges affecting transparency and accountability. Lastly from the table ($r=.476^{**}$, $p<0.01$) shows that there is a significant positive effect between the internal procurement process and accountability and transparency with a confidence level of 99.0% implying that increase internal procurement process results to increase in challenges affecting transparency and accountability.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.614 ^a	.377	.356	.17483	.377	17.381	3	86	.000	2.093

Table 5: Regression Analysis Table

The study further employed the regression model as shown in the table above to check the direction and magnitude of relationship between all the independent variables and the dependent variable using correlation coefficient. The correlation coefficient was 0.614 which shows a strong positive correlation between the independent and dependent variables with 99.0% confidence levels. R square (R^2) 0.337 which is the coefficient of determination shows that 37.7% of the variation in the challenges facing transparency and

procurement procedures is explained or accounted by the changes in independent variables (EF, IF and IPP), leaving 62.3% unaccounted. The P value of less than 0.01 shows that there is a significant linear relationship between the dependent and independent variables used in the study

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.514 ^a	.264	.256	.18791	.264	31.571	1	88	.000	
2	.588 ^b	.346	.331	.17813	.082	10.936	1	87	.001	
3	.614 ^c	.377	.356	.17483	.031	4.316	1	86	.041	2.093

Table 6: Stepwise Regressions

From the table, External factors contribute significantly 26.4% in explaining of change variance in the challenges facing transparency and accountability in procurement procedures $F(1,88)=31.571$, $P<0.01$ while the internal procurement process contributes significantly 8.2% in explaining of changes variance in the challenges facing transparency and accountability in procurement procedures to 34.6% $F(1,87)=10.936$, $P<0.01$ while internal factors contribute significantly 0.26% in explaining of change variance in the challenges facing transparency and accountability in procurement procedures to 37.7% $F(1,86)=4.316$, $P<0.01$

This indicates that external factors contribute most in the variance in challenges facing transparency and accountability in procurement procedures while internal factors contributes least to change in variance in challenges facing transparency and accountability in procurement procedures. For schools to overcome the challenges in the transparency and accountability in procurement procedures most emphasis should be place toward external factors

15. Conclusion

The secondary schools procurement committees in Sabatia Sub-county, Vihiga County suffer from a general lack of insufficient information about the legal framework, principles, procedures and processes of procurement. In particular the assessment findings suggests that a need exists for additional written guidelines training and sensitization, Ad hoc advice, general awareness of the legal framework and institutional set up guiding procurement in secondary schools as well as main principles of sound, fair, transparent and efficient procurement.

The researcher chose Sabatia Sub- county because of familiarity with the area of study that will enhance the data collection due to time and financial constraints. Likewise the school setting is different from the firm' setting in the firm's setting emphasis is on returns unlike the school setting whose main aim is service delivery.

The weakness of procurement system in secondary schools presented a suggestion on a need for enhancing procurement capacity to address this need; ac comprehensive understanding of the underlying explanatory factors is required. While the study has significantly contributed to such an understanding further in depth analysis in some areas is required to ensure that capacity needs are addressed in an adequate and sustainable manner

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