

**EFFECTIVENESS OF PROCUREMENT PROCEDURES ON  
MINIMIZATION OF AUDIT QUERIES IN PUBLIC SECTOR**

**A CASE OF TANZANIA ELECTRIC SUPPLY**

**COMPANY LIMITED**

**EFFECTIVENESS OF PROCUREMENT PROCEDURES ON  
MINIMIZATION OF AUDIT QUERIES IN PUBLIC SECTOR**

**A CASE OF TANZANIA ELECTRIC SUPPLY  
COMPANY LIMITED**

**BY  
MAPESA IDASO MAYALA  
MSC-PSCM**

**A Dissertation Submitted in Partial Fulfillment of the Requirements for the  
Award of the Degree of Master of Science in Procurement and Supply Chain  
Management (MSc-PSCM) of Mzumbe University.**

**MAY, 2019**

## CERTIFICATION

The undersigned certifies that has read and hereby recommends for acceptance by Mzumbe University (MU) a dissertation entitled **“Effectiveness of Procurement Procedures on Minimization of Audit queries in Public Sector: A case of Tanzania Electric Supply Company Ltd.”** in partial fulfillment of the requirements for the award of a degree of Master of Science in Procurement and Supply Chain Management (MSc-PSCM) of Mzumbe University.

.....  
.....

Dr. Robert Makorere

(Supervisor)

Date: .....

## **DECLARATION**

I **Mapesa Idaso Mayala** declare that this research report is my own original work and that, it has not been presented and will not be presented to any other university for similar or any other degree award.

**Signature**.....

**Date**.....

## **COPYRIGHT**

©

This research dissertation is a copyright material protected under the Berne Convention, the Copyright Act 1999 and other International and National enactments, in that behalf, on intellectual property. It may not be reproduced by any means in full or in part, except for short extracts in fair dealings, for research or private study, critical scholarly review or discourse with an acknowledgement, without the written permission of Mzumbe University, on behalf of the author.

## **DEDICATION**

With my heart, this dissertation is dedicated to my beloved mother Debora Zakaria, my beloved father the late Idaso Mayala and my beloved wife Roda James Lukindo, my Son Idaso, and my daughters Deborah, Theresia, Doris, Doreen for their love and tenderly care to me. I truly tell you that: " You are more important than ever in my life. May the Everlasting King flood you with blessings."

## **ACKNOWLEDGEMENT**

I would like to concur to what one of my friend called Buchafwe said, "Man's legitimate trade is to toil and see his toiling bearing fruits". This is what I have experienced after a long period of toiling day and night and sometimes jeopardized my resting hours and meals in order to produce this research paper.

I shouldn't praise and lift up myself, is for the grace and mercy of God who provided me with energy, wisdom, and ability to analyze materials gathered in this research paper. I do acknowledge that the research paper couldn't be ready today. I acknowledge Dr. Robert Makorere my supervisor who was responsible for making all necessary corrections. He was responsible for my affiliations and bore all the consequences with patience until the paper came out.

My thanks should also go to all TANESCO officials, Senior Manager Procurement Nyelu Mwamwaja, Manager tendering Michael Bangu, Manager Compliance Richard Mrema and Zonal Procurement Specialist West Zone Mr. Peter Kabendera and Madam Jane Lipende who in one way or another paved a way for me to have an access to the required data.

Thanks very much, and may God bless you all abundantly.

## TABLE OF CONTENTS

|                                                     |              |
|-----------------------------------------------------|--------------|
| <b>CERTIFICATION .....</b>                          | <b>i</b>     |
| <b>DECLARATION.....</b>                             | <b>ii</b>    |
| <b>COPYRIGHT .....</b>                              | <b>iii</b>   |
| <b>DEDICATION.....</b>                              | <b>iv</b>    |
| <b>ACKNOWLEDGEMENT .....</b>                        | <b>v</b>     |
| <b>TABLE OF CONTENTS.....</b>                       | <b>vi</b>    |
| <b>LIST OF TABLES .....</b>                         | <b>x</b>     |
| <b>LIST OF FIGURES .....</b>                        | <b>xi</b>    |
| <b>ABSTRACT .....</b>                               | <b>xii</b>   |
| <b>LIST OF ABBREVIATIONS AND ACRONYMS .....</b>     | <b>xiv</b>   |
| <br><b>CHAPTER ONE .....</b>                        | <br><b>1</b> |
| <b>OVERVIEW OF THE STUDY .....</b>                  | <b>1</b>     |
| 1.1 Introduction .....                              | 1            |
| 1.2 Background of the Study .....                   | 1            |
| 1.3 Statements of the problem .....                 | 3            |
| 1.4 Research Objectives .....                       | 4            |
| 1.4.1 General Objective .....                       | 4            |
| 1.4.2 Specific Objectives .....                     | 4            |
| 1.5 Research Questions .....                        | 4            |
| 1.6 Significances of the study.....                 | 5            |
| 1.7 Limitations of the study .....                  | 5            |
| 1.8 Organization of the Research Dissertation ..... | 6            |
| <br><b>CHAPTER TWO .....</b>                        | <br><b>7</b> |
| <b>LITERATURE REVIEW.....</b>                       | <b>7</b>     |
| 2.1 Introduction .....                              | 7            |
| 2.2 Theoretical Literature Review .....             | 7            |
| 2.2.1 Process theory.....                           | 7            |
| 2.3 Definition of Key terms .....                   | 8            |

|                                   |                                                                                  |           |
|-----------------------------------|----------------------------------------------------------------------------------|-----------|
| 2.3.1                             | Procurement.....                                                                 | 8         |
| 2.3.2                             | Procurement process.....                                                         | 8         |
| 2.3.3                             | Procurement Process .....                                                        | 8         |
| 2.3.4                             | Annual Procurement Plan.....                                                     | 9         |
| 2.3.5                             | Effects of not complying to Procurement Procedures .....                         | 10        |
| 2.4                               | Empirical Literature Review .....                                                | 10        |
| 2.4.1                             | International review of the literature .....                                     | 10        |
| 2.4.2                             | Local review of the literature.....                                              | 13        |
| 2.5                               | The Conceptual framework for the study .....                                     | 16        |
| <b>CHAPTER THREE .....</b>        |                                                                                  | <b>18</b> |
| <b>RESEARCH METHODOLOGY .....</b> |                                                                                  | <b>18</b> |
| 3.1                               | Introduction .....                                                               | 18        |
| 3.1                               | Research Design .....                                                            | 18        |
| 3.2                               | Area of the Study .....                                                          | 18        |
| 3.3                               | Target Population .....                                                          | 19        |
| 3.4                               | Sampling Procedures .....                                                        | 19        |
| 3.4.1                             | Sample size .....                                                                | 19        |
| 3.4.2                             | Sampling procedures .....                                                        | 20        |
| 3.5                               | Data collection tools .....                                                      | 20        |
| 3.5.1                             | Interview .....                                                                  | 20        |
| 3.5.2                             | Questionnaires .....                                                             | 20        |
| 3.6.1                             | Reliability Measurements .....                                                   | 21        |
| 3.6.2                             | Validity of Measurements .....                                                   | 21        |
| 3.7                               | Data Analysis.....                                                               | 21        |
| 3.8                               | Measurement of variables both independent variable and dependents variables..... | 22        |

|                                                                                                                          |           |
|--------------------------------------------------------------------------------------------------------------------------|-----------|
| <b>CHAPTER FOUR.....</b>                                                                                                 | <b>23</b> |
| <b>PRESENTATION OF FINDINGS AND ANALYSIS .....</b>                                                                       | <b>23</b> |
| 4.1 Introduction .....                                                                                                   | 23        |
| 4.2 Responses Rate .....                                                                                                 | 23        |
| 4.3 To assess the implementation of the procurement process according to Public procurement Act of 2011 in TANESCO ..... | 24        |
| 4.3.1.1 Awareness of the Procurement Procedures by Tender Board Members ...                                              | 24        |
| 4.3.1.2 Awareness about the Public Procurement Acts and its Regulations .....                                            | 25        |
| 4.3.1.3 Level of Awareness of Procurement Process in Procurement of Goods, Works and Services .....                      | 25        |
| 4.3.2 Evaluation of the Tender done as per Act and Regulations .....                                                     | 26        |
| 4.3.3 Planning of Procurement in TANESCO.....                                                                            | 27        |
| 4.3.4 Choice of the Procedures .....                                                                                     | 27        |
| 4.3.5 Solicitation of the Tender Documents .....                                                                         | 28        |
| 4.3.6 Examination and Evaluation.....                                                                                    | 30        |
| 4.3.7 Award of the Contract .....                                                                                        | 31        |
| 4.3.8 Challenges experienced in performing Procurement Process in TANESCO .....                                          | 32        |
| 4.4 To assess adherence to Annual Procurement Plan (APP) in TANESCO..                                                    | 33        |
| 4.4.1 Documentation submission date.....                                                                                 | 33        |
| 4.4.2 Invitation Date of Tenders as per Annual Procurement Plan of TANESCO .....                                         | 33        |
| 4.4.3 Evaluation of the Tenders as per Annual Procurement Plan of TANESCO .....                                          | 34        |
| 4.4.4 Tendering Documents issued as Per Annual Procurement Plan of TANESCO.....                                          | 35        |
| 4.4.5 Budget.....                                                                                                        | 36        |
| 4.4.6 Vetting of the Contract Date for Contracts were done as Per Annual Procurement Plan of TANESCO .....               | 38        |
| 4.4.7 Contracts entered between TANESCO and Bidders were as per APP .....                                                | 39        |

|                                                     |                                                                                                   |           |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------------|-----------|
| 4.4.8                                               | Challenges facing TANESCO Staff in implementing Annual Procurement Plan .....                     | 39        |
| 4.5                                                 | To assess the effects of not complying with procurement procedures .....                          | 40        |
| <b>CHAPTER FIVE.....</b>                            |                                                                                                   | <b>43</b> |
| <b>DISCUSSION OF THE FINDINGS.....</b>              |                                                                                                   | <b>43</b> |
| 5.1                                                 | Introduction .....                                                                                | 43        |
| 5.2                                                 | Implementation of Procurement Process according to Public procurement Act of 2011 in TANESCO..... | 43        |
| 5.3                                                 | Adherence to Annual Procurement Plan (APP) in TANESCO.....                                        | 47        |
| 5.4                                                 | Effects of not complying with Procurement Procedures in TANESCO ..                                | 50        |
| <b>CHAPTER SIX .....</b>                            |                                                                                                   | <b>52</b> |
| <b>SUMMARY, CONCLUSION AND RECOMMENDATIONS.....</b> |                                                                                                   | <b>52</b> |
| 6.0                                                 | Introduction .....                                                                                | 52        |
| 6.1                                                 | Summary of study.....                                                                             | 52        |
| 6.2                                                 | Conclusion.....                                                                                   | 53        |
| 6.3                                                 | Recommendation .....                                                                              | 53        |
| 6.3.1                                               | To TANESCO Management .....                                                                       | 53        |
| 6.3.2                                               | To Tender Board Members.....                                                                      | 54        |
| 6.3.3                                               | To User Departments.....                                                                          | 54        |
| 6.3.4                                               | To Procurement Management Unit .....                                                              | 54        |
| 6.3.5                                               | To Evaluation team.....                                                                           | 54        |
| 6.3.6                                               | To other organization.....                                                                        | 54        |
| 6.3.7                                               | To the Government of the United Republic of Tanzania .....                                        | 54        |
| 6.4                                                 | Area for Further Study.....                                                                       | 55        |
| <b>REFERENCES.....</b>                              |                                                                                                   | <b>56</b> |
| <b>APPENDICES .....</b>                             |                                                                                                   | <b>60</b> |
| APPENDIX I: Research Questionnaire .....            |                                                                                                   | 60        |
| APPENDICES II: Interview Guide.....                 |                                                                                                   | 70        |

## LIST OF TABLES

|             |                                                                                                        |    |
|-------------|--------------------------------------------------------------------------------------------------------|----|
| Table 3.1:  | The respondents expected in the sample size (n=151) .....                                              | 19 |
| Table 4.1:  | Responses Percentage for departments of the TANESCO .....                                              | 23 |
| Table 4.2:  | Awareness of the Procurement Procedures by Tenders Boards Members<br>.....                             | 24 |
| Table 4.3:  | Awareness about the Public Procurement Acts and its Regulations ....                                   | 25 |
| Table 4.4:  | Level of the Awareness of the Procurement Process in Procurement of<br>Goods, Works and Services ..... | 26 |
| Table 4.5:  | Evaluation of the Tender done as per the Rules and Regulations .....                                   | 26 |
| Table 4.6:  | Planning of the Procurement in TANESCO .....                                                           | 27 |
| Table 4.7:  | Choice of the Procedures .....                                                                         | 28 |
| Table 4.8:  | Solicitation of the Tender Documents .....                                                             | 29 |
| Table 4.9:  | Examination and Evaluation .....                                                                       | 30 |
| Table 4.10: | Award of the contract .....                                                                            | 31 |
| Table 4.11: | Documentation submission date as Per Annual Procurement Plan .....                                     | 33 |
| Table 4.12: | Invitation Date of Tenders as per Annual Procurement Plan .....                                        | 34 |
| Table 4.13: | Evaluation of Tenders as per Annual Procurement Plan of TANESCO<br>.....                               | 35 |
| Table 4.14: | Tendering Documents as Per Annual Procurement Plan of TANESCO<br>.....                                 | 36 |
| Table 4.15: | Procurement are done according to the budget allocated .....                                           | 37 |
| Table 4.16: | Tendering Documents as Per Annual Procurement Plan of TANESCO<br>.....                                 | 38 |
| Table 4.17: | Contracts entered between TANESCO and Bidders is as per APP .....                                      | 39 |
| Table 4.18: | Effects of not complying with procurement procedures.....                                              | 41 |

## **LIST OF FIGURES**

|                                                      |    |
|------------------------------------------------------|----|
| Figure 2.1: Conceptual framework for the study ..... | 16 |
|------------------------------------------------------|----|

## **ABSTRACT**

The Tanzanian Government has realized that a strong procurement management in the public sector is a tool for achieving political, economic and social goals. In this era of diminishing resources and increased demand for accountability and transparency, the stakeholders of the public sector are demanding more effective and efficient use of public resources (Muyera, 2014). The Government has undertaken a number of changes in its procurement system including the enactment of PPA of 2001, PPA of 2004, PPA of 2011 and its Regulations and the currently established amendment PPA of 2016 which all of them require effective use of the public resources in the procurement procedures, hence reduce audit queries.

Despite the efforts that have been made by the Government, still audit results of the procurement function in many procuring entities indicate continuing non-compliance with procurement procedures which result into many audit queries (PPRA, 2016/2017). The audit revealed that procurement procedures were not adhered to as the tenders and variations were not approved by the responsible organs in the procuring entities as it was required by the Acts and its Regulations. All this indicated that there is low compliance to the requirements of the Acts and its Regulations and therefore results to unending audit queries (CAG, 2016/2017).

This study therefore intended to assess how effective are the procurement procedures on minimization of Audit Queries in Public Sector particularly in Tanzania. The research was done as a case study, data being collected from the Tanzania Electric Supply Company Limited (TANESCO). The study focused specifically on assessing the implementation of the procurement process according to Public procurement Act of 2011, assessing adherence of the independent functions to the Annual Procurement Plan (APP), and finally assessing the effects of not complying with the procurement procedures.

The findings indicate that the implementation of procurement processes and compliance with the procurement procedures are effective, however the adherence of Annual Procurement Plan is not much effective because in most cases there is delay in submission of requirements from user departments as per sec 39 of PPA 2011.

It is recommended that, Public Organizations should comply with the procurement procedures and should adhere to their Annual Procurement Plans so that they can eliminate elements of Audit Queries and improve the quality and performance of procurements for better economic development of the entities themselves and for the economic growth of the country at large.

## **LIST OF ABBREVIATIONS AND ACRONYMS**

|       |                                                             |
|-------|-------------------------------------------------------------|
| AO    | Accounting Officer                                          |
| CPAR  | Country Procurement Assessment Report                       |
| CTB   | Central Tender Board                                        |
| CUIS  | Common Use Items and Services                               |
| EPC   | European Policy Committee of European Commission            |
| GN    | Government Notice                                           |
| GOJ   | Government of Jamaica                                       |
| MOF   | Ministry of Finance                                         |
| NPPPU | National Public Procurement Policy Unit                     |
| PCCB  | Prevention and Combating Corruption Bureau                  |
| PEs   | Procuring Entities                                          |
| PMU   | Procurement Management Unit                                 |
| PPA   | Public Procurement Act                                      |
| PPAA  | Public Procurement Appeals Authority                        |
| PPRA  | Public Procurement Regulatory Authority                     |
| PPU   | Procurement Policy Unit                                     |
| PSPTB | Procurement and Supplies Professional and Technicians Board |
| OECD  | Organization for Economic Cooperation and Development       |
| RTT   | Republic of Trinidad and Tobago                             |
| SPB   | State Procurement Board of South Australia                  |
| SPSS  | Statistical Package for Social Science                      |

## **CHAPTER ONE**

### **OVERVIEW OF THE STUDY**

#### **1.1 Introduction**

This study aimed to assess effectiveness of procurement procedures on Minimization of Audit Queries in Public Sector in Tanzania; a Case of Tanzania Electric Supply Company Limited. This chapter covers the background of the study, statement of the problem, research objectives and questions, significance of the study and organization of the paper.

#### **1.2 Background of the Study**

Procurement, means buying, purchasing, renting, leasing or otherwise acquiring any goods, works or services by a procuring entity and includes all functions that pertain to the obtaining of any goods, works or services, including description of requirements, selection and invitation of tenderers, preparation and award of contracts; (URT,2011).In recent years, the issues concerning public procurement has received increased attention from the academia and policy makers due to its vital role in public financial management (PFM) systems, a well-functioning and efficient public procurement system addresses issues like inefficiency, corruption, and waste and thus, it helps the development process by improving the public administration (Jones, 2007).The strategic and efficient allocation of government expenditure (public procurement) is also crucial for meeting the country's fiscal commitments, a sound public procurement system is not only an ethical requirement but also an economic and social one (Hazarika and Jena, 2017).

Public procurement reforms among African countries are not significantly different in terms of stages of reform, components of reform strategies, and implementation. In most African countries, public procurement reforms have been preceded by assessments of the existing system, either by consultants or by external donor agencies particularly the World Bank through country procurement reports, Such studies made recommendations to governments based on which reforms of public

procurement have been modeled and in terms of components of the reforms, most African countries have created new procurement legislations that have put in place new institutional frameworks through which procurement is expected to be managed (Dza et.al ,2013).

Tanzania Government has realized that a strong procurement management in the public sector is a tool for achieving political, economic and social goals and in this era of diminishing resources and increased demand for accountability and transparency in Government, the “stakeholders / shareholders” of the public sector are demanding more effective and efficient use of public resources(Muyera,2014).Government has undertaken a number of changes in its procurement system including the enactment of PPA of 2001, PPA of 2004,PPA of 2011and its Regulations and Currently the established PPA of 2016 which require effective use of the public Resources and Funds and reduce auditing queries (Muyera,2014).

Also the practices of the effective procurement procedures in public sector in Tanzania is a challenge as it is shown by the PPRA report of 2011 which revealed that establishment, composition and staffing of Procurement Management Units (PMUs) is a major problem facing many procuring entities and also there are a lot of the unnecessary emergency procurements due to poor preparation of Annual Procurement Plan, also Contracts Management were not properly handled, likewise records keeping were not adequate and publication of contract awards were not done in proper way and regarding in the public sector especially where value for money has been emphasized, compliance is a precondition and creates a lot of queries in execution of the procurement activities (Biramata, 2014).

Therefore the literature shows that the reasons for unending auditing queries includes the inadequate training of staff and resources, substandard and uncomfortable materials, lack of clear specifications, delay in submission of inputs by user department, unreliable and distant suppliers, long and laborious procurement lead time and lack of procurement policies, Lack of awareness on implementation of

Annual Procurement Plan; inadequate allocation of funds (insufficient budget) and poor contract management, delay in submission of evaluation Report, Lack of integrity and low level of professionalism among public officers and bidders thus hindering attainment of best value for money; Lack of standards for items and services used by the Government and this lead to the loss of the government funds in procurement process.

Therefore the researcher wanted to establish the research gap by Assessing Effectiveness of Procurement Procedures on Minimization of Audit Queries in Public Sector in Tanzania a case of Tanzania Electric Supply Company Limited specifically focusing on assessing the implementation of the procurement procedures according to Public procurement Act of 2011 in TANESCO, assessing adherence to the annual procurement plan (APP) in TANESCO and finally assessing the effects of not complying with the procurement procedures in TANESCO.

### **1.3 Statements of the problem**

Audit results of the procurement function in many procuring entities indicated continued non- compliance with procurement procedures which resulted into many auditing queries as far as procurement issues is concerned (PPRA, 2016/2017). The audit revealed that procurement procedures were not adhered to as the tenders and variations were not approved by the responsible organs in the procuring entities as it was required by the Acts and its Regulations. All this indicated that there is low compliance to the requirements of the Acts and its Regulations and therefore results to unending auditing queries (CAG, 2016/2017).

A number of research studies have been done on various aspects of procurement (e.g. Mwandobo, 2013; Kadima et.al, 2013; Lema, 2013). However, many of these studies have been concentrating on finding out the factors affecting the implementation of Annual Procurement Plan, and the role played by procurement process on effectiveness of the Procurement systems. Despite the reported continued non-compliance of the independent functions to the procurement procedures which

results into many audit queries (PPRA, 2016/2017), still less studies have been done on assessing effectiveness of Procurement procedures on minimization of Audit Queries, specifically in Tanzania.

Hence this study intended to assess the effectiveness of Procurement procedures on minimization of Audit Queries in Public Sector, a case of Tanzania Electric Supply Company Limited. Our study specifically focused on assessing the implementation of the Procurement Process according to Public procurement Act of 2011, assessing adherence of the independent functions to the Annual Procurement Plan (APP), and finally assessing the effects of not complying with the Procurement Procedures.

#### **1.4 Research Objectives**

##### **1.4.1 General Objective**

The general objective of this research was to assess the effectiveness of Procurement Procedures on Minimization of Audit Queries in the Public Sector.

##### **1.4.2 Specific Objectives**

- (a) To assess the implementation of the Procurement Process according to Public Procurement Act of 2011 in TANESCO
- (b) To assess the level of adherence of the independent functions to the Annual Procurement Plan (APP) in TANESCO
- (c) To assess the effects of not complying with the Procurement Procedures in TANESCO

#### **1.5 Research Questions**

- (a) Are the Procurement Processes implemented according to Public procurement Act of 2011 in TANESCO?
- (b) To what extent do the independent functions adhere to the Annual Procurement Plan (APP) in TANESCO?
- (c) What are the effects of not complying with the Procurement Procedures in TANESCO?

## **1.6 Significance of the study**

### **The study is beneficial in the following perspectives**

#### **Organization**

The study will be used by both public and private sectors to get more knowledge on importance and advantages of complying with the effective procurement procedures on the minimization of the auditing queries in public sectors in Tanzania.

#### **Academicians**

The knowledge will also be used by the researcher to develop more knowhow on effectiveness of practicing effective procurement procedures on minimization of audit queries in public sectors in Tanzania and also the study will assist scholars interested in conducting research in effects of practicing effective procurement procedures on minimization of audit queries in public sectors in Tanzania as the references point in further research.

#### **Researcher**

The study will enable the researcher to be awarded a Master's of Science in Procurement and Supply Chain Management (Msc-PSCM) of Mzumbe University.

## **1.7 Limitations of the study**

This study like other studies has not gone through without encountering some limitations. The major limitations including:

- i. The design of the study was a case study. Data were gathered from TANESCO office and Staff only. The results obtained from this study cannot therefore be generalized to other organizations because of differences in nature, functioning and set ups.
- ii. The data collected were purely qualitative in nature, aiming at making analysis of various issues affecting effectiveness of procurement procedures at Tanesco.

### **1.8 Organization of the Research Dissertation**

The study paper was organized into Six (6) chapters; where by each chapter states its contents. Chapter one is centered on background to the study, statement of the problem, research objectives and research questions, significance of the study, and organization of the proposal. Chapter two covers literature review which provides theoretical bases to the study, empirical studies comprising of previous International and Regional studies and conceptual framework for the study. Chapter three is concerned with research methodology showing research strategy and design, type of study design, description of the case, Area of the study, data collection method, sample and sample size, sampling procedure, area of the study, Reliability and Validity of data, Management of data and analysis techniques, .chapter four was concerned with the presentation of findings and analysis, Chapter five concerned with discussion of the findings and chapter six includes summary of the study, conclusions and recommendations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presents the review of literature related to the interests of the study by reviewing different issues and research done by various authors in the same field of study with the main objective of adding knowledge and familiarizing the researcher with any relevant information about the problems being studied. The study covered the literature relating to the effectiveness of Procurement Procedures on minimization of Audit Queries in public sectors in Tanzania.

#### **2.2 Theoretical Literature Review**

##### **2.2.1 Process theory**

Process theory is found in the organizational buying behavior literature for Procurement and Supply Chain Management practice and the main disciplinary underpinning of this literature is present under the organizational sociology, which is based on political models of decision-making( Halldorsson et.al ,2007).

The basic assumptions under this model are that actors have bounded rationality and differing motivations and preferences, and that intra-organizational conflict is inevitable in situations of joint decision-making. By viewing organizational buying behavior as a multifactor, multi-agenda process, this literature conceptualizes buying decisions as being a potential locus of intra-organizational politics and a core idea common to these models/theory is that organizational buying behavior should be considered as a process or sequences of procedures, in which there are a number of phases or stages or steps to be followed in acquisitions of the goods, works or services in procurement (Halldorsson et.al, 2007).

Therefore relating this theory with the Procurement Procedures on Minimization of Audit Queries, the units involved in buying decisions should follow all the procedures or process involved in the procurement of the goods, works or services.

## **2.3 Definition of Key terms**

### **2.3.1 Procurement**

Means buying, purchasing, renting, leasing or otherwise acquiring any goods, works or services by a procuring entity and includes all functions that pertain to the obtaining of any goods, works or services, including description of requirements, selection and invitation of tenderers, preparation and award of contracts; (URT,2011).

### **2.3.2 Procurement process**

Means the successive stages in the Procurement Cycle, including Planning, Choice of Procedures, Measures to solicit offers from Tenderers, Examination and Evaluation of those offers, Award of Contract and Contract Management (URT, 2011)

### **2.3.3 Procurement Process**

Procurement process” means the successive stages in the Procurement Cycle, including Planning, Choice of Procedures, Measures to solicit offers from Tenderers, Examination and Evaluation of those offers, Award of Contract and Contract Management (URT, 2011). The process in procurement starts from the initiation of the need by user department and it is approved by the head of the department, as way one of acknowledging the requirement. This has to do with the process of acquiring goods, works and services (URT, 2011).

It begins when a department has identified a need and decided on its procurement requirements. The process needs to adhere to the laid down procurement process and procedures in order to achieve procurement performance in Tanzania. The relationship that exist between procurement processes and Auditing Queries is when procurement process are implemented as per the requirement of the public Procurement act No.7 of 2011 and its Regulation, it results to the reduced unnecessary Audit Queries and vice versa is true.

#### **2.3.4 Annual Procurement Plan**

Procurement plan had been defined by various authors that, is a proactive and phased approach to management of an organization's procurement process so as to achieve overall objectives of agreed procurement policies (Lema, 2013). The historic study indicate that from the very beginning the problem persist because there was no set rules, procedures and principles followed during procurement plan process and the people involved were not procurement expert (Lema, 2013).

Likewise According to Nyaga and Kihara (2017) on the implementation of procurement plans in public hospitals in Kenya said that Public Hospital procurement accounts for 25% of the annual government procurement expenditure and that many public hospitals in Kenya are able to generate innovative procurement plans, but few are able to successfully implement these plans. Lack of proper implementation in procurement planning culminates into diverse implications in the organization that may deter its progress. Public hospitals in Kenya have been facing challenges of procurement plan implementation and found that procurement expertise affected the implementation of procurement plans at Kenyatta National Hospital (Nyaga and Kihara, 2017).

Additional according to (URT,2011),Section 49 subsection (1) emphasize that a procuring entity shall prepare its Annual Procurement Plan in a rational manner and in particular shall avoid emergency procurement wherever possible, aggregate its requirements wherever possible, both within the procuring entity and between procuring entities, to obtain value for money and reduce procurement costs and avoid splitting of procurement to defeat the use of appropriate procurement methods unless such splitting is to enable wider participation of local consultants, suppliers or contractors in which case the Authority shall determine such an undertaking; and lastly integrate its procurement budget with its expenditure programme, subsection (2) emphasize that the prepared Annual Procurement Plan shall be approved by an appropriate budget approving authority.

### **2.3.5 Effects of not complying to Procurement Procedures**

Oluka(2011) suggested that failure to comply with the procurement procedures such as employing professionalism to performing their function will result to loss of government funds and thus suggested that focus needs to be placed on improving familiarity with procurement procedures amongst procurement personnel and staff employed in the public entities.

Likewise Mathew et.al (2013) said that failure to comply with the procurement procedures will result to unending fraud which involves the intent to deceive through false representation of a matter of fact, whether by word or by conduct, or by concealment of information which should have been disclosed, in order to cause an entity rely or act upon that misleading or false information and ultimately causing damages to the entity relying upon that false information. With procurement fraud or fraudulent procurement, the misrepresentation of truth in most cases can occur at every stage within the procurement cycle or process.

## **2.4 Empirical Literature Review**

### **2.4.1 International review of the literature**

Dzaet.al (2013) conducted study on the Procurement reforms in African countries and demonstrated some initial improvement within African public sector financial management however the complete and successful implementation of these reforms is fraught with problems. These issues that limit improved financial management through procurement reform included; inadequate education and training, legislative constraints, especially those associated with procurement technology and lack of political support for the reform process ; Finally (Dza et.al,2013) concluded that in political terms the study identified that the current political position coupled with socio-cultural sensitivities of participating countries, has created a neglect of ethical and environmental considerations which in turn has slowed the pace and acceptance of reforms.

Likewise Kadima et.al (2013) conducted a study on the influence of procurement procedures on construction project implementation in public universities and found out that 80% of respondents agreed that procurement procedures greatly influenced implementation of construction projects in the Kenyan public universities, hence recommended that procedures should be strictly adhered to, for quality end products. Additionally Oginda (2013), conducted study on the challenges of implementing procurement procedures and strategy at Kenya and found out that whilst the practices that the Procurement Function uses to support its strategies, aspects of uncontrollable factors in the environment, inadequate training of staff and resources, substandard and un conforming materials, lack of specifications, unreliable and distant suppliers, long and laborious procurement lead time and reduction and inadequate funds among others were major obstacles to successful implementation of procurement strategy in KPLC.

Likewise Kavula et.al (2013), conducted study on the determinants of implementation of public procurement regulations by head teachers in public secondary schools in Migwani District, Kenya and established that there are key determinants that need to be put in place for effective implementation of the procurement rules and regulations. These includes; the establishment of public procurement structures, exposure of the head teacher to management training, induction of members charged with procurement roles on procurement regulations, financial standing of the school and possible intervention in the implementation of public procurement regulations(Kavula et.al ,2013).

Also Nyelu at.al(2014), conducted study on the procurement policies, procedures and implementation of effective procurement practices in Tertiary Public Training Institution in Kenya and findings show that procurement policies elements that influence implementation of effective procurement practices in tertiary public training institutions in Kenya included; low level of procurement regulations

compliance, application of poor procurement policies, lack of top management support, use of poor procurement procedures, poor relationship between management and stakeholders, poor method of managing organization resources and lack of effective policy making process.(Nyelu at.al, 2014).

Marendi(2015) conducted study on the effect of the Public Procurement (PPA)Legal Framework implementation on Organizational Performance of state corporations in Kenya. Specifically, the study determined the effect of the implementation of the Public procurement and Disposal Act, (2005); implementation of the Public Procurement and Disposal Regulations, (2006); implementation of the Public Private and Partnership Regulations, (2009); and implementation of the Preference and Reservations Regulations,(2011) on performance of state corporations in Kenya; The findings indicated a significant effect of the PPA legal framework implementation on organizational performance and enforcement moderated the relationship between study variables. Study recommended effective implementation of PPA rules and regulations to improve performance of state corporations.

Kabubu (2016) conducted study on the internal factors affecting procurement in the Kenyan public hospitals within Nyelu County specifically ethical, effects of accountability procurement process, effect of employee's competence and investigate the effect of ICT adoption on procurement process. The study revealed that 41.5% of change in the procurement process was explained by ethics, accountability, and ICT adoption and employee competence. Ethics affected the process to the great extent with 54.02 % change in the procurement process, followed by employee competence 33.40% then ICT adoption 29.2% and lastly accountability with 28.3%;

The study concluded that ethics affected the procurement process most and therefore recommended that employees in public office should comply with the code of conduct as provided by the constitution of Kenya (CAP 6) and the PPDA. More ICT tools, especially computers should be procured and internet connections provided to enhance automation of procurement systems. The standards set by audit for filling and documentation should be strictly followed and any queries raised should be

investigated. The study recommendations included the call for the county government to collaborate with other stakeholders in defining the standards and to create the necessary training capacity.

#### **2.4.2 Local review of the literature**

Mshamu(2013) conducted study on assessment of effectiveness of procurement process in a public sector considering Temeke Municipal Council and the findings revealed that; the procurement process was effective at Temeke Municipal council with the tendering being the best method comparing to quotation; But there was lack of proper knowledge and skills, accountability and corruption which affected the procurement process to the greater extent and thus organization should make sure that staffs who were involved in procurement need to be trained and imparted with the knowledge's and skills as far as procurement procedures is concerned.

Lema(2013) conducted study on the assessment of factors affecting implementation of Annual Procurement Plan in one of Local Government Authorities, case study in Meru District Council (MDC) and findings revealed that, delay of fund from central government and other sources, Lack of awareness on implementation of annual procurement plan; inadequate allocation of funds (insufficient budget) and Lack of knowledge on the newly introduced payments system (EPICOR) affect the implementation of Annual Procurement Plan. Therefore, it is recommended that annual procurement plan should be adhered according to Public Procurement Acts No.7 of 2011 and its regulation of 2013 in order to impart efficient, cost effective and finally to obtain value for money(Lema, 2013).

Likewise Mwandobo(2013)conducted study on analyzing the procurement processes/procedures in achieving effectiveness of the public procurement system and the result of the finding shows that procuring entities do not conduct market survey for establishing cost estimates, in adequate user's cooperation with PMU staff and poor solicitation documents due to inadequate technical specifications, schedule of requirements, and drawings and poor terms and conditions of

contract. The weak evaluation criteria and inadequate tender evaluations, and delays in contract awards are hampering efficient procurement process which results to ineffective procurement system (Mwandobo, 2013).

Additionally URT (2014/2015) conducted audit on the annual on audit results indicated continued non-compliance with procurement procedures which resulted into poor contract management. The audit revealed that procurement procedures were not adhered to as the tenders and variations were not approved by the Tender Boards, procurement of defective ferry boat, procurement of busses in excess for DART, delayed commencement of DART Bus Transport Service, motor vehicles bought but not yet delivered, procurement made from un –approved suppliers and Contract without time frame. All these imply in adequate controls over the administration of contracts and procurement management (URT, 2014/2015).

Also URT (2012/2013) conducted audit on the annual performance review audit and indicated that procurement procedures were not complied which resulted to the procurement, activities which had been completed or in contracting stage by 30th June, 2013 amounted to Tshs. 12,230,903,613 which represented 62.2% of the total planned procurements were executed without adhering to the procurement procedures as per the requirement of the Acts and its Regulation. This amount includes costs of Tshs. 749,220,000 activities which the method of procurement was changed by doing internally instead of initially planned option of engaging consultants.

Additionally URT (2013/2014) conducted annual performance review and found out that Procurement functions has remained one of the largest expenditure components in the budgets in Tanzania and after the review of the performance among the procuring entities it was revealed that procurement procedures were not complied due to inappropriate composition of tender boards at CMSA, PMU at MWAUWASA and TANESCO which result to loss of the government funds of did not discharge its responsibilities appropriately whereby a questionable tender worth TZS.

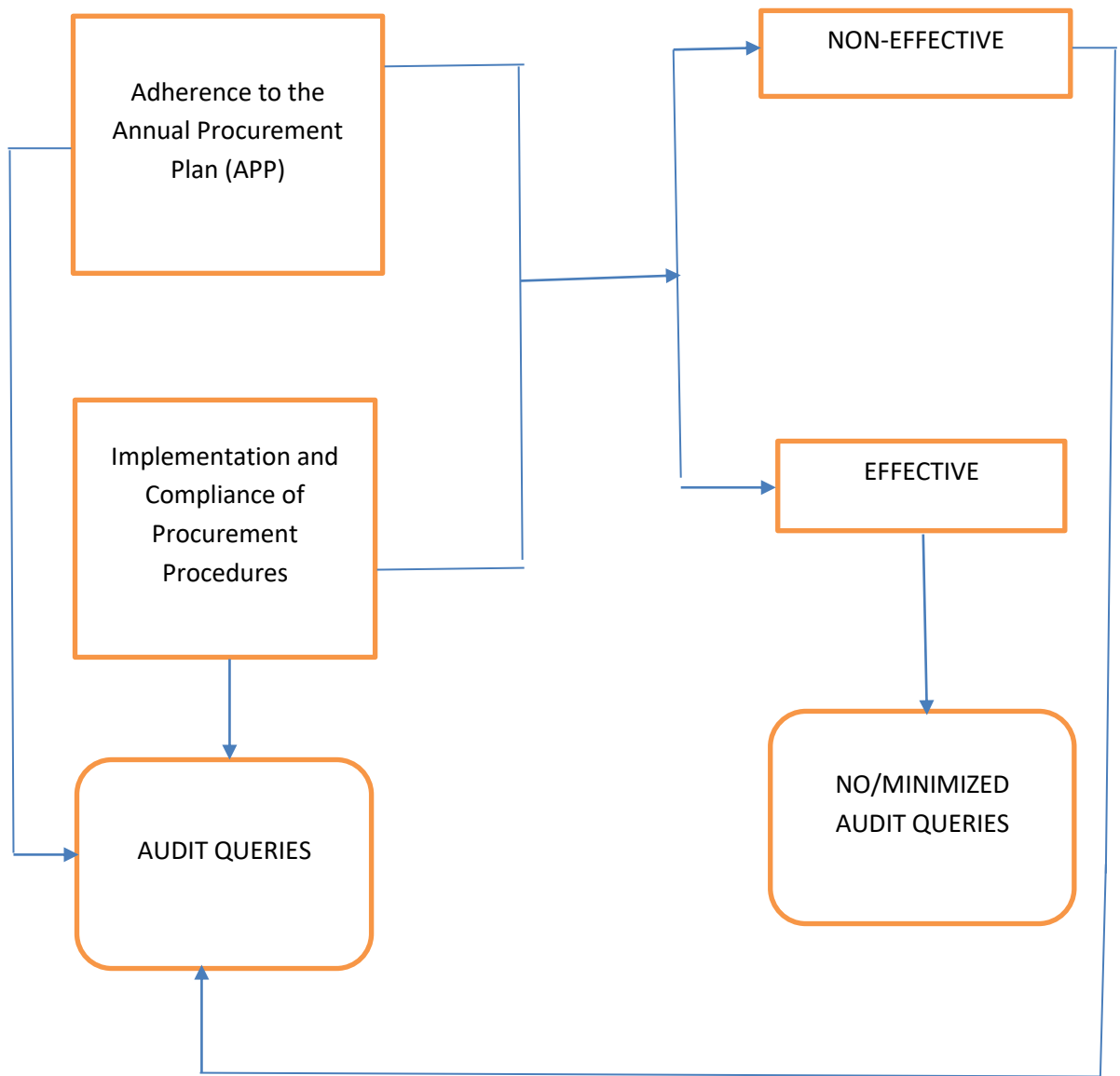
2,442,516,560 for construction of its head office and a tender worth TZS.4,411,667,067, TZS.971, 152,972.80 and 34, 848,390.78 respectively and result to penalties of USD 2,106,038.09 and EURO 981,831 to the organization.

Likewise URT (2015/2016) conducted audit on its annual performance evaluation report for financial year there have been higher price so for procured goods, works and services compared to market prices, high cost of procurement processes and long duration of procurement process which resulted into misuse of public funds, delays in projects completion and services delivery to the public; Lack of integrity and low level of professionalism among public officers and bidders thus hindering attainment of best value for money;

Lack of standards for items and services used by the Government; Also the report revealed that Differences between procurement procedures used by LGAs and those used by other PEs leading to political interference in procurement proceedings; Failure to submit periodic reports and low use of PPRA systems and tools thus hindering effective monitoring; Inadequate staffing among institutions that deal with public procurement from supervisory to implementation level thus contributing to under performance; Inefficiency in handling procurement operations by PEs resulting in time and cost overruns in project implementation(URT ,2015/2016).

Bayo (2016) conducted study on the procurement processes in lower local Government authority in Hanang District Council and Moshi Municipal council specifically on the assessing the organs responsible for the procurement processes, to assess the procedures followed during procurement processes , assessing factors affecting procurement processes and finally to assess the effort done to rectify the procurement processes in lower local government authorities and the result shows that village committee do not follow the stated procedures for procurement of goods and services, and that there are different factors affecting procurement processes such as lack of procurement knowledge to actors, lack of technical support, political interferences from the leaders, delay of fund, long procurement procedures and corruptions.

## 2.5 The Conceptual framework for the study



**Figure 2.1: Conceptual framework for the study**

### Operationalization of the variables

Implementation of procurement process according to the Public Procurement Act, Adherence to Annual procurement Plan and compliance to the procurement procedures are regarded as important factors affect the effectiveness of procurement procedures and hence on the level of audit queries.

The implementation of procurement processes was assessed using six (6) indicators, namely, awareness of the Public Procurement Act and Regulations, Planning of Procurement issues, Choice of Procedures, Solicitation of Tender Documents, Examination and Evaluation and Award of Contract.

Adherence to Annual Procurement Planning was assessed using seven (7) indicators which are, Documentation submission date, Invitations date, Evaluation date, Tendering documents, Budget, Vetting of contract date and contract date as shown in the Annual Procurement Planning of TANESCO.

In assessing the Effects of not complying to the procurement procedures the researcher used the number of audit queries, reputation of the organization, loss of fund, quality of products and unnecessary disputes as relevant indicators.

Descriptive analysis was done for each indicator, and the results are presented in form of percentages of the respondents in the tables.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter addresses the way the study was carried out, it puts forward the research design and strategy that were used and briefly described the area of the study, also described the sampling plan and states data type and resources, the main instruments and techniques that were employed in the field work, data collection methods and analysis that were employed in undertaking this study.

#### **3.1 Research Design**

This study used a case study design. A case study design seeks to describe a unit in details in context and holistically (Kombo et.al 2009). The researcher opted to use a Case study design because the researcher wanted to explore in detail how and to what extent does the effective combination of adherence to the APP and compliance of the Procurement procedures affect the level of Audit Queries in an organization. Kothari (2004) stated that, a Case study is a research design which intends to address “how” and “why” questions, while taking into consideration how a phenomenon is influenced by a context within which it is situated.

#### **3.2 Area of the Study**

The Tanzania Electric Supply Company Limited (TANESCO) was used as an area of the study. The Controller and Auditor General Report for the financial year 2013/2014 revealed that institutional arrangement of PMU at TANESCO was not appropriate which resulted into the company making procurements worth about TZS.970 billion without involvement of the procurement specialist. The report also indicated delays in completing contracts worth about USD 34 million resulting into the Company paying penalties of about USD 2 million and about EURO 0.98 million respectively leading to unnecessary wastage of government funds (CAG, 2013/2014). Therefore due to this fact the researcher decided to investigate if the procurement procedures are effectively complied within TANESCO.

### 3.3 Target Population

The target population of this study included all employees of the selected units at TANESCO head office Dar es Salaam. The selected units included: User Departments' staff, Tender Board Members, Procurement Management Unit, Stores Section, Audit Department and Top management staff in which the total number of the population is 252. The selected units included: user departments' staff, tender board members, procurement management unit, stores section, audit department and top management staff in which the total number of the population is 252 (www.tanESCO.ac.tz).

### 3.4 Sampling Procedures

#### 3.4.1 Sample size

This study used a sample of 151.

The sample size was generated from a sampling frame of Six (6) units, namely: User Department, Tender Board Members, and Procurement Management Unit, Stores section, Audit Department and Top management staff.

The researcher chose these units purposively basing on their continuous involvement in procurement functions of TANESCO, hence their relevance in providing the required information regarding the effectiveness of Procurement Procedures on minimization of Audit Queries.

The involved units, the respective population and the sample size is provided in a summarized format in table 3.1 below:

**Table 3.1: The respondents expected in the sample size (n=151)**

| S/N | Participants                | Population | Number of respondents |
|-----|-----------------------------|------------|-----------------------|
| 1   | User departments            | 87         | 50                    |
| 2   | Procurement management unit | 48         | 30                    |
| 3   | Stores sections             | 70         | 40                    |
| 4   | Tender board members        | 7          | 7                     |
| 5   | Top management staff        | 9          | 4                     |
| 6   | Audit department            | 31         | 20                    |
|     | <b>TOTAL</b>                | <b>252</b> | <b>151</b>            |

**Source: Own Design (2018)**

### **3.4.2 Sampling procedures**

All the units within the organization (TANESCO) were included in the sample size. However, a purposive sampling technique was applied to select individuals from each unit to be included in the sample size. Based on this factor, the researcher simply distributed questionnaires to participants who deemed to be relevant in providing the required information.

### **3.5 Data collection tools**

The researcher used primary data to provide answers to the research questions. Primary data is defined as two-way systematic conversations between an investigator and an informant, initiated for obtaining information relevant to a specific study (Krishnaswami and Ranganatham, 2011).

#### **3.5.1 Interview**

The researcher conducted the structured interviews on the respondents who were identified to be directly involved in the procurement functions of TANESCO. These included the Tender Board Members, Procurement Management Unit staff, Top Management staff, Users departments' staff and the Audit Department staff. An interview guide was prepared in order to have consistency in asking questions from the respondents' clarifications and follow up of questions. Self-administered questionnaire used comprised of both closed and the open ended questions. The advantage of this method is that it is cheap, gives respondents adequate time, allows the use of large samples and information is free from bias.

#### **3.5.2 Questionnaires**

The researcher mailed questionnaires to sampled respondents by using email, a continuous follow up was made by the researcher to make sure that questionnaires return rate does not fall below the target level. The questionnaires comprised of both open and closed ended type of questions

Questionnaires have advantages over some other types of surveys because they are cheap, do not require as much effort from the questioner as verbal or telephone surveys, and often have standardized answers that make it simple to compile data.

### **3.6.1 Reliability Measurements**

In this study reliability analysis was used to test the internal consistency of the research instruments for the purposes of identifying those constructs in the questionnaire and also reliability that gives unbiased estimate of data was used to test reliability of the answered questionnaires. Reliability refers to whether the instruments are measuring consistently the phenomena (Kothari, 2004).

### **3.6.2 Validity of Measurements**

Validity is referring to whether the index/instrument is describing what was intended to be described or measured. It is the ability to which the results of a study can be verified against the stated objectives (Janny, 2005). In order to ensure validity of the findings questionnaire and interview were pre-tested and recommendations and suggestions from past authors were used (Kothari, 2004).

### **3.7 Data Analysis**

Implementation of procurement process according to the Public Procurement Act, Adherence to Annual procurement Plan and compliance to the procurement procedures are regarded as important factors affect the effectiveness of procurement procedures and hence on the level of audit queries.

The implementation of procurement processes was assessed using six (6) indicators, namely, awareness of the Public Procurement Act and Regulations, Planning of Procurement issues, Choice of Procedures, Solicitation of Tender Documents, Examination and Evaluation and Award of Contract.

Adherence to Annual Procurement Planning was assessed using seven (7) indicators which are, Documentation submission date, Invitations date, Evaluation date, Tendering documents, Budget, Vetting of contract date and contract date as shown in the Annual Procurement Planning of TANESCO.

In assessing the Effects of not complying to the procurement procedures the researcher used the number of audit queries, reputation of the organization, loss of fund, quality of products and unnecessary disputes as relevant indicators.

Descriptive analysis was done for each indicator, and the results are presented in form of percentages of the respondents in the tables.

### **3.8 Measurement of variables both independent variable and dependents variables**

The independent variables under this study includes the implementation of the procurement processes according to the public procurement act which was measured by Planning of procurement issues, Choice of procedures, Solicitation of tender documents, Examination and evaluation and Award of the contract and management, second independents variable is adherence to the annual procurement planning which was measured by Documentation submission date, Invitations date, Evaluation date, Tendering documents, Budget and Vetting of the contract date as shown in the Annual procurement planning of TANESCO and lastly independent variable is the impacts of not practicing and complying with the procurement procedures. Also the dependent variables under this study are minimization of Audit Queries among the procuring entities in Tanzania which were measured in terms of best Value for money achievement.

## CHAPTER FOUR

### PRESENTATION OF FINDINGS AND ANALYSIS

#### 4.1 Introduction

This chapter presents and analyses data basing on the specific objectives of the study such as assessing the implementation of the procurement process according to Public procurement Act of 2011 in TANESCO, assessing adherence to the Annual Procurement Plan (APP) in TANESCO and finally assessing the effects of not complying with the procurement procedures in TANESCO.

#### 4.2 Responses Rate

In this study, during the data collection activity, the researcher issued 151 questionnaires which were administered to selected respondents' at TANESCO. Out of 151 issued questionnaires the researcher was able to get back 151 questionnaires filled which is equivalent to 100%. The response was high because the researcher made several follow-ups.

**Table 4.1: Responses Percentage for departments of the TANESCO**

| Departments issued questionnaires | No. of issued | No. of returned | Response Percentage |
|-----------------------------------|---------------|-----------------|---------------------|
| User Departments staff            | 50            | 50              | 100                 |
| Procurement Management Unit       | 30            | 30              | 100                 |
| Stores Departments                | 40            | 40              | 100                 |
| Tender Board Members              | 8             | 8               | 100                 |
| Top Management Staff              | 3             | 3               | 100                 |
| Auditing Unit                     | 20            | 20              | 100                 |
| <b>Total</b>                      | <b>151</b>    | <b>151</b>      | <b>100</b>          |

**Source: Field data (2018)**

### **4.3 To assess the implementation of the procurement process according to Public procurement Act of 2011 in TANESCO**

The first objective of this study was to assess the implementation of procurement process according to Public procurement Act of 2011 in TANESCO. In order to answer this objective seven (07) factors were used; awareness of procurement procedures, Act and Regulations, Planning of Procurement issues, Choice of procedures, Solicitation of Tender Documents, Evaluation of bids, Examination and Evaluation of bidders and award of the Contract if they help in minimization of Auditing Queries in TANESCO. The results for these seven factors were as presented in sections 4.3.1 to 4.3.7.

#### **4.3.1.1 Awareness of the Procurement Procedures by Tender Board Members**

This study aimed at finding existence of awareness of the Procurement Procedures by Tenders Boards Members. Table 4.2 shows that large number of the responses of about 100 responded equivalents to 66.2% of the total respondents responded and agreed that members of Tender Boards were not aware about the Procurement Procedures and about 51 responses which are equivalents to 33.8% agreed that the members of the Tender Board were aware of the Procurement Procedures.

**Table 4.2: Awareness of the Procurement Procedures by Tenders Boards Members**

| <b>Responses on the awareness of the Procurement Procedures by Tenders Boards</b> | <b>Frequency</b> | <b>Percent</b> |
|-----------------------------------------------------------------------------------|------------------|----------------|
| Yes                                                                               | 51               | 33.8           |
| No                                                                                | 100              | 66.2           |
| <b>Total</b>                                                                      | <b>151</b>       | <b>100.0</b>   |

**Source: Field Data (2018)**

#### **4.3.1.2 Awareness about the Public Procurement Acts and its Regulations**

This study aimed at finding if staffs of TANESCO were aware about Public Procurement Acts and its Regulations. Table 4.3 shows that large number of the responses of about 99 responded equivalents to 65.6% of the total respondents, responded and agreed that staff of TANESCO were aware about the Public Procurement Acts and its Regulations and about 52 responses which is equivalents to 34.4% said that staff of TANESCO were not aware about Public Procurement Acts and its Regulations.

**Table 4.3: Awareness about the Public Procurement Acts and its Regulations**

| <b>Responses on the awareness about the Public Procurement Acts and its Regulations</b> | <b>Frequency</b> | <b>Percent</b> |
|-----------------------------------------------------------------------------------------|------------------|----------------|
| Yes                                                                                     | 99               | 65.6           |
| No                                                                                      | 52               | 34.4           |
| <b>Total</b>                                                                            | <b>151</b>       | <b>100.0</b>   |

**Source: Field Data (2018)**

#### **4.3.1.3 Level of Awareness of Procurement Process in Procurement of Goods, Works and Services**

This study aimed at finding level of awareness of Procurement Process in Procurement of Goods, Works and Services by staff of TANESCO. Table 4.4 shows that large number of the responses of about 81 responded equivalents to 53.6% of the total respondents, responded and agreed that level of awareness of Procurement Process in Procurement of Goods, Works and Services is moderate and about 45 responses which is equivalents to 29.8% said that level of awareness of Procurement Process in Procurement of Goods, Works and Services by staffs of TANESCO is at the large extent and finally about 25 respondents which is equivalents to 16.6% of the total responses agreed that there is low extent level of awareness of the Procurement Process in Procurement of Goods, Works and Services by staff of TANESCO.

**Table 4.4: Level of the Awareness of the Procurement Process in Procurement of Goods, Works and Services**

| <b>Responses on the level of the Awareness of the Procurement Process in Procurement of Goods, Works and Services</b> | <b>Frequency</b> | <b>Percent</b> |
|-----------------------------------------------------------------------------------------------------------------------|------------------|----------------|
| Large Extent                                                                                                          | 45               | 29.8           |
| Moderate Extent                                                                                                       | 81               | 53.6           |
| Low extent                                                                                                            | 25               | 16.6           |
| <b>Total</b>                                                                                                          | <b>151</b>       | <b>100.0</b>   |

**Source: Field Data (2018)**

#### **4.3.2 Evaluation of Tenders done as per Act and Regulations**

This study aimed at finding existence of evaluation of Tenders done as per the Act and Regulations of TANESCO Tenders. Table 4.5 shows that large number of the responses of about 135 responded equivalents to 89.4% of the total respondents, responded and agreed existence of evaluation of the Tenders were done as per the Rules and Regulations of TANESCO Tenders and about 16 responses which is equivalent to 10.6% disagreed existence of evaluation of Tenders done as per the Act and Regulations of TANESCO Tenders.

**Table 4.5: Evaluation of Tenders done as per the Rules and Regulations**

| <b>Responses on the evaluation of the Tender done as per the Rules and Regulations</b> | <b>Frequency</b> | <b>Percent</b> |
|----------------------------------------------------------------------------------------|------------------|----------------|
| Yes                                                                                    | 135              | 89.4           |
| No                                                                                     | 16               | 10.6           |
| <b>Total</b>                                                                           | <b>151</b>       | <b>100.0</b>   |

**Sources: Field Data (2018)**

### 4.3.3 Planning of Procurement in TANESCO

This study aimed at finding if TANESCO do Plan well Procurement in every financial year. Table 4.6 shows that large number of the responses of about 47 responded equivalents to 31.1% of the total respondents, strongly agreed that TANESCO do Plan well Procurement in every financial year and about 31 responses which is equivalent 20.5% agreed that TANESCO do Plan well Procurement in every financial year, about 34 responded equivalents to 22.5% were neutral about the statement that TANESCO do Plan well Procurement in every financial year, about 14 respondents equivalents to 9.3% of the total respondents strongly disagreed to the statements that TANESCO do Plan well Procurement in every financial year and lastly about 25 respondents equivalents to 16.6% of the total respondents disagree to the statements that TANESCO do Plan well Procurement in every financial year.

**Table 4.6: Planning of Procurement in TANESCO**

| Responses if Planning of the Procurement was done | Frequency  | Percent      |
|---------------------------------------------------|------------|--------------|
| Strongly agree                                    | 47         | 31.1         |
| Agree                                             | 31         | 20.5         |
| Neutral                                           | 34         | 22.5         |
| Strongly disagree                                 | 14         | 9.3          |
| Disagree                                          | 25         | 16.6         |
| <b>Total</b>                                      | <b>151</b> | <b>100.0</b> |

**Source: Field Data (2018)**

### 4.3.4 Choice of the Procedures

This study aimed at finding if TANESCO do consider choice of Procedures that is pre-qualification or post qualifications in selecting the bidders who will provide them with the Goods, Works and Services. Table 4.7 shows that large number of the responses of about 57 responded equivalent to 37.7% of the total respondents, strongly agreed that TANESCO do consider the choice of the Procedures that is pre-qualification or post qualifications in selecting bidders who will provide them with goods, works and services and about 24 responses which is equivalents 15.9 %

agreed that TANESCO do consider the choice of the Procedures that is prequalification or post qualifications in selecting the bidders who will provide them with the goods, works and services;

About 16 responded equivalents to 10.6 % were neutral about the statement that TANESCO do consider the choice of Procedures that is pre-qualification or post qualifications in selecting the bidders who will provide them with the goods, works and services, about 20 respondents equivalents to 13.2% of the total respondents strongly disagreed to the statements that TANESCO do consider the choice of Procedures that is pre-qualification or post qualifications in selecting bidders who will provide them with Goods, Works and Services and lastly about 34 respondents equivalents to 22.5% of the total respondents disagree to the statements that TANESCO do consider choice of Procedures that is pre-qualification or post-qualifications in selecting bidders who will provide them with goods, works and services.

**Table 4.7: Choice of the Procedures**

| <b>Responses on Choice of the Procedures</b> | <b>Frequency</b> | <b>Percent</b> |
|----------------------------------------------|------------------|----------------|
| Strongly agree                               | 57               | 37.7           |
| Agree                                        | 24               | 15.9           |
| Neutral                                      | 16               | 10.6           |
| Strongly disagree                            | 20               | 13.2           |
| Disagree                                     | 34               | 22.5           |
| <b>Total</b>                                 | <b>151</b>       | <b>100.0</b>   |

**Sources: Field Data (2018)**

#### **4.3.5 Solicitation of the Tender Documents**

This study aimed at finding if TANESCO adhered to Solicitation of Tender Documents in inviting bidders who will provide them with Goods, Works and Services as per requirements of the Act and Regulations. Table 4.8 shows that large

number of the responses of about 53 responded equivalents to 35.1% of the total respondents, strongly agreed that TANESCO adhered to the Solicitation of Tender Documents in inviting bidders who will provide them with Goods, Works and Services as per requirements of the Act and Regulations and about 30 responses which is equivalents 19.9% agreed that TANESCO adhered to Solicitation of the Tender Documents in inviting the bidders who will provide them Goods, Works and Services as per requirements of the Act and Regulations;

About 18 responded equivalents to 11.9% were neutral about the statement that TANESCO adhered to Solicitation of Tender Documents in inviting bidders who will provide them Goods, Works and Services as per requirements of the Acts and Regulations, about 15 respondents equivalents to 9.9% of the total respondents strongly disagreed to the statements that TANESCO adhered to Solicitation of Tender Documents in inviting bidders who will provide them Goods, Works and Services as per requirements of the Acts and Regulations and lastly about 35 respondents equivalents to 23.2% of the total respondents disagree to the statements that TANESCO adhered to Solicitation of Tender Documents in inviting bidders who will provide them Goods, Works and Services as per requirements of the Act and Regulations.

**Table 4.8: Solicitation of the Tender Documents**

| <b>Responses on existence of solicitation of the Tender Documents</b> | <b>Frequency</b> | <b>Percent</b> |
|-----------------------------------------------------------------------|------------------|----------------|
| Strongly agree                                                        | 53               | 35.1           |
| Agree                                                                 | 30               | 19.9           |
| Neutral                                                               | 18               | 11.9           |
| Strongly disagree                                                     | 15               | 9.9            |
| Disagree                                                              | 35               | 23.2           |
| <b>Total</b>                                                          | <b>151</b>       | <b>100.0</b>   |

**Sources: Field Data (2018)**

#### 4.3.6 Examination and Evaluation

This study aimed at finding if TANESCO do examine and evaluate bidders who will provide them Goods, Works and Services as per requirements of the Act and Regulations. Table 4.9 shows that large number of the responses of about 59 responded equivalents to 39.1% of the total respondents, strongly agreed that TANESCO do examine and evaluate bidders who will provide them Goods, Works and Services as per requirements of the Act and Regulations and about 35 responses which is equivalents 23.2% agreed that TANESCO do examine and evaluate bidders who will provide them with the goods, works and services as per requirements of the Act and Regulation;

About 20 responded equivalents to 13.2% were neutral about the statement that TANESCO do examine and evaluate bidders who will provide them Goods, Works and Services as per requirements of the Act and Regulations, about 22 respondents equivalents to 14.6% of the total respondents strongly disagreed to the statements that TANESCO do examine and evaluate bidders who will provide them Goods, Works and Services as per requirements of the Act and Regulations and lastly about 15 respondents equivalents to 9.9% of the total respondents disagree to the statements that TANESCO do examine and evaluate bidders who will provide them with Goods, Works and Services as per requirements of the Acts and Regulations.

**Table 4.9: Examination and Evaluation**

| <b>Responses on existence of examination and evaluation of the tenders</b> | <b>Frequency</b> | <b>Percent</b> |
|----------------------------------------------------------------------------|------------------|----------------|
| Strongly agree                                                             | 59               | 39.1           |
| Agree                                                                      | 35               | 23.2           |
| Neutral                                                                    | 20               | 13.2           |
| Strongly disagree                                                          | 22               | 14.6           |
| Disagree                                                                   | 15               | 9.9            |
| <b>Total</b>                                                               | <b>151</b>       | <b>100.0</b>   |

**Sources: Field Data (2018)**

#### 4.3.7 Award of Contract

This part aimed at finding out if there is adherence to procurement procedures in regard to contract award in TANESCO. Table 4.10 summarizes the findings. The results show that about 27 responded equivalents to 17.9% of the total respondents, strongly agreed that contract award by TANESCO adhere to procurement procedures. However about 18 responses which is equivalents 11.9% agreed the existence of adherence to the procedures of awarding and management of the contract by TANESCO.

About 19 responded equivalents to 12.6% were neutral regarding existence of adherence to the procedures contract of award by TANESCO, while about 22 respondents equivalent to 14.6% of the total respondents strongly disagreed existence of adherence to procedures of contract award by TANESCO and lastly about 65 respondents equivalents to 43.0% of the total respondents which is marked as the largest percentages of the responses disagree existence of adherence to procedures of awarding and management of the contract by TANESCO.

**Table 4.10: Award of the contract**

| <b>Responses on the award of the contract and management</b> | <b>Frequency</b> | <b>Percent</b> |
|--------------------------------------------------------------|------------------|----------------|
| Strongly agree                                               | 27               | 17.9           |
| Agree                                                        | 18               | 11.9           |
| Neutral                                                      | 19               | 12.6           |
| Strongly disagree                                            | 22               | 14.6           |
| Disagree                                                     | 65               | 43.0           |
| <b>Total</b>                                                 | <b>151</b>       | <b>100.0</b>   |

**Sources: Field Data (2018)**

#### **4.3.8 Challenges experienced in performing Procurement Process in TANESCO**

Despite the attainment of the above objectives, an interview was conducted to identify challenges experienced by TANESCO staff, especially those connected to procurement units in performing Procurement Process. The following challenges were provided:

##### **Political interference**

This was one of the challenges experienced in performing Procurement Process in TANESCO; whereby sometimes the procurement activities as far as procurement processes was concerned some of the politicians interfered these procedures as a result procedures were not complied finally led to Queries due to lack of the compliance to the procurement procedures as per the requirement of the procurement Act and regulations.

##### **Funding problems**

This was noted as challenges towards performing procurement process in TANESCO; whereby the organization failed to comply with approved APP due to the facts that the budgets for some of the procurement projects were not well allocated due to inadequate funds and also funds for some of the procurement were not issued on time as it was indicated and required by the APP of TANESCO.

##### **Management support**

Also this was another reason; whereby management of TANESCO sometimes failed to comply with Procurement procedures and forced some of Procurement to be done without complying to Procurement Procedures and without approvals and thus this one affected effective implementation Procurement Process in TANESCO as the result led to unnecessary queries raised by the auditors.

##### **Knowledge's and skills on Procurement Process**

This also was noted as another challenge in performing procurement process in TANESCO; whereby it was noted that PMU staffs, Tender Board Members and

other Users Department did not have the required knowledge's and skills on how to perform procurement process in TANESCO works and therefore this one led to poorly implementation of performance on procurement process in TANESCO.

#### **4.4 To assess adherence to Annual Procurement Plan (APP) in TANESCO**

The second objective of this study was to assess adherence to Annual Procurement Plan (APP) in TANESCO. In order to answer this objective, seven indicators were used which are: Documentation submission date, Invitations date, Evaluation date, Tendering documents, Budget, Vetting of the contracts date and contract date.

##### **4.4.1 Documentation submission date**

This variable aimed at assessing whether the documentation submission date by the user departments are in accordance with the Annual Procurement Plan. The results indicate that on average the documentation submission dates do not comply with the APP. This is evident as more than 83% of the respondents rated the submission dates as per APP is just moderate, while only 16% rating it very high. These results are summarized in table 4.11.

**Table 4.11: Documentation submission date as Per Annual Procurement Plan**

| <b>Responses on submission date as Per Annual Procurement Plan</b> | <b>Frequency</b> | <b>Percent</b> |
|--------------------------------------------------------------------|------------------|----------------|
| Very high                                                          | 25               | 16.7           |
| Moderate                                                           | 126              | 83.3           |
| <b>Total</b>                                                       | <b>151</b>       | <b>100.0</b>   |

**Sources: Field Data (2018)**

##### **4.4.2 Invitation Date of Tenders as per Annual Procurement Plan of TANESCO**

This study aimed at finding if the invitation dates of the Tenders as per Annual Procurement Plan of TANESCO. Table 4.12 shows that number of the responses of about 64 respondents equivalents to 42.4% of the total respondents, strongly agreed that the invitation dates of the Tenders in TANESCO complies to the Annual

Procurement Plan and about 53 responses which is equivalents 35.1% agreed that the invitation dates of the Tenders in TANESCO complies to the Annual Procurement Plan, about 14 responded equivalents to 9.3% were neutral about the statements that all the invitation dates of the Tenders in TANESCO complies to the Annual Procurement Plan, about 12 respondents equivalents to 7.9% of the total respondents strongly disagreed the existence of the invitation dates of the Tenders in TANESCO complies to the Annual Procurement Plan and lastly about 8 respondents equivalents to 5.3% of the total respondents disagreed that invitation dates of the Tenders in TANESCO complies to the Annual Procurement Plan.

**Table 4.12: Invitation Date of Tenders as per Annual Procurement Plan**

| <b>Responses on invitation Date of the Tenders as per Annual Procurement Plan</b> | <b>Frequency</b> | <b>Percent</b> |
|-----------------------------------------------------------------------------------|------------------|----------------|
| Strongly agree                                                                    | 64               | 42.4           |
| Agree                                                                             | 53               | 35.1           |
| Neutral                                                                           | 14               | 9.3            |
| Strongly disagree                                                                 | 12               | 7.9            |
| Disagree                                                                          | 8                | 5.3            |
| <b>Total</b>                                                                      | <b>151</b>       | <b>100.0</b>   |

**Sources: Field Data (2018)**

#### **4.4.3 Evaluation of Tenders as per Annual Procurement Plan of TANESCO**

This study aimed at finding if evaluation of Tenders were done as per Annual Procurement Plan of TANESCO. Table 4.13 shows that number of the responses of about 28 respondents equivalents to 18.5% of the total respondents, strongly agreed that evaluation of the Tenders were done as per Annual Procurement Plan of TANESCO and about 19 responses which is equivalents 12.6 % agreed that evaluation of the Tenders is done as per Annual Procurement Plan of TANESCO, about 21 responded equivalents to 13.9% were neutral about the statements that all evaluation of the Tenders were done as per Annual Procurement Plan of TANESCO, about 38 respondents equivalents to 25.2 % of the total respondents strongly disagreed existence of if the evaluation of the Tenders were done as per Annual

Procurement Plan of TANESCO and lastly about 45 respondents equivalents to 29.8% of the total respondents disagreed on that statement that evaluation of the Tenders were done as per Annual Procurement Plan of TANESCO.

**Table 4.13: Evaluation of Tenders as per Annual Procurement Plan of TANESCO**

| <b>Responses on evaluation of the Tenders as per Annual Procurement Plan</b> | <b>Frequency</b> | <b>Percent</b> |
|------------------------------------------------------------------------------|------------------|----------------|
| Strongly agree                                                               | 28               | 18.5           |
| Agree                                                                        | 19               | 12.6           |
| Neutral                                                                      | 21               | 13.9           |
| Strongly disagree                                                            | 38               | 25.2           |
| Disagree                                                                     | 45               | 29.8           |
| <b>Total</b>                                                                 | <b>151</b>       | <b>100.0</b>   |

**Sources: Field Data (2018)**

#### **4.4.4 Tendering Documents issued as Per Annual Procurement Plan of TANESCO**

This study aimed at finding if Tendering Documents were as Per Annual Procurement Plan of TANESCO. Table 4.14 shows that number of the responses of about 34 respondents equivalents to 22.5% of the total respondents, strongly agreed that Tendering Documents is issued as per Annual Procurement Plan of TANESCO and about 15 responses which is equivalents 9.9 % agreed that Tendering Documents is issued as per Annual Procurement Plan of TANESCO, about 15 responded equivalents to 9.9 % were neutral about the statements that all Tendering Documents is issued as per Annual Procurement Plan of TANESCO, about 30 respondents equivalents to 19.9% of the total respondents strongly disagreed that the Tendering Documents is issued as per Annual Procurement Plan of TANESCO and lastly about 57 respondents equivalents to 37.7 % of the total respondents disagreed on that statement that Tendering Documents is issued as per Annual Procurement Plan of TANESCO.

**Table 4.14: Tendering Documents as Per Annual Procurement Plan of TANESCO**

| <b>Responses on tendering Documents as Per Annual Procurement Plan</b> | <b>Frequency</b> | <b>Percent</b> |
|------------------------------------------------------------------------|------------------|----------------|
| Strongly agree                                                         | 34               | 22.5           |
| Agree                                                                  | 15               | 9.9            |
| Neutral                                                                | 15               | 9.9            |
| Strongly disagree                                                      | 30               | 19.9           |
| Disagree                                                               | 57               | 37.7           |
| <b>Total</b>                                                           | <b>151</b>       | <b>100.0</b>   |

**Sources: Field Data (2018)**

#### **4.4.5 Budget**

This item aimed at assessing if the procurements at Tanesco are done according to the budget, the extent of complying to the budget and what actions are usually taken when procurement has to be done over and above the budgeted amount. The results indicate that to a large extent procurements are done basing on the budget estimates. However if it happens that an item is to be acquired at an amount over and above the budget, a reallocation of funds is approved to serve the purpose. The respondents further explained that, the reallocation of funds when done, leads to among other things; disturbing the cash flow stability of the organization, delays of payments to suppliers, poor value for money, project inefficiencies, tender cancellations and audit queries. A summary of these results are presented in table 4.15.

**Table 4.15: Procurement are done according to the budget allocated**

| <b>Responses on procurements<br/>as per allocated budget</b>           | <b>Frequency</b> | <b>Percent</b> |
|------------------------------------------------------------------------|------------------|----------------|
| Yes                                                                    | 136              | 90.1           |
| No                                                                     | 15               | 9.9            |
| <b>Extent of complying to the budget</b>                               |                  |                |
| Large extent                                                           | 140              | 92.7           |
| Moderate extent                                                        | 8                | 5.3            |
| Small extent                                                           | 3                | 2.0            |
| <b>What is done in case procurement<br/>has gone beyond the budget</b> |                  |                |
| Reallocation                                                           | 148              | 98             |
| None                                                                   | 3                | 2              |
| <b>The effects of making procurement<br/>beyond the budget</b>         |                  |                |
| Cash flow disturbance                                                  | 68               | 45.0           |
| Fund Mismanagement                                                     | 97               | 64.2           |
| Payment delays                                                         | 126              | 83.4           |
| Firm bad image                                                         | 82               | 54.3           |
| Project inefficiency                                                   | 23               | 15.2           |
| Poor value for money                                                   | 47               | 31.1           |
| Tender cancellation                                                    | 60               | 39.7           |
| Audit queries                                                          | 139              | 92.1           |

**Source: Field Data (2018)**

#### **4.4.6 Vetting of Contracts Date for Contracts were done as Per Annual Procurement Plan of TANESCO**

Under this item, the study aimed at finding if Vetting of Contracts Date for Contracts were done as Per Annual Procurement Plan of TANESCO. Table 4.16 shows that number of the responses of about 62 respondents equivalents to 41.1% of the total respondents, strongly agreed that vetting of the Contract for all contracts were done as Per Annual Procurement Plan of TANESCO and about 14 responses which is equivalents 9.3% agreed that vetting of Contracts for all contracts were done as Per Annual Procurement Plan of TANESCO, about 12 responded equivalents to 7.9% were neutral about the statements that vetting of Contracts for all contracts were done as Per Annual Procurement Plan of TANESCO, about 42 respondents equivalents to 27.8% of the total respondents strongly disagreed that vetting of Contracts for all contracts is done as Per Annual Procurement Plan of TANESCO and lastly about 21 respondents equivalents to 13.9% of the total respondents disagreed on statement that vetting of Contracts for all contracts were done as Per Annual Procurement Plan of TANESCO.

Some contracts during vetting delayed at Attorney General Office, observing delay, amendment of 2016 came with provisions among them were contracts below one (01) be vetted by Procuring Entity in order to reduce volume of contracts being vetted at AG office.

**Table 4.16: Tendering Documents as Per Annual Procurement Plan of TANESCO**

| <b>Responses on vetting of the Contract Date for<br/>Contracts as Per Annual Procurement Plan</b> | <b>Frequency</b> | <b>Percent</b> |
|---------------------------------------------------------------------------------------------------|------------------|----------------|
| Strongly agree                                                                                    | 62               | 41.1           |
| Agree                                                                                             | 14               | 9.3            |
| Neutral                                                                                           | 12               | 7.9            |
| Strongly disagree                                                                                 | 42               | 27.8           |
| Disagree                                                                                          | 21               | 13.9           |
| <b>Total</b>                                                                                      | <b>151</b>       | <b>100.0</b>   |

**Sources: Field Data (2018)**

#### **4.4.7 Contracts entered between TANESCO and Bidders were as per APP**

This study aimed at finding if contracts entered between TANESCO and Bidders is as per Annual Procurement Plan. Table 4.17 shows that number of the responses of about 84 responded equivalent to 55.6% of the total respondents said that contracts entered between TANESCO and Bidders were as per Annual Procurement Plan and about 67 responded equivalent to 44.4% of the total respondents said that some of contracts entered between TANESCO and Bidders were as per Annual Procurement Plan.

**Table 4.17: Contracts entered between TANESCO and Bidders is as per APP**

| <b>Responses on the contracts entered between TANESCO and Bidders</b> | <b>Frequency</b> | <b>Percent</b> |
|-----------------------------------------------------------------------|------------------|----------------|
| Yes                                                                   | 84               | 55.6           |
| No                                                                    | 67               | 44.4           |
| Total                                                                 | 151              | 100.0          |

**Sources: Field Data (2018)**

#### **4.4.8 Challenges facing TANESCO Staff in implementing Annual Procurement Plan**

The findings show that the main challenges in the implementation of Annual Procurement Plan of TANESCO include the followings;

##### **Inadequate funding timely**

This was noted as one of the challenges towards implementation of the Annual Procurement Plan in TANESCO; whereby the organization failed to comply with approved APP due to facts that the budgets for some of Procurement projects were not well allocated due to inadequate funds and also funds for some of Procurement were not issued on time as it was indicated and required by the APP of TANESCO.

### **Poor management support**

Also this was another reason; whereby management of TANESCO sometimes failed to comply to APP and forced some of Procurement to be done out of APP and without approvals and thus this one affected effective implementation of the approved APP as the result led to unnecessary queries raised by Auditors.

### **Inadequate cooperation's between Procurement Management Unit and Users Departments**

Also this was another challenges facing the implementation of the Annual Procurement Plan of TANESCO due to the fact that in this organization it was found that there was the inadequate cooperation's between Procurement Management Unit and Users Departments, of which the user departments did not submit well their requirements as the results some of the necessary procurement were not well integrated in the operating APP and hence result to Procurement to be done out of the APP.

### **Inadequate knowledge's and skills on annual procurement plan operation**

Likewise this also was another challenge; whereby it was noted that PMU staffs, Tender Board Members and other user departments did not have required knowledge's and skills on how Annual Procurement Plan operate and therefore this one led to poorly implementation of the Annual Procurement Plan of TANESCO.

### **4.5 To assess the effects of not complying with procurement procedures**

The third objective of this study was to assess effects of not complying with Procurement Procedures. Open ended questions were asked to the respondents to freely state what they consider to be the effects to the organization if procurement is done without complying with the required procedures. After scrutiny analysis, the results are summarized in table 4.18 below:

**Table 4.18: Effects of not complying with procurement procedures**

| <b>Responses on procurements<br/>as per allocated budget</b> | <b>Frequency</b> | <b>Percent</b> |
|--------------------------------------------------------------|------------------|----------------|
| Cash flow disturbance                                        | 68               | 45.0           |
| Loss of fund                                                 | 110              | 72.8           |
| Payment delays                                               | 126              | 83.4           |
| Firm bad image                                               | 41               | 27.2           |
| Project inefficiency and poor quality of products            | 23               | 15.2           |
| Poor value for money                                         | 47               | 31.1           |
| Tender cancellation                                          | 60               | 39.7           |
| Audit queries                                                | 139              | 92.1           |

It was noted that from the findings, the effects of not complying with procurement procedures in TANESCO led to long-term issues that seriously affect the organization. About 110 respondents equivalent to 72.8% of the total respondents, indicated that failure to comply with procurement procedures leads to organization losing funds which could otherwise be used in other productive plans. The loss occurs when sometimes procurement are done without considering clear specifications, which may therefore lead to substandard materials that may not fit the purpose. These materials may become less useful or be sold at loss. Unnecessary disputes may also arise as a result of non-compliance, of which the results may attract high penalties by PPAA.

Poor procurement practices may also lead to redundant purchases, pay too much for transportation, suffer from a lack of quality control or develop problems with contracts scope. In other words, you could wind up with safety fencing that doesn't adequately hold the dinosaurs, tracking devices that don't track the dinosaurs and emergency shelters that don't protect park guests.

About 41 respondents equivalent to 27.2% of the total respondents, stated that poor procurement procedures lead to bad reputation and negative publicity of the organization. Factors like delay in service provision, power break-downs, poor service replacements, poor connection services and the like, may create bad perceptions about the organization and therefore low trust on the services provided.

## **CHAPTER FIVE**

### **DISCUSSION OF THE FINDINGS**

#### **5.1 Introduction**

This chapter discussed findings of this study which was based on the specific objectives of the study. The study aimed specifically at assessing the implementation of Procurement Process according to Public procurement Act of 2011 in TANESCO, assessing adherence to the Annual Procurement Plan (APP) in TANESCO and finally assessing effects of not complying with Procurement Procedures in TANESCO.

#### **5.2 Implementation of Procurement Process according to Public procurement Act of 2011 in TANESCO**

The first objective of this study was to assess the implementation of the Procurement Process according to Public procurement Act of 2011 in TANESCO. In order to answer the first objective of this study six (06) points were used such as Planning of procurement issues, Choice of procedures, Solicitation of tender documents, Examination and evaluation and Award of contracts and management if they help in minimization of the Audit Queries in TANESCO.

First of all this study aimed at finding existence of awareness about the procurement procedures by Tender Board Members of which the large number of the respondents responded and agreed that members of the Tender Boards were not aware about the Procurement Procedures and this one was due to the incompetence of the members of the Tender Boards due to the lack of the regularly attending of the training and workshop about the procurement procedures that governing the procurement in public organization as far as TANESCO is concerned; also it was found out that procured products in TANESCO meet the required standards and quality as stipulated in Contract and this one is due to the fact that large number of the

responses responded and agreed that TANESCO procured products that meet the required standards and quality as stipulated in contracts whereby the procured products meets the requirements of the users departments.

This findings strongly concurred to the study done by Kadima et.al (2013) who conducted a study on the influence of procurement procedures on construction project implementation in public universities and found out that 80% of respondents agreed that procurement procedures greatly influenced implementation of construction projects in the Kenyan public universities, hence recommended that procedures should be strictly adhered to, for quality end products.

Likewise this finding strongly related to the findings of Dza et.al (2013) who conducted study on the Procurement reforms in African countries and demonstrated some initial improvement within African public sector financial management who concluded that inadequate education and training, legislative constraints, especially those associated with procurement technology, and a lack of political support for the reform process were the major factors that inhibit effective implementation of the procurement procedures in government institution.

Likewise in this study it was noted that level of awareness about the Procurement Process in Procurement of Goods, Works and Services by staffs of TANESCO was moderate due to fact that large number of the responses responded and agreed that level of the awareness of the Procurement Process in Procurement of Goods, Works and Services is moderate and few response said that level of the awareness of the Procurement Process in Procurement of Goods, Works and Services by staffs of TANESCO is at the large extent and the implication of the findings means that training and workshop about the procurement processes and procedures need to be implemented for the purpose of building the capacity of the staffs which in one way or another were the users of the procured materials by the Procurement Management Unit.

This findings supported the study of Oginda (2013) who conducted study on the challenges of implementing Procurement Procedures and strategy at Kenya and found out that the issues of awareness about Procurement Procedures were the major challenges for the success of Procurement Procedures in many organization and this one was due to uncontrollable factors in the environment, inadequate training of staff and resources, substandard and un conforming materials, lack of specifications, unreliable and distant suppliers, long and laborious procurement lead time and reduction and inadequate funds .

Also the evaluation of the Tender was done as per the Act and Regulations governing public procurement and this one was evidenced by the fact that the large number of the responses responded and agreed that there was existence of the evaluation of Tenders which were done as per the Act and Regulations governing public procurement; Also this study revealed that large number of the responses responded and agreed that some of the Procurement which were done in TANESCO did not comply to Procurement Process and the reason for this revealed that, the procurement which were done without complying to Procurement Process were those under the emergency situation whereby it was impossible to be performed under normal Procurement Procedures.

This findings supported the study done by Mshamu(2013) on assessment of effectiveness of procurement process in a public sector considering Temeke Municipal Council and the findings revealed that; the procurement process was effective at Temeke Municipal council with the tendering being the best method comparing to quotation; But there was lack of proper knowledge and skills, accountability and corruption which affected the procurement process to the greater extent and thus organization should make sure that staffs who were involved in procurement need to be trained and imparted with the knowledge's and skills as far as procurement procedures is concerned.

Additionally large number of the responses strongly agreed that TANESCO do Plan well, they Procure in every financial year and they do consider the choice of the Procedures that is prequalification or post qualifications in selecting the bidders who will provide them with the goods, works and services due to the fact that large number of the responses again strongly agreed that TANESCO do consider the choice of the Procedures that is prequalification or post qualifications in selecting the bidders who will provide them with the goods, works and services; also this organization adhered to the Solicitation of the Tender Document, inviting the bidders who will provide them with goods, works and services as per requirements of the Act and Regulations and they do examine and evaluate bidders;

Due to the fact that large number of the responses, strongly agreed that TANESCO do examine and evaluate bidders who will provide them with Goods, Works and Services as per requirements of the Act and Regulations; However for the case of adherence to Procedures of Awarding and Management of the contract in TANESCO large number of the respondents strongly agreed existence of adherence to Procedures of awarding and management of the contract by TANESCO, however there were challenges experienced in performing procurement process and this one was due to the fact that large number of the staffs strongly agreed that there was existence of challenges in performing procurement process in TANESCO due to interference of the functions among the organs responsible in Procurement of Goods ,Works and Services in TANESCO of which this one strongly related to the study done by Bayo (2016) conducted study on the procurement processes in lower local Government authority in Hanang District Council and Moshi Municipal council and the result shows that village committee do not follow the stated procedures for procurement of goods and services due to the lack of procurement knowledge to actors, lack of technical support, political interferences from the leaders, delay of fund, long procurement procedures and corruptions.

Likewise the findings of this study supported the report produced by PPRA (2016) whereby the report noted that there was the different in implementation of the procurement procedures which were used by Local government Authorities and

others Procuring entities in which this one resulted to the political interference of which this finally leading to poorly performed procurement functions performance, hence poor lead time and cost overruns in procured project.

Finally overall responses indicated to have improvement in the areas of implementation of procurement process as Public Procurement Regulatory Authority (PPRA) audited September, 2018.

### **5.3 Adherence to Annual Procurement Plan (APP) in TANESCO**

The second objective of this study was to assess adherence independent Function to the Annual Procurement Plan (APP) in TANESCO. In order to answer to objective number two of this study five indicators were used such Preparation of APP, Documentation submission date by user departments and Budget, Tendering documents and Tender Notice, Invitations date, Evaluation date, submission of Evaluation Report, approvals and Vetting of the contracts date and other supportive variables if they help in the minimization of Audit Queries in TANESCO.

In addressing the second objective it was found that there was existence of Annual Procurement Plan in TANESCO as it was noted that large number of the responses showed that there was existence of preparation of the Annual Procurement Plan in TANESCO and that, there was adherence of Procurement done to the APP in TANESCO; however degree of Complying with Annual Procurement Plan by TANESCO was to the large extent as many procurement were done based on the annual procurement plan because large number of the respondents said that the contracts entered between TANESCO and Bidders were as per Annual Procurement Plan , however the minority of the respondents commented that some of the procurement were not done in compliance with the Annual Procurement Plan of TANESCO due to delay in submission of requirements from user departments as required by PPA 2011(sec 39) which made a departure of adherence of APP;

This study finding concurred to the study done by Nyaga and Kihara (2017) on the implementation of procurement plans in public hospitals in Kenya and said that there was the improper implementation in procurement planning in Public hospital and that the major challenges noted was the procurement expertise in which these expertise bring problems on procurement plans in its implementation due to the corruption and others reasons was due to the inadequate skills and knowledge.

Likewise invitation dates of Tenders were as per Annual Procurement Plan of TANESCO due to fact that large number of the respondents strongly agreed that the invitation dates of the Tenders in TANESCO complies to the Annual Procurement Plan and few responses which was strongly disagreed the existence of the invitation dates of the Tenders in TANESCO complies to the Annual Procurement Plan and disagreed that invitation dates of the Tenders in TANESCO complies to the Annual Procurement Plan due to the fact that sometimes due to the delays created by the user departments in submitting their requirements to the procurement management unit resulted to delays in inviting bidders to compete for the tenders as the result invitation date was contrary to the Annual Procurement Plan date .

The findings of this study strongly supported by the study of Lema(2013) on the assessment of factors affecting implementation of Annual Procurement Plan in one of Local Government Authorities, of which lack of awareness on implementation of annual procurement plan; inadequate allocation of funds (insufficient budget) and lack of knowledge on the newly introduced payments system (EPICOR) affect the implementation of Annual Procurement Plan.

Also evaluation of the Tenders were done as per Annual Procurement Plan of TANESCO because large number of the total respondents, strongly agreed that evaluation of the Tenders were done as per Annual Procurement Plan of TANESCO, however about few respondents strongly disagreed existence of evaluation of the Tenders as per Annual Procurement Plan of TANESCO due to fact that sometimes

due to the delays created by the users department in submitting their requirements to the procurement management unit resulted to the delays in inviting bidders to compete for the tenders as the result invitation date was contrary to the Annual Procurement Plan date.

This findings strongly related to the study done by Mwandobo (2013) on analyzing the procurement processes/procedures in achieving effectiveness of the public procurement system and it was found out that poor solicitation documents due to inadequate technical specifications, schedule of requirements, and drawings and poor terms and conditions of contract, weak evaluation criteria and in adequate tender evaluations, and delays in contract awards are hampering efficient procurement process which results to ineffective procurement system.

Likewise this study concurred the CAG report of (2016) on its report it was noted that higher price for procured goods, works and services compared to market prices, high cost of procurement processes and long duration of procurement process which resulted into misuse of public funds, delays in projects completion and services delivery to the public; lack of integrity and low level of professionalism among public officers and bidders thus hindering attainment of best value for money.

Also for the case of vetting of the contract some of the contracts entered between TANESCO and bidders were done as Per Annual Procurement Plan of TANESCO due to the fact that large number of the responses, strongly agreed that vetting of Contracts in TANESCO were done as Per Annual Procurement Plan and few respondents of total respondents strongly disagreed that vetting of the Contracts for all contracts was done as Per Annual Procurement Plan of TANESCO; Due to delays of the submitted requirements to the PMU as the results issuing of the tendering documents ,invitation and submission and evaluation failed to be performed within the time indicated in the Annual Procurement Plan of TANESCO.

And this one concurred with the report produced by CAG (2015) who reported that there was existence of non-compliance with Procurement Procedures which resulted into poor contracts management which was reported that there was non-compliance to tenders and variations were not approved by Tender Boards and Contracts were not vetted and entered without time frame, whereby this is an indication that there was poor administration of contracts and procurement management.

#### **5.4 Effects of not complying with Procurement Procedures in TANESCO**

The third objective of this study was to assess the effects of not complying with Procurement Procedures in TANESCO and was noted that the effects of not complying with Procurement Procedures in TANESCO led to long-term issues that seriously affect the organization of which it includes loss of money and profitability, bad reputation, tarnishing company image and negative publicity. The obvious result of poor procurement practices is loss of money and that having poor procurement strategies means you make redundant purchases, pay too much for transportation, suffer from a lack of quality control or develop problems with contract scope. In other words, you could wind up with safety fencing that doesn't adequately hold the dinosaurs, tracking devices that don't track the dinosaurs and emergency shelters that don't protect park guests.

This findings strongly concurred to the study done by Eyaa and Oluca (2011) who suggested that failure to complying with the Procurement Procedures such as employing professionalism to performing their functions will result to loss of government funds and thus suggested that focus needs to be placed on improving familiarity with procurement procedures amongst procurement personnel and staff employed in the public entities; Likewise also this study findings supported the results of Mathew et.al (2013) who said that failure to comply with the procurement procedures will result to unending fraud which involves the intent to deceive through false representation of a matter of fact, whether by word or by conduct, or by

concealment of information, which should have been disclosed, in order to cause an entity rely or act upon that misleading or false information and ultimately causing damages to the entity relying upon that false information.

According to explanations given by some of respondents indicated that PPRA audited TANESCO in September, 2018 including Central Zone delegated Tender Board. On the basis of compliance indicators established by PPRA, the overall compliance of TANESCO Central Zone was assessed to be 84.55%. The audit assessment was based on the following areas; (i) Institutional set up and performance 9.2/10(92%) (ii) Appropriateness of Procurement planning and its implementation 9.4/10(94%) (iii) Appropriateness of tender Process 18.4/20(92%)(iv) Appropriateness of contracts implementations 34.1/40(85%) (v) Management of Procurement records 9.0/10 (90), (vi) Implementation of system prepared by PPRA 7.0/10 (70%) and (vi) Penalty of handling procurement complaints -2(50%): Source TANESCO Head Office. This report of 2018 indicated that there was an increase in the level of compliance of implementation of Procurement Process in TANESCO.

## **CHAPTER SIX**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **6.0 Introduction**

This chapter was divided into three major parts; The first section presents a summary of the study, second section presents the conclusion of the study and the third section presents the recommendations of the study.

#### **6.1 Summary of study**

The Tanzanian Government has realized that a strong procurement management in the public sector is a tool for achieving political, economic and social goals. In this era of diminishing resources and increased demand for accountability and transparency, the stakeholders of the public sector are demanding more effective and efficient use of public resources (Muyera, 2014). The Government has undertaken a number of changes in its procurement system including the enactment of PPA of 2001, PPA of 2004, PPA of 2011 and its Regulations and the currently established amendment PPA of 2016 which all of them require effective use of the public resources in the procurement procedures, hence reduce audit queries.

Despite the efforts that have been made by the Government, still audit results of the procurement function in many procuring entities indicate continuing non-compliance with procurement procedures which result into many audit queries (PPRA, 2016/2017).

This study intended to assess how effective are the procurement procedures on minimization of Audit Queries in Public Sector particularly in Tanzania. The research was done as a case study, data being collected from the Tanzania Electric Supply Company Limited (TANESCO). The study focused specifically on assessing the implementation of the procurement process according to Public procurement Act of 2011, assessing adherence of the independent functions to Annual Procurement Plan (APP), and finally assessing the effects of not complying with the procurement procedures.

Data were collected from TANESCO and a total number of 151 respondents were purposively selected from TANESCO head office. These respondents came from six relevant departments namely user department, PMU, Tender board, stores section, audit department and top management. Data were gathered using questionnaires which were mailed to the respondents and collected back using email. A continuous follow up was made and all 151 respondents returned the questionnaires.

## **6.2 Conclusion**

The findings indicate that the implementation of procurement processes and compliance with procurement procedures are effective, however the adherence of Annual Procurement Plan is not much effective because in most cases there is delay in submission of requirements from user departments as per sec 39 of PPA 2011 and sometimes the procurement is done beyond the allocated budget. The effects as a result of non-compliance include; cash flow disturbance, unnecessary disputes and penalties, loss of funds, poor quality of products and projects, poor value for money, bad reputation of the organization and increased number of audit queries.

## **6.3 Recommendation**

Based on the study findings, the study recommends the following:-

### **6.3.1 To TANESCO Management**

- (i) The Management should adhere to Annual Procurement Plan (APP) which was not much effective due to delay in submission of requirements with unclear Specifications from user departments which cause departure in Implementation of Procurement Process.
- (ii) The Management should also adhere to Contracts implementations to eliminate elements of Audit Queries due to failure in compliance with the Procurement Processes.
- (iii) It should also facilitate Members of Tender Board to acquire PPRA, PSPTB and Internal training in order to be aware and up to date on Public Procurement Act and its Regulations.

### **6.3.2 To Tender Board Members**

- (i) Make efforts to attend various training conducted by PPRA, PSPTB and Internal training in order to continue enhancing their skills and awareness on Public Procurement Act of 2011 and its Regulations of 2013 read together with amendments of 2016.
- (ii) Planned tenders be approved timely to eliminate delay in implementing Annual Procurement Plan.

### **6.3.3 To User Departments**

Should always submit their requirements alongside with clear and well defined specifications on time to facilitate implementation of Annual Procurement Plan for effective procurement procedures in the Company.

### **6.3.4 To Procurement Management Unit**

Ensure that user departments do submit their requirements and approvals by Tender Board are made promptly to avoid departure of dates set in the Annual Procurement plan to minimize audit Queries.

### **6.3.5 To Evaluation team**

Should evaluate and submit reports to Procurement Management Unit timely in order to minimize Audit Queries.

### **6.3.6 To other organization**

Adhere to the compliance of the Annual Procurement Plan and implementation of procurement process to avoid the effects of non-compliance of the procurement procedures.

### **6.3.7 To the Government of the United Republic of Tanzania**

Make continuous review of the Public Procurement Acts and its Regulations in order to suit the current situation and the prevailing conditions in the country for better and quality procurements to support the economic development of the country at large.

#### **6.4 Area for Further Study**

- (i) This study was a case study, results are based on a single unit analysis that is TANESCO, further studies can be made on cross-sectional approaches comparing effectiveness of Procurement Procedures on Minimization of Audit Queries in various organization setups.
- (ii) This study was primarily based on qualitative data, future studies can be done combining both qualitative and quantitative data, especially considering the number, level and quantity figures of audit queries in relation to effectiveness of procurement procedures.

## REFERENCES

- Amemba, C. S., Nyaboke, P. G., Osoro, A., and Mburu, N. (2013). Challenges affecting public procurement performance process in Kenya. *International Journal of Research in Management*, 3(4), 41-55.
- Amemba, C. S., Nyaboke, P. G., Osoro, A., and Mburu, N. (2013). Challenges affecting public procurement performance process in Kenya. *International Journal of Research in Management*, 3(4), 41-55.
- Bayo, R. R. (2016). Assessment of procurement processes in lower local government authority (llgas) evidences from Kilimanjaro and Manyara (llgas) (Master dissertation, Mzumbe University).
- Biramata A.R. (2014) Unpublished Research Paper on Challenges of Compliance to Public Procurement act No. 7 Of 2011 The Case of Tanzania Ports Authority
- Dza M., Fisher R. and Gapp R. (2013). On Procurement Reforms in Africa: The Strides, Challenges, and Improvement Opportunities Public Administration Research; Vol. 2, No.2; ISSN1927-517XE-ISSN1927-5188 Published By Canadian Center of Science and Education
- Dza, M., Fisher, R., and Gapp, R. (2013). Procurement reforms in Africa: The strides, challenges, and improvement opportunities. *Public Administration Research*, 2(2), 49.
- Eyaa, S., and Oluka, P. N. (2011). Explaining non-compliance in public procurement in Uganda. *International Journal of Business and Social Science*, 2(11).
- Halldorsson A., Kotzab H., Mikkola H. J., and Skjøtt T. Larsen, (2007) thesis on complementary theory of the supply chain management
- Hazarika B. and Jena P. R. 2017 Public Procurement in India: Assessment of Institutional Mechanism, Challenges, and Reforms.

- Janny, J (2005), Research design Qualitative& quantitative and mixed methods approaches, 2nd edition, Thousand Oaks, CA: Sage
- Kabubu, C. W. (2016). Internal factors affecting the procurement process of medical supplies in the public hospitals in Nyeri County (Doctoral dissertation, Karatina University).
- KadimaR.Z.,Douglas M.,Kibet Y. and Manase W.G. (2013),on analysis Of Procurement Procedures On The Implementation Of Government Construction Projects In Kenyan Public Universities: Case Study Of MasindeMuliro University International Journal Of Research And Development Vol. 2 Issue 11
- Kavula M. J. Kalai M.J. and Migosi J. (2013). On Determinants of Implementation of Public Procurement Regulations in Kenya's Secondary Schools International Journal of Educational Research and Review Issn: 2329-9843 Vol. 2(1), Pp.009-016
- Kombo D and Delno L.A (2009): Proposal and Thesis Writing, an introduction, 7th Edition, Nairobi: Don Bosco Printing Press.pp:1-6
- Kothari, R.C. (2004), Research Methodology, 2nd edition, New Delhi: New Age, International, pp; 3, 8-23
- Krishnaswamy, K. N., Sivakumar, A. I., and Mathirajan, M. (2006).Management research methodology: Integration of principles, methods and techniques. Pearson Education India
- Lema M.A (2013). On the Assessment of Factors Affecting Implementation of Annual Procurement Plan in Local Government Authorities: A Case Study of Meru District Council, Arusha, Tanzania
- Lema, A. M. (2013). Assessment of factors affecting implementation of annual procurement plan in Meru District council (Doctoral dissertation, The Open University of Tanzania).

- Matthew, K., Patrick, K., and Denise, K. (2013). The effects of fraudulent procurement practices on public procurement performance. *International Journal of Business and Behavioral Sciences*, 3(1), 17-27.
- Mshamu, L. N. (2013). Assessment of effectiveness of procurement Process in public sector: A case of Temeke municipal council-Dsm (Master dissertation, Mzumbe University).
- Mwandobo L. J. (2013). On the Role of Procurement Processes on the Effectiveness of the Public Procurement System in Tanzania.
- Njelu S.E, Ngugi P., Arasa R. and Kahiri J. (2014) Paper on the Procurement Policies and Implementation of Effective Procurement Practices In Tertiary Public Training Institutions in Kenya: *Global Advanced Research Journal of Management and Business Studies* (Issn: 2315-5086) Vol. 3(4) Pp. 166-170, April,
- Oginda E. (2013) On the Challenges of Implementing Procurement Strategy at The Kenya Power And Lighting Company Limited
- Panneerselvam R. (2012) *Research Methodology*, Published In Ph Learning Private Limited in the New Delhi-110001 and Printed By the Raj Kamal Electric Press, Plot No.2 Phase Iv.
- Public Procurement Regulatory Authority Annual Performance Evaluation Report For Financial Year 2015/16
- URT (2011) ‘‘The Public Procurement Act No. 7 of 2011 and its Regulation of 2013, Dar-es –salaam Government Printers’’.
- URT (2012/2013) ‘‘Controller and Auditor General Report for the financial years 2012/2013 for united republic of the Tanzania’’.
- URT (2013/2014) ‘‘Controller and Auditor General Report for the financial years 2013/2014 for united republic of the Tanzania’’

URT (2014/2015) ‘‘Controller and Auditor General Report for the financial years 2014/2015 for united republic of the Tanzania’’.

URT (2015) ‘The Annual General Report of the Controller and Auditor General on the Financial Statements for the Year Ended 30<sup>th</sup> June, 2015 Central Government’’

## APPENDICES

### APPENDIX I: RESEARCH QUESTIONNAIRE

Dear respondent

My name is Mapesa Idaso Mayala undertaking research study as a partial fulfillment of the award of a Master of Science degree in Procurement and Supply Chain Management (MSC-PSCM) of Mzumbe University. My study is about **the Effectiveness of the Procurement Procedures on Minimization of Audit Queries in Public Sectors in Tanzania a Case of Tanzania Electric Supply Company Limited**. I am hereby requesting for your time to respond to these few questions, the answers of which will enable me to do the analysis and come up with findings for my study.

The information provided are guaranteed with high level of confidentiality and they will be used for academic reasons only.

Please select the right answer for you in the space provided for closed ended questions and for open ended questions, please provide the details.

#### RESPONDENTS GENERAL INFORMATION

1. What is your age?
  - a) 18 – 25years ☐
  - b) 26 – 35years ☐
  - c) 36 – 45years ☐
  - d) 46 – 55years ☐
  - e) 56years and above ☐
  
2. What is your gender?
  - a) Male ☐
  - b) Female ☐

3. What is your highest education level?

- a) Secondary education level ☐
- b) College education level ☐
- c) University educational level ☐
- d) Other: .....

4. In which department/unit/section are you working with this institution?

- a) User department ☐
- b) Audit department ☐
- c) Stores section ☐
- d) Procurement Management Unit ☐
- e) Top Management ☐
- f) Tender board Member ☐
- g) Other: .....

5. How long have you worked in this institution?

- a) 1-2 years ☐
- b) 3-5years ☐
- c) 6-10 years ☐
- d) 11-20 years ☐
- e) 21-30 years ☐

**PART A:**

1. Are you aware of the procurement processes/procedures in procurement of goods, works and services?

- (a) Yes ☐
- (b) No ☐

2. If yes, do you comply with the procurement processes/procedures as per the requirements of PPA and its PPR 2013 read together with amendments of 2016?

- (a) Yes ☐
- (b) No ☐

3. Are the personnel involved in procurement functions aware of the public procurement act No.7 of 2011 and its public procurement Regulations of 2013 read together with amendments of 2016?
- a) Yes ☐
- b) No ☐
4. If yes, do they comply with the requirements of the PPA and its PPR 2013 read together with amendments of 2016?
- a) Yes ☐
- b) No ☐
5. Are the tender board members aware of the procurement procedures?
- a) Yes ☐
- b) No ☐
6. Do the goods/services/works procured meet the required standards and quality as stipulated in the contract agreements?
- a) Yes ☐
- b) No ☐
7. What is the level/degree of compliance of procurement processes in procurement of the Goods, works and services?
- a) Large extent ☐
- b) Moderate extent ☐
- c) Medium extent ☐
8. Is the evaluation of the tender done as per the requirements of the act and its regulations?
- (a) Yes ☐
- (b) No ☐

9. What do you consider are the reasons for your answer in question number 8?

- (a) .....
- (b) .....
- (c) .....
- (d) .....

10. Is there any procurement done without complying with the procurement processes?

- (a) Yes ( )
- (b) No ( )

11. If yes, can you identify those procurement done without complying with procurement processes?

- (a) .....
- (b) .....
- (c) .....
- (d) .....

12. What do you consider are the reasons for your answer in question number 10?

- (a) .....
- (b) .....
- (c) .....
- (d) .....

13. Please indicate the level at which your organization implements the following procurement processes according to Public Procurement Act of 2011. Use the relevant scale of measurement presented below:

**1 = Very high; 2= High; 3 = Moderate; 4 = Low; 5= Very Low.**

|   |                                                 |  |
|---|-------------------------------------------------|--|
| 1 | Institutional set-up and its performance        |  |
| 2 | Planning of procurement and its implementation  |  |
| 3 | Tender process                                  |  |
| 4 | Management of procurement records               |  |
| 5 | Contract implementation                         |  |
| 6 | Handling of procurement complaints from bidders |  |

14. Do you encounter any challenge in performing procurement process at your work place?

(a) Yes (    )

(b) No (    )

15. If yes, please identify them

(a) .....  
.....  
.....  
.....

**PART B:**

16. Does TANESCO have an Annual Procurement Plan (APP) for procurement of goods, works and services?

- (a) Yes ☐
- (b) No ☐

17. Does the Procurement of goods, works and services comply with the Procurement Plan?

- (a) Yes ☐
- (b) No ☐

18. Provide reasons for the above question number 17

- (a) .....
- (b) .....
- (c) .....
- (d) .....

19. What is the degree of complying with the Annual Procurement Plan?

- (a) Very Low ☐
- (b) Low ☐
- (c) Moderate ☐
- (d) High ☐
- (e) Very high ☐

20. Are the contract between TANESCO and Bidders signed according to the dates indicated in the APP?

- (a) Yes ☐
- (b) No ☐

21. If ‘NO’ what do you think were the reasons for such delay and non-compliance to the Annual Procurement Plan?

- (a) .....  
.....  
.....  
.....

22. Are there challenges faced in implementing the Annual Procurement Plan in TANESCO?

- (a) Yes ( )  
(b) No ( )

23. If “YES” please identify them

- (a) .....  
.....  
.....  
.....

24. What are the effects of not adhering to Annual Procurement Plan?

- (a) .....  
(b) .....  
(c) .....  
(d) .....

25. Please indicate the level at which your organization adhere to the Annual Procurement Plan (APP) according to Public Procurement Act of 2011. Use the relevant scale of measurement presented below:

**1 = Very high; 2 = High; 3 = Moderate; 4 = Low; 5 = Very Low.**

|    |                                                                                        |  |
|----|----------------------------------------------------------------------------------------|--|
| 1. | User inputs submission date and Budget as per APP as per APP                           |  |
| 2. | Preparation, submission of tender document & Notice for approval by TB as per APP date |  |
| 2. | Invitations of tender date as per APP                                                  |  |
| 3. | Submission, closing and opening date as per APP                                        |  |
| 4. | Evaluation and submission date as per APP                                              |  |
|    | Review date of submitted Evaluation Report & submission to TB by PMU Staff             |  |
| 5. | Approval of Evaluation Report date by TB as per APP                                    |  |
| 6. | Vetting of contract date as per APP                                                    |  |
| 7. | Contract award date as per APP                                                         |  |
| 8. | Date of signing the contract as per APP                                                |  |

### **PART C:**

26. Are there any effects of not complying with procurement procedures in your Organization?

- (a) Yes ( )
- (b) No ( )

27. What are the effects of not complying procurement procedures?

- (e) .....
- (f) .....
- (g) .....
- (h) .....

**PART D:**

28. Are there any audit queries as the result of not complying with the annual procurement plan, procurement processes and the procedures in obtaining goods, works and the services?

- (a) Yes ( )
- (b) No ( )

29. If yes, what are those queries

- (a) .....
- (b) .....
- (c) .....
- (d) .....
- (e) .....

30. What are the main causes of audit queries relating to procurement procedures?

- (a) .....
- (b) .....
- (c) .....
- (d) .....

31. What should be done to minimize the level of audit queries in procurement processes?

- (a) .....
- (b) .....
- (c) .....
- (d) .....

32. Is the procurement in your organization done according to budget allocated?

- (a) Yes
- (b) No

33. If Yes, to what extent

- (a) Large
- (b) Moderate
- (c) Low

34. What do you do when you are required to make procurement out of budget?

.....

.....

.....

.....

.....

35. What are the effects of doing procurement beyond the budgeted amount?

.....

.....

.....

.....

.....

.....

.....

.....

## **APPENDICES II: INTERVIEW GUIDE**

1. What is your education level?
2. What is your age?
3. How long have you worked in this institution under what capacity?
4. What do you understand by the term procurement procedures? (Please provide reasons for your answer).
5. Does your organization follow procurement processes in obtaining goods, works or services? (Please provide reasons for your answer).
6. Does your organization have Annual Procurement Plan that guide in obtaining goods, works and services? (Please provide reasons for your answer).
7. What is the institutional set up and its performance (Please provide reasons for your answer).
8. What is the significance of Procurement Planning and its implementation? Do you implement and comply with the plan? What do you consider the effects of not complying with the Plan? (Please provide reasons for your answer).
9. What is the significance of tender process in your organization? (Please provide reasons for your answer).
10. How do you manage procurement records in your organization? (Please provide reasons for your answer).
11. How do you handle procurement complaints of bidders in your organization? (Please provide reasons for your answer).
12. Are there any audit queries as the result of not complying with the annual procurement plan, procurement processes and the procedures in obtaining goods, works and the services? (Please provide reasons for your answer).
13. What challenges do you face in the implementation of the procurement procedures?
14. What challenges do you face in implementation of the Annual Procurement Plan?