

**ASSESSING THE CONTRIBUTION OF PUBLIC
PROCUREMENT IN REVENUE MOBILISATION IN GHANA
(THE CASE OF TAMALE POLYTECHNIC)**

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Abstract

This study explores the contributions of public procurement to revenue mobilisation in Ghana. Key issues the study looked at include; the role of public procurement in revenue mobilisation; the critical enabling factors in the use of public procurement in revenue mobilisation; and the barriers associated with revenue mobilisation through public procurement. Descriptive survey was adopted as research design and questionnaire as research instrument. The result reveals that the introduction of public procurement in Ghana minimised revenue losses through the reduction in corruption among public officials. The paper further reveals that procurement rules are effectively applied in the selection of competitive bidders for contract awards and public procurement is still saddle with insufficient procurement professionals and bureaucratic procedures in the procurement activities. The paper concludes that public procurement contributes immensely to revenue mobilisation in Ghana and therefore, recommends that application of Public Procurement rules in procurement activities be intensified in all public organisations by ensuring that only personnel with relevant academic qualification and professional experience are employed in all Procurement Units.

Keywords; Public Procurement Act, revenue mobilisation, Procurement, Ghana

INTRODUCTION

Ghana as a low-income economy in Sub-Saharan Africa was the first country to gain its independence in 1957. According to Anvuur, Kumaraswamy and Male (2006), Ghana experienced the highest GDP on the continent before an economic crisis in the late 1970s, and was the first to survive the trauma of military takeovers. They added that the country rebounded after launching one of the first and more stringent economic recovery programmes in the region two decades ago and that the falling prices for gold and cocoa, and rising prices for petroleum imports led to a sharp deterioration in 1999-2000. Through a World Bank-assisted macroeconomic programme, Ghana has made a robust recovery and achieved a fairly stable macroeconomic environment. This reform also culminated in a new vision of Ghana that emphasizes wealth creation, improved governance and reduced income and regional inequalities. A critical component of this new vision is the government's efforts to promote the public procurement as an engine of economic growth. An approximate annual value of public procurement for goods, works, and consultant services has been given as US\$600 million (World Bank, 2003) representing about 10% of the country's GDP. Any improvement in the public procurement system will therefore have a direct and substantial impact on the overall economic situation of the country and result in budgetary savings and efficiency in government expenditures (Anvuur *et al.*, 2006). However, successive reviews have revealed substantial inefficiencies and concluded that value for money was not being achieved in both government- and donor-financed procurement. The Public Procurement Act (PPA) (Act 663) was enacted in 2003 to address these weaknesses in public procurement (Anvuur *et al.*, 2006).

Problem Statement

Inadequate revenue mobilisation remains a major challenge to all revenue collection departments and institutions in Ghana and therefore necessitated the introduction of various policies including Public Procurement Act 663. The act made it obligatory for suppliers and business owners to honour their tax obligations to qualify for contract awards.

Revenue mobilisation in Ghana has been abysmally low over the years. The total revenue collection increased by 31.9% between 2003 to 2004, 22.1% between 2004 to 2005, 15.22% between 2005 to 2006 and 28.24% between 2006 to 2007. This indicates that the country's total annual revenue collection is increasing at a diminishing rate.

Considering budgetary constraints faced by the government of Ghana especially due to inadequate revenue mobilisation, it is worth assessing the level of impact the implementation of Act 663 has brought about on the transformation in revenue mobilisation by the government departments.

In this regard pertinent research question may be asked: What important contribution does public procurement make to revenue mobilisation? What are the constraints to revenue generation through procurement?

Research Objectives

1. To Examine the role Public Procurement plays in revenue mobilisation in the Tamale Polytechnic;
2. To Identify critical enabling factors in the use of procurement as a tool in revenue mobilisation;
3. To Identify key barriers associated with revenue mobilisation to government through public procurement.

Limitations of Study

The research in its entirety could have been better than it is in quality, detail and broader in scope if not for some practical constraints. These limitations took the following forms: In the quest for adequate and accurate data for this research work, a limitation of getting the respondents to provide information and appropriate answers to the researchers' questions was a major constraint. Some of the respondents felt some information we sought were sensitive and for that matter were not willing to open-up in providing such information. The research was also limited to a single institution and therefore findings from the study though reliable, cannot be used to generalize for all other institutions in the country (Ghana).

LITERATURE REVIEW

The Nature of Public Procurement

Procurement as a dynamic concept varies in its practices and has gone through a number of evolutions. According to Rendon (2008), today's public sector environment has changed dramatically due to the ever changing nature of governance and control systems especially in public organisations.

The dynamics of today's government agencies have been significantly affected by the way supplies and services are delivered and fulfil government policy goals-that is, through the use of private firms as opposed to government employees. This new shape of government is resulting in public sector organisations having to depend more heavily on external companies to help perform their mission and critical work (Goldsmith &Eggers, 2004). In this regard, Goldsmith &Eggers (2004) conclude that today's public sector organisations must now manage an increasing number of contractors and suppliers who are performing critical functions for their

organisations. Thus, public sector organisational core competencies now include the procurement and contract management processes, and public sector organisations should be focusing their attention on measuring the performance of their critical procurement processes (Burt, Dobler, & Starling, 2003 & 2001; Garrett & Rendon, 2005).

Government procurement is the acquisition of goods, services, and public works in a timely manner that results in best value to the government and the people (Garrett & Rendon, 2005). Public procurement gives substance to the tasks of government. A major proportion of public expenditure at every level of government is incurred through the procurement of goods and services and construction activity. The increasing importance of procurement in recent times can be attributed to several factors. The most basic of these factors has been the recognition of the substantial dollar spends for purchases of typical organisation and the potential dollar savings from a viable procurement strategy (Monczka et al., 2010).

The Factors That Influence Public Procurement in Ghana

Country Procurement Assessment Report (CPAR) (2003) established the need for public procurement law in Ghana given various reasons. Based on the Budget Statement of 2003 estimates, total planned public procurement is estimated at Cedis 8.6 trillion or about 14 % of GDP (CPAR, 2003). The report further indicates that excluding donor finance, procurement was estimated at Cedis 2.6 trillion and that domestic public procurement expenditure of Cedis 6 trillion would amount to 10 percent of GDP. With estimated total tax revenue of Cedis 11.4 trillion, domestic procurement represent more than 50% of tax revenue (CPAR, 2003). These simple figures illustrate the utmost importance of good procurement as an element of the public expenditure process.

The analysis presented in the Country Procurement Assessment Report (CPAR, 2003) reveals substantial inefficiency in public procurement and concludes that the principle of “value for money” is not achieved. This is true for both governments financed and donor financed procurement. The main findings of the 2002 Country Portfolio Performance Review of World Bank projects were slow project implementation and disbursement attributable to inadequate procurement planning, non-transparent procurement procedures and poor contract management. A review in 2002 of 132 works contracts which constitute an important part of public expenditure indicated that some 84% incurred cost-overruns of up to 30% of the initial amount (CPAR, 2003).

Ghana’s Poverty Reduction Strategy (GPRS I) recognises the inadequacy of procurement procedures. Estimates of potential savings from improved procurement vary and have not yet been analysed precisely in quantitative terms, but many among those who are

directly involved, including the outcomes of the “Value for Money Assessment Project”, believe that at least 25 % in cost savings could be achieved by better procurement management. If based on the estimated government financed procurement for 2003 alone, this could imply annual savings of some 1.5 trillion Cedis (or close to US\$150 million). Such savings from improved procurement practices could help Ghana reduce current fiscal imbalances and increase expenditures required to accelerate poverty reduction.

Similar findings of public procurement weaknesses were recorded in the 1996 CPAR. Since then, the Government has followed-up on a number of recommendations and launched under the Public Finance Management Technical Assistance Project (1998), which emanated into the Public Finance Management Reform Programme (PUFMARP). The Procurement Reforms Proposal (PRP) was prepared since 1999 in the context of PUFMARP under the oversight of the Public Procurement Oversight Group (PPOG), included among others the draft Public Procurement Bill (PPA), which the Government, following extensive consultation of the stakeholders, sent to Parliament in early 2003 for enactment, as part of the groundwork for Ghana’s PRSC. These factors served as the motivation for the introduction of public procurement especially among public entities in Ghana.

The Role of Procurement in Revenue Mobilisation

NAO, (1999) argued that Procurement is central to the management of any operation and that it is vital to get the necessary goods and services of the right quality, at the right price and at the right time. Failure to do so can put the achievement’s or agency’s key objectives and outputs, including services to the public, at risk and can result in additional cost. NAO, (1999) further asserts that Procurement covers every aspect of the process of determining the need for goods and services, and buying, delivery and storing them to help achieve departments or agencies key objectives and outputs.

Monczka et al (2010) argue the importance of procurement with empirical evidence that suggested companies which involve procurement managers early in their product development plans reduce material cost by 20%, improved material quality by 20% and reduced product development time by 20%. The objective of a public procurement system is to deliver on a timely basis the best value product or service to the customer, while maintaining the public’s trust and fulfilling public policy goals, GAO (2007).

Enabling Factors in Revenue Mobilisation

The Government of Ghana enacted the Public Procurement Act, 2003, (Act 663) in December, 2003. The Act became effective/ operational on 27th August 2004. The Act 663 provides the

general rules governing Public Procurement for all entities in the public sector. The application of the rules as contained in this Act provides an enormous opportunity for the government to improve in its revenue mobilisation for developmental purposes.

Section 21 of Ghana's Public Procurement Act 663 requires Public Entities to prepare a procurement plan for each fiscal year, and prepare quarterly updates for approval by the Tender Committee (TC). The Regulations require that the procurement planning process is fully integrated with applicable budget processes and circulars issued by the Public Procurement Board and the budget preparation instructions of the Ministry of Finance (Ghana's Public Procurement Act, 2003). This therefore prevents procurement entities from spending haphazardly and helps in revenue mobilisation sustainability.

Hardcastle (2007) asserts that Public Procurement brings about increases in the growth of national economy. Public procurement accounts for 50% to 70% of total Government expenditure, representing 14% of Gross Domestic Product (GDP) and accounting for about 24% of total domestic imports (Hardcastle, 2007). This gives an indication of economic resource maximisation, revenue generation and value for money by Public Procurement. Bauld and McGuinness (2006) therefore hold the view that value for money in procurement entities entails consideration of the contribution to be made to advancing government policies and priorities while achieving the best return and performance for the money being spent on those entities. This comes as a result of the fact that government usually has the option of selecting a bidder for the execution of a project either through the lowest bidding method or through technical capabilities, qualifications of key personnel, and past performance records, all with the aim of ensuring value for money (Cummings and Qiao, 2003). Despite these benefits, Palmer and Butt (1985) hold the view that some barriers need to be overcome in order to achieve value for money through the procurement process. Palmer and Butt (1985) identify weak governing bodies, politics, tradition, and lack of education and training programmes as some of these barriers.

One of the main objectives of the Ghana Public Procurement Act (663) is to create competition among suppliers on a transparent manner (Act 2003). Office of Fair Trading (2004) defines competition as a process of rivalry between firms to sell their products or services to customers, end users, other firms or, indeed, the public sector. OFT (2004) further suggests that rivalry can take place in many dimensions including the forms of price, quality and innovation. This gives the private organisations the opportunity to develop themselves to meet the increasing competition at Public Entities procurement.

Challenges in Public Procurement in Revenue Mobilisation

Thai (2010) argues that in a developed or developing country, public procurement practitioners have and will face always many challenges and that each country has its own economic, social, cultural and political environment, and each country's public procurement practitioners face different types of challenges, or the same types of challenges but at different levels from their counterparts in other countries. Thai (2001) identifies six challenges of public procurement as follows:

Public procurement is an important function of government for several reasons. First, the sheer magnitude of procurement outlays has a great impact on the economy and needs to be well managed. Indeed, in all countries in the world, estimates of the financial activities of government procurement managers are believed to be in the order of 10% – 30 % of. Efficiently handling of this size of procurement outlays has been a policy and management concern as well as a challenge for public procurement practitioners.

Second, public procurement has been utilized as an important tool for achieving economic, social and other objectives (Arrowsmith, 1998; Thai, 2001).

Third, due to many reasons (including greater scrutiny of taxpayers and competing vendors), public procurement has been perceived as an area of waste and corruption (Nakamura, 2004).

Fourth, as many countries have moved to a regional and or global economy, public procurement practitioners face another challenge that is, how to comply with their government's procurement regulations and social and economic procurement goals without violating regional and/or international trade agreements. For example, how to comply with national economic policies without dealing unfairly with foreign firms as provided in regional trade agreements and/or the World Trade Organisation (WTO) agreements is not easy, which requires a careful study of trade agreements in order to take advantages of special provisions.

Fifth, in developed as well as developing countries, disregarding their economic, social, and political environment, a sound procurement system has accomplish two sets of requirements: management requirements and policy requirements. The procurement management requirements normally include quality, timeliness, cost, minimizing business, financial and technical risks, maximizing competition, and maintaining integrity. The procurement policy requirements normally include economic goals, environment protection or green procurement, social goals, and international trade agreements. It is very difficult for policy makers and public procurement practitioners to make an optimal decision, as there are always tradeoffs among these goals (Federal Acquisition Institute, 1999; Thai, 2001).

Finally, facing the challenges above and others, including rapid developments in technology, public procurement cannot be perceived as mere a 'clerical routine,' as procurement practitioners are and should be involved in strategic procurement planning (Office of Management and Budget, 1997; Hinson & McCue, 2004).

METHODOLOGY

Background of Study Area

Tamale Polytechnic is one of the ten public polytechnics in Ghana established to provide middle level manpower needs to the teaming industries in the country and beyond. The Polytechnic began as a Trades Training Centre in 1951 and then became the Government Training School in 1954. It was converted to a Junior Technical Institute in 1960. The institution was elevated to the status of a Polytechnic on August 23, 1992. As a result of the Educational Reform Programme and the enactment of the PNDC Law 321 in 1992, the status of the Polytechnic was raised to the level of a tertiary institution together with Accra, Kumasi, Ho, Cape Coast and Takoradi Polytechnics (Tamale Polytechnic 3rd Strategic Plan, 2007:3).

The Polytechnic remains the only institution in Ghana that runs both tertiary and non-tertiary education at the same time and this makes the institution unique in that sense. The Polytechnic currently has staff strength of Five-Hundred and Fifteen (515), comprising both academic and non academic staff (Tamale Polytechnic NCTE staff data, 2011).

The administrative structure of the Polytechnic has the Rector as the Chief Executive Officer assisted by five (5) principal officers including the Vice Rectors of the Tertiary and Non-Tertiary divisions of the Polytechnic, Registrar, Finance Officer and the Librarian. Other key officers include Deans, Academic Heads of Department (HOD), Unit Heads and Assistant Registrars who are assisted by other supporting staff.

Research Design

The paper adopted a descriptive survey to describe the respondents' views on procurement practices in terms of revenue mobilisation. The descriptive research design was used for this study because of its suitability to gain in-depth understanding of events processes and situation involving a specific case study. Yieri (2006) argues that descriptive survey involves the collection of data in order to answer research questions concerning the current status of subjects under investigation.

Research Instruments

The researcher used both primary and secondary data. Primary data for the study was obtained from the views the respondents expressed in the questionnaire while the secondary data was collected from various sources such as withholding taxes, scholarly journals, reports, educational guides and textbooks. Data from magazines and websites of Ghana public procurement authority as well as websites of organisations that do procurement were also used.

Sampling

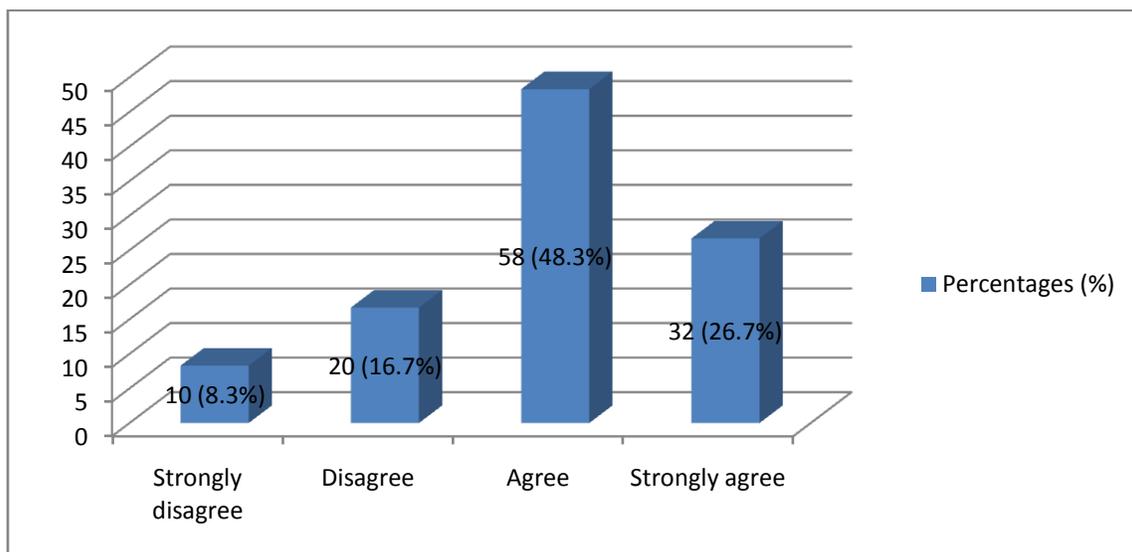
A convenient sample of 120 respondents comprising both academic and administrative staff of Tamale Polytechnic was selected for the study. These categories of staff were considered for the study in view of their enormous involvement in procurement activities in the Polytechnic. By this, the researcher used purposive sampling technique to select the five Principal Officers and a Simple random sampling technique was also used to select the remaining staff.

FINDINGS AND DISCUSSIONS

The Role of Public Procurement in Revenue Mobilisation

The paper sought the views of respondents on the extent to which public procurement helps in minimising revenue losses through procurement activities. The results are illustrated on Figure 1. Shows significant number of the respondents agreed public procurement activities helps in minimising revenue losses to the state. That is 48.3% and 26.7% of the respondents indicated 'agree' and 'strongly agree' respectively.

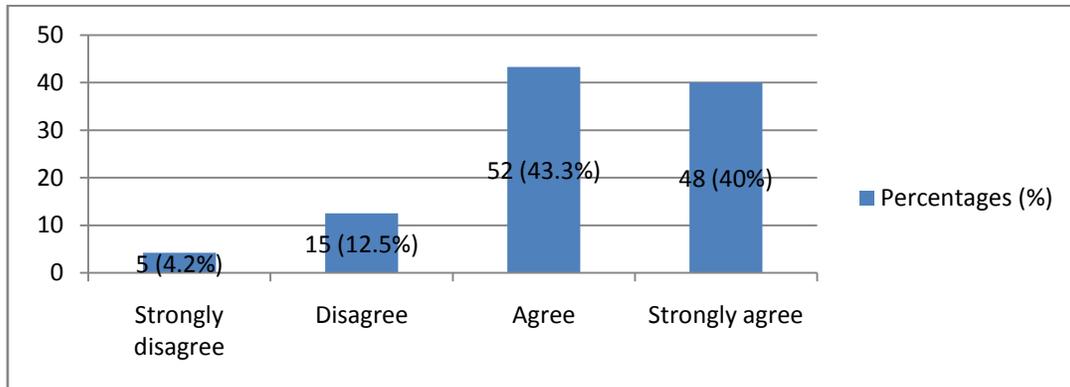
Figure 1: Public Procurement as a Factor in minimising revenue Losses



From the analysis, it could be deduced that the introduction of public procurement practice in the Ghanaian economy helps in minimising revenue losses thereby increasing revenue availability to the state.

The fulfilment of statutory tax obligation by private entities as key factor in public procurement practice was also examined. The idea was to help inform the extent to which the public procurement activities in this regard could help in the revenue mobilisation to the state.

Figure 2: Fulfilment of statutory tax obligations by private entities



The results indicate that 4.2% of the respondents strongly disagreed with the assertion that fulfilment of statutory tax obligation by private entities was a key factor in public procurement practices. Majority of the respondents upheld the assertion as 43.3% of them indicated 'agree'. The remaining 40% of them also indicated 'strongly agree' to suggest that fulfilment of statutory tax obligation by private entities was a key factor in procurement practices. This is an indication that private entities in Ghana are required under the procurement law (Act 663) to fulfil all tax obligations before they engage in any procurement activity with the state.

Procurement as an internal control system in Tamale Polytechnic and its ability to reduce cost of doing business by the institution was another issue the paper considered. As illustrated on Table 1, majority of the respondents revealed that public procurement as an internal control system in the polytechnic could not save cost.

Table 1: Public procurement as an internal control system and cost saving

Variables	Frequency	Percentages (%)
Strongly disagree	28	23.3
Disagree	47	39.2
Agree	30	25
Strongly agree	15	12.5
Total	120	100

From table 1, 23.3% of the respondents strongly disagreed with the assertion that public procurement activities could save cost to the Polytechnic. Similarly, 39.2% of the respondents also indicated 'disagree'. On the contrary, only a few of the respondents agreed with the assertion. That is, 25% and 12.5% of them indicated 'agree' and 'strongly agree' respectively. This finding of the study could be attributed to staff perceptions on allowances that are usually paid to Tendering Committee members during tendering as most staff views this as extra cost to projects to be executed.

Respondents views on whether budgeting before spending on procurement activities was a key requirement of public procurement. In this regard, the data revealed budgeting was a key requirement of public procurement. Statistically, data from respondents' views are illustrated on Table 2; indicate 21% of the respondents indicated 'strongly disagree' whilst 25% of them also similarly indicated 'disagree'.

Table 2: Budgeting as a key requirement of public procurement

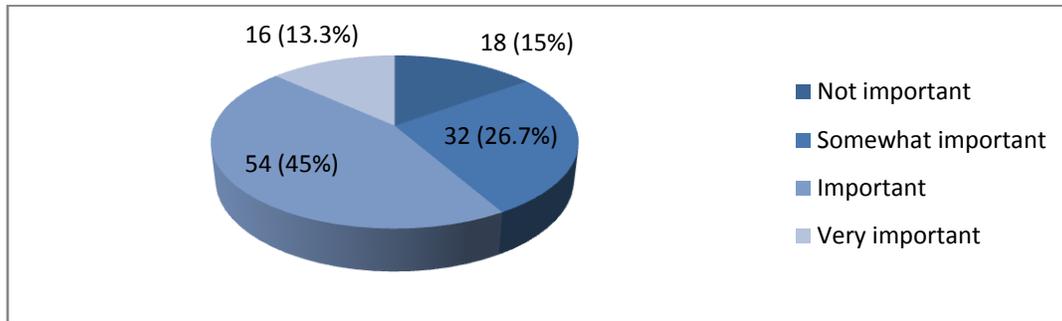
Variables	Frequency	Percentages (%)
Strongly disagree	25	21
Disagree	30	25
Agree	43	36
Strongly agree	22	18
Total	120	100

A significant number of the respondents (36% of the study population) indicated 'agree' whilst 18% of them suggested that they strongly agreed with the assertion. Since budgeting is identified as a key requirement of public procurement practices in the Polytechnic, it could be concluded that the Polytechnic was more likely to maximise revenue on behalf of the state. This has an end benefit of helping in revenue mobilisation to the state.

Critical Enabling Factors of Public Procurement in Revenue Mobilisation

The study sought views of respondents on whether public procurement practitioners in the Tamale Polytechnic did adhere to the strict application of procurement rules. The data suggest that there was an enforcement of strict application of procurement rules in the Polytechnic. As Illustrated in figure 3, only 15% of the respondents indicated not important to suggest that the rules were not strictly applied. Similarly, 26.7% of the respondents also indicated 'somewhat important'.

Figure 3: Strict application of procurement rules by procurement personnel



Conversely, 45% and 13.3% of the respondents indicated 'important' and 'very important' respectively. This was to suggest that majority of the respondents saw procurement rules as being strictly applied in the Polytechnic. In effect, it is evident that strict application of public procurement rules is a major critical enabling factor for revenue mobilisation to the state.

The ability of Public procurement to minimise corruption in the Tamale Polytechnic was also assessed. As shown in Table 3, the data revealed that public procurement was a critical factor in mitigating corruption in the Polytechnic.

Table 3: Ability of public procurement to minimise corruption

Variables	Frequency	Percentages (%)
Not important	15	12.5
Somewhat important	28	23.3
Important	60	50
Very important	17	14.2
Total	120	100

To further illustrate the point, 12.5% of the respondents indicated 'not important' whilst 23.3% of them also indicated 'somewhat important' to suggest that public procurement could not minimise corruption among the public officials in the Polytechnic. Alternatively, 50% of the respondents who constituted significant number of staff selected for the study suggested that public procurement was capable of reducing corruption among public officials in the polytechnic.

The study wanted to find from the respondents the extent to which public procurement could help to ensure value for money and save cost of doing business in Tamale Polytechnic. The data from respondents on these issues are illustrated on the Table 4 revealed that 12.5% of the respondents indicated 'not important' and 17.5% of them also indicated 'somewhat important'. The indication is that they failed to agree with the ability of public procurement to ensure value for money and also save cost in all business transactions.

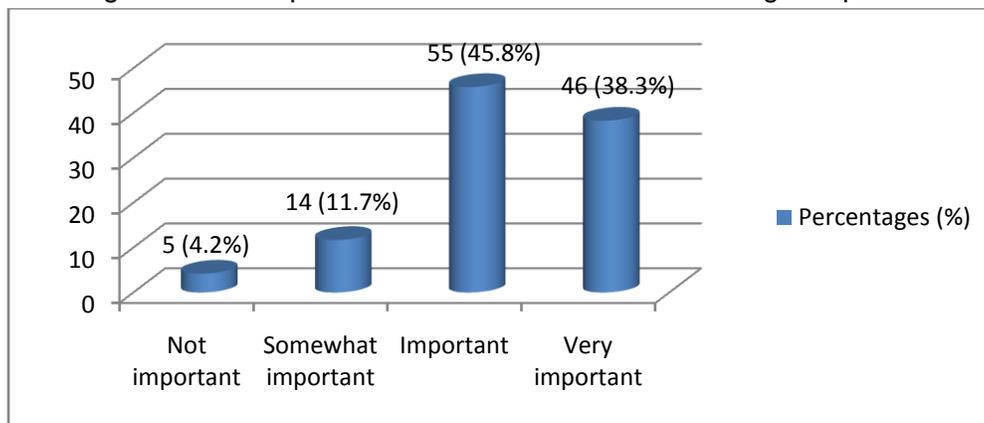
Table 4: Public procurement ensures values for money and cost saving

Variables	Frequency	Percentages (%)
Not important	15	12.5
Somewhat important	21	17.5
Important	48	40
Very important	36	30
Total	120	100

However, the opposite views dominated as majority of the respondents suggested that it could reduce cost of doing business and ensure value for money. For example, 40% of the respondents indicated ‘important’ whilst 30% of them also indicated ‘very important’. This, therefore, suggests that public procurement ensures value for money thereby helping to save cost of doing business.

Asked whether public entities were procuring from only companies who are tax abiding as statutorily mandated and the details are shown on Figure 4. Indicates 4.2% and 11.7% of the respondents indicated ‘not important’ and ‘somewhat important’ respectively. This is to suggest that they did not agree with the assertion.

Figure 4: Public procurement activities and tax abiding companies



Contrary to this, majority of the respondents clearly agreed that public entities were required by law to procure from only tax abiding companies. For example, 45.8% of the respondents indicated ‘important’ whilst the remaining 38.8% also indicated ‘very important’. This, therefore, suggest that staff of the Tamale Polytechnic agreed that the procurement Unit of the institution procures from companies by taking into consideration their tax abiding nature. Ultimately, businesses who want to engage in procurement activities with public entities are forced to fulfil their tax obligations and this gives the state an opportunity to increase its revenue mobilisation through public procurement.

Barriers Associated with Revenue Mobilisation through Procurement.

In attempt to examine the barriers associated with public procurement in Tamale Polytechnic, the study elicited views of respondents regarding the extent of knowledge of the public procurement Act 663. The results as shown on Table 5 revealed 12.5% of the respondents agreed they understood the application of the public procurement Act 663. Similarly, 26.7% of the respondents also indicated that application of the law was understood to a large extent by the general public.

Table 5: Application of Public Procurement Act 663

Variables	Frequency	Percentages (%)
Very well understood	15	12.5
Understood to a large extent	32	26.7
Somehow understood	49	40.8
Not understood at all	24	20
Total	120	100

However, majority of the respondents expressed opposing views. For instant, it was observed that 40.8% and 20% of the respondents indicated 'somehow understood' and 'not understood at all' respectively. This, therefore, gave indication that the general public, especially businesses in the private sector of the economy do not understand how the Act 663 could be applied in procurement activities.

The issue external influences in the selection of bidders for contract awards was also considered by the study. The results as illustrated in Table 7, suggests t there were little external influences in the selection of bidders for contracts in the polytechnic. For example, majority of the respondents revealed that selection of bidders for award of contracts were not influenced by external forces. That is, 29.2% of the respondents indicated 'not often' and 25.5% of those constituting the remaining respondents also indicated that there was no influence at all in the selection of bidders for contract awards.

Table 7: External influence in selection of bidders for contracts

Variables	Frequency	Percentages (%)
Very often	12	10
Quite often	22	18.3
Not often	35	29.2
Not at all	51	25.5
Total	120	100

This gave an illustration that competitive bidding process was done in a transparent manner in the Polytechnic.

To examine the barriers associated with public procurement in revenue mobilisation in the study area, respondents were asked to assess the availability of qualified personnel in the procurement Unit of the Polytechnic. As illustrated on Table 8 below, the results showed that the Polytechnic was in deficiency of the requisite Procurement Personnel.

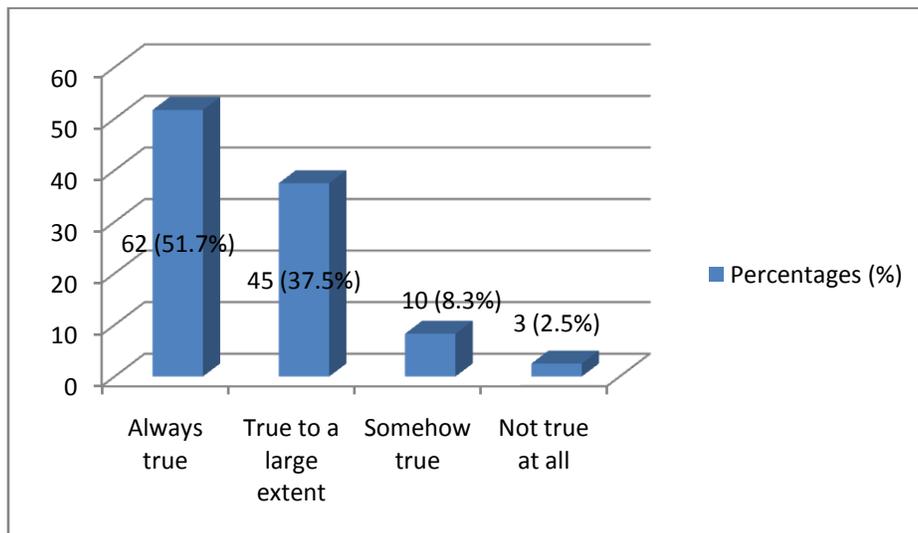
Table 8: Qualified procurement personnel in the organisation

Variables	Frequency	Percentages (%)
Yes	35	29
No	74	62
I don't know	11	9
Total	120	100

That is 29% of the respondents agreed that the Polytechnic had the qualified Procurement Personnel whilst 62% of them said the Polytechnic did not have the qualified procurement personnel to run its procurement activities. Only 9% did not know whether there were qualified procurement personnel or not. The reason for this could be due to the fact that most of the staff working in the procurement Unit did not have the requisite academic qualifications on procurement.

Another issue of barrier considered by the study was bureaucracy of the procurement process. The result revealed public procurement was seen as a bureaucratic process in the acquisition and award of contracts. As shown on Figure 5 below, 51.7% of the respondents indicated 'always true' to agree that it was a bureaucratic process. Also 37.5% of the respondents revealed that to a large extent, procurement process was bureaucratic.

Figure 5: Public procurement as a bureaucratic process



However, only the remaining respondents indicated 'somehow true' and not 'true at all' representing 8.3% and 2.5% respectively. From this analysis, it could be stated categorically that public procurement was seen as a bureaucratic process. This then possess a challenge to the ability of public procurement to enhance revenue mobilisation since most entities are likely to look for alternative ways of procuring goods and awarding contracts so as to avoid the bureaucracy.

With reference to the literature, Thai (2001) makes a case that procurement practitioners would find it very difficult to make optimal decisions as there are always tradeoffs among strategic goals and external influences. This suggests that procurement practitioners are saddled with external influences in their decision making processes. In relation to identifying the barriers associated with public procurement activities in revenue mobilisation in the study area, four objective variables were presented to the respondents to indicate if they agreed with the assertion that there were external influences in the selection of bidders for contract awards.

SUMMARY

This study aimed at examining public procurement and revenue mobilisation in the Tamale Polytechnic. Key issues considered in this regard include the role of public procurement in revenue mobilisation, the critical enabling factors in the use of procurement in revenue mobilisation and the key barriers associated with revenue mobilisation to government through public procurement. Discussions of field data show the following major findings:

The study established that the introduction of public procurement in Ghanaian economy helps in minimising revenue losses to the state. This, as discovered by the study, is largely attributable to the fact that private entities in Ghana are fulfilling their tax obligations especially when engaging with public entities in procurement activities as demanded by the public procurement Act 663, of 2003. Other roles of public procurement in revenue mobilisation as identified by the study was that public procurement as an internal control system in public organisations helps in saving cost of business transactions. The study relates this revelation to the practice of budgeting before procurement in the Polytechnic.

The study also showed there was strict application of procurement rules in all procurement activities in the Polytechnic and the public procurement helps in minimising corruption among public procurement officials in the Polytechnic. The study also revealed that the ability of public procurement to ensure value for money and ensures cost reduction in procurement activities constituted important critical enabling factors in public procurement. It was further discovered that the procurement Unit of the Polytechnic engages in procurement

activities with only companies that are tax abiding and this helps in the revenue mobilisation to the state through public procurement.

One important barrier associated with public procurement in revenue mobilisation as discovered by the study was the unavailability of qualified procurement personnel in the Polytechnic. The study also revealed that procurement processes were highly bureaucratic. The study was however indicative that there was no external influence in the selection of bidders for contracts in the Polytechnic.

CONCLUSION

This study made an attempt to investigate the contribution of public procurement in revenue mobilisation in Tamale Polytechnic. The study specifically looks at role of public procurement in revenue mobilisation, critical enabling factors in the use of procurement in revenue mobilisation and the barriers associated with revenue mobilisation through public procurement.

The study established that public procurement plays important roles in revenue mobilisation to the state through minimisation of revenue losses by tax evasion companies due to application of strict procurement rules in awards of contracts.

It also ensures cost saving in business transactions and reduces corruption among public officials if properly applied as an internal control system thereby ensuring value for money. Insufficient procurement personnel, bureaucratic procedures and lack of adequate knowledge of values of public procurement Act 663, of 2003 were some of the key barriers associated the public procurement in its contribution to revenue mobilisation. The study concludes that public procurement contributes immensely towards revenue mobilisation to state through strict application of procurement rules in all procurement activities.

RECOMMENDATIONS

In view of the above findings, the study makes the following recommendations:

1. The use of public procurement as internal control systems in public organisations should be intensified to ensure transparency in procurement activities and value for money.
2. Procurement Unit of the Polytechnic should be adequately resourced and staffed with personnel with requisite academic qualifications in procurement background to help ensure effective implementation of procurement rules.
3. Outreach programmes should be embarked upon by the government to sensitise the general public and private business owners in particular on the rules of the public procurement Act 663, of 2003 and the need to fulfil their tax obligations in order to do business with public procurement entities.

4. Procurement Unit of the Polytechnic and other public organisations should liaise with the user departments to educate them on the procurement procedures so as to help reduce public perception of its bureaucratic tendencies.

The study further recommends that competitive bidding for contract awards be continued to be done in the most transparent manners as it helps to ensure that only tax abiding companies are considered for the awards. The study also recommends that further studies be undertaken on the contribution of public procurement to national development in Ghana. Similar studies could also be undertaken on the contribution of public procurement to revenue mobilisation in other public organisations in the country so as to further elaborate the extent to which revenue could be accrued to the state through public procurement activities.

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