

INVESTIGATING NON-COMPLIANCE WITH PROCUREMENT DOCUMENTATION AND RECORDS KEEPING IN TANZANIA PUBLIC PROCUREMENT

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Abstract

A record keeping is a fundamental activity of any government. More importantly, good records management is essential for measuring public procurement performance. In Tanzania, despite section 61(1) of PPA 2011 to emphasize maintaining procurement records, each year non-compliant behavior on record keeping is reported by the oversight bodies. This study assessed reasons for non-compliance with procurement documentation and record keeping and why they occur. The study adopted a descriptive survey as a research design where 155 procuring entities were sampled. Self-administered questionnaires were prepared online using Google forms. The questionnaires were filled by procurement practitioners in 118 procuring entities in Tanzania between February and August 2018. This study confirms that non-compliance with procurement records and documentation caused by three major factors, namely, the absence of procurement records procedure manual, procurement practitioners of procuring entities had not trained in records management, and management of procuring entities has not provided the adequate support towards records management.

Keywords: Records keeping, documentation, public procurement, compliance

INTRODUCTION

Every nation has records laws that create the need for effective records management. Basing on this view, a record keeping is a fundamental activity of any government. Records management includes the establishment of a structure for records management and their disposal. Records are accessible sources of information and evidence that enhance good governance and decisions making (ISO 15489–1:200; Keorapetse & Keakopa, 2012; PPOA, 2008; Öberg & Borglund, 2006; OECD 2007). To put it differently, the public servants must have information to carry out their work. With respect to this, records represent a particular and crucial source of information. By implication, records evidence compliance or non-compliance with laws, rules, and procedures. Surprisingly, record keeping in sub-Saharan Africa has been a low priority in governments (Asogwa, 2012). Specifically, in procurement Ntayi *et al.* (2010) and Ahimbisibwe (2014) voiced their concern that the public sector has problems of keeping a complete record in the procurement process. Tukamuhabwa (2012) identify lack of systematic approach on managing records in developing countries that results in most of the records to contain inadequate information. Unfortunately, that inadequate information in records management had an adverse effect on supplier performance and good governance (Kemoni & Ngulube, 2008). Therefore, good record management is essential for measuring public procurement performance (Mrope et al., 2017; Mlinga, 2006).

In Tanzania, despite Section 61(1) of PPA 2011 to emphasize maintaining procurement records by public procuring entities, the Public Procurement Regulatory Authority (PPRA) every year reports non-compliant behavior on record keeping. More importantly, in order to monitor compliance performance of PEs, the PPRA has established seven compliance indicators to facilitate procurement audits. Indicators number five and six are dealing with management of procurement records where one is manual records (#5) and the other is electronic records i.e. implementation of systems prepared by PPRA (#6). In this regards, 10 points is weighted for each criterion. Going beyond, the audit carried out by PPRA for the five years consecutively revealed non-compliance on management of records management, as follows: year 2012/2013 manual record score was 56% and electronic records was 23% and target level was set to 80%; year 2013/2014 manual score was 53% and electronic score 23% while the target was set to 75%; year 2014/2015 manual record score was 67%, electronic record score was 35% while the target score was set to 75%; year 2015/2016 the manual record score was 70% and electronic record keeping score was 38% and the target score was set to 78%; and for year 2016/2017 manual record score was 68% while electronic records score was 48% and the year target score was set to 80% (Compiled from PPRA audit reports, 2013-2017). The analysis of the audit results revealed the following weaknesses with regard to records management: incomplete

procurement records, procurement records were scattered in various departments, inadequate storage facilities and inadequate space for keeping procurement records. This research, therefore, assessed reasons of occurrence for non-compliance with procurement documentation and record keeping.

LITERATURE REVIEW

The term record keeping is used to mean all activities of making and maintaining complete, accurate and reliable evidence of official business in the form of recorded information (PPOA, 2008). In relation to this view, a record is more than just information, it is supposed to be trustworthy: reliable and authentic, able to serve as evidence, and to support accountability (Öberg and Borglund, 2006).

Theoretical Perspective: Record Management Theory

This study is grounded in record management theory based on the reprint by Michael Buckland in 1994. According to him, records management can be perceived in functional, professional, and intellectual contexts. This will depend on the role of records toward achievement of the organization's goals. *First*, in the context of the organization, the mission of a records management service needs to be related to and supportive of the mission of the organization as a whole (Greenhalgh et al., 2008). *Second*, in professionalism context, records management is seen as one member of a family of retrieval-based information systems both manual and electronic. *Third*, in the intellectual perspective, Buckland (1994) argue that the idea is a fundamental source of records management. This theory brings number contributions to our understanding of procurement records and documentation. Procurement records and documentation should serve the organization mission and objective. Further, the life of the record, documenting style, its archival will depend on the policy as well as procedures of the particular organization. Thus, in some ways, procurement records should be integrated with the overall record management policy of an organization. In addition, records management is a profession like any other profession, therefore procurement practitioners should receive training on how to manage records manually and electronically.

Procurement Records Keeping as per the PPA, 2011

Research has shown that the disclosure of records generated as part of the procurement process is an important component of any government. In Tanzania, the law that guides records management in the public sector is known as “the Records and Archives Management Act of 2002”. However, procurement documentation and records management is guided by “the Public

Procurement Act of 2011". The PPA 2011 has the following requirements on procurement records management.

- Section 9(1)(g) requires PPRA to conduct periodic inspections of the records..... of the procuring entities to ensure full and correct application of this Act;
- Section 9(2)(b)&(d-e) requires PPRA to have access to all books, records, documents,..... belonging to the procuring entity, tenderer whether in the possession of any officer of a procuring entity or a tenderer;
- Section 18(2)(b) requires PPRA (where deemed necessary) may examine such records or other documents and take copies or extracts there from;
- Section 34(b) tender board have the power to examine such records or other documents and take copies or extracts therefrom;
- Section 38(l) one functions of PMU is to maintain and archive records of the procurement and disposal process;
- Section 39(1)l one functions of PMU is to maintain and archive records of contracts management;
- Section 61 requires procuring entity to maintain a record of its procurement proceedings in which it is involved, including decisions taken and the reasons for it and such record shall be kept for a period of not less than five years from the date of completion of the contract and be made available when required to the Minister and the Controller and Auditor General;
- Section 64(3)(b) requires procuring entity, when used non-competitive procurement method, to include in the records....a statement of the grounds for its decision and the circumstances leading to, or justifying the restriction;
- Section 104(2) states that a failure or refuse to give information, produce any document, records is an offense;
- 105(2)(o) requires a minister to make regulations prescribing the manner and duration for keeping procurement records by procuring entity; and
- Section 7 of the third schedule requires the Public Procurement Appeals Authority to record in writing, the proceedings at the hearing by the members or by any other authorized person;

Management Support and Procurement Records Keeping

Investing in capital expenditure is a strategic decision which is done at a top management level. To have good record keeping requires provision of financial, human and other physical

resources (Bruqué-Cámara *et al.*, 2004). Top management plays a crucial role in deciding what area should the investment is directed so as to enhance the proper record keeping. Top management decision is important in providing and facilitating the required resources for the success of any project (Staehr, 2010). Green (1995) reiterates that the projects with top management support were less likely to be unsuccessful. Therefore, top management is an important source to achieve organizational goals.

Training and Records Keeping

In investigating records management, Kusi *et al.*, (2014) found a major challenge to be cumbersome documentation processing and record keeping. The same study recommends practical training on areas of procurement records keeping. This could increase procurement practitioners with appropriate knowledge on records management specifically in procurement and PPR as well as guidelines and the standard documents prepared by PPRA. According to PSPTB code of ethics and conduct (2009) records keeping is a professional requirement in procurement. Therefore, training on record keeping enhances compliance on public procurement act and its regulation. Trepte (2005) compliments the professionalism on record keeping that it provides the procurement practitioners skills and knowledge that is boosting their compliance in the management of procurement and become efficient and economic.

Procedural manual and Procurement Records Keeping

Having a procurement guide is essential to ensure consistency and uniformity among users. This helps to reduce the gaps and challenges that undermine the effective and efficient management of procurement records management. The manual identifies the office responsible for control, coordination, maintenance and the disposal of records. NPPP (2012) identifies the lack National public procurement policy in Tanzania that is important in providing guidelines and procedures including establishing adequate procedure manual on procurement record keeping significantly enforces compliance in procurement.

METHODOLOGY

The study adopted a descriptive survey as a research design. The study was undertaken in Tanzania's public procuring entities. According to the statistics obtained from PPRA website, as to 15th February, 2018 there were 518 procuring entities in Tanzania. Therefore, the sampling frame consisted of 518 procuring entities that are located in Tanzania mainland. According to Saunders *et al.*, (2009) a sample size of 30 or more will usually result in a sampling distribution for the mean that is very close to a normal distribution. Therefore, given the type of the research

design, size of the sampled population and using a general rule as advocated by Saunders et al., (2009) we used 30 percent of the accessible population as a sample size and resulted into 155 procuring entities. Self-administered questionnaires were prepared online using Google forms. The questionnaires were of a five-point Likert scale, multiple choice and yes or no questions to respond. The respondents were given a link to the questionnaire (<https://docs.google.com/forms/d/e/1FAIpQLSdOwX2bSyUR-3R4trVQIUzV5xbAICwtTQobmMHmLQ7Vtkrlww/viewform?usp=ppurl&entry.1495167749>) to respond. The respondents from procurement management units (PMU) were purposely selected from the procuring entity. The reason for using purposive sampling selection was because the researchers target procurement staffs from PMU who according to the PPA, 2011 are responsible for the custodian of procurement records. The respondents were free to fill a questionnaire using a computer, mobile phone or other electronic devices subject to the availability of internet connection. The collected data was processed online using Google forms.

RESULTS AND DISCUSSION

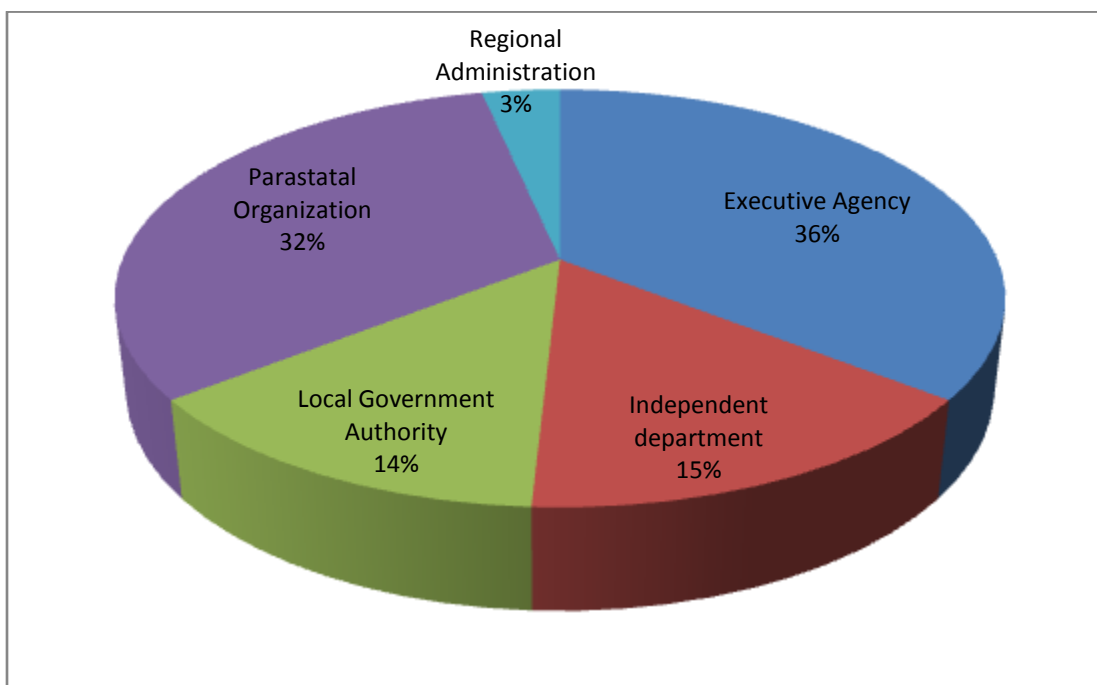
The questionnaires were filled by procurement practitioners in 118 procuring entities in Tanzania between February and August 2018. The characteristics of respondents by gender indicated that male respondents were almost half of the female who responded to the questionnaires by 68.3% to 30% and 1.7% preferred not to mention their gender category. This implies that there was no gender equality in responding to the survey. Further, the questionnaire required respondents to indicate their education and experience in procurement functions. The finding revealed that, respondents with master's degree (36.7%), professional qualifications (33.3%), and advanced diploma /first degree (30%). Likewise, on experience aspect, the respondents about (45%) had working experience between 5–10 years, followed by (30%) with work experience between 1–3 years, (16.7%) had work experience of between 3-5 years, and then (8.3%) had work experience of more than 10 years. This implies that majority of our respondents were well educated to carry out procurement functions and had a mixed experience of different levels from those with less experienced to those with a good working experience to perform procurement functions effectively and efficiently in either PMU or user department.

Public procurement system in Tanzania is a function of government that involves using government resources to cater the need of the government as it is obliged to its citizens. It is done through central and local government authorities. Central government involves ministries, independent departments, and executive agencies or authorities, as well as parastatal organizations. On the other hand, local government involves city or municipal or town or district

councils, as well as regional administrative offices. Figure 1 below depicts the responses from the survey done of a different category of procuring entities with more respondents from procuring entities falling under executive agency by 36%, followed by the parastatal organizations by 32%, independent department by 15%, local government authorities by 14% and Regional administration offices by 3%.

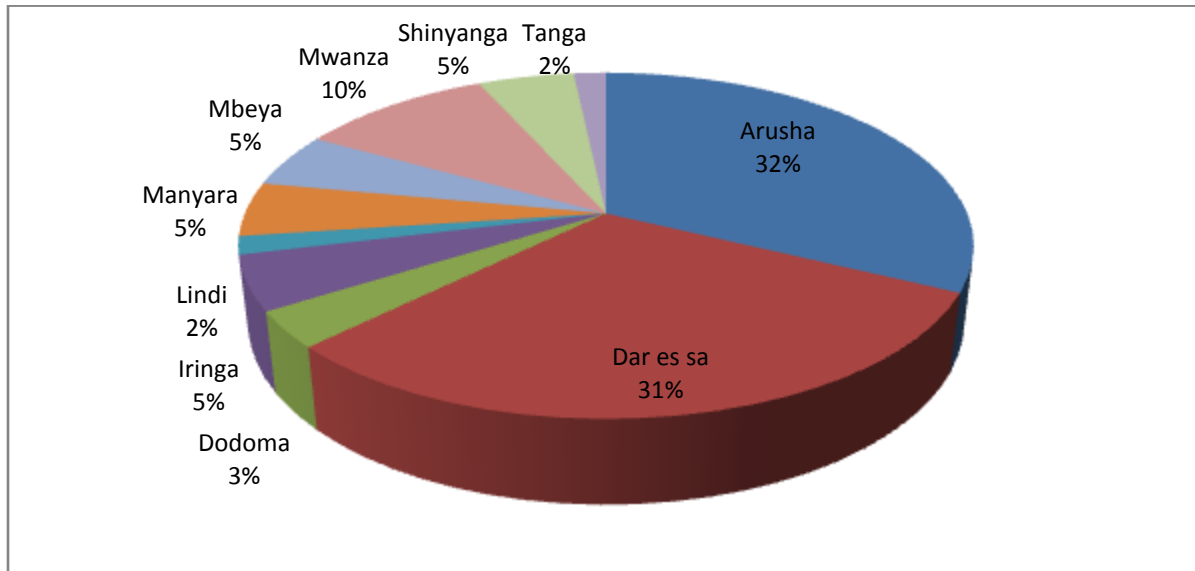
This indicates that our survey covered almost all of the areas where public procurement is done. It may be seen that regional administrative have few respondents but this does not mean response rate is low but it is because there few regional offices comparing to other categories of public procuring entities.

Figure 1: Response by PE Category



Tanzania mainland has 26 regions; our respondents according to figure 2 below were from 11 regions which are 42% of all regions with Arusha leading with number of respondents by 32% followed by Dar-es Salaam with 31%, then Mwanza 10%, Shinyanga 5%, Iringa 5%, Mbeya 5%, Manyara 5%, Dodoma 3%, Lindi 2% and Tanga 2%. However, it should be clear that before government to move its headquarters from Dar es salaam to Dodoma, 42% of PEs were found in Dar es salaam region followed by Arusha (5%), Dodoma (3.8%), Mbeya (3%), and Mwanza (2.5) [extracted from <http://tenders.ppra.go.tz/pe-directory.php>]. This implies that our respondents were covered adequately in region wise.

Figure 2: Response by Region



Custodian of Procurement Records within Procuring Entities

The respondents were asked the custodian of procurement records. This question follows section 61 of PPA, 2011 and regulation 15 of GN No. 446 of 2013 which requires the PEs to maintain records of the procurement or disposal proceedings. The results indicated that 73% of respondents confirm that procurement records are kept by PMU, while 17% their records are scattered to different departments, followed by 5% in which procurement records are kept by user department, and registry section. Therefore, despite 73% PEs have complied with section 61 of PPA, 2011, however, 27% of PEs was not complying with the section under discussion.

The Influence Procurement Record Keeping

The respondents were asked to rank their preference on the most influential factors affecting records keeping. The first factor ranked was concerning the availability of a complete record from initiation to contract management stage. The second-ranked was the arrangement of all records concerning procurement or disposal of asset in successive stages of procurement process, followed by the adequate space for archiving procurement and disposal of asset records for security and easy accessibility when they are required, and adequate facilities for archiving procurement and disposal of asset records for security and easy accessibility when they are required. The factors on keeping in a single file all records concerning certain procurement and disposal of the asset was least preferred. The response to this question has established that complete procurement records from initiation to contract stage is essential and it can affect the performance of procurement function.

Procurement Records Management Procedures Manual

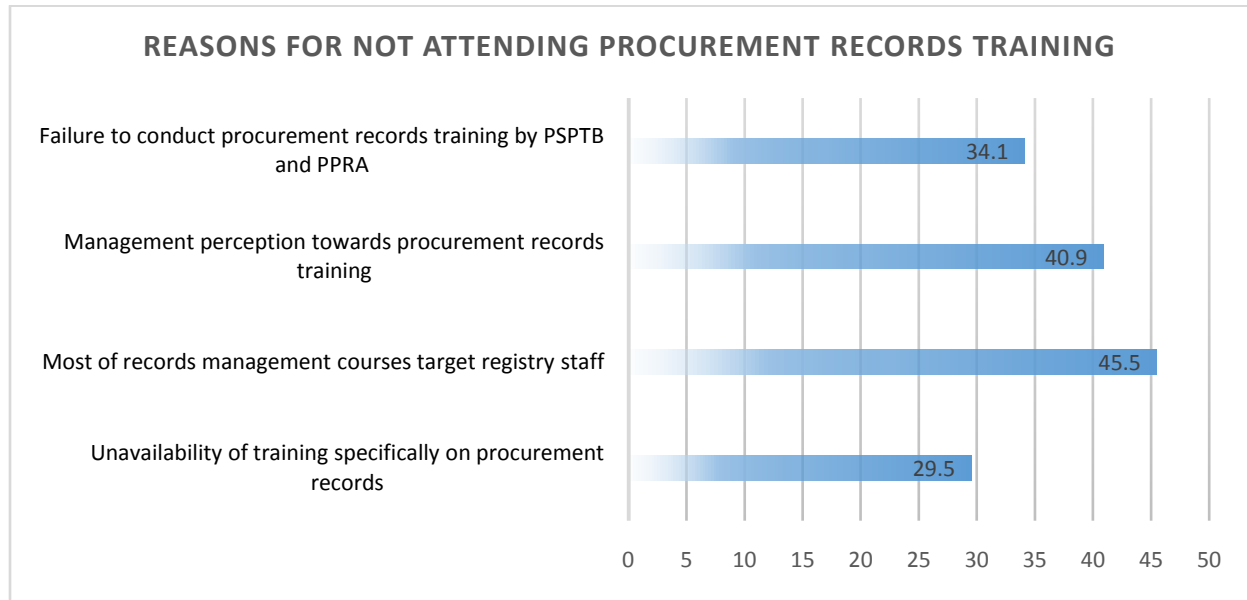
This study reveals that unavailability of procurement records management manual for the public sector to maintain uniformity and consistency among PEs is one of the barriers to effective procurement records keeping. In Tanzania, there are no procurement records management procedures manual to provide theoretical and practical guidance for management of procurement records. The PPRA is responsible for issuing guidelines from time to time subject to the power vested under section 106 of the PPA, 2011. Therefore, the study argued to the regulatory authority of procurement to prepare procurement records management manual. We emphasize that procedure manual increase obligation and uniformity to the procuring entities and later on boosting the overall compliance in public procurement.

Training on Management of Procurement Records

The literature reviewed above suggest that training on record keeping enhances compliance on public procurement act and its regulations. In this survey, we asked procurement officers in the public sector to confirm whether had ever attended training specifically in procurement documentation and records keeping within the last 5 years. Further, we had the interest to know the reasons for not attending such training. The reasons were grouped using the following headings, namely, unavailability of training specifically on procurement records, most of records management courses targeted registry staff, management perception towards procurement records training, failure to conduct procurement records training by PSPTB and PPRA.

The leading message is that 70.5 percent of procurement officers had not attended training specifically on procurement records which has been ever conducted by oversight bodies within the last five years. The rest 29.5 percent had attended procurement records training within the last five years. Further, 70.5 percent of procurement officers who had not attended procurement records training were asked to state the reasons for not attending. The results (figure 3) have shown that, 45.5 percent of the respondents who had not attended training perceive that most of records management courses target registry staff, 40.9 percent of the respondents who had not attended training perceive that management will not sponsor procurement staff to undertake training on records keeping because it is not their career, 34.1 percent of the respondents who had not attended training perceive that they had not seen in training adverts issued by PSPTB and PPRA specifically on record keeping, and 29.5 percent of the respondents who had not attended training perceive that they had not received training invitation specifically on procurement documentation and records keeping.

Figure 3: Reasons for not attending Procurement Records Training



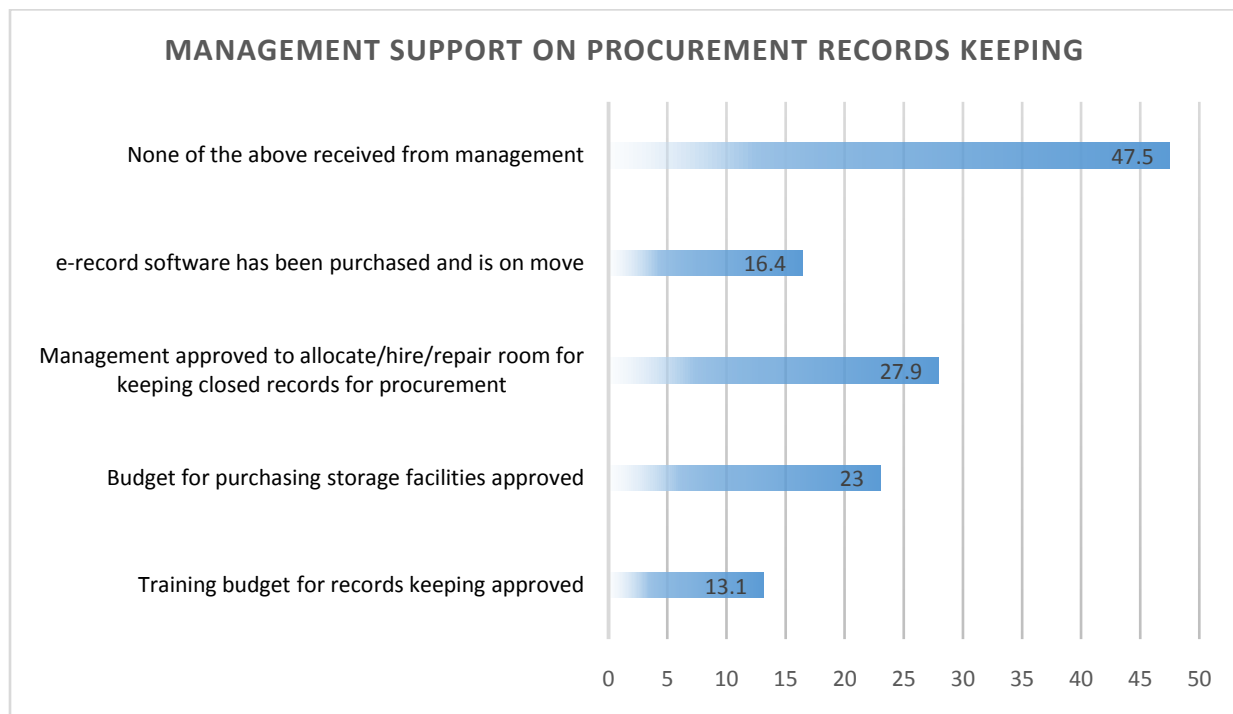
One of the key assumptions in this study is that, training of practitioners leads to increased skill to apply knowledge of the procurement records and documentation consequently improving their compliance in public procurement. Further, intensive workshop is required (not only to procurement officials but also information technology staff) in order to implement the procurement management information system (PMIS). The documentary review data has indicated weaknesses in the management of e-records. For instance, the following documents were not submitted to the PPRA through the PMIS: annual procurement plan, complete checklist, contract completion report, monthly procurement reports, quarterly procurement reports and annual procurement reports.

Management Support

The comments by Staehr (2010) bring the attention that, the top management support is important in providing and facilitating the required resources for the success of any project. Basing on this view, we asked procurement officers to confirm the support provided by the management toward compliance with procurement documentation and records keeping. The questionnaire survey required respondents to select relevant support based on the five aspects, namely, training budget for records keeping approved, budget for purchasing storage facilities approved, management approved to allocate/hire/repair room for keeping closed records for procurement, e-record software has been purchased and is on move, and lastly none of the above received from management (see figure 4).

Surprisingly, 47.5 percent of the respondents perceived that, they had not received any support from the management despite several requests submitted. Further, 27.9 percent of the respondents perceived that, management approved to allocate/hire/repair room for keeping closed records for procurement, 23 percent of the respondents perceived that, budget for purchasing storage facilities approved by the management, 16.4 percent of the respondents perceived that, e-record software has been purchased and is on move, and 13.1 percent of the respondents perceived that, training budget for records keeping approved.

Figure 4: Management Support on Procurement Records Keeping



From the findings above (figure 4) it can be noted that practices towards records keeping differ from one entity to another. However, half of the sampled population confirms that management has not availed adequate efforts on record keeping. This is supported by recent procurement audit (year 2016/2017) conducted by PPRA which revealed the manual record score was 68% while electronic records score was 48% and the year targeted score was 80%. The major weaknesses related to this were inadequate storage facilities as well as inadequate space for keeping procurement records. Therefore, our major argument is that, the management that is not investing in records keeping and documentation is less likely to comply with section 61(1) of PPA 2011 and vice versa.

CONCLUSION

The literature reviewed in this study confirms that, a record is more than just a piece of information. The record is supposed to be trustworthy, reliable and authentic, able to serve as evidence and to support accountability (Öberg and Borglund, 2006). A sound records management system is essential for effective policy formulation, decision making, business operations, implementation and monitoring of programs and activities (PPOA, 2008 p.15).

Further, this study confirms that non-compliance with procurement records and documentation caused by three major factors. First, the absence of procurement records procedure manual to guide procuring entities on records keeping. With this regard, the study recommended the regulatory authority of procurement to prepare procurement records management manual. This is because procedure manual increase obligation and uniformity to the procuring entities and later on boosting the overall compliance in public procurement. Second, procurement practitioners of procuring entities had not trained in records management. The study proposed that, training of practitioners leads to increased skill to apply knowledge of the procurement records and documentation consequently improving their compliance in public procurement. Third, management of procuring entities has not provided adequate support towards records management. The major argument in this study is that, the management that is not investing in records keeping and documentation is less likely to comply with section 61(1) of PPA 2011 and vice versa.

This study opens up further discussion in the field of procurement and records management. The scope of this study was limited to the three variables (manual, training, & management support) which influence compliance level. However, basing on the literature, there are several controllable and uncontrollable factors which influencing records management. Further, research should be carried out to determine the extent to which record management risk affect the compliance level in public sector procurement. The most identifiable risks are categorized in terms of control, information, and resources (Egbuji, 1999). Based on the collected data, there is feelings from procurement officers that the requirements in the “Records and Archives Management Act of 2002” contravenes with the “Public Procurement Act of 2011”. We recommend further study to analyze critically the two laws. Generally, this study calls for further research on the matters relating to records management in public procurement.

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