

THE 2007 PROCUREMENT ACT AND PUBLIC ACCOUNTABILITY – A CASE STUDY OF UNIVERSITY OF NIGERIA, NSUKKA

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Abstract

Using University of Nigeria, Nsukka (UNN), this study examines the impact of 2007 procurement act on public accountability in Nigeria. Three research questions guided the study. They are: how do the procurement acts provide fair opportunity to suppliers in the University of Nigeria? what are the impacts of the procurement act towards reducing corruption in the procurement process in the University of Nigeria? and what are the contribution of the procurement act towards quality control assurance in the University of Nigeria? The study adopted descriptive survey design. A sample size of 41 respondents drawn from the total population of 103 staff through the stratified random sampling technique was used for the study. The respondents were issued questionnaires to sample their opinions on the application and impact of the 2007 procurement act in the University. Both primary and secondary sources of data were applied for the study. Data collected were analyzed using weighted mean and standard deviation. Findings from the study revealed that the procurement act generally allows for fair opportunity to suppliers to compete with each other. The study also revealed that harmonization and transparency in the contract process were all enshrined in the procurement act to ensure fair treatment for all contractors.

Key words: Procurement Act, Accountability, Public Sector, University of Nigeria Staff

Introduction

As a result of wide spread corruption in the public sector of Nigeria, conducting government business degenerated so much by the year 2000. This was due to the fact that no serious attention was paid to public service rules, financial regulations, ethics and norms because of selfish reasons. As a result, the federal government noted the urgent need for transparency in government procedure so as to be able to move the system forward. Hence, the federal government commissioned the World Bank to collaborate with some private sector specialist to study the financial systems and the general procurement related activities in Nigeria (FGN, 2007).

A study conducted in 2001 into the state of federal government public procurement revealed that Nigeria may have lost trillions of Naira over the last two decades because of flagrant abuse of procedures for the award of public contracts, inflation of contract costs, lack of transparency, lack of competence, competition and merit as the fundamental criteria for award of public contracts (FGN, 2007). This led to the promulgation of the 2007 Public Procurement Act in the country.

The Public Procurement Act 2007 provides for the legal framework, policies, supervisory institutions and operational structures, as well as the scope, process, methods, supervision, complaint mechanism, code of conduct and offences relating to procurement of goods, works and services and disposal of assets at the federal government level in Nigeria (FGN, 2007). The procurement act was produced through a participatory review approach from key stakeholders including representative from private sector, federal, state and local government with assistance from international and national consultants.

According to Hassan (2008) the 2007 public procurement act was enacted by the national assembly to established two public procurement regulating authorities. The regulating authorities are the National Council on Public Procurement (NCP) and the Bureau of Public Procurements (BPP). The two bodies are responsible for the monitoring and oversight of public procurement.

According to FGN, (2007), the Council on Public Procurement shall consider, approve and amend the monetary and prior review threshold for the applications of the act by procuring entities; consider and approve policies on public procurement; approve the appointment of directors of the bureau; receive and consider for approval, the audited accounts of the bureau of public procurement; approve changes in the procurement process to adapt to improvement of modern technology and give such other direction and perform such other functions as may be necessary to achieve the objective of this act. While the Bureau of Public Procurement shall harmonize existing government policies and practices on public procurement and ensure probity, accountability and transparency in the procurement process; establish pricing standards and benchmarks; ensure the application of a competitive transparent value for money standard and practice for the procurement and disposal of public assets and services and attain transparency, competitiveness, cost effectiveness and professionalism in the public sector procurement system.

This study did not go into the practical details of the procurement act. However, it provided the basic understanding of its operations. The study therefore threw more light on the 2007 procurement act and public accountability in Nigeria, using the University of Nigeria, Nsukka to examine the impact of the act on public accountability in Nigeria.

Objective of the Study

The major objective of the study is to evaluate the impact of 2007 procurement act on accountability of officers in the public sector of Nigeria. The specific objectives are:

1. To evaluate how the procurement act is related to providing fair opportunities to suppliers in the University of Nigeria.
2. To evaluate the impact of the procurement act on reducing corruption in the procurement process in the University of Nigeria.
3. To examine the contribution of the procurement act in quality control assurance in the University of Nigeria.

Literature Review and theoretical framework

This section consists of some studies relevant to procurement act and the theoretical framework. Ogunseitan (2008) defined public procurement as the process of identifying what is needed, determining who is best qualified to supply this need and ensuring that what is needed is delivered at the right time, at the best price and in a fair and transparent manner. This definition looks at public procurement objectively from almost exert point of view but however, does not include the quality and quantity of what is needed which are key determinant in public procurement.

Idemili (2006) and (Van, 2010) define procurement as the process of obtaining the right materials in the right quality for delivery at the right place from the right source with the service and at the right cost. This definition though concise captures the key elements in procurement.

Accountability is the acknowledgment and assumption of responsibility for actions, products, decisions, and policies including the administration, governance, and implementation within the scope of the role or employment position and encompassing the obligation to report explain and be answerable for resulting consequences (Reyes, 2006).

In general terms, the public sector consists of governments and all publicly controlled or publicly funded agencies, enterprises, and other entities that deliver public programs, goods, or services. The public sector consists of an expanding ring of organizations, with core government at the center, followed by agencies and public enterprises (I.I.A., 2011).

The study is tilted to the contract theory conducted by Kenneth Arrow in the 1960s (Liberto, 2019). The theory provides how individual and organizations construct and develop legal agreements showing clear and specific understanding of responsibilities and requirements, as may be provided in the procurement act. Contract theory draws upon principles of financial and economic behavior as

different parties have different incentives to perform or not perform particular actions.

The theory is relevant to this study as the concept has become essential to economics. The theory has resulted in new analysis of firm's strategy and state intervention in the area of public utilities, public procurement, and institutional design and liberalization policies.

Methodology

The research design used in the study was a descriptive research design. A descriptive research as generally conceived according to Nworgu (2015) is one in which a group of people or items are studied by collecting and analyzing data from only a few people or items considered to be representative of the entire group.

The area of the study is University of Nigeria, emphasis were limited to the staff of Registry, Bursary and Physical Planning Unit, (Vice-Chancellor's Office) who are involved in the procurement process in the University.

The population of the study consisted of 103 staff of the University of Nigeria: Registry (22), Bursary (35) and Physical Planning Unit (46). 41 respondents were selected through a stratified sampling technique as follows: Registry (9), Bursary (15), and Physical Planning Unit (17). The technique was based on Nwana (1981) which says that if the population in hundreds, 40% could serve as a good sample.

The instrument titled "Questionnaire on evaluation of the impact of 2007 procurement act on accountability of officers in the public sector of Nigeria" was used in data collection. The instrument was made up of two parts. The first is the bio-data of respondents while the second part is the questionnaire items. The researcher personally administered the questionnaire to the respondents. Respondents were made to record their responses on a four point response option ranging from strongly Agree to strongly Disagree with a weighting of 4 to 1.

The data collected was analyzed using weighted mean and standard deviation and the cutoff point was determined by finding the mean score of 2.50 to the options. Therefore, any mean score of 2.5 or above was accepted while any mean below 2.50 was rejected.

Results

Table 1. Bio-data of respondents: N = 38

Age Distribution	Frequency	Percentage
21 – 30	5	13.2
31 – 40	8	21.0
41 – 50	10	26.3
50 and above	15	39.5

Sex status	Frequency	Percentage
Male	28	73.7
Female	10	26.3
Qualifications	Frequency	Percentage
GCE/WASSC	2	5.3
OND/NCE	7	18.4
B.sc/B.Ed/HND	21	55.3
Masters/Ph.d	8	21.0
Monthly income	Frequency	Percentage
50, 000 – 70, 000	3	7.9
51, 000 – 90, 000	9	23.7
91, 000 – 100, 000	12	31.6
101, 000 and above	14	36.8

The bio-data of respondents were investigated with a view to determining how relevant the respondents are. Factors considered include age, sex, educational qualifications, and monthly income of respondents. The results of findings are presented in Table I. From the table, 39.5% of the staff are above 50 years of age, as against 26.3% for staff below 41 – 50 years, while the rest of the staff are below 40 years. In terms of sex status of staff, 73.7% are male while 26.3% are female. The educational qualifications of the staff showed that only 21% of the staff had higher degrees while the majority of the staff had first degrees and HND as at the time of the research. The majority of the staff earns monthly salaries above ₦101, 000.00 (36.8%). This is closely followed by 12 staff (31.6%). The result of this investigation indicated that the staff used are old staff of University and therefore their responses were valid for the research.

Research Question One: How do procurement act provide fair opportunity to contractors in the University of Nigeria?

Table 2: Mean and Standard Deviations of the responses of respondents on how procurement act provide fair opportunity to contractors in the University of Nigeria

S/N	ITEMS	N	Mean	Std. Deviation	Dec.
1.	Procurement act is aimed at ensuring strict compliance with specifications in awarding contract.	38	3.52	0.68	A
2.	Procurement act is aimed at reducing business as usual syndrome in an organization.	38	2.81	0.92	A

3.	Procurement act harmonizes the process of awarding contract in an organization.	38	3.28	0.65	A
4.	Procurement act ensures transparency and competition among contractors.	38	3.10	0.83	A
5.	Procurement act provide fair opportunity to contractors in an organization	38	3.02	0.75	A
	Grand Mean	38	3.15	0.47	A

Key: N= Number of respondents, Dec.=Decision, A=Agreed

Result in Table 1 shows the Mean and Standard deviations of the responses of respondents on how procurement act provide fair opportunity to contractors in the University of Nigeria. The result shows that all the items (1-5) had mean ratings above the criterion mean of 2.50, which portrays that the respondents agreed to the items. This implies the respondents agreed that Procurement act is aimed at ensuring strict compliance with specifications in awarding contract ($x = 3.52$, $SD = 0.68$), Procurement is aimed at reducing business as usual syndrome in an organization ($x = 2.81$, $SD = 0.92$) among others are the ways procurement act provide fair opportunity to contractors in the University of Nigeria. Moreover, the grand mean of 3.15 with a standard deviation of 0.47 was also above the criterion mean of 2.50. This depicts the respondents agreed that all the items are ways through which procurement act provide fair opportunity to contractors in the University of Nigeria.

Research Question Two: What are the impacts of procurement act towards reducing corruption in the award of public contract in the University of Nigeria?

Table 3: Mean and Standard Deviations of the responses of respondents on the impacts of procurement act towards reducing corruption in the award of public contract in the University of Nigeria

S/N	ITEMS	N	Mean	Std. Deviation	Dec.
1.	Procurement act reduces corruption through due process mechanisms.	38	3.39	0.88	A
2.	Organizations prevent contract cost inflation through due process mechanism.	38	3.02	0.71	A
3.	Procurement act led to the formation of regulation not authority.	38	2.86	0.84	A
4.	Order is a mark in an organization base on direct purchases	37	3.00	0.88	A

5.	Threshold use in the procurement act serve as measure for reducing corruption in award of public contract.	38	2.86	0.87	A
	Grand Mean	38	3.00	0.44	A

Key: N= Number of respondents, Dec.=Decision, A=Agreed

Result in Table 2 shows the Mean and Standard deviations of the responses of respondents on the impacts of procurement act towards reducing corruption in the award of public contract. The result shows that all the items (1-5) had mean ratings above the criterion mean of 2.50, which explains that the respondents agreed to the items. This is indicative that the respondents agreed that Procurement act reduces corruption through due process mechanisms ($x = 3.39$, $SD = 0.88$), Organizations prevent contract cost inflation through due process mechanism ($x = 3.02$, $SD = 0.71$) among others are the impacts of procurement act towards reducing corruption in the award of public contract. Furthermore, the grand mean of 3.00 with a standard deviation of 0.44 was also above the criterion mean of 2.50. This implies the respondents agreed that all the items are the impacts of procurement act towards reducing corruption in the award of public contract in the University of Nigeria.

Research Question Three: What are the contributions of procurement act towards quality control assurance in the University of Nigeria?

Table 4: Mean and Standard Deviations of the responses of respondents on the contributions of procurement act towards quality control assurance in the University of Nigeria

S/N	ITEMS	N	Mean	Std. Deviation	Dec.
1.	Quality is one of the bases for awarding contract in an organization.	38	3.26	0.89	A
2.	Procurement act increases level of compliance and assurance to quality.	38	3.18	0.72	A
3.	Procurement act bring about changes in the procurement process to adopt improvement in modern technology.	38	2.86	0.90	A
4.	Total quality inspection section is responsible for quality in an organization.	38	3.13	0.74	A
5.	Quality in the procurement is the lifeline of every organization.	38	3.34	0.66	A
	Grand Mean	38	3.08	0.52	A

Key: N= Number of respondents, Dec.=Decision, A=Agreed

Result in Table 3 shows the Mean and Standard deviations of the responses of respondents on the contributions of procurement act towards quality control assurance. The result shows that all the items (1-5) had mean ratings above the criterion mean of 2.50, which shows that the respondents agreed to the items. This implies the respondents agreed that Quality is one of the bases for awarding contract in an organization ($x = 3.36$, $SD = 0.89$), Procurement act increases level of compliance and assurance to quality ($x = 3.18$, $SD = 0.72$) among others are the contributions of procurement act towards quality control assurance. Moreover, the grand mean of 3.08 with a standard deviation of 0.52 was also above the criterion mean of 2.50. This implies the respondents agreed that all the items are the contributions of procurement act towards quality control assurance in the University of Nigeria.

Discussions of Findings

One of the specific objectives of the study was to find out if the procurement act provides fair opportunity to suppliers in the University of Nigeria. Table 1 reveals that the procurement act generally allows for a fair opportunity to suppliers to compete with each other. The study revealed that strict compliance when awarding contract, harmonization of the contract process, transparency in the contract process were all enshrined in the procurement act to ensure a fair and leveled play ground for all contractors.

Again the study also evaluated the impact of the procurement act towards reducing corruption in the award of public contracts. Table 2 revealed that corruption is reduced through planned mechanisms in the procurement process. The procurement act has led to the formulation of a regulation preventing corruption in the procurement process to ensure contracts are awarded directly to contractors and suppliers to minimize and curb fraud.

Finally, the study also highlighted the contributions of the procurement act towards quality control assurance. Table 3 shows that the procurement act acts as a tool for increasing quality compliance in the sector. The procurement act also guide and inspects every public contracts thereby ensuring quality control assurance.

Conclusion and Recommendations

For accountability to be sustained in the procurement of goods for public use there must be contract planning to serve as an impact for increased accountability, upon which budget productivity is based. Productivity must be planned before it can be controlled, and operation has to be determined and analyzed into expenditure costs so as to know how realistic it would contribute to project goals.

Based on the findings, the researcher recommends that MDAs should adhere strictly to the terms of the procurement act to ensure accountability and transparency in the process of awarding contracts.

MDAs should endeavor to employ competent and intelligent staff with experience to oversee the implementation of the procurement act to achieve efficiency and effectiveness in order to minimize and curb fraud in the process of awarding contracts.

MDAs should have the support of top management during the process of procurement so that quality and control should not be compromised in the award of public contracts.

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