

## Assessing the Implementation Challenges of the Procurement Act of Ghana: The Newmont Ghana Experience

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### Abstract

The Public Procurement Act of 2003 was initiated to address the weaknesses which were impregnated in the Public Financial Management Reform Programme (PUFMARP). The goals of the Acts among others were to harmonise public procurement processes, practices, and secure judicious economic and efficient use of state funds and to possibly ensure that public procurement is fair, transparent and non-discriminatory. The research therefore assessed the challenges influencing the implementation of the Public Procurement ACT 663 and its Amended Act 914 on procurement practitioners, where the main variables included strategic planning, regulation enforcement and organizational culture. Through a survey research design, the study targeted procurement officers' and contractor bodies working with Newmont Ghana Gold Ltd. Convenience sampling technique was used to select a sample of 50 respondents. Interviews and questionnaires were used in the data collection. Quantitative data collection was analyzed by the use of descriptive statistics using Microsoft Excel and presented through frequencies and percentages.

The findings revealed that 75% of the respondent believed that Newmont's strategic plan has the relevant performance pillars. The study showed that 47.5% said the impact of regulation enforcement on Newmont's procurement activities is moderate. The findings also revealed that 47.5% of the respondent strongly agreed on the issue that Newmont's culture favors good procurement procedures. In conclusion, the outcome suggested that, the Public Procurement Act can be carried out effectively if the strategic plan, regulation enforcement and organizational culture support the procurement systems in place. On recommendation, the researcher observed that Procurement process should uphold integrity and ensure that there are no malpractices and there is informed decision-making.

**Key words:** weaknesses, procurement act, efficient use, state funds, harmonise

### Background of the Study

Procurement is an important part of efficient management and supply of input and is critical for all levels of any institution. An effective procurement process ensures the availability of the right material in the right quantities, available at the right time, for the right purpose and at reasonable prices, and at recognizable standards of quality (WHO 2007). Procurement plays an important role in a firm's profitability and enhances value and wealth creation. As entities grow, the role of procurement is increasingly recognized as one of the functions that contribute to the success of the organization. In both manufacturing and service organizations, the cost of products depends on the value at which inputs were purchased, underpinning the importance of procurement function to an organization's survival. Consequently, the need for a well-functioning public procurement system as a potential for accelerated national development, cannot be overemphasized. This is particularly true for developing countries, where procurement usually accounts for a high proportion of total expenditure. For example in Ghana, public procurement accounts for 50-70% of the national budget (after personal emoluments), representing about 24% of total imports and makes up about 14% of the country's Gross Domestic Product (GDP) (World Bank, 2003) while most industrialized countries spend about 10% of their GDP on public procurement (Trionfetti, 2003).

In the Organization for Economic Co-operation and Development (OECD) countries for instance, the United Kingdom, United States, France, and Germany just to mention a few, it is estimated that globally public procurement accounted for about US\$2,000 billion in 1998, which was about 7% of the global GDP (OECD Procurement Outlook, 2002) and as the statistics below indicate, public procurement accounts for more than 15% of Gross Domestic Product (GDP) in OECD countries with the share of GDP going even higher in non-OECD countries (OECD Procurement Outlook, 2005). This shows the effect that the performance of public procurement markets has for the effectiveness of governance in both developed and developing countries.

In recent years, Hunja (2003), recognizing the realization and need for reforms in many developing countries, has described the aim of such reform programme as being to establish a strong and well-functioning procurement system that is governed by a clear legal framework establishing rules for transparency, efficiency and mechanisms of enforcement, coupled with an institutional arrangement that ensures consistency in overall policy formulation and implementation. The impetus for reforms has increased, not only to address the foregoing procurement inefficiencies which have become self-evident, but also in consequence of the requirements of the World Bank and donor organizations as conditions for providing development aid (Agaba and Shipman, 2012). The need for good governance and increasing donor confidence in efficient utilization of public funds has become crucial. Also many of these countries have instituted reforms to make the procurement system more transparent and efficient and to demand more accountability from public officials. Besides, public sector management, globally, is increasingly under pressure to go beyond the implementation of policies and procedures and to produce results. This trend is also reflected in public procurement which has often been more compliance based than other disciplines due to an anti-corruption focus.

In consequence, the Government of Ghana launched the Public Financial Management Reform Programme (PUFMARP) in 1996, with the aim to improve overall public financial management. PUFMARP identified various inefficiencies and weaknesses in the procurement system which resulted in the reforms in the public procurement, which eventually led to the passing of the Public Procurement Law on December 31, 2003 dubbed Public Procurement Act, 2003 (Act 663). Some of the weaknesses included;

- i. The absence of a comprehensive legal regime to safeguard public procurement
- ii. No comprehensive public procurement policy
- iii. Absence of a central body with technical expertise to oversee or regulate sound procurement practice.
- iv. No rules and regulations to guide, direct, train and monitor public procurement
- v. No independent appeals process to address complaints from tenders
- vi. No authority to dispose of public assets
- vii. No independent procurement auditing function.

A number of authors have investigated the factors that work against procurement reforms around the globe (Thai, 2004; Wittig & Jeng, 2004; NPPA Annual Report, 2005). However, these previous studies have not reported on obstacles to the procurement reforms in Ghana. There is therefore the need to undertake a rigorous analysis of factors that have prevented the law in Ghana from achieving the purpose for which it was enacted.

The object of this paper is to identify the specific challenges, in the case of Ghana, that militate against the smooth implementation of the Public Procurement Law and to connote some solutions to address the issues that confront the successful implementation of the law.

## **THEORITICAL ISSUES**

This section reviews the theoretical aspect of the study, it is the secondary data of the research and it is carried out to give the theoretical account of the study. It focuses on the review of past studies on the topic of the research study from a global perspective. It is centered on; review of variables (strategic planning, regulation enforcement and organizational culture), definitions of key terms (Public Procurement, Public Procurement before the Reform, Public Procurement Act 663 and its Amended Act 914).

### **Strategic Planning**

The strategic plan is a key performance management tool; a corporate vision provides the general direction for the entire organization (Coopey and Burgoyne 2011). Since the global financial crisis, the change imperative has come to the fore for many organizations and has been the focus of many boardroom, senior management, and strategists' meetings and discussions key to setting the strategic plan. No industry sector, public sector organization, or government department has escaped the change. Strategic changes entail transformation in the form, quality, or state overtime in an organization's alignment with its vision and hence suit its external environment (Bartley, 2011).

According to Agaba & Shipman, (2007), procurement planning is the process used by companies or public institutions to plan purchasing activity for a specific period of time. This is commonly completed during the budgeting process. Each year, departments are required to budget for staff, expenses, and purchases. This is the first step in the procurement planning process. Economic commission of Africa (2003) defines procurement planning as the purchasing function through which organization obtain products and services from external suppliers. A good procurement plan will go one step further by describing the process you will go through to appoint those suppliers contractually. Whether you are embarking on a project procurement or organizational procurement planning exercise, the steps will be the same. First, define the items you need to procure. Next, define the process for acquiring those items. And finally, schedule the timeframes for delivery.

Procurement is thus one part of the commissioning process. It refers to a specific method of purchasing services which involves tendering for a contract.

### **Regulatory Enforcement**

Enforcement could be broadly viewed as any actions taken by regulators to ensure compliance (Zubcic and Sims, 2011). There are mixed opinions regarding the effect of enforcement on compliance. Some scholars such as Sparrow (2000, 1994) doubt the direct effect of enforcement on compliance. They argue that enforcement may make violators more sophisticated in how to prevent, and conceal detection by the Gikonyoities. However many other scholars agree that enforcement improves compliance (Gunningham and Kagan, 2005; Imperato 2005; Sutinen and Kuperan, 1999; Zubcic and Sims, 2011). According to Zubcic and Sims (2011), enforcement action and increased penalties lead to greater levels of compliance with laws. Corruption among government procurement officials in developing countries such as Bangladesh, India, Sri Lanka, Nigeria and Venezuela has been linked to a weak enforcement of the rule of law (Nwabuzor, 2005) as cited in Raymond (2008). A study on corporate governance in Africa revealed that countries such as Nigeria and Ghana suffer from weak law enforcement mechanisms (Okeahalam, 2004).

In countries with complaint and review mechanisms, bidders are allowed to verify whether the procurement processes conform to the prescribed procedures. The possibility of review is also a strong incentive for procurement officials to abide by the rules (Hui et al 2011). Firms might choose to implement ineffective compliance systems if legal violations may be profitable in cases where the legal system under-enforces, either because penalties are set too low or because detection is imperfect or ineffective. Gunningham and Kagan (2005) argue that the threat of legal sanctions is essential to regulatory compliance and that enforcement action has a cumulative effect on the consciousness of regulated companies and it reminds companies and individuals that violators will be punished and to check their own compliance programs. This is also supported by

Gunningham and Kagan (2005) who opined that the outcome of sustained enforcement action instilled a culture of compliance and had a direct impact on corporate compliant behavior. Sutinen and Kuperan, (1999) further argue that coercive enforcement measures remain an essential ingredient in any compliance regime.

**Organisational Culture**

Due to regulatory reforms and changing community expectations, the role of culture in organisational compliance has gained momentum (Lisa, 2010). Basing on the competing values model(hierarchical culture), which involves enforcement of rules, conformity and attention to technical matters, individual conformity and compliance are achieved through enforcement of formerly stated rules and procedures(Zammuto and Krakower, 1991) as cited in Parker and Bradley (2000). Although there is no single definition of culture, one can define it as ‘the structure of behaviors, ideas, attitudes, values, habits, beliefs, customs, language, rituals, ceremonies, and practices of a particular group of people that provides them with a general design for living and patterns for interpreting behavior’ (Rice, 2007).

According to Lisa, (2010), culture plays a central role in the compliance process and associated outcomes. Conducted a study on culture in Uganda’s public sector and depicted culture as a hindrance to reforms. It is also contended that in a specific type of culture, characterized by specific values such as openness, trust and honesty (Arjoon, 2006) as cited in Lisa, (2010), employees are more likely to engage in compliance behaviors, which collectively will contribute to organisational compliance. Parker and Bradley (2000) further indicated that awareness of the nature of public organisational culture is vital in explaining and assessing the appropriateness and outcome of the current reform process. This applies to developing countries where waves of procurement reforms have resulted into enactment of procurement rules and regulations. This leads us to the following proposition.

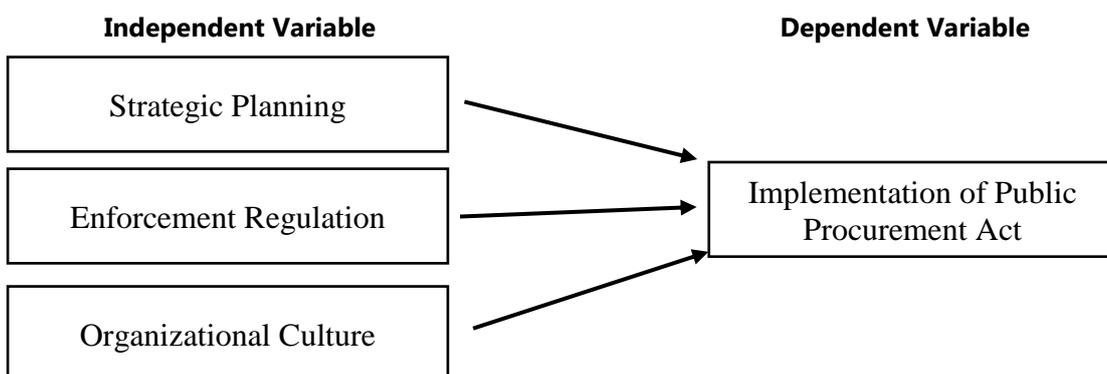
**Implementation of Public Procurement**

Procurement encompasses the whole process of acquiring property and/or services. It begins when an agency has identified a need and decided on its procurement requirement. Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, contract award, delivery of and payment for the property and/or services and, where relevant, the ongoing management of a contract and consideration of options related to the contract. Procurement also extends to the ultimate disposal of property at the end of its useful life (Waters 2004).

**Figure 2.1 Conceptual Framework**

It focuses on the determinant variables identified in the study, which would be associated with implementation of public procurement. In this research, the explanatory variables have been classified as; strategic planning, regulatory enforcement and organisation culture.

Figure 2.1: Conceptual Framework



It is depicted from the diagram above that, implementation of Public Procurement Act depends on the independent variables; strategic planning, enforcement regulation and organization culture.

### **Procurement practice in Sierra Leone**

The challenges to the institutionalisation of national laws are ubiquitous in developing countries, Ghana not being an exception. The National Public Procurement Authority of Sierra Leone in its 2005 report outlined several challenges bedevilling the operations of the Authority. Some of them include: inadequate funding, deficient staff strength and organisational and logistical limitations. The report recommended among other things, that the law could achieve its objective if there is a rigorous effort by all stakeholders, backed by very firm political will and adequate budgetary support, to streamline and improve public procurement procedures in Sierra Leone (NPPA Annual Report, 2005). Annual reports of the Public Procurement Authority (PPA), since its establishment, have always cited inadequate funding as the leading barrier to smooth operations of the Authority. Lack of adequate office accommodation was specifically reported in the 2007 and 2008 annual reports (PPA Annual Report, 2007 & 2008).

Political will is the demonstrated credible intent of political actors (elected or appointed leaders, civil society watchdogs, stakeholder groups etc.) to attack perceived causes or effects of corruption at a systemic level (Sahr, 1998). Historically, successful reform programmes around the globe indicate that the paramount success factor is strong political will demonstrated by a commitment from leadership at all levels of government (Sahr, 1998). However, those who wield power lack the moral courage or capacity to exercise that power to ensure the needed change. Kosack (2008) argued strongly that success chalked in several countries around the world in areas of access to basic education was due to political will of the leaders in those countries and their commitment to increasing access to education. Thus new rules and campaign gimmicks (tricks or ploys) adopted by politicians alone are not enough for procurement reforms (Philip, 2002). The principal challenge in assessing political will is the need to distinguish between reform approaches that are intentionally superficial and designed only to bolster the image of political leaders and substantive efforts that are based on strategies to create change (Sahr, 1998). Political commitment is a necessary condition for procurement reforms to curb corruption. Without political will and commitment by the leadership of a country, grand corruption is perpetuated at an alarming rate with petty corruption becoming endemic and more difficult to stop (Philip, 2002). There are tangible indications of political will by some stakeholders at the lower levels to effect change, but this cannot be achieved if those at the apex (top) of the pyramid, lean back (Szeftel, 1998). Thus the battle against corruption should begin with a strong political will and explicit commitment to eradicate all its manifestations (Osei-Tutu, Badu & Owusu-Manu, 2009).

Reform efforts are oftentimes unsuccessful due to the combined influence of inadequate strategies, political resistance, failure to sustain long-term reform efforts and the lack of knowledge about appropriate tools to establish systemic change (World Bank, 1994). Kagwe (2005) indicated that the perceptions among Kenyans about corruption in public service have unfortunately gone higher despite all the laws passed to fight against this menace. This was attributed to several factors including, loopholes in the legislative provisions of the public procurement and conflicts of interests (Kagwe, 2005).

It is worth noting that studies have shown that corruption pervades developing countries because of weak institutional infrastructures and lack of effective monitoring mechanisms (Lengwiler & Wolfstetter, 2006). Public procurement has been perceived as an area of waste and corruption (Thai, 2004) that is widespread (Jones, 2007). If procurement laws and regulations are not enforced to the letter, issues of corruption will continue to cover headlines in both the print and electronic media.

Ghana remains one of the most corrupt nations in the world judging from the annual Corruption Perceptions Index (CPI) released by Transparency International in 2012 (Transparency International, 2012). Though

corruption is said to be present in all societies (Sahr, 1998), Lengwiler and Wolfstetter (2006) revealed that the quantum of money changing hands through corruption in public procurement is estimated between \$390-400 billion per annum all over the world. However it is estimated that corruption in Sub-Saharan Africa exist in about 70% of public contracts and results in about 20-30% rise in contracts sums. The cost of corruption in Africa is estimated at around \$148 billion a year (Mawenya, 2008). Corruption occurs throughout the procurement process and project cycle, through the actions and inactions of political officers, public servants, clients, consultants, contractors and suppliers (Osei-Tutu, Badu & Owusu-Manu, 2009).

There is no evidence that the passage of the Public Procurement Law and its implementation has made any significant impact in curbing corruption in public procurement in Ghana. According to the 2010 and 2011 annual Corruption Perceptions Indices (CPI) released by Transparency International, Ghana ranked the 62nd and 69th most corrupt country respectively, out of 183 countries worldwide (Transparency International, 2012). With only 4.1 CPI in 2010 and a further slump in 2011 to 3.9 CPI score, corruption in Ghana remains a significant impediment to effective resource utilisation and efficient service delivery. There is no real evidence that Ghana has made serious gains through the enactment of corruption targeted legislation, thus their impact cannot be discounted completely.

Schiele and McCue (2006) described the public procurement implementation challenges as environmental factors. These include market conditions, legal and political environment, organisational and socio-economic environmental factors. It was established further that, regardless of the effort by central government and its related agencies to overcome implementation challenges, and an understanding of the value adding potential of procurement departments, a large number of internal customers act on their own and frequently bypass the procuring department.

The Country Procurement Assessment Report of Ghana produced in 2003, revealed that most staff members of Ministries, Departments and Agencies (MDAs) and District Assemblies (DAs) responsible for procurement were not procurement-proficient, even though they have been trained. The report contended that application of the PPA and the Standard Tender and Contract Documents will not be successful without broad training and 'refresher' programmes for officials in charge of procurement. Similarly Forgor (2007) agrees that lack of proper training of managers on the procurement process is a challenge that confronts procurement reforms. This supports the assertion that poor dissemination of procurement law is one of the challenges facing the smooth implementation of public procurement laws (Azeem, 2007).

Political interference with the procurement process poses a challenge to the implementation process and public procurement reforms. A good number of politicians think that they have the right to intervene in the procurement procedures thereby leading to unreliable or capricious procurement decisions (World Bank, 2004).

In a similar vein, low level or absence of capacity building for service providers has been identified as one of the factors inhibiting successful public procurement reforms in Malawi. Many of its bidders are limited in various capacity issues including lack of basic knowledge of the law, inadequate capacity to appreciate the standard tender documents, poor access to tender information and insufficient technical and managerial skills to be competitive in the tendering process (ODPP Annual Report, 2007). The office of the Director of Public Procurement of Malawi in its 2006/2007 Annual report outlined the following factors, among others, impeding the operation of the procurement law in Malawi: shortage of qualified personnel, lack of adequate financial resources, lack of adequate office space, non-compliance with some provisions of the law, poor records management by entities and overpricing of goods, works and services by bidders.

These and other challenges appear to be common in the country's procurement environment as in many other developing countries and therefore this paper set out to proffer and catalogue the challenges that exist, and find solutions towards the effective management of Ghana's procurement system.

### **definition of Public Procurement**

According to the Public Procurement Act, 2003 (Act 663), Procurement is the process of acquiring goods, works and services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of government, corporations or individuals using public funds.

Ayitey (2012) also defines Procurement as the means of obtaining materials, goods and services at the right quality, in the right quantity from the right source delivered to the right place at the right time, at the right price to achieve an organizational goals.

Public Procurement is the process by which organisations acquire goods, works and services using public funds. It includes planning, inviting offers, awarding contracts and managing contracts.

Public Procurement is the process by which governments and other publicly-funded entities acquire goods, works and services needed to implement public projects. It accounts for at least 15% of the world's Gross Domestic Product (GDP) and even more African countries. Reducing bottlenecks, fighting corruption and building capacity in procurement helps government increase the buying power of their budget and enhance the quality of service delivery to the citizens. Competitive and transparent public procurement systems are therefore a key factor to achieving sustainable development and more prosperous economy in Africa (World's Bank 2013).

### **Public Procurement Authority (PPA)**

The Public Procurement Authority acts as the statutory advisory and coordinating body on procurement (Part 1 of Act 663). All Procurement Entities, Tender Committees and Tender Review Boards are required to abide by the technical guidelines and regulatory instructions issued by the PPA. The PPA has responsibility for the overall co-ordination, direction and development of Government procurement practices and procedures. The Authority is entrusted with 21 functions under Section 3 of the Act which are summarised as follows:

1. Formulation/Development of public procurement policy, setting standards, rules, instructions and other regulatory instruments on public procurement.
2. Monitoring compliance with requirements established by legislation.
3. Obtaining and ensuring dissemination of information relating to public Procurement
4. Facilitating and supporting capacity building in public procurement.
5. Organising and participating in administrative review of complaints and appeals on public procurement.
6. Maintaining registers of procurement entities, members and secretaries of tender committees, and of suppliers, contractors, consultants, and records of prices
7. Investigating and debarring from public procurement suppliers, contractors and consultants who have contravened the provisions of the Act and Regulations, and communicating a list of debarred firms to procurement entities
8. Through an annual procurement forum, providing a platform for discussion of issues relating to public procurement; and
9. Assisting the local business community to become competitive and efficient suppliers to the public sector.

## Public Procurement Reforms in Ghana

The Public Financial Management Reform Program (PUFMARP) was introduced in 1996 by the Government of Ghana with the objective of achieving better overall public financial management in Ghana. By 1999, the Government of Ghana established the Public Procurement Oversight Group to handle the development of a broader public procurement reform program. The Public Procurement Act, 2003, (Act 663) has established Public Procurement Authority (PPA) as the sole corporate body in-charge of the effective implementation of the Act. The objective of the PPA is to secure a judicious, economic, and efficient use of public funds in a fair, transparent and non-discriminatory manner while promoting a competitive Local industry.

### The Public Procurement Act, 2003 (Act 663)

The Public Procurement Act, 2003 (Act 663) set out the legal, institutional and regulatory framework to secure fiscal transparent and public accountability in Ghana's procurement system. The Act establishes five basic principles upon which the public procurement is based (World Bank, 2003). These pillars are: the legal and institutional framework; standardized procurement procedures and tender documents; independent control system; proficient procurement staff; and anti-corruption measures.

**Table 2.1 Summary of the Public Procurement Act 663 of Act 2003**

Summary of the Public Procurement Act, 2003 (Act 663) Sections	Part	Issue
1-13	Part I	Establishment of the Board
14-20	Part II	Procurement Structures
21-34	Part III	Procurement Rules
35-43	Part IV	Methods of Procurement
44-51	Part V (Sub-Part I)	Tendering Procedure – (Invitation of Tenders and applications to prequalify)
52-55	Part V (Sub-Part II)	Tendering Procedure – (Submission of Tenders)
56-65	Part V (Sub-Part III)	Tendering Procedure – (Evaluation and comparison of Tenders)
66-77	Part VI	Methods and Procedures to engage the services of Consultants
78-82	Part VII	Review
83-84	Part VIII	Disposal of Stores, Plant and Equipment
85-99	Part IX	Miscellaneous Provisions

**Table 2.2 Thresholds for Procurement Methods**

Procurement Method	Contract Value threshold
1. International Competitive Tender	
a. Goods	Above GHc 10, 000, 000.00
b. Works	Above GHc 15, 000, 000.00
c. Technical Services	Above GHc 5, 000, 000.00
2. National Competitive Tender	
a. Goods	More than GHc 100,000. up to GHc 10,000.000
b. Works	More than GHc 200,000. up to GHc 15,000.000
c. Technical Services	More than GHc 50,000. up to GHc 5,000.000
3. Price Quotation	
a. Goods	Up to GHc 100,000.00
b. Works	Up to GHc 200,000.00
c. Technical Services	Up to GHc 50,000.00
Restricted tender	Subject to approval by the Board
Single source procurement selection	Subject to approval by the Board
<b>CONSULTANCY SERVICE</b>	
1. Quality Based Selection	Refer to Procurement Authority Manual for procedure
2. Quality and Cost Based Selection	Refer to Procurement Authority Manual for procedure
3. Consultant's Qualification	Refer to Procurement Authority Manual for procedure
4. Fixed Budget Selection	Refer to Procurement Authority Manual for procedure
5. Least Cost Selection	Refer to Procurement Authority Manual for procedure
6. Individual Consultant	Refer to Procurement Authority Manual for procedure
7. Single Source	Subject to Public Procurement Authority Approval

**Source:** The Public Procurement (Amendment) Act, 2016

## **Summary**

In Ghana, procurement is still 'undervalued compared to the other key areas of Public Sector Reforms' (Verhage et al, 2002). The paper sought to bring together the implementation challenges of the procurement law passed in different countries. It is therefore imperative to understand the implementation and the compliance to the provision in the Act.

## **RESEARCH APPROACH**

### **Research Design**

This research is based on the assessment of the implementation challenges of Public Procurement Act 2003 and its Amended Act 914 in procurement practices. Newmont Ghana Gold Ltd is therefore selected as a case study organisation. The entire procurement and stores department is used as a sample frame for this research.

### **Survey Research**

With the view to generalizing from sample of individual, the research used survey research design in conducting this study.

Survey research is the type of a research, where the researcher selects a sample of respondents from a population and applies the appropriate methods and techniques to collect data from them. It is a strategy in which quantitative information is systematically collected from a relatively large sample taken from a population.

### **Target Population of the Research**

Population is the entire aggregation of cases that meet a designated set of criteria (Pout and Bungler, 1996). The target population is the aggregate of cases which the researcher would like to use to make generalizations. The target population for this work is procurement, stores and supplier officers of Newmont who have knowledge about the public procurement Act 663 in Ghana.

It shall be loosely focused on management, employees of Newmont Ghana Gold Ltd (Department of Supply Chain Management) and 20 prospects of procurement officials around Newmont environs, Ahafo Kenyasi.

### **Sample Size**

A sample consists of a carefully selected out of the units that comprises the population (Pout and Hungler, 1996). Sample size is the number of units to be selected from the population that would be representative.

The sample of the study would be fifty (50), and out of this, 10 people will be granted personal interview whilst forty (40) will be conducted administered questionnaires.

### **Sampling Selection Method**

Convenience sampling method is used by the researcher in conducting the research study. However, this is the most common of all sampling technique. With convenience sampling, the samples are selected because they are accessible to the researcher. Subjects are chosen simple because they are easy to recruit.

## **Method of Data Collection**

Method of data collection is simply the various ways of collecting data from the study group. Under this study, personal interview and questionnaire were the main methods used to collect data or information.

### **a. Personal Interview**

Interviewing is a commonly method of collecting information from people. The interview shall be conducted among procurement or purchasing officials. A prepared questionnaire shall be given to these groups to answer and with the help of personal interview method; the researcher may gather the data and the response rate as anticipated.

### **b. Questionnaire Design**

It is a set of questions used to gather information in a survey. Questionnaire is designed in a way to collect information on key variable which will help the researcher. Information gathered on certain demographic or population and socio-economic factors. The socio-economic factor shall be centered on; Gender, Age, and Education. The questions shall be put in simple form to allow respondents to provide the needed information for the study. Both open and close ended questions as well as likert scale methods shall be used. These are to allow free-will giving of information.

## **Primary Data Collection Method**

Primary data is the type of information collected by the person who is conducting the research survey. On the other hand, it consists of data collected by or on behalf of the person or peoples who are going to make the use of the data. With regards to this research work, primary data was used.

## **Secondary data**

Secondary data is information collected already or data that exists in the organization database. We used secondary data which includes written records and the internet. The purpose of using the secondary source of data collection is to get information and explanations which the primary data could not provide.

## **Data Analysis**

The data shall be analysed by the use of percentages and degree of tables, pie charts, bar charts and frequency distribution tables. These tools were used for easy presentation of data and also enable us to eliminate the complex nature of data presentation.

## **RESULTS AND DISCUSSION**

### **Data Presentation and Analysis**

This section comprises of data analysis, presentation and interpretation of the findings. The data presented includes response rate, background information of the respondents and a presentation of findings against each individual objectives of the study. The data analyzed and presented was based on the responses to the items in the questionnaires and interview schedules. Descriptive statistics are also used in analyzing the findings of this research project. This chapter explains with analysis, the information gathered from Newmont Ghana Gold Limited. The information gathered was by the use of questionnaires and interviews.

**Data analysis focused on the following;**

- a. Strategic planning of procurement
- b. Regulatory enforcement of the Public Procurement Act
- c. Effects of organisational culture on Public Procurement Act.

**Response rate:**

In the study, 50 questionnaires were administered to the respondents. Out of the 50, 40 were successfully filled and returned and as such, they were considered as the sample with a response rate of 80%. Such a response rate was viewed as being highly favourable according to Mugenda and Mugenda (2003) who asserted that a response rate of 50% is adequate, 60% good and above 70% may be rated as being very good. This, in a nutshell implies that the respondents were an adequate representation of the entire targeted population

**Background of respondents**

The research analyzed the background of the respondent using the following parameters: Gender, Level of Education, Age, and Years each respondent have worked with Newmont. The result were summarized and presented as follows. The result were summarized and presented as follows;

**Gender of Respondent**

Different gender has different opinions about various issues. The researcher wanted to find out the views of different gender interviewed. The findings are as indicated in table 4.1

**Table 4.1 Gender of the Respondents**

<b>Gender</b>	<b>Frequency</b>	<b>Cumulative Frequency</b>	<b>Percentage (%)</b>
Male	32	32	80
Female	8	40	20
Total	40	40	100

**Source:** Researcher's field survey, June, 2017.

From the distribution table above, the finding showed that 80% of the respondents were males and 20% of the respondents were females. This implies that more males were interviewed during the research.

**Age of the Respondents**

The age of the respondent is important in research as people who are old in age may have different opinion than young people due to experience gained. Also people of different age may have varying ideas about certain issues.

The researcher wanted to determine age of the respondent and the results are as indicated in table 4.2

**Table 4.2 Age of the Respondents**

Age	Frequency	Cumulative Frequency	Percentage (%)
16 - 30 Years	16	16	40
31 - 45 Years	20	36	50
46 - 60 Years	2	38	5
61 Years and above	2	40	5
<b>Total</b>	40	40	100

**Source:** Researcher's field survey, June, 2017.

The finding revealed that 40% of the respondents are aged between 16 - 30 years, 50% of the respondents are aged between 31 - 45 years, 5% are aged between 46 - 60 years and 5% are aged over 61 years. This showed that majority of the respondent are aged between 31 – 45 years.

#### **Level of education of the Respondents**

Education level had an impact on how people respond to different opinions. The researcher sought to establish the education level of the respondent.

The findings are indicated in table 4.3.

**Table 4.3 Level of education of the respondents**

Education of Education	Frequency	Cumulative Frequency	Frequency (%)
A' Level	2	2	5
Diploma	3	5	7.5
HND	14	19	35
Degree	19	38	47.5
CIPS	2	40	5
Total	40	40	100

**Source:** Researcher's field survey, June, 2017.

From the study as indicated in the above, it was revealed that 5% of the respondents have education level of A' Level, 7.5% of the respondents are Diploma holders, 35% of the respondents were HND holders, 47.5% of the respondents were Degree holder whilst only 5% were CIPS holders respectively. This showed that majority of the respondent were Degree holders.

### Position held by Respondents

**Table 4.4 showing positions held by respondents**

Position Held	Frequency	Cumulative Frequency	Frequency (%)
Head of Procurement Unit	2	2	5
Supply Officer	3	5	7.5
Procurement Officer	5	10	12.5
Warehouse Foreman	7	17	17.5
Head of Stores	10	27	25
Head of Works	1	28	2.5
Others	12	40	30
<b>Total</b>	40	40	100

**Source:** Researcher's field survey, June, 2017.

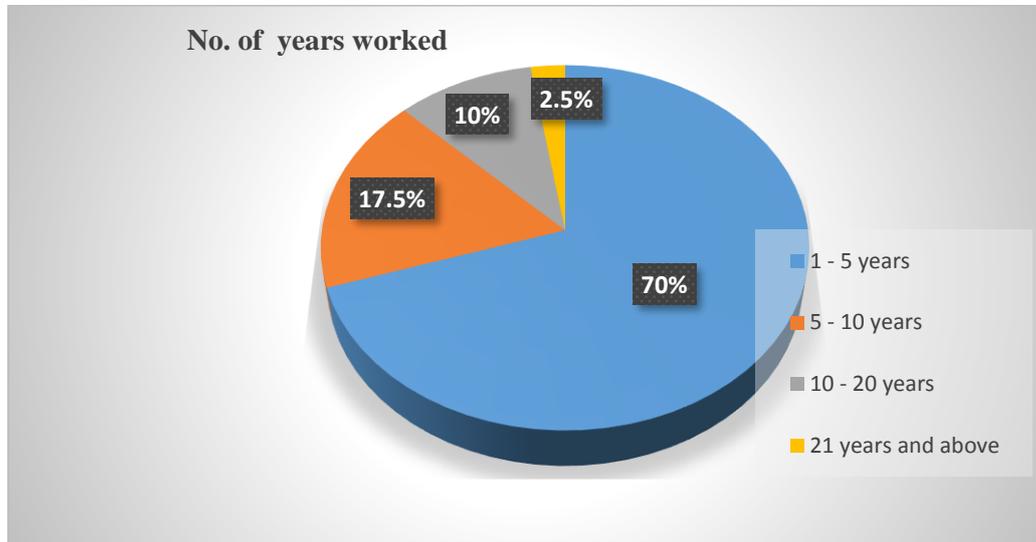
From the figure above, it was revealed that, out of the total number of 40 procurement practitioners interviewed, 5% were Heads of Procurement Unit, 7.5% were Supply Officers, 12.5% represented Procurement Officers, 17.5% were Warehouse Foremen, 25% were Heads of Stores, 2.5% presented Heads of works and about 30% of the respondents held other related administrative positions.

**Table 4.5 showing duration of Time You Have Worked With Newmont Ghana Gold Ltd**

Duration/Years worked	Frequency	Cumulative Frequency	Frequency (%)
1 - 5 years	28	2	70
5 - 10 years	7	5	17.5
10 - 20 years	4	10	10
21 years and above	1	17	2.5
Total	40	40	100

**Source:** Researcher's field survey, June, 2017.

**Fig. 4.1 showing number of years respondents have worked with Newmont**



**Source: Researcher’s field survey, 2017**

The researcher tried to determine the number of years respondents have worked within respective departments. This was to aid in acquiring valid and concrete information to renders this research study, an authentic one. From the pie chart above, it could be deduced that, majority of the respondents interviewed (70%) had worked in the company from 1-5 years. 17.5% of the respondents have been with the company from 6 – 10 years, 10 – 20 years of worked represented 10% of the total population interviewed and only 2.5% of the respondents had a work duration of 21 years and above.

**The effects of strategic planning on Newmont Procurement Staff**

**4.3.1 Awareness of the Newmont Strategic Plan by respondents**

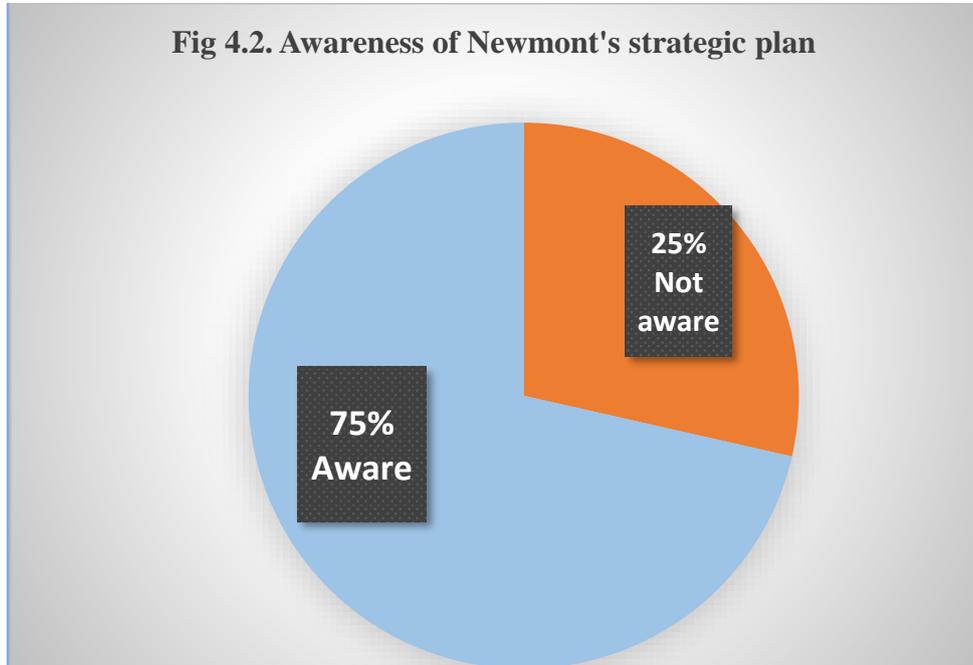
Newmont’s strategic plan is a guide that drives the company to attain its objectives. The researcher wanted to determine if the respondent were aware of the existence of the Newmont’s strategic plan. The findings are shown in table 4.6.

**Table 4.6 showing response rate on Newmont’s strategic plan awareness**

Response	Frequency	Frequency (%)
Aware	30	75
Not aware	10	25
<b>Total</b>	40	100

**Source: Researcher’s field survey, 2017**

This can be represented graphically as indicated below;



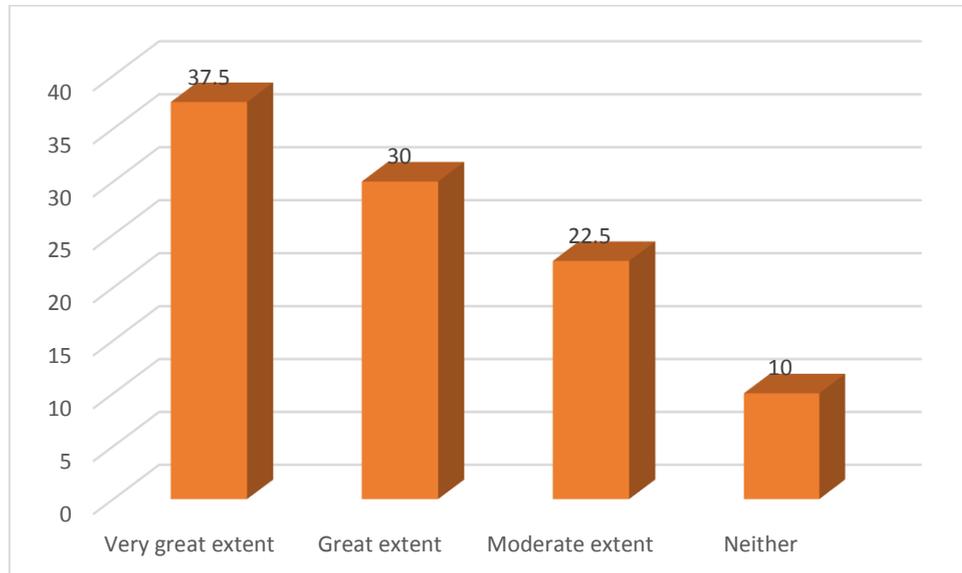
**Source: Researcher’s field survey, 2017**

The findings indicated that 75% of the respondents were aware of the Newmont’s strategic plan and 25% were not aware. This shows that majority of the respondent were aware of the company’s strategic plan.

**Extent to Which Newmont Vision Is Achievable**

The researcher wanted to find out how the respondent feels about whether it is possible to achieve the Newmont strategic plan. The findings are shown in fig 4.3.

**Fig.4.3 showing extent to which Newmont’s vision is achievable.**



**Source: Researcher’s field survey, 2017**

The result indicated that majority of the respondent at 37.5% believed that to a very greater extent that Newmont strategic plan is achievable, 30% of the respondent believed to a greater extent that Newmont strategic plan is achievable, 22.5% to a moderate extent and 10% neither agree with the achievability of the company’s strategic plan. This showed that Newmont strategic plan is achievable.

**Level of Agreement on the Following Statement Relating With the Newmont Strategic Planning**

Strategic plan is measured using various performance pillars or variables. To determine whether it is has these pillars; the researcher set some statement relating to Newmont’s strategic plan and sought to establish how the respondents agree with the statements. The findings are shown in table 4.2 below.

**Table 4.7. Measuring on agreement that Newmont’s strategic plan has relevant performance pillars.**

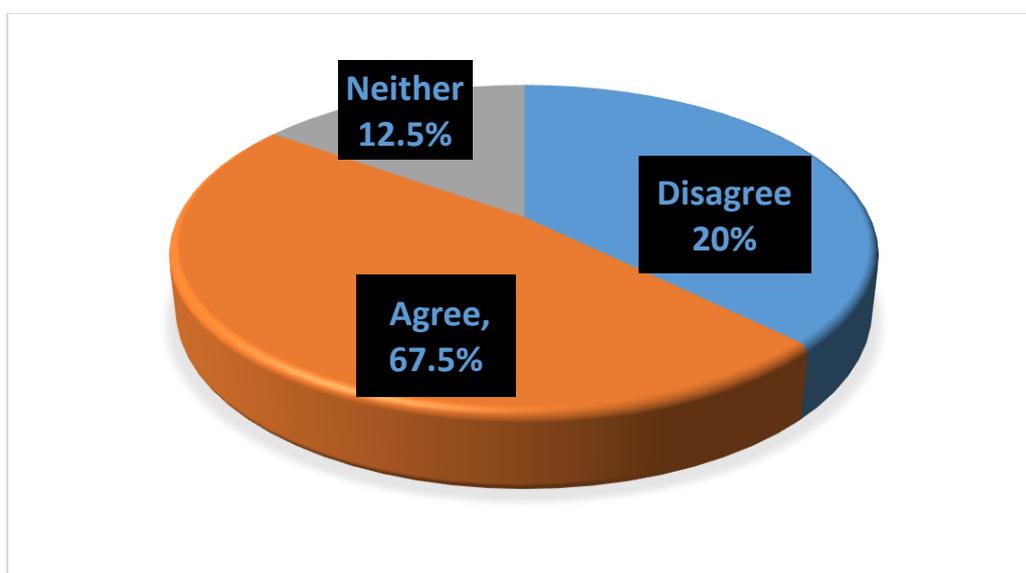
Response	Frequency	Frequency (%)
Very great extent	9	22.5
Great extent	22	55
Neutral	4	10
Disagree	2	5
Strongly Disagree	3	7.5

<b>Total</b>	40	100
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**Source: Researcher’s field survey, 2017**

The findings indicated that on the issue of the strategic plan having the relevant performance pillars, 22.5% of the respondents agree to a very great extent, 55% of the respondent agreed with the issue. 10% of the respondent remaining neutral.5% disagreed with the issue, and 7.5% of the respondents strongly disagreed. This connoted that the majority of the respondent at 55% believed that the strategic plan contain the relevant performance pillars.

**Fig4.4. Measuring on agreement that Newmont’s strategic plan promotes implementation of the Public Procurement Act 663 and its Amended Act 914**



**Source: Researcher’s field survey, 2017**

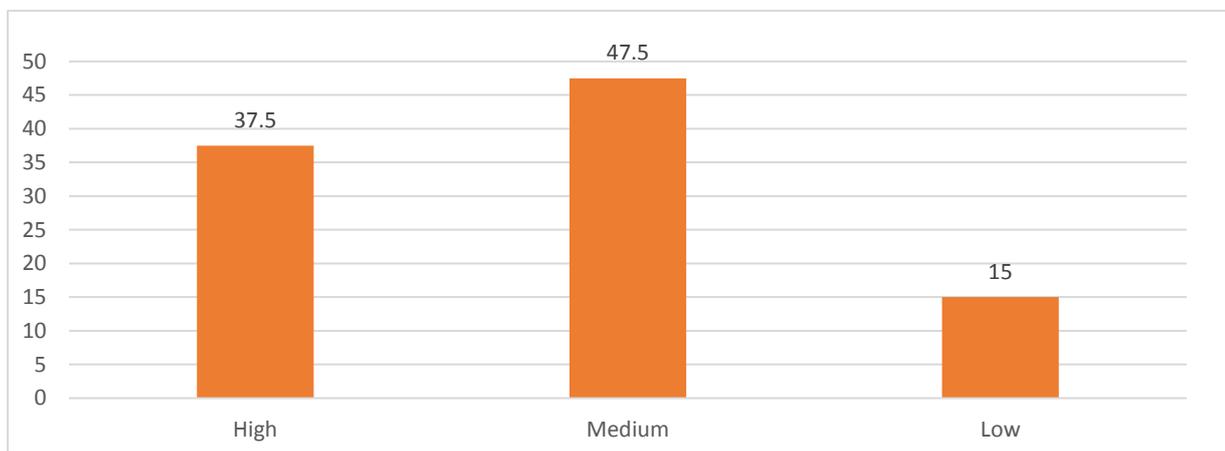
The statement that the strategic plan promotes implementation of public procurement, 67.5% of the population agreed with the statement, 20% of the respondents disagree and 12.5% were neutral. The findings showed that majority of the respondent agreed with the statement that Newmont strategic plan promotes implementation of the public procurement Act 663 and its Amended Act of 914.

***The Influence of Regulation Enforcement***

**Rate of the Impact of Regulation enforcement on Newmont procurement activities.**

Newmont has set rule and laws that should be followed when running their procurement activities. The researcher wished to establish the impact of the regulation enforcement on procurement activities.

**Fig. 4.5 showing impact of regulation enforcement on Newmont’s procurement activities.**



**Source: Researcher’s field survey, 2017**

The findings revealed that 37.5% of the respondent believed that the impact of regulation on Newmont is high, 47.5% of the respondent suggested the impact of regulation on is medium and 15% of the respondent rated the impact of the regulator on Newmont as low. This presupposes that the impact of regulation enforcement is moderate or medium on Newmont procurement activities.

**Table 4.8. Assessing the level to which Newmont applies the PPA in their procurement activities.**

Response	Frequency	Frequency (%)
Agree	25	62.5
Disagree	5	12.5
Do not know	5	12.5
Occasionally	5	12.5
<b>Total</b>	<b>40</b>	<b>100</b>

**Source: Researcher’s field survey, 2017**

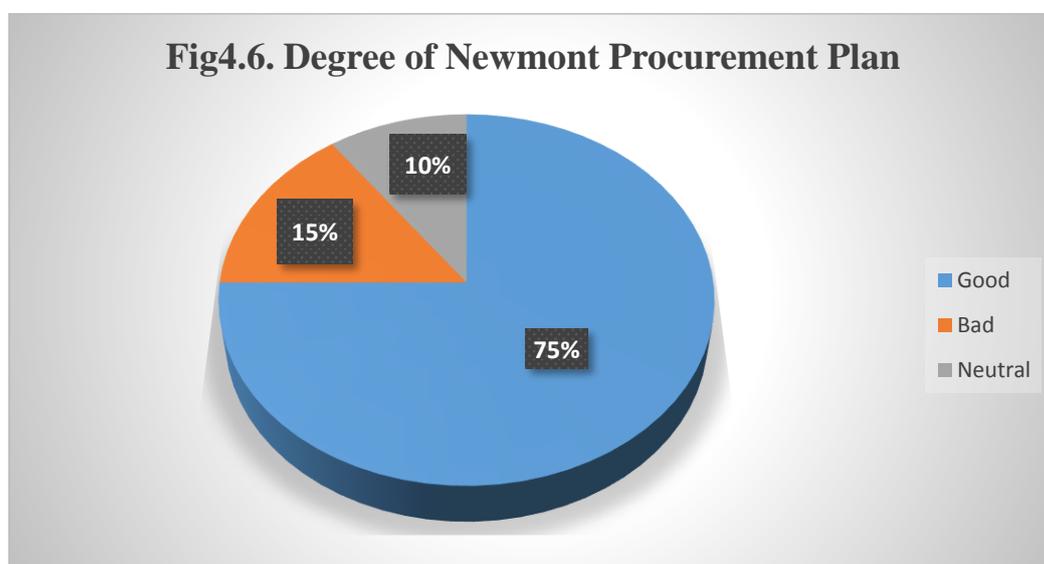
From the table above, it can be interpreted that, 62.5% of the respondents assured the researcher that, Newmont applies the Public Procurement Act in her procurement activities. 12.5% responded disagreed” 12.5% again responded that they do not know whether the company applies the Acts and again, 12.5% of the population respondent that, the PPA is occasionally used or applied by Newmont. Upon these findings, the researcher can

say that, approximately, majority of procurement activities are steered by the application of the Public Procurement Act.

**The Influence of Organizational Culture**

**4.5.1 Rating on the Newmont’s Procurement Plan**

Organization culture determines how things are done and run in the organization. Procurement may be one of the things and procurement planning may be determined by the organization culture. The researcher wanted to find out the rating on procurement planning. The results are indicated in Fig 4.6.



**Source: Researcher’s field survey, 2017**

The finding revealed that 75% of the respondent rated Newmont procurement plan as good, 15% of the respondent rated procurement plan as bad and 10% considered Newmont Procurement plan as neutral. These findings showed that the organization procurement planning is good.

**Extent you agree with the statement- Newmont culture favours procurement procedures.**

Organization culture is determined by how thing are run and done in the organization. To rate the organization culture in the organization there must be set guide line which determines the organization culture. The researcher wished to find out how the respondent would rate statements relating to organization culture.

**Table 4.9.Extent you agree with the statement- Newmont culture favours procurement procedures.**

Response	Frequency	Frequency (%)
Strongly Agree	19	47.5
Agree	13	32.5

Neutral	6	15
Disagree	2	5
Total	40	100

**Source: Researcher’s field survey, 2017**

It can be deduced from the findings that on the issue of how Newmont culture favors good procurement procedures, 47.5% of the respondent strongly agree with the statement, 32.5% of the respondent agree with the statement and 15% of the respondent remained neutral whilst 5% of the respondents disagreed. Comparatively, the researcher can conclude from the data above, that Newmont culture favours good procurement procedures.

**Conclusion**

**Findings of the Study**

**Background Information**

This study sought to assess the factors affecting implementation of the Public Procurement Act 663 and its Amended Act 914 on procurement practitioners. Taken Newmont Ghana Gold Ltd, Ahafo Plant Site as a Case Study. The major variables of discussion were:

1. To assess the effect of strategic planning on implementation of Public Procurement Act on procurement practitioners
2. To assess the effect of regulation enforcement on implementation of the Public Procurement Act on procurement practitioners
3. To assess the effect of organization culture on implementation of Public Procurement by procurement practitioners.

Upon a concrete analysis from chapter four of the study, the findings revealed that majority of the respondent were male at 80%. Further, the findings indicated that 47.5% of the respondents are Degree holders. The study revealed that majority of the respondent was aged between 31 – 45 years representing 50% of the respondent.

Majority of the respondent at 75% have worked with Newmont for a period of between 1 – 5 years. And majority of the respondents interviewed were holding other administrative positions with a percentage of 30 out of hundred.

**Effect of Strategic Planning On Implementation of Public Procurement Act by Newmont Procurement Staff.**

The findings showed that 75% of the respondents were aware of the Newmont strategic plan, majority of the respondent at 37.5% believes that to a very great extent that the Newmont strategic plan is achievable. On the issue of the strategic plan have the relevant performance pillars, 55% of the respondents agree to a great extent. The findings shows that majority of the respondent at 67.5% agreed with the statement that the strategic plan promotes implementation of Public Procurement Act.

### **Effect of Regulation Enforcement on Implementation of the Public Procurement Act by Newmont Procurement Staff**

On the issue that the strategic plan would enhance implementation of Newmont regulations, 47.5% of the respondents rated medium.

On level of application of the Public Procurement Act to Newmont Procurement activities, 62.5% of the respondents agreed that the company applies the Act in the various activities.

### **Effect of Organization Culture on Implementation of Public Procurement Act by Newmont Procurement Staff**

Again, on the verge to knowing the rate of Newmont procurement plan, 75% of the total respondents interviewed, rated Newmont's procurement plan as good. And 47.5% of the majority said the company's culture favours procurement procedures of which they strongly agreed. Majority of the respondents on the open end question indicated that they are still in the process of implementation of the procurement regulations.

### **Conclusion**

Procurement engulfs the whole process of acquiring good (property) and/or services. It begins when an agency has identified a need and decided on its procurement requirements. Sound public procurement policies and practices are among the essential elements of good governance. Irregular procurement activities in public institutions provide the biggest loophole through which public resources are misappropriated. The fundamental principles of good procurement practice include accountability, where effective mechanisms must be in place in order to enable procuring entities spend the limited resources wisely, knowing clearly that they are accountable to citizens of the public; competitive supply, which requires the procurement be carried out by competition unless there are convincing reasons for single sourcing; and consistency, which emphasizes the equal treatment of all bidders irrespective of race, nationality or political affiliation. The process should uphold integrity and ensure that there are no malpractices; informed decision-making, which requires public bodies to base decisions on accurate information and ensure that requirements are being met. The Procurement practice should be responsive to aspirations, expectations and needs of the target society.

Due to regulatory reforms and changing community expectations, the role of culture in organizational compliance has gained momentum in recent years. Basing on the competing values model which involves enforcement of rules, conformity and attention to technical matters, individual conformity and compliance are achieved through enforcement of formerly stated rules and procedures.

Culture plays a central role in the compliance process and associated outcomes. Culture may be a hindrance to reforms. It is also contended that in a specific type of culture, characterized by specific values such as openness, trust and honesty, employees are more likely to engage in compliance behaviors, which collectively will contribute to organizational compliance.

Awareness of the nature of public organizational culture is vital in explaining and assessing the appropriateness and outcome of the current reform process. This applies to developing countries where waves of procurement reforms have resulted into enactment of procurement rules and regulations. This leads us to the following proposition.

Enforcement could be greatly pictured as any actions taken by regulators to ensure compliance. There are hybrid opinions regarding the effect of enforcement on compliance. There is a direct effect of enforcement on compliance. Enforcement may make violators more sophisticated in how to prevent, and conceal detection by

the authorities. Enforcement improves compliance. Enforcement action and increased penalties lead to greater levels of compliance with laws. Corruption among government procurement officials in developing countries has been linked to a weak enforcement of the rule of law.

In countries with complaint and review mechanisms, bidders are allowed to verify whether the procurement processes conform to the prescribed procedures. The possibility of review is also a strong incentive for procurement officials to abide by the rules. Firms might choose to implement ineffective compliance systems if legal violations may be profitable in cases where the legal system under-enforces, either because penalties are set too low or because detection is imperfect or ineffective. The threat of legal sanctions is essential to regulatory compliance and that enforcement action has a cumulative effect on the consciousness of regulated companies and it reminds companies and individuals that violators will be punished and to check their own compliance programs. The outcome of sustained. Enforcement action instilled a culture of compliance and had a direct impact on corporate compliant that coercive enforcement measures remain an essential ingredient in any compliance regime.

### Recommendations

Procurement process should uphold integrity and ensure that there are no malpractices and there is informed decision-making, which requires public bodies to base decisions on accurate information and ensure that requirements are being met. This can be attained via accurate strategic planning. The need for organizations to reposition themselves in the face of changing competitive conditions by aligning the vision, mission and goals.

The Regulation Enforcement will ensure that the procurement practice should be responsive to aspirations, expectations and needs of the target society. The trend of globalization has a significant influence on how a domestic business shapes their strategy to compete with foreign forces. Government policies and regulations have greatly influenced the flow of business activities and operations.

Awareness of the nature of public organizational culture is vital in explaining and assessing the appropriateness and outcome of the current reform process. This applies to developing countries where waves of procurement reforms have resulted into enactment of procurement rules and regulations.

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