

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI,
GHANA

EVALUATION OF PURCHASING POLICY IN A PUBLIC ORGANIZATION
(A CASE STUDY OF THE GHANA POLICE SERVICE)

By:

Patrick Nuamah (B.A. Management and Psychology)

A Thesis submitted to the Building and Technology Department, in partial
fulfillment of the requirements for the degree of

MASTER OF SCIENCE
IN PROCUREMENT MANAGEMENT

June, 2014

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI,
GHANA

EVALUATION OF PURCHASING POLICY IN A PUBLIC ORGANIZATION
(A CASE STUDY OF THE GHANA POLICE SERVICE)

By:

Patrick Nuamah (B.A. Management and Psychology)

A Thesis submitted to the Building and Technology Department, in partial
fulfillment of the requirements for the degree of


MASTER OF SCIENCE
IN PROCUREMENT MANAGEMENT

June, 2014

CERTIFICATION

I hereby declare that this submission is my own work towards the MSc. in Procurement and that to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

PATRICK NUAMAH
(PG7173312)


.....
Signature

24-04-14
.....
Date

CERTIFIED BY:

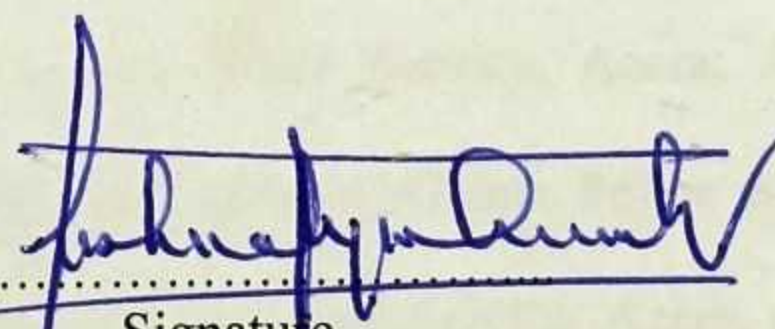
Dr. Gabriel Nani
(Supervisor)


.....
Signature

24/04/14
.....
Date

CERTIFIED BY:

Prof Joshua Ayarkwa
(Head of Department)


.....
Signature

29/4/14
.....
Date

ACKNOWLEDGEMENT

I give thanks to the Almighty God for a healthy life throughout the duration of the course. I owe special appreciation to all my lecturers at the Kwame Nkrumah University of Science and Technology from the first semester to the final period. All of them have contributed in one way or the other to my successful completion of this course. Especially all the lecturers in the Department of Building Technology - Prof Badu, Prof Joshua Ayarkwa, Dr. Adjei Kumi, Dr. Emmanuel Adinyira , and Mr. Nketiah Asante for their guidance and encouragement.

I also wish to express my profound gratitude and appreciation to Dr. Gabriel Nani, My supervisor for having such a loving heart and patience to take me and other students through our research work successfully. I am very grateful.

Those who helped me in gathering data for this research at the Procurement and Logistic Unit of the Ghana Police Service are very dear to my heart especially the Senior officers and L/Cpl Patricia Owusua. I cannot forget my dear wife Mrs Selina Nuamah for her moral support throughout the course period. I also appreciate my babies, Philipa, Philip and Theophania, for sacrificing their happy hours to allow me complete this work within the allocated time frame.

Finally, I thank Commissioner of Police {COP} Mr. James Oppong Boanuh, Director-General/Services, Ghana Police Service, Accra; Commissioner of Police {COP} Mr. Frank Adu-Poku, Director-General/Technical, Ghana Police Service, Accra; Assistant Commissioner of Police{ACP} Mr F. E. Doku, Head of Logistics, Ghana Police Service, Accra; C/Supt. Mr Nelson Opoku, Head of Procurement, Ghana Police Service, Accra, and Mr. Thomas K. Asante {Lecturer}, Methodist University College of Ghana, for their encouragement and support. I SALUTE YOU ALL.

ABSTRACT

One organization which for some time now have suffered through the old fashioned way of purchasing is the Ghana Police Service which has been chosen as the case study. It is therefore necessary to take a critical look at the purchasing activities of the service as to the traditional function and contemporary function of purchasing.

This study sought to identify the existing purchasing policies in the organization and determine shortfalls associated with existing policies and to propose recommendations for policy formulation. Frequency tables and graphs were used in the analysis and interpretation of the data. Tables and charts were also used as illustrations where necessary.

The study revealed that there was a Purchasing Policy in the organization because majority of the respondents indicated that they have knowledge of the existence of the police service procurement policy. The study again revealed that there were Shortfalls within the Purchasing Policies because most of the respondents believe that there is a high gap within police purchasing policy because it does not meet the overall policy of the Service. This is due mainly to unprofessional changes in leadership or management of the service and lack of funds to implement the policy.

It was therefore recommended that management should review the policy frequently such as annually so that purchasing and logistics officers will be abreast to meet the continuous changing needs of the police administration and the changing environment. It is also important that the police service administration prepare, state clearly and boldly basic purchasing ethics and lastly, proper training on purchasing policy and it impacts on both the police service and the country can be organized to sensitized the police officers especially the purchasing and logistics officers for smooth implementation of the policy.

TABLE OF CONTENTS

Page

CERTIFICATION.....	i
ACKNOWLEDGEMENT.....	ii
ABSTRACT.....	iii
LIST OF TABLES	ix
LIST OF ABBREVIATIONS	x

CHAPTER ONE – INTRODUCTION

1.0 Background to the Study.....	1
1.1 Problem Statement.....	2
1.2 Research Questions.....	3
1.3 Aim and Objectives of the Study.....	3
1.3.1 Aim.....	3
1.3.2 Objectives.....	3
1.4 Significance of the Study.....	3
1.5 Limitations of the Study.....	4
1.6 Organization of the Study.....	4

CHAPTER TWO - LITERATURE REVIEW

2.0 Introduction.....	5
2.1 Definition of Purchasing.....	5
2.2 Traditional Functions of Purchasing Department.....	6
2.2.1 Procuring Materials.....	6

2.2.2	Evaluating Price.....	7
2.2.3	Paperwork and Accounting.....	7
2.3	Contemporary Functions of Purchasing Department.....	7
2.3.1	Policy Compliance.....	8
2.4	Steps in the Purchasing Cycle.....	9
2.5	Role of Purchasing In a Competitive Business Environment.....	10
2.5.1	Provides strategic advice on Material Supply.....	11
2.5.2	Building long-term collaborative relationship with suppliers.....	11
2.5.3	Working Capital Management.....	12
2.5.4	Strong Part of Value Chain.....	12
2.6	Purchasing Policy.....	12
2.6.1	Major policy.....	13
2.6.2	Consequential policy.....	13
2.7	The Importance of Policies in Management.....	13
2.8	Purchasing Method.....	14
2.8.1	Negotiation.....	14
2.8.2	Tendering.....	14
2.8.3	Hiring.....	17
2.8.4	Hire – Purchase.....	17
2.8.5	Auction.....	18
2.8.6	Outright Purchases.....	18
2.8.7	The Composite Method.....	18
2.8.8	Leasing.....	19
2.9	Measuring Purchasing Performance.....	19
2.9.1	Problems in Measuring Purchasing Performance.....	20

2.9.2 What Should Be Measured.....20

2.10 Ethical Issues in Purchasing.....22

2.10.1 The Ethical Code of the Chartered Institute of Purchasing & Supply.....22

2.11 Monitoring and evaluation of Purchasing Policy.....23

CHAPTER THREE - RESEARCH METHODOLOGY

3.0 Introduction.....25

3.1 Population.....25

3.2 Sampling Size and Technique.....25

3.3 Pre-testing.....26

3.4 Data Handling:26

3.5 Sources of information.....27

3.6 Questionnaire.....27

3.7 Mode of Data Collection.....28

3.8 Data analysis.....28

CHAPTER FOUR - DATA ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction29

4.1 Responses Received.....29

4.3 FINDINGS OF THE STUDY.....32

4.3.1 Identification of Purchasing Policy.....32

4.3.2 Monitoring and evaluation of Purchasing Policy.....35

4.3.3 Monitoring and evaluation of purchasing policy by Headquarters.....36

4.3.4 Payments of Materials.....37

CHAPTER FIVE - SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary.....38

5.2 Conclusion.....39

5.3 Recommendation.....40

REFERENCES.....41

APPENDICES.....44

QUESTIONNAIRE.....44

LIST OF TABLES

Table 4.1: Responses from Respondents.....	31
Table 4.2: Level in Organization.....	32
Table 4.3: Experience with Organization.....	32
Table 4.4: Level of Education.....	33
Table 4.5: Knowledge on the Police Service Procurement Policy.....	34
Table 4.6 Shortfalls within the Purchasing Policies.....	35
Table 4.7: Reviewing of Purchasing Policy by Police Service Administration.....	38
Table 4.8: Payments of Materials.....	39

LIST OF ABBREVIATIONS

COP- Commissioner of Police

ACP – Assistant Commissioner of Police

C/Supt – Chief Superintendent of Police

L/Cpl – Lance Corporal of Police

SPO – Senior Police Officer from the rank of ASP to IGP

ASP – Assistant Superintendent of Police

IGP – Inspector General of Police

ETC – Entity Tender Committee

CIPS – Chartered Institute of Purchasing and Supply

PPA- Public Procurement Act

STC – State Transport Company

GOG – Government of Ghana

CHAPTER ONE

INTRODUCTION

1.0 Background to the Study

This study investigates how effective purchasing policy can lead to cost control in an organization. Purchasing is a key department in any organization, especially formal organization. As a result, purchasing department is always separated from other departments. In simply form, purchasing is that function responsible for obtaining from external sources all goods, services, capabilities and knowledge which are necessary for running, maintaining and managing the company's primary and support activities in the most favorable condition(Jonsson, 2008).

The role and functions of purchasing management in many organizations cannot be over emphasized. Many organizations hold the view that the role and functions of purchasing management in most organization are mere duplication of duties to be performed by the accounting staff (Jonsson, 2008). According to (Jonsson, 2008), the role of purchasing is a separate entity and that the wrong notion formed in the mind of many shall remain a mirage and that ~~can never stand the~~ test of time. Several researches point out that the contemporary business environment is evolving as a result of globalization. Globalization of production as well as technological advancement has brought about keen competition within and outside every organization. According to (Fawcett et al, 2007), good purchasing policy differentiate higher profitable organization from lower profitable organization. The demand for departmentalization of the function is therefore necessary to promote effectiveness and efficiency which will reflect in good quality products and services acquired by organizations. Based on the researches conducted by (John and Peter, 2009), importance of purchasing department is indicated clearly. Key functions are as follows:

Placing orders for Goods: Actively seeking better materials, reliable materials and placing of orders, scheduling deliveries and expediting materials.

Monitoring function: Monitoring the performance of existing suppliers to making sure the right quality of materials is purchased at the right time, right quantity and with the right supplier. In addition, the purchasing department working closely with suppliers to improve the quality of materials as well as ensuring uninterrupted flow of raw materials at the lowest total cost.

Determination of supply quantities: Choose procurement method taking into consideration needed quantities and funds available

1.1 Problem Statement

One organization which for some time now have suffered through the old fashioned way of purchasing is the Ghana Police Service which has been chosen as the case study. It is therefore necessary to take a critical look at the purchasing activities of the Ghana Police service and evaluate the processes they go through in purchasing and how effective the purchasing policy they put in place are able to remove bottlenecks from the procurement processes and also promote professionalism and institutional capacity building vis-à-vis procurement. Purchasing is a managerial process that goes far beyond simply buying materials. It basically includes planning and policy procedures that covers a wide range of related activities including research and development, as required for the proper selection of materials and spares, ascertainment of delivery, inspection of document on procedures to implement buying policies; co-ordination of purchasing activities with other internal divisions of concern such as engineering, production and accounting and development of effective communications with top management in order to ensure a complete appraisal of the performance of the purchasing function.(Arrowsmith, 2005)

1.2 Research Questions:

1. How is purchasing policy in Ghana police designed?
2. How often is the purchasing policy reviewed to meet current situation?
- 3.

1.3 Aim and Objectives of the Study

1.3.1 Aim

To propose a purchasing policy framework for public organization

1.3.2 Objectives

1. To identify the existing purchasing policies in the organization
2. To determine shortfalls associated with existing policies
3. To propose recommendations for policy formulation

1.4 Significance of the Study

The outcome of this study will be of immense contribution to Ghana Police Service Procurement department and the Police as a whole. The findings of the study are intended to improve and provide a better purchasing policy to both the Ghana Police Service and other state institutions. It will inform the Ghana Police Service on the better way of designing or improving the existing procurement policy to reflect current situation, if necessary. Nevertheless, it will also serve as a guiding tool to other government institutions when reviewing existing procurement policy. Finally, it could be used as guide to students and other researchers who would like to do further research on this topic in future.

1.5 Limitations of the Study

A major problem encountered in the field had to do with some police officers' unwillingness in completing the questionnaires due to the fact that they were suspicious of leaking out information on the police service procurement process out to the public. Besides, others were not willing to cooperate in this study since to them many researches were made to help improve the service in the past but all ended up not yielding any fruitful improvement.

Furthermore, the research could be undertaken on a broader perspective cutting across many logistics and procurement departments nationwide (a survey), thus making the findings more general but with specific reference to the research period, the researcher is compelled to narrow the scope of the study to a single organization (a case study)

1.5 Organization of the Study

In order to achieve a well-organized research work, this study is structured into five (5) chapters.

Chapter one which is the introduction covers background to the study, statement of the problem, objectives of the study, significance of the study, scope and limitation of the study and organization of the study.

Chapter two reviews related literature, theoretical framework and research questions. Conceptual issues would be discussed and all appropriate terms well defined.

Chapter three is the research methodology which discusses research design, target population, sample method and procedures and data analysis techniques.

Chapter four presents the result obtained from the field work as presented and analyzed.

Chapter five discusses the findings and conclusions and policy recommendations will also be made. Summary of major findings would also be covered under this chapter.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews different literatures on purchasing. It is obvious that different researches have been done on this topic. However, we focus on these areas: definition of purchasing, different functions of purchasing department, purchasing policies, measuring purchasing performance and lastly ethics in purchasing.

2.1 Definition of Purchasing

The term “purchasing” has been defined by several scholars and the most known definitions are as follows:

Lyson (1996) defines purchasing as:

“Obtaining by purchase, lease or other legal means, equipment, material, supplies and service require by an undertaking for use in production.”

Another writer Fearon, Dobler and Killen (1993) defines purchasing as:

“A body of integrated activities that focuses on the procurement of materials, supplies and services needed to reach organizational goal”.

Apparently, purchasing is a managerial process that goes far beyond simply buying materials. It basically includes planning and policy procedures that covers a wide range of related activities including research and development as required for the proper selection of materials and spares, ascertainment of delivery, inspection of document on procedures to implement buying policies; co-ordination of purchasing activities with other internal divisions of the concern such as engineering, production and accounting and development of effective

communications with top management in order to ensure a complete appraisal of the performance of the purchasing function.

2.2 Traditional Functions of Purchasing Department

Most major companies and even some governmental organizations have a purchasing or procurement department as part of everyday operations. These departments provide a service that is the backbone of many manufacturing, retail, military and other industrial organizations. Many individuals, even some who work for these companies, are unaware of what the purchasing department does, why it exists or what purposes it serves. To understand better what the role of the purchasing department is, consider some functions it performs, (Weele, 2000).

2.2.1 Procuring Materials

One role of the purchasing department is to procure all necessary materials needed for production or daily operation of the company or government organization. For example, functions of purchasing department in police service include procuring of uniforms and boots. In addition, the purchasing department procures different assets like ammunitions, machinery, delivery trucks or even the office supplies needed for the secretaries and operational team. In a retail environment, the purchasing department makes sure there is always sufficient product on the shelves or in the warehouses to keep the customers happy and keep the store well-stocked. With a small business, it is especially important to keep inventory ordering at a reasonable level; investing large amounts of capital in excess stock could result in storage problems and in a shortage of capital for other expenditures such as advertising or research and development. Purchasing also oversees all of the vendors that supply a company with the items it needs to operate properly, (Weele, 2000).

2.2.2 Evaluating Price

A purchasing department is also charged with continuously evaluating whether it is receiving these materials at the best possible price in order to maximize profitability. This can be challenging for small firms that may purchase in lesser quantities than a larger firms and which thus may not receive the same type of bulk discounts. A purchasing department in a small firm needs to shop around to find the best suppliers at the most reasonable prices for the company's particular size orders. Purchasing department staff may communicate with alternate suppliers, negotiate better pricing for bulk orders or investigate the possibility of procuring cheaper materials from alternative sources as part of their daily activities, (Weele, 2000).

2.2.3 Paperwork and Accounting

Purchasing departments handle all of the paperwork involved with purchasing and delivery of supplies and materials. Purchasing ensures timely delivery of materials from suppliers, generates and tracks purchase orders and works alongside the receiving department and the accounts payable department to ensure that promised deliveries were received in full and are being paid for on time. In a small firm, this means working closely with the accounting department to ensure that there is sufficient capital to buy the items purchased and that cash is flowing smoothly and all payments are made on time, (Weele, 2000).

2.3 Contemporary Functions of Purchasing Department

In modern times additional functions had been added to the purchasing department to modernise and make it more effective such as the following functions, (Arrowsmith, 2005).

2.3.1 Policy Compliance

The purchasing department must ensure that it is complying with all company policies. For example, in small firms, individual staff members may communicate with the purchasing department about purchasing needs for things such as office supplies or computers. Before making a purchase, the purchasing department must ensure that it heeds the proper protocols for purchase and budget approval and must ensure that all items are purchased in accordance with the overall purchasing policy of the organization, (Arrowsmith, 2005).

To this end, the purchasing function generally formulates precise objectives to promote its competitive advantage. Some of these precise objectives are as follows:

Purchasing department, especially in larger firm ensure steady supply of raw materials to the organization. In addition, purchasing department ensures continuity of supply by maintaining effective relationship with existing sources and by developing other sources of supply either as alternatives or to meet emerging or planned needs.

Another important function of purchasing department is buying efficiently and ethically of materials to ensure best value cedi spent as well as managing inventory so as to give the best possible service to users at the lowest advantageous cost, (Arrowsmith, 2005).

In competitive business environment, it is vital that purchasing department develop purchasing policies, procedures and or to ensure the achievement of the foregoing objectives.

It is a fact that success of any purchasing policy depends on maintaining sound cooperative relationship with other department, providing information and advising them as necessary to ensure the effective operation of the designed policy.

For purchasing to ensure effective operation and achievement of the objectives, it must fulfil some more specific objectives thus by, (Arrowsmith, 2005);

- Selecting the best suppliers in the markets.
- Helping generate the effective development of new products.

2.3.1 Policy Compliance

The purchasing department must ensure that it is complying with all company policies. For example, in small firms, individual staff members may communicate with the purchasing department about purchasing needs for things such as office supplies or computers. Before making a purchase, the purchasing department must ensure that it heeds the proper protocols for purchase and budget approval and must ensure that all items are purchased in accordance with the overall purchasing policy of the organization, (Arrowsmith, 2005).

To this end, the purchasing function generally formulates precise objectives to promote its competitive advantage. Some of these precise objectives are as follows:

Purchasing department, especially in larger firm ensure steady supply of raw materials to the organization. In addition, purchasing department ensures continuity of supply by maintaining effective relationship with existing sources and by developing other sources of supply either as alternatives or to meet emerging or planned needs.

Another important function of purchasing department is buying efficiently and ethically of materials to ensure best value cedi spent as well as managing inventory so as to give the best possible service to users at the lowest advantageous cost, (Arrowsmith, 2005).

In competitive business environment, it is vital that purchasing department develop purchasing policies, procedures and or to ensure the achievement of the foregoing objectives.

It is a fact that success of any purchasing policy depends on maintaining sound cooperative relationship with other department, providing information and advising them as necessary to ensure the effective operation of the designed policy.

For purchasing to ensure effective operation and achievement of the objectives, it must fulfil some more specific objectives thus by, (Arrowsmith, 2005);

- Selecting the best suppliers in the markets.
- Helping generate the effective development of new products.

- Protecting the company's cost structure.
- Maintaining the correct quality / value balance.
- Monitoring supply market trends.
- Negotiating effectively in order to work with suppliers who will seek mutual benefit through economically superior performance.

2.4 Steps in the Purchasing Cycle

To achieve objectives and aims of any purchasing department in every organization, the purchasing process must follow a certain steps (Lyson1996). Through several studies, Lyson (1996) has identified sixteen steps that are involved in the purchasing cycle and these steps are depicted in the diagram at Appendix B. The steps in the cycle are explained below:

Firstly the company has to determine what it needs for its production or provision of service and this usually comes from the user department. Secondly, specification is given after the items require are determined. Specification is given on quality and quantity of items required. The company has to indicate the performance, date as well as the budget price. Thirdly, enquires are issued which involve the time within which the items are required, the number of quantities needed and type of quality needed. The purchasing officer then determines the source market. This means identifying whom to make orders from. In most cases, bids specify the limitations in territories from where applications are expected. After the source market has been identified and the quotations received, they are then assessed to ascertain the supplier's capabilities by studying the back record. Next is the selection of the potential supplier from amongst the bidders. Negotiation follows after selecting the potential supplier. This is done to ascertain the best value at the point of use, to safeguard their company's interest and long-term healthy relationships. What comes next is the placement of orders. All incoterms, the contract price and delivery date are fixed. The supplier acknowledges the purchasing order when an order is placed. There should be a follow up or

expediting i.e., keeping in touch with the supplier to monitor the progress of the order placed. Delivery comes after this; it is the transporting of goods from the source to the point of ultimate use. Further to this, is quality control inspection and tests. The inspection is in three phases, the source inspection including inspection and source control inspection. This work will specifically deal with incoming inspection. After the delivery of the goods, they are cross checked with various documents to ensure that the quality and quantity specified are adhered to, and to find out whether any damages or deterioration did occur in the course of transportation. If shortages, damages or deterioration occur, shortage / deterioration report is raised and sent to the supplier to rectify the situation. After this, the items are stored and recorded with their codes, description, quantity etc and users are notified and economy of storage is ensured. Payment is made after that. This could be in Bankers draft, bill of exchange or Documentary Letter of Credit. The final stage is the issuing of the goods to the user department and the cycle continues.

2.5 Role of Purchasing In a Competitive Business Environment

According to Lyson (1996), the objectives of a world-class procurement organization move far beyond the traditional belief that procurement's primary role is to obtain goods and services in response to internal needs. To understand how this role is changing, we must understand what business environment a firm is operating and demand for the same materials from other competitors. Basically, in a competitive business environment the role of purchasing should not be reduced to mere buying of needed materials but should be seen as strategic position. Lyson (1996) further provides the different roles of purchasing in a competitive environment and some of these roles are discussed below:

2.5.1 Provides strategic advice on Material Supply

Purchasing department is responsible for advising on the likely consequences for sourcing and supply of strategic decisions relating to such issues as; purchasing segment of external product capacity, assisting and developing new suppliers, global sourcing, make or buy decisions, buying policies and “futures” trading if applicable. As a result, purchasing department should not only be responsible for identification of critical material components for detail study with reference to; ensuring security of supply, identifying alternative material components or supplies and value analysis but also recognizing the responsibilities of purchasing as a link in the supply chain. This can be done with reference to sharing insight, knowledge and expertise with other supply chain function providing goods/services required by internal supply chain customers in the appropriate quantities and qualities and at the required time and place, total quality management and reviewing designs and specification from the standpoint of cost, quality, availability etc, (Lyson, 1996).

2.5.2 Building long-term collaborative relationship with suppliers

It is very important that purchasing department build long term relationship with suppliers. This can be achieved through single sourcing supplier involvements in design, supplier development and supply motivation through positive re- enforcement and feedback. This is because promoting profitable purchasing by researching possible supply sources by evaluating the performance of existing supplies, discovering and appraising potential new suppliers and investigating the advantages and disadvantages of sourcing abroad is another role. Several researches show that purchasing personnel's have negotiation skills to better bargain lower materials thereby adding value in respect of purchased items. Such added value may be obtained by such means as investigating the scope for standardization and simplification, determining the right quality for a particular application etc, (Lyson, 1996).

2.5.3 Working Capital Management

Procurement department is an influential factor for ensuring the working capital of the enterprise. Working capital is the surplus of current assets over current liabilities. Three ways in which the amount of working capital may be increased are: minimizing the time in which stocks of working capital may be decreased; minimizing the time in which stocks of bought-out items are held through just-in time; turning redundant stock into cash and negotiating extended payment times for purchases. In addition, procurement departments contribute in improving the administrative procedure of the purchasing function by; controlling and where possible, reducing the expenditure on the purchasing cost centre, installing appropriate technology e.g. EDI, electronic mail to reduce paper work and increase the speed of communication to and from suppliers, thus reducing lead times and expediting information flow, (Lyson, 1996).

2.5.4 Strong Part of Value Chain

Increasing the competence of purchasing staff through training, development and empowerment particularly with respect to;

- Changing their concept of purchasing to profit generating rather than cost cutting, providing a vision that spans the entire value chain beginning with the purchased material and ending with customer and thinking strategically as well as operationally.
- Enhancing the standing of the enterprise by consistently striving to achieve a reputation for fair dealing and adherence to high ethical principles, (Lyson, 1996).

2.6 Purchasing Policy

Purchasing policies fall into two main categories which are major policy and Consequential policy, (Baily et al, 2008).

2.6.1 Major policy

Major policies generally expressed in broad term; eg is the decision partially to decentralize purchasing in a group undertaking. The broad or its equivalent, often with the advice of the purchasing executive, will determine major policies.

2.6.2 Consequential policy

Consequential policies deriving from this decision include determining what items shall be procured at plant level and the financial limits to be placed on the authority of local buyers. It is decided or recommended by the executive responsible for the purchasing function. Purchasing policies include; Statements of policies setting out the objectives, responsibilities and authority of the purchasing function Statement, which can be expanded, of general principle relating to price, quality, terms and conditions of purchase, relationships with suppliers especially regarding gifts, entertainment, supplier selection, reports of management employee purchases etc.

2.7 The Importance of Policies in Management

Policies comprise the body of principles express or laid down to direct an undertaking towards the achievement of its objectives and guide executives in making their decision. From the standpoint of guiding executives in decision-making, a clearly defined policy has the following importance; (McConnell and Bruce, 2001).

Policy provides guidelines to executives in formulating functional and operational strategies as well as authority based on principles and/or precedence for a given course of action. Policy further provide basis for management control and facilitate co-ordination among division and department and as a result it decreases the time manager's use in making decision. Actually, well stated and designed policy allows managers to exercise their own discretion and exercise

freedom of choice within certain acceptable limits. In fact, policy promotes management by exception by providing guidelines for routine action; a new decision is needed in respect of exceptional situations, but also it leads to uniformity of procedures and consistency in thoughts and actions, (Boone and Kurtz, 1993)

2.8 Purchasing Method

Purchasing methods usually used in buying include:

2.8.1 Negotiation

Negotiation is the process in which two or more people with different ideas and opinion reach agreement by any means of communication. Agreement is reached when the perceived value to each party is acceptable. This method is the only choice open for a buyer where there is only one source of supply as in the case of proprietary items. Here, a direct discussion takes place between the buyer and one or more suppliers of his or her choice. It is also suitable under conditions where there is only one source of supply as in the case of proprietary items, for small volume purchase when suppliers are required to meet a critical and an emergent need and for complex items that will help the buyer to know the different technical options available to reach agreement including specification and price, (Anvuur, 2006).

2.8.2 Tendering

Tendering is the procedure by which potential suppliers are invited to make a firm and unequivocal offer of the price and terms, which on acceptance shall be the basis of the subsequent contract. It is used where the financial value of the goods or services is high and there are many suppliers. Therefore it is suitable to leverage product or service. In the private sector, it is used for construction and service contracts. However it is in the public sector where it is most often used to ensure adherence to the principles of fairness and

accountability. There are various types of tendering. These are global/open tendering. With this an advertisement through a government gazette, international and local newspapers, displayed on notice board are published to invited suppliers to submit tenders. It is generally used for standard product of well-established market grades with a large number of suppliers. It ensures maximum suppliers participation as well as competition. Some of the tendering procedures are: (PPA, 2003)

2.8.2.1 National Competitive Tendering

The Ghana Public Procurement Act, 2003 Act 663 section 44 defines National Competitive Tendering as the procurement proceedings in which the procurement entity decides that only domestic suppliers or contractors may submit tenders. The procurement entity is not required to employ the procedures set out in sections 47 and 48 of the Act if the estimated contract amount is lower than the value threshold specified in Schedule 3. The procurement entity may stipulate in the tender documents that tenderers must quote only in the local currency and payments must be made wholly in the local currency, (PPA, 2003).

2.8.2.2 Restricted Tendering

The Public Procurement Act, 2003 Act 663 section 38 defines the restrictive tendering as a procurement entity which may for reasons of economy and efficiency and subject to the approval of the Board engage in procurement:

(a) If goods, works or services are available only from a limited number of suppliers or contractors; or (b) If the time and cost required examining and evaluating a large number of tenders is disproportionate to the value of the goods, works or services to be procured, (PPA, 2003).

2.8.2.3 Selective Tendering

This is where selected few suppliers thought to be reliable or dependent are invited and included in the approved supplier list, which is periodically revised. In pre-qualification the financial/security of the suppliers, technical and management capabilities and performance record on contract of the same nature of the suppliers are considered factors, (PPA, 2003).

2.8.2.4 International Competitive Tendering

The Public Procurement Act, 2003 Act 663 section 45 states that International competitive tendering shall be used whenever open competitive tendering is used and effective competition cannot be obtained unless foreign firms are invited to tender. Open international tendering shall be in accordance with the stated threshold and the following shall also apply: (a) The invitation to tender and tender documents must be in English (b) the invitation to tender shall be placed in a newspaper with adequate circulation to attract foreign competition (c) at least six weeks shall be allowed for submission of tenders in order to allow sufficient time for the invitation to reach candidates and to enable them to prepare and submit the tender; (d) technical specifications shall, to the extent compatible with national requirements, be based on ~~international standards~~ or standards widely used in international trade and in particular shall conform to the provisions of sections 33 and 50(3); (e) tenderers are permitted to express their tenders, as well as any security documents to be presented by them, in freely convertible currency and stated in the tender documents, subject to section 50(3) and section 55(2)(c); and (f) general and special conditions of contract as stated in the tender documents, (PPA, 2003).

2.8.2.5 Single Tendering

With this, one supplier is invited to submit a tender. Its documentation can be reduced and price can be negotiated progressively with the development of the design. Here the supplier becomes part of the project team and it is good for technical or management reasons, (PPA, 2003).

2.8.3 Hiring

It is a periodical payment to the owner for the use of the goods or premises. This is use in the short term contract, {Nickels, 1999}. For example in the 7th December National Election of Ghana, the Ghana Police Service hired buses to send personnel all over the country to protect the ballot and nationals who will cast their vote in order to avoid people intimidating them. The police have to hire these buses because they did not have the number of buses to transport personnel all over the country within that short period and therefore had to hire private buses for the period and return them after the exercise after paying for the cost of the hiring as agreed with the bus owners.

2.8.4 Hire – Purchase

It is a system whereby goods are rented for a certain period of time after which the items become the property of the hirer on payment of the final instalment (Rose and Lawton, 1994). This is done when the Police purchase items for personnel by guaranteeing on their behalf and taking items such as television, fridges, mattresses, lands and giving it to the personnel whilst they pay to the service in instalment every month for a period as agreed for the service to send it to the owners of the items as agreed. At the end of the stated period the items becomes the property of the personnel.

2.8.5 Auction

It is an open/public sale whereby goods are sold to the bidder with the highest bid. Usually the auctioneer begins with a low price until the article is knocked down to the last or the highest bidder, (Morrison and Jessop, 1994). For example, when the Ghana Police Service is disposing off obsolete or discarded items they invite registered auctioneers who are registered with them to dispose of those items. When it is a vehicle they invite STC who value the vehicle and the value is given to the auctioneer as reserved price. It means the auctioneer will sell the item above the reserved price. When he sells the item through hitting the hammer on the highest bidder, he takes the money and take 7% as his/her fee and gives the rest to the service to be lodged in the consolidated account of the Government of Ghana.

2.8.6 Outright Purchases

To pay cash for the full purchase price of an item to be supplied. It is a cash and carry payment method. The goods are given to the buyer after full payment of the cost of the item, (Morrison and Jessop, 1994). For example, when the police needs to buy refill water which is not that expensive and you cannot buy so much to store with its attendant hygienic and storage problems, they buy enough from stores which can last for about a week by paying for them and taking the water refill.

2.8.7 The Composite Method

This is a combination of tendering and negotiations and may be preferred in situations where purchasing involve products of high technical complexity. This method may be used where buyers can describe its needs but may not be able to define it in terms of technical specification due to lack of technical expertise or knowledge of all the available technology options. In this case, the bidder with lowest evaluated price and other favourable terms and conditions will be selected, (Taylor, 2003)

2.8.8 Leasing

Leasing has been defined by the Equipment Leasing Association as “A contract between lessor and lessee for hire of a specific asset selected from a manufacture or vendor of such assets by the lessee”. It is an alternative means of purchasing, the use to which capital equipment can be put without actually purchasing the ownership of the equipment itself. It is a form of rental whereby the use of the equipment is transferred to the lessee for a specific period of time without the actual ownership transferring. The rent payable is in the form of a regular periodic payment to the owner of the equipment for its use. In leasing, the intending user selects from a manufacturer or vendor of the required asset. A lease is then negotiated, often on tailor-made terms, with the lessor who acquires the asset chosen at the request of the lessee. The unique feature of leasing is that it enables the lessee to acquire the use of capital equipment by making payments out of revenue. Cars and commercial vehicles, computers, contractor’s plant, containers, locomotives and rolling stock, machine tools, office equipment and furniture and telecommunications equipment are a few of the assets that may be leased, (Arrowsmith, 2003)

2.9 Measuring Purchasing Performance

Purchasing performance is defined as the extent to which the purchasing function is able to realize its predetermined goals at the sacrifice of a minimum of a company’s resources. Certain benefits are derived when purchasing performance is been measured and this can be seen as follows; Purchasing performance evaluation leads to better decision making since it identifies variances from planned results; these variances can be analysed to determine their cause and action can be taken to prevent their occurrence in the future. Measuring purchasing performance leads to better communication with other departments. An example is analysing the number of invoices which need an extra check may lead to better arrangements in

payment procedures and improve mutual understanding of the purchasing department and administration. It makes things visible; regular reporting of actual versus planned results enables a buyer to verify whether his/her expectations have been realized. This provides constructive feedback to the buyer and it also provides information to management about individual and group effectiveness, and hence contributes to the recognition of the purchasing department, (Fawcett et al, 2007).

2.9.1 Problems in Measuring Purchasing Performance

Lewis, (2001) has concluded that the purchasing department was one of the more difficult departments to measure. The major problems that make it difficult to measure purchasing performance is the proprietary definition of purchasing performance, although the term is frequently used in practice as well as in theory. Terms like purchasing performance, purchasing effectiveness and purchasing efficiency but it has not been precisely defined. Lewis (2001) also indicates the lack of formal objectives and performance standards that hinder proper purchasing performance measurement. He emphasised that the objectives of the purchasing function often are not clearly defined; likewise, most purchasing departments operate without the guidance of defined performance standards. In addition, Purchasing is not an isolated function, purchasing performance is a result of many activities which, due to their intangible character, are difficult to evaluate in general, direct input – output relationships are difficult to identify; this seriously limits the possibility of measuring purchasing activities in an accurate and comprehensive way, (Lewis, 2001)

2.9.2 What Should Be Measured

In order to decide what to be measured, purchasing performance is considered to be the results of two elements; purchasing effectiveness and purchasing efficiency. Purchasing effectiveness is defined as the extent to which, by choosing a certain course of action; a

previously established goal or standard is being met. Purchasing efficiency is also defined as the relationship between planned and actual sacrifices made in order to realize a goal previously agreed upon. It is important to recognize that efficiency is related to the resources/means selected. Effectiveness is related to the objectives of the purchasing function. The classical statement summarizing the overall objective of the purchasing function is that it should obtain the right material, in the right quantity, from the right source, for delivery at the right time and right place, with the right service and at the right price. Hence, purchasing effectiveness has three dimensions, a price/cost, a quality, and a logistics dimension and this should be measured, (Jonsson, 2008).

2.9.2.1 Purchasing price/cost dimension

This dimension refers to the relationship between standard and actual prices paid for materials and services. Here, a distinction is made between price/cost control, which refers to the continuous monitoring and evaluation of prices and price increases or decrease as they are announced by suppliers, (Jonsson, 2008).

2.9.2.2 Purchasing quality dimension

Purchasing responsibility with regards to the quality of purchase materials can be seen in the pre-production stage as well as in the production stage. Purchasing involvement in the pre-production stage relates to new products or projects. Measures to be used here are the number of projects purchasing is involved in, the time spent on new projects, the initial sampling reject rate etc.

Also purchasing involvement in the production stage is to ensure that goods ordered are delivered according to specification. The parameters used here are incoming reject rates, line reject rates, number of approved suppliers, number of certified suppliers etc, (Jonsson, 2008).

2.10 Ethical Issues in Purchasing

According to Lysons (1996) ethics is concerned with the moral principles and values, which governs our beliefs, action and decisions. Ethics is important in purchasing since purchasing staffs are the representatives of their organization in its dealings with suppliers. Sound ethical conduct in the dealing with suppliers is essential to the creation of long-term relationship and the establishment of supplier's goodwill. Purchasing staffs are probably more exposed to the temptation to act unethically than most other employee. It is impossible to claim professional status for purchasing without reference to a consideration of its ethical aspects.

2.10.1 The Ethical Code of the Chartered Institute of Purchasing & Supply

The chartered institute of purchasing & supply (1977) Code set out purchasing ethics among its members. Some of the ethics are discussed below

- **Declaration of interest:** Any personal interest which may impinge or might reasonably be deemed by others to impinge on a member's impartiality in any matter relevant to his or her duties should be declared.
- **Confidentiality and accuracy of information:** The confidentiality of information received in the course of duty should be respected and should never be used for personal gain; information given in the course of duty should be true and fair and never designed to mislead.
- **Competition:** While bearing in mind the advantages to the member's employing organization of maintaining a continuing relationship with a supplier, and arrangement which might in the long term, prevent the effective operation of fair competition should be avoided.
- **Business gifts:** Business gift other than items of very small intrinsic value such as business diaries or calendars should not be accepted

- **Hospital:** Modest hospitality is an accepted courtesy of a business relationship. However, the recipient should not allow him or herself to reach a position where he or she might be deemed by others to have been influenced in making a business decision as a consequence of accepting such hospitality; the frequency and scale of hospitality should not be significantly greater than the recipient employer would be likely to provide in return; when it is not easy to decide between what is and is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the member's superior.

Advice on any aspect of the precepts and guidance set out above may be obtained on written request to the Institute, (CIPS code, 1977)

2.11 Monitoring and evaluation of Purchasing Policy

Monitoring is performed while a policy is being implemented, with the aim of improving the policy design and functioning while in action. An example given in the World Bank Technical Paper, Monitoring and Evaluating Urban Development Programs, A Handbook for Program Managers and Researchers by Bamberger (2011) describes a monitoring study that, by way of rapid survey, was able to determine that the amount of credit in a micro credit scheme for artisans in Brazil was too small. The potential beneficiaries were not participating due to the inadequacy of the loan size for their needs. This information was then used to make some important changes in the policy. Bamberger (2011) defines it as: "an internal project activity designed to provide constant feedback on the progress of a project, the problems it is facing, and the efficiency with which it is being implemented"

Evaluation studies the outcome of a policy (changes in income, housing quality, benefits distribution, cost-effectiveness, etc.) with the aim of informing the design of future policies. Bamberger describes evaluation as "mainly used to help in the selection and design of future policies. Evaluation studies can assess the extent to which the policy produced the intended

impacts (decrease in material cost, better purchasing quality, etc.) and the distribution of the benefits between different groups, and can evaluate the cost-effectiveness of the policy as compared with other options”.

Monitoring and evaluation need not be expensive or complicated, nor do they require specialists or grand calculations. The complexity and extent of the studies can be adapted to fit the program needs, (Bamberger, 2011)

3.1. Population

The population of the study consisted police staffs of procurement department at the National Headquarters in Accra, Inspector General's Office in Central Region (Cape Coast), Ashanti Region (Kumasi) and Northern Region (Goroka). The total population size is 150 personnel. The purpose of the study is to evaluate the impact and effectiveness of the procurement policy on the procurement process in the police force.

3.2. Sampling Size and Technique

One hundred and thirty (130) officers of the procurement department at the National Headquarters in Accra, Inspector General's Office in Central Region (Cape Coast), Ashanti Region (Kumasi) and Northern Region (Goroka) were sampled from the population and included in the study. Not every member within the study was chosen to be part of the study because the concentration of the study was on those personnel who dealt with the procurement policy of the police service.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

Methodology is one of the essential parts of any research, especially academic research. There are several methods for collecting data for academic research. Research design is basically the blue print that a researcher follows to collect data to undertake a research. This Chapter presents the research population, sampling size and technique, pre-testing, data handling, sources of information, questionnaire, mode of data collection and data analysis.

3.1 Population

The population of the study comprised police staffs of procurement department at the National Headquarters in Accra, logistics department in Central Region (Cape Coast), Ashanti Region (Kumasi) and Northern Region (Tamale). The total population size is 130 personnel. The purpose was to enable the researcher get enough and detailed information from all the parties involved in procurement and logistics in order to generalize the research findings.

3.2 Sampling Size and Technique

One hundred and thirty (130) officers of the procurement department or unit at the National Headquarters in Accra, logistics department in Central Region (Cape Coast), Ashanti Region (Kumasi) and Northern Region (Tamale) were sampled from the procurement and logistics units within the stated regions above. Not every member within the units was chosen to be part of the study because the concentration of the study was on those personnel who dealt directly with the purchasing policy of the police service.

In sampling, the main objective is to select a portion of the universe that the results may be extended to the whole population. It is in this respect that representativeness of a sample becomes fundamental to sampling. The sampling technique used in this study was 'purposive sampling'. In purposive sampling, the units of sample are selected not by a random procedure, but they are intentionally picked for study because of their characteristics or because they satisfy certain qualities which are not randomly distributed in the universe, but they are typical or they exhibit most of the characteristics of interest to the study (Sarantakos, 1998). The subjects for the study were purposively selected targeting those officers who have at least been with the units for at least two years, have been directly involved in the implementation of purchasing policy in one way or the other and gave their consent to participate in the exercise. This is not a probability sampling, because the element of chance or randomization was not involved. The study is a descriptive study of the Ghana Police Service. The purpose of the study was first explained to those who volunteered themselves and were included in the sample. Those officers who fitted the characteristics mentioned above were given the questionnaires to fill in their offices during free hours.

3.3 Pre-testing

The questionnaires designed for the research were pre-tested on four (4) respondents at the National Headquarters Procurement unit to establish their suitability and also the standard by which the outcome of the research involving the subjects will be measured. After the pre-test it was realized that some of the questions were vague which needed clarification and also it was detected that the fourth objective of the study was not properly covered in the questionnaire. The pre-test also gave an insight into how long it would take a respondent to complete one questionnaire. The necessary corrections and adjustments were then made.

3.4 Data Handling:

In order to have accurate answers to the questions, the researcher read through all the questionnaires immediately they were administered. In cases where mistakes were detected, necessary corrections were made to remedy them by contacting the respondents immediately. The researcher was very careful in editing especially those administered without the presence of the researcher to ensure accuracy. Serial numbers were further assigned to all the administered questionnaires to prevent double entry since they did not bear names.

3.5 Sources of information

The main source of data for the study was primary information collected from the staff of Procurement and Logistic unit of the Ghana Police Service, Greater Accra, Central, Northern and Ashanti Regions. The research also made use of literature from text books, journals, newspapers as well as various documents such as the Police Service Regulation, Police Service Instructions where the Police purchasing policy are documented to supplement the primary data.

3.6 Questionnaire

Questionnaires were used to collect data from respondents. The questionnaire was made up of both open and closed ended questions. The open ended questions made room for respondents to express their opinion on some of the issues stated on the questionnaire.

The questionnaires were administered to 130 respondents including ten {10} staff of purchasing department at the headquarters responsible for procuring materials for the entire police service, in addition, 40 questionnaires were sent to Cape Coast logistics department, 50 questionnaires to Kumasi logistics and, 30 questionnaires to Tamale logistics department. Despite the fact that the researcher's bias came to play in line of questioning, outmost care

was taken to avoid the situation where the researcher influenced the type of responses that were provided by the respondents.

3.7 Mode of Data Collection

The researcher introduced herself to the respondents and explained the purpose of the study to them. This helped the researcher to win the confidence and trust of the respondents and craved their indulgence for the data collection. The researcher delivered the questionnaires by hand to respondents.

3.8 Data analysis

The data handling exercise started with field editing to check the appropriateness, consistency and accuracy of the information provided by respondents. This exercise made it possible to contact some respondents afresh when it became necessary for clarification of certain issues and some also to complete certain questions they might leave unanswered. Frequency tables and graphs were used in the analysis and interpretation of the data. Tables and charts were also used as illustrations where necessary. After the statistical analysis of the data, the results were then summed up and presented according to the objectives of the study.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter presents a thorough discussion and analysis of findings with respect to the objectives of the study and with particular reference to the responses received, findings of the study, tables and figures and other related charts that are useful to the study. The responses from the questionnaires were analysed to find out officers knowledge on existence of purchasing policy of police service as well as how the policy reflects the current needs of the police administration. Data gathered from the study were qualitatively analysed than quantitatively.

4.1 Responses Received

Out of 130 questionnaires given to respondents 121 were received representing an overall response rate of 93.08 %, this is because the researcher was unable to reach all the respondents. Out of the 121 received, 2 were discarded because they were partially filled. The remaining 119 questionnaires were therefore used for the data analysis. The responses received from the various respondents are presented in Table 4.1.

Table 4.1: Responses from Respondents

DEPARTMENTS	QUESTIONNAIRES SENT	RESPONSES RECEIVED	RESPONSES RATE (as % of total)
Headquarters	10	10	6.92
Kumasi(head office)	25	19	14.62
Kumasi(other offices)	25	23	17.69
Cape Coast(head office)	25	25	19.23
Cape Coast(other offices)	15	15	11.54
Tamale(head office)	15	15	11.54
Tamale(other offices)	15	14	11.54
TOTAL	130	121	93.08

Source: Field Survey, October 2013

The table 4.1 above vividly depicts the total number of questionnaires that were sent to various police service purchasing and logistics offices. As shown above in table 4.1, 10 questionnaires were sent to headquarters and all the questionnaires were answered and returned. In Kumasi 50 questionnaires were sent and 42 questionnaires were answered and returned. The questionnaires were made up of 25 questionnaires to logistics department in Kumasi head office and 25 to other selected logistics offices within Kumasi metropolis. The same procedures were repeated in Cape Coast and Tamale.

4.2 Characteristics of Respondents

This section focused on specific demographic variables such as education, level in the logistics and purchasing departments and time the officer has spent with the department.

Table 4.2: Level in Organization

Respondents	Frequency	Percentage
Managerial	34	28.5
Technical	52	43.7
clerical	33	27.73

Source: Field Survey, October 2013

Level in the organization: this refers to the status under which an officer works. In response to level in the organization, 34 (28.57%) of respondents were in the managerial level, 52 (43.70%) were in the technical level and the remaining 33 (27.73%) specify their levels as Clerical officers. This implies that respondents are within the levels to have adequate knowledge in purchasing within the organization.

Table 4.3: Experience with Organization

Respondents	Frequency	Percentage
Up to five (5) years	36	30.25
Six(6) years to Ten (10) years	79	66.39
More than Ten(10) years	4	3.36

Source: Field Survey, October 2013

Experience with the organization: with regards to how long the respondents have worked in their respective purchasing or logistics department, 36 (30.25%) had worked up to five years, 79 (66.39%) indicated that they have been with their organisations between 6 and 10 years while 4 (3.36%) had worked for a more than a decade. This suggests that majority (69.75%) of the respondents have experience in their institutional work.

Level of Education: In respect of the respondents level of education it was found that majority (87.60%) had Bachelor Degree and above including professional qualifications as shown in Table 4.4. This means that the respondents are highly educated and are capable of giving the valid responses to the questions.

Table 4.4: Level of Education

Education	Frequency	Percentage
O Level	1	0.84
Polytechnic	12	10.08
1 st Degree	38	31.93
Graduate Degree	21	17.65
Professional qualification	47	39.50
Total	119	100

Source: Field Survey, October 2013

4.3 FINDINGS OF THE STUDY

The following are the findings identified after collection and analysing data.

4.3.1 Identification of Purchasing Policy

Respondents were interviewed on whether they have an in-depth knowledge of the police service procurement policy and they gave the following response as shown in Table 4.5.

Table 4.5: Knowledge on the Police Service Procurement Policy

Respondents	Frequency	Percentage of total (%)
Very Strongly agreed	31	26.05
Strongly agreed	26	21.85
Agreed	53	44.54
Disagreed	7	5.88
Strongly disagreed	2	1.68
Total	119	100

Source: Field Survey, October 2013

The figures in Table 4.5 shows that out of the 119 respondents, 57 strongly agreed that (31 very strongly agreed and 26 strongly agreed) they have in-depth knowledge on the existence of the police service procurement policy, representing 47.9%. However, 44.54% of the respondents indicated that they only have a little knowledge on the purchasing policy. Finally 7.56% of the respondents agreed that they do not have any knowledge on existence of procurement policy. The highlights of the purchasing policy according to the majority are Roles and Responsibilities of the Chairman of the Entity Tender Committee; Roles and Responsibilities of members of ETC; Conduct of the meeting of the ETC; Roles and

Responsibilities of the Head of Procurement and his Secretariat; Roles and Responsibilities of the Head of Logistics and his staff; how tenders will be solicited; how tenders will be evaluated; signatories to contracts of procurement; receipt of goods; distribution of accoutrement to the various units within the country and how to go about it and disposal of obsolete items from the police stores. This show how elaborate the police procurement policy is though it is not in one document. It was found that the policy is in about three documents that are used as procurement policy. They are the Public Procurement Act, 2003(Act 663), the Police Service Regulations, 2010 and Police Gazette.

Table 4.6 Shortfalls within the Purchasing Policies

Respondents	Frequency	Percentage
Strong agreed	81	69.23
Agreed	29	24.79
Not agreed	5	4.27
Neutral	2	1.71
Total	117	100

Source: Field Survey, June 2013

The figures in Table 4.6 shows that out of the 117 respondents 110 (81 and 29) indicated that number of police officers believe that there is a high gap within police purchasing policy. Majority (94.02%) of the respondents indicated that the current purchasing policy does not fully reflect or meet the needs of the police service objective. However, 5 (4.27%) respondents indicated that existing purchasing policy reflect the objective of the police service. Finally 2 respondents (1.71%) indicated neutrality on the issue.

The respondents attributed reasons for shortfall associated with the existing purchasing policy to constant change in heads of the institutions with the likelihood of the change of the heads of the procurement and logistic unit without any professional justification. This shows that the policy does not give security of tenure to the Heads of Procurement and Logistics because they remain at post at the whims and caprices of the Police Administration who themselves can be relieved of their position by the political powers that be. Due to this any Senior Officer without professional acumen may assume the position of procurement or logistics head without adequately understanding the policy or the concepts under the policy and therefore misapplying the policy. They also attributed it to allocated amount being disbursed by the institutions to the various departments because there is always a shortfall between budgeted funds therefore making the implementation of procurement policy difficult. As a result, many purchasing policies are started at the same time with the limited resources instead of constructing one at a time. To find out whether the amount allocated to the institutions was enough to make sure that purchasing policies reflect the police service objective, 0 (0%) indicated they agree, 12 (10.08%) indicated they disagree and 107 (89.92%) indicated that they strongly disagree. This means that the funds allocated to the institutions were not enough to implement a proper purchasing policy within their estimated period of time. All purchasing policies and plans are supported by funds. Without funds, implementation of purchasing policies will be difficult and therefore the Police Administration must always seek for the release of funds at the appropriate time to make implementation easier and smooth and use other dynamic means such as charging appropriate fees for duties perform for private organisations and individuals such as the banks, malls etc to supplement the GOG funds.

4.3.2 Monitoring and evaluation of Purchasing Policy

Evaluation and monitoring systems can be an effective way to provide constant feedback on the extent to which the policies are achieving their goals and identify potential problems at an early stage and propose possible solutions. It also Monitor the efficiency with which the different components of the policy are being implemented and suggest improvements, Provide guidelines for the planning of future policies and improve policy design.

Monitoring and evaluation of logistics policy by regional logistics head offices

For monitoring of logistics policy, 29 (24.37%) indicated that they monitor the logistics department weekly, 82 (97.58%) respondents indicated that they monitor monthly and 8 (6.72%). The respondents also indicated that monitoring was done by the officers from headquarters sometimes. From the responses, 103 (86.55%) showed that the monitoring teams wrote monthly, quarterly and annual reports while 16 (13.45%) showed that they wrote weekly reports.

4.3.3 Monitoring and ~~evaluation~~ of purchasing policy by Headquarters

Majority 113 (94.96%) of the respondents indicated that headquarters does not adequately monitor regional logistics departments. However, 11 (9.24%) responded that headquarters monitor logistics departments annually. The detail is shown in Table 4.7.

Table 4.7: Reviewing of Purchasing Policy by Police Service Administration

Monitoring schedule	Frequency	Percentage
Weekly	0	0
Monthly	0	0
Quarterly	0	0
Yearly	17	14.29
None of the above	102	85.71
Total	119	100

Source: Field Survey, October 2013

The figures shown in Table 7 indicates that reviewing of purchasing policies are not even carried yearly to ensure that those existing purchasing policies meet the constant change of police service operating environment. Lack of good review of the purchasing policy by the police service administration indicated by respondents has resulted to purchasing officers or logistic officers being turned into arresting officers and security guards at the various banks in their area of operation.

4.3.4 Payments of Materials

Responses to the questionnaire indicated that no 0 (0%) suppliers are paid promptly or within the specified payment period as presented in the Table 4.8.

Table 4.8: Payments of Materials

Responses	Yes	No
Invoice of materials are paid promptly or within specified period (30days)	9	110

Source: Field Survey, October 2013

Respondents indicated this has resulted in delayed purchasing payment with high cost due to fluctuations and variations. Also, the delayed payment result in suppliers charging interest on the delayed balance of payment after the specified period stated in the Contract documents. Due to this some good suppliers are not willing to supply items to the organization due to lack of confidence in the organization paying promptly after delivery due to lack of trust. It has also culminated in contractors abandoning project after award of contract or part completion of phases because of the delay in payment. This delay in payment affected 22 suppliers or contractors and therefore the police should look at the payment policy again so that they will set-up proper period of payment that they can comply with so that suppliers will plan according to the payment period as to the pricing or whether to accept the contract or otherwise.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

This chapter presents a summary of the major findings of the study, which looks at problems associated with police service purchasing policies. Questionnaires were used to solicit information on the topic from selected police officer.

Based on the findings of the study, majority of the police officers indicated inadequate knowledge on the purchasing policies and lack of monitoring as major problems for the purchasing policy. Although the police administration is carrying out monitoring on the purchasing policy sometime, it was also indicated that the police administration did not review the policies frequently enough to reflect the current needs of the police administration and this makes it difficult to check whether goods purchased really conform to quality standards.

On the variables of ~~payment of good~~ purchased, majority of the respondents indicated that good purchased are not paid on time. According to the respondents, the delayed payment causes high cost of materials due to fluctuation of prices of goods and services.

5.2 Conclusion

Although police administration has a purchasing policy to ensure that proper purchasing procedures are adhered to, however it is an area of great interest to tax payers which if not managed efficiently, can affect the entire police administration and the country. The highlights of the purchasing policy are: Roles and Responsibilities of the Chairman of the Entity Tender Committee; Roles and Responsibilities of members of ETC; Conduct of the

meeting of the ETC; Roles and Responsibilities of the Head of Procurement and his Secretariat; Roles and Responsibilities of the Head of Logistics and his staff; how tenders will be solicited; how tenders will be evaluated; signatories to contracts of procurement; receipt of goods; distribution of accoutrement to the various units within the country and how to go about it and disposal of obsolete items from the police stores.

The causes of inefficient management are numerous ranging from factors such as lack of monitoring, inadequate reviewing, delayed payment among others were found responsible for the inefficiencies in the purchasing policy.

5.3 RECOMMENDATION

The following suggestions are made to make the purchasing policies more useful for effective analysis and decision making.

1. Having realized the strategic importance of purchasing policy and needs to be timely for its usefulness to be appreciated, I would recommend that management should review the policy frequently such as semi – annual and quarterly reports so that purchasing and logistics officers will be abreast to meet the continuous changing needs of the police administration and the changing environment.
2. Purchasing policy should be prepared and written in a simple way by defining and explaining the business terms and also detailing purchasing procedures so that each officer, even those lacking purchasing policy knowledge, can understand in order to make effective use of the purchasing policy.
3. It is also important, the police service administration prepare and state clearly and boldly basic purchasing ethics and these purchasing ethics can be written in the

officer's handbook and also boldly written on the wall of each purchasing or logistics department.

4. It is recommended that the Ghana Police Service will set up a payment period which they can comply with so that suppliers or contractors can rely on the period to plan in other to do their pricing taking into consideration the lending rate as to where to source funds to complete the job to avoid incurring unnecessary interest on funds they will use for the project. There should therefore have a policy that, if they do not have commitment of funds in available they should not contract suppliers or contractors to supply or procure works for them.
5. A competent non standing/non-permanent inspection team who have knowledge of what is to be inspected should be formed according to the item to be inspected so that they inspect the item according to the criteria and specification given in the contract.
6. Lastly but not least, Proper training or education on purchasing policy and it impacts on both the police service and the country as a whole can be organized to sensitized the police officers especially the purchasing and logistics officers on the following areas:
 - Written code of conduct of purchasing policy- a written documents stating the rules and regulation on purchasing – price, cost and time,
 - Purchasing standards in terms of quality of goods and sustainability of suppliers, Well-established purchasing ethics ,
 - Monitoring and evaluation purchasing procedures and Competitive bidding even if it is restricted tendering due to the security implication there should be healthy competition.

REFERENCES

- Anvuur A. (2006) *Taking Forward Public Procurement Reforms in Ghana*. Hong Kong
Unpublished
- Arrowsmith, S. (2005). *The Law of Public and Utilities Procurement* (2nd ed.). London, UK:
Sweet & Maxwell.
- Arrowsmith, S. L. Linarelli, J & Wallace, D. Jr. (2000). *Regulating Public Procurement:
National and International Perspectives* London, UK: Kluwer Law International
- Arrowsmith, S., & Trybus, M. (Eds.) (2003). *Public Procurement: The Continuing
Revolution*. New York: Kluwer Law International
- Bamberger, M., Hewitt, E (1985) Monitoring and Evaluating urban development programs: a
handbook for program managers and researchers. Urban development department
discussion paper: no. 67. Washington DC: World Bank
- Bailey, P, Farmer D, Etal: {1994} *Purchasing Principles & Management* (7th Ed.) USA:
Pitman Publishing
- Baily, P, Farmer, D, Crocker, B, Jessop, D, & Jones, D {2008}, *Procurement Principles and
Management* {10 ed.} Harlow: Financial Times Prentice Hall.
- Boone and Kurtz (1993). *Contemporary Business*, Dryden Press (Fort Worth)
- CIPS (2005) Code of ethics. Canada: Canadian information processing Society
- Fawcett, S, E, Ellram, L, M, & Ogden, J, A {2007} *Supply Chain Management from Vision
to Implementation*. New Jersey, USA: Pearson Prentice Hall.
- Fearon, H., E., Bates, W., A., (1997) Measures of purchasing effectiveness. Tempe
- Government of Ghana (1993) Ghana Police Service Gazette. Accra, Ghana
- Government of Ghana (2003) Public Procurement Act, 2003 (Act 663) Accra, Ghana.
- Government of Ghana (1992) Constitution of the Republic of Ghana. Accra, Ghana.
- Government of Ghana (2005) *Procurement Principles and Ethics*. Accra, Ghana

Jonsson, P, {2008} Logistics and Supply Chain Management. New York, USA: McGraw-Hill Companies.

Kennerley, M, Neely, A (2003) Measuring performance in a changing business Environment, International Journal of Operation and production management, Vol. 23 No. 2 pp 223-229

Lyson C.K: {1996 } Purchasing (4th Edition) USA: Pitman Publication

McConnell and Brue (2001) Microeconomics Principles, Problems and policies. New York, USA: McGraw-Hill Companies.

Morrison & Jessop(1994) : Storage & Supply Of Material New Jersey, USA: Pearson Prentice Hall.

Nickels (1999), Understanding Business (5th ed), U.S: McGraw-Hill companies.

Osafo-Marfo Y. (2003) Improving Efficiency and Transparency in Public Procurement.
Accra, Ghana

Rose and Lawton, (1994). Improving Public Service Management, Harlow, England: Pearson Education Limited.

Sarantakos, S. (1998). *Social Research* (2nd ed.). London: MacMillan Press Ltd.

Taylor, T. K. (2003). "The Proper Use of Offsets in International Procurement." *Journal of Public Procurement*, 3 (3): 338-356.

Van Weele (2000) Purchasing and Supply Management, Ohio: Thomson press

Van Weele A., J, (1994): Purchasing Management (Analysis, Planning & Practice) Ohio: Thomson Press

Writing, A, {2009} what are the functions of a purchasing department in an organization.

Available at www.Smallbusiness.chron.com accessed on 24-04-14

APPENDICES

APPENDIX A

QUESTIONNAIRE

SECTION A

This questionnaire seeks to elicit information on purchasing policy of the Ghana Police Service. This information will be used strictly for research purposes and will also be treated with high confidentiality (names are not required). The researchers will be grateful if you contribute to this study by completing the questionnaire as candid as possible by ticking (✓) appropriately or explaining where necessary. Thank you.

1. Please tick your age group

- a) 18-25,
- b) 26- 33,
- c) 43 -40
- d) 41 above

2. Rank

3. Number of working years

3. level of education Secondary , Polytechnic, 1st degree, 2nd degree, others

4. Sex: Male [] Female []

SECTION B

This Section consists of 20 statements. Read and tick (✓) appropriately each statement in terms of how often the symptom is true for you during the last three months.

Section B 1

Indicate how you agreed with the following statements:

1. Police service has a separate department for procurement/logistics

- a) Very strongly agreed
- b) Strongly Agreed
- c) Agreed
- d) Not agreed

4. The procurement function is placed within one of the following

Strategic [] Tactical [] Operational []

5. The procurement /logistics unit has a clear written procurement policy

- a) Very strongly agreed
- b) Strongly agreed
- c) Agreed
- d) Disagreed
- e) Strongly disagreed

6. What are some of the highlights of the procurement policy if you know of its

existence?.....
.....

.....

.....

7. Ghana Police Service has overall policy for the service

- a) Very strongly agreed
- b) Strongly agreed
- c) Agreed
- d) Disagreed
- e) Strongly disagreed

8. Top management develop or design the procurement policy

- a) Very strongly agreed
- b) Strongly agreed
- c) Agreed
- ~~d) Disagreed~~
- e) Strongly disagreed

Section B 2

In the scale of 1 to 10, where 1 is the lowest and 10 is the highest, indicate with the scale how you agree with the following statements.

9. Purchasing unit has a strategic relationship with suppliers.

- a) 0-1
- b) 1-3
- c) 4-5
- d) 6-7
- e) Above 8

10. The current police service Procurement policy is line with the police service objectives

- a) 0-1
- b) 1-3
- c) 4-5
- d) 6-7
- e) Above 8

11. Funds are always available to meet the purchasing needs of police

- a) 0-1
- b) 1-3
- c) 4-5
- d) 6-7
- e) Above 8

12. Often the head of procurement/logistics ends her/his term of office

- a) 0-1
- b) 1-3
- c) 4-5
- d) 6-7
- e) Above 8

Section B 3

Indicate how you agreed with the following statements:

13. Procurement department at the headquarter reviews annually the procurement policy

- a) Very strongly agreed
- b) Strongly agreed
- c) Agreed
- d) ~~Disagreed~~
- e) Strongly disagreed

14. Potential suppliers are evaluated and monitored frequently

- a) Very strongly agreed
- b) Strongly agreed
- c) Agreed
- d) Disagreed
- e) Strongly disagreed

15. Procurement unit pay suppliers on time

- a) Very strongly agreed
- b) Strongly agreed
- c) Agreed
- d) Disagreed
- e) Strongly disagreed

16. If suppliers are not paid on time, what are some of the problems that causes the delay?

.....

.....

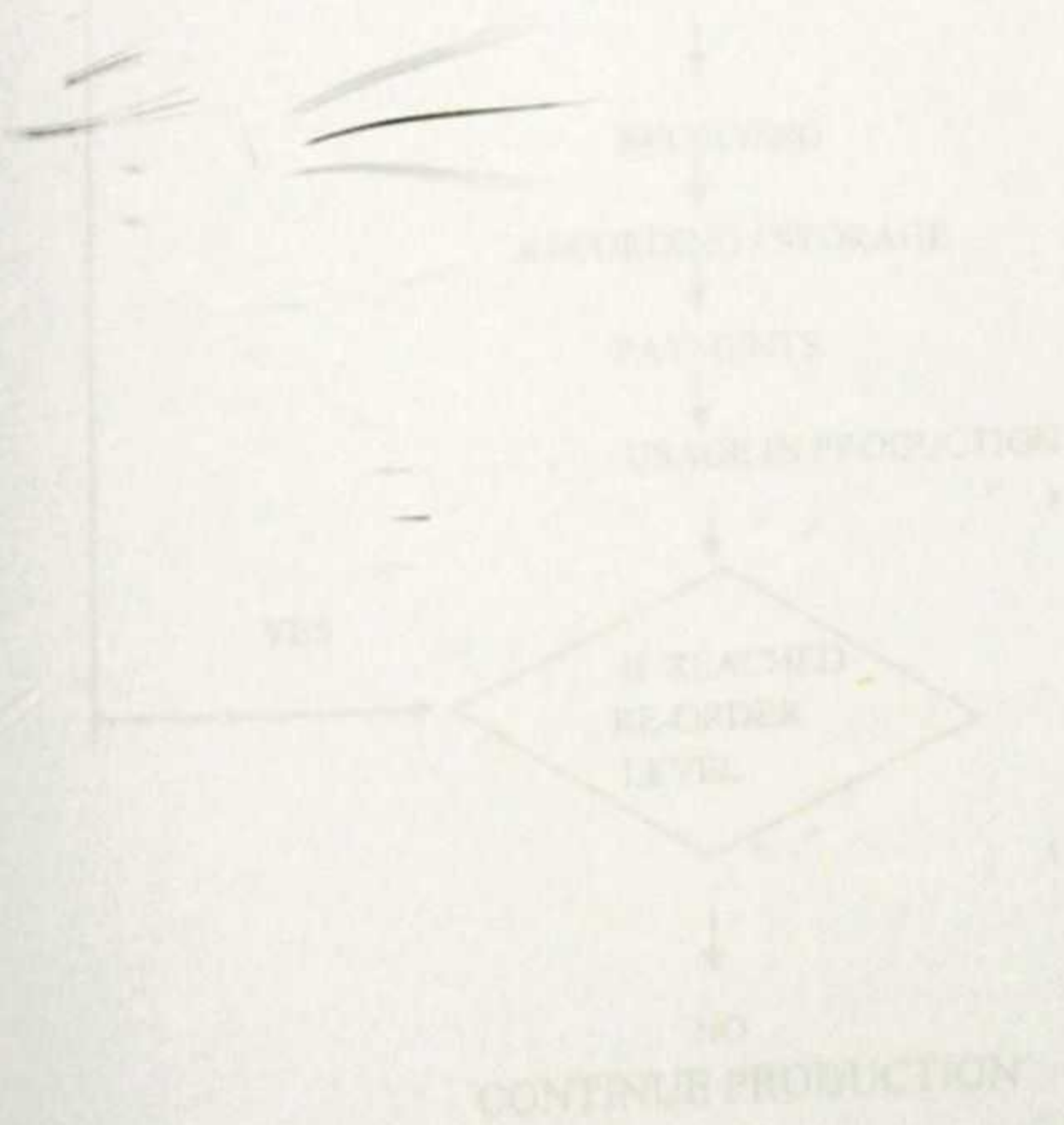
.....

17. Please if you have any additional comment or suggestion please you can share with us

.....

.....

Thanks for your contribution.



APPENDIX B

THE CYCLE

