

**AN EVALUATION OF NATIONAL COMPETITIVE TENDERING IN
LOCAL GOVERNMENT ADMINISTRATION IN GHANA: THE CASE OF
TECHIMAN MUNICIPAL ASSEMBLY**

BY

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AUGUST 2009

CERTIFICATION

I hereby declare that this Dissertation is my own work and that to the best of my knowledge, it contains no material previously published by another person and does not contain any 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.

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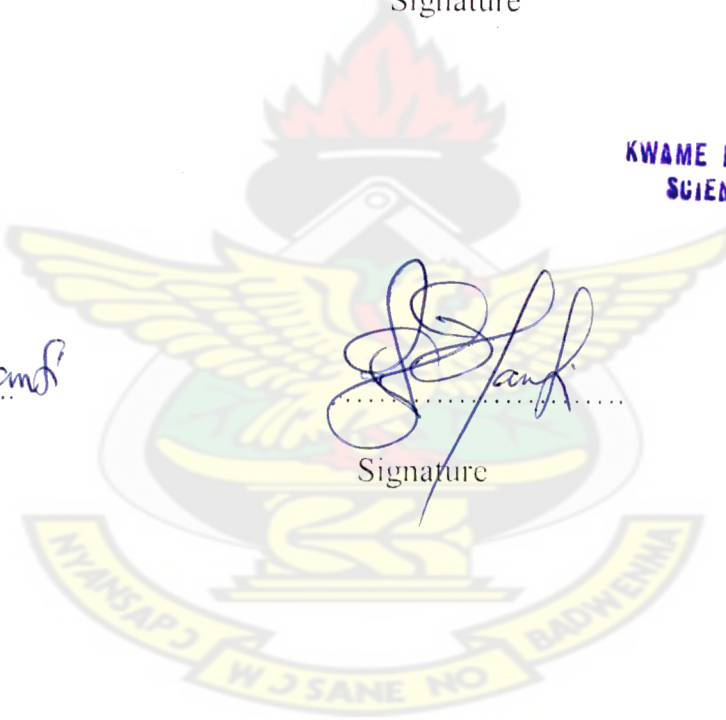
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ABSTRACT

Ghana has since independence been searching for an efficient and effective financial management system that avoids or at least minimises fraud, corruption and other forms of irregularities in the public sector. Both civilian and military governments have made many attempts to instill transparency, accountability and responsibility in public spending. Indeed when fraud, corruption and other forms of irregularities committed by public officers and their collaborators go up, public spending also goes up. Relevant laws to prevent fraud, corruption and other irregularities have been passed by various governments. The laws include the following:

- i. The Supreme Military Council Decree, (SMCD) 221 (1979)
- ii. Financial Administration Regulation (FAR) (LI. 1234) (1979)
- iii. Financial Administration Regulation Decree (FARD) (1979)
- iv. Legislative Instrument (L.I 1804) (2003)
- v. Financial Administration Act, (Act 654) (2003)

As if these laws were not enough, the 1992 constitution of Republic of Ghana devoted a whole chapter (Chapter13) for finance, as a foundation to ensure proper financial management in the country. Having come to the realisation that much of public funds are lost through fraudulent public procurements, the public procurement Act, Act 663 (2003) was passed together with Internal audit Agency Act, Act 658 (2003) to improve public financial management system, prevent and punish offences related to fraudulent public procurements. The Public Procurement Act, Act 663 (2003) has identified procurement methods to be followed by Ministries Departments and Agencies (MDAs) as well as Metropolitan, Municipal and District Assemblies (MMDAs). The methods include the National Competitive Tendering which among other

methods should be adopted in procurements based on specific thresholds. The Techiman Municipal Assembly mainly adopts the National Competitive Tendering method in procurements. This study has attempted to test and determine whether or not the method actually avoids or prevents or minimises fraud, corruption and other irregularities in procurements. In particular the study has sought to determine if efficiency, effectiveness and transparency exist in public procurements at the Assembly and if to some extent the method is being used as an effective instrument for financial management.



ACKNOWLEDGEMENT

My most sincere gratitude goes to the almighty God for granting me the strength and knowledge through out this piece of work. I am also grateful to my Supervisor, Mr. O. Adu-Gyamfi for his comments and advice offered me through out the project.



KNUST

DEDICATION

This project work is specially dedicated to my wife and children.

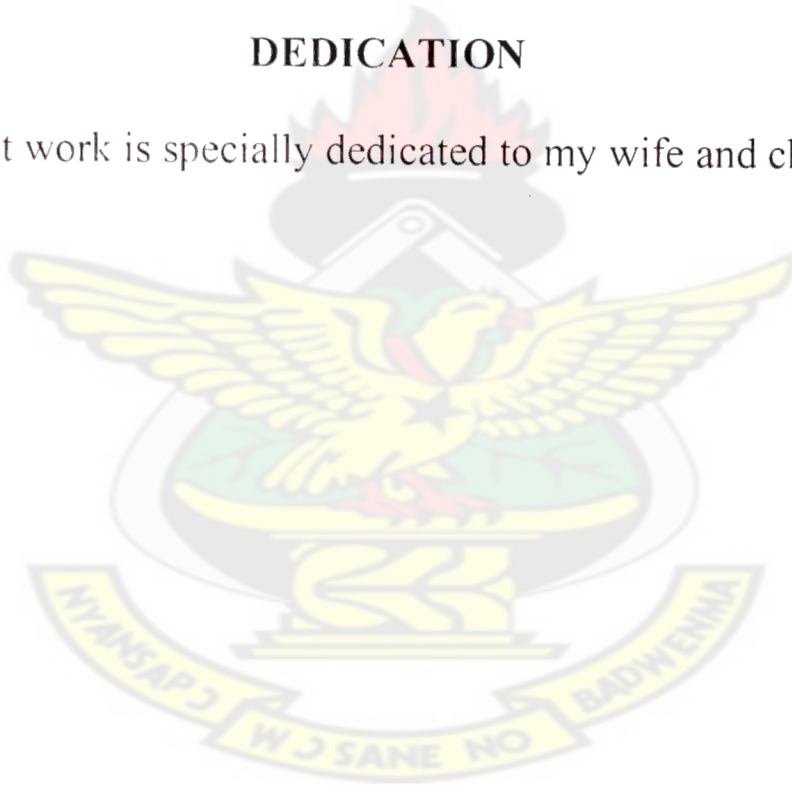


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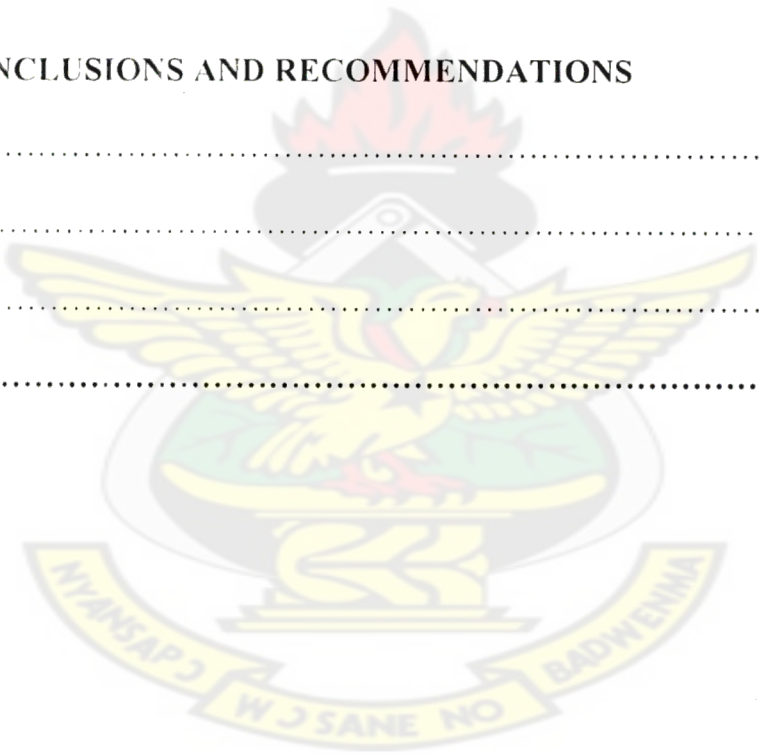
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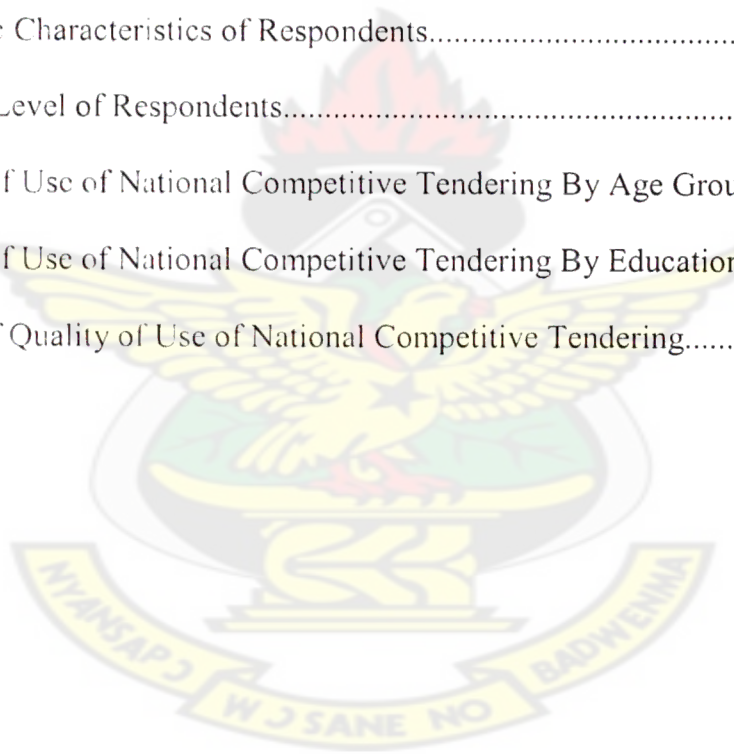
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CHAPTER ONE

INTRODUCTION

1.1: General Introduction

Since the colonial era, local government authorities in Ghana have been used as “Gold Mines” by some local government officials and contractors from where they have to amass wealth, acquire property and cater for the needs of their families to the detriment of the masses. Irregularities and corruptions in public procurement have been done without regard to the enormous development tasks of local government authorities in the country. A lot of corruption, diversion of goods and materials, embezzlements, misappropriation of funds and goods has taken place over the years in local government authorities in Ghana. (O Adu-Gyanfi Public Sector Financial Management, Accounting and Audit)

Local government authorities have been accused of inefficiency and ineffectiveness. For example in the Metropolitan, Municipal and District Assemblies (MMDAs), drains are choked, liquid and solid wastes abound, urban and rural roads are poor, classes are held under tress, there are inadequate toilets and health facilities, etc. The situation is not different in the towns and villages administered by MMDAs. Rate and tax payers, politicians, communities, Non-Governmental Organisations (NGO's) and academics have questioned the capacity of local government authorities in dealing with developmental challenges of the 21st Century. Some have questioned in particular the financial management system operated by Metropolitan, Municipal and District Assemblies (MMDAs) especially after the passage of the new Local Government Laws, PNDC Law 207, 1983 and Local Government Act 1993, Act 462.

Financial control in local government administration has become a critical issue in contemporary governance all over the world. This may be due to the increasing role local government plays in the development of countries. Hampton (1987:1) noted that “From being a quiet, almost dull branch of public administration, local government administration has developed in recent years into both a matter of major public debate and one of the most vigorous specialisms within political science”. The increasing dominance of local government in the administration of countries was re-echoed by Stoker (1991) in almost the same words as those of Hampton (1987). Stoker (1991) noted that “From being a quiet backwater of routine administration and parochial politics, local government administration has been pushed into the limelight”.

Even though there have been considerable debate from some quarters on the creation and existence of local government units, there are similarly several compelling justifications for local government systems in the administration of countries (Hampton, 1987:3). Wilson (1998:200) also observed that local Government authorities are responsible for planning and delivering a wide range of local public services including: education, social services, housing, highways, police, fire, museums and art galleries, libraries, planning, economic development, refuse collection waste disposal and recreational facilities.

The task of performing these varied and numerous functions places a huge financial management responsibility on local Government authorities. The incomes generated or received by these authorities are public funds and must therefore be spent in a judicious and prudent manner for the benefit of the local people. To achieve this aim, there must be checks and guidelines on the way and manner local authorities use their financial resources. This raises the issue of financial controls in local government administration. Several financial control measures exist in different

countries to guide local governments' financial management. National Competitive Tendering in procurements is one of the major financial control measures in local government administration in Ghana.

The need for financial reform

Financial surveys in late 1980s and early 1990s in Ghana, especially at the central and local government sectors revealed the following:

- (i) Insufficient control over public funds in the Ministries Department and Agencies (MDAs) and Metropolitan, Municipal and District Assemblies (MMDAs);
- (ii) No ownership of public funds by public institutions and officers;
- (iii) Weak responsibility, stewardship and accountability;
- (iv) So much collusion and corruption in public procurements and payments for goods, works and services; and
- (v) Poor budget formulation, implementation and expenditure control.

A strong need was felt in 1995 for a financial reform both at the central government and the local government levels. In particular there was the need for changes in:

- (i) Public procurement management;
- (ii) Cash management;
- (iii) Legal framework which regulates public financial management
- (iv) Enforcement of financial laws to instill financial discipline in MDAs and MMDAs
- (v) Monitoring, evaluation and review of financial performance by MDAs and MMDAs
- (vi) Financial reporting which meets international standards.

For the financial reform to achieve its objectives of enhancing efficiency, effectiveness, economy, transparency, responsibility, stewardship and accountability in public financial management the following financial laws were passed:

- (i) Public Procurement Act, 2003 (Act 663)
- (ii) Financial Administration Act, 2003 (Act 654)
- (iii) Internal Audit Agency Act, 2003 (Act 658)
- (iv) Financial Administration Regulation, Legislative Instrument (L.I. 1804, 2004)
- (v) Audit Service Act, 2000 (Act 584)

1.2: Statement of the Problem

Local government authorities in Ghana have not lived up to developmental expectations of the local peoples. They have not been able to meet the developmental needs of their communities. Rates and tax payers feel that they do not have value for money in terms of moneys paid to meet their tax obligations to MMDAs. The efficiency and effectiveness of MMDAs in management of public funds have been questioned by many institutions, concern groups and individuals. The dishonest behaviour of some public officers at the MMDAs and, their desire to enrich themselves at the expense of the poor, vulnerable, and the needy has been a border and has attracted the concerns of all, especially Government, academics and anti-corruption crusaders. Matters of great concern are the following:

- (i) goods, works or services are not procured efficiently, effectively and economically by local government authorities.
- (ii) transparency and accountability in public financial management have not been enhanced even after the passage of many financial laws.

The problem is how to implement the laws and enforce them within Techiman Municipal Assembly and bring about development which the people of the communities aspire.

To ensure transparency, accountability, and value for money in the procurement of public goods, works and services, the Government of Ghana has enacted various Acts and established certain administrative structures to guide public expenditure in MDA's and MMDA's. For instance, the Internal Audit Agency Act, 2003 (Act 658), the Financial Administration Act, 2003 (Act 654), the Public Procurement Act, 2003 (Act 663) and the Guidelines of the Public Procurement Authority were enacted to ensure that public procurements of goods, works and services are carried out in a transparent and cost efficient manner. Similarly, the Internal Audit Agency, the Serious Fraud Office, the Audit Service, and the Public Procurement Board have been set up to achieve efficiency, effectiveness, and transparency in public financial management. Section 25 of the Public Procurement Act, 2003, (Act 663) states that 'Participation in procurement proceedings shall be on **Competitive** basis subject to Sections 44, 45 and 46'. However the objective of ensuring value for money in public procurement process will be a mirage if the very legal framework that spelled out the processes and procedures to be adhered are flawed with impunity in the MDAs and MMDAs.

Despite the enactment of these laws and establishment of relevant administrative structures, there are still questions on transparency, accountability, effectiveness and efficiency in the procurement of public goods, works and services, especially in the MMDAs levels of Ghana's government machinery. The issues of misappropriation and embezzlement of public funds and "kick backs" in the awards of public contracts are not uncommon when the financial activities of the MMDAs are

subjected to scrutiny. It is in view of these perceived rampant malpractices in local government financial activities amidst the existence of seemingly stringent financial control measures that, this study intends to evaluate the National Competitive Tendering in local government administration in Ghana using Techiman Municipal Assembly as the case study.

1.3: Research Questions

Issues addressed by the research questions are the following:

- (i) is there efficiency, effectiveness, transparency and economy in public procurements?
- (ii) what procurement methods and strategies are adopted by the Assembly?
- (iii) is there value for money in expenditure incurred in procurements?
- (iv) what are some of the benefits derived from the use of National Competitive Tendering Method?
- (v) are the bottlenecks in the use of National Competitive Tendering?
- (vi) what are some of the procurement issues that lead to corruptions?

1.4: Objectives of the Study

The study seeks to evaluate National Competitive Tendering process as a tool for awarding public contracts in Ghana's local government administration using Techiman Municipal Assembly as a case study.

The specific objectives of the study are:

- (i) to analyze the various strategies devised to implement National Competitive Tendering at the Assembly;
- (ii) to examine the extent to which National Competitive Tendering process is used in the award of public contracts at the Assembly;

- (iii) to identify the major factors limiting the use of National Competitive Tendering process at the Assembly;
- (iv) to make recommendations aimed at strengthening National Competitive Tendering in local government administration in Ghana.

1.5: Justification for the Study

Several factors necessitated the selection of the research topic as well as Techiman Municipal Assembly as the study area. These are discussed below:

- (i) The fact that the current local government system in Ghana gives more powers to the Assemblies to collect revenue and to provide infrastructural and social amenities to the citizens of the country serves as enough grounds to evaluate their financial activities from time to time. In addition, a lot of government developmental activities are been executed at the Assemblies levels. This implies that, a lot of public funds are spent on procurement of goods, works and services by these MMDAs. There is therefore the need to examine the effectiveness of financial control measures with particular reference to National Competitive Tendering at the MMDA levels to reveal the level of transparency and efficiency in public expenditure.
- (ii) Techiman Municipal Assembly is one of the largest Assemblies in the country. The Municipality harbours one of the largest and most vibrant markets in Ghana, attracting traders from most parts of Ghana and from neighbouring countries such as Burkina Fasso and Niger. This implies that the Assembly generates a lot of revenue (IGF) which are public funds and need to be spent in accordance with laid down financial regulations. It also implies that the Assembly is entrusted with a lot of public funds per the central government from the District Assembly Common Fund (DACF) for development of various projects in the Municipality. An exercise of financial

controls at the Assembly such as the use of National Competitive Tendering in procurement is a necessity to safeguard and protect public funds.

(iii) The political, social and economic environment of the Municipality is familiar to the researcher. This familiarity with the study area has enhanced efficiency in data collection during the field work.

1.6: Significance of the Study

An assessment of procurement of public goods, works and services at the Techiman Municipal Assembly is considered to be significant for the following reasons:

(i) Such an assessment is capable of revealing any perceived financial malpractices at the Techiman Municipal Assembly in particular and the entire local government administrative system in Ghana.

(ii) the findings of the study could enable the central government to review, amend or institute new measures and structures aimed at improving public procurement.

(iii) the results of the study could also enable management, staff and stakeholders of Techiman Municipal Assembly in particular and the entire local government set-up to know whether they are complying with financial regulations in the disbursement of public funds. This could lead to amendments for improvements in relevant financial laws.

(iv) anti-corruption agencies in the country may find the results of this study very important as it can equip them with the right information on the level of corruption in public procurements in Ghana's local Government Administration. Such information could serve as reference in their quest of pursuing corruption-free society as one of the means of achieving good governance in the country.

1.7: Scope and Limitations of the Study

Several procurement methods are in existence and are applicable in procurement in the entire local government administration in Ghana. However due to time and resources constraints the study could not cover all these procurement methods at all the MMDAs in the country. There was therefore the need to limit the study to one particular procurement method, that is the **National Competitive Tendering** and to a specific administrative district - **Techiman Municipal Assembly**, to assess how this method ensures transparency, accountability effectiveness, efficiency, and cost-saving in procurements in local Government administration in Ghana.

1.8: Key Concepts used in the Research

The key concepts used in the research are efficiency, effectiveness, economy, transparency and value for money. The research is conducted to determine if:

- (i) procurement of goods, works and services comply with Public Procurement Act, Act (2003)
- (ii) procurements in the Assembly are efficient, effective, economical and transparent
- (iii) procurements in the Assembly give people in the locality value for money

Procurements are deemed efficient if they are carried out with concern for maximising output (projects) for any given amount spent in goods, works and services. That is achieving more results for the people of the Municipality with fewer resources.

Procurements are deemed effective if they are carried out to satisfy local stakeholders, that their objectives of paying taxes, fees, fines, licenses, etc are achieved. That is achieving the desire need of the constituents in the Municipality.

Public Procurements are deemed economical if they are planned, and executed with due concern for incurring the lowest responsible cost to any one Assembly and the

local people. That is applying the scarce resources to the most needed project or service for people of the Municipality

Public Procurements are deemed transparent where procurements authorities comply with provisions of the Procurement Act, Act 658 (2003) and where committees of the Assembly, opinion leaders, contractors and suppliers cooperate in the enforcement of the provisions of the Act.

Public procurements give value for money where it leads to fulfillment of financial and non-financial aspirations of the Assembly and its stakeholders.

1.9: Organisation of the Study

The study is structured into six chapters. Chapter one, provides the general introduction and research context. It states the problem and objectives of the study, the research questions, the justifications for the study, the significance of the study and indicates the scope and limitations of the study. Chapter two defines the key concepts and terms that are used in the study. It contains a review of prior relevant literature on Competitive Tendering in local government administration. Chapter three describes the profile of the study area. The research methodology is presented in chapter four. It contains the research design, sampling technique as well as data presentation technique used in the research. The analysis, discussions and the research findings are presented in Chapter five. While the conclusions and recommendations are enumerated in Chapter six of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1: Introduction

This chapter presents a review of literature on the topical issues in local government administration as well as public financial management system. It attempts to state the views of authorities in local government administration and financial management. The review attempts to examine several methods in procuring public goods, works and services. It is a highlight about the respective merits and demerits of the various procurement methods as well as the barriers to National Competitive Tendering in public procurements.

2.2: The Concept of Local Government

Hampton (1982) notes that local government as a term connotes concepts which are both “local and government”. Local government does not, however, lend itself to a precise definition because the terms “local” and “government” are not simple in their content. According to Hampton, “Local” is understood by some people as an administrative area carved out by long history and tradition; and to others, it is the socio-economic area governed by journeys to work and the scale needed to provide certain public services. Generally, however, “local in administrative terms is accepted as being large enough to provide several major services such as education and housing in addition to the associated environmental amenities” (Hampton, 1987:2).

Similarly the meaning of “government” in the context of local administration is also controversial (Hampton, 1987). Pious (1986), explained that government is simply any organization which can make laws, bye laws, collect taxes and has a monopoly of

force over the people in a particular territory. Therefore, for any organization to be considered as a government, it should have the power to make and enforce laws, and impose and collect taxes. Modern local government units are conferred with powers to make bye-laws, rules and regulations within their respective areas of jurisdictions. They are also usually empowered to impose and collect local rates and taxes within their territorial areas. Modern local government authorities are created by Acts of Parliament and therefore owe their existence to these Acts. They however do not possess sovereign powers. They depend on their enabling statutes. This implies that the term “government” does not have the strength of its meaning in the sense of “local”. It however, retains a stronger meaning as government than “administration” since it can make laws and collect taxes (Hampton, 1987).

The term local government can therefore mean different things depending on what system of government is being practiced in the area. The basic concept, however, is a district that has the authority and power of local government. Usually local government must share authority with the national government, which may be unitary or federal governments. Local governments are administrative units that are smaller than a state. They usually have fewer powers than national government and their power to raise taxes is limited by central legislation. A **Municipality** in political terms is a self-governing administrative district composed of a clearly defined territory and population. It commonly denotes a city, town or village administration. A municipality is a general purpose district, as opposed to a special purpose district (www.bookrags.com).

Notwithstanding the difficulties inherent in defining local government, it is however, distinguishable from other forms of local administration in several ways. Local authorities have a clearly defined physical structure: they have geographical

boundaries that are contiguous but do not overlap. No part of the country is either excluded from the local government or included in the territory of two local authorities of the same status. Local authorities are multi-purpose or compendious bodies. This means that they are responsible for many services in their respective territories. In areas where local council membership are elected, the mode of election is directly on the same principles of franchise used to elect members of the national legislature, that is universal adult suffrage. Modern local authorities also have circumscribed independent power of raising taxes and levies. They depend on statutes for their creation and continued existence and are subject to a strict interpretation of the legal rule of “ultra vires”. This implies that local authorities can only act when there is specific authorization by the law: silence on the part of the law does not mean they can act (Hampton, 1987).

Even though local government functions vary widely from country to country and from one system to another their services can be grouped into five broad categories (Hampton, 1987). These are:

- (i) Protective services to the citizens from dangers e.g police and fire protections.
- (ii) Environmental services to control and improve the physical environment e.g highways, transport, and planning.
- (iii) Personal services such as education, housing, and social work that seek to enhance personal welfare.
- (iv) Amenity services such as museums, theatre, and sport facilities that provide the citizens leisure time; and
- (v) Trading services for which local authorities make commercial charges such as transport and market tolls.

The provision of these services requires procurement of goods and services. In current procurement regime, the procurement should be done under the requirements of the Public Procurement Act, 2003 (Act 663).

The fact that local government officials in the MMDAs are entrusted with a lot of responsibility for development at the local level, malpractices are often committed by some officials. Such officials think that they have the opportunity to engage in corruption. **Corruption** in local government is the improper use, abuse or misuse of power, influence or other means by local bureaucrats and public officials for dishonest or unlawful private gain. There are several activities open to local government officials to engage in corruption. The officials have personal relationships with third parties involved in the supply of goods and services. The major types of corruption found in local government are:

- 1 **Bribery:** which involves offering of something (money, goods or services) to local government officials in order to gain unfair advantage.
- 2 **Extortion:** which involves threatening or inflicting harm to a person, their reputation, or their property in order to unjustly obtain money, actions, services or other goods from that person?
- 3 **Embezzlement:** which involves illegal appropriation of money or property that has been entrusted to the person but actually belonging to the state, organization or an individual? In political terms it is called **graft**.
- 4 **Nepotism:** which involves favouring a group or person who is a relative when giving promotions, jobs, and other benefit to employees?
- 5 **Patronage:** which involves granting favours, contracts, or appointments to positions by a local public official in return for political support? It is used to gain support and votes in elections or in passing legislation. Patronage systems usually tend to

disregard the formal rules of local government and use personal instead of formalized channels to gain an advantage. (www.bookrags.com)

There are several ways to stop or prevent corruption in local governments Administration. These include:

1. Resolving the underlying factors that cause corruption in local government
2. Promoting transparency and accountability at local government level
- 3 .Developing incentives that encourage honest governance at the local level
4. Strengthening the oversight and sanctions of local officials to improve accountability
5. Creating anti-corruption monitoring groups or commissions
6. Enforcing existing anti-bribery legislation (www.bookrags.com).

2.3: Financial Management in Local Government Administration

There is no gainsaying the fact that the functions of local governments can only be executed effectively and efficiently with a reasonable dose of finance. This raises the issues of efficient financial management in local government administration. Financial management has assumed a centre stage in modern local government administration in many countries. The term financial management in local government administration is broad and encompasses nearly every aspect of a council's activities (Wilson, 1998). Tongue and Horton (1996) in Wilson (1998:204) explained financial management as the process and technique linking delegated financial responsibility with financial accountability, resource inputs with service outputs, planning and control of the management process and operational providers with financial providers. There are various sources of revenue to local government authorities. These can be grouped into:

(i) Grants from central governments which may be specific or general grants. Specific grants “provide a set of proportion of approved expenditure on particular services” while general grants provide lump sum in support of local government authorities’ expenditure. The amount is not allocated to specific services” (Hampton 1987: 98).

(ii) Rates or taxes and notable amongst them is property rate which is the oldest source of local government revenue.

(iii) Other income which refers to a wide range of income to local government authorities such as fees, licenses, fines and charges.

Local government expenditure is also classified into Current Expenditure and Capital Expenditure. While current expenditure comprises those items of expenditure which recur regularly such as expenditure on wages and salaries, capital expenditure refers to “expenditure which provides benefits lasting more than one year and adds to the permanent assets of the local government authority and would qualify for loans sanctions” (Hampton 1987:88). Capital expenditure include, expenditure on the construction of road, housing health and educational buildings. Wilson (1998) also notes that local government authorities account for their use of resources through two separate financial accounts: a revenue account, and a capital account. The revenue account records the cost of running services such as salaries and wages while the capital account records investment expenditure such as investment which provides a long term benefit to the authority. This includes expenditure incurred on building of new school premises.

Local government expenditure has experienced tremendous growth in recent years due to a combination of several factors. There has been a general increase in the wealth of countries and this is associated with a corresponding increase in expenditure on local government services. The growth in expenditure on these services may be

occasioned by central government legislation requiring higher standards. Local government expenditure could also increase from changes in circumstances which are outside the direct control of either the national or local government but which may have impact on local services. For example increase in the number of babies born in a year will require more basic schools while an improvement in the life expectancy in the country will lead to increased demand for healthcare services for the elderly. Other factors that can lead to growth in local expenditure are periods of inflations, conflict prevention or resolution and periods of disasters.

It is important to note that local government expenditure levels also differ from one local government authority to the other depending on the incidence of the “need” for services, the “disposition” of the authority to provide the service, and the “availability” of resources with which to provide the service (Hampton, 1987). There is therefore the need for financial controls in local government administration. Steiss (1989: 230) notes that one of the better-known definitions of “control” is that offered by Henri Fayol (1949) which states that, “Control consists of verifying whether everything occurs in conformity with the plan adopted, the instructions issued, and principles established. Controls are able to point out weaknesses and errors in order to rectify and prevent recurrence”.

Thus, financial controls encompass all the laws, rules, regulations, methods and procedures which guide the financial activities of an organisation towards the achievement of their objectives. The main objectives of financial controls are to ensure the prevention and avoidance of financial fraud, irregularities, errors, waste and misuse of funds. The administration of such control mechanisms has traditionally been the duties of Heads of Departments, Accountants and Auditors. These internal controls include approval procedures for the commitment of organisational resource,

checks and balances among key fiscal duties, limited access to assets, and assurance that financial transactions are properly authorized, classified, and recorded on a timely basis, and for the proper purposes. The primary objective of internal control is the prompt discovery of intentional and unintentional errors, frauds and irregularities, so that appropriate corrective action can be initiated on a timely basis. A good system of internal controls provides reasonable but not absolute assurance that errors, frauds, corruption and irregularities will be prevented or detected. There are, however, two main limitations inherent with any internal control system:

- (i) the extent of the internal controls adopted by any organization is limited by cost considerations, and
- (ii) employees collusion and management's fraud can circumvent any established system of internal controls.

Steiss (1989) noted that any internal control system which is so perfect as to preclude any possible fraud would cost more than it would save and would be somehow impractical to operate. Thus, the concept of "reasonable assurance" must be used in weighing the costs and benefits associated with such controls. One of the traditional tools of financial control is the budget. A budget can be defined as "a comprehensive plan, expressed in financial terms, by which an operating program is effective for a given time (Steiss, 1989:149).

Budgets have traditionally been used as a control mechanism to ensure financial integrity, accountability, and legal compliance. Even though various types of budgets are found in the public sector organizations, the line-item or item of expenditure in the budget are mostly used to report public sector financial activities. Budgets ensure adherence to financial plan, accountability and effective management control mechanisms. An object of classification establishes a pattern of accounts that

can be documented, controlled and audited while control mechanisms for enforcing allocations and allotment limits are supplied through such devices as line-item allocations.

Budgeting is a cyclical decision-making process involving the allocation of limited financial resources to meet organization goals and objectives. It involves the systematic evaluation of prior commitments and their consequences in terms of anticipated achievements. If properly applied budgeting can lead or contribute significantly to greater efficiency, effectiveness, and accountability in the overall management of an organization's financial resources (Steiss, 1989).

Indeed the competitive tendering approach to procurement is a form of internal control intended not only to ensure early detection and prevention of frauds, irregularities and corruption but also to enhance transparency, accountability, efficiency, economy and effectiveness in public procurements.

2.4: Procurement Issues in Local Government Administration

Procurement is an important activity of most institutions and organizations. In Ghana, public procurements account for between 50% to 70% of the national budget and contribute to 24% of the country's imports. Procurement is the acquisition of goods, works, and services at the best possible total least cost in the right quantity and quality, at the right time, in the right place for the direct benefit or use of governments, corporations, and individuals, generally via a contract. Procurement involves making buying decisions under conditions of scarcity. Thus, it is sometimes necessary to employ economic analytical methods such as cost benefit analysis or cost-utility analysis for the purpose of economy, efficiency, and effectiveness (www.bookrags.com).

Procurement activities may be grouped into two main categories namely direct production-related procurement and indirect production-related procurement. Direct production-related procurement occurs in manufacturing organizations and encompasses all items that are used to produce the finished products. The items include raw materials, components and spare parts. It directly affects the production process of manufacturing firms. Direct production-related procurement is the focus of supply chain management. Indirect production-related procurement activities on the contrary is concerned with “operating resources” which a company purchases to enable it improve its operations. It covers a wide range of goods and services from simple and low value items such as offices supplies and machine lubricants to complex and costly products and services such as heavy equipment and consultancy services. ‘Timing of purchases’ is an important issue in procurement. It is necessary to ensure that purchases of consumables are carried out on the principle of Just In Time (JIT) in order to keep inventory costs low. Tendering is the process of selecting a suitable contractor for a desired project (www.bookrags.com).

2.4.1: The Procurement Process in Local Government Administration

Procurement in local Government Administration involves series of activities which is considered to be in line with modern business procurement processes. The procurement life cycle in modern business consist of seven steps as described below (www.bookrags.com):

1. Information gathering to search for suppliers who can satisfy the requirements
2. Supplier contact through advertising Request for Quotation (RFQ), Request for Proposals (RFP), Request for Information (RFI) or Request for Tender (RFT)

3. Background review to check for product, service quality, and requirements for follow-up services including installation, maintenance, and warranty. Samples of the product or service may be examined or tried.
4. Negotiations are undertaken, to determine price, availability, and customization possibilities, as well as delivery schedules. The contract is then completed.
5. Fulfillment including supplier preparation, shipment, delivery, and payment for the good/service, as well as installation and training
6. Consumption, maintenance and disposal during which phase the company evaluates the performance of the goods or services and any accompanying service support, as they are consumed.
7. Renewal: when the good or service has been consumed and/or disposed of, the contract expires. The product or service may be re-ordered and the company may decide whether the same supplier or a new supplier should supply the goods or services.

The procurement process can be broken down into stages (www.bookrags.com):

- (i) laying the foundations;
- (ii) drawing the procurement design;
- (iii) tendering and contracting; and
- (iv) securing continuous improvements

Laying the Foundations

For an authority to manage procurement successfully, four elements must be in place:

- (1) a strategic approach to procurement at corporate level;

- (2) clear operational procedures that are understood throughout the organisation;
- (3) appropriate involvement of officers and elected members; and
- (4) access to specialist expertise.

Procurement Design

Once the foundations are in place, attention must be paid to service and procurement design. This is a critical phase of the procurement process, as all the Cost, Comparison, Consultation and Competition (4Cs) of best value need to be considered. For that reason, a fundamental service review, which, of its nature, requires attention to be given to all the 4Cs, is particularly appropriate vehicle for service design. Not all procurement decisions, however, fit neatly into the programme of service reviews. In these cases, the approach must be adapted to the circumstances, following the same basic principles. The design phase is the key period when fundamental questions about the authority's aims should be asked, and when options that could transform services can be developed (www.bookrags.com).

The design phase can itself be divided into four stages which are:

- (a) strategic challenge;
- (b) understanding the market;
- (c) setting the broad terms of the contract; and
- (d) choosing between internal and external provision.

Tendering and Contracting

The first prerequisite of successful tendering and contracting is clear communication with potential tenderers. Some external suppliers will already have been consulted at the design stage. If the decision has been taken to put the contract out to tender, it is

important to continue to keep all potential tenderers informed of the authority's intentions, so as to secure the best possible bids (www.bookrags.com).

Secondly, it is important that the proper procedures are followed. If the foundations for procurement are in place, the authority will have up-to-date standing orders, together with lists of approved contractors, tender appraisal regulations and delegation schemes. It is also important that the exercise be properly managed through the use of risk management and project management methodologies. Project plans should be flexible enough to allow for change. Some complex procurement may proceed to a late stage before it becomes clear whether the authority can achieve the benefits it seeks. The third requirement is that tendering and contracting should comply with legislation and statutory guidance (www.bookrags.com).

Continuous Improvement

Best value should mean that a Local Government authority's procurement policies change as new community needs are identified and as new partnerships with different organisations evolve. Hence, contracts should require both parties to seek continuous improvement, in terms of better quality, innovation, cost reduction, flexibility and integration of the services covered by the contract with the wider pattern of service delivery by the authorities. Open and active quality assurance mechanisms are also essential (www.bookrags.com).

2.4.2: Methods of Procurement and Tendering

The main methods of public procurement as contained in the Public Procurement Act, Act 663 (2003) are the following:

- (i) Selective or restrictive competitive tendering
- (ii) Single-source procurement
- (iii) Request for quotation
- (iv) National Competitive Tendering
- (v) International Competitive Tendering
- (vi) Nomination/Negotiated tendering

The processes involved in the use each of these methods as well as their respective advantages and disadvantages are discussed below:

Selective or Restricted Competitive Tendering

For reasons of economy and efficiency and subject to approval of the Procurement Board, a procurement entity may use the restricted tendering method if goods, works or services are available only from a limited number of suppliers or contractors, or if the time and cost required to examine and evaluate a large number of tenders is disproportionate to the value of the goods, works or services to be procured. The procedure include inviting tenders from the suppliers and contractors who can provide the goods, works or services. The selection of the number of suppliers or contractors according to the Act shall be in a non-discriminatory manner, to ensure effective competition (Act 663, 2003).

Selective or Restricted Competitive Tendering may be either single-stage or two-stage. Under the single stage selective tendering, a short list is drawn of contractors, suppliers or consultants who are considered to be suitable to carry out the

proposed project. The selection may be carried out by advertising for firms to indicate their interest requiring them to supply particulars of their financial and technical capabilities and then selecting a short list from those applying, or simply by selection from standing lists of approved firms who have been investigated and whose capabilities are known at least in general terms. From this list of selected firms, tenders are invited and the firm with the lowest bid is awarded the contract (Act 663, 2003)

The two-stage tendering method is used in situations where it is not possible for the procurement entity to formulate detailed specifications for the goods or works, or in the case of services, to identify their characteristics or where the character of the goods or works are subject to rapid technological advances. As the name implies the two-stage tendering method involves two stages. In the first stage the procurement entity requests for initial tenders for suppliers, contractors or consultants which contain their proposals without tender price. In the second stage the procurement entity invites suppliers, contractor or consultants whose tenders have not be rejected at the first stage to submit final tenders with prices on a single set of specifications. These final tenders are then evaluated and compared to select the successful bidder (Act 663, 2003). This procedure is used when it is desired to obtain the benefits of competition and at the same time to have the advantage of bringing a contractor, supplier or consultant into the planning of the project, thus making use of his practical knowledge and expertise. The first stage aims to select a suitable contractor by means of limited competition. The second stage is a process of negotiation with the selected contractor on the basis of the first stage tender (Act 663, 2003).

Advantages

The advantages of selective tendering are that:

- (i) it ensures that only capable and approved firms submit tenders
- (ii) it tends to reduce the aggregate cost of tendering
- (iii) it ensures competition while maintaining confidentiality
- (iv) it involves time saving

Disadvantages

The disadvantages however are:

- (i) the cost level of the tenders received will be higher, owing to their being less competitive and also to higher caliber of the tenderers.
- (ii) less known but efficient contractors may not be given the opportunity to bid for the project

Single-Source Procurement

The single-source procurement method involves inviting a proposal or price quotation from a single supplier or contractor. Act 663 (2003) requires that the method can be under any of the following conditions:

- (i) where goods, services or works are available from only a particular supplier or contractor and no reasonable substitute exists
- (ii) where a particular supplier or contractor has exclusive rights to the goods, works or services
- (iii) where there is an urgent need for the goods, works or services, such as, during periods such as disasters

- (iv) where a procurement entity which has procured goods, equipment, technology or services from a supplier/contractor, deems it necessary to obtain supplies from the same contractor or supplier due to standardization and compatibility
- (v) where the procurement entity seeks to enter into a contract with the supplier or contractor for research, experiment, study or development
- (vi) where the goods, service or works involves concerns national security and that the single source procurement is considered the most appropriate (Act 663, 2003).

Advantages

Advantages of the single source procurement method include the following:

- (i) less cost is involved in the procurement process
- (ii) the process is relatively faster (Act 663, 2003)

Disadvantages

The disadvantages are:

- (i) there is lack of competition
- (ii) it stifles the business of other contractors or suppliers who were not given the opportunity to participate
- (iii) the objective of achieving transparency can easily be compromised (Act 663, 2003).

Request for Quotation methods

This method as required by Act 663 (2003) is used for procurement of:

- (i) readily available goods or technical services that are not specially produced or provided to the particular specifications of the procurement entity,

(ii) goods offered in an established market and where the estimated value of the procurement contract is less than GHC 200 million for goods and technical services, or less than GHC 500 million for works (Act 663, 2003).

The procedure involves requesting quotations from as many suppliers or contractors as practicable, but selecting from at least three different sources. Each supplier or contractor shall give only one price quotation and shall not change their quotations. There should be no negotiations between the procurement entity and a supplier or contractor with respect to a quotation submitted by the supplier or contractor, prior to the evaluation of bids (Act 663, 2003).

Advantages

The request for quotation method has advantages including the following:

- (i) it is easy and faster to operate
- (ii) there is no bidding cost to potential contractor or supplier

Disadvantages:

There are two basic disadvantages of the method and these are:

- (i) it tends to discriminate as only selected contractors or suppliers are contacted;
- (ii) the best contractor or supplier may not be contacted at all (Act 663, 2003).

National Competitive Tendering

The National Competitive Method of procurement is where the procurement entity requires only domestic suppliers or contractors to submit tenders. The threshold for such contracts are, for goods – more than GH¢200 million and up to GH¢2 billion, works more than GH¢200 million and up to GH¢15 billion technical services more than GH¢500 million and up to GH¢20 billion (Act 663, 2003). Advertisements are

usually made on the print or electronic media for qualifying contractors and suppliers to participate (Act 663, 2003)

Advantages

The advantages of National Competitive Tendering are:

- (i) the entity has the benefit of getting the best contractor or supplier in the country
- (ii) it brings competition of which the best emerges as the successful contractor.

Disadvantages

The disadvantages of National competitive tendering are:

- (i) it involves a lot of procedures which are often cumbersome;
- (ii) tendering and advertisement are unavoidable;
- (iii) it is time consuming and it delays procurements;
- (iv) the cost in advertising is high (Act 663, 2003).

International Competitive Tendering

This method is to be used whenever National Competitive tendering cannot be used and therefore foreign firms have to be invited to tender. According to Act 663 (2003)

International Competitive tendering should be used where:

- (a) local suppliers and contractors cannot meet specifications, design packaging of the procurement item;
- (b) foreign suppliers and contractors can offer better quality procurements items;
- (c) prices quoted by foreign suppliers and contractors are cheaper than local ones.

The threshold for such contracts are for goods GHe15 billion and above, works GHe20 billion and above technical services Ghe20 billion and above.

While it is advantageous that this procurement method opens the entity to the whole world to get the best contractor or supplier, the cost of achieving this is often high and, there is an undue delay in the tendering process (Act 663, 2003).

Nomination

The method is sometimes referred to as single tendering and in effect it is a special case of selective tendering. It is a short list containing only one name. It is used when the client has a preference for a particular firm or due to reasons of specialty. The contract is arrived at by negotiations. The advantages are that it is time saving, it has lower bid costs, and it has flexibility. The disadvantage of this method however is, lack of competition which results in higher costs of construction. (www.bookrags.com)

2.5: Problems of National Competitive Tendering

Auditors and inspectors have cited six main reasons for ineffective procurement. These are challenges that must be overcome if authorities are to meet the duty of best value for money. The reasons are, legal complexity, risk aversion, perceived supply market weaknesses, lack of client-side capacity, narrow approach, and poor organisational culture (www.bookrags.com).

Legal Complexity

One difficulty in procurement for many authorities is the legal complexity of outsourcing. Keeping services in-house is legally straightforward, and many authorities choose not to take up opportunities for service improvement rather than consider complicated and apparently risky alternatives. In recent years, the statutory framework governing procurement has become increasingly complex.

(www.bookrags.com)

Risk Aversion

Even where the legal framework is clear and well understood, some procurement authorities seem to be notably risk averse. While conscious that they are custodians of public funds, their approach to risk is to try to avoid it rather than to identify and manage it. As a result, they do not explore the full range of supply options. In some authorities, this attitude is reinforced by direct experience of outsourcings that have failed to deliver the outcomes expected. For others, perceptions of risk can be heightened when an outsourced service in another authority runs into difficulties. Other authorities consider some elements of their strategic core activities to be too critical to the organisation to be put into the hands of others. (www.bookrags.com).

Perceived Supply Market Weaknesses

For some services, procurement authorities appear to have difficulty finding alternative delivery options because of weaknesses in the supply market. There may not be a supplier of the service required in the relevant part of the country, or even if such service provider is available the procurement item may not be at a competitive price. As large authorities increasingly enter into partnership arrangements for the delivery of support services, the choice of partners available to smaller authorities can become even more limited (www.bookrags.com).

Lack of Client-Side Capacity

Often, however, an apparent lack of suppliers is, at least in part, attributable to weaknesses in the authority's own approach, and, in particular, the failure to develop and resource an adequate client side. Contractors have cited a number of blockages that make them less likely to pursue potential opportunities. These include:

- (a) ineffective management of competition within the authority, including fragmentation of skills and experience;

- (b) lack of clarity about objectives, or the resources available to meet them
- (c) non-existent or underdeveloped procurement strategies that do not give stakeholders a usable framework for undertaking option appraisals
- (d) inflexible standing orders and/or financial regulations
- (e) unrealistic expectations about prospects for the immediate improvement of poorly performing services. (www.bookrags.com).

Narrow Approach

There is another group of authorities that have processes in place, but fail to make use of those processes to think imaginatively about procurement. These authorities see the 4C's of best value as a set of consecutive steps to be followed, rather than as tools to help them fundamentally review the service. This 'ticking the boxes' approach can sometimes lead to critical elements of the review being deferred. It may also have a disproportionate impact on smaller potential suppliers, including SMEs, social enterprises and voluntary organisations (www.bookrags.com).

Organisational Culture

The largest and most frequently-encountered barrier to competitive procurement, however, is the persistence of organisational culture that is rooted in the competitive tender regime. This can be evidenced in local Government Authorities where some officers are unwilling to manage contracts in accordance with the procurement Act when there is the possibility of an in-house bid, readiness to accept superficial demonstrations of competitiveness, or in the absence of a strategic framework within which officers can select the most appropriate service design and means of procurement in each case. In these authorities, it is clear that the procurement culture needs to change. This will only happen if authorities have put in place the building blocks for best value. These are:

- (i) ownership of problems and willingness to change;
- (ii) a sustained focus on what matters;
- (iii) the capacity and systems to deliver performance and improvement; and
- (iv) integration of best value into day-to-day management. (www.bookrags.com).

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CHAPTER THREE

PROFILE OF STUDY AREA

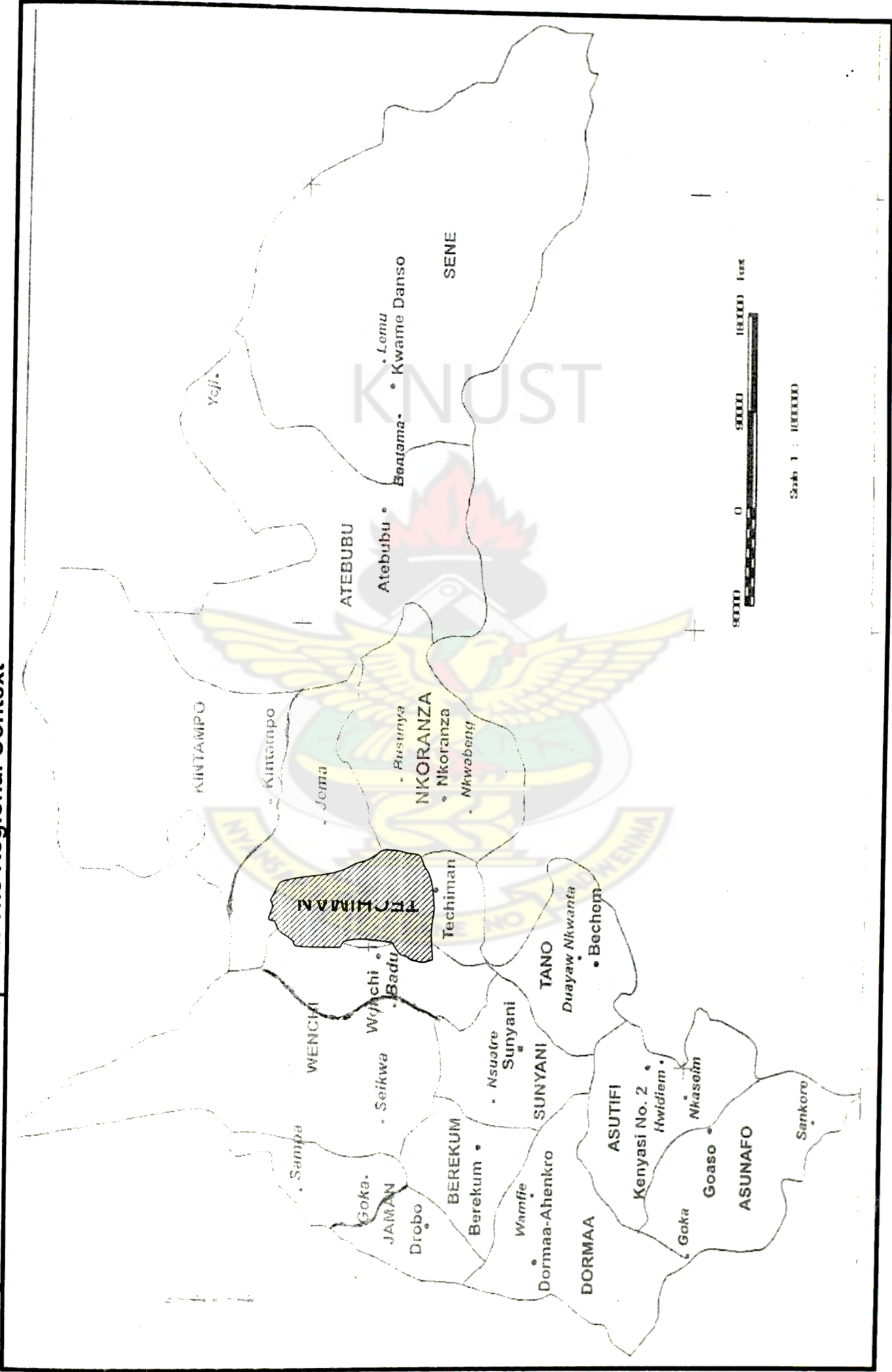
3.1: Historical Origins of Techiman Municipal Assembly

The current Techiman Municipal Assembly was established under Legislative Instrument (LI 1472) of 1989 as a District Assembly and later upgraded into a Municipal Assembly under L.I 1799 of 2004. It had been part of Wenchi, and later Nkroranza and Kintampo districts before its establishment in 1989. Techiman is the capital town of the Municipality (ghanadistricts.com). The Municipality is one of the six Municipal Assemblies in the Brong Ahafo Region of the Republic of Ghana. The Municipality is bordered by Wenchi Municipality to the north, Sunyani Municipality south-west, Nkronza District and Kintampo South District to south-East and North-East respectively. The Southern part of the Municipality shares boundary with the Offinso North District of the Ashanti Region (Municipal Medium Term Development Plan, 2006-2009).

The Municipality covers an area of 669.7km² representing approximately 1.69% of the surface area of Brong Ahafo Region. It is the smallest district in the region and is well located in terms of major road accessibility. The Municipal capital, Techiman is a major market centre and a nodal town or entrepol, where roads from the three northern regions converge. Trunk roads from Sunyani, Kumasi, Wa and Tamale all meet at Techiman thus making it a bustling food crop market and commercial centre (Municipal Medium Term Development Plan, 2006-2009).

The map below shows the location of Techiman Municipality in the Brong Ahafo Region.

Figure 1: Techiman Municipal In The Regional Context



3.2: Physical Characteristics

The Municipality experiences both semi-equatorial and tropical conventional or savanna climates, marked by moderate to heavy rainfall. Major rains start from April to July and the minor from September to October with mean annual rainfall ranging between 1650mm and 1250mm. There is only one dry season which occurs from November to March every year (Municipal Medium Term Development Plan, 2006-2009).

The average highest monthly temperature is about 30°C (80°F) and occurs mostly between March and April and the lowest of about 20°C (79°F) occurs in August. Relative humidity is generally high through out the year (Municipal Medium Term Development Plan, 2006-2009).

There are three main vegetation zones namely:

- (i) the guinea-savanna woodland, located in the North-West
- (ii) the semi-deciduous zone located in the South, and
- (iii) the transitional zone which stretches from the South-East and West up to the North of the Municipality.

The semi-deciduous forest type, like the other vegetation zones, has largely been disturbed by man's activities depriving the Municipality of it's valuable tree species and other forest products. There is however, large area under forest reserve (teak). The Asubinia reserve located at the southeast, covers an area of about 32.5km² (5.0 percent) of Municipality's total land area. This important resource serves as a protective cover to some of the major rivers that drain the land. The teak trees also serve as source of materials for the local timber industry and for export (Medium Term Development Plan 2006-2009).

3.3: Demographic Characteristics

According to the 2000 Population and Housing Census, the population of the Municipality stood at 174,600 with an average population growth rate of 3.0% per annum. The population density was over 260 persons/km². This figure is far higher than the regional figure of 45.9persons/km² and national figure of 79.3 persons/km² respectively The population of the Municipality has witnessed rapid increase from a modest 34,642 in 1960 to 174,600 in year 2000 with intercensal growth rates far higher than the regional and national average growth rates. The population trend of the Municipality is shown in the table below. (Techiman Municipal Assembly-Medium Term Development Plan 2006-2009).

Table 3.1 Population Trends of Techiman Municipal Assembly

Year	1960	1970	1984	2000	2005
Total Population	34642	53127	90181	174600	202414
Population Density	52	79	134	265	302
Proportion of urban population %)	25.3	22.7	3.3	55.7	59.8

Source: Techiman Municipal Assembly-Medium Term Development Plan 2006-2009.

Rural-Urban Dimension

The Municipality is the second most urbanized in the region with 55.7% urban. Table 3.2 below illustrates the population of the Municipality by type of locality and sex.

Table 3.2 Municipality Population by Type of Locality and Sex

Total population			Urban			Rural		
Both sexes	Male	Female	Both sexes	Male	Female	Both sexes	Male	Female
174,600	87,236	87,364	83,305	40,263	43,042	91,295	46,973	44,322

Source: Techiman Municipal Assembly-Medium Term Development Plan 2006-2009.

Population distribution is uneven with the four most populous localities in the Municipality constituting over 48.7% of the total population of the Municipality.

Techiman alone constitutes about a third of the urban population.

The marked increase in urbanization since 1984 has been due partly to rapid growth in some urban centres like Techiman, while other peri-urban towns have grown even more rapidly into new urban centres. For example Kenten which is now the second largest urban town in the Municipality and the twentieth in the region with a population of 10,599, was a small village with a population of 265 in 1970 growing to 828 in 1984. The growth may be largely due to population spillover from Techiman.

The growing peri-urban phenomenon has its attendant development problems. Some of these settlements are faced with serious sanitation issues and land for communal infrastructure is now almost unavailable mainly because of the uncoordinated nature of land transaction and development. (Techiman Municipal Assembly-Medium Term Development Plan 2006-2009).

As in the case of most settlements in Ghana the population of the Municipality is growing at a rapid rate. In 1960, the population was 34,642 but grew rapidly to 174,600 in the year 2000. It currently has an average growth rate of 3.0% per annum.

The population of the municipal was estimated to be 202, 409 in December, 2005. At

the moment, Techiman alone constitutes a third of the population. There has been a marked increase in urbanization since 1984. This has been attributed to rapid growth in some urban centres and peri-urban centres, and high rural urban migration. The municipality is the second most urbanized in the region after Sunyani Municipality which is the Regional capital. It is about 55% urbanized. The effect of this rapid growth in urbanization is that agricultural lands are being reduced and degraded. The municipality contains about 510 settlements with most of the settlements located along the main roads of the municipality. In terms of economic activities, Techiman is the largest food market in Ghana attracting traders from all over the country and even beyond Ghana such as Mali, Niger, Cote di'Ivoire, and Togo (ghanadistricts.com).

Population by Settlement

The Municipality contains about 510 settlements with most of them located along the main roads of the Municipality. Techiman, the capital was the only urban settlement in 1960 and 1970 with populations of 8755 and 12068 respectively. By 1984, Tuobodom had also attained urban status with a population of 6071. The increase in the size of urban population may also be as a result of rural-urban migration due largely to unequal distribution of socio-economic resources.

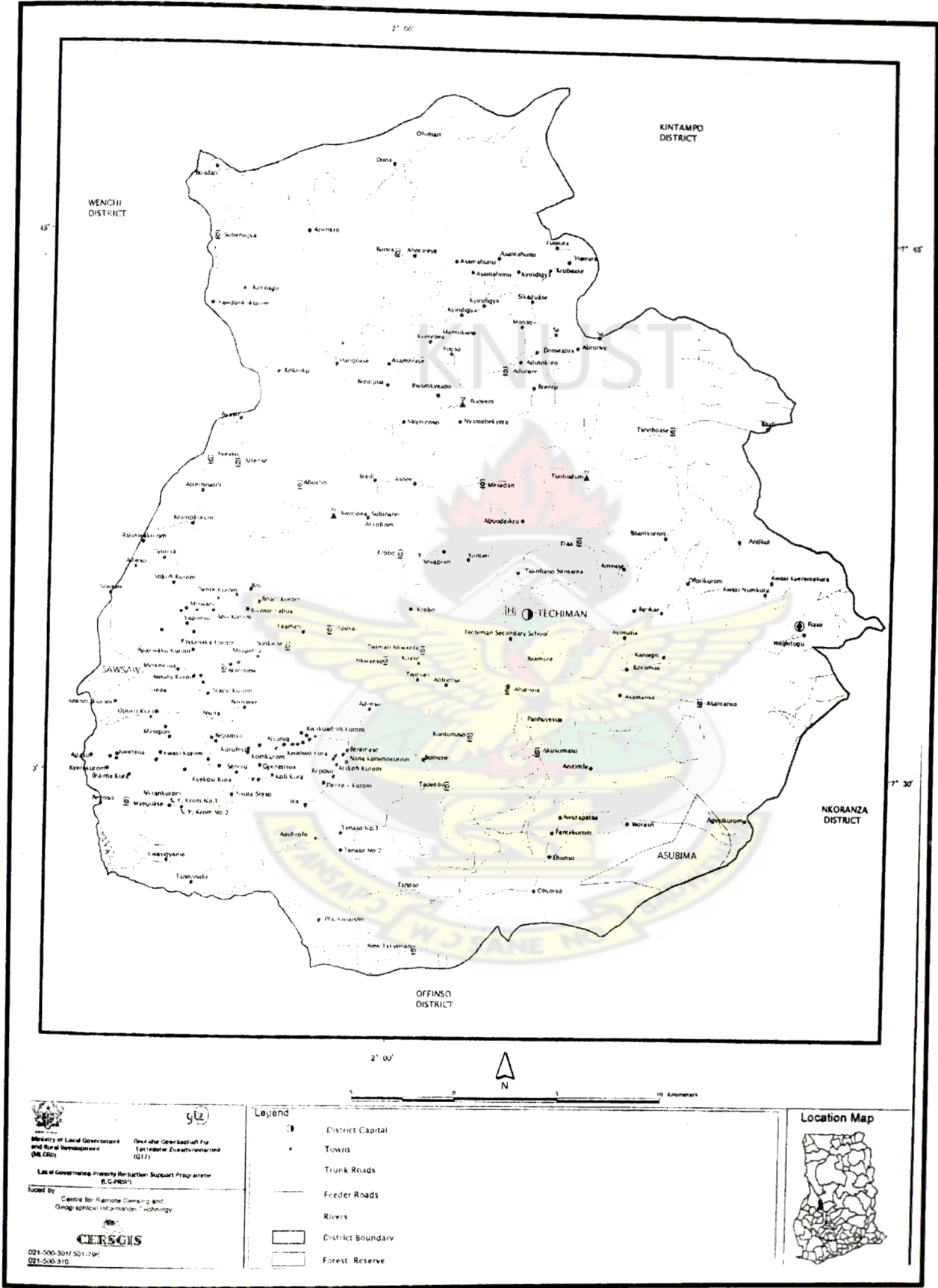
Below is table that shows spatial distribution of population of some selected settlements in the Techiman Municipality and a map of the Municipality depicting the various towns and villages that constitute the Municipality. (Techiman Municipal Assembly-Medium Term Development Plan 2006-2009).

Table 3.3 Population Trend of Techiman Municipal Assembly by Settlements

Statement	Total Population			
	1960	1984	2000	2005
Techiman	8755	25264	56187	65137
Tuobodom	4375	6071	10409	12067
Tanoso	1894	4972	7757	8993
Aworowa	1957	3646	6557	7601
Offuman	2002	3471	5657	6558
Bouyem	1085	2083	3102	3596
Krobo	1326	2081	3588	4159
Oforikrom	884	1953	2982	3457
Akrofrom	1460	1770	3045	3457
Nsuta	677	1053	2029	3530
Nkwaeso	755	1373	2110	2352

Source: Techiman Municipal Assembly-Medium Term Development Plan 2006-2009.

Figure 3.2: Map of Techiman Municipality Assembly



Source: Techiman Municipal Assembly-Medium Term Development Plan 2006-

3.4: Local Governance

Techiman Municipal Assembly is the overall governance authority in the municipality: It is the highest political, administrative, and planning authority at the municipal level and is responsible for the development of the whole municipality. The Assembly has, like all MMDAs, deliberative, legislative, and executive functions under the Local Government Act, 1993, (Act 462). The Assembly members are composed of (Municipal Medium Term Development Plan, 2006-2009):

- (i) Municipal Chief Executive,
- (ii) 45 elected Assemble Members,
- (iii) 18 Presidential Appointees, and
- (iv) Members of Parliament (MPs) in the Municipality

The Municipal Chief Executive is the representative of the Central Government in the Municipality and chairs the Executive Committee of the Assembly which is charged with the day-to-day running of the Assembly. The Executive Committee has the following sub-committees with defined roles and functions:

- (a) Finance and Administration
- (b) Works
- (c) Social Services
- (d) Development, Justice and Security
- (e) Agriculture and Environment
- (f) Disaster Prevention and Management

These sub-committees deliberate on issues in great detail and their recommendations are submitted to the Executive Committee which in turn submits them to the General Assembly for ratification (Municipal Medium Term Development Plan, 2006-2009).

3.5: Finances of the Municipal Assembly

The Assembly generates revenue from two main sources. These are:

(i) Internal sources, and

(ii) External sources

Internal revenue are those collected by the Assembly using its own existing collection machinery. These revenue come from rates, fees, fines, licenses, rents, investments and miscellaneous incomes. The external sources are mostly grants from central government, District Assembly Common Fund (DACF), royalties and other external agencies like NGOs, donor agencies like IDA, USAID, DFID, GTZ, DANIDA, JICA, and EU (Municipal Medium Term Development Plan, 2006-2009).

An evaluation of the revenue situation of the Assembly for the period 2002-2005 indicated that out of a total estimated internal revenue of GHC 1,167,370.47 an amount of GHC 906,481.97 was actually collected representing 78% of the total projected internal revenue. Out of this amount fees and fines accounted for GHC 672,311.56 representing 74% of total internal revenue receipts over the period. This indicates that fees and fines are by far the single most important internal revenue to the Assembly. It has a propensity to grow if well managed (Municipal Medium Term Development Plan, 2006-2009).

An examination of the composition of fees and fines indicated that the major contributor was market tolls, especially from Techiman Market. The bulk of internally generated revenue is derived from agriculture related activities, which to a large extent is dependent on natural climatic conditions. The implication is that any adverse

weather condition may have serious repercussions on expected revenue. There is therefore the need for the Assembly to broaden and diversify its internal revenue base (Techiman Municipal Medium Term Development Plan, 2006-2009).

In deed, an estimated revenue from both internal and external sources for the period stood at GHC5,537,815.57 of which actual receipts stood at GHC4,417,647.98. About 80% of total revenue projections accrued from both revenue sources.

Internal sources of revenue constituted 21% of total revenue of the Assembly while 79% of the revenue was from external sources for the period. It was noted however that receipts from these external sources are sometimes irregular and unreliable. The DACF receipts are an important source of funding were the most irregular over the period. Receipts from donor sources most at times depends on the interest shown by funding agencies and specific projects in the Municipality. However grants receipts for salaries was regular and showed increases over the period (Municipal Medium Term Development Plan, 2006-2009).

The development ability of the Assembly depends largely upon its ability to generate enough revenue from both internal and external sources. Much of the Assembly's development programmes also depend upon its ability to procure goods, works and services at economic cost. Cash outflow is quite critical in the procurement process as well as the development process. Table 3.4 below depicts the revenue situation in the Assembly for the period 2002-2005. Table 3.5 also shows the recurrent and development or capital expenditure for the period of 2002-2005. Throughout the period capital or development expenditure is about 5% of recurrent expenditure. This means much of development does not take place in the Municipality. That is the more reason why procurement of goods, works and services should be devoid of frauds, corruptions and other forms of irregularities.

Table 3.4: TECHIMAN MUNICIPAL ASSEMBLY REVENUE PERFORMANCE

TYPES	2002			2003			2004			2005		
	ESTIMATED	ACTUAL	ACT %	ESTIMATE D	ACTUAL	AC T %	ESTIMATED	ACTUAL	AC T %	ESTIMATED	ACTUAL	ACT %
INTERNAL												
Rates	15,615.00	12,086.61	77	20,268.00	7,752.04	38	20,705.20	23,147.30	112	16,098.00	9,708.22	61
Lands	3,670.00	2,993.90	82	5,614.00	7,932.70	141	8,575.00	7,307.00	85	5,967.00	5,377.37	90
Fees & Fines	151,917.25	167,928.97	111	202,215.20	122,201.72	60	202,726.90	168,516.49	83	241,309.07	213,664.38	89
Licenses	20,241.45	13,624.57	67	28,313.60	18,500.05	65	29,642.60	13,594.65	46	29,370.20	31,896.86	109
Rents	81,570.00	4,365.45	54	12,156.00	4,173.00	34	19,132.00	6,610.90	35	11,344.00	7,966.40	70
Investment	1,700.00	1,282.26	75	1,120.00	7,565.03	675	1,400.00	4,020.17	287	2,000.00	382.37	19
Miscellaneous	6,358.20	9,360.80	147	7,081.00	14,749.46	208	10,156.00	8,233.30	81	11,104.80	1,190.22	107
TOTAL INTERNAL REVENUE	281,071.90	223,182.56		276,767.80	182,874.00		292,337.70	231,429.81		317,193.07	268,995.60	
EXTERNAL												
Grants	3,400,22.00	136,183.65	40	282,038.40	506,222.20	179	2,351,884.70	1,384,457.55	59	1,396,500.00	1,484,302.61	107.2

Source: Techiman Municipal Assembly-Medium Term Development Plan 2006-2009.

Table 3.5 TECHIMAN MUNICIPAL ASSEMBLY EXPENDITURE PERFORMANCE

TYPES	2002				2003				2004				2005			
	ESTIMATED	ACTUAL	ACT %		ESTIMATED	ACTUAL	ACT %		ESTIMATED	ACTUAL	ACT %		ESTIMATED	ACTUAL	ACT %	AC T. %
RECURRENT:																
Personal Emoluments	13,1974.60	16,351.62	124		247,566.50	222,982.29	90		255,042.32	275,812.58	108		296,516.50	298,665.06		88
Travelling & Transport	41,000.00	40,755.82	99		61,074.00	60,328.73	99		69,800.00	60,100.26	86		89,216.41	103,728.72		116
General Expenditure	45,530.00	44,003.84	99		42,406.00	39,588.93	93		52,650.00	53,170.43	101		54,846.80	56,592.39		103
Maintenance, Repair & Renewals	13,500.00	13,522.29	100		16,000.00	6,570.38	41		11,700.00	5,893.32	50		8,900.00	9,289.88		103
Miscellaneous Expenditure	45,280.00	44,474.36	98		51,350.00	37,109.95	72		57,900.00	55,248.56	95		46,200.00	40,093.82		86
CAPITAL:																
Assembly	19,000.00	17,032.35	90		40,000.00	920.00	2		40,000.00	3,762.85	9					
DACF others	141,456.00	19,470.89	14		518,396.50	715,204.61	138		2,154,975.00	1,225,970.18	57					
EU VIP Domestic	-	-			-	-			-	-			-			
TOTAL	436,740.60	343,211.19	79		976,793.00	1,082,704.91	111		2,642,067.32	1,679,958.20	64			1,229,142.14		

3.6: Procurement Process at Techiman Municipal Assembly

The tender process within the Assembly involves:

- (i) Planning the annual procurement;
- (ii) Forming a Tender Committee;
- (iii) Forming a tender evaluation panel;
- (iv) using Municipal Tender Review Board to review procurements;
- (v) selection of goods, works and services for tenders;
- (vi) advertising tenders for quotations;
- (vii) processing tender application for selection of tenders;
- (viii) conducting tender meeting;
- (ix) selection of tenders for evaluation and approval;
- (x) award of contracts for goods , works and services (Municipal Medium Term Development Plan, 2006-2009).

The Tender Committee at the Techiman Municipal Assembly as required by Act 663(2003) is made up of the following members:

- a. the Municipal Chief Executive;
- b. the Municipal Co-coordinating Director;
- c. the Municipal Finance Officer;
- d. the member (s) of parliament from the constituency;
- e. three heads of departments in the municipality;
- f. three Assembly Members;
- g. a lawyer appointed by the assembly.

The Assembly Tender Committee has a responsibility of procurement of goods and works between GHc50 million threshold but not more than GHc250 million. When tenders are approved, the Tender Evaluation panel of the Assembly is expected to review and analyse tenders. If there are tender disputes or dissatisfaction, it is the duty of the panel to adjudicate in them. In accordance with Act, 663, the Evaluation Panel makes recommendations for award of contracts. Members of the Tender Evaluation Panel include experts outside the Assembly, the Assembly's internal Auditor and external Auditors (Municipal Medium Term Development Plan, 2006-2009).



CHAPTER FOUR

RESEARCH METHODOLOGY

4.1: Research Design

The study employed the quantitative approach in the gathering and analysis of data. The data collected was quantified and analysed using statistical techniques and displayed in descriptive statistical methods such as tables and charts.

4.2: Population and Sampling Techniques

The population is made up of:

- (i) all the people in the Techiman Municipality
- (ii) suppliers who do business with the Techiman Municipality
- (iii) contractors in the building industry
- (iv) Architects, Building Technologist, other experts
- (v) Planners, economist etc

Respondents drawn from the population were expected to provide answers on the level of transparency and accountability in local government spending with regard to National Competitive Tendering. However, due to time and resource constraints, a sample was selected from the population for the study. Simple random sampling technique was used to select the sample for the study. This afforded all members of the population equal chance of inclusion in the study.

Respondents:

A total of 50 respondents were selected for the administration of questionnaires and interviews. The composition of sample size of the respondents is given in the table below:

Table 4.1: Categories of Respondents

Category of respondent	Number
Management staff of the Assembly	5
Other employees at the Assembly	10
Assembly members	10
Opinion leaders	10
Suppliers/ contractors	10
Head of departments	5
Total	50

Source: Field Survey (2009)

Composition of the respondents:

The respondents selected for the questionnaire or interviews are made up of the following:

Management staff

The respondents were:

- (i) the Municipal Chief Executive
- (ii) the Municipal Coordinating Director

- (iii) the Municipal Planning Officer
- (iv) the Municipal Finance Officer
- (v) the Municipal budget officer

Other Assembly Employees:

The respondents were:

- (i) the Local Government Inspector
- (ii) three Accountants in charge of central Government accounts, local Government Accounts and common fund respectively
- (iii) the Municipal Store-Keeper
- (iv) the Municipal Engineer
- (v) Secretaries to the Municipal Chief Executive and Coordinating Director
- (vi) two staff from the Procurement Unit of the Assembly

Suppliers/Contractors:

The ten building contractors and suppliers were selected through random sampling.

Head of Departments:

Heads of department for Education, Health, Agriculture, Social welfare and Feeder roads were also randomly selected.

Assembly Members

Assembly members selected included the following:

- (i) The Presiding Member (PM)
- (ii) Sub-committee chairmen for works, Finance & Administration, Social welfare services, and Development planning
- (ii) Five other Assembly members

Opinion leaders:

The ten opinion leaders include 4 Chiefs, 3 Managers of randomly selected NGO's and 3 religious leaders in the Municipality.

4.3: Data sources and data collection methods

The study has used two main sources of data: Primary and Secondary data. The primary data sources include:

- (i) Administration of questionnaires;
- (ii) Interview with relevant respondents;
- (iii) Observation of tendering processes;
- (iv) Analysis of findings.

The study also used both time series and cross-sectional data. Time series data was collected on the number of contracts awarded by the Assembly from 2004 to 2008 using the various methods of procurement while the cross-sectional data was collected from the contractors, suppliers and opinion leaders across the Municipality.

The secondary source is mainly through the use of:

- (i) Relevant legislations and bye-laws;
- (ii) Authoritative Academic Research findings and books;
- (iii) Books, Journals, Magazines, Bulletin and Print Media;
- (iv) Political Speeches, Seminars and Workshop hand-outs.

4.4: Data Presentation and Analysis Techniques

The field data collected for the study have been thoroughly analysed using Statistical Package for Social Scientists (SPSS) and Microsoft Excel Spread Sheets. The use of these techniques enabled the result to be presented in tables charts and graphs. The SPSS is employed to produce the charts and graphs while the Microsoft Excel is used to illustrate data in tabular form of the study.



CHAPTER FIVE

DATA ANALYSIS, DISCUSSIONS AND FINDINGS

5.1: Introduction

This chapter is devoted to the analysis of the field data and the discussion of the results. The specific issues examined in the chapter are the effectiveness of the strategies to implement National Competitive Tendering, the use of National Competitive Tendering method of procurement and the challenges confronting its uses at the Assembly.

5.2: Demographic characteristics of respondents

The demographic characteristics of the respondents analysed were based on age group and educational background. The analysis of these characteristics of the respondents revealed differences in perception on issues of fraud, corruption, irregularities in procurement among people in the different age group and educational level.

5.2.1: Age Group of Respondents

The respondent selected and interviewed were generally age groups ranging from 20 – 59 years. Virtually all the respondents were represented in all the ages. Table 5.1 below shows the age groups of the respondents.

Table 5.1: Demographic Characteristics of Respondents

Respondents	Age group				
	20-29	30-39	40-49	50-59	Total
Management staff of the Assembly	1	1	2	1	5
Other Assembly Employees	1	3	4	2	10
Assembly Members	2	3	2	3	10
Opinion Leaders	0	2	4	4	10
Suppliers/contractors	2	2	5	1	10
Heads of Departments	0	1	3	1	5
Total	6	12	20	12	50

Sources: Field Survey (2009)

The implication of the age distribution of the respondents is that, both the youth and the elderly are involved in procurement issues at the Municipality.

5.2.2: Educational background of the respondents

On the educational background of the respondents, all the management of the Assembly as well the heads of departments interviewed for the study had tertiary education. However, four out of the ten suppliers/contractors had no formal education while no respondents within this group had tertiary education. The rest of the respondents had basic, secondary, or tertiary education as depicted in Table 5.2 overleaf.

Table 5.2: Educational Level of respondents

Respondents		Non- Formal	Basic	Secondary/ Technical	Tertiary	Total
Management at the Assembly	Freq.	0	0	0	5	5
	%	0.0	0.0	0.0	100.0	100.0
Assembly Employees	Freq.	0	1	5	4	10
	%	0.0	10.0	50.0	40.0	100.0
Assembly Members	Freq.	0	3	4	3	10
	%	0.0	30.0	40.0	30.0	100.0
Opinion Leaders	Freq.	2	3	4	1	10
	%	20.0	30.0	40.0	10.0	100.0
Suppliers/contractors	Freq.	4	4	2	0	10
	%	40.0	40.0	20.0	0.0	100.0
Heads of Departments	Freq.	0	0	0	5	5
Total	%	0.0	0.0	0.0	100.0	100.0

Sources: Field Survey (2009)

Thus, both literates and people who do not have access to formal education are involved in procurement issues at the Techiman Municipal Assembly. It could therefore be concluded that all sections of the Municipality are involved in procurement and its related issues at the Assembly.

The evaluation of competitive procurement at the Techiman Municipal Assembly was carried out vis-à-vis the age groups and educational background of the respondents. An evaluation into the respondents knowledge of use of competitive procurement revealed that all the selected age groups of the respondents were generally aware of the use of competitive tendering at the Assembly as more than 50% of each category of respondents indicated that they were aware of the use of competitive procurement.

Table 5.3 shows the respondents' knowledge of the use National Competitive Tendering at the Assembly.

Table 5.3: Knowledge of Use National Competitive Tendering by Age Group

Age Group (years)		Yes	No	Total
20-29	Freq	4	2	6
	%	66.7	33.3	100.0
30-39	Freq	7	5	12
	%	58.3	41.5	100
40-49	Freq	13	7	20
	%	65.0	35.0	100.0
50-59	Freq	10	2	12
	%	83.3	16.7	100

Sources: Field Survey (2009)

Table 5.3 illustrates that 66.7% of the respondents who were aged 20-29 years were aware of the use of competitive tendering while 33.3% within the same age group did not know of the use of competitive tendering at the Assembly. Similarly 58.3% of the respondents who were aged 30-39 were aware of the use of competitive tendering with the remaining 41.5 % of respondents within this age group indicating that they had no knowledge of the use of competitive tendering at the Assembly. In the same vein 65% of the respondents aged 40-50 years and 83.3% of them aged 50-59 were aware of the use of competitive tendering at the Assembly.

Perhaps the respondents' awareness of the use of National Competitive Tendering at the Assembly could have been influenced by the age and educational background, the fact that majority of them had at least basic education and have indicated their awareness. The relationship between the respondents' level of education and awareness of the use of competitive tendering procurement method at the Assembly shows a positive correlation

between the two variables. Formal education seems to influence the respondents knowledge in procurement issues in the Municipality as represented in Table 5.4 below.

Table 5.4: Knowledge of Use of National Competitive Tendering by Educational Level

Educational Level		Yes	No	Total
Non-Formal	Freq.	2	4	6
	%	33.3	66.7	100.0
Basic	Freq.	6	5	11
	%	54.5	45.5	100
Secondary/ Technical	Freq.	10	5	15
	%	66.7	33.3	100
Tertiary	Freq.	18	0	18
	%	100	0	100

Sources: Field Survey (2009)

Even though 33.3% of the respondents who had no formal education indicated that they were aware of the use of competitive tendering at the Techiman Municipal assembly, formal education seemed to have greatly influenced the respondents’ abilities to identity the use of National Competitive Tendering as the level of awareness increases with the level of formal education. This is evidenced by the fact that 54.5% of the respondents who had basic education were aware of the use of National Competitive Tendering while 66.7% of the respondents who had secondary/technical education knew about the use of competitive tendering at the Assembly. Similarly, all the respondents who had tertiary education knew about of the use of National Competitive Tendering at the Techiman Municipal Assembly.

In showing their knowledge of use of the National Competitive Tendering in procurement at the Assembly, they pointed out the following as evidence:

(a) Existence of tender authorities such as tender committee, tender evaluation panel, and tender review board,

(b) Preparation and advertising in the national news papers for tenderers from the general public,

(c) Holding of tender committee meetings to evaluate bids before awarding contracts.

5.3: Strategies to Implement National Competitive Tendering

The study revealed that various strategies were put in place at the Techiman Municipal Assembly in accordance with the Procurement Act to implement competitive tendering process at the Assembly. These included:

(i) Drawing of annual procurement plans

(ii) Formation of a tender committee

(iii) Formation of a tender evaluation panel

(iv) using municipal tender review board

(v) selection of goods, works and services for tender

(vi) advertising tenders for quotations

(vii) processing tender application for selection of tenderer

(viii) tender meetings

(ix) selection of tenders for evaluation and approval

(x) award of contracts for goods , works and services

The tender committee at the Techiman municipal Assembly is made up of the following:

- a. Municipal chief executive
- b. Municipal co-coordinating Director
- c. Municipal finance officer
- d. member (s) of parliament from the Municipality
- e. three heads of departments in the municipality
- f. three assembly members
- g. a lawyer appointed by the assembly

The functions of the tender committees range from soliciting for bids to the evaluation and review of tenders to making recommendations for the award of contracts. It was also revealed that the Techiman Municipal Assembly prepared annual procurement plan. The plans were harmonized composite procurement plan for the entire Assembly. Projects to be executed by the Assembly are normally advertised in the newspapers in accordance with Act 663 of 2003.

On the payment for contracts at the Techiman Municipal Assembly, it was noted that when contractors finished their project they wrote to the assembly and submitted a certificate for payment. Upon receipt of the letter and certificate, the Technical Team of the Assembly inspected the project to ascertain whether the work had been executed in line with the work specification. When the Technical Team, which is headed by the Municipal Engineer is satisfied with the work, they in turn submit their report to the Municipal Chief Executive and Coordinating director for payment to be effected. If on the other hand, the Technical team detected any defects on the project the contractor was

notified to correct the defects before payment was made and report to this effect is also made available to municipal chief executive and coordinating director.

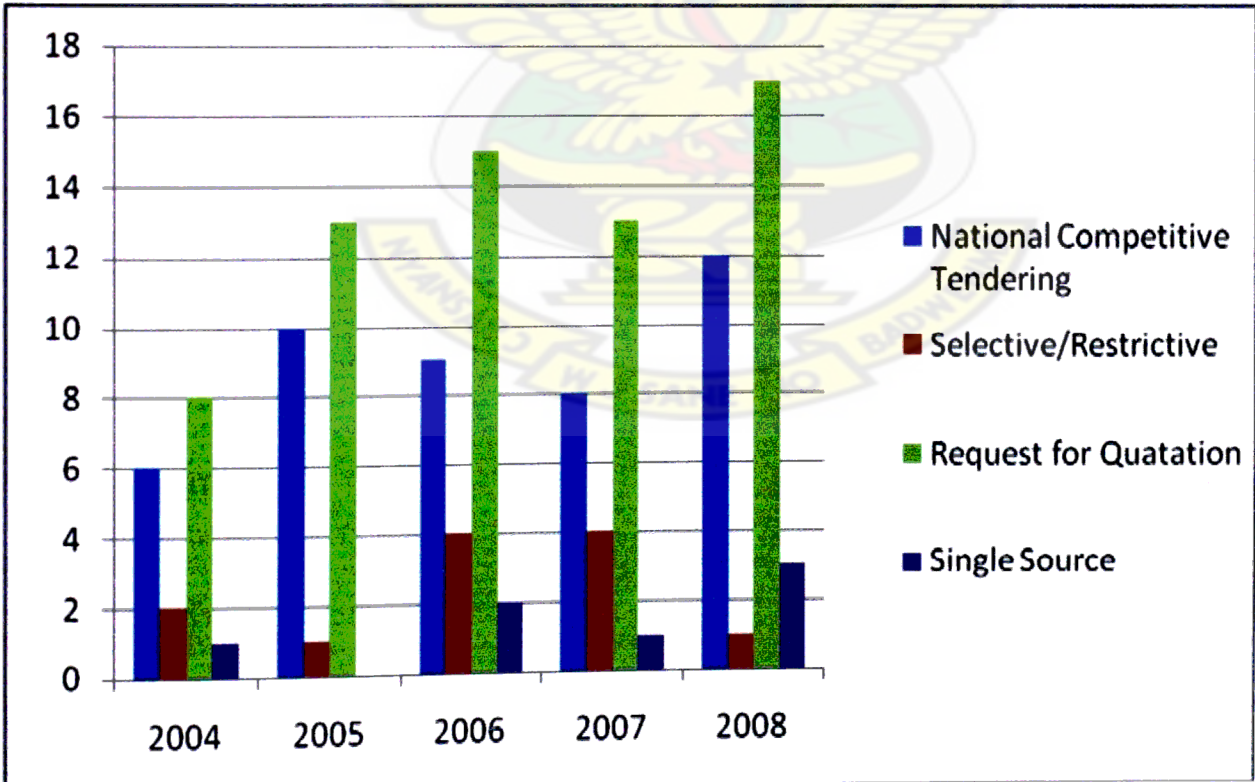
5.4: Level of use of Procurement Methods at Techiman Municipal Assembly

Data collected from the Techiman Municipal Assembly indicate that various methods of procurement were used within the period under consideration. The major methods of procurement that were used are:

- (i) Request for quotation
- (ii) National Competitive Tendering
- (iii) Selective/Restrictive Tendering
- (iv) Single Source Procurement

The level of use of these methods is shown in Figure 1 below:

Figure 5.1: Level of Use of Procurement Methods



Source: Field Survey (2009)

Request for quotation was mostly used by the Assembly within the period. This was followed by National Competitive Tendering, selective/ restrictive tendering and single source procurement.

Table 5.5: Perception of Quality of Use of National Competitive Tendering

Quality		Yes	No	Total
Value for money	Freq	30	20	50
	%	60.0	40.0	100.0
Efficiency	Freq	27	23	50
	%	54.0	46.0	100.0
Transparency	Freq	35	15	50
	%	70.0	30.0	100.0
Cost efficiency	Freq	38	12	50
	%	76.0	24.0	100.0
Right Specification	Freq	25	25	50
	%	50.0	50.0	100.0
Timely Delivery	Freq	20	30	50
	%	40.0	60.0	100.0
Economy	Freq	28	22	50
	%	56.0	44.0	100.0

Source: Field Survey (2009)

5.5 Research Revelations

The study revealed the following major challenges militating against the effective implementation of competitive tendering in the Municipality.

(1) difficulties in advertising for bids as tenders have to be advertised in the National Newspapers all of which are located far away in Accra. This has implications for increased costs and delays in competitive tendering method of procurement at the Assembly

(2) Inadequate numbers of large-scale business units within the municipality. This sometimes leads to contracts being awarded to contractors outside the Municipality. Even though this has positive impacts such as avoidance of nepotism, there are equally negative impacts such as higher bid rates from these outside contractors owing to the increased cost of transportation and renting of temporary accommodation for workers and management of the company,

(3) The option for outside contractors instead of local contractors deprive people in the Municipality from employment and this has negative economic effect on people livelihood in the Municipality.

(4) Political pressure from politicians also affects the effective implementation of the competitive tendering process in the Municipality. The research revealed that leading politicians in the Municipality such as ruling party executives insist on preferential treatment in the award of public contracts especially to party member contractors and sympathizers. This impedes transparency in the award of public contract at the assembly.

(5) Cumbersome nature of the tendering process also impedes its smooth implementation. Every contract for a jobs or service has to be advertised to the public. All the several bids have to be evaluated.

(6) The research identified few bid shoppings, where one contractor would submit more than one bid in an attempt to secure the contract at all costs

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CHAPTER SIX

CONCLUSIONS AND RECOMMENDATIONS

6.1: Conclusions

For the purposes of conclusions, this research has carefully gathered information through administration of questionnaires to relevant respondents. It has also drawn conclusions from respondents through interviews. The researcher's observations of tendering process, awards of contracts, inspection of works and goods and payment of contract have also helped in the drawing of conclusions. From the findings and analysis the following conclusions are drawn on the research:

- (i) The Techiman Municipal Assembly has devised various measures to implement National Competitive Tendering at the Assembly. These include the establishment of Tender Review Board, Tender Committee and Tender Evaluation Panel. All the tender bodies are effective. National Competitive Tendering process at the Assembly were generally said to be effective.
- (ii) Respondents are aware of the use of National Competitive Tendering at the Assembly.
- (iii) In the area of contract management, the Assembly has a system of awarding and monitoring its contracts.
- (iv) The Assembly draw annual procurement plans and all procurement are within the plan.

(v) The National Competitive Tendering process is the second most used procurement methods after request for quotations methods in the awards of contracts for goods, works and services at the Assembly.

(vi) Payments for contracts executed were made after the inspections of the works executed or goods supplied. In the case of construction works, payments were backed by contract certificates.

(vii) However, there were inadequate transparency in the awards of contracts arising from political pressures from politicians and bid shopping by contractors and payments for contracts not properly executed.

(viii) The main problems militating against the effective implementation of the National Competitive Tendering were identified as lack of adequate local market, cumbersome procedures which were costly and time consuming.

6.2: Recommendations

Based on the responses from respondents and research findings the following recommendations are made for implementation by the Techiman Municipal Assembly in particular and Ghana's local Government Administration in general:

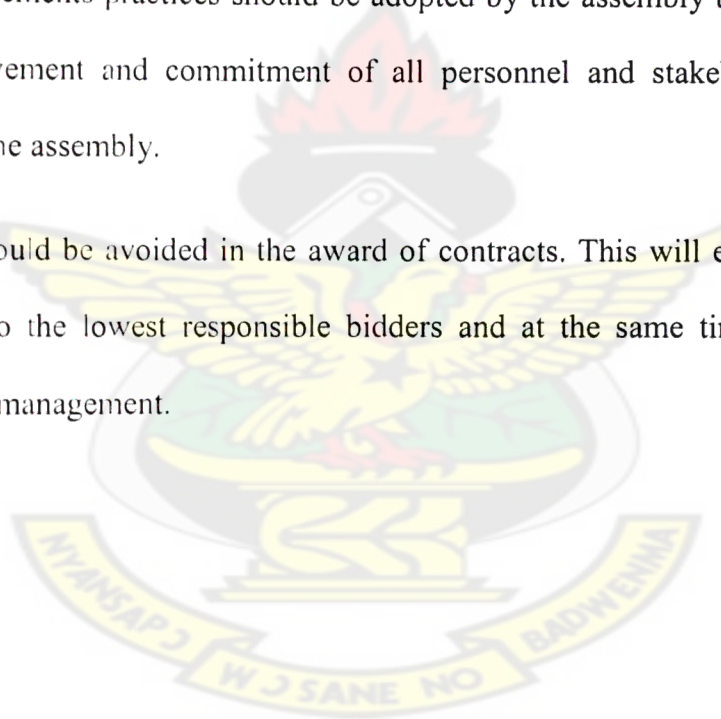
(i) Encouragement of suppliers to establish branch offices closer to the assembly. This will reduce transaction costs in the use of National Competitive Tendering while saving time involved in responding to bids and advertisement. This can be achieved through the provision of the necessary infrastructure.

(ii) Capacity building of all stakeholders including suppliers, contractors and officials of the Assembly in the use and application of National Competitive Tendering. This will lead to quality service delivery, cost saving, and removal of delays and wastes.

(iii) Internal and external Auditors should be used in the inspection of projects and procurements to enhance transparency and cost-effectiveness in procurement at the Assembly. Internal and external audits should be regular with the view to preventing and deterring irregularities and corruption in public procurement.

(iv) Total quality managements practices should be adopted by the assembly to enhance the participation, involvement and commitment of all personnel and stakeholders in public procurements at the assembly.

(v) Political pressure should be avoided in the award of contracts. This will ensure that contracts are awarded to the lowest responsible bidders and at the same time ensure transparency in contract management.



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**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND
TECHNOLOGY KUMASI
RESEARCH TOPIC: AN EVALUATION OF NATIONAL
COMPETITIVE**

**TENDERING IN LOCAL GOVERNMENT ADMINISTRATION IN
GHANA: THE CASE OF TECHIMAN MUNICIPAL ASSEMBLY**

Introduction:

I am a post – graduate student pursuing EMBA at the Institute of Distance Learning, KNUST. This study is being conducted in partial fulfillment of the requirements for the award of a Master Degree by the School of Graduate Studies, KNUST, Kumasi. It is therefore highly confidential. Information provided here will be used strictly for only academic purposes. Please respond to the questionnaires by ticking the alternative you deem appropriate.

(A) SOCIO-DEMOGRAPHIC CHARACTERISTICS

1. Tick your status from the classifications below:

Management staff of the Assembly	{ }
Other employees at the Assembly	{ }
Assembly Members	{ }
Opinion Leader	{ }
Supplier / Contractor	{ }
Head of Department	{ }

2. Tick your age group:

20 – 29 years { } 30-39 years { } 40-49 years { } 50-59 years { }

3. Tick your educational status:

Non-formal ☐ Basic ☐ Secondary/Technical ☐ Tertiary ☐

4. Tick your sex: ☐ Male ☐ Female

5. Tick your marital status: ☐ Married ☐ Not Married

(B) Questionnaires to management staff, other employees and Assembly Members

1. Are you aware the Assembly makes procurements of goods and services as by law established? Yes ☐ No ☐
2. Are you in any way involved in procurements in the Assembly? Yes ☐ No ☐
3. If 'Yes' then do you play direct or indirect role? Direct role ☐ Indirect role ☐
4. If you play any role can you then describe it?

I do the following:

- i.....
- ii.....
- iii.....

5. How many methods does the Assembly use in procurement? Tick from below:

- i. One ☐
- ii. Two ☐
- iii. Three ☐

6. Tick the procurement methods used:

- i. Single source tendering ☐
- ii. National Competitive tendering ☐
- iii. Selective/Restrictive tendering ☐
- iv. Request for Quotation ☐
- v. International Competitive tendering ☐

7. Do you consider procurements to be open and transparent in the Assembly? Yes ☐
No ☐

8. Are tendering bids advertised? Yes ☐ No ☐

9. If 'Yes' then what is the medium? (Tick)

- i. Word of mouth ☐
- ii. Radio ☐
- iii. Television ☐
- iv. Print media ☐

10. Do you consider procurements efficient and effective as defined by the procurement Act, Act 663 (2003)? Yes ☐ No ☐

11. Are you conversant with the provisions of the procurement Act, Act 663 (2003)? Yes ☐ No ☐

12. Can there be value for money (VFM) in procurements in the Assembly? Yes ☐ No ☐

13. If you admit that the Assembly uses National Competitive Tendering (NCT) method well than other methods, state some of the advantages over the others.

- i.
- ii.
- iii.

14. Will you say that the use of (NCT) has humanized corruption and irregularities in procurements in the Assembly? Yes ☐ No ☐

15. Have some saving been accrued to the Assembly though the use of (NCT) tender? Yes ☐ No ☐

16. In your own view are you sure suppliers and contractors find (NCT) fair? Yes ☐ No ☐

17. Have you ever received complaints from suppliers and contractors about some problems they encounter with the Assembly's procurement methods? Yes ☐ No ☐

18. If 'Yes' what are the complaints about?

- i.
- ii.
- iii.

19. How were the complaints resolved?

- i.
- ii.
- iii.

20. Do procurements have economic value to the Assembly? Yes ☐ No ☐
21. Does the Assembly have a Tender Board or Committee? Yes ☐ No ☐
22. Does the Assembly have a Tender Evaluation Committee? Yes ☐ No ☐
23. Does the Internal Auditor inspect procurement of goods and services? Yes ☐ No ☐
24. Can there be any instances where the MCE and MCD influence procurements? Yes ☐ No ☐
25. Do the Assembly procurements conform to thresholds specified in Act 663 (2003)
Yes ☐ No ☐
26. Have there been any occasions where management of the Assembly has divided procurement items to avoid competitive tendering? Yes ☐ No ☐
27. Tick where appropriate:
- i. National Competitive Tendering should continue ☐
 - ii. National Competitive Tendering should be replaced ☐
 - iii. Single source tendering is a better method ☐
28. Tick from below your assessment of the National Competitive method:
- i. It should be improved ☐
 - ii. It is time wasting ☐
 - iii. It is saving more revenue ☐
 - iv. It can be abused ☐
 - v. It has many problems ☐
29. Should the procurement Act, Act 663 (2003), be amended? Yes ☐ No ☐
30. Do you think the Assembly complies with the Act in relation to adoption of National Competitive Tendering? Yes ☐ No ☐

**(C) Questionnaires and Interviews administered to Opinion Leader
contractors and suppliers**

1. Do you have any business to do with the Assembly? Yes ☐ No ☐
2. Is your business located within the jurisdictional area of the Assembly Yes ☐ No ☐
3. What business do you do with the Assembly? Tick which is appropriate?
 - i. As a supplier of goods ☐
 - ii. As a building contractor ☐
 - iii. As a road contractor ☐
 - iv. As a service provider ☐
 - v. As a consultant ☐
4. For how long have you been in business with the Assembly
 - i. 1 to 2 years ☐
 - ii. 2 to 5 years ☐
 - iii. More than 5 years ☐
5. Does the Assembly tender for supply of goods, works or services from National Competitive Tenders? Yes ☐ No ☐
6. Does the Assembly advertise for tenders? Yes ☐ No ☐
7. Are you satisfied with the tender approach? Yes ☐ No ☐
8. Do you consider the approach open and transparent? Yes ☐ No ☐
9. Do you think there is some form of corruption and discrimination in tenders? Yes ☐
No ☐
10. Are you aware of the existence of the procurement Act passed by parliament to guide procurements? Yes ☐ No ☐
11. If 'yes' then have you read the provisions of the Act? Yes ☐ No ☐
12. If 'yes' then do you think the Assembly complies with the Act? Yes ☐ No ☐
13. Do you encounter any problems with the use of the National Competitive Tendering method and the Act itself? Yes ☐ No ☐
14. If 'yes' then does the problem relate to any of the issues below (Tick)
 - i. Politicisation of selection ☐

- ii. Delays in getting the contract ☐
- iii. Lack of transparency ☐
- iv. Corruption and favouritism ☐
- v. All the above ☐

15. As an opinion leader supplier or contractor do you think procurements made by the Assembly are of economic value? Yes ☐ No ☐

16. If an official of the Assembly says the Assembly adopts a competitive tendering method in procurements, will you confirm this to be true? Yes ☐ No ☐

17. Do you think that the procurement method in the Assembly makes savings? Yes ☐ No ☐

18. Will you recommend National competitive tendering to any Assembly? Yes ☐ No ☐

19. Tick any of the statements below that reflects your conviction about National Competitive Tendering:

- i. It is subject to abuse ☐
- ii. It minimises frauds and corruption in procurements ☐
- iii. It delays awards of contracts ☐
- iv. It could be improved as a good financial management techniques in getting value for money ☐

20. State two reasons why you think the National Competitive Tendering Method is fair and transparent in the award contracts by the Assembly:

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