

UNIVERSITY OF KWAZULU-NATAL

**Examining Measures to Improve Procurement Processes in the KwaZulu-
Natal Provincial Treasury Department**

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degree of Master of Business Administration.**

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DECLARATION

I, **Zama Nokulunga Khuzwayo** declare that:

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- (ii) This dissertation has not been submitted for any degree or examination at any other university.
- (iii) This dissertation does not contain other persons' data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.
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ABSTRACT

Public sector procurement operates as a business function of an economic activity within a political system and it is management function carried out by the public servants. It is central to the development of the particular society in which they operate. South African government depends greatly on the procurement process as regulated by a number of legislation in order to attain contracts for the necessary goods and services to maintain, upgrade and advance the public assets. Although there is legislation to guide the procurement with reference to acquisition of goods and services required by the institution, there are still challenges encountered by the public sector procurement. The question thus arises what could be done to improve the public sector procurement processes. The aim of this study was to determine the measures to improve the procurement processes in the KwaZulu-Natal Provincial Treasury department. The target population is 18 employees consisting of both the senior management and junior officials of the KwaZulu-Natal Provincial Treasury Department within the Supply Chain Management Unit which is known as the Office of the Chief Financial Officer. There are 18 procurement officials within the unit. Study data were collected using a self-administered questionnaire which was created specifically for this research. Fourteen staff responded to the questionnaire. The study showed that there is a struggle with the procurement system which is heavily paper based and highly open to human error and manipulation. This system causes delays especially when it comes to obtaining signatures for tender documents and awards where the relevant authorities are not available to sign. The study also revealed that as much as the introduction of Central Supplier Database has somehow simplified the procurement process the department still encounters challenges of CSD generating the same service providers when searching, the system keeps service providers that are no longer in a business, it does not update on the inactive suppliers and it does not interface with the payment system. In addition, a shortage of staff within the procurement unit makes it a mammoth task for the unit to provide best quality of work. It is recommended that the Kwazulu-Natal Provincial Treasury department should introduce and implement an electronic procurement system which will be compatible to their processes and fast track their processes whilst reducing possible human errors; and the need to fill all the vacant posts to enhance the departments capacity.

The study can benefit the department in improving the procurement processes and improving its public service delivery. However, a strong effort is required from the government and its service providers to implement the e-procurement system.

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List of Acronyms

BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
CSD	Central Supplier Database
CPAR	Country Procurement Assessment Review
CIPC	Companies and Intellectual Property Commission
HOD	Head of Department
HDI	Historically Disadvantaged Individual
KZN	KwaZulu-Natal
MSP	Municipal Support Program
PPPFA	Preferential Public Procurement Framework Act
PFMA	Public Finance Management Act
SARS	South African Revenue Services
SCM	Supply Chain Management
CFO	Chief Financial Officer

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

This study explores the procurement process challenges faced by the provincial treasury departments within the provincial domain of South African government. In 2003 South Africa adopted a supply chain management system to institute best performance in procurement processes (Horn & Raga, 2012). The procurement process was given statutory status and has been utilised to address the inequalities of the past. However, there are still challenges faced with implementation of public procurement processes within the government institutions (Mahlaba, 2004). The duty of the institutions of government is to accomplish the policy objectives established by administration for societal life. Provincial treasuries are main role players of the South African public sector supply chain and their functions. They support the government institutions with the application of procurement processes, offer support by giving advice and constructing capacity; organize training in the provinces and keep under surveillance the policy end results (Horn & Raga, 2012). For examination, a conceptual analytical technique will be utilised with some of substantial steering public procurement pillars. The procurement process and the use of Central Supplier Database (CSD) challenges which restrain effectiveness and efficiency in the procurement processes implementation with the provincial treasuries government departments will also be uncovered. This study will conclude with recommendations on how the procurement processes can be improved in the provincial treasury departments. This chapter presents a momentary contextual to the problem; the study motivation; study focus; the research problem; study aim; objectives and questions of this research; the study significance and the research methodology used in this research.

1.2 PROBLEM STATEMENT

The necessity to take on a study on the measures to improve procurement process in the Provincial Treasury department results from the general assumptions that the South African government procurement systems are categorised by challenges that

negatively affect service delivery (Mahlaba, 2004). Henceforth, it is the hypothesis of the study that there are challenges faced by the Provincial Treasury departments linking to their procurement process. The researcher is of the opinion that; most South African public sectors are faced with the following procurement process challenges.

- ✚ Nonexistence of Appropriate Knowledge, Skills and Capacity;
- ✚ Non-Compliance to Policies and Regulations;
- ✚ Inadequate Planning and Linking Demand to the Budget;
- ✚ Accountability, Fraud and Corruption;
- ✚ Inadequate Measures for Monitoring and Evaluation of Supply Chain Management;
- ✚ Unethical Behaviour;
- ✚ Too much decentralisation of the procurement system; and
- ✚ Ineffectiveness of broad-based black economic empowerment.

In South Africa the public sector Supply Chain Management (SCM) it is well recognized as imperfect. There are unceasing corruption and inefficiency accusations (Mahlaba, 2004). Protest of public service delivery are a symbol that the public feel that they are not provided with quantity or quality of the service they need. Occasionally, schools are open at the beginning of the year deprived of materials to support learners (Ambe & Badenhors-Weiss, 2012). The introduction of SCM system was aimed at addressing the insufficiencies in governments' historical methods of procuring goods and services Nevertheless, there are still challenges concerning the inappropriate implementation of the tendering processes (Ambe & Badenhors-Weiss, 2012). An effective and efficient system of public sector SCM will be able to assist to overcome these challenges (National Treasury, 2015).

There was a dynamic upswing in government debt during 2008 recession, from R450 billion in 2009/10 to R1.4 trillion in 2013/14. In 2013/14 there was an expenditure of R500 billions of goods and services and construction works within the South African public sector institutions. It is clear that the general public spending keeps on growing. Money gets misused due to non-compliance to procurement processes and its regulatory framework, and also its effects on service delivery (National Treasury, 2015).

Study focus can be a general area or domain in which research questions are presented and investigated. This study will focus on the procurement process in the KZN Provincial Treasury Department located in Pietermaritzburg CBD. Provincial Treasury department is confronted with assisting other provincial departments with the implementation of SCM. They support these departments by offering advice and build capacity. This make the Provincial Treasury department the key role players of the South African government SCM. This makes it crucial for the Provincial Treasury to offer an effective and efficient procurement system to be able to support other government departments specially the Municipalities which directly deliver service to the public.

The CSD was implemented in South Africa with the major goal of minimising corruption and ensure efficient and cost effectiveness in public procurement (National Treasury, 2015). The main drive of centralising government's contractor database was to diminish effort and cost duplication for both contractor and government while enabling electronic procurement processes (National Treasury, 2015). From the above-mentioned procurement process challenges, the main research problem derived is to identify measures to improve the KZN Provincial Treasury procurement process.

1.3 AIM OF THE STUDY

The aim of this study is to identify measures to improve public procurement processes in the KwaZulu-Natal Provincial Treasury department in the KZN province. Current procurement practices at KwaZulu-Natal Provincial Treasury will be evaluated based on the best procurement process practices linking to value for money, equity, open and effective competition, ethics and fair dealings, and accountability and reporting to enhance delivery of public service (Horn & Raga, 2012).

1.4 OBJECTIVES OF THE STUDY

This study provides intentness to the processes of procurement, the use of Central Supplier Database with the application of regulations in the Provincial Treasury Departments. The primary objectives are as follows.

1. To assess whether the KwaZulu Natal Provincial Treasury Department complies with the prescribed procurement policy framework and procedures.
2. To examine the challenges faced in the KwaZulu Natal Provincial Treasury department's procurement processes.
3. To examine the challenges faced by the KwaZulu Natal Provincial Treasury department in using the Central Supplier Database (CSD).
4. To identify how the procurement processes can be improved in the KwaZulu Natal Provincial Treasury Departments.

1.5 RESEARCH QUESTIONS

In order to realise the objectives of the research, the study aimed to answer the following questions:

1. Is the KwaZulu Natal Provincial Treasury Department complying with the prescribed procurement policy framework and procedures?
2. What are the challenges faced by the KwaZulu Natal Provincial Treasury Department during the procurement processes?
3. What challenges are faced by the KwaZulu Natal Provincial Treasury Departments when using Central Supplier Database (CSD)?
4. How can the procurement processes in the KwaZulu Natal Provincial Treasury Department be improved?

1.6 SIGNIFICANCE OF THE STUDY

According to famous Huduson Maxim as cited in (Kothari, 2004) research significance can be comprehended in context of; "All progress is born of inquiry. Doubt is often better than overconfidence, for it leads to inquiry, and inquiry leads to invention". Increased quantities of research make progress probable. Enhanced

procurement process forms an imperative influence to public service delivery in South Africa. The study outcome will contribute to the cutting edge of knowledge and hopefully improve to the current procurement processes theoretical literature in the public sector. This study evaluates the measures to improve procurement processes in the Provincial Treasury Departments, trying to simplify more than the customary descriptions of this concept. It distinguishes the common procurement process challenges faced by the public sector institution in South Africa. Furthermore, it explores the policies, legislature and practices that governs public procurement processes; and in conclusion this study also analyses the measures to improve procurement processes in the KwaZulu-Natal Provincial Treasury department.

1.7 RESEARCH METHODOLOGY

Research methodology is the specific procedures or techniques utilised to classify, select, process, and analyse information about a topic and it can be comprehended as an art of learning how research is done systematically (Wilkinson, 2000). It is therefore essential for the scholar to not only know the study methods, but also the methodology. When conducting a study, a researcher has an obligation to utilise suitable methodology, within his/her knowledge base.

This study articulates the restraining challenges in the Provincial Treasury departments during implementation of procurement process. A self-administered questionnaire will be utilised as an instrument to acquire and collect data on the procurement process followed to analyse evidence relating to supply chain management within the Provincial Treasury department. The questionnaire was sent to eighteen employees (both senior and junior) of the department. There are 18 procurement staff within the unit. Respondents were given one week to respond and fourteen respondents completed and returned the questionnaire on time. The other four employees failed to return the questionnaire.

1.8 OUTLINE OF THE DISSERTATION

The study contains six chapters; detailed underneath.

Chapter one: Presents the study where it outlines the aim, focus, objectives, significance and research questions of the study. This chapter also introduces the research methodology utilised to carry out the study.

Chapter two: Presents a literature review which will show the relationship between different studies and how these studies relate to public procurement processes. It will consist of the theoretical background to South African procurement processes. Furthermore, this chapter also highlights the common procurement challenges faced by the South African public sector, the challenges encountered using CSD and the procurement legislative framework. This will be done in order to draw a vision of how Provincial Treasury Departments can enhance its procurement processes.

Chapter three: Provides the research methodology. It presents the research paradigm, study approach and methods chosen to conduct the study. Furthermore, it will present the kind of data required, and decision on data gathering and data scrutiny strategies required to answer the research questions.

Chapter four: Provides the results of collected data and findings interpretation.

Chapter five: Presents discussion, conclusions and recommendations, where research findings will be interpreted and explained in conjunction with existing academic literature. It also presents conclusions and recommendations drawn from the study findings and analysis of the results.

1.9 CONCLUSION

This chapter has presented a brief background to the problem; the study motivation; study focus; the research problem; the aim of the study; objectives and questions of this research; the study significance and the research methodology used in this research. The overall purpose of this study is to examine the measures to improve public procurement processes, with specific reference to the KZN Provincial Treasury department. The following chapter will present the literature review with a focus on the challenges faced by the Provincial Treasury departments concerning procurement processes issues and the use of CSD.

CHAPTER 2

REVIEW OF LITERATURE

2.1 INTRODUCTION

Government procurement is defined as the process of acquiring goods and services (Dlamini & Ambe, 2013). In some nations, the definition of government procurement covers various categories of work. According to Djankov, Saliola and Islam (2016), public procurement is the process of purchasing goods, services or works by the public sector from the private sector. This shows that term government procurement covers other activities and works, as the needs of the government is to rightfully operate and deliver services to its citizens (Djankov, et al., 2016). The preceding chapter outlined the introductory part of this study while this chapter presents the literature review surrounding the study. This chapter assesses the measures to improve procurement processes in the KwaZulu-Natal (KZN) Provincial Treasury department. This literature further analyses, ascertains and verifies processes of public sector procurement's existing literature, its limitations and possible involvement approaches which have already been suggested by reliable sources and academic articles by other researches. Focusing on the purpose of this study, public procurement processes associated topics were discussed in-depth. Firstly, the public sector procurement policies, legislation and practice relating to procurement of goods and services in the context of South Africa were reviewed. This was viewed historically in relations to how procurement has evolved from the time when democracy took place in 1994. In association with the procurement process policy evolution in the government institutions, challenges faced by public procurement processes in South Africa were reviewed. Commonly, Supply Chain Management performance in a number of surveyed government departments is effective, even though it was revealed that departments experienced during the execution of procurement processes and procedures (Paul, 2011). A review of the challenges encountered by Provincial Treasury Department using the Central Supplier Database (CSD) and measures to improve the procurement processes in the Provincial Treasury Departments were also discussed.

2.2 STUDY BACKGROUND

In 1994, the national unity government established a process of procurement transformations in all the three government spheres (national, provincial and local). These transformations were informed by the inequalities of the past in the preceding system of procurement and were intended to transition from a system of procurement and provisioning to a combined function of supply chain management (Dlamini & Ambe, 2013). South African public sector supply chain has undergone transformation by means of introducing procurement reforms (Ambe & Badenhorst-Weiss, 2012). This transformation was directed at two broad areas of focus, that is; the promotion of good governance principles and the introduction of a system of preference to address the socio-economic objectives. The restructuring of procurement processes was entrenched in the Public Finance Management Act (PFMA) Section 76(4) (C) and the Preferential Public Procurement Framework Act (PPFA) (SAMDI, 2005).

In introducing and implementing the procurement improvements, the Supply Chain Management section within National Treasury accomplished a combined Country Procurement Assessment Review (CPAR), and the World Bank was to measure procurement performance in all the government institutions (Ambe & Badenhorst-Weiss, 2012). Certain insufficiencies, in practice were identified by CPAR concerning governance, clarification and application of the PPPFA and its related regulations (National Treasury, 2009). These insufficiencies led to provincial treasuries in consensus with national treasury, to explore a dynamic transformation initiative to introduce best practices in procurement processes which are efficient, effective and economical (Van Greunen, et al., 2010).

2.2.1 KwaZulu-Natal Provincial Treasury

The KZN Provincial Treasury Department is one of the nine provincial treasuries which is in the Pietermaritzburg CBD in KZN province of South Africa. The KZN Provincial Treasury was formed in accordance with Public Finance Management Act NO. 1 OF 1999 and it consists of five programmes.

Programme One is Administration and its sub-programmes are; Member of Executive Council's Office, Head of Department (HOD), Office of the Chief Financial Officer and Corporate Services. This programme is responsible for providing support service to the core programmes within the department. Programme Two is Resource Management and its sub-programmes are; Infrastructure Management, Economic Analysis and Public Finance. The Resource Management programme is liable for furnishing the functions of provincial treasury as per the provisions of the Public Finance Management Act (PFMA). Programme Three is Financial Management and its sub-programmes are; Cash Management and Liabilities, Public Private Partnerships, Supply Chain Management, Financial Reporting, Norms and Standards and Support Interlinked Financial Systems. This programme is liable for providing the provincial departments with financial management support. Programme Four is Internal Audit and its sub-programmes are; Assurance Services, Forensic Investigation, Risk and Advisory Services. The Internal Audit programme is liable for providing the KZN province with services of Internal Auditing. Programme Five is Municipal Finance Management and its sub-programmes are; Municipal Budget, Programme Support, Municipal Revenue & Debt Management Municipal and Accounting & Reporting, Municipal Support Program (MSP). The Municipal Finance Management programme is liable for providing the functions of Provincial Treasury as per the provisions of Municipal Finance Management Act (MFMA).

The core functions of KZN Provincial Treasury department are (Annual Report, 2019):

- Funds mobilisation for the Kwa-Zulu Natal (KZN) provincial government;
- Funds allocation to the departments of KZN province;
- Devising of budgets for annual and Medium-Term Expenditure Framework (MTEF);
- Management of wide cash for the KZN province;
- Financial management for the KZN province through;
 - Monitoring and reporting of budget;
 - Internal audit;
 - Financial accounting; and
 - Systems maintenance.

- Guidance on policies and procedures of procurement in provincial administration.

For this study, the focus was on the Office of the Chief Financial Officer which is the unit that is responsible for rendering functions of financial and supply chain management to the Provincial Treasury department.

2.3 IMPORTANCE OF PUBLIC PROCUREMENT

Public procurement has significant implications on economic and political environment. It is therefore crucial to make certain that the process is cost-effective and efficient. This demands that all the performers (the public sector, the entities acquiring, and the business contractors) and other participants, together with the expert alliances and the whole community understand thoroughly the whole process (Odhiambo & Kamau, 2003). Government institutions can also generate new ideals or actively encourage meetings as a vital standard, consequently encouraging dissemination of information. Certain industries advantages are created on the demand side by economies of scale and network externalities by enabling dynamic and growing takings (Zita & Mathebula, 2015). Government procurement is progressively acknowledged as a sphere which holds an important part in managing public resources. Along with several countries, it has turned out to be more aware of procurement importance as a susceptible area to maladministration and dishonesty, and have therefore established forces to adjust procurement through more strategic government efforts (Mahmood, 2010).

Procurement in the government institutions is viewed as a crucial part of any country's economy, regardless of its geographical location, political inclination or level of development (Mahmood, 2010). The public sector procurement of goods and services for the developed countries accounts for about 10 to 15 percent of the country's gross domestic product (GDP), and up to about twenty 20 percent for the developing countries (Kashap, 2004). According to Lindskog, Brege and Brehmer (2012), government is the largest buyer on all markets nationally. The public procurement practice is recognized as a means to accomplishing economic and social outcomes of the nation (Lindskog, et al., 2012). The system of South African

government procurement is both a strategic tool and a mechanism that allows government to execute growth policies and transformation of the socio-economy (Ambe & Badenhors-Weiss, 2012). The strategic nature of government procurement makes it necessary to exercise caution and carefulness (Odhiambo & Kamau, 2003). According to Ntayi, Rooks and Eyaa (2009), plenty of cash becomes misused due to structures, policies and procedures of procurement that are inefficient and ineffective. Additionally, lack of success in imposing violation sanctions of procurement rules leads to poor service delivery (Ntayi, et al., 2009).

The public sector is the largest buyer of goods and services in the country and its procurement possesses essential political and economic implications (Ambe & Badenhors-Weiss, 2012). It is therefore important to ensure that the processes are economical and efficient. In order to ensure that good-quality, effectiveness and efficiency are present to accomplish government objectives, its procurement processes, policies and procedures need to be easy and understandable (Ambe & Badenhors-Weiss, 2012).

2.4 REGULATORY FRAMEWORK GOVERNING PUBLIC PROCUREMENT PROCESS

Public sector procurement is an influential tool to encourage the objectives of socioeconomic development, for the reason that it functions at the convergence of the administrations, governing and purchasing powers (McCrudden, 2004). Government possesses the supremacy to control market participants by encouraging markets over rivalry regulations, or by limiting markets over social rule. For example, aspects such as health and safety regulations (McCrudden, 2004).

The functions of South African public sector procurement are governing an environment which is highly legislated, and these legislations are set by national government and stretched to the other two spheres of government (provincial and local) by particular policies, legislation and regulations. These legislative and policy frameworks provide a general rule on the obedience to tendering processes as well as the enrichment of public service delivery (Ambe & Badenhors-Weiss, 2012). Effective and efficient government procurement processes rely on explicit core

behaviour principles which are the five procurement pillars: value for money; open and effective competition; ethics and fair dealing; accountability; and reporting and equity (Zita & Mathebula, 2015). The transformation of procurement processes in government institutions are contained in several policy initiatives in South Africa which consist of, among others; the Constitution, PFMA, PPFA and the Broad Based Black Economic Empowerment. These regulations will be briefly discussed below with their relevance to on procurement processes. The Figure 2-1 below outlines the governing framework for South African public procurement.

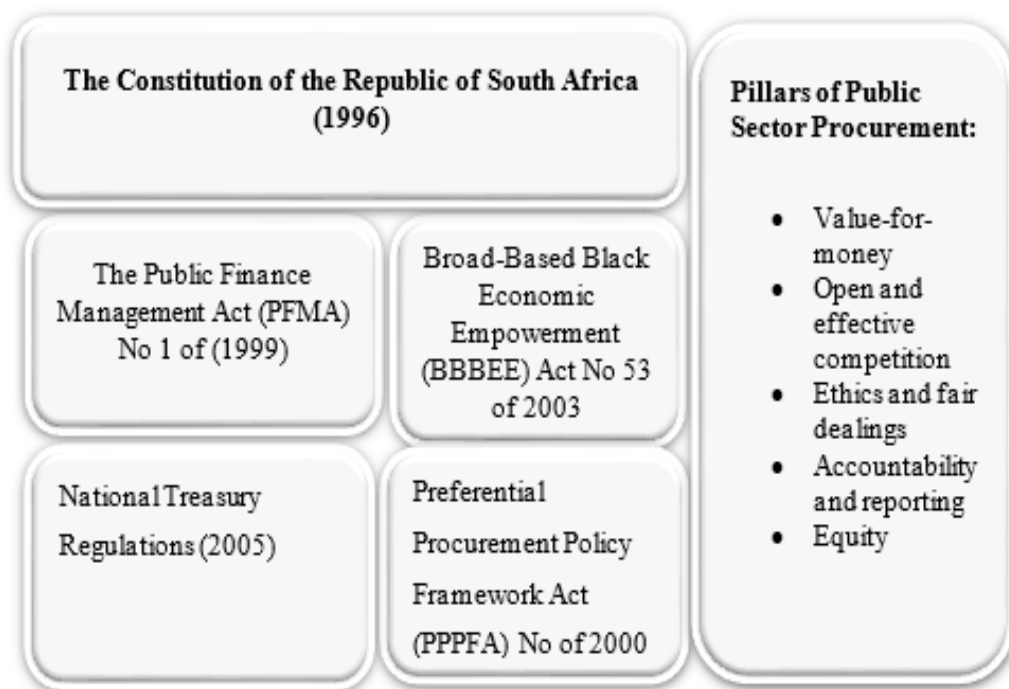


Figure 2-1: Governing Framework for South African Public Procurement (Source: Watermeyer, 2011)

2.4.1 The Constitution of the Republic of South Africa

The Constitution of the Republic of South Africa (1996) is the supreme law of the country, which sets the basis for compliance with regards to procurement of goods and services and a point of reference through which service delivery can be measured. Section 195 (1) of the Constitution of the Republic of South Africa (1996) enlightens the democratic standards and principles governing public administration

(Republic of South Africa, 2000). As anticipated in section 217(1) of the Constitution of the Republic of South Africa, the public service is a governance instrument that provides for the procurement basis and rules such that “when an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, procure contracts for goods or services, it must do so in accordance through a system that is fair, equitable, transparent, competitive and cost-effective” (Van Greunen, et al., 2010). For that reason, any action of public procurement will be measured in contrast to this constitutional authoritative. Failure to fulfil the obligation will lead to non-compliance to procurement processes, policies and procedures, hence undermining the supreme law.

Bolton (2016) debates that Section 217 of the Constitution provides for the utilisation of procurement as a policy tool, which permits the state organs to utilise preferential procurement in the course of the awarding stage of the public procurement process. Furthermore, he stated that Section 217 and Section 9 of the Constitution clashes, in the sense that Section 217 reveals the extensive concept of equality as the fundamental conception of equality however Section 9 provides that; “Everyone is equal before the eyes of the law and has the right to equal protection and benefit of the law” (Bolton, 2016).

2.4.2 Public Finance Management Act (PFMA) No 1 of 1999

The PFMA (Act No. 1 of 1999) (as amended by Act No. 29 of 1999) is one amongst the foremost important part of legislation which was approved by the first South African democratic government. It governs financial management practices in South Africa and it also establish Supply Chain Management framework within national, provincial and state-owned enterprises. According to Ambe and Badenhorst-Weiss (2012:444), “This Act provides for the utilization of procurement by means of a policy tool, and following the five procurement pillars contemplated in section 217 of the Constitution of the Republic of South Africa, 1996.” Obedience to this Act by procurement administrators will lead to government acquiring goods and services at market related prices, thus improving the quality of public service delivery (Ambe and Badenhorst-Weiss, 2012).

The key objectives of the PFMA may be put in a nutshell as follows:

- Modernise the financial management system in the public sector;
- Enable managers of the government institutions to manage, but contemporaneously be held more liable; make certain the appropriate quality information provision; and
- Eradicate the misuse and corruption in the utilization of public assets.

The PFMA describes the system of procurement principles as being fair, equitable, transparent, competitive and cost effective. According to Hanks, Davies and Perera (2014), it allocates general obligations for procurement system set up to the accounting officers or provincial government institutions. It also provides clarity on the duties of National Treasury (Hanks, et al., 2014).

2.4.3 National Treasury Regulations

The National Treasury Regulations underpin the PFMA requirements, bringing to conclusion the functions of SCM decentralization to the accounting officer, and codify the incorporation of numerous functions into a sole function of Supply Chain Management. The provisions of national treasury regulations offer a wide SCM legislation framework by: unfolding the several SCM elements like acquisition planning, demand management, logistics management and disposal management; officially placing the formation of SCM component in the office of the CFO (National Treasury, 2009). It also stipulates the accounting officer's roles in the management of the bidding procedure; lay out for methods and actions where there is exploitation of the SCM system in an institution. It also demands the finance department of all the three government spheres to create a system to gather and account on the procurement system performance in their demarcated dominions (National Treasury, 2009).

The three spheres of government departments are permissible to broaden and develop their procedures, policies and structures within the national regulatory context realm (Hanks, et al., 2014). The Treasury Regulations also stipulate that organs of state (legislative, executive and judiciary) must form three types of committees: bid specification committee, bid evaluation committee and bid adjudication committee (National Treasury, 2009). This is to promote greater

efficacy as well as better management of risk though this process of segregation of duties (Ambe and Badenhorst-Weiss, 2012). Table 2.1 below illustrates the three bid committees with their constituent and functions.

Table 2- 1: Bid Committees (Source: Ambe and Badenhorst-Weiss, 2012)

Bid Committee	Functions and Constituent of the Committee
Bid Specification Committee (BSC)	<p>This committee should consist of one or more official from the department (i.e. the department's procurement unit acquiring the goods or services); one or more qualified specialist employee or an external advisor under the guidance of the concerned official or section.</p> <p>Functions: This committee is in charge for compiling technical specifications of bids. The BSC should also consider whether all the required standards of quality assurance have been encountered with regard to the nature of goods that are required. Compilation of specifications must be in an unprejudiced manner to allow all potential service providers to bid.</p>
Bid Evaluation Committee (BEC)	<p>This committee must comprise of supply chain officials; appropriately skilled officials from other relevant components and should have a minimum of five members in total.</p> <p>Functions: This committee is in charge for the evaluation of tender documents received, which comprise confirmation of: the bidder's capability/ability to accomplish the contract; whether the bid meets the specification with regards to quality, functionality, sizes, design, warranty, etc.; whether a bid offers value for money; preference points allocation; checking representation in the bidder's composition and chances of fronting and checking any success/failure in performing previously awarded contracts.</p>

<p>Bid Adjudication Committee (BAC)</p>	<p>This committee consist of one supply chain official; Chief Financial Officer (chairperson of the committee) and the committee must be composed of not less than four members, at suitably senior level.</p> <p>Functions: This committee is responsible for assessing reports and recommendations made by the BEC. The members consider the sufficiency of the recommendations made by the latter, and also check whether all applicable factors have been taken into consideration. Lastly the committee will approve or disapprove the recommendations with concise motivation of relevant facts and submit to the accounting officer for approval.</p>
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2.4.4 Preferential Public Procurement Framework Act (PPPFA) No of 2000

PPPFA (2000) was approved by Parliament and it reviewed regulations in order to keep to the demands of the Republic of South African Constitution. This Act provides sequel to the government precedence of empowering selected categories of the individuals by the way of preferential treatment in the procurement process. This piece of legislation was introduced to address the inequalities of the past. There has been censure that this Act together with its regulations do not go far enough to attain preference enablement and socio-economic objective delineated in section 217 (2) of the Constitution of the Republic of South Africa (National Treasury, 2015).

The PPPFA (2000) determines that when an organ of the state procures goods and services, it should be clearly stated on the tender invitation what is the specific goal, such that it forms part of the allocation of the preference point system. In addition, these goals must be quantifiable, able to be gauged and monitored for compliance and also note that the PPPFA of 2000 provided a formula for price points system not preference points.

Preference point system is divided in two as follows (Moeti, 2014).

i. The 80/20 preference point system

The formula that must be utilised to calculate the price points in respect of 80/20 preference point system is:

$$P_s = 180 \left(1 - \frac{P_t - P_{min}}{P_{min}}\right)$$

Where:

P_s = Represent points scored for bid price in consideration

P_t = Represent rand value of bid in consideration

P_{min} = Represent rand value of lowest acceptable bid

The 80/20 preference point system is utilised to calculate the points for price in respect of bids or procurement with a Rand value equal to, or greater than R 30 000 and up to a Rand value of R500 000. Organs of state can, nevertheless, use this formula for acquisitions with a price less than R 30 000, if and when appropriate (Moeti, 2014). The bidder may be given up to a maximum of 20 points for being a Historically Disadvantage Individual (HDI) or partnering with an HDI or attaining in the least of the specified goals as per PPPFA provisions. These points scored by a bidder in respect of the HDI status must be added to the points scored for price. Only the bidder with the highest points scored may be chosen (PPPFA, 2000).

ii. The 90/10 preference point system

The formula that must be utilised to calculate the price points in respect of 90/10 preference point system is:

$$P_s = 90 \left(1 - \frac{P_t - P_{min}}{P_{min}}\right)$$

Where:

P_s = Represent points scored for bid price in consideration

P_t = Represent rand value of bid in consideration

P_{min} = Represent rand value of cheapest acceptable bid

The 90/10 preference point system is utilised for calculating the points for price in regards to tenders with a Rand value of greater than R500000. The bidder may be given up to a maximum of 10 points for being a Historically Disadvantage Individual (HDI) or partnering with an HDI or attaining in the least of the specified goals as per PPPFA provisions. These points scored by a bidder in respect of the HDI status required to be added to the scored price points. Only the bidder with the most points scored may be chosen (Bolton, 2016).

When the calculation of preference and price is complete the department will then calculate the BBBEE status point level of the contributor for either the 90/10 or the 80/20 preference point system. In order to be considered for the BBBEE points a bidder must give in proof of its BBBEE status level of contributor. Failing which may disqualify the bidder and score 0 points out of 20 for BBBEE. The scored points should be rounded off to the nearest two decimal places and a bidder which could not acquire the minimum required functionality score as specified in the tender documents is not a suitable bidder. The following table must be utilised for BBBEE status point's level calculation (PPPFA, 2000).

Table 2-2: BBBEE Status Point's Level Calculation (Source: PPPFA, 2000)

BBBEE Status Level of Contributor	Number of Points for 80/20 Preference Point System	Number of Points for 90/10 Preference Point System
1	20	10
2	18	9
3	14	6
4	12	5
5	8	4
6	6	3
7	4	2

8	2	1
Non-compliant contributor	0	0

2.4.5 Broad Based Black Economic Empowerment (BBBEE) Act No 53 of 2003

The act institutes a legislative framework to promote Black Economic Empowerment (BEE). BBBEE became the preferential point system in 2007 and is utilised to promote certain groups which were previously disadvantaged as per the Constitution provisions (PPPFA, 2011). This Act creates a legislative context for the black economic empowerment promotion. The BBBEE also provides for code of good practice which are similar to regulations.

2.4.6 Pillars of Public Sector Procurement

All the legislative measures, together with the abovementioned procurement legislation framework, integrate five fundamental procurement guidelines or five public procurement pillars upon which the whole Supply Chain Management policy of effective, efficient and economic public procurement is grounded. They consist of the following (Horn & Raga, 2012).

2.4.6.1 Value for Money

Value for money is an indispensable assessment against which the department is required to rationalize a procurement result. It refers to procurement system that is cost-effectiveness by giving competitive service, like, the avoidance of unneeded costs and deferrals for a department or its suppliers, also observing and checking the progress of contracts to ensure they offer the expected benefits (National Treasury, 2012). Considering only the price is normally not a dependable indicator and departments will not certainly attain the greatest value for money by accepting the cheapest price offer which meets mandatory necessities. Best value for money

implies the greatest outcomes obtainable once all applicable costs and benefits over the procurement cycle are deliberated (Munzhedzi, 2016).

2.4.6.2 Open and Effective Competition

This entails a procurement framework, laws, procedures and practices which are crystal clear, that is it is necessary for them to be at affordable cost that is available to all parties. This also requires transparency in the procurement process and reassurance of open competition over methods of procurement appropriate to market conditions (National Treasury, 2015). The practice must be open to public inspection. Departments must make an effort and investigation to obtain the greatest probable outcome from the market by making sure that unfairness and favouritism are not present; satisfactory and appropriate information is given to service providers to allow them to submit their proposals with the bidding costs for opportunities do not intimidate capable suppliers (Horn & Raga, 2012).

2.4.6.3 Ethics and Fair Dealings

Ethics and fair dealings entail the dealings with all service providers. Ethics play a large role in emphasizing respect and mutual trust of all role players that are involved in procurement activities (Horn & Raga, 2012). All procurement officials within the department are obligated to identify and handle conflicts of interest or the likely therefore, ensure elimination of prejudices, eradication of fraud and corruption, also do not accept gifts or generosity which may perhaps compromise the standing moral of a department (National Treasury, 2015). If all parties in procurement adhere to the ethical standards, they can deal with one another on a mutual trust and respect and also carry out their business in an impartial and practical way and with truthfulness.

2.4.6.4 Accountability and Reporting

Accountability is vital in procurement processes to make certain that people are held responsible for their plans, engagements and aftermaths. It alludes to the answerability of all involved by way of openness and transparency. In the procurement framework the Provincial Treasury departments heads are held

responsible by their ministers (Ministers of Finance) aimed at the complete administration of procurement actions; senior procurement officials are held responsible by heads of departments for numerous high-level administration and activity coordination; procurement officials are held responsible by their seniors, and by their clients, for the amenities they offer; and all individuals involved in procurement practices should have respect to these guiding principle and are held responsible by management (Horn & Raga, 2012). Everyone including politicians and administrators must be held accountable. According to Horn & Raga (2012:78) accountability is a significant principle of government procurement on both a national and international level.

2.4.6.5 Equity

In the context of these Procurement Guidelines the term 'equity' means the implementation and adherence of rules and regulations that are intended to develop individuals or classes of individuals who were underprivileged by partial discrimination (Horn & Raga, 2012). Equity is also important to South African public sector procurement as it make sure that government is devoted to economic growth through implementation of procedures which support industry as a whole, and to progressing the growth of small, medium and micro enterprises and historically underprivileged individuals (National Treasury, 2015). No system of public procurement ought to function if it is not based on this pillar.

2.5 PUBLIC PROCUREMENT PROCESS

Procurement is generally described as acquisition of goods and/or service from an external body. It is a major part of supply chain management. Even though the South African procurement policy has moved in the direction of an integrated SCM function, a mixture of past inheritances, the limited resources and insufficient capacity indicates supply chain management executives focus frequently rest on the procurement section. In order to comprehend the system of procurement, it is significant to comprehend the operative of the present tendering system in the public sector (National Treasury, 2015). The three main phases for procurement activities

as highlighted by Figure 2.2 below are; demand, acquisition and contract management

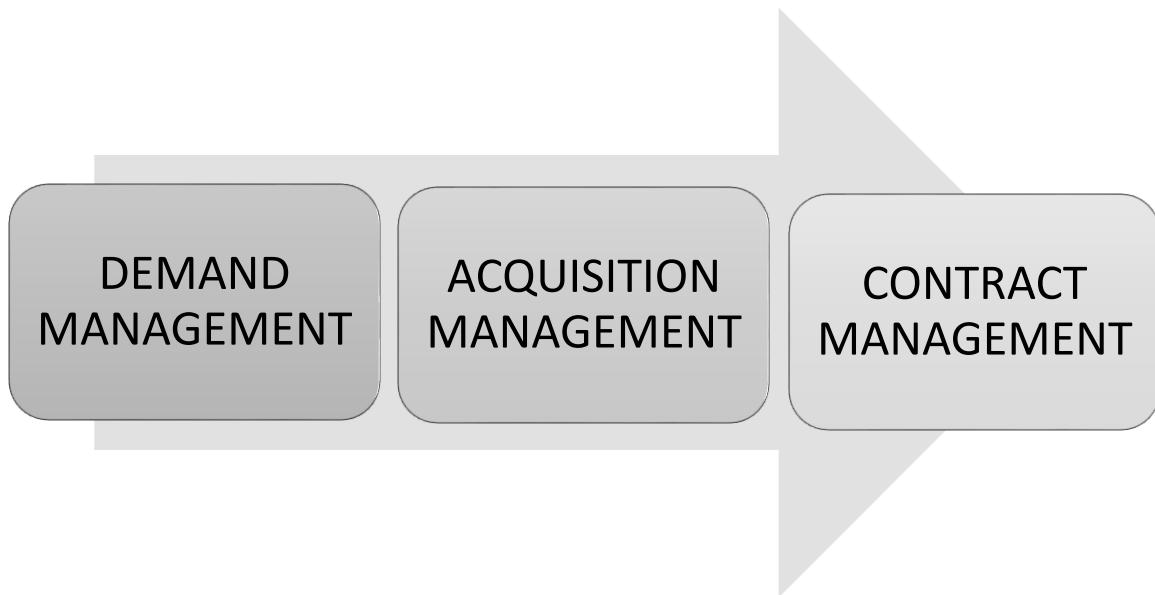


Figure 2- 2: Public Procurement Process (Source: Adapted from National Treasury, 2015)

2.5.1 Demand Management

Demand management which is also known as acquisition planning is the first phase in the public procurement process. It is where the required goods and services are identified by the end users at the beginning of the financial year or when a need arise. The objective of acquisition planning is to make certain that the identified goods and services requests are associated to both the departments' strategic plan and the spending plan (National Treasury, 2015).

During this phase the procurement officials shall interact with all the responsibility managers within the Department and compile a procurement plan for all the projects in respect of each financial year. When consulting with responsibility managers; all reasonable efforts must be made to determine (Mantzaris, 2014).

- The expected date and time at which a particular contract ought to be awarded;
- The expected date and time of delivery of goods or service required; and

- Any other relevant matter that is necessary during the acquisition planning (Mantzaris, 2014).

2.5.2 Acquisition Management

The second phase in the procurement process is acquisition management which is also known as source selection. This is where the objectives of the preferential procurement policy are established which may perhaps be encountered through the detailed agreement. Procurement officials will determine the plan of how to undertake the market guided by the threshold values of the goods or services needed (Mantzaris, 2014). The process of acquisition management as per the Provincial Treasury Practice Note 3 of 2008/2009 makes provision for specific forms of procurement, through:

- (i) Petty cash purchases, up to R 2000;
- (ii) Open Written Price Quotations, between R 2000 to R 100 000;
- (iii) Sealed Written Price Quotations, between R 100 001 to R 500 000; and
- (iv) Competitive bidding, above R 500 001.

Petty Cash is a means whereby Departments can utilise up R2000 cash to acquire goods or services required. The Department will procure requirements through this method to the value of R2000 (National Treasury, 2015).

Where the request to procure requires the bidding process; the tender document would be compiled and all mandatory documents and stipulating terms and conditions would be attached and the document is sold to potential suppliers who are registered on the database (CSD). The bid evaluation criteria are determined by the bid evaluation committee and the bids would be evaluated and recommendations tabled and sent to the bid adjudication committee to approve or reject the recommendations thereof. Also, the contract documents would be compiled and signed and the administration of contract is done and forwarded to contract management to begin the logistic management process (Bolton, 2016).

The evaluation process of quotations above R30 000 and bids occurs during the acquisition management phase of procurement process. Firstly, the department needs to clearly state the requirements in either the request for quotation or the tender document in order to clarify the responsive criteria which will be utilised when evaluating the documents. Secondly, they determine and stipulate applicable preference points system guided by the price (Bolton, 2008). Lastly when both preference points and BBBEE points have been calculated they are added together to determine the highest point scorer who will be awarded the tender when all the information has been verified to be accurate (Bolton, 2016).

2.5.3 Contract Management

When the acquisition stage has been completed and the suitable service provider has been awarded the tender, the process then moves to contract administration which is also called contract management. A contract is described as an agreement that legally binds the department and the contractor for the provision of goods and services, irrespective of the contract value (National Treasury, 2014). Contract management is therefore a process which permits both parties to an agreement to meet their commitments in order to deliver the goods or services needed from the contract. Contract management is a critical procurement process phase as it is a process which helps to ensure compliance. It is divided into the following three sections (National Treasury, 2015):

- **Service agreement** – It is where the department makes sure that the awarded service provider delivers the goods and/or services as per the level of service agreement, ensuring compliance.
- **Relationship management** – It is the duty of contract management to maintain the relationship between contractor and department. This is to make certain that the relationship is open and productive with the aim of being able to solve any challenges that may rise during the contract period.
- **Contract administration** – It is where the formal governance of the contract, and amendments to contract documentation are monitored.

The main purpose of contract management is to acquire the required goods and services in accordance with the agreement between the supplier and the

department (Pillay, 2004). The supplier performance should be measured with the level of service agreement. The supplier must be paid as per the level of service agreement and monitoring and evaluation must be done consistently in order to make sure that the service provider fully complies and adheres to the terms and conditions as stipulated in the contract. Furthermore, it is vital to ensure best value for money for quality control purposes. Where the service provide has underperformed, he must firstly be notified to give them time to comply before acting against them (National Treasury, 2015).

2.6 COMMON CHALLENGES FACED BY PUBLIC SECTOR PROCUREMENT PROCESS IN SOUTH AFRICA

This section discusses the common challenges in public procurement practices in South Africa. It is vital to take note that Supply Chain Management is an essential area of procurement in the South African government sector. Nevertheless, there is need to highlight the relationship between SCM and Procurement. Procurement deals with the process of getting the products and services a company requires to satisfy their business model, while procurement refers to all of the stages from the point of a product leaves the manufacturer to when it reaches the customer's door steps (Tom, 2017). Hence, it is safe to say that procurement in a broader sense encompasses the supply chain in view of the fact that SCM begins with procurement. For that reason, it is utilised as a management instrument of public procurement practices. Regardless of the SCM engagement as a strategic tool, South African public procurement still encounters massive difficulties. These consist of the following amongst others (Ambe & Badenhors-Weiss, 2012).

2.6.1 Non-Existence of Proper Knowledge, Skills and Capacity

In order to completely achieve the SCM objectives, the national treasury has presented provision by facilitating the development of proper training resources (National Treasury, 2009). Nonetheless, there has been a tenacious strand in public argument on the skills condition. According to Pillay, 2004, the lack of expertise and capacity have been recognized as the one utmost obstacle to the victory of South African public procurement. Sufficient capacity in regards of having proper

structures with highly skilled and professional SCM employees is a main factor of success for effective implementation of SCM (Pillay, 2004). In some public sectors, the quality of procurement employees' abilities and expertise are lower than average. Chopra & Meindl, (2016) declared that a lot of SCM role players in the South African government sector have been in several SCM training, however they still have need of appropriate knowledge for effective and efficient implementation. According to Matthee, (2006) there is a nonexistence of capacity and knowledge by SCM role players to effectively manage procurement processes which have directed to inadequate governance.

2.6.2 Non-Compliance of Policies and Regulations

South African procurement process is governed by several interrelated policies and regulations (National Treasury, 2015). However, adherence to these policies and regulations is a challenge. As pointed out by (Matthee, 2006), other practices concerning non-compliance is associated to the trend of not utilizing cost-effective process for both quotations and bids, inappropriate use of the preference points system. According to Van Zyl, 2006, there is a shortage of effective bid committees, utilisation of uncertificated service providers, bypassing of bids for wrong motives, using of the wrong process of procurement with reference to the thresholds, validity periods extensions, wrong usage of the restricted bidding process. Moreover, Ambe & Badenhors-Weiss (2012) recognised that there are insufficient controls and methods for the management of bids, nomination of bid committee participants not associated to the requirements of policy and inadequate deviations motivation from the procedures of SCM.

2.6.3 Inadequate Planning and Linking Demand to the Budget

The acquisition planning is fundamental to the procurement process. It describes the procedure of making decisions which permits departments to procure goods and services at the right time, correct place and correct cost. Conversely, most of public sectors are still encountered with ineffective planning and aligning demand to financial plan (Ambe & Badenhors-Weiss, 2012). Economical procurement rests on

an expert's skills to make certain that necessities for purchasing are dependably structured, effective contract obligations are established, and contracts are appropriately managed and the chances are apprehended to protect the best contract effectively and efficiently. The significance of illustrating a precise and realistic tactical plan cannot be overrated.

Sometimes the non-existence of comprehensible plans, in other public sector institutions cannot appropriately specify the requirements of those demanding their goods or services or effectively project costs, neither can they track precisely, regulate or report on spending (Paul, 2011). There is a necessity to effectively observe the services delivery to make certain that public procurement process is efficient, effective and economical. Improper scheduling and budgeting also impacted on the SCM implementation (Paul, 2011).

2.6.4 Accountability, Fraud and Corruption

Accountability institutes a principal pillar to public procurement (Soudry, 2007). Deprived of open and transparent systems, the massive resources directed over public procurement systems are exposed to jeopardy of being tangled with high rate of corruption and funds mismanagement (Jeppesen, 2010). In order to fight fraud and corruption in the South African procurement system SCM role players must be held responsible for their actions and all processes must be open to the public eye. According to Mahlaba (2004), fraud and corruption leads to tax payers being charged millions of Rands every year. Over the past couple of years there has been an effect of fraud which directed to proclamation of distinct legislation and enhancement in current legislation which also directed to the formation, among others, of the Special Operations Directorate, generally recognized as the Scorpions; Asset Forfeiture Component; Public Protector; Special Investigation Component; Special Investigation Units contained by departments; and the Appointment of Forensic Consultants (Ambe & Badenhors-Weiss, 2012). These Units were formed due to increasing fraud and corruption cases in the South African government departments during the procurement process.

2.6.5 Inadequate Measures for Monitoring and Evaluation of SCM

System monitoring and evaluation offer the means to gather and incorporate valuable facts into the policy cycle, thus giving the basis for sound governance and accountability for public policies (Bolton, 2016). Operational policy creation calls for information to identify whether public sectors are performing effectively and whether they accomplish the expected outcomes (Acevedo, Rivera, Lima and Hwang, 2010). Reliable systems of monitoring and assessment provides valuable assistance into the system policies, thus providing good foundation and basis for sound governance and public policies (Acevedo, et al., 2010). Insufficient monitoring and evaluation are related to the nonexistence or the underprivileged presence of a regulatory environment and the government bodies are to be found in a difficult situation to provide effect to or apply Supply Chain Management as mandated by the policy. Therefore, variations or non-compliance is left hidden or is acknowledged afterwards.

2.6.6 Unethical Behaviour

The embraced Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) is the fundamental instrument of government in the transition of South African public sector. Ethics is defined as moral judgements study and conduct of right and wrong (Paul, 2011). A good number of scandals involving public officials over unethical conduct have of recent garnered attentions of other national governments across the earth (Zita & Mathebula, 2015). Manifestation of unethical procurement actions impedes the achievement of sound procurement processes such as; uncompetitive or unfair procurement processes, improper contract management, business awards to relatives, absence of award documentations and award to government employees (Mazibuko & Fourie, 2017). The Figure below highlights some of the unethical procurement practices in South Africa.

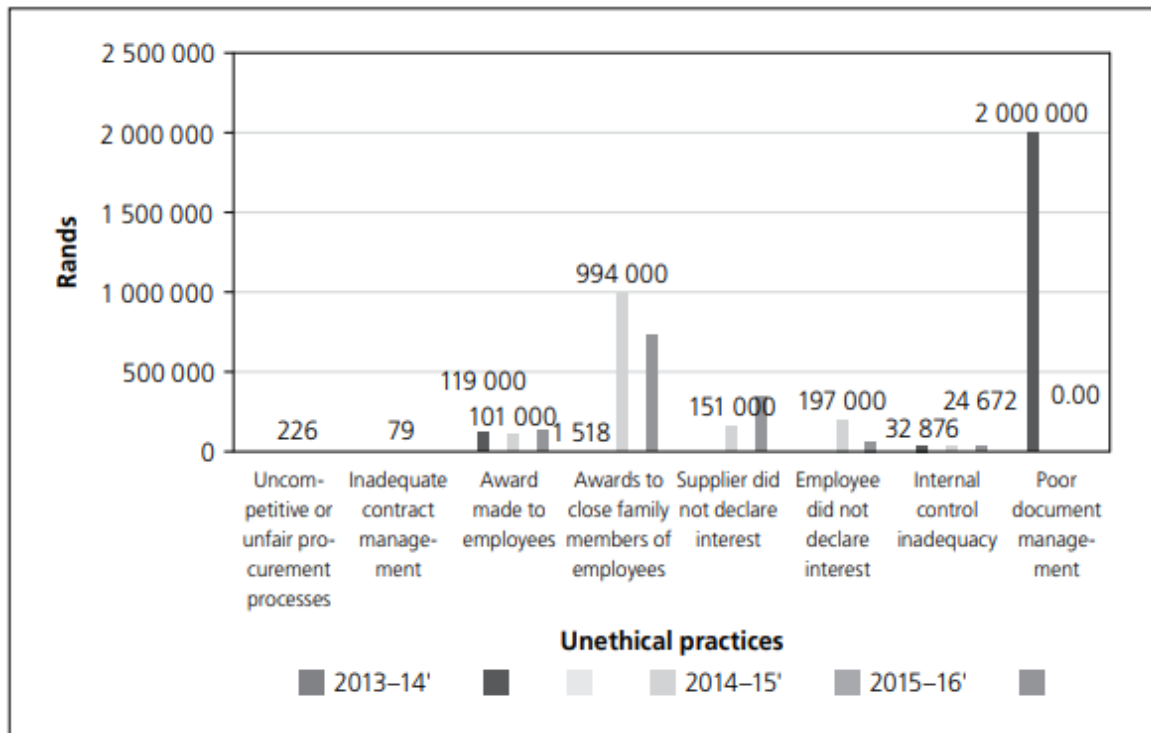


Figure 2-3: Unethical procurement practices 2013-2014 to 2015 - 2016

Source: Mazibuko and Fourie, pg. 110.

From the Figure 2-3 above, over 222 cases of unfair procurement processes were recorded in the year of 2013/14, 226 cases in 2014/2015, as well as 247 cases in 2015/16. The summary of the figure clearly shows the unethical procurement practices that could lead to the discrimination of suppliers in provincial departments (Mazibuko & Fourie, 2017). Ethics together with conflict of interest significantly have emotional impact on implementation of procurement practices in South Africa. There is massive control exercised by some chief financial officers however a deficiency of appropriate consultation with other high-ranking officials. Despite the fact that the guide to accounting officers of the national treasury stipulates a customary line of attack headed for the procedure of SCM, in numerous cases, there is non-compliance and no implementation of the guiding principles (Bolton, 2016). This has led to discrepancies in tactics and standardisation deficiency (Bolton, 2016).

2.6.7 Ineffectiveness of the Broad-Based Black Economic Empowerment (BBBEE)

The South African Government incorporated black economic empowerment (BEE) provisions in order to emancipate all the people who were historically underprivileged rather than merely a small black investors group. This Act demands for extended opportunities for labour force and smaller business enterprises and more representative proprietorship and management (Republic of South Africa, 2003). Some views have highlighted that BBBEE is ineffective in the sense that it is difficult to quantify. For instance, it has been debated that a huge amount of scarce capital have been put into BBBEE deals, with the values of such transactions difficult to quantify as most of such capitals have only benefited a smaller amounts of South African Citizens (Mail and Guardian, 2013). Another view supported this opinion, by stating that most of the procurement systems although carries the tag “BBBEE” only favour a selected few, but has not broadly affected the larger populace in the society (Maidza, 2012). In essence, it is clear that the loop holes that exist within the BBBEE need to be addressed by policy makers in order for the benefits to reach more South African businesses. As much as BBBEE enables the government to realise the goal of empowering under represented demographic businesses, there is also a challenge by some of the big organisations to assign work to these small enterprises as they lack the experience required to perform the task (Steyn, 2017). Hence, making it crease enormous difficulty for procurement, as there is the risk to award business to incompetent contractors.

2.7 CENTRAL SUPPLIER DATABASE (CSD)

The Central Supplier Database (CSD) is a database initiated by National Treasury for organisations, institutions and individuals wishing to provide goods and services to the government institutions. On 1 April 2015 CSD was launched and it turns out to be the only source of key contractor information for organs of state, giving consolidated, precise, latest, unqualified and substantiated contractor information to acquiring organs of state (National Treasury, 2015). National Treasury launched a CSD with a purpose to fight corruption and ensure more efficiency and cost-effectiveness in public procurement. Before the introduction of CSD there was no

single combined comprehensive supplier database which existed for national, provincial or local sphere of government. The old database was causing replication and fragmentation of supplier information across the government spheres. Furthermore, there was duplication of information associated with compliance requirements during procurement processes, processing of payments and audit procedures, which are all activities of financial management and dependent on contractor information (National Treasury, 2015).

The CSD establishment resulted in one, and only one, database that serves as the source of all contractors' information for the spheres of government. The main drive of centralising government's contractor database was to diminish effort and cost duplication for both contractor and government while enabling electronic procurement processes. CSD enables contractors to capture and update their information on the database at any time, in preparation for the use of contractor data through procurement and financial systems utilised by all organs of state.

Contractors are now enforced to register only once when doing business with the government institutions, this will remarkably diminish the administration for business pressure, particularly small and medium-sized enterprises. The CSD is collaborated with the South African Revenue Services (SARS), the Companies and Intellectual Property Commission (CIPC) as well as the PERSAL system. It automatically validates a contractor's status of tax and BEE, and allows identification of government employees carrying out business with the state. This involvement has also decreased the administrative pressure for supply chain officials as well as addresses much of the disquiets alluded to by the Auditor-General yearly.

A number of suppliers and prospective suppliers, who owns businesses and enterprises across nearly each sector of the South African economy, have registered on the CSD since the introduction and implementation of the Central Supplier Database (CSD) on 1 September 2015. Below, is the total number of registered suppliers in the province of KwaZulu-Natal.

Table 2-3: KwaZulu Natal CSD Suppliers (Source: National Treasury, 2015)

Province	District	Number of Suppliers
Kwa-Zulu Natal	Amajuba	5136
Kwa-Zulu Natal	eThekwini	59083
Kwa-Zulu Natal	iLembe	6850
Kwa-Zulu Natal	Sisonke	4493
Kwa-Zulu Natal	Ugu	7282
Kwa-Zulu Natal	Umgungundlovu	15800
Kwa-Zulu Natal	Umkhanyakude	7245
Kwa-Zulu Natal	Umzinyathi	4762
Kwa-Zulu Natal	Uthukela	6954
Kwa-Zulu Natal	Uthungulu	12748
Kwa-Zulu Natal	Zululand	8219
Total Number of Suppliers		138572

2.8 CONCLUSION

This chapter presented a literature review with regards to the common aspects of South African public procurement. The theoretical framework and the procurement legislative framework of the study was outlined and the procurement legislative framework. The chapter set out the common challenges faced by the public procurement processes in SA, the relevant procurement legislation that governs the procurement processes and the procurement process that is followed by most government institutions. The South African procurement processes are governed by a number of pieces of legislation but implementation and compliance remains a challenge. The next chapter addresses the research methodology employed in this study.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

Literature relating to public procurement was reviewed in the previous chapter, as well as the legislative framework. This chapter addresses the process of collecting data and describes the analysis method. Research methodology refers to a systematic manner that is applied to sheer the research problems (Kothari, 2004). Research methodology referred to consist of: adopted research design, population and sample of the study, the location of the study, the research instrument, data analysis methods and information on ethical consideration.

3.2 OBJECTIVES OF THE STUDY

The objectives of the research are as follows:

1. To assess whether the KwaZulu Natal Provincial Treasury Department complies with the prescribed procurement policy framework and procedures.
2. To examine the challenges faced in the KwaZulu Natal Provincial Treasury department's procurement processes.
3. To examine the challenges faced by the KwaZulu Natal Provincial Treasury department in using the Central Supplier Database (CSD).
4. To identify how the procurement processes can be improved in the KwaZulu Natal Provincial Treasury Departments.

3.3 RESEARCH DESIGN

A research design is a strategy according to which the researcher gets hold of research participants and gather information from them. It basically describes what the researcher will do with the participants, with the prospect to attaining conclusion about the research problem (Welman, et al., 2005). The research design purpose is to ensure high internal validity (Bless, et al., 2006).

3.4 STUDY POPULATION

A population is an aggregate or totality of all the objects, subjects or members that conform to a set of specifications (Creswell & Creswell , 2018). The population is the object of the study and comprises of individuals, groups, institutions, human products, events, or the state of affairs to which they are exposed (Pillay, 2004). A subset of the population which consist of the set of elements which the study focuses on is referred to as a “target population” (Bless, et al., 2006). Target population specifies that this population which is the main centre of attention or research target probe. The target population for this study is the entire population of eighteen (18) procurement officials which include both the senior management and junior officials of the KwaZulu-Natal Provincial Treasury Department within the Supply Chain Management Unit known as the Office of the CFO.

3.5 SAMPLE SIZE

The sample picked is associated to the population which is highlighted in the research question and objectives. Sampling means deserting certainty in good will of probability. In most cases quantitative research targets at testing a hypothesis on a representative sample, in order to be able to generalise the outcomes to the whole population (Creswell & Creswell , 2018). It is as a result inferential and be apt to simplify the convolution of the truth. Conversely qualitative research targets at obtaining an unfathomable insight into a complex phenomenon which might be to a certain extent detailed and distinctive, and which give the impression in different ways in the numerous population units. It is as a result inductive and holistic (Bless, et al., 2006).

Sampling can be distinguished between probability and non-probability sampling. Probability sampling also called representative sampling is usually associated with survey research where the investigator must make extrapolations from the sample about a population to respond to the research questions as well as meeting the objectives. Non-probability sampling also called non-random sampling gives different methods variety to decide on samples, the most common of which consist of an element of subjective decisions (Saunders, et al., 2015). For this study the respondents will be selected on a convenience sampling, a non-probability sampling

method which is considered appropriate for this research. Convenience sampling is a method which relies on collection of data from the population that is conveniently available to participate in study (Saunders, et al., 2015). The questionnaire will be distributed to the entire population of eighteen (18) procurement officials within the Office of the CFO Unit at the Provincial Treasury department. This is the entire population in the Supply Chain Management Unit (demand, acquisition and contract management officials), from Chief Financial Officers down to the interns. The respondents are chosen based on their involvement in the procurement processes and availability.

3.6 CONSTRUCTION OF THE INSTRUMENT

Research instruments are utilised as a measurement instrument when conducting research. Due to the fact that this is an exploratory research a self-completed questionnaire was therefore used to collect data from the participants. Exploratory research is a study conducted in order to determine the nature of the problem. It is not intended to provide conclusive evidence, but helps to have a better understanding of the problem (Saunders, et al., 2015). When exploratory research is conducted, the researcher ought to be willing to change the direction as a result of revelation of new data and new insights.

A questionnaire is a complex instrument for data collection, regardless of whether it is designed to be directly filled in by a respondent or by an interviewer (Bless, et al., 2006).

When constructing the questionnaire for this study, internal validity and reliability was taken into consideration. (Foddy, 1994) confers validity and reliability in terms of questions and answers making sense. Particularly, he emphasises that the question must be comprehended by the participant in the way anticipated by the researcher as well as the responses provided by the participant must be comprehended by the researcher in the way anticipated by the participant.

A questionnaire of four-point Likert scales and with a few open-ended questions was constructed for this research with a ranking scale emanated from 1 to 4, with 1 being “Strongly Disagree” and 4 being “Strongly Agree”. According to (Kumar, 2014:18)

collecting data by means of a Likert scale is of great worth as it points out strong points of contending views on a subject.

The questionnaire for this study was constructed based on the research questions (chapter 1) and is made up of the following four sections:

Section A: Personal (biographical) information

Section B: Public Procurement Policies and Legislative Framework

Section C: Public Procurement Challenges

Section D: Central Supplier Database (CSD)

The questionnaire was divided and presented into four sections (the complete questionnaire is attached in appendix 1). The first part of the questionnaire was aimed to acquire consent from the participants to utilise their responses for academic research with or without disclosing their identity and to gather the participant's personal information. The second part of the questionnaire was aimed to assemble information regarding the procurement policies and legislative framework that governs the processes within the department. The third part of the questionnaire asked questions on the procurement process which is followed by the department as well as understating of the supply chain management. The fourth and last part asked questions on the use of central supplier database within the department.

3.7 DATA COLLECTION METHODS

The methods utilised to collect information in research differs and they are divided into two categories that is primary and secondary data. According to (Silverman, 2009) at some instances primary data may turn into secondary data at alternative, with primary data as soon as it has been utilised, it consequently forfeits its distinctiveness and then turns into secondary data. He further specified that primary data is the data which is unprocessed and made different by the scholar, which implies that it is collected for the first time by the researcher it cannot be obtained in books or articles. Secondary data is the data already collected or produced by other

researchers. The difference between these methods is that primary data is accurate and original whereas secondary data is just the analysis and interpretation of the primary data (Ajayi, 2017). Furthermore, this research will utilise both sources of primary and secondary data to collect information. Where secondary data sources will be government publications, websites, books, journal articles and latest policies. Primary data source will be responses to the questionnaire.

3.7.1 Primary Data Collection Methods

For collection of primary data, the following instruments have been used:

Questionnaires

Questionnaire is a primary data collection method which is a text-based instrument which give research participants a series of questions to answer or statements to respond to either by indicating a response or by marking a page, writing a number or checking a box on paper or online (Saunders, et al., 2015). Primary data for this study was collected using the survey questionnaire. The primary data are related to behaviour and response of employees. The questionnaires were personally distributed to the selected respondents at their respective work places by the researcher and they were completed and returned to the researcher. The questionnaire was used by the researcher to cover a wide range guarantee anonymity of the respondents. The study questionnaire is attached an appendix in this research report.

3.7.2 Secondary Data

The second method used for this study to collect data was through secondary data. It is the data that is already collected or produced by other researchers. These data sources include government publications, websites, books, journal articles and latest policies. The information obtained from these sources assisted the researcher with the state of knowledge on the topic and to identify the gap concerning the research subject.

3.8 ANALYSIS OF DATA

Data analysis occurs when the data have been collected. The collected data must be organised and coded so that it can be analysed. Coding means identifying the variables that need to be analysed statistically and deciding on the different code values such as variable levels present (Welman, et al., 2005). When all the necessary data have been collected, it will be coded and amended, analysed and rearticulated to eradicate mistakes and to ensure uniformity. The quantitative data will then be entered into Microsoft excel in order to analyse the participants' responses to the Likert scale questions using frequency distributions, descriptive statements and graphs.

3.9 ANALYSIS OF DATA

Validity defines the degree to which the findings of the research precisely signify what is really occurring in the situation and reliability has to do with the research findings and relates to the findings credibility (Welman, et al., 2005). In order to ensure validity and reliability for this study the questionnaire will be piloted as proposed by Saunders, et al., (2015) who compose that, piloting assist to guarantee validity and reliability and further added that piloting assist to improve the questionnaire so that participants will not have a problem in responding to the questions and will also eliminate problems in data recording. Three of procurement employees in the department were chosen to pre-test the questionnaire in order to make sure it was going to achieve its purpose. Improvements were therefore made based on their feedback and this pilot group was also participants in the final survey.

3.10 ETHICAL CONSIDERATIONS

Research has to do with collection of information from people about people (Punch, 2005). Therefore, researchers must protect their participants, create trust with them, stimulate the research integrity, guard in contradiction of wrongdoing and impropriety that can reflect on their organisations and also persist with the new challenging issues (Israel and Hay, 2006). Ethics refer to behaviour norms and principles which guide moral picks about research behaviour (Cooper & Schindler, 2011). In terms of this study, issues of ethics will be taken into consideration in order

to ensure the attainment on the research objectives. These ethical issues are; the letter of introduction which will be acquired from the Faculty will be utilised to obtain approval to gain access to the KwaZulu-Natal Provincial Treasury Department and to study participants signed by the Heads of Department (HOD); the participants will be provided with full explanation of the purpose of research, they will also be given the consent form which will provide them with assurance of withdrawal at any time, and guarantee them that their views will be confidential and will only be utilised for academic purposes.

The gatekeepers' letter was also obtained from the Head of Department (HOD) at KwaZulu-Natal Provincial Treasury department (see appendix 3). The University of KwaZulu-Natal process of obtaining ethical clearance was followed. This study was granted ethical clearance by the Human Social Science Research Ethics (ethical clearance: see appendix 4).

3.11 CONCLUSION

This chapter outlined the research methodology followed in this research. It further addressed the sampling technique which was used and how the KZN Provincial Treasury department and its personnel were contacted to participate in the study. The chapter also provided an overview of the research design employed by the research. The next chapter is chapter four and it will present the findings of the study.

CHAPTER 4

RESULTS, FINDINGS AND DISCUSSION OF FINDINGS

4.1 INTRODUCTION

This chapter analysed the results of the data collected which is constructed on the sequence of information collected from the survey questionnaire to accomplish the study purpose. The primary goal was to assess the measures to improve procurement processes in the KZN Provincial Treasury Department. The main data gathered during the study are summarised and discussed.

4.2 DEMOGRAPHIC INFORMATION

This provides the demographic information of the respondents. The response rate is the ratio between the number of participants who completed and the total number of questionnaires that were handed out by the researcher (Baruch & Holtom, 2008). For this study the number of participants who completed the questionnaire is 14 and the total number of people contacted or issued questionnaires is 18 of which five officials failed to return the completed questionnaire. Therefore, the response rate of 78% was achieved. According to (Baruch & Holtom, 2008); fair and representative response rates of a study are considered to be 52% and above.

Table 4-1: Response Rate

Department	Participants Invited	Questionnaires Returned	Response Rate
KZN Provincial Treasury	18	14	78%

4.2.1 Departmental Position of the Participants

The aim of this question was to find out the designation of the departmental employees participating in the study.

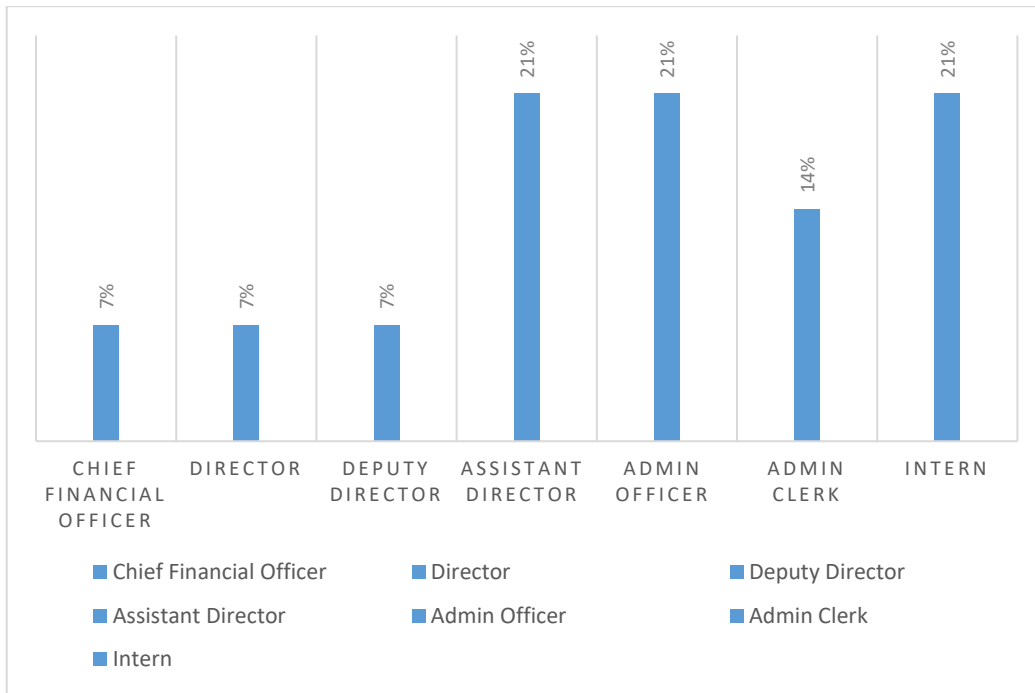


Figure 4-1: Departmental Position of Participants

Figure 4.1 above illustrates the position held by the participants that completed the questionnaire in the procurement section unit within the KZN Provincial Treasury department. The figure revealed that 7 % of the respondents are Chief Financial Officers, 7% are Directors, 7% are Deputy Directors, 22% Assistant Directors, 22 % are Administrative Officers, 14 % are Administrative Clerks and the remaining 21% are Interns. The data of the study was obtained from both senior (43%) and junior (57%) employees, including interns as they are involved in the day to day activities at various steps of the procurement process within the department.

4.2.2 Gender of the Participants

The gender profile question aimed to determine the participant's gender, in order to measure which gender is dominating the positions in procurement component of the KZN Provincial Treasury department.

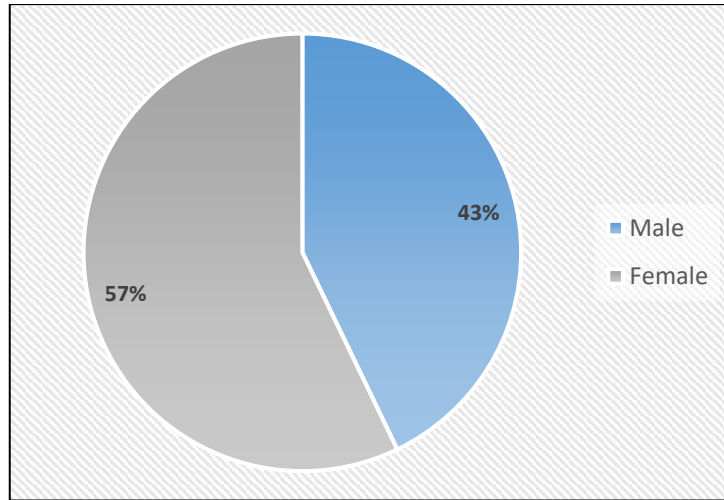


Figure 4-2: Gender Profile of Participants

As illustrated in the Figure 4-2 above, 43 % of the respondents are male with female accounting for the remaining 57%. The results indicate that the majority of participants were females. According to statistical data provided by the National Treasury (2015), the males were known to have dominated the top positions in the government sectors regardless of the fact that females account for a majority of the population.

4.2.3 Age Category of Participants

The main aim of this question was to determine the age group of the respondents, as there is a belief that with age comes experience.

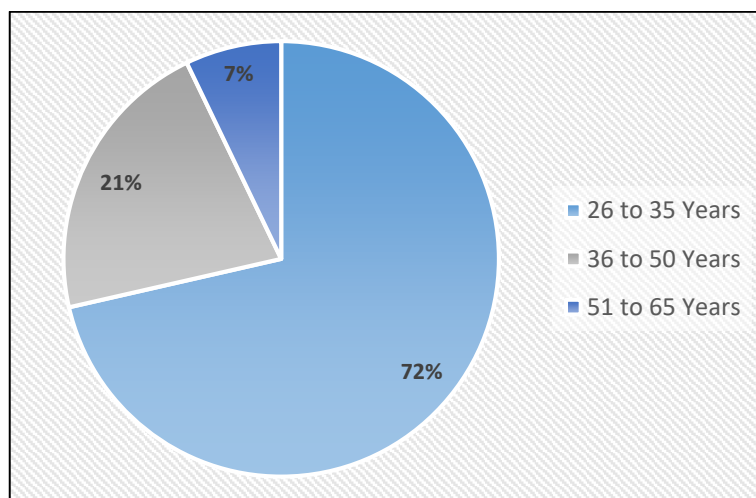


Figure 4-3: Age Category of Participants

As illustrated in Figure 4-3, 72% of the participants fall in the age category of 26 to 35 years, with 21% in the range 36 to 50 years, while the remaining 7% indicated that they fall in the range 51 to 65 years. Based on these results received from the participants, it can be deduced that there is a range of age categories within the procurement section of the KZN Provincial Treasury department. However, the age category of 26 to 35 years was the majority (72%).

4.2.4 Years of Experience in Supply Chain Management

This question intended to determine the experience of respondents in the Supply Chain Management section. The 2015 procurement strategic framework of the National Treasury states that lack of experience in procurement officials impacts the system performance in South Africa. This also leads to weaknesses which are exploited by certain contractors, resulting in government spending more on goods and services which should have cost less (National Treasury, 2015).

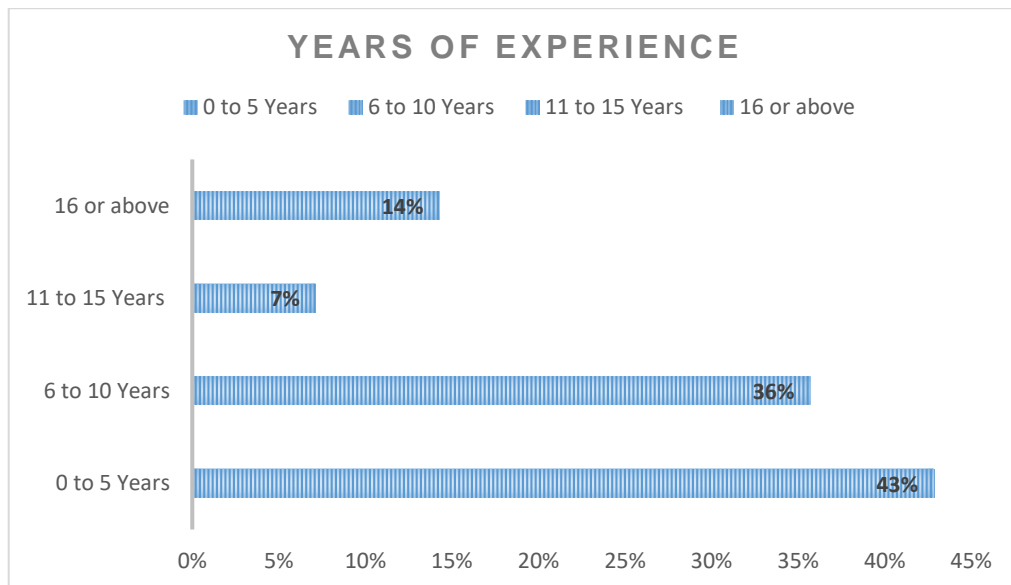


Figure 4-4: Experience of Participants in SCM Unit

As illustrated in Figure 4-4 above; 43% of the participants have 0 to 5 years of experience within the Supply Chain Management unit, 36% have 6 to 10 years of experience, 7% have 11 to 15 years of experience and the remaining 14% have 16 or above years of experience. The results of this study sample point out that the

majority (43%) of the participants had 0 to 5 years of experience within the Supply Chain Management Unit.

4.2.5 Educational Level

This question assessed the level of education for the participants in the SCM unit within the KZN Provincial Treasury department.

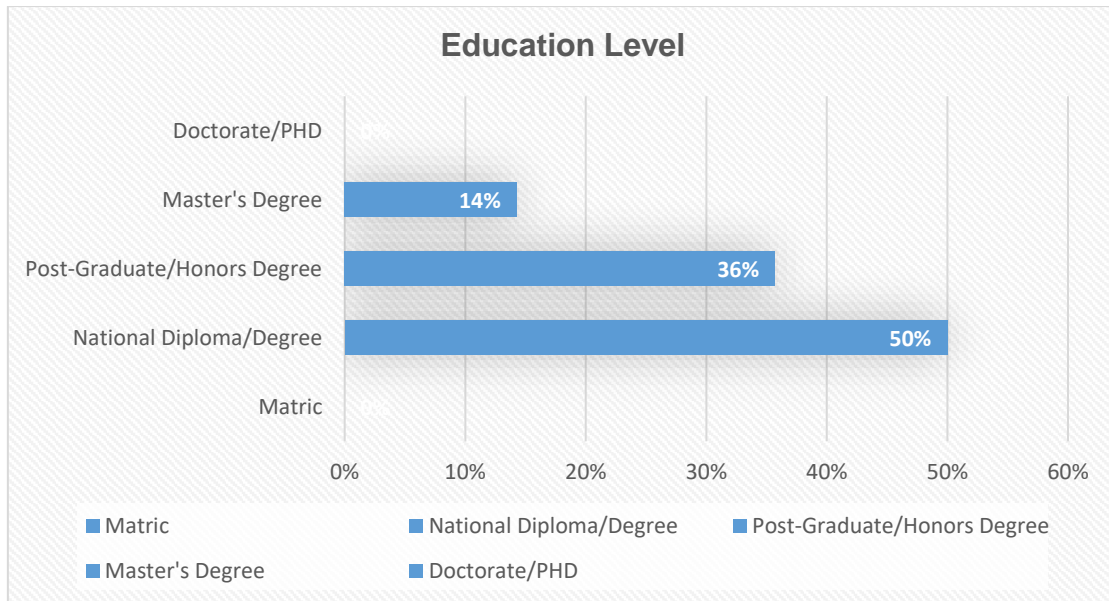


Figure 4-5: Educational Level of Participants

As illustrated in Figure 4.5; 50% of the participants possessed National Diploma/Degree, 36% had Postgraduate/ Honours Degrees, while the remaining 14% had Masters Degrees. These results demonstrate that respondents possessed the essential qualifications and were capable of providing factual and accurate input on procurement subjects to the study. According to Ambe and Badenhorst-Weiss (2012), lack of necessary skills and education is one of the common challenges faced by the South African public procurement as stated by the procurement strategic framework.

4.3 SECTION A: LEVEL OF AWARENESS OF PUBLIC PROCUREMENT REGULATIONS AND COMPLIANCE

Section A (Part One) of the questionnaire addressed the issue of compliance with relevant regulations department's attitudes towards these regulations during the procurement process. As argued in Chapter two, the South African procurement process is regulated by several pieces of legislation of which these six were briefly discussed. They include; the Constitution of South Africa, the Public Finance Management Act (PFMA), Treasury Regulations, Preferential Public Procurement Framework Act (PPPFA), Broad Based Black Economic Empowerment and the Pillars of Public Procurement (Value-for-money; Open and effective competition; Ethics and fair dealings; Accountability and reporting and Equity) (Moeti, 2014).

This section analysed the results from the respondents with regards to their knowledge and awareness of the relevant procurement regulations. It also addressed the regulations that are more challenging to comply with.

Statement 1: The department provides you with awareness and knowledge of all relevant procurement regulations.

This statement was included with the aim to determine the level of awareness and knowledge of the above-mentioned legislation within the procurement section

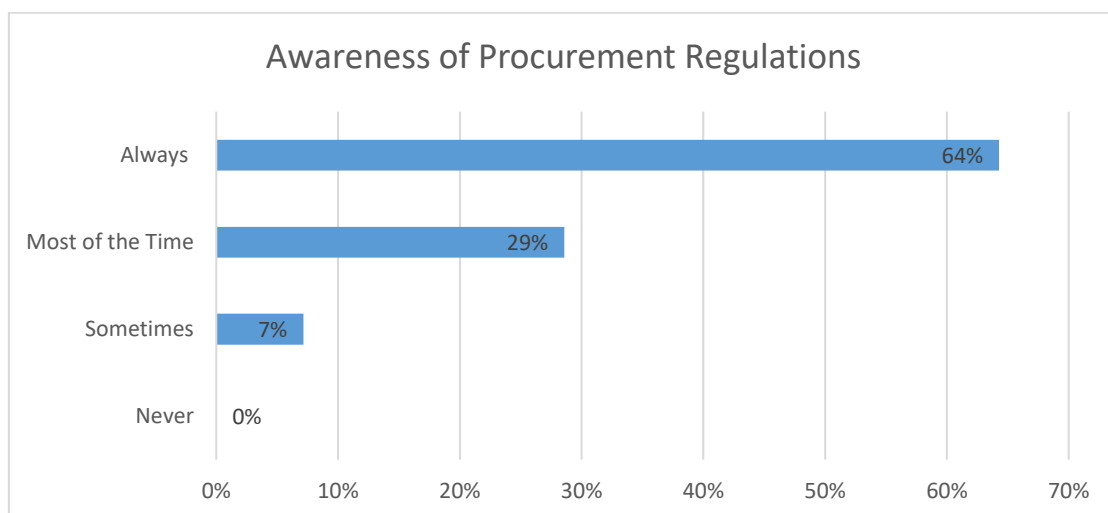


Figure 4-6: Awareness and Knowledge of Procurement Regulations

As illustrated by figure 4.6; 64% of the participants stated that the department always provides awareness and knowledge of all relevant procurement regulations; while 29% stated that most of the time and the remaining 7% stated sometimes. From the results it is clear that the majority of the participants feels that the department does provide its employees with awareness and knowledge of all relevant procurement regulations. The findings from the respondents is in agreement with the legislative and regulatory environment in South Africa. As Ambe and Badenhorst-Weiss (2012) highlighted, there is a public knowledge and awareness regarding the procurement and tendering process. These regulations are clearly provided before the initiation of the procurement stages (Zita & Mathebula, 2015). Additionally, the treasury regulations also stipulate that organs of state (legislative, executive and judiciary) must form three types of committees: bid specification committee, bid evaluation committee and bid adjudication committee (National Treasury, 2009). The essence of this committee also assists in the promotion of awareness and knowledge of the regulations.

Statement 2: The following public procurement regulations are adhered to during all procurement processes.

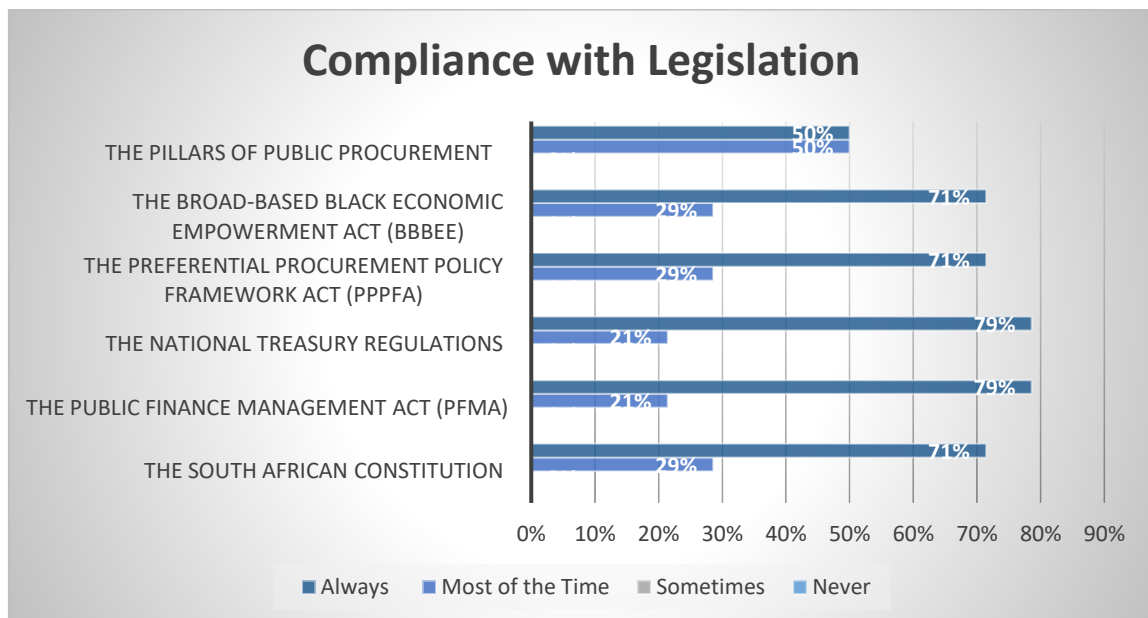


Figure 4-7: Compliance with Legislation Governing Public Procurement

As illustrated by Figure 4-7 above, the results indicated that majority of the respondents complied with each of the six outlined government regulations. This shows that the department adhered always to all relevant legislation during procurement process. The majority (more than 70%) of the participants agreed that the department always adhered to the relevant legislation. However, there was an even split on the respondents' feedback towards Pillars of Public Procurement, as 50% agreed that they always adhered to the procurement pillar while the remaining 50% indicated that they agreed most of the time.

Van Greunen et al. (2010) clearly highlighted that procurement basis and rules form part of the terms and conditions of the procurement or tendering process, this is to ensure that the participants are aware of the legal protocols and legislations involved. The findings from the study shows that there is compliance with legislations during public procurement within the KZN Treasury Department. As Bolton (2016) highlighted, everyone is equal before the eyes of the law and has the right to equal protection and benefits of the law. Also, the National Treasury (2015) further highlights that the tender and procurement process should vividly outline the importance of procurement regulations as a requirement that must be adhered to.

In addition to the above questions the participants were further probed to write down the regulations which are more challenging to comply with and their responses were as follows.

Table 4-2: More Challenging Regulations

Participants	More challenging regulations
Participant 1	PPPFA, BBBEE
Participant 2	PPPFA
Participant 3	National Treasury Regulations
Participant 4	None
Participant 5	BBBEE, PPPFA

Participant 6	None
Participant 7	National Treasury Regulations (Section 16 A)
Participant 8	PPPFA
Participant 9	Pillars of Public Procurement (Value of Money)
Participant 10	National Treasury Regulations
Participant 11	BBBEE
Participant 12	National Treasury Regulations
Participant 13	BBBEE
Participant 14	PPPFA; BBBEE

As illustrated in table 4.1; the Preferential Procurement Policy Framework Act (PPPFA) and the Broad-Based Black Economic Empowerment Act (BBBEE) are the most challenging regulations to comply with. Based on the responses three (3) participants out of fourteen (14) stated that both PPPFA and BBBEE are the most challenging regulations to comply with; other two (2) stated it is the BBBEE; two (2) stated that it is the PPPFA; other four (4) participants stated that the National Treasury Regulations are the most challenging regulations to comply with; one (1) participant stated that one of the Pillars of Public Procurement which is Value for money is the most challenging regulations to comply with and two (2) participants stated that there is no regulation which is more challenging regulations to comply with.

Statement 3: How can the Department promote compliance with Procurement Policies and Procedures?

This question was intended to obtain the different views from the participants, on how they think the department can promote compliance with procurement policies and procedures and the responses were as follows.

- By creating awareness to all the stakeholders of the department, through workshops on all new and amended procurement policies;
- By providing workshops, training, seminars, information sharing sessions on all relevant policies and procedure manuals to all officials to create awareness and to emphasize the importance of complying with the legislation;
- Training and development workshops and road shows will go a long way in reinforcing compliance with policies and procedures;
- Incentivising compliance within the department and also punishing those who act against the spirit of the law;
- Conducting process reviews and also developing standard operating procedures within the department;
- Developing a solid internal control unit within the SCM section which will assist in enforcing compliance by checking all documentation before the order is being issued to the service provider;
- Provision of checklists will also assist procurement officials to check whether all required documents have been obtained and attached; and
- Consequence management for all non-compliance.

The following section of the questionnaire addresses the challenges that have impacts on the procurement processes.

4.4 SECTION B: LEVEL OF PROCUREMENT CHALLENGES THAT FACE KZN PROVINCIAL TREASURY

Section B (Part Two) of the questionnaire examined the challenges faced by the KZN Provincial Treasury department with regards to procurement processes. This was examined using the questions under this section.

Statement 1: There is non-existence of appropriate knowledge, skills and capacity within the supply chain management discipline.

Table 4-3: Non-existence of Appropriate Knowledge, Skills and Capacity

Statement	Strongly Disagree	Disagree	Agree	Strongly Agree
There is nonexistence of appropriate knowledge, skills and capacity within the supply chain management discipline.	50%	43%	0%	7%

From the Table 4-3 above, the majority of the respondents (93%) disagreed that there is non-existence of appropriate knowledge, skills and capacity within the supply chain management discipline in the department. Previous literatures revealed that proper training that leads to improved knowledge, skills and capacity is vital in addressing the common challenges that public sector procurement processes face. A lack of expertise, knowledge and skills have been identified as a core obstacle to the victory of South Africa public procurement (Pillay, 2004). Chopra & Meindl (2016) further opined that a lot of SCM role players in the South African government sector have been in several SCM training, thus indicating the importance of appropriate skills, knowledge and capacity. However, the findings from the study differs from the literature, as it is clear from the respondents' feedback that there is adequate knowledge, skills and capacity within the SCM aspect of the KZN treasury procurement.

Statement 2: The department has a challenge of non-compliance to procurement policies and regulations.

Table 4- 4: Non-Compliance to Procurement Policies and Regulations

Statement	Strongly Disagree	Disagree	Agree	Strongly Agree
The department has a challenge of noncompliance to procurement policies and regulations.	29%	50%	21%	0%

From the Table 4-4 above, the majority of the respondents (79%) disagreed that the department has a challenge of non-compliance to procurement policies and regulations, while 21% agreed with the statement. A past review by literature outlined that the adherence to procurement policies and regulation is currently a challenge. Matthee (2006) indicated that there have been non-compliance activities with regards to both quotations and bids, inappropriate use of the preference points system. It was further indicated that there are insufficient controls and methods for the management of bids, nomination of bid committee and some deviations from the procedures of SCM (Ambe & Badenhors-Weiss, 2012). However, the response of the respondents disagrees with the literature and basically summarises that the possible challenge of non-compliance to procurement policies and regulations are minimal.

Statement 3: The department encounters an inadequate planning and linking demand to the budget.

Table 4-5: Inadequate Planning

Statement	Strongly Disagree	Disagree	Agree	Strongly Agree
The department encounters an inadequate planning and linking demand to the budget.	21%	43%	29%	7%

From Table 4-5 above, it can be seen that majority of the respondents (64%) disagreed with the statement while 36% agreed. This feedback shows that many of the respondents did not believe that the department encounters an inadequate planning in linking demand to the budget. Proper planning is vital to be observed in any provincial service delivery in order to ensure that public procurement is efficient, effective and economical (Ambe & Badenhors-Weiss, 2012). Inadequate planning, scheduling and budgeting impacts the SCM implementation (Paul, 2011).

Statement 4: The department has challenges of accountability, fraud and corruption.

Table 4-6: Accountability, Fraud and Corruption

Statement	Strongly Disagree	Disagree	Agree	Strongly Agree
The department has challenges of accountability, fraud and corruption.	43%	43%	7%	7%

From the Table 4-6 above, a convincing 86% of the participants disagreed with the statement that department has challenges of accountability, fraud and corruption. However, 14% of the participant agreed with the statement. The feedback from the respondent agrees with National Treasury (2015) view, which highlighted that many in the Department adheres to the South African best practices' guidelines which requires all procurement processes to be in an ethical, transparent and accountable manner. This shows that accountability, fraud and corruption is not a tolerated within the KZN National Treasury. This is important within the public sector, as so many Department's image have been marred by the absence of accountability, fraud and corruption (Jeppesen, 2010).

Statement 5: The department has inadequate measures for monitoring and evaluation of SCM.

Table 4-7: Measures for Monitoring and Evaluation of SCM

Statement	Strongly Disagree	Disagree	Agree	Strongly Agree
The department has inadequate measures for monitoring and evaluation of SCM.	43%	43%	14%	0%

According to Table 4-7 above, majority of the participants (86%) disagreed with the statement that the department had inadequate measures for monitoring and evaluation of SCM, while only 14% agreed with the statement. This shows that there is confidence within the Department that there is adequate measures for the tracking

and assessment of SCM. It has been stated that reliable systems of monitoring and assessment provides valuable assistance into the system policies, thus providing good foundation and basis for sound governance and public policies (Acevedo, et al., 2010). Additionally, system monitoring and evaluation offer the means to gather and incorporate valuable facts into the policy cycle, thus giving the basis for sound governance and accountability for public policies (Bolton, 2016). The findings from this study disagrees with the statement, as the respondents strongly indicated that there was adequate monitoring and the evaluation of SCM.

Statement 6: The department experiences a high level of unethical behaviour.

Table 4-8: Unethical Behaviour

Statement	Strongly Disagree	Disagree	Agree	Strongly Agree
The department experiences a high level of unethical behaviour.	43%	57%	0%	0%

From the Table 4-8 above, it is clear that all the respondents (100%) disagreed that the department experience a high level of unethical behaviour. In order words, there is great conviction from the respondents that there is a higher level of ethical behaviour within the KZN treasury department. Ethics in addition to conflict of interest strongly have emotional impact on the implementation of procurement practices in South Africa (Zita & Mathebula, 2015). Manifestation of unethical procurement actions impedes the achievement of sound procurement processes such as; uncompetitive or unfair procurement processes, improper contract management, business awards to relatives, absence of award documentations and award to government employees (Mazibuko & Fourie, 2017).

Statement 7: There is too much decentralization of the procurement system in the department.

Table 4-9: Decentralisation of the Procurement System

Statement	Strongly Disagree	Disagree	Agree	Strongly Agree
There is too much decentralization of the procurement system in the department.	36%	64%	0%	0%

According to Table 4-9 above, the results showed that all of the respondents disagreed with the statement that there is too much decentralization of the procurement system in the Department.

Statement 8: There is an ineffectiveness of Broad Based Black Economic Empowerment.

Table 4-10: Ineffectiveness of Broad Based Black Economic Empowerment

Statement	Strongly Disagree	Disagree	Agree	Strongly Agree
There is an ineffectiveness of Broad Based Black Economic Empowerment.	36%	64%	0%	0%

From the Table 4-10 above, the feedback from the respondents showed that all the respondents (100%) disagreed with the statement that there is an ineffectiveness of Broad Based Black Economic Empowerment in the Department. Some views of different government contributors have indicated that the BBBEE is difficult to quantify. One of the concerns is that some of such opportunities for businesses with validated BBBEE does not end up benefiting other smaller firms (Mail and Guardian, 2013). Nevertheless, the feedback of the respondents disagreed with the statement, further inferring that the BBBEE is well managed within their Department.

The respondents were also asked to write the main predicaments faced by department during the procurement process.

This question was included in the questionnaire in order to check if there are any challenges encountered by the department beside the other common public procurement challenges mentioned in Chapter 2 of this study. Responses to this question were from the respondents were as follows:

- The manual system of procurement that is currently being used by the department which is heavily paper based and highly open to human error and manipulation;
- Meeting deadlines, late deliveries and incorrect specifications on delivered items by the service providers;
- End-users wanting to influence the process, wanting to determine which service provider must be awarded;
- Some service providers are reluctant to bid. They are of the view that once they bid, they should be awarded the order;
- Some service providers have a perception that the when the bid is still in process the department already have chosen or awarded the bid so that influence them not to bid;
- Turnaround times given to procurement unit trumps the quality of work produced, due to the fact that there is a shortage of staff faced by a number of requests to attend to, giving the officials not enough time to thoroughly verify the information given;
- End-users submitting specifications that are bias and which are targeting certain companies (like specifying a brand name);
- Urgent requests from the end-users wanting to procure at the eleventh hour;
- Companies that are non-tax compliant causes delays the procurement process, where officials have to phone and request the suppliers to update their tax status with SARS;
- Ambiguous specifications submitted by the end-users to the procurement unit for procuring their needs;
- Suppliers, especially the small BEE companies quote for goods that they do not have on stock and they fail to deliver, some quote on products that are

on sale, only to find that when they are awarded an order they cannot deliver because the sale had ended;

- Service providers failing to submit requested documents like BBBEE certificates on time, causes delays on the process;
- Tender Committees issues: where the unavailability of the committee members delays the procurement process since the process cannot carry on without a quorum; and
- The compilation of tender/bid documents which requires numerous signatures from relevant authorities, when some of those authorities are unavailable it becomes a problem as it will delay the process.

In response to the above question the researcher further asked the respondents to write their suggestions on how the department can overcome these predicaments. Their responses are below;

- Acquisition of electronic procurement system off shelf or through customisation for public sector entities;
- Proper planning by all role players and demand management must be adhered to in order to relive the load on procurement officials by the fact that they will have a plan on what will need to be purchased when;
- Formulation and adherence to procurement and demand plan;
- The department must develop a standard specification for goods to be procured, especially the well know goods commonly utilised e.g. office furniture;
- Improve communication with external stakeholders in order to ensure that all time frames are adhered to;
- Proper recording of documents on registers in order to be able to track the process flow and see where the delays are;
- Service providers must not be given a lee way, those not adhering to the procedure must be penalised and be suspended for a certain period of time;
- Providing training even if it is an informal information session where service providers will be taught on how to complete the bid/quotation forms properly;

- The department must design an electronic system for tender documents which will enable the officials to easily obtain the required signatures even when the authorities are away in order to speed up the process and save time.

The assessment of the results for this section of the questionnaire indicates that respondents believe that the department is not really faced by the common challenges which are faced by the most public sector institutions. Furthermore, the results revealed that the department adheres to the best practices guidelines within South Africa which demands that all processes of procurement be carried out in ethical, transparent and accountable modus operandi.

4.5 SECTION C: LEVEL OF CHALLENGES IN USING CENTRAL SUPPLIER DATABASE (CSD)

Section C (Part Three) of the questionnaire assessed the in the use of the Central Supplier Database (CSD). This was examined using the questions under this section.

Statement 1: The implementation of CSD has somehow simplified the procurement process.

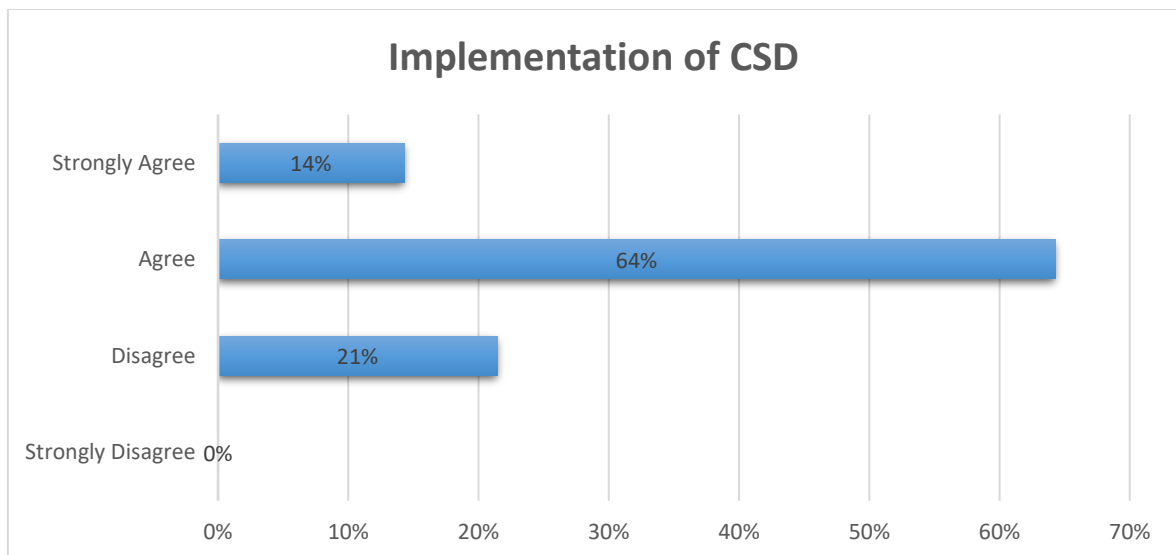


Figure 4-8: Implementation of the Central Supplier Database

As illustrated by Figure 4-8 above, 78% of the participants agreed with the statement that the implementation of CSD has somehow simplified the procurement process in the department while 21% disagreed with the statement. The CSD was implemented in South Africa with the major goal of minimising corruption and ensure efficient and cost effectiveness in public procurement (National Treasury, 2015). The main drive of centralising government's contractor database was to diminish effort and cost duplication for both contractor and government while enabling electronic procurement processes (National Treasury, 2015). The findings from the respondent's feedback are in line with literature, as it agreed that the implementation of the CSD has improved the procurement process.

In addition to the above statement regarding the implementation of the CSD, the respondents were further requested to write the main predicaments of using CSD and their responses were as follows:

- Changes of service providers' information (e.g. banking details; tax status etc.) without alerting the department which sometimes causes delays;
- The algorithm utilised by CSD frequently generates the same service providers when searching and as a result it is believed that the department is utilising same suppliers and not giving other opportunities;
- CSD also keeps service providers that are no longer in a business, the system does not update on the inactive suppliers; and
- CSD does not interface with the payment system [Basic Accounting System (BAS)], when there are changes made by suppliers on their CSD profile (like changing banking details) these changes need to be imported from CSD to BAS manually.

4.6 SECTION D: HOW THE PROCUREMENT PROCESSES CAN BE IMPROVED

Section D (Part Four) of the questionnaire highlighted suggestions on how the department can overcome the highlighted issues. This was examined using the questions under this section.

In response to these predicaments the respondents were requested to write down any suggestions on how the department can overcome the above-mentioned predicaments. The responses were as follows:

- Creating system alerts and red flagging for CSD to immediately send communication to the department when the service providers are making any changes that will affect the process on their profiles to avoid any delays;
- Generation of exception reports to attend to any discrepancy or omission and update the system accordingly;
- Totally automated supplier generator which will effectively and efficiently rotate all the suppliers on CSD giving them all equal opportunity to bid/quote; and
- CSD must interface with the payment system in order to for it to be able to automatically import the changes to BAS whenever they occur to avoid delays on payment of service provider.

Assessment of the results indicates that the participants believe that introduction and implementation of the CSD in the department has somehow simplified the procurement process. However; there are still some predicaments that they face when using this database. This implies that aims of introducing CSD by National Treasury were met, however there is still a need for improvement.

4.7 CONCLUSION

This chapter presented the results that were obtained from the data analysis and were outlined in form of tables, pie charts and bar charts. The responses from the respondents were interpreted and discussed, with the aim of looking at how it agreed or disagreed with the literature review. The next chapter presents the conclusions and recommendations of the study.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter summarises the study and outlines the conclusions and recommendations concerning the findings on chapter four. It also highlights the challenges experienced in the course of the study and proposes insightful recommendations in the view of the findings. The main purpose of this study was to examine the measures to improve public procurement processes, with specific reference to the KZN Provincial Treasury department. The conclusions are made based on the results from the investigation of the questionnaire survey whilst the recommendations evaluate the study outcomes and implications.

5.2 FINDINGS FROM THE STUDY

Findings from the study will be discussed in this section under the study objectives. The findings resulting from the analysis of results are organised under headings linking to the study objectives posed in the study.

5.2.1 Objective 1: To assess whether the KZN Provincial Treasury Department complies with the prescribed procurement policy framework and procedures.

The study found that the department does comply with the prescribed procurement policy framework and procedures. And this is attested by the audit report of the year 2017/18 which revealed that the financial statements were presented fairly in all aspects, such that the financial performance and cash flows were presented in accordance with the Modified Cash Standard (MCS). The alignment of such financial statements are aligned as prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 and the Division of Revenue Act of South Africa (KwaZulu-Natal Provincial Treasury, 2018). However, the study also discovered that there are regulations that are more challenging for to comply with and these regulations are:

- Preferential Public Procurement Framework Act which requires empowering selected categories of the individuals by the way of preferential treatment in the procurement process. Companies are required to submit BEE certificates or affidavits which are utilised to provide their BEE levels. Although SANAS is the only accredited body to issue the BEE certificates, it is also acceptable to provide a certified authorisation during sourcing. However, this opens a gap of false information, since no one verifies these authorisations.
- National Treasury Regulations which stipulates that the authorities may procure necessities by attaining at least three verbal or written quotations from, where applicable, a list of potential service providers. The department seems to have a challenge with this where some goods and services are scarce by nature and the suppliers of such are scarce and this make it a mammoth task to complete a requisition.
- Value for money as a Pillar of Public Procurement which provides that the price is normally not a dependable indicator and departments will not certainly attain the greatest value for money by accepting the cheapest price offer which meets mandatory necessities. However, the department is utilising the strategy of awarding the supplier that quoted the lowest price; especially on the quotations less than R30 000 which do not the preferential points into consideration.

5.2.2 Objective 2: To examine the challenges faced in the KZN Provincial Treasury department's procurement processes.

This section assessed the feedback of the responses to the challenges highlighted in the literature. The challenges reviewed includes: non-existence of proper knowledge, skills and capacity; non-compliance to policies and regulations; inadequate planning and linking demand to the budget; accounting, fraud and corruption; inadequate measures for monitoring and evaluation of SCM; unethical behaviour; and ineffectiveness of the BBBEE. The findings revealed that the KZN

Treasury Department does not encounter these challenges, as the respondents strongly disagreed with the statements.

However, there are challenges faced in the department during the procurement process and these include the following.

- The manual system of procurement that is currently being used by the department which is heavily paper based and highly open to human error and manipulation;
- Delivering on deadlines, late deliveries and incorrect specifications on delivered items by the service providers;
- End-users wanting to influence the process, such that they can determine the award recipient.
- Some service providers are hesitant to offer their proposal. They are of the view that once they put forward their proposals, they should be awarded the order;
- Some service providers have a perception that the when the bid is still in process the department already have chosen or awarded the bid so that influence them not to bid.
- Turnaround times given to procurement unit trumps the quality of work produced, due to the fact that there is a shortage of staff faced by a number of requests to attend to, giving the officials not enough time to thoroughly verify the information given;
- End-users submitting specifications that are bias and which are targeting certain companies (like specifying a brand name);
- Urgent requests from the end-users wanting to procure at the eleventh hour;
- Companies that are non-tax compliant causes delays the procurement process, where officials have to phone and request the suppliers to update their tax status with SARS;
- Ambiguous specifications submitted by the end-users to the procurement unit for procuring their needs;
- Suppliers, especially the small BEE companies quote for goods that they do not have on stock and they fail to deliver, some quote on products that are

on sale, only to find that when they are awarded an order they cannot deliver because the sale had ended;

- Service providers failing to submit requested documents like BBBEE certificates on time, causes delays on the process;
- Tender Committees issues: where the unavailability of the committee members delays the procurement process since the process cannot carry on without a quorum; and
- The compilation of tender/bid documents which requires numerous signatures from relevant authorities, when some of those authorities are unavailable it becomes a problem as it will delay the process.

From these findings it can be concluded that there is a wide range of challenges faced by the department's procurement process. Some of these challenges may be common and some may be unique to some government institutions and they have a negative impact on the procurement processes which leads to poor service delivery.

5.2.3 Objective 3: To examine the challenges faced by the KZN Provincial Treasury department in using the Central Supplier Database (CSD).

The study found that as much as the implementation of CSD has somehow simplified the procurement process there are still a lot of challenges encountered using this database. Some of these challenges include:

- Changes of service providers' information (e.g. banking details; tax status etc.) without alerting the department which causes delays; when the supplier is awarded a certain order.
- The algorithm utilised by CSD frequently generates the same service providers when searching and as a result it is believed that the department is utilising same suppliers and not giving other opportunities.
- CSD also keeps service providers that are no longer in a business, the system does not update on the inactive suppliers; and
- CSD does not interface with the payment system [Basic Accounting System (BAS)], when there are changes made by suppliers on their CSD profile (like

changing banking details) these changes need to be imported from CSD to BAS manually;

5.2.4 Objective 4: To recommend how the procurement processes can be improved in the KZN Provincial Treasury Departments.

The last objective of the study was to recommend how the procurement processes can be improved in the KZN Provincial Treasury Departments. The study found that the department is currently using a manual system of procurement which is heavily paper based and highly open to human error and manipulation. In order to improve their procurement processes the department must introduce and implement electronic procurement systems which will speed up the process and minimise errors. E-procurement has not been widely used in South Africa in general but has been employed in other countries for a number of years. The system will help to establish a fast and economic procurement process with the available technology. Purchasing e-procurement system is a bit expensive and needs proper planning and budgeting, therefore the department will have to provide a detailed proposal with the procurement plan to the National Treasury. In addition, implementing the above recommendations will overhaul the whole procurement process and lead to a smoother process and improved public service delivery.

5.3 STUDY CONCLUSIONS

The following conclusions were deduced from this study.

- a. KZN Provincial Treasury Department complies with the procurement policy framework and procedures, as the department have strong awareness and knowledge of relevant regulations.
- b. From the listed regulations such as BBBEE, PPPFA, South African constitution, the study revealed that there is strong compliance culture within the Department and during their procurement processes.
- c. An assessment of the challenges that face KZN Provincial Treasury Department showed that they are currently not limited by these challenges, implying that procurement processes are well coordinated and regulated.

- d. The implementation of the Central Supplier Database (CSD) has simplified the procurement process within the KZN Treasury Department.
- e. Additional issues such as update of business details or records and proper interface of CSD with the existing payment system need to be addressed, as these are some of the challenges that still face the KZN Provincial Treasury Department.

5.4 STUDY RECOMMENDATIONS

In order to improve procurement processes in the KZN Provincial Treasury Department the following recommendations should be taken into consideration:

- a. It is recommended that the department should provide the service providers with relevant information of the bidding process in order to motivate those who are reluctant to bid. This can be done by any relevant means of communication (e.g. on radio, during izimbizo, road shows, etc.). Information on how to be market related, their rights as bidders must also be provided during these sessions.
- b. Improve the CSD system by creating system alerts and red flagging for CSD, such that communications can be sent immediately to the department when the service providers are making any changes that will affect the process on their profiles to avoid any delays.
- c. CSD developers (the National Treasury) should create a blog on the system where all the departments that are utilising CSD. This will help to rate and comment on the contractors that have utilised their services before, in order to alert other departments on how they performed. This will also encourage the contractors to improve their standards when providing services and it will also assist the departments when selecting a supplier.
- d. The KZN Treasury Department needs to fill in all the vacant posts and create a structure that will provide enough capacity.
- e. CSD should update their systems, such that inactive suppliers who are out of business can be deactivated.
- f. The department should develop a compliance section, which will check and verify compliance before orders are issued.

5.5 LIMITATIONS OF THE STUDY

The first limitation of the study concerns the sample size and the study being conducted only in the Kwa-Zulu Natal Provincial Treasury Department despite the fact that it is known that all South African government institutions are faced with procurement process challenges. Consequently, the study findings cannot be generalised to other departments. The questionnaire was used to collect the views of the department's officials on the matters under focus and for that reason may lack objectivity.

5.6 CONCLUSION

This chapter presented the conclusions and recommendations from the findings of the study. The chapter outlined the findings from the study, drawn conclusions, recommendations and limitations for further study. The main objective of the study was to evaluate the effectiveness of the procurement process at the KZN Provincial Treasury department and how it can be improved. The findings from the primary study enabled the researcher to determine that the procurement process at the department is faced by challenges and that it could be improved by focusing on improving the procurement processes that are currently being utilised. When looking at the objectives as well as the study outcome as reviewed above, it can be established that the study accomplished its purpose. It is evident that the problem stated that was broken down into objectives, was then satisfactorily addressed.

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APPENDIX 1 Questionnaire

PART ONE: BIOGRAPHICAL INFORMATION

1. Answer the following statements by indicating with an X in the boxes

1.1 Position Held

- Chief Financial Officer
- Director
- Deputy Director
- Assistant Director
- Admin Officer
- Admin Clerk
- Intern
- In-service Trainee

1.2 Gender

- Male
- Female

1.3 Age Category

- 18 to 25 years
- 26 to 35 years
- 36 to 50 years
- 51 to 65 years

1.4 Years of Experience in Supply Chain Management (please insert)

1.5 Highest qualification obtained

- Grade 12
- Diploma/Degree
- Post-Graduate/Honours Degree
- Master's Degree
- PhD

PART TWO: LEVEL OF AWARENESS OF PUBLIC PROCUREMENT REGULATIONS AND COMPLIANCE

	Never	Sometimes	Most of the time	Always
The department provides you with awareness and knowledge of all relevant procurement regulations.				
The following public procurement regulations are adhered to in all procurement processes.				
The South African Constitution				
The Public Finance Management Act (PFMA)				
The National Treasury Regulations				
The Preferential Procurement Policy Framework Act (PPPFA)				
The Broad-Based Black Economic Empowerment Act (BBBEE)				
The Pillars of Public Procurement				
Which regulations are more challenging to comply with?				

How can the department promote compliance with procurement policies and procedures?	
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PART THREE: PUBLIC PROCUREMENT CHALLENGES

Indicate whether the following procurement challenges have impacts on the procurement processes in the department.

	Strongly Disagree	Disagree	Agree	Strongly Agree
There is nonexistence of appropriate knowledge, skills and capacity within the supply chain management discipline				
The department has a challenge of non-compliance to procurement policies and regulations				
The department encounters an inadequate planning and linking demand to the budget				
The department has challenges of accountability, fraud and corruption				
The department has an inadequate measures for monitoring and evaluation of SCM				
The department experience a high level of unethical behavior.				

There is too much decentralization of the procurement system in the department.				
There is an ineffectiveness of Broad-Based Black Economic Empowerment				
What are the main predicaments faced by department during the procurement process?				
Are there any suggestions on how the department can overcome these predicaments?				

PART FOUR: THE USE OF CENTRAL SUPPLIER DATABASE (CSD)

2. Rate the following statement regarding the use of CSD.

	Strongly Disagree	Disagree	Agree	Strongly Agree
The implementation of CSD has somehow simplified the procurement process.				
What are the main predicaments of using CSD?				
Are there any suggestions on how the department can overcome these predicaments?				

APPENDIX 2: Informed Consent Letter

UKZN HUMANITIES AND SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE
(HSSREC)
APPLICATION FOR ETHICS APPROVAL
For research with human participants

Information Sheet and Consent to Participate in Research

Date: 14 November 2019

Dear Respondent

My name is Zama Nokulunga Khuzwayo an MBA student in the Graduate School of Business and Leadership, at the University of KwaZulu-Natal. I am from the KZN Provincial Treasury Department. My contact details are; tell: 033 897 4357 (0726761646) and email address: nokulungakh@gmail.com / zama.khuzwayo@kzntreasury.gov.za .My supervisor is Prof. Mihalis Chasomeris at the Graduate School of Business (031 2602575).

You are invited to participate in a research project entitled; Examining Measures to Improve Procurement Processes in the KwaZulu-Natal Provincial Treasury Department. The aim and purpose of this research is to examine and recommend measures to improve procurement processes at KZN Provincial Treasury department by identifying to what extent the department complies with the procurement process policies, by assessing the procurement practice used at this departments and evaluating challenges faced during the procurement process and those encountered when using Central Supplier Database. The study is expected to enroll 18 participants in the Provincial Treasury department; Office of the CFO unit. It will involve the distribution of questionnaire. The duration of your participation if you choose to enroll and remain in the study is expected to be 10 to 15 minutes. The main objectives of the study are:

- To assess whether Provincial Treasury Departments comply with the prescribed procurement policy framework and procedures.| To examine the challenges faced in provincial treasury departments' procurement processes.
- To examine the challenges faced by provincial treasury departments in using the Central Supplier Database (CSD).

- o To recommend how the procurement processes can be improved in the provincial treasury departments.

The study does not involve any risks and/or discomforts. We hope that the study will provide the department will more effective and efficient measure to improve the procurement processes in enhancing the public service delivery. The study will provide no direct benefits to participants.

This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (**approval number HSSREC/00000936/2020**).

In the event of any problems or concerns/questions you may contact the researcher or the UKZN Humanities & Social Sciences Research Ethics Committee, contact details as follows:

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION

Research Office, Westville Campus Govan
Mbeki Building

Private Bag X 54001

Durban
4000

KwaZulu-Natal, SOUTH AFRICA

Tel: 27 31 2604557- Fax: 27 31 2604609

Email: HSSREC@ukzn.ac.za

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this research project. Confidentiality and anonymity of records will be maintained by the researcher and the Graduate School of Business and Leadership, UKZN. All collected data will be stored in a locked filing cabinet that can only be accessed by the researcher in the office space at work (145 Chief Albert Luthuli Street) and it will be used solely for research purposes and will be destroyed after 5 years.

CONSENT

I _____ have been informed about the study entitled **Examining Measures to Improve Procurement Processes in the KwaZulu-Natal Provincial Treasury Department** by Miss Zama Nokulunga Khuzwayo.

I understand the purpose and procedures of the study.

I have been given an opportunity to answer questions about the study and have had answers to my satisfaction.

I declare that my participation in this study is entirely voluntary and that I may withdraw at any time without affecting any of the benefits that I usually am entitled to.

If I have any further questions/concerns or queries related to the study I understand that I may contact the researcher at:

Treasury House
145 Chief Albert Luthuli Street
Pietermaritzburg
3201
Email: nokulungakh@gmail.com / zama.khuzwayo@kzntreasury.gov.za Tell:
033 897 4357 /0726761646

If I have any questions or concerns about my rights as a study participant, or if I am concerned about an aspect of the study or the researchers then I may contact:

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION
Research Office, Westville Campus Govan
Mbeki Building
Private Bag X 54001
Durban
4000
KwaZulu-Natal, SOUTH AFRICA
Tel: 27 31 2604557 - Fax: 27 31 2604609
Email: HSSREC@ukzn.ac.za

Signature of Participant

Date

APPENDIX 3 Gatekeeper's Letter



09 September 2019

To Whom It May Concern:

REQUESTING PERMISSION TO CONDUCT RESEARCH AS PART OF THE MBA QUALIFICATION

It is a requirement of Master of Business Administration qualification that as a student I complete a dissertation/thesis based on research in a specific field of study. In this way as students are given the opportunity to creatively link and discuss the theoretical aspects of the programme to the practical issues facing organisations in real life settings. Typically a dissertation/thesis necessitates data gathering and the student is using questionnaires specifically.

I, **Miss Z.N. Khuzwayo (Student No. 206509909)** employed as an Assistant Director: Asset Management and Loss Control within the office of the Chief Financial Officer Unit has chosen to do a research project entitled: **Examining Measures to Improve Procurement Processes in the KwaZulu-Natal Department.**

Your assistance in permitting access to your organization for purposes of this research is most appreciated. Please be assured that all information gained from the research will be treated with the utmost confidentiality. Furthermore, should you wish any result/s or findings from the research "to be restricted" for an agreed period of time, this can be arranged. The confidentiality of information and anonymity of personnel will be strictly adhered to by the student.

I am available at any stage to answer any queries and/or to discuss any aspect of this research project at tell no: 033 897 4357 (email: zama.khuzwayo@kzntreasury.gov.za).

If permission is granted, please sign the attached form.

Thank you for your assistance in this regard.

Yours sincerely,

MISS Z.N. Khuzwayo.

University of KwaZulu-Natal

Postal Address: Private Bag X54001,
Durban, 4000, South Africa

Website: www.ukzn.ac.za



Founding Campuses:  Edgewood

UNIVERSITY OF
KWAZULU-NATAL

Medical School

Graduate School of Business and Leadership

Physical Address: Room 42, GSB&L Building,
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Durban, 3630

Tel: +27(0)31 260 8172

 Pietermaritzburg  Westville



PERMISSION TO CONDUCT RESEARCH AS PART OF THE MBA QUALIFICATION

Gatekeeper's Consent

I Smiso Magagula in my capacity as HO/D hereby give permission to **Student name: Miss Z.N. Khuzwayo (Student No. 206509909)** to conduct research project entitled: **Examining Measures to Improve Procurement Processes in the KwaZulu-Natal Department** in my organization.

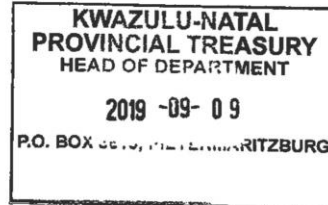
The student MAY/MAY NOT (delete whichever is not applicable) use the name of the organisation in the dissertation.



Signature of Head of Department/Gatekeeper:

Departmental Stamp:

Date: 09/09/2019



University of KwaZulu-Natal

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APPENDIX 4 Ethical Clearance



21 January 2020

Miss Zama Nokulunga Khuzwayo (206509909)
Grad School Of Bus & Leadership
Westville Campus

Dear Miss Khuzwayo,

Protocol reference number: HSSREC/00000936/2020

Project title: Examining Measures to Improve Procurement Processes in the KwaZulu-Natal Provincial Treasury Department

Degree: Masters

Approval Notification – Expedited Application

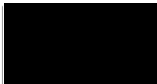
This letter serves to notify you that your application received on 08 January 2020 in connection with the above, was reviewed by the Humanities and Social Sciences Research Ethics Committee (HSSREC) and the protocol has been granted **FULL APPROVAL**

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

This approval is valid until 21 January 2021.

To ensure uninterrupted approval of this study beyond the approval expiry date, a progress report must be submitted to the Research Office on the appropriate form 2 - 3 months before the expiry date. A close-out report to be submitted when study is finished.

Yours sincerely,



Professor Urmilla Bob
University Dean of Research

/dd

APPENDIX 5 Turnitin Originality Report

Turnitin Originality Report

Final Draft by Zama Khuzwayo

From Dissertation 2019 (Dissertation 2019)



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