



INFLUENCE OF PROCUREMENT RECORDS MANAGEMENT ON PROCUREMENT PERFORMANCE IN PUBLIC UNIVERSITIES IN KENYA

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Abstract

The battle of forms in procurement process merits inculcation of procurement records management mechanisms in public universities in Kenya. In recent years, enormous institutions of higher learning have been receiving qualified opinion reports from auditor general audit review every fiscal year because of failing to submit the necessary documents for audit. This phenomenon invariably opens a Pandora's box on the issues being investigated since the report of the auditor general attracts the attention of other regulatory bodies and legal jurisprudence takes the normal course to the detriment of the institutions. This study investigated the influence of procurement records management in public universities in Kenya. The study adopted a descriptive research design. A census method shaped the basis of the research study and all the 31 public universities were selected for the study. A self-designed questionnaire was used comprising closed-ended and open ended questions. Descriptive statistics measures were used

using SPSS 22. Inferential statistics was also used to deduce correlation analysis as well as linear regression. The results showed that procurement records management and procurement performance had R of 0.484 and p -value of 0.000 at 95% confidence levels. The coefficient value showed a medium correlation between procurement records management and procurement performance. The results also indicated that, a unit change in procurement records management would lead to change in procurement performance by 0.268 units *ceteris paribus*. This implies that 1% change in procurement records management leads to 26.8% change in procurement performance in public universities in Kenya. The study recommends that public universities in Kenya should come up with automated procurement records platforms to ensure visible, authentic audit trail. Further, the universities should assign specific individuals the responsibility of maintaining procurement files to ease the traceability of the documents upon request by the relevant parties. The universities should also maintain procurement records in accordance with section 68 of the public procurement and asset disposal act, 2015 and adhere to record keeping systems provided by the public procurement records management procedures manual.

Keywords: Procurement Records Management, Auditor General, Audit Trail, Procurement Performance, Public Universities

INTRODUCTION

The vast upsurge of judicial cases in line with procurement processes in public sector calls for proper procurement records management. Without appropriate procurement documentation eyebrows escalate from members of the fourth estate and the public in general. Yusof (2009) posits that procurement records management presents and authenticate all the procurement processes and this allows universities to deliver its services in impartial trend. According to Musembe (2016) procurement records are crucial corporate asset required to avail evidence of action and decisions. This forms the basis of dependable and certifiable basis of data that creates public trust in the country. The synchronization of procurement records in all stages of procurement process, exonerate the innocent parties in case there is a legal action in regard to procurement irregularities (Kemoni, 2008). Daum (2007) alludes that procurement records management acts as a control structure that creates the necessary impetus and reinforcement to internal and external audit. Without effective records management structure, it is a herculean task to execute business in a transparent and accountable manner since this opens an avenue for rogue public servants to circumvent the procurement law (Muchungu, 2012). In the realm of

business, procurement records should always be created and classified to support the crucial activities of the universities in serving as the base through which decisions are taken to ensure resoluteness and consistency in providing evidence of the universities operations and progressive performance. The net effect of procurement records management is risk mitigation and restraint against fraud and corruption in procurement functions of public universities (Freda, 2014).

PROCUREMENT RECORDS MANAGEMENT AND PROCUREMENT PERFORMANCE

Yusof (2009) defines procurement records management as a set of activities required for systematically controlling the formation, dispersal use, maintenance and disposition of contractual documented information maintained as evidence of business transactions. Alan and Ray (2012) indicate that in all business transactions it is necessary to support business transactions with a documentary evidence to give efficacy and meaningful validation to the contract. The substance of the procurement records should also meet all the legal requirements in order to ensure that the contract does not contain vague or ambiguous terms that can be interpreted by the court as *contra proferentem* meaning the embedded clause is believed to be interpreted against the party seeking to rely on it (Elliot, 2009).

Accounting officers, procurement officers, user departments and members of various ad hoc committees in the procurement process in public universities should be cognizant of legal ramifications when specifying, requisitioning, validating and authorizing contractual transactions. In the context of law, the maxim that *ignorantia juris non excusat* (ignorance of the law does not excuse) warrants a careful analysis of the documents being processed by university executives on procurement activities (Murray, 2009). This law in Kenya is also encapsulated in section 7 of the penal code which strictly denote that ignorance of the law does not afford any excuse for any act or omission. It is mandatory upon the universities staff participating in the procurement process to be mindful of the fact that, vindication of any procurement allegation is primarily based on legal compliance. Therefore, it is necessary to ensure that the execution of any procurement task is within the confines of the law and in the event audit activities are conducted, the relevant documents ought to be accessible, accurate and verifiable.

Salim (2013) confirms that procurement performance in public universities is subject to records management systems. On regular basis procurement officers are entitled to prepare and submit statutory reports in line with procurement to public procurement regulatory authority (PPRA). In other cases public universities are obligated to avail specific documents by PPRA in case there is an ongoing case concerning the institution. These prevailing requirements warrants these institutions of higher learning to have the necessary repository for documents

once requested by this procurement regulatory body. As a best practice in public procurement, records management concept should be prioritized in all the business transactions in order to ensure the business operations are legal and reflect the interest of the government (Rok, 2015).

LITERATURE REVIEW

According to Ngulube (2012) proper procurement records management, results to value for money since various activities are done swiftly and accurately because of provision of the right documents when a need arises for reference purposes. Conversely, university staff need to be observant when executing their responsibilities since the amount of documentation generated and the application may differ from time to time due to complexity of the contracts. Further, contractual documents need to be kept for a span of six years after the completion of the contract. Similarly, considerable contracts deemed to be special under the seal the documents ought to be retained for a period of twelve years (Awino, 2014).

Dzifa and Reindolf (2015) conducted a study on investigation of records management and organizational performance and the results of the study confirmed that, tertiary institutions often practice comprehensive records management. The resultant findings also indicated that most of the institutions are transcending to automated records management from the conventional records management systems. The use of electronic systems has created efficient records management hence better institutional performance. Dewah and Mutula (2015) alluded that aggrieved parties in a judicial process are denied justice because of missing or incomplete records since the rule of thumb is that presumption of innocence is considered until proven beyond any reasonable doubt. Therefore, the burden of proof is an obligation of the plaintiff to show case the circumstantial evidence in a judicial process. In regard to this observation, proper procurement records management can provide a solution to any case that seems to be impalpable (Abere, 2015).

According to National archives (2010) many procurement cases are dismissed because of inadequate or lack of proper documents to support the arguments being presented. Procurement records management therefore, has become a decisive practice in commercial planning where the need for more effective university's action plans underpins the set rules and regulations. Poor procurement records management has been a contributory reason to fraud in most of the institutions since no documentary evidence is availed in a judicial process to question, criticize or even hold the staff accountable. Accounting officers of public universities should be steadfast on ensuring proper procurement records management system to bridge this gap.

METHODOLOGY

A descriptive research survey design was adopted in this study. According to (Mugenda & Mugenda, 2003) this research design shows the state of affairs as it exists at the present. The data was derived from the 31 public chartered universities in Kenya. The data of the study was in line with July 2013 to June 2018 financial years. The study involved procurement officers, finance officers, legal officers and registrar-administration and planning who were regarded as experts on all the essential extremes of procurement records management. A census method was used and 124 selected respondents were involved in the study. A self-designed questionnaire that entailed closed-ended and open-ended questions was structured and administered to all the respondents. Descriptive statistics was used and statistical output was generated using SPSS. Inferential statistics was also used to assume correlation analysis as well as multiple linear regression. Hypothesis test was also conducted in order to obtain statistical inferences where the rule is that if the p-value observed is less than the set alpha (α) that is the confidence level of 0.05, then the null hypothesis is rejected and if the p-value observed is greater than the set alpha of 0.05, we fail to reject the null hypothesis (Sekaran, 2010).

ANALYSIS AND RESULTS

Descriptive Statistics

The descriptive statistics allowed the researcher to describe the dispersal of scores using statistics in line with procurement records management on procurement performance in public universities in Kenya. The analysis of the results are shown in table 1 below.

Table 1: Procurement records management on procurement performance in public universities

Procurement Records Management	Mean	Standard Deviation
We always file and secure all the records used in procurement process to ensure smooth audit trail	4.79	0.433
Our professional probity makes us to be exonerated of any wrongdoing every time an audit trail is conducted	4.08	1.049
We provide vast documentary evidence of all procurement transactions during internal and external audits	4.77	0.467
We constantly provide all the required records to the constituted oversight bodies for auditing on procurement related activities	4.73	0.467

Ease on information access on contractual activities in the university is enhanced by our well-structured records management system	4.36	0.799
We normally provide accurate information to internal and external auditors and any other investigative authorities	4.74	0.462
We normally authenticate the information replicated in the university procurement records before handing over to the parties concerned	4.56	0.636

Table 1....

The statement that the public universities always file and secure all the records used in procurement process to ensure smooth audit trail was rated highly with a mean of 4.79 and with a standard deviation of 0.433. This was followed by the statement that universities provide vast documentary evidence of all procurement transactions during internal and external audits with a mean of 4.77 with a standard deviation of 0.467. The third rated statement indicated that the universities normally provide accurate information to internal and external auditors and any other investigative authorities with a mean of 4.74 with a standard deviation of 0.636. The statement that the universities constantly provide all the required records to the constituted oversight bodies for auditing on procurement related activities was positioned fourth with a mean of 4.73 with a standard deviation of 0.467. Further, the statements that universities normally authenticate the information replicated in procurement records before handing over to parties concerned and that ease on information access on contractual activities in the universities is enhanced by well-structured records management systems came fifth and sixth with a mean of 4.56 with a standard deviation of 0.636 and a mean of 4.36 with a standard deviation of 0.799 respectively. Lastly, the statement that university's professional probity makes these institutions of higher learning to be exonerated of any wrongdoing every time an audit trail is conducted was ranked seventh with a mean of 4.08 with a standard deviation of 1.049.

Inferential Statistics

In order to make inferences and generalization from the data drawn from the population, inferential statistics was applied in the study. From the basis of this, correlation analysis was used to examine the strength relationships between the independent variable and dependent variable. In regard to this, Pearson correlation was applied to establish the strength of the linear relationship. Further, regression analysis was also conducted to establish the relationship between the independent variable (Procurement records management) and the dependent variable (Procurement performance) see the results of the study Table 2, 3 and 4 below.

Table 2: Pearson Product Moment Correlation

Variable		Procurement Performance	Procurement Records Management
	Pearson Correlation	1	0.484**
	Sig. (2-tailed)		0.000
	N	104	104
Procurement records management	Pearson Correlation	0.484**	1
	Sig. (2-tailed)	0.000	
	N	104	104

**Correlation is significant at the 0.01 level (2-tailed)

The results showed that procurement records management and procurement performance in public universities in Kenya had R of 0.484 and p-value of 0.000 at 95% confidence levels. The coefficient value was between 0.30 to 0.49 and this denoted a medium correlation between the explanatory variable and dependent variable hence the variables are associated.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.484 ^a	0.235	0.227	3.23175

a. Predictor: (Constant), Procurement records management

As the preliminary test for linear regression model adopted in the study, adjusted R square was computed. The adjusted R square was 0.227 accounting for 22.7% of variations in procurement performance in public universities in Kenya at 5% significance level. Therefore, the independent variable marginally influences procurement performance in public universities in Kenya. This means that there are other significant factors that affect procurement performance.

Table 4: Regression Analysis

Coefficients ^a						
Model		Unstandardized		Standardized		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	8.941	3.695		2.419	0.017
	Procurement records management	0.643	0.115	0.484	5.592	0.000

a. Dependent Variable: Procurement performance

The regression analysis denoted that, holding other factors constant procurement performance had a constant of 8.941. This indicates that procurement performance is considered to change by 8.941 units. Similarly, the regression results also indicates that procurement records management had a statistically significant effect on procurement performance (p-value $0.000 < 0.05$). Further, a unit change in procurement records management would lead to change in procurement performance by 0.484 units and this implies that 1% change in procurement records management results to 48.4% change in procurement performance in public universities in Kenya.

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

The statement that public universities always file and secure all the records used in procurement process to ensure smooth audit trail was highly rated by the respondents. Further, the statement that universities provide vast documentary evidence of all procurement transactions during internal and external audits was also heavily considered by the respondents. The general conclusion of the study is that procurement records management influences procurement performance in public universities in Kenya moderately. The study recommends that public universities should install and make use of electronic platforms to enhance professional probity in the procurement process. In particular, automated procurement records management system will be a dependable tool of evidence that ensures discernible audit trail in all procurement transactions. Further, the universities should assign specific individuals the responsibility of maintaining procurement files to ease the traceability of the documents upon request by the relevant parties. The universities should also maintain procurement records in accordance with section 68 of the public procurement and asset disposal act, 2015 and adhere to record keeping systems provided by the public procurement records management procedures manual.

SCOPE FOR FURTHER STUDIES

This study sought to examine the influence of procurement records management on procurement performance in public universities in Kenya. However, the findings of the study cannot be deemed to be a replica of other sectors of the economy due to diverse organizational structures. The study therefore, recommends further studies in; Influence of procurement records management on procurement performance in private universities in Kenya, Factors affecting the effectiveness of procurement records management systems in county governments in Kenya and Effect of procurement records management in public technical training institutions in Kenya.

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