

Appraising Public Procurement and Inventory Management in a Tertiary Institution

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Abstract

This research focused on how public procurement and inventory management work at the Federal Cooperative College in Eleyele, Ibadan, Nigeria. The research was conducted to know how public procurement and inventory management activities are being carried out in the institution. The project work was divided into five chapters. The opinion of different authors as regards the subject matter was reviewed. The total population of staff members are 200. Using random sampling technique, 50 employees were selected for data collection. Questionnaire is the only instrument used in collecting primary data. The data were later analyzed and interpreted using tables and simple percentage. The findings later revealed that in order to make public procurement and inventory management a worthwhile exercise, the procurement process should follow “Due process”. The conclusion of this study showed that store management is an aspect of management that has attracted attention in recent times. The researcher recommended that the organization should make the store department more effective by employing the service of professionals to handle store operation, and also that the store officer should continue to keep all necessary records for future reference.

Keywords: Accountability, E-Procurement, Economic Growth, Efficiency, Procurement, Public, Public Buyer, Public Finance, Transparency, Finance

INTRODUCTION

Public procurement has become an issue of public attention and debate, and has been subjected to reforms restricting, ruler and regulations. (Ogbedu, 2010) Public procurement refers to the acquisition of goods, services and work by a procuring entity using public funds. However, inventory management has become one of the most important areas of management of stores that demand the attention of top management of any organization. Its effect and impact of smooth running and stores management and profitability in a going concern be over emphasized.

In developing countries as, public procurement is increasingly re cognized as essential in service delivery and it accounts for a high proportion of total expenditure (Kalubanga, 2012). Due to the huge amount of money involved in government procurement and the fact that such money comes from the public, there is need for accountability and transparency (Gao and Li, 2010). Consequently, various countries both in developed and less developed countries have instituted public procurement system and reforms involving laws and regulations. However, inventory can be described as the totality of stocks of various kinds which frequently comprises of a significant portion of a business asset that are accordingly required. Substantial inventories of these stocks include basic raw material which are manufactured

internally and partly finished component such as goods materials (work-in-progress). Hence, inventory management involves planning organization and controlling the flow of materials from their initial purchase unit through internal operations to the services point through distribution.

LITERATURE REVIEW

Baily P. and Farmer D. (1981) defined procurement as the term used to describe the purchasing of works supplies and services by national, regional and local, public bodies. It include institutional, federal government, local authorities defines fire and policies authorities defence, health services and public bodies.

It refers to public sector procurement as the way the institution, government agencies and building the supply of public sector procurement is that all institution agencies are the largest buyer of good and services in the world.

Cox John (1990) defines public procurement as a concept applies equality to both the private and public sector. Public procurement also touched area like awarding of institution contact to reliable contracts through the process called “Due process” in all government establishments. It also covers area like contract and project management as well as the aspect of contract negotiation and supplies regulation in Nigeria.

Lee & Dobler (1977) defines public procurement as including the whole process whereby all classes of resources (People, materials, facilities and services) required are obtained it was explained further that procurement encompasses a wider range of supply activities than purchasing alone.

This is why many writer felt that public procurement is wider in scope than purchasing whilst, purchasing is viewed from the point of acquisition of goods and services which public procurement considered on a broader perspective to include, transportation and accommodation.

Lawal (2006) defines public procurement as one of the basic functions in business on engagement that is responsible for obtaining equipment goods and services either by purchasing, hire or lease or by other legal means.

Compton (1979) asserted that public procurement is an establishment that deals with the acquisition stage of supply from receipt of notice of needs to the clearance of the invoice including negotiation, placing of Purchase order delivery recording purchases and clearing price checks on invoices.

Giwa(1983) defines public procurement as the term used in industry, commerce, public corporation and management to denote the act of functional responsibility for procuring materials, supplies and service.

Kenneth Lyson (2000) defines the public procurement as the fundamental objectives to identify sources of need materials and to acquire those item when needed as economically as possible within accepted standards of quality.

The purchase utilizes profession technologies and modern methods, and they employ profession buyer and managements to assure that the purchasing programme fully supports their organizational needs.

STATEMENT OF THE PROBLEM

The public procurement and inventory management have become increasingly and supply has become a major determinant of corporate success. Significant business pressure as a result of globalization, innovations, technological changes, cost pressure, and regulatory compliance has forced the public procurement and proper inventory management to focus on cost reduction and attaining more value for money. The research institutes in Nigeria usually take large amounts of revenue to execute project,

hence it is becoming an expensive undertaking for organization and if administration and management of public procurement and inventory management in many research institutions contributes to a loss of over million annually.

Despite the reforms in Nigeria Public Procurement and Inventory management, the research Institutes still suffer from poor performance characterized by (Ogbady 2010).

- Noncompliance with the Act,
- Slow with a lot of bureaucracy,
- Over spending,
- Poor planning,
- Poor Project monitoring,
- Lack of transparency and accountability,
- Failure to eradicate wastage and corruption

OBJECTIVES OF THE STUDY

The main objective of this study is to carry out an appraisal of public procurement and inventory management in a tertiary institution. The Specific objectives are to:

- Examine the effect of public procurement and Inventory Management on tertiary institution.
- Examine the significant relationship between public procurement and inventory Management on Federal Cooperative College Eleyele, Ibadan.
- Examine the formal policies and procedures for implementation of public procurement process and inventory management at the Federal Cooperative College Eleyele, Ibadan.

SCOPE AND LIMITATIONS OF THE STUDY

This research looks at how public procurement and inventory management work in tertiary institutions in Ibadan. We'll use these schools as our main focus.

- The materials and information presented in this place of work are not exhaustive due to certain setbacks and countered by the research in the course of this study.
- Because it's expensive to do a study like this, the researcher picked just one company to focus on. Also, finding the right time to meet the respondents at their office could be a challenge.
- Notwithstanding, these problems, much practical work has not been done; therefore any loophole detected in this piece of work is traceable to the limitation stated above.

HYPOTHESIS

1. Null Hypothesis (H_{01}): Public procurement and inventory management do not really impact how efficiently tertiary institutions operate. Alternative Hypothesis (H_{11}): Public procurement and inventory management do have a significant impact on the operational efficiency of tertiary institutions.
2. Null Hypothesis (H_{02}): There is no significant relationship between public procurement and inventory management practices and the performance of tertiary institutions.
 1. Alternative Hypothesis (H_{12}): There is a significant relationship between public procurement and inventory management practices and the performance of tertiary institutions.
 2. Null Hypothesis (H_{03}): Federal Cooperative College does not have formal policies and procedures for implementing public procurement and inventory management.

3. Alternative Hypothesis (H_{13}): Federal Cooperative College has formal policies and procedures for implementing public procurement and inventory management.

4. Null Hypothesis (H_{04}): Using professionals in public procurement doesn't make operations better in colleges.

Alternative Hypothesis (H_{14}): Using professionals in public procurement does make operations better in colleges.

RESEARCH METHODOLOGY

This chapter outlines the methods and procedures used in conducting the research. This text talks about the research setup. It covers the study area, who was involved, how many people were included, how they were chosen, how data was collected, and what tools were used for analysis.

RESEARCH DESIGN

The study is Descriptive in nature. This study looks at how Public Procurement and Inventory Management works. It focuses on Federal Co-operative College in Eleyele, Ibadan. The goal is to answer questions related to this topic. To gather information, the researchers used personal interviews, questionnaires, and observations

SAMPLE SIZE

Sample size refers to the size of population chosen for proper analysis by the researcher. It was practically impossible for the researchers to involve all the entire staff, hence 25% of 200 which is 50 were used as sample.

Sources of Data Collection

Both primary and secondary data were used for this study:

- Primary Data: The primary data were collected through a structured questionnaires and interviews.
- Secondary Data: Data were gathered from textbooks, journals, reports, online resources, and official documents related to public procurement and inventory management.

Instrument for Data Collection

The main instrument used for data collection was a structured questionnaire. The questionnaire was divided into two sections:

1. Section A: Demographic information (e.g., age, sex, educational qualification).
2. Section B: Questions on public procurement, inventory management, and their impacts.

The responses were based on a 4-point Likert scale: Strongly Agree, Agree, Strongly Disagree, and Disagree.

Method of Data Collection

The researcher handed out the questionnaires directly to the respondents. This helped get more people to answer. They also talked to important staff members who work in buying and managing inventory to get more details.

Method of Data Analysis

The data collected were analyzed using descriptive statistics, including tables, frequencies, and percentages to summarize the responses. These methods facilitated the interpretation of the results and ensured the research objectives were addressed.

Reliability and Validity of Instrument

We ran a pilot test with a small group to check the questionnaire. We made changes based on their feedback. To make sure it was valid, we also got some expert opinions from people who know about procurement and inventory management.

Ethical Consideration

The researcher adhered to ethical principles, ensuring that:

1. Participation was voluntary.
2. All data were treated confidentially.
3. Respondents’ identities were protected.
4. Information provided was used solely for academic purposes.

FINDINGS

This research work is conducted on “Appraising of Public Procurement and Inventory Management in a Tertiary Institution (A case study of Federal Cooperative College, Eleyele, Ibadan). The findings revealed that male staffs have major impact on the questionnaire than female staffs.

It was also discovered that majority of the respondents are HND/BSc. Certificate holders and there is specific department established procurement function in which the department is very important to the institution.

Using Federal Cooperative College as a yardstick, professionals should carry out the procurement function in the public sector of Nigeria’s economy. Besides the public procurement Act 2007 that narrates the public procurement functions carried out by professionals, implementation of the Act, of course, has increased efficiency and accountability in the institution of the study.

The school signed up for training in buying and store management. The study found that there are some key things that affect how well public buying and stock management work. So, it’s important to focus on these factors.

Lastly, the study revealed that in order to make the effect of public procurement and inventory management process a worthwhile exercise the public procurement should follow “Due process”.

Table 11: Does Cooperative College has Formal Policies and Procedures for Implementation of Public Procurement Process and Inventory Management?

Variable	No. of Respondents	Percentage (%)
Strongly agree	8	16
Agree	19	38
Disagree	13	26
Strongly agree	10	20
Total	50	100

Source: compiled by the researcher

The table above shows that 16% of the respondents strongly agreed that cooperative college have formal policies and procedures for implementation of public procurement process and inventory management, 38% agreed, 26% strongly disagreed while 20% disagreed.

Table 12: Does the use of Professional in the Area of Public Procurement improve Operational Efficiency in the Institution

Variable	No. of Respondents	Percentage (%)
Strongly agree	12	24
Agree	5	10
Disagree	20	40
Strongly agree	13	26
Total	50	100

Source: Compiled by the researcher

The table above show that 24% of the respondents strongly agreed that the use of public procurement improve operational efficiency in the institution, 10% agreed, 40% strongly disagreed while 26% disagreed.

5.2 CONCLUSION

This research work has revealed to a large extent that appraising he public procurement and inventory management in the institution cannot be over-emphasized. It points out that the process of public procurement system is strictly to provide social services, employment and basically for economic growth.

Drawing from table 6, procurement department has a fairly essential place in the public institution.

Table 10 authenticates the fact that there is a specific department established for procurement function.

Cooperative College, as indicated in Table 11, has formal policies and procedures for implementation of public procurement process and inventory management.

Table 13 is established that procurement function is not a profit making centre at Co-operative College but only exists in there to maintain the concept of public accountability.

On the other hand, inventory management is all about making sure that an organization has enough materials to keep running smoothly. This means having the right amount and quality of supplies available at all times.

5.3 RECOMMENDATIONS

The impact of public procurement act and transparency in process of public procurement contract awarding and services will also view ways by which government institution at the state level, has incorporate the public procurement Act, as directed by the circulars of Federal Government and policy guidelines of public procurement activities to procurement process.

Public enterprises should see procurement function as a profit-making centre for government establishment as portrayed in the private sector.

Full implementation of public procurement Act 2007 will not only enhance public accountability but also enthusiastically engage professionals in the function. Hence, it must uphold by all government establishments and parastatals.

Moreover, that the organization should keep up to date records of all the categories of item in store and ensure it is safe because it represents money that the stock verification exercise should be sincerely conducted very often so as to discover any discrepancy that may occur.

SCOPE FOR THE FUTURE RESEARCH

First, we could do some Comparative Studies. Next, we should check out how technology, especially AI, affects these fields. Corruption and compliance issues are also important to explore. Cost-benefit analysis is another area worth studying. We can't forget about sustainability in procurement either. Human resources skills and training can make a big difference. Global practices and standards should be on the table too. Lastly, we need to think about how inventory management plays a role and how automation and digital changes can help.

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