
**EFFECT OF PUBLIC PROCUREMENT ACT 2007 ON THE TRANSPARENCY AND COST
EFFECTIVENESS OF PROCUREMENT OF GOODS AND SERVICES IN NATIONAL
INSURANCE COMMISSION ABUJA, NIGERIA**

AUGUTINE Augustina

aonojastin@gmail.com

Department of Public Administration,
Nasarawa State University, Keffi, Nasarawa State, Nigeria
08071376344

ALIEGBA Becky Ade PhD

becky27aliegba@gmail.com

Department of Public Administration,
Nasarawa State University, Keffi, Nasarawa State, Nigeria
08035405815

AMEHOJO Daniel

amdand59@gmail.com

Department of Public Administration,
Nasarawa State University, Keffi
08065538837

Abstract

The Public Procurement Act (PPA) is a critical legislative instrument designed to promote transparency, efficiency, and accountability in the procurement process across Nigerian public institutions. This study investigates the effect of the Public Procurement Act on the procurement of goods and services within the National Insurance Commission (NAICOM) in Abuja, Nigeria. The study adopted Ladder of Accountability Theory by Steward. The study gathered quantitative data through structured questionnaires distributed to employees of NAICOM and key stakeholders involved in the procurement of goods and services. The study findings revealed that the Public Procurement Act 2007 has a significant impact on the transparency of procurement processes for goods and services in National Insurance Commission (NAICOM) in Abuja, Nigeria, and the implementation of the Public Procurement Act 2007 has a significant influence on the cost-effectiveness of goods and services procured by the National Insurance Commission (NAICOM) in Abuja, Nigeria. The study recommends that NAICOM should address the issue of undue external influence and strengthen measures to safeguard the integrity of their procurement processes.

Keywords: Public Procurement Act, efficiency, accountability, NAICOM

Introduction

In the quest for transparency, accountability, and efficiency in public spending, many countries, including Nigeria, have adopted comprehensive procurement reforms. One such pivotal reform is the implementation of the Public Procurement Act (PPA) of 2007. The PPA was enacted to regulate the procurement process in all government agencies and parastatals, aiming to enhance the management of public funds and ensure fair competition among suppliers.

Public procurement is a vital government activity that involves acquiring goods, services, and work from external suppliers to meet public needs. However, it is also highly vulnerable to

corruption and fraud, which poses significant challenges worldwide (OECD, 2016). The impact of procurement fraud and corruption on public procurement performance cannot be underestimated, as it compromises the proper utilisation of funds allocated for development, leading to reduced quality of work (Matthew, Patrick, & Denise, 2013).

One of the reasons for the prevalence of corruption in public procurement is the involvement of accounting officers and tender board members from Ministries, Departments, and Agencies (MDAs), who may view it as an opportunity to make money through unethical practises like contract splitting and inflating contract prices (Musa & Aderonmu, 2014). The complex nature of the public procurement process and the close interactions among procurement officers, contractors, and various stakeholders also contribute to increased corruption risks (OECD, 2016).

Several real-life cases have highlighted the severity of this issue, with high-ranking government officials, including Chief Diepreye Alamiyeseiagha, a former Nigerian Governor, and Tafa Balogun, a former Inspector General of Nigeria Police, being convicted of procurement-related fraud and money laundering (GIABA Research Report of ECOWAS, 2014).

To address these challenges and curb corruption in public procurement, Nigeria took significant steps, including the enactment of the Public Procurement Act (PPA) in 2007. Prior to the PPA, Nigeria faced rampant corruption in public procurement, with 60 kobo out of every Naira spent lost to underhand practises (Enofe, Okuonghae, & Onobun, 2015). The PPA, which draws inspiration from the United Nations Commission on International Trade Law (UNCITRAL) Model Law on Public Procurement, aimed to establish proper due process policies and promote accountability, fairness, transparency, ethical standards, and economy in public procurement (Olatunji *et al.*, 2016).

Consequently, the PPA mandates that contracts must follow a procurement process that involves open competitive bidding, overseen by the tenders board of the relevant procuring entity, and the issuance of a Certificate of No Objection by the regulator, the Bureau of Public Procurement (BPP), before contract awards can be made. This process, along with proper procurement plans, seeks to ensure better governance and control over procurement activities (Udoma & Belo-Osagie, 2012).

The introduction of the Public Procurement Act in 2007 aimed at combating these issues by promoting transparency, fairness, and accountability in the procurement process. However, continued vigilance and enforcement are necessary to ensure the proper implementation of the law and prevent corrupt practices in public procurement.

In light of this significant legislative milestone, this study seeks to investigate the effect of the Public Procurement Act on the procurement of Goods and Services in the National Insurance Commission (NAICOM), Abuja, Nigeria. As the apex regulatory body for the insurance industry in Nigeria, NAICOM plays a critical role in safeguarding the interests of policyholders and promoting a stable insurance sector.

All over the world, public procurement is being subjected to reform, restructuring, or new rules and regulations in a bid to bring about substantial improvements in governance. According to Hunja (2001), effective and efficient procurement policies are important in assessing the performance of governments. However, Hunja (2001) pointed out that there is no sufficient

evidence by which successful procurement reforms can be measured due to a lack of analysis and available information on the return on investment of procurement reforms, which has made the formulation of proposals for new multilateral laws in procurement difficult. There is therefore a need for research to shed light on the success or otherwise of public procurement reforms in a range of developing countries and to provide case evidence and national experience that will inform reform strategies and international rule-making. In the same vein, Evennet and Hoekman (2005) observed that work on the performance of national public procurement systems has not been well documented in the sense that focus tends to be primarily on legal compliance with required laws and implementation procedures, with little focus on quantifying performance after having applied the processes aimed at enhancing competition transparency and combating corruption. Evennet and Hoekman (2005) added that much tends to be claimed for the benefits of the procurement reforms, but there is little analysis of whether these benefits were actually realised after the reform initiatives occurred.

A logical inquiry would show that Nigeria's procurement process construed the largest source of leakage. Award of contracts are usually loaded with provisions for bribes and kickbacks. Thus, there was urgent need to reform public procurement policies, especially the Public Procurement Act which regulates public procurement and aim to minimise the abuse of processes, rules and standards in the awards and execution of public sector contracts.

In view of the above, this study aims to explore and evaluate the efficacy of the Public Procurement Act in NAICOM's procurement practises. By investigating the extent to which the Act has been implemented to advance transparency that will ensure cost effectiveness in the procurement of goods and services. By this, the study intends to shed light on the strengths and weaknesses of the Public Procurement Act's implementation in NAICOM and provide valuable insights into potential areas of improvement for the procurement system in the organisation. The study was guided by the following research questions;

- i. What is the impact of the Public Procurement Act 2007 on the transparency of procurement processes for goods and services at the National Insurance Commission (NAICOM) in Abuja, Nigeria?
- ii. How does the implementation of the Public Procurement Act 2007 influence the cost-effectiveness of goods and services procured by the National Insurance Commission (NAICOM) in Abuja, Nigeria?

Statement of the Hypothesis

The following hypotheses formulated would be tested, to help provide answers to the research questions:

- HO₁:** The Public Procurement Act 2007 has no significant impact on the transparency of procurement processes for goods and services in National Insurance Commission (NAICOM) in Abuja, Nigeria
- HO₂:** The implementation of the Public Procurement Act 2007 has no significant influence on the cost-effectiveness of goods and services procured by the National Insurance Commission (NAICOM) in Abuja, Nigeria.

Conceptual Review

Concept of Public Procurement

Procurement refers to the buying or purchasing of a product, i.e., a material good or an intangible service. In the case of goods, at least, the product may be either a discrete product or a whole system. Procurement in this context can be defined along two dimensions: private/public and regular/innovative. The former dimension obviously specifies whether the purchaser is a private firm or a public agency. In the latter dimension, regular procurement denotes that the procurement concerns ready-made, already-existing products whose characteristics are well known or can be readily ascertained. Procurement is central to the government service delivery system and promotes aims that are, arguably, secondary to the primary aim of procurement, such as using procurement to promote social, industrial, or environmental policies (Cane, 2004). Over the years, public procurement has sometimes been used to accomplish a variety of policy objectives: to increase overall demand, stimulate economic activity, and create employment; to protect domestic firms from foreign competition; to improve competitiveness among domestic firms by enticing 'national champions' to perform R&D activities; to remedy regional disparities; and to create jobs for marginal sections of the labour force (Martin, 1996).

The United Nations Development Programme (UNDP (2007) views public procurement as an overall process of acquiring goods, civil works, and services that includes all functions from the identification of needs, selection and solicitation of sources, preparation and award of contracts, and all phases of contract administration through the end of a service's contract or the useful life of an asset.

Furthermore, Harink (1999) added that public procurement involves more than the procurement process alone, and it should not only consist of supporting but also important components, including the strategy and policy of the organisation, methods and procedures, personnel and organisation, and information.

Procurement encompasses the whole process of acquiring property and/or services. It begins when an agency has identified a need and decided on its procurement requirement. Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, contract award, delivery of and payment for the property and/or services, and, where relevant, the ongoing management of a contract and consideration of options related to the contract. Procurement also extends to the ultimate disposal of property at the end of its useful life (Waters, 2004).

The public procurement process should uphold integrity by mitigating all malpractices; informed decision-making, which requires public bodies to base decisions on accurate information and ensure that requirements are being met. More importantly, the Procurement practise should be responsive to the aspirations, expectations, and needs of the target society. The execution of the responsibility entails professionalism from competent scholars in this paradigm. Also, there is a need for transparency to enhance openness and clarity on procurement policy and its delivery (World Bank, 2003).

General principles of Procurement

Generally, procurement is the complete action or process of identifying, defining, and acquiring or obtaining personnel, material, services, or works needed by means authorised in pertinent directives. More specifically, it is the action or process of acquiring or obtaining

material, property, or services at the operational level. The procurement process therefore involves planning, purchasing, contracting, and negotiating directly with the source of supply. Some indeed view procurement as a fancy word for "purchasing and supply". Modern procurement practises, however, appear more extensive than the old concept of purchasing and supply. Usually, the procurement department within an organisation manages all the major purchases with the exclusion of staff hiring (PPDC, 2011). The public procurement regime is underpinned by a number of principles aimed at fostering accountability, transparency, and economy in spending public funds to acquire goods and services. These include:

Value for money (VFM) is the most crucial principle in public procurement, aiming to advance government policies and priorities while achieving the best return and performance for the money spent. Barriers to achieving VFM include weak governing bodies, politics, tradition, and a lack of education and training programs. Ethical conduct is another important principle, but many purchasing professionals are unaware of these standards. Competition is the means by which most goods and services are procured, and it occurs in the tendering process, supplier credibility, price, and the most competitive bidder being awarded the contract. Transparency is another important principle, ensuring fair and equitable contracts are awarded, and it is particularly important in OECD countries. Accountability is the final principle in public procurement, playing at both national and international levels. However, managing risks associated with the complex competitive environment can lead to accountability problems, as the roles and responsibilities of participants in the process are not clear.

The Nigerian Procurement Act

Procurement Reform in Nigeria was based on the fundamental principles of the Public Procurement Act, 2007, even before the enactment of the Act. However, this study goes further as a pioneering study to evaluate the actual impact of the Public Procurement Reform from the perspective of the university system.

The set objectives of Nigerian Public Procurement Reform and its provisions and procedures are considered to be sound and capable of achieving the desired impact if well implemented (Transparency International, 2008). These provisions have been implemented in Federal Ministries, departments, and Agencies procuring building projects in Nigeria for nearly a decade now. This duration is considered long enough for the impact of the reform to manifest, and this is considered vital for either justifying or impugning the benefits of the Public Procurement Reform on the university system. This study is therefore an empirical analysis of real data from a representative sample of capital projects performance before and after the introduction of the Public Procurement Reform with the aim of identifying the difference the reform has made.

The challenges of public procurement in Nigeria have not been different from those of many other developing nations. Most of these difficulties relate to a lack of fiscal transparency and public accountability, in addition to the inadequacy of resources for providing public infrastructure. For example, in Nigeria, prior to the re-emergence of democratic governance in 1999, Public Procurement delivery was subject to several irregularities that resulted in frequent failures. These included poor planning, insufficient budgeting plans, unnecessary project fragmentation, initial bid inflation and overinvoicing, gross change orders during project execution, the adoption of inappropriate procurement methods, contract allocation as

opposed to competitive tendering, the proliferation of incompetent contractors in the tendering process, and deteriorating ethical standards of public Procurement practitioners.

The persistent inadequacy of infrastructural facilities to meet the needs of the Nigerian economy, coupled with the poor fiscal realities, necessitated the dire need for optimal utilisation of scarce resources appropriated for the delivery of public capital projects.

Furthermore, with globalisation and advances in information technology, citizens began to demand greater accountability and efficiency from government, and the demands and expectations of the global economy on improving transparency and competition in government procurement added to the need to align and harmonise omissions for International Trade Law (UNCITRAL) model and the World Bank guidelines. Thus, the Public Procurement Reform was introduced to improve service delivery generally in the public sector by focusing on principles and procedures in procurement that would place the country firmly on the path of economic growth. In the public sector, the reform is expected to promote a sustainable built environment through the application of competition in tendering, effective planning and budgeting for projects, and the promotion of global best practises and ethical standards in order to achieve value for money on public building projects.

Goals and Objectives of Procurement Act 2007

The Public Procurement Act 2007 established the Bureau of Public Procurement charged with the responsibility to amongst others, provide Legal and institutional framework and Professional Capacity for public procurement in Nigeria.

The objectives of establishing the Bureau of Public Procurement are to;

- i. Harmonize existing government policies and practices on public procurement to ensure probity, accountability and transparency in the procurement process;
- ii. Establish pricing standards and benchmarks;
- iii. Ensure the application of fair, competitive, transparent, value-for-money standards and practices for the procurement and disposal of public assets;
- iv. Attain transparency, competitiveness, cost effectiveness and professionalism in the public sector procurement system.

Scope of the Procurement Act, 2007

The Nigerian Public Procurement Law 2007 is divided into twelve parts. Part 1 of Public Procurement Law (2007) establishes the National Procurement Council (NPC) to provide uniform national regulatory platform for procurement broad policy formulations.

Part II of the law establishes the Bureau of Public Procurement (BPP). The Bureau of Public Procurement (BPP) according to the law is to act as supervisory organ and provide operational guidelines to regulate public procurement practices.

Part III of public procurement law (2007) exemplifies the scope of its application. By this, it is clear that the law is applicable only to federal government of Nigeria due to the federal nature of Nigerian nation. Part IV establishes legal format with regard to procurement thresholds. It also makes it a legal imperative for government procurement entities to engage in procurement plans and open competitive bidding. It also provides clear definition for the status

of contractors/suppliers/service provides among other critical issues with the aim of strengthening public procurement practices.

Part V of public procurement law (2007) gives legal basis for the establishment of procurement planning units and sets criteria for pre-qualification of bidders,

Part VI deals with procurement methods that are permitted under the law.

Part VII focuses on conditions for special or restricted methods of procurement.

Part VIII of the law gives conditions and steps for engaging consultants.

Part IX deals with procedures for procurement surveillance and reviews by the Bureau of Public Procurement (BPP).

Part X focuses on methods of disposing public property.

Part XI of public procurement law specifies code of conducts to regulate activities of stakeholders (Bureau officials, Tender Board, Contractors, CSO's, Procurement officers etc) and

Part XII deals with offences for various categories of infractions under the law.

Empirical Review of Related Literature

Oyebamiji (2018) examines the influence of implementation of public procurement Act on government performance in Nigeria. Specifically, the study determines the extent of compliance with the Public Procurement Act identifies factors affecting compliance with the Public Procurement Act and also examines the influence of implementation of the Public Procurement Act on government performance. Judgmental sampling technique was used to select 20 Procurement Officers in Ministries, Departments and Agencies, and Local Government Areas; 20 Accounting Officers from Permanent Secretaries, Heads of Agencies and Parastatal Organizations; 20 contractors, 20 Professionals-Quantity surveyor, 20 architects and engineers, and 20 Lawyers totalling 120 respondents as sample size for the study. Structured questionnaires designed for the study were used to collect the data. Analyzed data was performed with the aid of descriptive statistics and regression analysis. The result establishes that public entities comply with the public procurement Act 2007, but lack of structures and facilities to ease procurement process and pervading corruption in Nigeria have hindered the full implementation of the Act. Furthermore, the study concludes that the implementation of the public procurement Act is a catalyst to transparency, accountability, efficiency, and value for money. Subsequently, the study recommends that there should be strong commitment and political will to implement the public procurement Act in all levels of government. This will metamorphose to transparency, competitiveness, accountability, and fairness in the award of government contracts.

Bayero (2016) dwelt on the public procurement process and how the reform of the procurement regime fosters good governance in Nigeria. The research intends to address the mechanics of the process of acquisition by government and public entities of goods, works, and services that are necessary to fulfil their mandate in the provision of services and facilities to the general public, as well as dysfunctions that hamstrung the procurement process such as inefficiency, corruption, and disregard of fundamental "value for money" considerations, which informed the imperative of reforming the procurement regime in a bid to ensure

efficiency and good governance. In light of the above objectives, this paper is divided into five sections for an orderly discussion of issues central to public procurement reform. The sequence of the paper include: First section which introduced the paper, while section two conceptualised public procurement and highlight practises inherent in its processes including procurement framework that comprise procurement organisation, procurement legislation, human resource for procurement and procurement process and procedure; third section will examine content and application of public procurement reform in Nigeria; section four discusses the relationship between procurement reform and good governance particularly in enhancing transparency and accountability as well as effective control of public funds in acquisition of goods and service; and the concluding section support the thesis of this treatise that public procurement reform is one of the prerequisites for good governance in Nigeria.

Unaam and Mark (2015) examine the effect of ethics and integrity on good public procurement system in Nigeria. The study aimed at exposing the effect of ethics and integrity on good public procurement system in Nigeria. Data for the study were collected through a structured questionnaire administered on eighty-two (82) officers of the Bureau for Public Procurement in Abuja, Nigeria. The data generated were analysed with the Pearson Product Moment Coefficient of Correlation. The study indicates that there exists a positive relationship between ethics and integrity on one hand and procurements in public procurements on the other hand in Nigeria. The study suggests that fairness and impartiality should be enshrined in public procurement system in Nigeria, there should be proper re-orientation of public procurement officers on the need for consistency and transparency in procurement procedure, and Regulatory authorities should ensure that legislative obligations and policies on public procurement are fully enforced.

Kanu, et al. (2020) carried out research on Effectiveness of Public Procurement Act (PPA), in Curbing Corruption in the Public Service in Nigeria. The research is prompted by the sheer waste of public resources in the process of public procurements which necessitated the enactment of the PPA in 2007. Convenience sampling technique was used to collect data from a sample of 50 staff from 3 select MDA's operating at the FCT, Abuja. Questionnaires were used to collect data and this was administered through personal delivery. Result obtained establishes that the PPA has helped to curb corrupt practices, improved on transparency and accountability in procurement process. It has minimized discrimination in the awards of contract. It has also helped to facilitate the procurement of works, goods and services in the select MDA's. Thus, the study recommends a strong commitment to capacity building and the political will to implement the PPA at all tiers of government in Nigeria.

Ojo and Gbadabo (2014) studied the areas/stages and reasons for non-compliance in the procurement proceedings of procurement of works in Nigeria. A survey method was used in eliciting primary data for the study while secondary data were obtained through a literature - existing laws, guidelines, review of relevant journal - to elicit information and identify statutory stage/process required procurement proceeding. The data from the survey exercise were analyzed using descriptive and inferential statistical tools such as the percentage frequency analysis; mean ranking, correlation and Analysis of Variance. The study revealed that the level of compliance with the directives is highly insufficient, influence of procurement officers/agencies Authority, political office holder control of procurement process, dearth of procurement professionals and hence lack of professionalism, inadequate knowledge of procurement regulations and institutional factors were highlighted. It is therefore

recommended that policy, systems, processes and procedures required for public procurement should be strengthened. Also, spending adequate time and effort prior to initiation of the procurement proceeding process will help to ensure a smooth process and significantly increase the transparency and probability of success of the process. A transparent, enhance integrity and objective competitive bidding process is will be an insurance against corruption charges, reduce risks of collusion, non-compliance etc. Complete tender documentation at each stage of the procurement process. Procuring entities need to establish a strong bid management structure in line with the law which will exclude political influences able to handle the complexities of procuring project and managing the procurement processes.

Frempong, Bempah, Amoako, and Osei-Tutu (2013) did an assessment of the impact of the public procurement Act 663 of (2003) on the economy of Ghana. The research relied on both primary and secondary data. The targeted population was 70 which included the staff and managers of the procurement department, store officers, senior staff, head of department and personnel who constitute the Lower Manya Krobo district assembly procurement board. A sample size of 50 was chosen with the purposive sampling technique. It was found out that the benefits derived from using the Public Procurement Act, 2003 (Act 663) include the assurance of quality goods, timely delivery of goods, right delivery of right quantities, transparency, reduced corruption, value for money, right price is given and right place of delivery is assured, uniformity in performing procurement activities, economic and efficient use of state resources and harmonize public procurement processes in the district assemblies and also greater efficiency. Public Procurement Act, 2003 (Act 663) comes with some benefits to district assemblies. The following difficulties were also revealed from the research; difficulties in applying and implementing the Public Procurement Act, 2003 (Act 663), lack of usage flexibility, lack of authority to dispose public assets, the lack of independent procurement auditing function, no central body with technical expertise and also threshold are too small for entities like a district assembly in case of emergency situation. The Public Procurement Act has been largely effective. However, it needs to be amended to include provisions for electronic procurement. This will improve transparency, accountability, and compliance within public procurement systems. Ameyaw and Mensah (2013) assessed the perceptions of procurement professionals; particularly the practising quantity surveyors on the existence of corruption in the procurement process in Ghana. The study revealed that corruption is more prevalent at the tender evaluation stage of the procurement process.

Gikonyo (2014) examined the factors affecting the implementation of public procurement act in rural societies in Kenya. The main aim of the study was to assess factors affecting implementation of the public procurement in SACCO societies in Kenya where the main variables include strategic planning, enforcement and organizational culture. Through a descriptive research design, the study targeted procurement officers and general managers working with SACCOs societies which have FOSA. Stratified random sampling technique was used to select a sample of 20% which makes a sample size of 86 respondents. Quantitative data collected was analysed by the use of descriptive statistics using SPSS and presented through percentages, means, standard deviations and frequencies. The findings revealed that 55% of the respondent believes that the impact of the regulator on SACCO is high, and on the issue of the SACCO culture favours good procurement procedures, 53% of the respondent strongly agree. The researcher recommended that Procurement process should uphold integrity and ensure that there are no malpractices and public bodies should base decisions on

accurate information.

Apparently, from the above studies, it could be seen that the researchers did not carry out investigation on the effect of Procurement of Goods and Services in National Insurance Commission.

Methodology

The target population of this study comprised 267 staff of the National Insurance Commission, Abuja, being the total number of staff working in the head office and the other three branch offices of the organisation as from 2019 to date. The sample size of 100 was determined using the Yamane (1967) statistical technique. A sample was taken from the total population of 267, which is the total population, thus the Yamane statistical technique. The statistical formula is given as follows:

$$n = N / 1 + N(e)^2$$

$$N = 267; e = 0.10; e^2 = 0.01$$

$$n = 267 / 1 + 267(0.01) = 267 / 2.68$$

$$n = 99.6 \text{ approx. } 100 \quad \text{Therefore: } n = 100.$$

Primary and secondary methods of data collection were used in this study, which adopted quantitative and qualitative methods of data analysis. Quantitative data are numerical data, and the closed-ended questionnaire was used to generate the data. Qualitative data, on the other hand, is the opinion of the respondents through interviews, and open-ended questions which were used. Secondary data were sourced from documented materials such as the Annual Statistical Insurance Market Reports, Bulletin of Insurance Market, official records from National Insurance Commission websites and conference papers and other Materials sourced from Nasarawa State University Library, the National Library of Nigeria, and the internet using Google Search.

The Statistical Package for the Social Sciences (SPSS) was used to present and analyse the data. SPSS was used to compute the frequency table and corresponding chart.

Data Presentation, Analysis and Results

Below is the analysis of the completed questionnaire. Questions in Tables 1 test the impact of the Public Procurement Act 2007 on the transparency of procurement processes of goods and services at the National Insurance Commission (NAICOM) in Abuja, Nigeria, while Questionnaires in Tables 2 test how the implementation of the Public Procurement Act 2007 influence the cost-effectiveness of goods and services procured by the National Insurance Commission (NAICOM) in Abuja, Nigeria

Table 1: Impact of the Public Procurement Act 2007 on the transparency of procurement processes of goods and services at the National Insurance Commission (NAICOM) in Abuja, Nigeria

S/N	ITEMS	SA	A	SD	D	N
1.	National Insurance Commission procurement is conducted subject to the prior review of approval limits set by the Bureau and obtains a "Certificate of 'No Objection' to Contract Award" from the Bureau	17 17.2%	52 53.6%	7 7.2%	16 16.5%	5 5.2%
2.	National Insurance Commission procurement is conducted in a manner which is transparent for ensuring accountability	15 15.5%	32 32.9%	12 12.4%	25 25.6%	13 13.4%
3	National Insurance Commission, Abuja maintains records of each procurement process from the date of advertisement through contract signature and for a minimum of ten (10) years	12 11%	22 20.1%	18 16.5%	37 33.9%	20 18.3%
4	All suppliers, contractors and consultants are entitled to a fair opportunity to tender for provision of goods, works and services in National Insurance Commission, Abuja	13 13.4%	30 30.9%	22 22.6%	25 25.7%	7 7.2%
5	National Insurance Commission, Abuja maintains Notice Board for the public posting of procurement notices and solicitations	21 21.6%	29 29.9%	14 14.4%	23 23.7%	10 10.3%

Source: Field Survey, 2023

The analysis of the responses on the impact of the Public Procurement Act 2007 on the transparency of the procurement process of goods and services at the National Insurance Commission (NAICOM) in Abuja is revealed as follows;

Responses on National Insurance Commission procurement is conducted subject to the prior review of thresholds set by the Bureau and obtains a "Certificate of 'No Objection' to Contract Award" from the Bureau revealed Strongly Agree (SA): 17.2% Agree (A): 53.6% Strongly Disagree (SD): 7.2% Disagree (D): 16.5% Neutral (N): 5.2%

A majority of respondents either strongly agree or agree that the NAICOM's procurement process complies with the Bureau's review thresholds and obtains the necessary certificate. However, a significant portion expressed disagreement.

Responses on National Insurance Commission procurement is conducted in a manner that is transparent, timely, equitable for ensuring accountability revealed, SA: 15.5%, A: 32.9%, SD: 12.4%, D: 25.6% N: 13.4%. The majority of respondents agree that the NAICOM's procurement process is conducted transparently, timely, and equitably. However, there is a noticeable disagreement among some respondents.

Responses on National Insurance Commission, Abuja, maintain records of each procurement process from the date of advertisement through contract signature and for a minimum of ten (10) years. SA: 11%, A: 20.1%, SD: 16.5%, D: 33.9%, N: 18.3% There is a mixed response regarding the maintenance of procurement records. A substantial number of respondents strongly disagree, and a significant portion is neutral.

Responses on whether all suppliers, contractors, and consultants are entitled to a fair opportunity to tender for the provision of goods, works, and services in the National Insurance Commission, Abuja revealed, SA: 13.4%, A: 30.9%, SD: 22.6%, D: 25.7% N: 7.2%. A considerable number of respondents agree that all parties have a fair opportunity to tender

for goods and services. However, a significant number disagree, and some are neutral.

Responses on whether National Insurance Commission, Abuja, maintains a Notice Board for the public posting of procurement notices and solicitations revealed SA: 21.6%, A: 29.9%, SD: 14.4%, D: 23.7% N: 10.3%. thus, a majority agree that the NAICOM maintains a Notice Board for public posting of procurement notices. However, a notable percentage is neutral, and a portion disagrees.

The responses indicate mixed perceptions regarding the impact of the Public Procurement Act 2007 on transparency in the NAICOM's procurement process. While there is general agreement on certain aspects, such as transparency in the procurement process and the existence of a Notice Board, there is also significant disagreement and neutrality in some areas, notably concerning record-keeping and fair opportunities for suppliers. The NAICOM may need to address concerns and improve communication to ensure a more unified perception of transparency and fairness in its procurement processes.

Table 2: Impact of the implementation of the Public Procurement Act 2007 influence on cost-effectiveness of goods and services procured by the National Insurance Commission (NAICOM) in Abuja, Nigeria

S/N	ITEMS	SA	A	SD	D	N
1.	National Insurance Commission, Abuja's procurement is conducted based only on Research, Statistics and Strategy Directorate procurement plans supported by prior budgetary appropriations by open competitive bidding	17 17.5%	38 39.2%	14 14.4%	21 21.6%	7 7.2%
2.	National Insurance Commission, Abuja's procurement is conducted with the aim of achieving value for money and fitness for purpose	15 15.4%	36 37.1%	12 12.4%	28 28.9%	6 6.2%
3	National Insurance Commission, Abuja has department that carries out quality assurance of the good and services	19 19.5%	24 24.7%	17 17.5%	23 23.7%	14 14.4%
4	National Insurance Commission, Abuja prepares the needs assessment and evaluates same before embarking on procurement	17 17.5%	30 30.9%	14 14.4%	21 21.6%	15 15.4%
5	National Insurance Commission, Abuja carries out appropriate market and statistical surveys before embarking on procurement	22 22.7%	37 38.1%	15 15.4%	23 23.7%	- -

Sources: Field Survey, 2023

The provided data is an analysis of how the implementation of the Public Procurement Act of 2007 influences the cost effectiveness of goods and services at the National Insurance Commission (NAICOM) in Abuja.

Procurement Based on Research, Statistics, and Strategy Directorate Plans: Strongly Agree (SA): 17.5%, Agree (A): 39.2%, Strongly Disagree (SD): 14.4% Disagree (D): 21.6% Neutral (N): 7.2%. The majority of respondents either agreed or strongly agreed that NAICOM's procurement is conducted based on Research, Statistics, and Strategy Directorate procurement plans supported by prior budgetary appropriations through open competitive bidding. This indicates that there is a structured and transparent approach to procurement, which has a positive influence on cost-effectiveness.

Procurement Aimed at Achieving Value for Money and Fitness for Purpose: Strongly Agree (SA): 15.4%, Agree (A): 37.1%, Strongly Disagree (SD): 12.4%. Disagree (D): 28.9% Neutral (N): 6.2% Again, the majority of respondents agreed that procurement at NAICOM aims to achieve value for money and fitness for purpose. This suggests a focus on cost-effectiveness and efficiency in procurement processes.

Quality Assurance Department: Strongly Agree (SA): 19.5%, Agree (A): 24.7%, Strongly Disagree (SD): 17.5% Disagree (D): 23.7% Neutral (N): 14.4% while a significant percentage of respondents agreed with the presence of a quality assurance department, a relatively high percentage also remained neutral. This might indicate some uncertainty or variability in the effectiveness of this department in ensuring cost-effective goods and services.

Needs Assessment and Evaluation before Procurement: Strongly Agree (SA): 17.5%, Agree (A): 30.9%, Strongly Disagree (SD): 14.4%, Disagree (D): 21.6%, Neutral (N): 15.4% Most respondents indicated agreement with the preparation of needs assessments and evaluations before procurement. This practice is essential for cost-effectiveness as it ensures that purchases are based on actual requirements.

Market and Statistical Surveys before Procurement: Strongly Agree (SA): 22.7%, Agree (A): 38.1%, Strongly Disagree (SD): 15.4%, Disagree (D): 23.7% for this statement, respondents mostly agreed with the practice of conducting market and statistical surveys before procurement. This indicates a proactive approach to ensuring that goods and services are procured cost-effectively.

The analysis of responses revealed that the implementation of the Public Procurement Act 2007 has a generally positive influence on the cost-effectiveness of goods and services at NAICOM in Abuja. The majority of respondents agreed that procurement practices align with the principles of transparency, value for money, and preparation and evaluation of needs.

Test of Hypothesis

H₀: The Public Procurement Act 2007 has no significant impact on the transparency of procurement processes for goods and services in National Insurance Commission (NAICOM) in Abuja, Nigeria

Responses	O	E	O – E	(O – E) ²	(O – E) ² /E
Strongly Agreed	17	19.4	-2.4	-5.76	-0.29
Agreed	52	19.4	32.6	1062.76	54.78
Strongly Disagreed	7	19.4	-12.4	-153.76	-7.92
Disagreed	16	19.4	-3.4	-11.56	-0.59
Undecided	5	19.4	-14.4	-207.36	-10.69
Total	97	97			35.29

To determine the tabulated chi-square (χ^2) tab. Using the degree of freedom $DF = n - 1$ and level of significance of 0.05.

Where n = number of different values observed in row

χ^2 Tabulated = 5.991

Decision Rule: Accept the null hypothesis (H_0) if $\chi^2_{cal} < \chi^2_{tab}$. Reject the null hypothesis (H_0) if $\chi^2_{cal} > \chi^2_{tab}$.

Decision Rule

From the computation above it is seen that χ^2_{cal} is greater than χ^2_{tab} ($35.29 > 5.991$) the null Hypothesis (H_0) is therefore rejected and alternative Hypothesis (H_i) is accepted which state that the Public Procurement Act 2007 has significant impact on the transparency of procurement processes for goods and services in National Insurance Commission (NAICOM) in Abuja, Nigeria.

H₁: The implementation of the Public Procurement Act 2007 has no significant influence on the cost-effectiveness of goods and services procured by the National Insurance Commission (NAICOM) in Abuja, Nigeria.

Responses	O	E	O – E	(O – E) ²	(O – E) ² /E
Strongly Agreed	17	19.4	-2.4	-5.76	-0.29
Agreed	38	19.4	18.6	345.96	17.83
Strongly Disagreed	14	19.4	-5.4	-29.16	-1.50
Disagreed	21	19.4	1.6	2.56	0.13
Undecided	7	19.4	-12.4	-153.76	-7.92
Total	97	97			8.25

To determine the tabulated chi-square (X^2) tab. Using the degree of freedom $DF = n - 1$ and level of significance of 0.05.

Where n = number of different values observed in row

X^2 Tabulated = 5.991

Decision Rule: Accept the null hypothesis (H_0) if $x^2 \text{ cal} < x^2 \text{ tab}$. Reject the null hypothesis (H_0) if $x^2 \text{ cal} > x^2 \text{ tab}$.

Decision Rule

From the computation above it is seen that $x^2 \text{ cal}$ is greater than $x^2 \text{ tab}$ ($8.25 > 5.991$) the null Hypothesis (H_0) is therefore rejected and alternative Hypothesis (H_1) is accepted which state that the implementation of the Public Procurement Act 2007 has significant influence on the cost-effectiveness of goods and services procured by the National Insurance Commission (NAICOM) in Abuja, Nigeria

Research Findings

Impact of the Public Procurement Act 2007 on the transparency of procurement processes for goods and services at the National Insurance Commission (NAICOM) in Abuja, Nigeria

The result of the study indicates that 59% of the employees stated that public procurement The Act 2007 has a strong impact on the transparency of procurement processes for goods and services at the National Insurance Commission (NAICOM), Abuja, Nigeria, while 41% of the employees stated that the Public Procurement Act 2007 does not have a strong impact on the transparency of procurement processes for goods and services at the National Insurance Commission (NAICOM) in Abuja, Nigeria. This implies that the Public Procurement Act 2007 has a strong impact on the transparency of procurement processes for goods and services in Abuja, Nigeria.

Effect of the Public Procurement Act 2007 on the cost-effectiveness of goods and services procured by the National Insurance Commission in Abuja, Nigeria

The result of the study indicates that 64% of the employees stated that the Public Procurement Act 2007 has a strong effect on the cost-effectiveness of goods and services procured by the National Insurance Commission (NAICOM) in Abuja, Nigeria, while 36% of the employees stated that the Public Procurement Act 2007 does not have a strong effect on the cost-effectiveness of goods and services procured by the National Insurance Commission (NAICOM) in Abuja, Nigeria. This implies that the Public Procurement Act 2007 has a strong effect on the cost-effectiveness of goods and services procured by the National Insurance Commission (NAICOM) in Abuja, Nigeria.

Conclusion and Recommendations

In conclusion, the study highlights several key findings regarding the procurement processes at NAICOM. On a positive note, the organisation provides clear information about procurement opportunities to all potential bidders, which promotes transparency and equal access to bidding. Additionally, the majority of respondents agree that its procurement is conducted with the aim of achieving value for money and fitness for purpose, and it has a department that carries out quality assurance of the goods and services. It prepares the needs assessment and evaluates it before embarking on procurement, and it carries out appropriate market and statistical surveys before embarking on procurement. However, the procurement processes at NAICOM are seen as vulnerable to undue external influence. This vulnerability could undermine the fairness and competitiveness of the procurement system, potentially leading to inefficiencies and biased decision-making if not addressed.

Based on the findings, the study recommended that;

- i. NAICOM should address the issue of undue external influence and strengthen measures to safeguard the integrity of their procurement processes.
- ii. NAICOM should strengthen external oversight and ensure independence in the evaluation and selection of vendors. To achieve this, NAICOM should establish a specialised procurement oversight committee comprising representatives from different stakeholder groups, including independent experts and civil society organizations. This committee can be tasked with reviewing the evaluation criteria, vendor selection decisions, and addressing any conflicts of interest that may arise. This approach will help instill confidence in the fairness and integrity of the procurement processes and mitigate the risk of undue influence from external parties.

By implementing these recommendations, NAICOM can enhance the efficiency, fairness, and credibility of its procurement processes, ultimately leading to improved service delivery and stakeholder satisfaction.

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