

International Journal of **Supply Chain Management** (IJSCM)

**Procurement Legislation and Performance of Constituency Development
Fund Committees in Kenya**

Eric Muange and Dr. Michael Chirchir

Procurement Legislation and Performance of Constituency Development Fund Committees in Kenya

^{1*}Eric Muange

**^{1*}Post graduate Student, School of Business University
of Nairobi**

***Corresponding Author's Email: muange5@yahoo.com**

**²Dr. Michael Chirchir
School of Business
University of Nairobi**

Abstract

Purpose: The purpose of the study was to determine the procurement legislation on performance of constituency development fund committees in Kenya. The research questions therefore were; to establish the effect of procurement legislation implementation on procurement performance in CDF Committees in Kenya; to determine the challenges facing the implementation of procurement legislation in CDF Committees in Kenya.

Methodology: The study employed descriptive survey design. The population of the study was all the 290 constituencies and a census was conducted in the study. The study used primary data which was collected through use of a questionnaire. A five point likert scale questionnaire was used. Also a Yes or No structured questionnaire was also administered. The data collected was analyzed using descriptive statistics inferential statistics. The descriptive technique was used to generate frequencies, mean and percentages while inferential statistics were generated the fitness of the model and regression of coefficients.

Results: The findings concluded that the procurement performance affected procurement legislation and procurement performance of constituency development fund (CDF) committees in Kenya. Effects of Procurement Legislation on procurement performance were found to be statistically significant with a positive impact on the importance of procurement performance. Results also indicate that Procurement management had positive and significant effect on procurement performance. The study recommends that a summarized regulatory framework for CDF procurement management be prepared by policy makers. Through legislation, the government should enact comprehensive laws to regulate procurement functions and outline clear policy and procedures to be followed by procurement entities as this will enhance accountability and transparency.

Unique contribution to theory, practice and policy: The study also recommends that the government should employ professional auditors to undertake public procurement audit and facilitate their continuous training to ensure they are well equipped with necessary technical skills. These will ensure effectiveness of public procurement audit. The study also recommends that more public auditors be trained on public procurement audit and the CDF managers be exposed to audit as a positive management tool.

Keywords: *procurement legislation, procurement performance, challenges*

1.0 INTRODUCTION

Public Procurement has become an increasingly important factor in economic and business circles globally. This is evidenced by the growing interest of donors, governments, civil society, professional organizations, the private sector and the general public. After decades of messy Public Procurement systems, a majority of developing countries, Kenya being no exception, are now reforming the legal, organizational and institutional frameworks for public procurement. Through public procurement, 12 to 20% of developing countries' GDP is spent annually (and as much as 70% of GDP in post conflict countries such as Uganda and Sierra-Leone). Even marginal improvements in procurement systems, therefore can yield enormous benefits (Basheka, 2010).

Procurement refers to the acquisition of goods, services and works by a procuring entity using public funds. Public bodies have always been big purchasers, dealing with huge budgets. Public procurement represents 18.42% of the world GDP. In developing countries, public procurement is increasingly recognized as essential in service delivery (Basheka, 2010). It accounts for a high proportion of total expenditure. For example, public procurement accounts for 60% in Kenya (Bhatt, 2000), 58% in Angola, 40% in Malawi and 70% of Uganda's public spending (Wittig, 1999). This is very high when compared with a global average of 12-20 % (Froystad et al., 2010). Due to the colossal amount of money involved in government procurement and the fact that such money comes from the public, there is need for accountability and transparency. Consequently, various countries both in developed and least developed countries (LDC's) have instituted procurement reforms involving laws and regulations.

The complexities of public procurement performance require more than just a mere policy framework in every nation. There is need to have direct interventions that would undo the complexities that bedevil the efforts of the government and international organization for supporting the public procurement performance initiatives. In this era of quickly changing corporate environment, purchasing managers are encouraged to be proactive. Purchasing managers need to develop a more proactive strategic approach and encouraged a proactive approach to purchasing planning (Rajagopal and Bernard, 1993).

Government procurement is one of the four economic activities of government (Thai, 2001). The others are: redistributing income through taxation and spending, provision of public goods and services, and lastly providing the legal framework for economic activities to flourish. Although, government procurement is still young as an academic discipline, recent nature of public procurement suggests that public procurement practice has undergone major changes particularly in the area of legal reforms.

For LDCs, reforms in public procurement have been seen as one of the ways to integrate them into the emerging world economy (OECD Development Centre, 2002). In order to develop a uniform government procurement practice that can be compared across various public organizations, it has become necessary develop formal government procurement codes that contain formal procurement rules and regulations across a number of countries both developed and developing. For the poor developing countries, government procurement regulations and procedures have been one of the reform areas (Thai, 2001; OECD, 2007) since early 2000. By 2003 for instance, all East African Countries, Uganda, Kenya, and Tanzania had enacted government procurement codes as Acts of Parliament and have been implemented since (OECD Development Centre, 2003).

1.2 Problem Statement

According to PPDA (2005) an appropriate regulatory system is required to enhance economy, efficiency, effectiveness, transparency, compliance with the relevant legislation and nondiscriminatory practices in order to achieve value for money. The law establishes the procurement methods to be applied, advertising rules and time limits, the content of tender documents and technical specifications, tender evaluation and award criteria, procedures for submission, receipt and opening of tenders, and the complaints system structure and sequence (PPOA, 2007). Ongoya (2005) points out that regulations lays the foundation for separation of powers between institutions managing public procurement and those checking on compliance. According to Manasseh (2007), auditors examine procurement transactions and documents, pursuant to the appointment terms and in compliance with relevant statutory requirements. Availability of sound legal framework offers boundaries and benchmarks against which audit is conducted objectively.

CDFs in Kenya are in important tool for devolution and also for meeting the Millenium Development goals. However, the effective running of CDFs depends on the procurement performance as CDFs are entitled to procure for the needs of the constituency. The regulation on procurement was to enhance the procurement performance. Specifically, it was supposed to improve efficiency, transparency and economy. The problem is that adherence to the regulation may be inadequate in CDFs which may further lead to defeating the mandate of the CDFs.

Local studies on the area of procurement performance have focused on the effect of procurement process in companies. Ngugi and Mugo (2007) analyzed the effect of procurement activities on the operation and effectiveness of public sectors in Kenya. Chipiro (2009) examined the impact of E-procurement on strategic sourcing in limited banks in Zimbabwe while Heng (2008) examined the factors influencing the design and use of performance measurement systems (PMSs) in Malaysia. Abdifatah (2012) on supply chain management practices and their impact on performance among humanitarian organizations in Kenya, using a population of twenty eight humanitarian organizations concluded that they should come up with mechanisms that will enable them to overcome various challenges in their supply chains such as use of technology to speed up work, effective and efficient internal operations inter-organizational integration and continuous improvement in the organization. Abdi (2012) examined procurement practices of public state corporations in Kenya. A procurement review by PPOA (2010) of the Narok North Distrct on compliance with the law, regulations, internal controls, generally accepted principles and institutional framework found out that there were deviations in general and specific areas of procurement stages.

However, these studies reviewed failed to address the effect of procurement legislation on procurement performance among CDF's in Kenya. This forms the research gap. It is for this research gap that this study wishes to establish: what is the effect of procurement legislation on procurement performance among CDF's in Kenya?

1.3 Research Objective

- i. To establish the effect of procurement legislation implementation on procurement performance in CDF Committees in Kenya

- ii. To determine the challenges facing the implementation of procurement legislation in CDF Committees in Kenya

2.0 LITERATURE REVIEW

2.1 Theoretical Review

Theory of Internal Control

A system of effective internal control is a critical component of an organization's management and a foundation for its safe and sound operation. A system of strong internal control can help to ensure that the goals and objectives of an organization will be met, that it will achieve long-term targets and maintain reliable financial and managerial reporting. Such a system can also help to ensure that the organization will comply with laws and regulations as well as policies, plans, internal rules and procedures, and reduce the risk of unexpected losses and damage to the organization's reputation.

In USA, the Committee of Sponsoring Organizations of the Tread way Commission (COSO) issued Internal Control – Integrated Frame working 1992, which defined internal control as a process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: Effectiveness and efficiency of operations; Reliability of financial reporting; Compliance with applicable laws and regulations. The Rutteman Report (1994) in UK defined internal control as the whole system of controls, financial and otherwise, established in order to provide reasonable assurance of Effective and efficient operations; Internal financial control and Compliance with laws and regulations.

Public Interest Theories of Regulation

The first group of regulation theories account for regulation from the point of view of aiming for public interest. This public interest can be further described as the best possible allocation of scarce resources for individual and collective goods. In western economies, the allocation of scarce resources is to a significant extent coordinated by the market mechanism. In theory, it can even be demonstrated that, under certain circumstances, the allocation of resources by means of the market mechanism is optimal (Arrow, 1985). Because these conditions are frequently not adhered to in practice, the allocation of resources is not optimal and a demand for methods for improving the allocation arises (Bator, 1958). One of the methods of achieving efficiency in the allocation of resources is government regulation (Arrow, 1970; Shubik, 1970). According to public interest theory, government regulation is the instrument for overcoming the disadvantages of imperfect competition, unbalanced market operation, missing markets and undesirable market results.

In the first place, regulation can improve the allocation by facilitating, maintaining, or imitating market operation. The exchange of goods and production factors in markets assumes the definition, allocation and assertion of individual property rights and freedom to contract (Pejovich, 1979). The guarantee of property rights and any necessary enforcement of contract compliance can be more efficiently organized collectively than individually. Furthermore, the costs of market transactions are reduced by property and contract law.

2.2 Empirical Review

Thai (2004) explained that, as many countries have moved to a regional and or global economy, Public procurement practitioners face another challenge that is, how to comply with their government's procurement regulations and social and economic procurement goals without violating regional and/or international trade agreements. For example, how to comply with national economic policies (in nurturing domestic firms), without dealing unfairly with foreign firms as provided in regional trade agreements and/or the World Trade Organization (WTO) agreements is not easy, which requires a careful study of trade agreements in order to take advantages of special provisions.

Achuora, Arasa and Ochiri (2010) examined the factors that affect effectiveness of public procurement audits for constituency development funds (CDF) in Kenya. Specifically they investigated the effect of the legal framework, auditor's specific professional qualities, technical audit factors and client-related factors on effectiveness of public procurement audits, descriptive research design was employed, using a stratified random sampling to ensure representativeness. Both quantitative and qualitative methods of data analysis were used. Descriptive statistics as well as regression analysis were used to facilitate examination of the relationship between the variables of interest. The study findings indicate that technical audit factors have greatest influence on effectiveness of public procurement audit, followed by regulatory framework, client related factors and auditor's professional qualities respectively. The study recommends that a summarized regulatory framework for CDF procurement management be prepared by policy makers, more public auditors be trained on public procurement audit and the CDF managers be exposed to audit as a positive management tool.

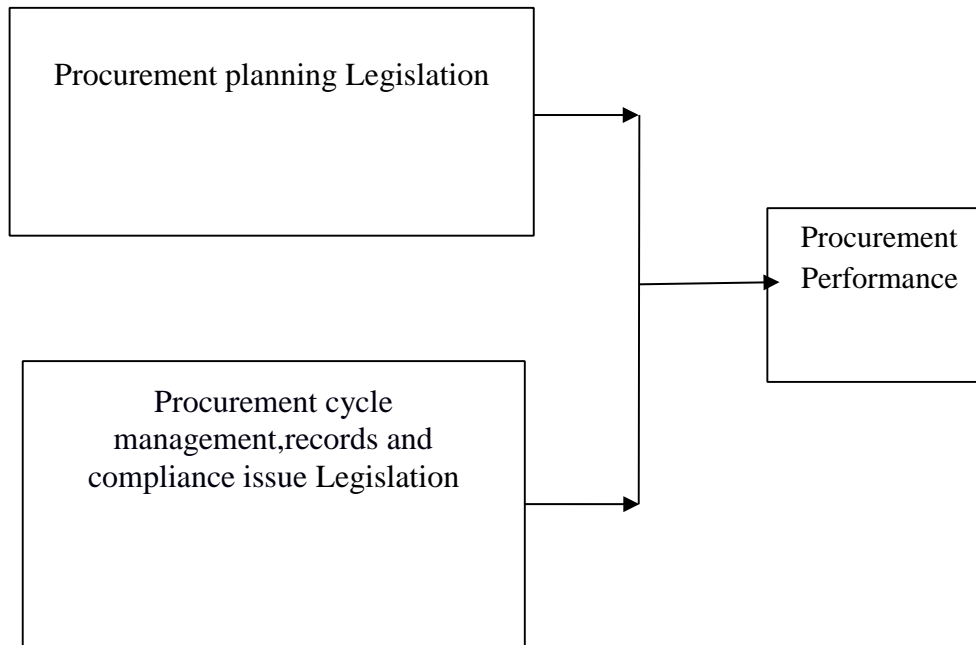
According to Kim, Chan and Yoon (2003), the traditional performance system inhibits the improvement of critical dimensions such as quality, flexibility and delivery. For a performance measurement system to be regarded as a useful management process it should act as a mechanism that enables assessment to be made, provides useful information and detects problems, allows judgment against certain pre-determined criteria to be performed and more importantly, the systems should be reviewed and updated as an ongoing process.

According to Math (2013) different tools measure different projects and people. To use a broad example, you cannot judge the progress of a marketing campaign based on the number of employee injuries any more than you can judge the cost effectiveness of a copy machine based on quarterly sales, many businesses make the mistake of using the same metrics and goals to measure all company management. This is a mistake because different areas of the business may have different strategic goals and must be measured accordingly. Therefore, it is essential to develop individual measurement tools for each area of performance measurement.

Comptroller (2001) noted that monitoring is an organization's own oversight of the control systems performance and therefore monitoring should be on going and part of the normal course of daily operations and activities. Internal and external audits, as part of monitoring systems, may provide independent assessment of the quality and effectiveness of a control system's design and performance.

In a developed or developing country, public procurement practitioners have and will always face many challenges. Each country has its own economic, social, cultural and political environment,

2.3 Conceptual Framework



and each country's public procurement practitioners face different types of challenges, or the same types of challenges but at different levels from their counterparts in other countries. Corruption is disastrous to the sound functioning of any government department. Corruption has been an intractable problem in many developing countries; especially where it has become systematic to the point, where many in government have a stake. It diverts decision-making and the provision of services from those, who need them to those, who can afford them (Schapper and Paul, 2006).

Figure 1: Conceptual framework

3.0 RESEARCH METHODOLOGY

The study employed descriptive survey design. The population of the study would be all 290 constituencies and a census would be conducted in the study. The study used primary data which was collected through use of a questionnaire. The data collected was analyzed using descriptive statistics inferential statistics. A multivariate regression model that was used to link the independent variables to the dependent variable was as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \mu$$

Where; Y = Procurement performance

X₁ = Procurement Planning Legislation

X₂ = Procurement Cycle Management Legislation, Procurement Records Legislation and Procurement Compliance Issues Legislation

4.0 RESULTS AND DISCUSSIONS

4.1 Response Rate

A successful response rate of 52 % (150 respondents out of possible 290) was obtained. The high response rate was achieved because of the follow up calls that were made in an effort to enhance the successful response rate. This represents a response rate of 52%. According to Borg, Gall and Gall (2004) and Creswell (2009) a response rate of 50% is adequate for a survey study. Arising from this recommendation from renowned research scholar, it can therefore be concluded that 52% responses rate is adequate for this current study. The response rate is presented on Table 1. **Table 1 Response Rate**

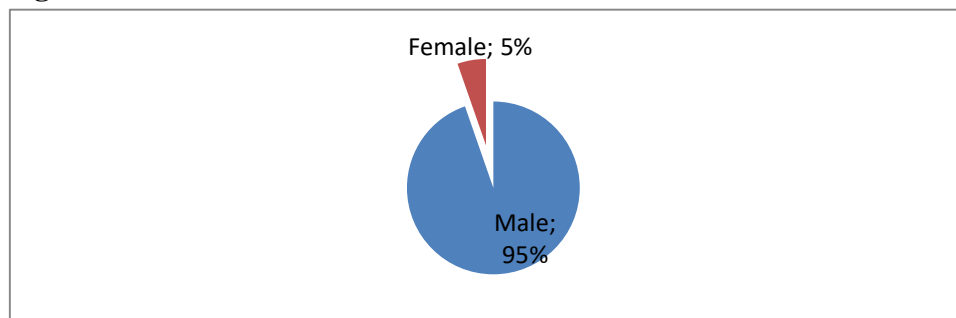
	Response	% Response
Successful	150	52%
Unsuccessful	140	48%
Total	290	100%

4.2 Demographic Characteristics

4.2.1 Gender

The study attempted to establish the gender composition of the respondents in the CDF. Results in figure 2 revealed that majority (95%) were male while (5%) of the respondents were female. The findings indicate that the gender compositions of respondents in this sector were more skewed to males.

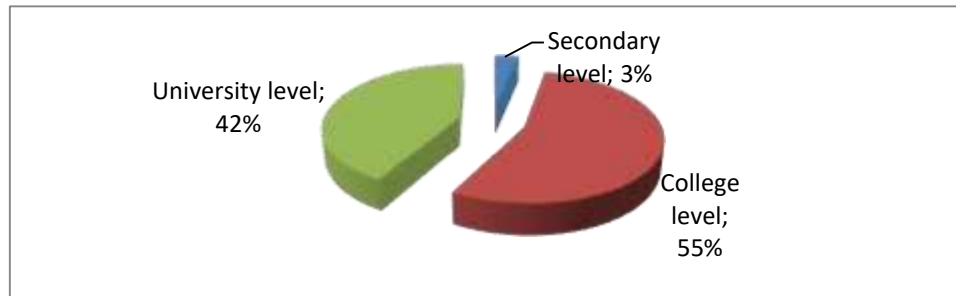
Figure 2: Gender



4.2.2 Level of Education

Majority (55%) of the respondents had attained college level education and another (42%) who had university level education. This implied that most people running the CDFs were educated.

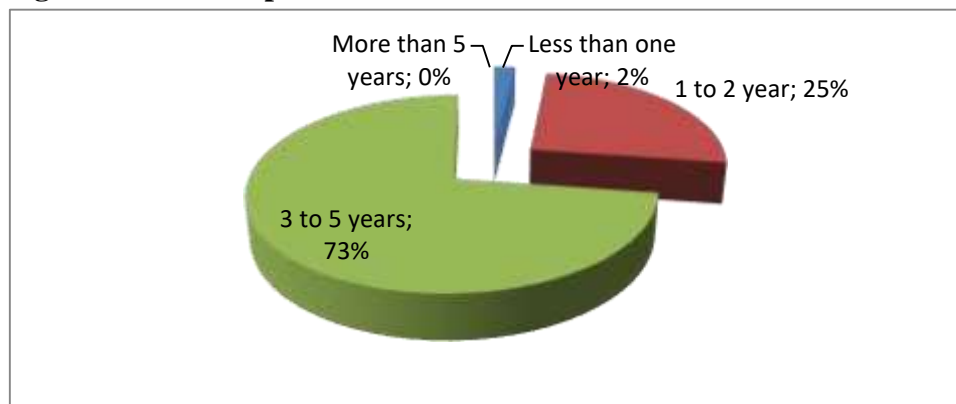
Figure 3: Level of Education



4.2.3 Work Experience

Figure 4 shows that 73% of the respondents had worked in this sector for a period of between 3 to 5 years followed by 25% who had worked for a period of 1 to 2 years. There were 2% respondents who had worked for less than one year. This implies that the respondents were more experienced and knowledgeable to the questionnaires

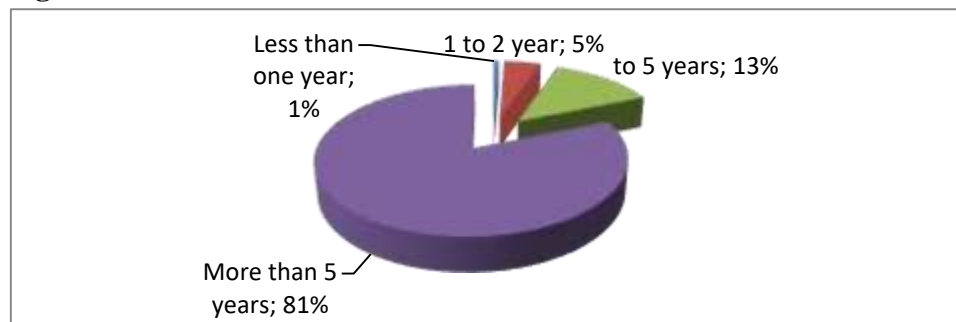
Figure 4: Work Experience



4.3.4 CDF Commencement

Figure 5 show that majority 81% of the respondents indicated that the CDFs have been running project for more than 5 years another 13% indicated to 5 years while another 5 % indicated 1 to 2 years and the least 1 % indicated less than one year. This indicates that the CDF project has been a running project.

Figure5: CDF Commencement



4.3 Descriptive statistics

4.3.1 Procurement Performance Measurement

Eighty point seven percent (80.7%) of the study participants said that the CDF procurement systems were not effective at detecting fraud and enhancing transparency while 78% felt that the CDF procurement systems had not brought about economy. The respondents who amounted to 76 % disagreed that the CDF procurement systems had brought about efficiency. Sixty six point seven (66.7%) percent disagreed that the CDF had appropriate and sufficient internal controls in place.

Table 2 Procurement Performance Measurement

Statement	Disagree Strongly	Disagree Neutral	Agree ly	Strong Mean	Std Agree		
The CDF procurement systems are effective at detecting fraud and enhancing transparency	80.70%	14.00%	2.70%	2.70%	0.00%	1.27	0.64
The CDF procurement systems have brought about economy	78.00 %	18.00%	1.30%	2.00%	0.70%	1.29	0.66
	22.00 %	76.00%	0.00%	0.00%	2.00%	1.84	0.61
The CDF procurement systems have brought about efficiency The CDF has appropriate and sufficient internal controls in place	31.30%	66.70%	0.00%	0.00%	2.00%	1.75	0.66
Average	53.0%	43.7%	1.0%	1.2%	1.2%	1.54	0.64

The findings agree with those of Math (2013) who asserted that different tools measure different projects and people. To use a broad example, you cannot judge the progress of a marketing campaign based on the number of employee injuries any more than you can judge the cost

effectiveness of a copy machine based on quarterly sales, many businesses make the mistake of using the same metrics and goals to measure all company management. This is a mistake because different areas of the business may have different strategic goals and must be measured accordingly. Therefore, it is essential to develop individual measurement tools for each area of performance measurement.

4.3.2 Procurement Planning Legislation

The study also sought to establish the extent to which Procurement Legislation affects on procurement performance. Results on Table 3 show that 86% disagreed and 9.3% strongly disagreed bringing a total of (95.3%) of those who disagreed that the regulations concerning tendering process for CDF projects was inadequate. 62% also observed that the regulation on tender evaluation and award criteria for CDF projects was inadequate.

Table 3 Procurement Planning Legislation

<u>Statement</u>	<u>Strongly Disagree</u>	<u>Disagree</u>	<u>Neutral</u>	<u>Agree</u>	<u>Strongly Agree</u>	<u>Mean</u>	<u>Std</u>
The regulations concerning tendering process for CDF projects is inadequate	9.30%	86.00%	0.00%	2.70%	2.00%	2.02	0.62
The regulations on tender evaluation and award criteria for CDF projects is inadequate	38.00 %	62.00%	0.00%	0.00%	0.00%	1.62	0.49
The regulation on submission, receipt and opening of tenders for CDF projects is inadequate	12.70 %	85.30%	0.00%	1.30%	0.70%	1.92	0.48
The regulation concerning the complaints system structure for CDF projects is inadequate	27.30 %	66.00%	0.00%	3.30%	3.30%	1.89	0.84
The regulation on							

communication of awards for CDF projects is inadequate	24.00%	70.70%	0.00%	1.30%	4.00%	1.91	0.81
The regulation on monitoring and evaluation for CDF projects is inadequate	9.30%	86.70%	0.00%	2.70%	1.30%	2	0.57
Average	20.1%	76.1%	0.0%	1.9%	1.9%	1.89	0.64

Another 85.3% disagreed that the regulation on submission, receipt and opening of tenders for CDF projects was inadequate. 66% disagreed with the statement that the regulation concerning the complaints system structure for CDF projects was inadequate. A majority 70.7% disagreed with the statement that the regulation on communication of awards for CDF projects was inadequate while another 86.7% felt that the regulation on monitoring and evaluation for CDF projects was inadequate. This was supported by a mean score of 1.89 and standard deviation of 0.64. This implies that the legislation was poorly implemented hence affecting the procurement performance. The findings agree with those of Thai (2004) who explained that, as many countries have moved to a regional and or global economy, Public procurement practitioners face another challenge that is, how to comply with their government's procurement regulations and social and economic procurement goals without violating regional and/or international trade agreements. For example, how to comply with national economic policies (in nurturing domestic firms), without dealing unfairly with foreign firms as provided in regional trade agreements and/or the World Trade Organization (WTO) agreements is not easy, which requires a careful study of trade agreements in order to take advantages of special provisions.

4.3.3 Procurement Management cycle, Record management and Compliance issues

Table 4 presents results of responses that addressed the second objective of the study.

Table 4 Procurement management cycle, record management and compliance issues

Statement	No	Yes	Mean	Std	Rank
Tender committee has been established	6.70%	93.30%	0.93	0.25	1
Tender committee consists not less than five members	46.00 %	54.00%	0.54	0.5	2
Tender Committee has at least a one member who is a procurement professional	61.30%	38.70%	0.39	0.49	3
Tender committee is at least trained Once on procurement Legislation	68.00 %	32.00%	0.32	0.47	5

Procurement work plans are always done and approved	66.00 %	34.00%	0.34	0.48	4
Procurement plans are strictly adhered to	81.30%	18.70%	0.19	0.39	7
There is adequate Institutional Structures and Capacity	80.00 %	20.00%	0.2	0.4	6
The committee has an accounting officer	81.30%	18.70%	0.19	0.39	8
Average	61.33%	38.68%	38.75%	42.13%	

Results indicate that 93.3% of the respondents agreed that tender committee had been established. Fifty four percent (54%) agreed that the tender committee consisted not less than five members, 61.3 % disagreed that tender Committee had at least one member who was a procurement professional. 68% felt that tender committee was at least trained once on procurement Legislation, 66% disagreed that procurement work plans were always done and approved while eighty one point three (81.3%) disagreed with the statement that procurement plans were strictly adhered to. Eighty percent (80%) disagreed that the There was adequate Institutional Structures and Capacity, 81.3 % disagreed that the committee had an accounting officer. The findings show that most of the respondents disagreed with most of the statements as support by a mean score of 0.39 and standard deviation of 0.42.

The findings are consistent with those of Comptroller (2001) who noted that monitoring is an organization's own oversight of the control systems performance and therefore monitoring should be on going and part of the normal course of daily operations and activities. Internal and external audits, as part of monitoring systems, may provide independent assessment of the quality and effectiveness of a control system's design and performance.

The means of the Procurement management cycle, record management and compliance issues were ranked in order to establish their order of importance. The results indicate that the most important procurement management are Tender committee had been established, followed by Tender committee consisted not less than five members, Tender Committee had at least a one member who was a procurement professional, Tender committee was at least trained Once on procurement Legislation, Procurement work plans were always done and approved, There was adequate Institutional Structures and Capacity, Procurement plans were strictly adhered to. The committee had an accounting officer was least ranked.

4.4 Regression Analysis

Table 5 displays the regression output of the predictor variables. Results indicate that regulation and procurement management are statistically significant factors in influencing procurement performance measurement. The beta coefficient indicates the direction and degree of influence of the predictor variable on the dependent variable. For example, a beta coefficient of 0.105 of legislation means that a unit change in legislation causes or leads to a 0.105 positive unit change in procurement performance measurement. Based on the regression results, the substituted model is as follows.

$$Y = 1.601 + 0.105X_1 + 0.349X_2 + \mu$$

Table 5: Regression Coefficients

Variable	Beta	Std. Error	t	Sig.
Constant	1.601	0.128	8.984	0.000
Legislation (X ₁)	0.105	0.029	11.93182	0.000
Procurement management cycle, record management and compliance issues Legislation (X ₂)	0.349	0.044	2.637	0.009

Table 6 shows the results for testing the robustness of the regression model. The results indicate that the regression model best fits in explaining procurement performance measurement. This is supported by positive correlation of 0.779 and a coefficient of determination (R Square) of 60.6%. This means that the predictor variables of the study can explain at least 60.6 % of the variation in procurement performance measurement. The standard error of estimate (0.29129) is negligible which shows that the sample is a close representative of the study population.

Table 6: Regression Model Fitness

Indicator	Coefficient
R	0.779
R Square	0.606
Std. Error of the Estimate	0.29129

Table 7 below shows the results on analysis of variance which indicate that the combined effect of the predictor variables is significant in explaining procurement performance measurement with an F statistic of 4.254 and a p value of 1.6%

Table 7: Analysis of Variance (ANOVA)

Indicator	Sum of Squares	df	Mean Square	F	Sig. (p value)
Regression	1.626 2	0.813	4.254	0.016	
Residual	28.091 147	0.191			
Total	29.717 149				

5.0 DISCUSSION CONCLUSIONS AND RECOMMENDATIONS

5.1 Findings

The first objective was to establish the extent to which Procurement Legislation affects procurement performance. Majority of the respondents disagreed with the statements and this was supported by an overall response mean of 1.89 and a standard deviation of 0.64 which means more respondents were disagreeing with the statements.

The second objective was to establish the extent to which Procurement management cycle management, record management and compliance issues affects procurement performance. The findings show that most of the respondents disagreed with most of the statements as support by a mean score of 0.39 and standard deviation of 0.42.

Effects of Procurement Legislation on procurement performance were found to be statistically significant. Data analysis revealed that Procurement Legislation was important in explaining procurement performance. This is supported by a p value of 0.000 and a beta coefficient of 0.105 which means that Legislation is a statistically significant predictor of procurement performance.

Effects of Procurement management cycle, record management and compliance issues on procurement performance were found to be statistically significant. Data analysis revealed that Procurement management was important in explaining procurement performance. This is supported by a p value of 0.009 and a beta coefficient of 0.349 which means that Procurement management is a statistically significant predictor of procurement performance.

5.2 Conclusions

Based on the findings of the study, the following conclusions are arrived at. Legislation is a key determinant of procurement performance. The legal framework is not reinforced and hence the poor procurement performance. The CDFs has a challenge in complying with the government regulation.

Based on findings it is also possible to conclude that Procurement management has an effect on procurement performance. To meet the goals there is need to take strategic measures this includes competency, training and high level of leadership. Therefore, it can be concluded that the CDFs are lacking the strategic measures hence the poor performance.

5.3 Recommendations

The study recommends that a summarized regulatory framework for CDF procurement management be prepared by policy makers. Through legislation, the government should enact comprehensive laws to regulate procurement functions and outline clear policy and procedures to be followed by procurement entities as this will enhance accountability and transparency. The study recommends that the government should employ professional auditors to undertake public procurement audit and facilitate their continuous training to ensure they are well equipped with necessary technical skills. These will ensure effectiveness of public procurement audit. The study also recommends that more public auditors be trained on public procurement audit and the CDF managers be exposed to audit as a positive management tool.

The study also recommends that the constituencies development committee members especially the CDF tender subcommittee should be well trained on procurement legislation affecting the procurement performance.

The study also recommends that the CDF board should employ procurement specialist in every constituency so as to improve the procurement performance to ensure legal compliance and necessary reporting to public procurement oversight authority (PPOA).

5.4 Suggestions for Further Studies

This study was not exhaustive by any means and therefore it is recommended that another study be conducted in public procurement sector and focus on variables like procurement performance measurement. The same study can be conducted in another sector to test whether the findings of this study will hold true in a different context.

REFERENCES

- Achuora, J., Arasa, R., & Ochriri, G. (2005). Precursors to effectiveness of public procurement, *European Scientific Journal* November edition vol. 8, No.25
- Arrow, Kenneth J. (1985), 'The Potentials and Limits of the Market in Resource Allocation', in Feiwel, G.R. (ed.), *Issues in Contemporary Microeconomics and Welfare*, London, The Macmillan Press, 107-124.
- Basheka, B. C. (2008). Procurement planning and accountability of local government procurement systems in Developing countries: Evidence from Uganda, *Journal of Public Procurement*, Vol.8, No. 3, pp. 379-406
- PPOA, (2010). *The Kenya Procurement Journal*, Issue No. 5, March , 2010
- Bhatt (2000). Supplier involvement in integrated product development', *International Journal of Physical Distribution and Logistics Management*, Vol. 24, No. 5, pp.4
- Borg, D., & Gall, R. (2007). *Educational research: An introduction*. Boston: Pearson Education.
- Froystad. M (2010). The dissemination of information amongst supply chain partners: A New Zealand wine industry perspective. *Supply Chain Forum: Int. J.*, 11(1): 56-63
- Manasseh, P.N. (2007). *A text Book of Principles of Auditing*. Nairobi: McMore Accounting Books.
- OECD (2010). *The impact of institutional investors on OECD financial markets*, Financial Market trends, 68
- Ongoya, Z.E. & Lumalla, E. (2005). *A critical appraisal of Constituency Development Fund Act*. Concept paper by Ongoya, Z.E. & Lumalla, E. November 2005, Nairobi.
- Pejovich, Svetozar (1979), *Fundamentals of Economics: a Property Rights Approach*, Dallas, Fisher Institute
- PPOA. (2007). *Assessment of the Procurement System in Kenya Report*. A report by Public Procurement Oversight Authority, Nairobi.
- Schapper, Paul R (2006). An Analytical Framework for the Management and Reform of Public Procurement. *Journal of Public Procurement* - Vol. 6 Nbr. 1/2. Pr Academics Press.
- Thai K.V (2010). Towards New Horizons in Public Procurement. *Towards New Horizons in Public Procurement Pr Academics Press*.