

**THE CAUSES OF NON-COMPLIANCE TO PFMA PAYMENT CYCLE IN THE
NORTH WEST DEPARTMENT OF CULTURE, ARTS AND TRADITIONAL AFFAIRS**

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ABSTRACT

The purpose of this study is to identify the causes of non-compliance with the PFMA payment cycles in the North West Department of Culture, Arts and Traditional Affairs (CATA) head office in Mafikeng. This study stems from the perennial failure by the CATA Department to pay its creditors within a period of 30 days as prescribed by the PFMA.

The study adopted a quantitative research method. A questionnaire with close ended questions was distributed to selected employees at the head office of the Department of Culture, Arts and Traditional Affairs in Mafikeng. Convenience sampling was used to select the respondents. The data was analysed using the latest SPSS software package. The findings reveal that the department does not always comply with the supply chain management principles as well as general policies guiding the management of public institutions that are prescribed by the PFMA. The officials within the SCM and Payment Unit should conduct a Risk Assessment and identify the risks associated with non-compliance to Payment of Suppliers within 30 days as stipulated in the PFMA and Treasury Regulations and other Financial Circulars.

Key Words: Public Finance Management Act, Supply Chain Management

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LIST OF ACRONYMS

AFS: Audited Financial Statement

BAS: Basic accounting system

CATA: Culture Art and Traditional Affairs

PFMA: Public Finance Management Act

PPPFA: Preferential Procurement Policy Framework Act

NT: National Treasury

SMMEs` : Small, medium, Macro enterprise

CIDB: Construction Industry Development Board

CESA: Consulting Engineers South Africa

SCM: Supply Chain Management

RDP: Reconstruction and Development Programme

CFOs: Chief Financial Officers

MDG: Millennium Development Goal

EU: European Union

CPI: Corruption Perception Index

PO: Purchase order

CHAPTER ONE

1. Introduction

The purpose of this study is to identify the causes of non-compliance with the PFMA payment cycles in the North West Department of Culture, Arts and Traditional Affairs (CATA). This stems from an observation that a lot of creditors have remained unpaid beyond the prescribed 30 day payment period prescribed by the PFMA. According to the Auditor General Reports, the Department of Culture, Arts and Traditional Affairs, Mafikeng, did not receive a clean audit report for the financial years (2011/2012, 2013/2014, 2015/2016) because the department had not complied with the 30 day creditors' payment period prescribed by the PFMA. This damning report suggests that the financial system of the Department of Culture, Arts and Traditional Affairs is not operating efficiently and effectively in the manner prescribed by the PFMA.

The South African Government is committed to paying suppliers within 30 days where public procurement reforms are essential in managing government assets with more emphasis being placed on reducing dishonesty in the public procurement and payment system (Amber & Badenhorst-Weiss, 2012:). The government spends large sums of money in procuring goods and services in order to meet the needs of the communities it serves (Van der Waldt, Van Niekerk, Doyle, Knip & Du Toit, 2001:28). During the 2014 to 2015 financial year, the total consolidated general provincial government procurement and payment expenditure was estimated at R32 billion. The expenditure was equal to 31% of the Provincial government budget and gross domestic product. Consequently, the government realised that an operative and competent procurement technique would allow management to demonstrate the expected excellence in delivering services to the public (Van der Waldt, Van Niekerk, Doyle, Knip & Du Toit, 2001:28).

The first South African democratically elected government introduced and executed financial management reforms in 1998. The national cabinet agreed that procurement in Government should be used as a tool to give effect to principal aims of Government, including proper financial management. Procurement improvements were directed through Government decentralising and delegating specialists for procurement to executive public institutions. These improvements focused on the endorsement of the

principles of upright authority and the outline of preferences techniques aimed at attaining particular cost effective objectives.

The PFMA Act No1 of 1999 (as amended by Act No 29 of 1999) sought to create an environment of prompt payment and thereby discourage the negatively perceived government practice of late payment. It is mandatory that Government departments should ensure payment of invoices within 30 days of delivery of statement [PPPFA]. Verification or approval of goods and services should not exceed the 30 day period. It is only possible for a verification procedure to exceed 30 days provided that the aforementioned was agreed upon by both parties and it should not be totally unfair to the contractor (PPPFA No 5 of 2000). In spite of the above act having been adopted by government departments, the Department of CATA, North West, has not paid all its creditors within the stipulated time-frame. This study therefore sets out to identify and interrogate the causes for the non- payment of creditors within the stipulated time line in the PFMA.

1.1.1 The Department of Culture Art and Traditional Affairs

The mission of the North West Department of CATA is to make, endorse and grow arts and culture for public improvement and upgrading, make the most of access, improve the image and impact of the department by demonstrating brilliance at all stages of CATA contribution. The Department's planned objectives are to "accelerate transformation and inclusivity in arts, culture, library and archive programmes; empower communities with sustainable arts, culture, library and archive programmes"(CATA 2014).

In an effort to reach this Departmental vision, the following measurable objectives are pursued and aligned to the legislative mandate of the Department:

- Coordinate and support the national strategic programmes by developing and reviewing policy and legislation and developing systems for monitoring and evaluation.
- Increase and facilitate access to and broader participation in arts and culture through policy formulation, legislation and equitable funding.

- Develop, promote and protect the 11 official languages through policy formulation, legislation and the implementation of the Language Policy in order to allow South Africans to realise their language rights.
- Increase the access and participation of grassroots arts practitioners in cultural industries, economic activities through training, legislation and international opportunities.
- Safeguard the change of the traditional background as an automobile aimed at nation-building and community unity, finishing the application of legacy strategies and regulation.
- Enable transparency and evidenced-based good governance of archives, records, published information and the heraldic and symbolic inheritance of the nation through institutional management, regulation and development” (CATA: AFS 2014).

These are the overall legislative mandates that rule the establishment and operations of the Department of CATA. The Departmental programmes derive mandates from Act No. 108 of 1996, Schedule 4 Part A and Section 6 of the Constitution. This is also enhanced by Chapter 2 of the Constitution and other chapters aligned directly and indirectly to the CATA departmental mandate.

The National Treasury (NT), which agrees with Section 76(4) (g) of the PFMA of 1999, may disseminate instructions to establishments in which the PFMA relates in order to carry out the application of the PFMA and the regulations broadcast under the PFMA. In accordance with the section of the PFMA as NT PPP Practice Note Number 01 of 2004, the setting is delivered and it applies to the Department of CATA, constitutional institutions, public entities registered and listed in Schedules 3A, 3B, 3C and 3D of the PFMA and companies of such public entities.

The PFMA, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999), after the Constitution, acts as one of the most significant pieces of legislation which was delivered by the first democratic government in South Africa. This Act encourages the respectable financial management outcomes with the objective of maximising service delivery through the well-organised use of the limited resources of Department of CATA. The Act, which was established and became operational from 1st April 2000, highlights Sections 213 and 215 until 219 of the Constitution of the Republic of South Africa, 1996

(Act No. 108 of 1996) for the National and Provincial scope of the Government. National legislation introduced uniform Treasury norms and standards, prescribed measures that ensure transparency and expenditure control in all spheres of Government. This includes setting the operational procedures for borrowing, guarantees, procurement and oversight above the numerous National and Provincial Revenue Funds.

The PFMA, 1999 (Act No. 1 of 1999) is connected with the PFMA (Amendment Act No. 29 of 1999). Independently, these two acts are not effective – the original amalgamated bill is to be divided into two bills due to technical challenges and this is set to be followed with the Constitution which regulates various events for the passing of bills through Parliament. The first Bill (now Act No. 1 of 1999) applies to only the national sphere which was passed as a Section 75 bill and is drawn in that section of the Constitution. In order to protect the numbering system for the amalgamated Act, missing numbering that was in the original submission was identified and this resulted in all resources allocated to provinces being removed. A subsequent Bill (now Act No. 29 of 1999) which has been amended to Act No. 1 of 1999 was adapted to integrated provinces - this Bill was to be allowed through if the terms of Section 76(1) procedures in Parliament were met, as stated in the Constitution(PFMA), 1999 (Act No. 1 of 1999).

National Treasury ensures that all provincial treasuries work in tandem with the precepts of the national prescripts. Alongside the implemented PFMA, a specification is drawn up to ensure that all key aspects are brought up and discussed accordingly, including the monitored process of phased execution to ensure success. To retract the National State Tender Board Act, a provision has been built into the PFMA amendment bill. Having done so allows the focus implementation to proceed.

Additionally, the State Tender Board Regulations have been modified through a declaration in the Government Gazette. This allows the Accounting Officers of National departments to acquire goods and facilities through the State Tender Board (up until the State Tender Board Act has been rescinded) or, instead, in standings of the PFMA. The National Treasury allows a restricted figure of Practice Notes in associations of the Framework in order to monitor consistency in practices and actions in the different scope of government whilst Provincial Treasuries are mandated to utilize these Practice

Notes as a guiding principle for more thorough execution of SCM functions (PPPFA No 5 of 2000).

Provincial Treasuries are obligated to reconstruct the existing Procurement and Provisioning Sections in order to allow dealings with concerns listed below in the execution of the errands of the National SCM Office. The ethics set by Provincial Treasuries are meant to be balanced with those established by the National SCM Office. However, the national objectives are not to be put at risk but they should be published consistent with the practice notes that address significant SCM topics which include: routine conditions, procurement documentation, targeted procedures and truthfulness of the management repeal of all provincial Tender Board Legislation by their corresponding legislatures to allow for introductory implementation stages. Additional intervention may result in introducing depreciation rates which are related to the numerous classes of assets, including civic construction and roads. This could be combined into an integrated budgetary planning procedure (SCM Guide 2005:5 National Treasury).

1.2 Background to the research problem

Section 38 of the PFMA (a) (i) 1999 states that "an accounting officer must maintain effective, efficient and transparent financial risk management and internal control." Section 38(f) of the PFMA states that "the accounting officer must settle all contractual obligations and pay all money owing, including intergovernmental claims within the prescribed or agreed period. Unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgment"(Treasury Regulation 2014).

The Department of CATA processes are governed by the Constitution, Act no 108 of 1996. Supply Chain Management (SCM) is also one of the conversion procedures that are highlighted by the Constitution in Section 217. The Constitution states and emphasizes that, whenever any building of government, whether it is in the national, provincial or local sphere of government or any other institution identified in national legislation, contracts for bids or services must be sourced in accordance with a system which is fair, equitable, transparent, competitive and cost effective (The Constitution of the Republic of South Africa, Act no 108 of 1996 S 217(1)).

Many SMMEs face the problem of a national and provincial government failing to pay for services rendered in time. This information is received through SMMEs calling the CATA Department, North West, to enquire about non-payment long after the 30 day contractual period has elapsed. Furthermore, in his Budget Speech of (2014; 26 Feb), Minister Pravin Gordon stated that he would see to it that this problem faced by service providers (SMMEs) is investigated and resolved to ensure that payments are made to service providers within the stipulated time-frames by the PFMA (Budget speech, 2014)

It is important for the Department of CATA to conduct a sensitive and timeous assessment of SCM Performance and payment processing with the aim of reviewing, implementing and speeding up payment within the indicated time-frame by monitoring the effectiveness of internal controls and also in closing any gaps and loopholes in the process. Such measures would contribute to enhancing the Department's efficacy through reduced delivery time and speeding up payment to suppliers by the SCM Payment Section (Ulga 2008, 21; Varadarajan 2009, 89).

According to the Haidar, Dbouk, Jaber and Osman (2014), experts recognise the significance of the connections between financial and inventory decisions in the development of cost effective supply chains. Furthermore, financial and inventory obligations amongst the actors in the supply chain have cumulatively inspired this research. This study reflects three-levels of supply chain, principally made up of a capital-constrained supplier, a dealer, and a financial intermediary (bank), who are in this triad supposed to prudently organise their actions and choices so as to diminish the total supply chain costs.

Chari and Chiriseri (2014) also note that traditionally, the process of procurement was concerned with obtaining quotations (RFQ) from two or three potential suppliers. On getting the quotes, the choice of a contractor was generally based on the lowest quote cost. The procurement process is now being viewed by many governments departments as an activity of strategic standing.

In the creative industry, the effects of non-payment and late payment by employers or suppliers and consultants are well known to all. Developed countries have revealed in numerous linked studies problems in the creative industry that are connected to expense concerns. Examples include the Latham Report (Latham 1994) and the Egan Report (Egan 1998). These two reports were written in response to issues that were

raised as a result of late or non-payment in the construction industry in the United Kingdom (UK). Late and non-payment created difficulties which have required countries like the Australia, UK, New Zealand and Singapore to authorise their construction-specific constitutional payment safety government. These authorisations purposely recommend suppliers to address the subject of early payment in the construction industry in order to remove slow payment practices and to advance the service provider's cash flow.

1.3. Research problem

As stated in the Public Finance Act, 1999, Section 38(1) (f), "the accounting officer is obliged to resolve every contractual responsibility and pay all money owing, including inter-governmental claims, within the agreed period." All payments due to service providers must be settled within a 30 day period from date of invoice (Treasury Regulation 8.2.3).

The Department of CATA, North West, is faced with a high rate of unpaid suppliers within the stipulated 30 days and this has a negative impact on organisational effectiveness. This means that the department of CATA is not complying with the prescriptions of the PFMA. Therefore, in light of the aforementioned, the problem investigated in this study is specifically to identify the problem of payment delays of servicers and non-compliance with the prescription of the PFMA with regard to debt/creditors payment by the North West Provincial Department of CATA (PFMA 1999 - Act No. 1 of 1999).

1.4. Main Research question

Main research question

What are the causes of non-compliance in the Department of CATA, North West, with the prescriptions of the PFMA with respect to creditor's payment?

Sub-questions

- 1 Is the Department complying with the prescriptions of the PFMA on Supply Chain Management (SCM)?

- 2 Do Accountants understand Supply Chain Management and Payment Section procedures?
- 3 What are the employees' perceptions at the Department of CATA with regard to Supply Chain Management and Payment Section objectives?
- 4 What Supply Chain and Payment Section processes should be prioritized?
- 5 What recommendations could be made to the Department of CATA in order to optimize its management tools?

1.4.1 Objectives of research

Main research objective

The main research objective of this study is to:

Determine the causes of non-compliance with the prescripts of the PFMA on debtors and creditors payment of the Department of CATA.

Sub-objectives

In order to achieve this main objective, several sub-objectives have to be met, and these include the quest to

Establish the challenges of non-compliance by Department of CATA with respect to the prescriptions of the PFMA.

Establish if Accountants understand SCM and Payment Section procedures.

Determine the employees' perceptions at Department of CATA with regard to SCM and Payment Section objectives.

Determine the Department of CATA SCM and Payment Section processes that should be prioritized.

Establish the recommendations that could be made to the Department of CATA in order to optimize its management tools.

1.5. Significance of the study

This study is important in that it envisages improving the efficiency of the creditor payment system of government departments. Furthermore, it benefits creditors in that they are envisaged to get payment on time. These suppliers are small, medium business enterprises which depend on the payment on time. Paying within the 30 day stipulated period ensures that clients benefit in terms of cash inflow into the business. Currently in South Africa SMMEs do not survive beyond three years because of cash flow problems. This study anticipates benefiting other government department as well as other provinces that face similar challenges of non-compliance and ultimately the findings cumulatively benefit the country at large.

1.6 Chapter Outline

The thesis is divided into five chapters outlined as follows:

CHAPTER 1 : INTRODUCTION

This chapter introduces the study.

CHAPTER 2 : LITERATURE REVIEW

This chapter reviews literature that is recent and relevant to financial prudence and constitutionally mandated actions related to public enterprise business with SMSEs. The literature selected gives the background of Supply Chain Management (SCM) and payment practices. The study identifies existing gaps in SCM and Payment in the Department of CATA.

CHAPTER 3 : RESEARCH METHODOLOGY

This chapter discusses the research methods and techniques used in the thesis and outline how the research methodology has been handled. This refers to target group, sampling and the rigorous application of selected research techniques.

CHAPTER 4: DATA ANALYSIS AND INTERPRETATION

This chapter reports on the findings.

CHAPTER 5 : DISCUSSION, RECOMMENDATIONS AND CONCLUSIONS

This chapter concludes the study by way of discussing the findings and showing connections to the literature reviewed. The recommendations and conclusions are based on this empirical investigation.

CHAPTER TWO

2.1 INTRODUCTION

This chapter discusses the role of the PFMA in public sector financial management. It outlines the role of supply chain management practices in improving government efficiency. It is divided into two main areas, namely SCM in general, and Payment Section (expenditure) in the public sector.

2.1.1 Public Sector Financial Management

Financial management, in the public sector, emphasizes using unusually specific controls on safe-guarding public amounts and assets, including stewardship for huge sums aimed at fulfilling the public obligations and development purposes of Government (Burger, 2008:28). Sound Financial Management methods are a fundamental portion of the entire process of an organisation.

With respect to the Constitution of the Republic of South Africa, Act 108 of 1996 (South Africa, 1996), national departments are mandated with the efficient delivery of the mandate of Government. The PFMA (South Africa, 1999) apparently follows sections 213 and 215 up to 219 of the Constitution; helping the national and provincial Governments to administer allocations within the public regulations. The introduction of appropriate financial management practices such as financial management systems, appropriations control and accountability arrangements for the budgets provides the main focus of financial management of the Act..

According to Abedian and Biggs (as cited in McThomas, 2003:43), sound financial management either in the unrestricted or remote sector, is regionalized in well-timed, well-organised, operational and sensible achievement of intentions by managers. The idea introduced as a result of a collective SCM system and Payment section for government is well-thought out by the National Treasury. It is aimed at the development of financial management in the wider public sector (National Treasury, 2004:17).

Public institutions spend almost 40% of their annual budget on financing operational activities and fixed assets. Prudent public government practices and sound public financial management are crucial for public institutions to render services to the society. The application of SCM practices enhances sound public financial management and effective, efficient and transparent public service. The relationship amongst management, public administration, Public Financial Management and SCM is highlighted in the subsequent segment (PFMA Act No1 of 1999, as amended by Act No 29 of 1999).

According to Oguonu (2007), due process and procurement improvements create a more transparent, well-organized operational procurement system to all the bidders of public sector contracts. This results in growth in the Government revenue base as a result of reducing bureaucracy and red-tape in expenditures and outflows within budget due to the efficient management of government resources. Ekpenkhio, (2003) endorsed that to completely exploit the benefits of procurement improvements, it is essential to advance different units of specialized procurement to officers in the public service for the enactment of procurement improvements. He also contends that it would be important to create a suitable arrangement of amenities to be accepted by all the levels of the public sector for contracting and procurement duties. It is also essential to rearrange offices to generate units of procurement officers and contracting officers in the community service for implementation of the procurement reforms. There is similarly the need to develop an agreement between the three levels of Government to validate the level application of the procurement improvements by a law which is compulsory for all the tiers of Government (Ekpenkhio, 2003).

According to Williams-Elegbe (2014), most countries in sub-Saharan Africa have experienced some form of public procurement reform in the last two decades. This transformation usually takes the procedure of new procurement regulation, which is usually founded on the UNCITRAL perfect rule as well as the foundation of new organisations or the consolidation of current ones. In addition, procurement reform may be attended by structural changes that have to be absorbed professionalization of the Procurement Unit and the implementation of a corrective system where there are obstacles within the procurement regulations (SCM Guide 2005). Regardless of the general efforts directed at procurement reform, in some countries, the transformed system does not always yield the desired results in terms of more efficient, transparent

and effective procurement. This inquiry studies some of the issues that challenge public procurement reform in Africa, using South Africa and Nigeria as case lessons and concludes that procurement reform in the 21st century needs to be considered from a more holistic perspective. This is if it is to deliver an acceptable, modern and well-functioning procurement system, improve public sector governance and accountability and aid socio-economic development through practical public spending (Taylor, 2007).

2.1.2 SUPPLY CHAIN MANAGEMENT PRACTICES

Although the difficulties may be vast, supply chains occur within both the private and government sectors. Public office purchasing in particular has definite and open bidding contracts that facilitate most of the buying. Government buyers operate under the observant surveillance of Treasury and many private Ombudsman groups. Government purchasing requires more forms and signatures and also responds slowly when placing orders. This is ultimately affected by the time-consuming levels of approval within government as well as the delegated powers resident in each of the hierarchy of officers (Kotler& Armstrong, 2010: 209).

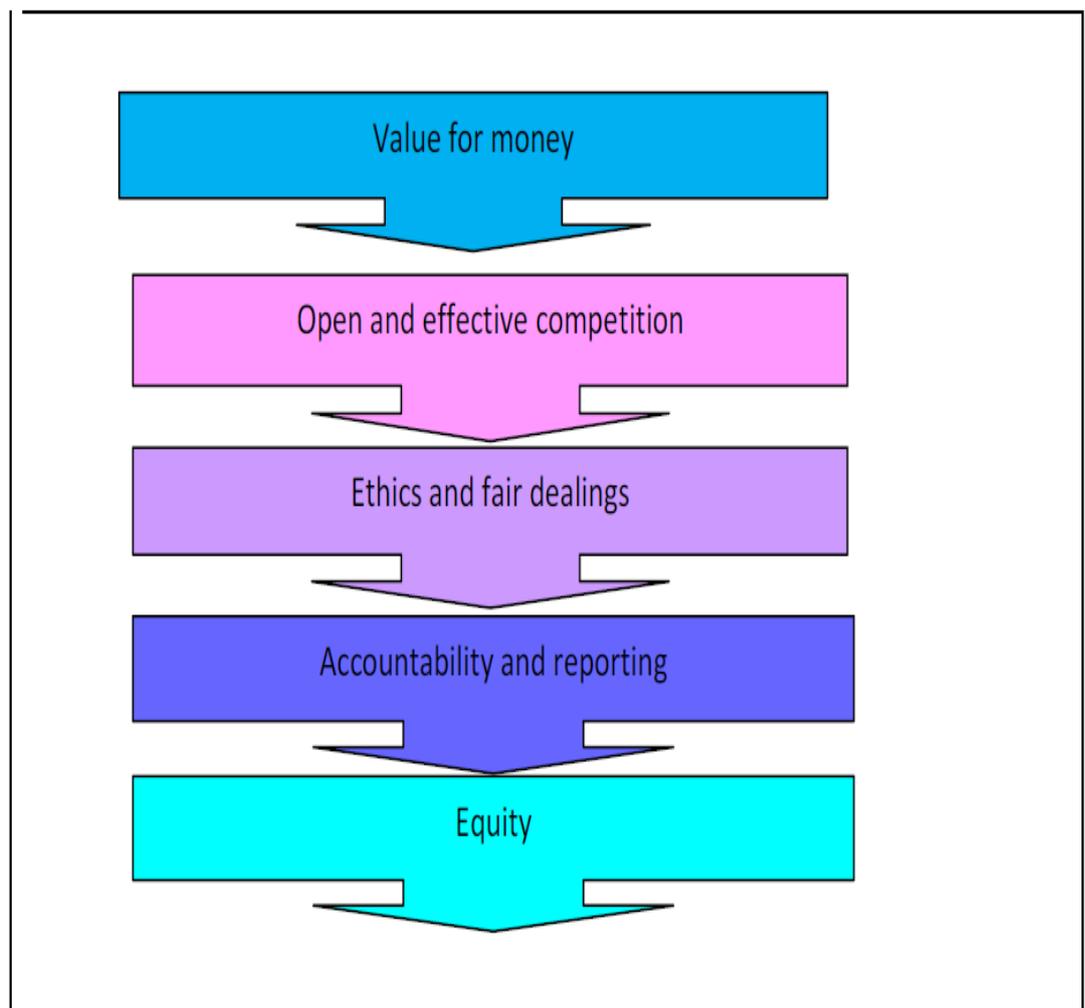
SCM is also described as a consistent process of buying, storing, utilizing and disposing. The entire phase of procurement comprises Demand Management, Acquisition Management, Logistics Management, Disposal Management and Risk Management as well as regular performance evaluations. Government primarily focuses on the procuring of goods and services in the acquisition phase, neglecting the demand, disposal risk and assessment aspects of the SCM (Mkhize, 2004:5).

2.1.2.1 THE FIVE PILLARS OF SUPPLY CHAIN MANAGEMENT IN THE PUBLIC SECTOR

Suitable SCM in the Government rests upon the five pillars of procurement as illustrated in figure 2.9.

2.9: An illustration of the five pillars of SCM

(Source: SCM Manual, 2004:17)



(Source: SCM manual, 2004:17)

The FIVE pillars of SCM are listed below:

i. Value for money

Value for money means the best available outcome/product/service when all relevant costs and benefits over the procurement cycle are measured. Value for money is mostly used by accepting the lowest price quotation that meets the end user's requirements and specifications. The nagging argument is that price alone is often not an accurate measure for value for money. Internal logistics with regard to procurement should be driven by cost effectiveness, which should be aimed at all avoidable expenditures and postponements against themselves and End Users. Constant improvement of internal processes and systems is important in creating value for money.

ii. Open and effective competition

Open and effective competition refers to the following:

- Context of procurement regulations, policies, reforms and measures that are clear and freely available to all the parties involved in the transaction.
- Transparency in the SCM and Payment process.
- Reinforcement of active challenge across SCM and Payment procedures appropriate to public.
- Performance of the necessities of the Preferential Procurement Policy Framework Act No. 5 of 2000.
- Government departments should do market review to meet the greatest possible result by ensuring that:
 - All potential providers have sufficient contact to procurement chances.
 - Where market situations are bound to struggle, procurement methods should capitalize on it.
 - Information is fully disseminated and stipulated to clients to qualify them to bid.
 - Bias and favouritism are excluded from the procurement processes.

This also assists BEE companies to register and to be included in the national Vendor Data Base.

iii. Ethics and Fair Dealing.

In procurement, ethical standards create the platform to:

- Contract persons on the understanding of mutual expectation and respect.
- Organise business in a fair and sensible approach and with truthfulness.
- Allow Government officials to deal directly with suppliers or potential suppliers who are required to:
 - Recognize and deal with conflict of interest or the potential thereof.
 - Deal with suppliers equitably.
 - Ensure not to compromise ethics through the acceptance of donations, money or bribes.
 - Be trustworthy in their use of public possessions.
 - Blow the whistle on fraud and corrupt activities (0800 801 801) to eliminate these elements.

This also acts as a Code of Conduct for all SCM Practitioners in the public service.

iv. Accountability and Reporting.

Within the Procurement Framework of the Public Service, reporting and accountability are broken down as follows:

- The various Managers are responsible to the Accounting Officer for the inclusive administration of procurement actions.
- Heads of procurement at the various offices are responsible to Head Office senior management for the co-ordination of actions.
- Procurement officials remain answerable to Heads of Procurement and the End Users for the services they were provided with.

This pillar ensures Departments are responsible and can be held accountable for their plans, actions and outcomes. Openness and transparency in administration are created through public reporting and is an essential element of accountability.

v. Equity

This pillar is vital to any organisation. It ensures obligation to economic growth by applying actions which support the public at large, particularly in ensuring progress in the development of the society and historically disadvantaged individuals (HDIs). SMMEs and HDIs need to play a bigger role in the economy which is in line with the Reconstruction and Development Programme (RDP). Greater participation in the economy and more diversified representation of Black Africans and recognition of gender roles are essential in enhancing such participation. Government has implemented the Preferential Procurement Policy Framework Act (PPPFA) No. 5 of 2000 as the foundation on which all procurement activities are based with the aim of advancing the development of SMMEs and HDIs, promoting people with disabilities, creating new jobs, promoting local enterprises in particular regions, in rural areas and supporting the local product (SCM Manual, 2004:22-23 National Treasury).

2.1.3 Late Payment in Government

The United Kingdom was one of the first countries in the European Union to implement late payment legislation to help promote the culture of prompt payment. There has been late payment legislation since 1998 in the UK that saw a statutory right to interest for late payment for small businesses since 1998 from large firms and the public sector and from small firms since 2002. Amended late payment legislation came into force on 16 March 2013, implementing European Directive 2011/7/EU on combating late payment in commercial transactions that aims to make pursuing payment a simpler process across the European Union, reducing the culture of paying late and making paying on time the norm". (Statutory Instrument 2013 No. 395 the Late Payment of Commercial Debts Regulations 2013)

In 2010, the UK Government introduced a far more difficult target that goes beyond this and previous versions of the Late Payment Directive, in committing Whitehall Government Departments to aim to pay 80% of undisputed invoices within 5 days. By adopting this measure, it seeks to ensure that the benefits of prompt payment to main contractors are felt through the Supply Chain and benefit

smaller businesses (Statutory Instrument 2013 No. 395 the Late Payment of Commercial Debts Regulations 2013).

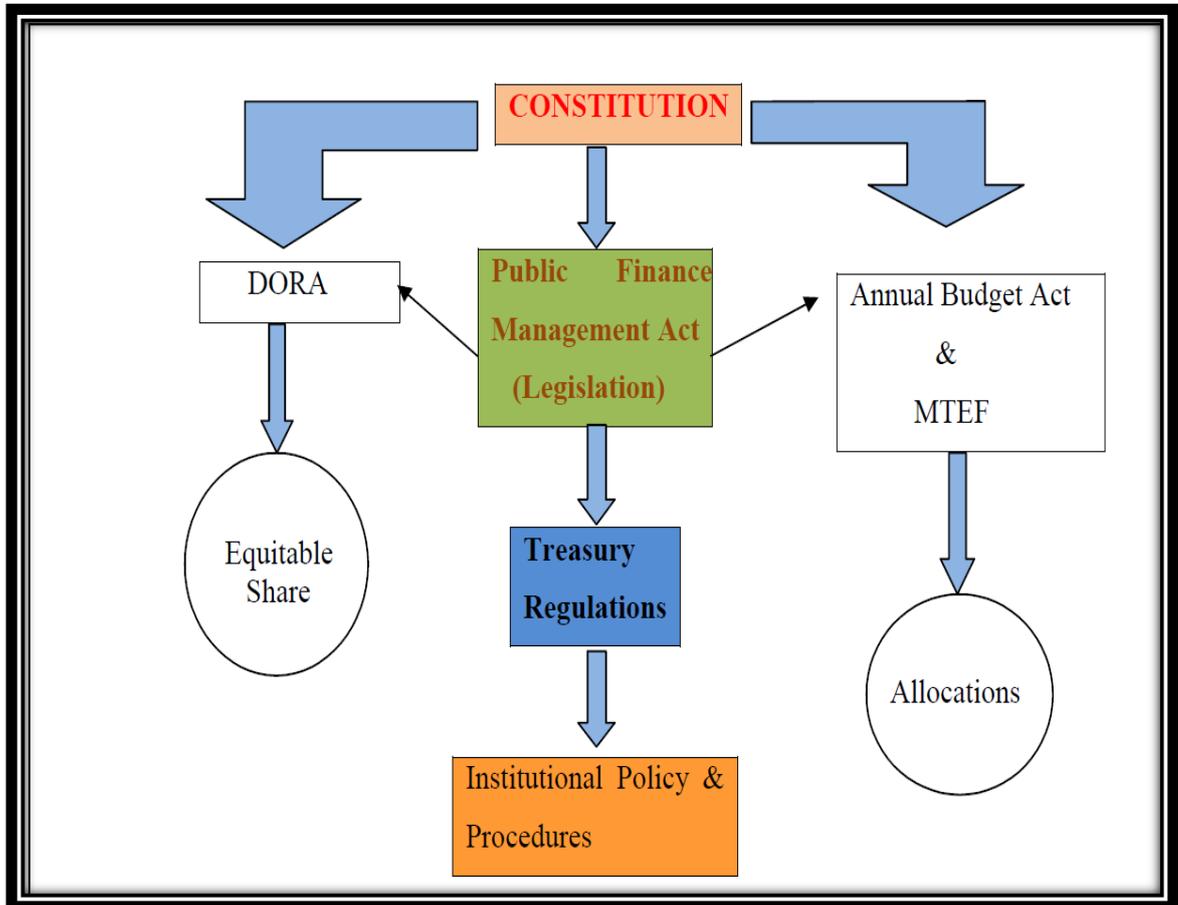
2.1.4 Importance of Policy in SCM and Payment sections

According to Brammer and Walker (2007), a supportable procurement exercise generally is a set of arrangements upon an abstract model that highlights the importance of national policy environments concerning supportable procurement facilitated by a range of organizational related factors. It shows that an extensive range of supportable procurement practices are set in to some degree in public sector procurement practices around the world. This discovery approves earlier suggestions in the literature that governments are broadly using the power to come to life in public procurement activities to further social and environmental policy goals. Analysis also discloses important differences in the amount and importance of supportable procurement practices and places of interest on a set of issues that are supposed to play important roles in organizations to more deeply embed supportable procurement activities.

However, supportable procurement events often fail because of tight departmental budgets in settings where there is an observation that taking the next steps regarding sustainability will raise costs. This discussion suggests that if governments are dedicated to more broadly implanting sustainability in procurement practice, they need to carry on to provide clear legislative and regulatory support (Preferential Procurement Policy Framework Act No 5 of 2000) and they need to deliver satisfactory budgetary elasticity for organizations to make savings in SP that may be financially efficient . However, it suggests that policy outlines are only part of the picture in the motivations for SP. May be remarkably, given their implication in most national policy frameworks, environmental phases of supportable procurement are not the most supportive. This remark may reflect the comparative inapplicability of some of the environmental aspects of SP to the public sector/services context when compared to the private sector and manufacturing organizations. The aforementioned does propose that more intensely fixed “relationship” aspects of procurement whereby public procurers vigorously are involved with suppliers in

order to reduce the overall environmental impact of their actions are relatively rare.

Figure 2.1 Public Financial legislative frameworks



Source: Adapted from Pauw et al., 2002:38

The literature review is mainly founded on the model designated in the financial legislative framework as specified in Figure 2.1 above. The model therefore helps in providing the legislative framework that assesses submission of the Public Finance Management Act by the Department of Culture Arts and Traditional Affairs in the North West Province (Pauw 2002:38).

2.1.5 Accountability of SCM

According to Spence and Rinaldi (2012), a framework of proper accounting standards needs to be maintained and used by a society as a means to pursue social, economic and environmentally friendly issues relating to suppliers. The governing approach and analytics are planned to examine organized ways of working out power and ability. This theoretical outline highlights the specific foundations that assist in the attainment of specific goals of reform such as sustainability. It provides creative experiential visions into how sustainability accounting is shaped by forms of power, validations and performance in a Supply Chain. It realizes the level to which senior decision users frame and use sustainability accounting to foster corrective efforts based on community and environmental goals. These need to be reformulated mainly according to an economic government of practice.

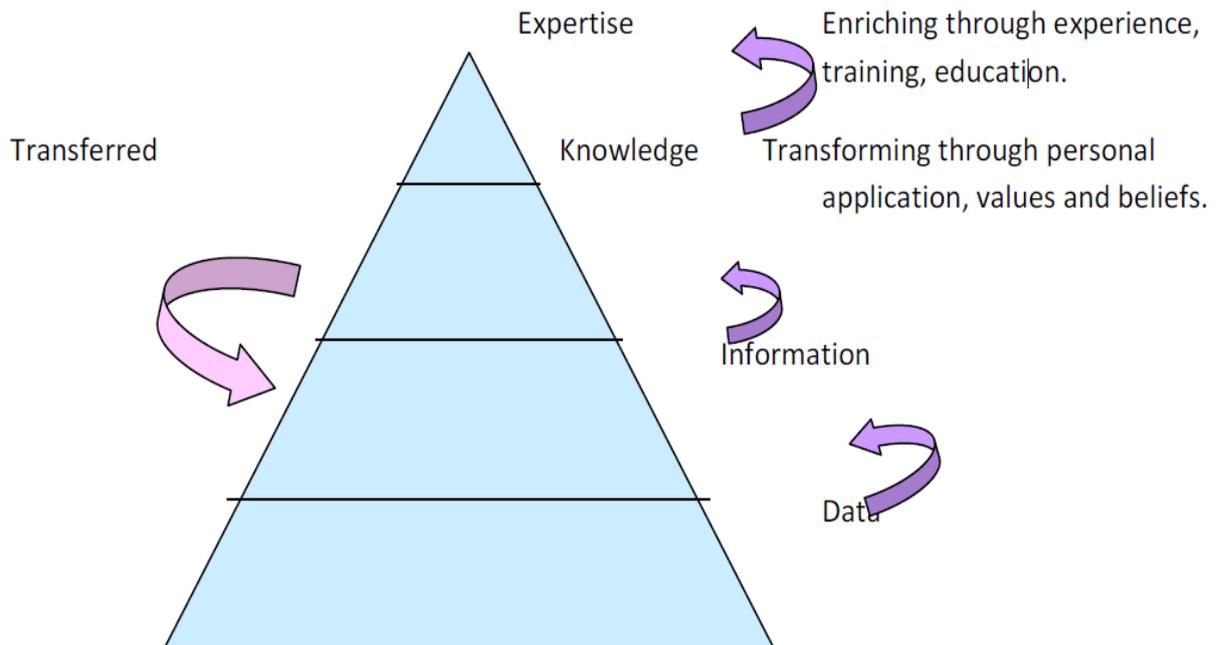
2.1.6 Skills set requirements of Accountants

According to the legislation (PFMA Act No1 of 1999, as amended by Act No 29 of 1999) procedure is a collective learning experience for all government accountants, as practices that have been in place for many years will be challenged and reconsidered. The more qualitative changes are phased in over several years. However, significant improvements are possible and necessary over the years. Accounting officers need to ensure that the essential components for effective implementation are in place. Preparations include employing appropriately qualified and experienced Chief Financial Officers (CFOs) and accountants, setting up effective internal controls, constituting an audit committee, and ensuring that the in-year management requirements are met. The PFMA is a key element in a set of reforms to the management of government finances. Implementing the Act represents a major challenge for the public sector. If the objectives of the Act are to be achieved successfully, all stakeholders need to change their way of operating in the sector. The Act emphasizes the importance of good management and accountability and clarifies the accountability chain by defining the division of responsibilities between accounting officers.

PFMA provides the following set of imperatives that need to be followed by the entities when financial misconduct (sections 81–86) is identified. It describes monetarist misconduct and lays down the procedures for disciplining public officials guilty of financial misconduct. It also includes provisions for criminal prosecution in cases of gross financial misconduct. Accounting Standards Board (sections 87–91) is to be established to set accounting standards for the public sector. This also deals with the composition, powers and functions of the Board (PFMA Act No1 of 2000, as amended by Act No 29 of 2000).

The aforementioned has also set to improve payment times within the Supply Chain. All civil services departments are required to include a clause in their contracts that requires prime contractors to pay their suppliers within 30 days. In its procurement of construction work, Government continues to increase its use of Project Bank Accounts, which provide both certainty and speed of payment to suppliers down to tier 3 of Supply Chains. The Cabinet Office has introduced a “Mystery Shopper” service that investigates issues of poor procurement practices, including prompt payment both from public bodies and in public Procurement Supply Chains (Statutory Instrument 2013 No. 395 the Late Payment of Commercial Debts Regulations 2013).

Figure 2.1: Knowledge hierarchy

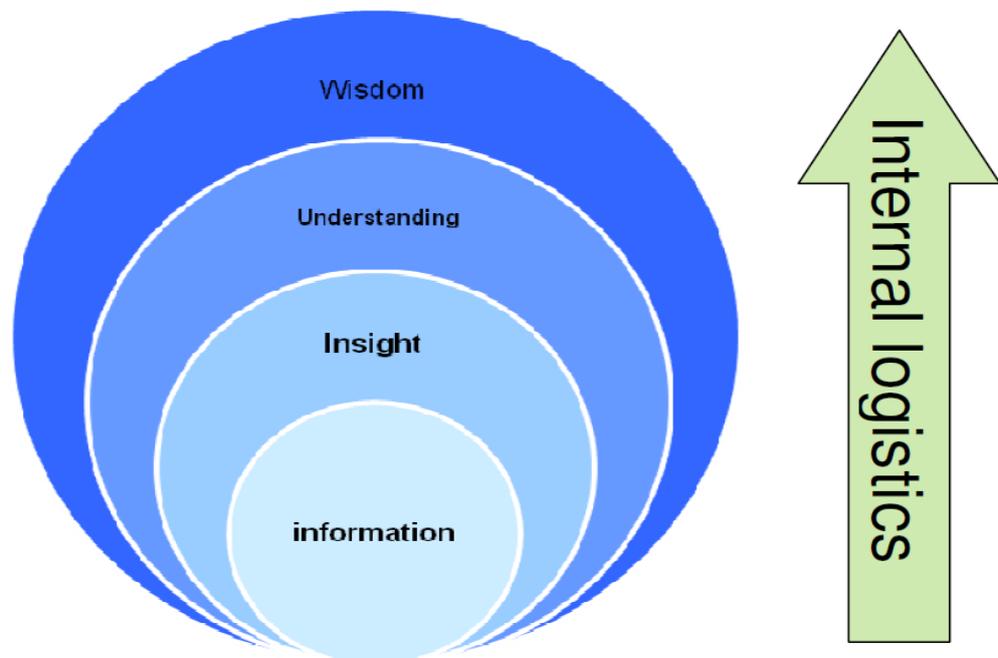


(Source: Van Beek, 2008:8)

Information is converted through opinion, skills and experience to become knowledge. Van Beek (2008) reaches the conclusion that the progression of improvement involves applying knowledge, knowledge becomes information (Chaffey & Wood, 2005: 223). Awareness is divided into tacit (subjective) and clear (objective) knowledge. This delineation shows that Tacit knowledge is the “know-how” and clear knowledge is the “know-what”. Implicit knowledge is personal, hard to express and found in the heads of individual employees (Jashapara, 2004:11). Obvious information is found in the form of working procedures, policies and manuals (Chaffey & Wood, 2005). Changing implicit knowledge into explicit knowledge is seen as a real challenge when managing knowledge transfer. It is important to understand how knowledge is generated before it can be managed expertly.

This is illustrated in Figure 2.2.

Figure 2.2.



(Source: Adapted from Lepele, 2010:5)

Internal logistics is the comprehensive method of attaining goods and services since the gathering and dispensation of demands in the direction of the disbursement and generation of proof of purchase. Internal logistics includes the documentation of all transactions (paper trail) to complete the department's procurement purposes. Thus, the organisation of data provides efficacy of the internal process within each stage of the SCM to the final payment of the invoices.

2.1.7 THE REVIEW OF PUBLIC FINANCIAL MANAGEMENT REFORMS

Pretorius and Pretorius (2008) highlight that effective Public Financial Management Systems are required to exploit the efficient use of resources and to generate the highest level of transparency and accountability in government finances and to safeguard long-term financial success. They further argue that complete Public

Financial Management (PFM) systems are significant for service delivery, poverty alleviation and the accomplishment of Millennium Development Goals (MDG).

These declarations clarify the link between the well-organized presentations of government in handling its possessions and ensuring economic growth. This efficiency can only be achieved if complete financial management systems are applied. Human resources therefore develops a significant component in the management of financial systems. Employees, being part of human resources, must be trained and skilled to be efficient in managing government resources. The biggest question that everyone asks is "*What triggered these Public Financial Management (PFM) reforms?*" Activities for PFM reforms, according to Pretorius and Pretorius (2008), include the following:

Fiscal crisis - The fact that there is a financial occurrence of limited resources available to satisfy unlimited demand for government services, the global monetary slump during the past years has compounded this difficulty by exerting more burdens on world government's fiscal resources. This had a harmful influence on the provision of basic services towards the public, given that less income tax was collected by governments as a result of many firms having to close down their operations because of the economic crisis.

Public pressure - for more basic services. In the past years, South Africa has observed a series of violent protest marches by various communities within municipalities, expressing their anger and dissatisfaction about poor services and lack of proper financial management by the appointed officials.

Donor pressure - The donors might be concerned about their funds being diverted for purposes other than those it was intended for and the associated impact on development effectiveness and the reputation of the donors.

Political change - These include post-conflict circumstances as well as the request of regional connections, such as the European Union (EU). This was no exception for South Africa, especially developing from its past history of apartheid, and the consequent growth of regional associations within the African continent such as the African Union. In these post-conflict circumstances, the founding of a general outline for public financial management is judged to be a significant first step towards supportable monetary development.

2.1.8 Process of Selecting a Supplier

Traditionally, the process in procurement was concerned with distribution demand for quotations (RFQ) to two or three potential suppliers. On getting the quotes, the choice to award an instruction was generally based on the lowest quotation. Today, procurement is observed by many fruitful governments as an activity of strategic standing. The procurement function is now intricate at board level rather than at departmental level and has justified this shift in location on the basis of the external administrative factors such as client demands, opposition and increasing maintenance openness. The customer is now seen as significant and should be satisfied principally to ensure sustained relationships and the internal growth of the supplier (Chari & Chiriseri 2014).

2.1.9 SUMMARY: RESPONSIBILITIES OF EACH ROLE PLAYER IN THE PROCESS

USER / REQUESTER RESPONSIBILITIES	PROCUREMENT COMPLIANCE CHECK (SCM)	BUDGET VALIDATION (FINANCE)	PAYMENT (Order matching and payment) (FINANCE)
<p>The user/requester must:</p> <ul style="list-style-type: none"> • Fully describe (exact specifications of) the goods/ service required. • The requisition forms are signed by authorised official/s. • Quotations, where applicable, are valid. • Quotations are sourced in line with the approved threshold limits from Pro-Quote. • Ensure that the supplier is registered on the Provincial Supplier Database (if not sourced via Pro-Quote) and 	<p>Test compliance to prescripts:</p> <ul style="list-style-type: none"> • Completeness of purchase requisition (all required fields are completed). • Requisition forms duly authorised in line with the approved delegations. <p>The attached quotations fall within the determined/approved Thresholds. Deviations duly approved (<i>only in instances of life and death/extreme justifiable cases</i>).</p>	<p>Confirm:</p> <ul style="list-style-type: none"> • Budget availability. • Cash-flow availability. • Correct allocation is used (<i>detect and correct misallocations</i>). 	<p>Confirm:</p> <ul style="list-style-type: none"> • Actual date of receipt of the invoice (recorded in the register) • Match invoice to the voucher (record detected discrepancies and date of referral in the Invoice Receipt Register) • If supplier charged VAT, a valid VAT number must be written on the

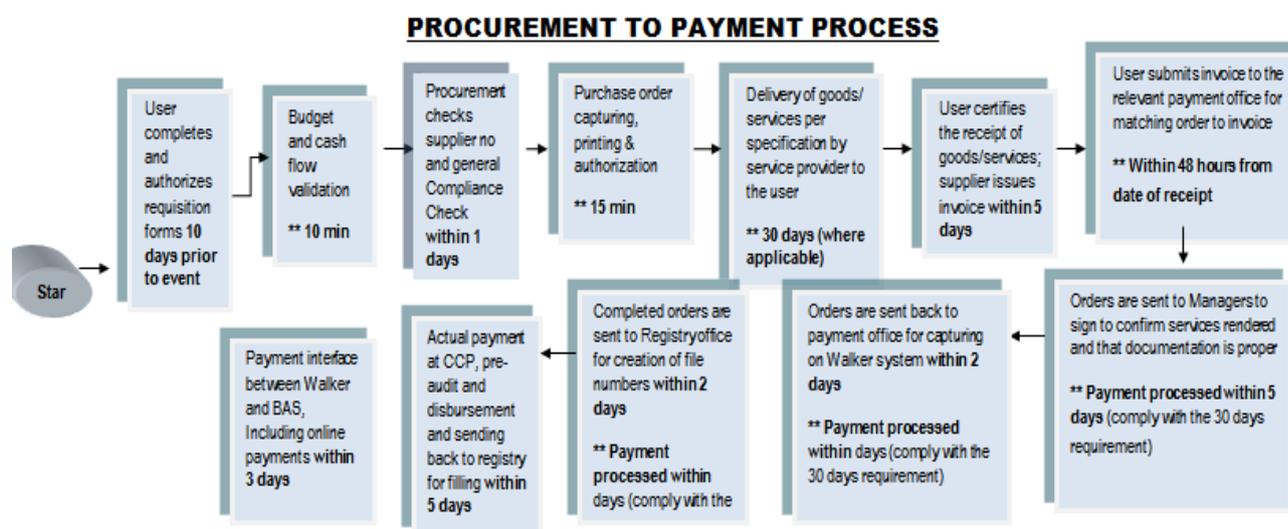
<p>motivation (co-signed by Supervisor) for not sourcing through Pro-Quote.</p> <ul style="list-style-type: none"> • Procurement must be arranged 10 days in advance. • No DEVIATIONS, unless it is a matter of life and death (emergency). Poor planning does not warrant an emergency. 	<ul style="list-style-type: none"> • BEWARE OF ORDER SPLITTING. 		<p>invoice.</p> <ul style="list-style-type: none"> • Check if all necessary documentation is attached. • All necessary approvals are attached. • Disburse and file vouchers.
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2.1.10 Procurement to Payment process

Purchase to pay systems that are currently in vogue in CATA automate the full purchase to payment process, connecting procurement and invoicing operations through an intertwined business flow that automates the process from identification of a need, planning and budgeting, through to procurement and payment. Key benefits are increased financial and procurement visibility, efficiency, cost saving and control. Automation allows for reduced processing times. The modalities of straight through processing the incoming invoices are handled without any manual intervention (CATA source document).

Purchase to pay systems are designed to provide organisations with control and visibility over the entire lifecycle of a transaction from the way an item is ordered to the way that the final invoice is processed. It is a robust system that provides full insight into cash flow and financial commitments and is now deemed an important tool for proper implementation of Resource Accounting and Budgeting, not least by Government Departments such as National Treasury (Treasury (PFMA Act 1 of 1999)). According to Hadfield (2006) Financial commitments are understood at the point they are committed to rather than when invoiced. Organisations automate invoice processing and purchasing policies and procedures to bring financial rigour and process efficiency to the business of buying.

PROCUREMENT TO PAYMENT PROCESS



Source: Own Department of CATA

2.1.11 Compliance with Supply Chain rules in selected African Countries

According to Ameyaw, Mensahand, Osei-Tutu (2012), in situations where there are structural gaps that are accompanied by negligence in legal as well as directorial systems, it is necessary to have concentrated power so as to ensure strict implementation of laws to accomplish the determination for which those laws were endorsed. Studies in Uganda, Tanzania and Kenya reveal that corruption in public procurement has mainly been through deliberate flouting of procedural unseen

destruction rules. The offenders in these countries usually take advantage of a very low discovery rate of law breaking as well as the weak implementation of rules and regulations by statutory bodies.

Ghana is classified as one of the most corrupt countries in the world. The annual Corruption Perceptions Index (CPI) released by Transparency International in 2012 classifies Ghana as one of the most unethical nations in the world. Even the passage of new laws to enhance Public Procurement in Ghana has made very little impact in limiting corruption in public procurement. A procurement assessment report on Ghana in 2003 highlighted that most of the employees in ministries were not familiar with the public procurement policies. Departments and agencies that are responsible for procurement were not proficient although they had been trained. In Malawi also the shortage of qualified personnel, lack of financial resources, insufficient office space, poor management of records, non-compliance with the law were identified as impeding the efficient and effective operation of the procurement law. These problems were found to be similar to those in developing as well as developed countries.

2.2 Conclusions

The PFMA prescribes that government departments should pay creditors within 30 days. It has also been noted that if the payment is delayed SMES suffer the most because they lack funding. Furthermore, the delays in paying creditors by government departments indicate inefficiency. The use of the SCM practices in the payment section improves the 30 day payment compliance within the government department. Paying the client on time can reduce costs. It also reduces unauthorised expenditure within the budget.

CHAPTER 3 : RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research design and methodology, the sampling procedure adopted, the data collection instrument and methods of analysis. Finally, issues of reliability and validity are discussed, in addition to research ethics.

Methodology is the systematic, practical and theoretical analysis of the methods applied to a field of study. It comprises the practical and theoretical analysis of the body of methods and principles associated with a branch of knowledge (Leedy & Ormrod 2010). Typically, it encompasses concepts such as paradigm, theoretical model, phases and the differentiation between quantitative or qualitative techniques (Leedy & Ormrod 2010). A methodology does not set out to provide solutions. It is, therefore, not the same thing as a method. Instead, methodology offers the theoretical underpinning for understanding a research problem, identifying which set of methods or so called “best practices” could be applied to specific case (Leedy & Ormrod).

3.2 Classification of Methodology

Cooper and Schindler (2012) define research design as the “blueprint for fulfilling research objectives and answering questions.” Saunder et al (2009) define research design as the “structural framework or blueprint of the study that guides the researcher in planning and implementation of the study, while optional control is achieved over factors that could influence the study.”

3.2.1 Quantitative and qualitative approaches

Quantitative, qualitative and mixed methods are the three main research methodology classifications. The choice of which methodology shall be applied depends on the nature of data to be collected and the problem of the research. The quantitative methodology applies where data is numerical while qualitative

methodology is often undertaken where the data collected is verbal (Leedy&Ormrod, 2010).

Quantitative analysis is the collection and analysis of data that is non-qualitative (Lofland, 2010). Quantitative method is mostly concerned with the analysis of numerical data. Quantitative research manipulates variables, controls natural phenomena, and as such, it is impersonal and experimental. It is generally associated with systematic measurement, statistical analysis and mathematical models. The characteristics of traditional quantitative research are a focus on deduction, confirmation, theory/hypothesis testing, explanation, prediction, standardized data collection, and statistical analysis (Wang, 2010). A quantitative method involves a systematic approach of using numerical data for the purposes of possible correlation among two or more variables or phenomenon. It examines the situation as it is and therefore does not lead to any addition to the investigation, nor does it provide the cause-and-effect relationship (Leedy & Ormrod 2010).

The following is a comparison of the quantitative, qualitative and triangulation using a table:

Quantitative	Qualitative	Mixed
Testing and validating already constructed theories about how (and to a lesser degree, why) phenomena occur.	Data based on the participants' own categories of meaning	Words, pictures, and narrative can be used to add meaning to numbers
Can generalize a research finding when it has been replicated on many different populations and subpopulations	It is useful for studying a limited number of cases in depth	Numbers can be used to add precision to words, pictures, and narrative
Useful for obtaining data that allow quantitative predictions to be made	It is useful for describing complex phenomena	Can provide quantitative and qualitative research strengths
Data collection using some	Provides individual case	Researcher can generate and

quantitative methods is relatively quick (e.g., telephone interviews)	information	test a grounded theory
The research results are relatively independent of the researcher (e.g., effect size, statistical significance)	Responsive to changes that occur during the conduct of a study (especially during extended fieldwork) and may shift the focus of their studies as a result	Can answer a broader and more complete range of research questions because the researcher is not confined to a single method or approach
It may have higher credibility with many people in power (e.g., administrators, politicians, people who fund programs)	Data in the words and categories of participants lend themselves to exploring how and why phenomena occur	A researcher can use the strengths of an additional method to overcome the weaknesses in another method by using both in a research study.
It is useful for studying large numbers of people.		Can provide stronger evidence for a conclusion through convergence and corroboration of findings

Table 3.1 Distinction between quantitative, qualitative and mixed methodology
(**Source:** Johnson & Onwuegbuzie, 2004)

3.3 Research Methodology

The quantitative approach is used for the purpose of this study. The quantitative methodology can best be used for observation studies, correlation research, development designs and survey research. On the other hand, qualitative methodology can best be used in descriptive, interpretive, verification and evaluation studies (Leedy and Ormrod). The reason for using this method has been arrived at based on the comparison of two methods i.e. quantitative and qualitative, in relation to the data collection method and the research question developed in this current study. The aim of this study is to determine the correlation between challenges faced in NWPG departmental challenges and its impact on departmental performance.

3.4 Population

Babbie *et al.* (2010:2) define a population for a study as that group (usually of people) about whom the researcher wants to draw conclusions and implications. However, with a limited time frame and research funds, researchers are not usually expected to study the entire body of relevant facts about the whole group of people under analysis. Therefore, the findings and conclusions in survey research are based on information gathered from a limited number of people, the sample, from whom generalizations can be made about the whole number. This selected group from the population is called a sample (Nachmias & Nachmias 2010: 130). When choosing a sample, the researcher often has to prepare a comprehensive list of all units in the target population that is called a sampling frame (Leedy and Ormond, 2010). Employees at the level of the senior management or directors, middle level management, lower level management (supervisors) and lower level staff are (50 officials) were sampled in this study. Each member of the population had the same chance of being included into a sample of size, n . The margin error used in this study was pegged at 95% of the population.

Department of Culture Art and Traditional Affairs head office has a total workforce of 50. To represent the population of this study, from the management side in head office 50 participants were invited. This was to ensure that the views given accurately represented the extent and entirety of the views of Department of Culture Art and Traditional Affairs as far as possible. Selecting SCM and the CFO directorate for this research, only this section of the workforce understand the procurement procedures within the department and the province.

3.4.1 Sampling Technique

Specimen, as defined by Cohen *et al.* (20017, p158), is a procedure used in arithmetical data study where a pre-arranged quantity of opinion is removed from a bigger population. The technique used to sample from a larger population is

subject to the type of study being performed, but critically includes simple random sampling, systematic sampling and observation sampling.

A model is any subcategory from the overall population of objects or ideas that form a group, from which we take an anticipated number of descriptive selections, whether carefully or unsystematically in selection, but usually by random collection, and frequently in to the particular study. The model is meant to cover and comprehend the sample.

The population is divided into the following NWPG strata: senior management and directors, middle level management, lower level management (supervisors) and lower level staff. After stratifying the population, the respondents were randomly selected from each section. By using simple random selection in each stratum, each employee had an equal chance to be selected into the sample, as such making it more of the population.

A table prepared by Krejcie and Morgan (2013) helps to establish the appropriate sample size (**S**) based on the population (**N**). The population size in this particular study **N**= 50 therefore **S**= 50. This entails that the sample size required of a minimum of 50 completed questionnaires in order to draw conclusions that are meaningful from the data collected in the survey.

In this study, only the quantitative method is utilized. On the other hand, Newman and Benz (1998: p44) state that qualitative approach refers to research, which produces graphic data, usually people's own written or spoken words, symbols or metaphors. According to Thompson (2001:121) quantitative research is more concerned with techniques to obtain appropriate data for investigating the research. These two approaches to research are often combined where the researchers find it necessary to do so.

3.4.2. Questionnaire

Research data may be categorized as primary and secondary data. Primary data are generated by the researcher using data gathering techniques, some of which are discussed below. Secondary data are those that have been generated by others and are included in data-sets, case materials, computer or manual databases or published by various private (e.g. Annual Reports of companies)

and public organizations or government departments (official statistics by the Statistical Office). International Organizations such the International Monetary Fund and the World Bank and the United Nations and Islamic Conference Organizations publish economic statistics of member countries or on a worldwide basis.

Data collection is categorized as a monitoring and communication process. In monitoring, the researcher does not need any response from subjects but inspects activities or the nature of a material. In the interrogation or communication type of data collection, the researcher questions the subjects through interview or telephone conversation, self-administered or self-reported instruments (Cooper & Schindler 2012). There is no simple answer to what is the best data collection instrument. The nature and purpose of the research guides on the suitability of the method ultimately adopted (Blankenship & Breen, 2003). Open-ended questions characterize quantitative studies, while survey interviews are structured (Leedy & Ormrod, 2010).

3.4.2.1 Data Collection procedure

a) Interviews

Face -to -face interviews have a distinct advantage of enabling the researcher to establish rapport with potential participants and therefore gain their cooperation. These interviews yield the highest response rates in survey research. They also allow the researcher to clarify ambiguous answers and when appropriate, seek follow-up information. Disadvantages include impracticality when large samples are involved which largely make such interviews time consuming and expensive. (Leedy and Ormrod, 2010)

b) Survey

The purpose of a survey is the collection of numeric or quantitative data from an agreed entity and population using straight opinion. A survey can be used for numerous purposes that include the following (Leedy&Ormrod 2010):

- Explore differences
- Examine correlations and associations

- Exploratory research
- Testing of a theoretical model
- For identification of trend.

The main data in this study composed a survey with designed questionnaire. The questionnaires were sent through email all the relevant employees in the Department of Culture, Arts and Traditional Affairs who completed and disseminates the questionnaires to other applicable participants of the study. All SCM and Payment officials in the department formed part of the survey. These included decision makers such as directors and managers directly involved with the performance of the Department. Distribution of questionnaires it was extended to personnel within the SCM and Payment Division.

3.4.2.2 Data Analysis Method

Data analysis ranges from a simple comment at one place to an impressive survey of transnational businesses in different parts of the world (Cooper & Schindler 2010:253). Surveys have been chosen in this study because substitute systems such as single conversations were anticipated to be problematic in providing adequate responses. This limit usually results in a small illustration for study (Bless & Higson-Smith, 2000:108-109). Telephone surveys were deemed costly and therefore interviewing duration must be limited. Using this as a basis, it was decided to use a self-administered questionnaire in this study. A questionnaire is a tool with open or closed ended questions or statements to which a respondent must react. Questions are organized in a certain order and elicited responses ranging from fully agree to fully disagree choices. In close-ended questions, a series of likely answers are given from which the respondent must make a choice. Open-ended questions allow the respondents to give their own opinions, perceptions, and so forth and do not confine them to specific possibilities. The manager for SCM and Payment and Expenditure in Department of Culture, Arts and Traditional Affairs was approached for approval to distribute copies of the questionnaire amongst staff members in the Payment and SCM Division.

Ten (10) questions but vital to the research make up the questionnaire as suggested by Leedy and Ormrod (2010). The target is also to inspire and make the most of the response rate. The questionnaire has three sections (Refer to Appendix C). The first part concerns approval to use the respondent's answers for this academic research. The second section elicited biographical data on the respondents such as age, gender and experiences. The third section contained specific questions relevant to the Department of Culture, Arts and Traditional Affairs challenges and its influence on their performance. Responses required the respondent to specify a yes or no answer.

The following table gives the questionnaire outline.

A short disclaimer describing the purpose of the research – refer to Appendix A	
The Questionnaire – Refer to Appendix B	
Section 1	Permission to use the respondent's answers the academic research
Section 2 Questions 1-8	Collects biography data on the respondents including age, gender and qualifications
Section 3	Focuses on collecting response on the NWPG challenges the impact Brought by Payment Section and supply chain unit

Table 3.2: Questionnaire Outline

The nature and purpose of the research guided the adoption of which method to use (Blankenship & Breen, 2003). Open-ended questions characterize quantitative studies, while survey interviews are structured (Leedy & Ormrod, 2010).

3.4.3 Validity and Reliability

The questionnaire was designed, bearing in mind its validity and reliability. A good research instrument is evaluated on the basis of its functionality and ability

to elicit appropriate answers to resolve the research questions. It measures validity, reliability and practicality. Cooper & Schindler express these most important criteria as follows:

- **Validity** refers to the degree to which a test processes what we actually wish to measure.
- **Reliability** has to do with the accuracy and precision of a measurement procedure.
- **Practicality** is concerned with an extensive range of factors of economy, convenience, and interpretability (Cooper & Schindler 2006).

The study design was built on the aims of the research. The questionnaire reflected both the theory and the measuring tool being used. The questionnaire was designed taking into both the management and non-management staff, to replicate their opinions connecting to the effects and extent of risk management in the Department of Culture, Arts and Traditional Affairs. In addition, it catered for a reasonable accommodation of Payment and Supply Chain Division as a risk management tool.

The questionnaire was administered to the management and non-management respondents in the Department of Culture, Arts and Traditional Affairs. It was used to get views from members of staff who were serving the department at dissimilar levels. The study is practical. It was administered where the researcher could easily get appropriate data.

3. 4. 4 Ethical Considerations

Ethics are concerned with the rules and principles that blend the aims and desires of all people. Since human beings are the topic of the study in the social science, this brings its specific distinctive ethical problems that are relevant to this study. (De Vos, 2010). Ethical standards abided by in this study included the following:

- **Justice**; where all respondents are treated with respect and equality

- **Beneficence**; no respondent is misused in any way, nor affected nor even exposed to any uneasiness physically, emotionally or psychologically
- **Confidentiality** where no evidence provided by the respondents to the researcher is obtainable to any other person
- **Privacy**; the researcher embarked on necessary safety measures to guarantee that the self-respect and pride of the respondents is preserved by collecting the questionnaires confidentially
- **Information consent**; full exposure is given to the respondents on the purpose and objective of the study and how the study is directed
- **Trust** between the researcher and the respondents are important during the whole study. Effort is made to achieve the trust of the respondents for the duration of the course of the survey.

3.5 Conclusion

This chapter discussed research methodology used in this study. It outlined the overall plan of the research. This next Chapter 4 focuses on the results of the study.

CHAPTER 4: DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter analyses the results from the statistical analysis of data collected. The data was collected through a survey. This method was judged to be as the most appropriate technique for these questionnaires. The questions asked were divided into three sections, with one section focusing on the Demographics, Section two is Supply Chain Management (SCM) Practices, while the other section was Supply Chain Performance.

In this study 50 questionnaires were distributed randomly to employees across the head office in CATA in Mafikeng, of which 47 were received back with two spoiled. The number of the respondents was found to be representative of the population. The head office has a population 200 individual employee were working in CATA in Mafikeng during the 2016 and 50 of them are under the CFO directorate. Contemporary software called Statistical Package for Social Sciences (SPSS22) was used to transfer out a statistical analysis. The statistics was first captured in a worksheet in horizontal arrangement with many variables from the survey. SPSS was then used to extract outcomes and present them in tables and graphs. The demographic variable such as current position/rank, Job experiences in the department, years of services at chief directorate, unit working in currently, and highest qualification were measured used frequency tables.

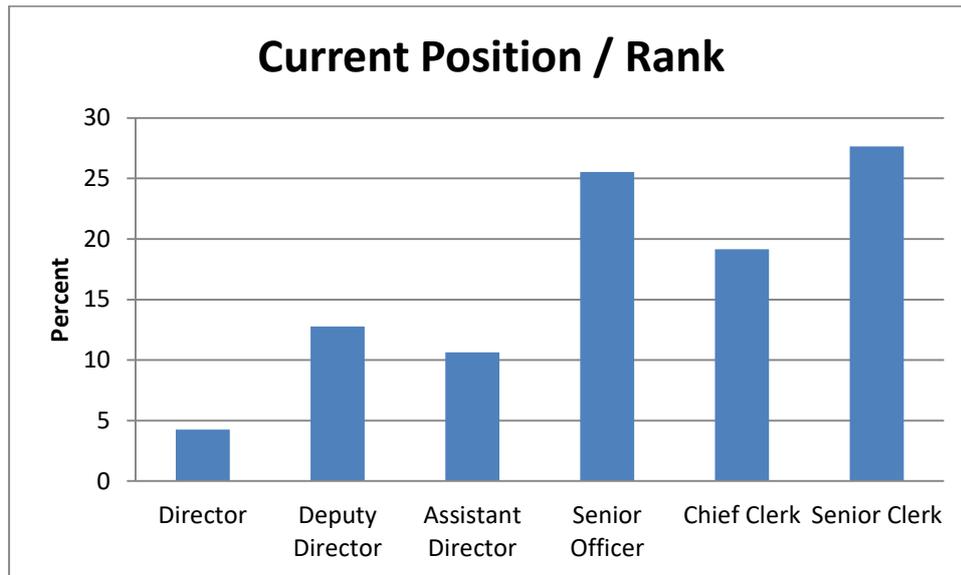
Section A: Demographics

Table 4.1: Current Position/Rank

Rank	Frequency	%
Director	2	4.26
Deputy Director	6	12.77
Assistant Director	5	10.64
Senior Officer	12	25.53
Chief Clerk	9	19.15

Senior Clerk	13	27.66
Total	47	100

Figure 4.1: Rank



According to Table 4.1 above, the number of respondents who completed the questionnaires was 47; composed as follows; Director 2(4.26%),deputy Director 6 (12.77%),assistant directors 5 (10.64%),senior officer 12 (25.53%),Chief Clear 9 (19.15%),Senior Clerk 13 (27.66%).the bars illustrate this in Figure 4.1. It is clear that the sample is balanced between high ranking and lower ranking employees. This gives a balanced perspective about the department.

The table and graph below analyses the job experience in the department from less than 1 year to more than 10years.

Table 4.2: Years of service in the Department of Culture, Arts and Traditional Affairs

Job Experience in the Department	Frequency	%
Less than 1 year	5	10.42
1 to 5yrs	11	22.92
6 to 10yrs	19	39.58
More than 10yrs	13	27.08
Total	48	100

Figure 4.2: Years of service in the Department of Culture, Arts and Traditional Affairs

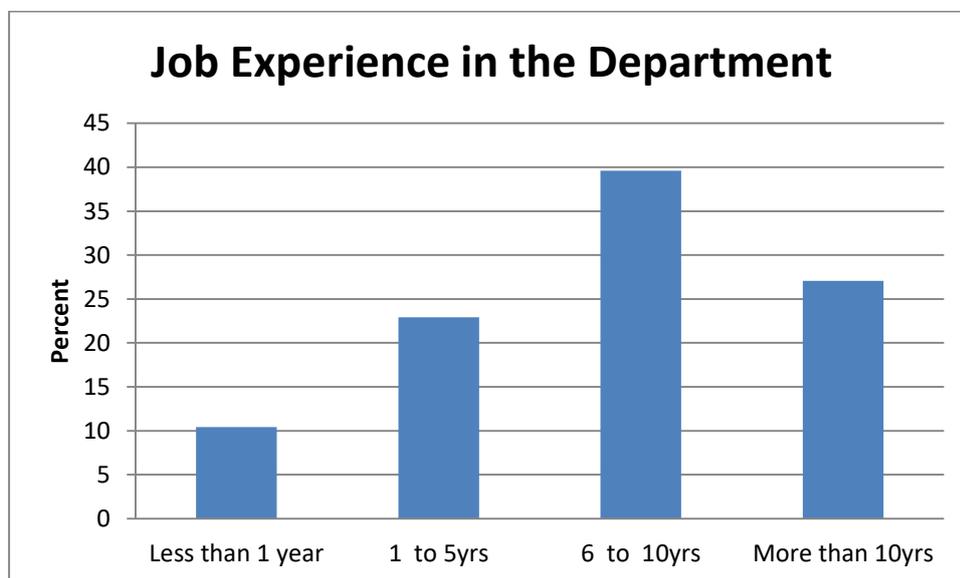
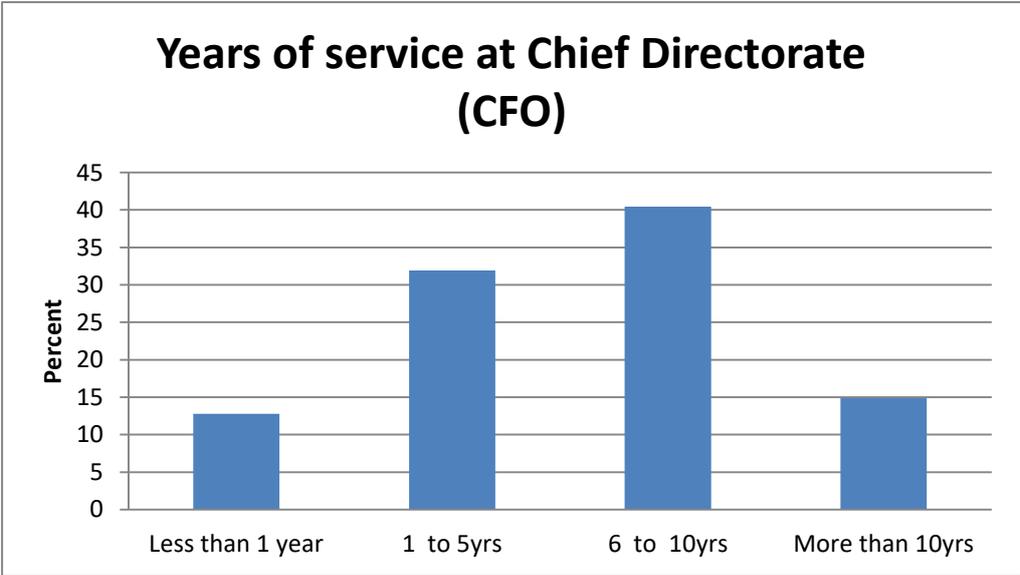


Table 4.2 highlights that five (10.42%) of respondent have job experience in the department that is less than 1 year, eleven (22.92%) have a job experience of 1 to 5 years; nineteen (39.58%) have a job experience of between 6 to 10 years; thirteen (27.08%) have experience of more than 10 years. The table indicates that the majority of the respondents have a job experience of between 1 to 5 years of years (19). Van Beek (2008) alleges that knowledge and experience can improve the employees' job performance. The comparable job experiences are illustrated in graphical format in Figure 4.2.

Table 4.3: Years of service at Chief Directorate (CFO)

Years of service at Chief Directorate (CFO)	Frequency	%
Less than 1 year	6	12.77
1 to 5yrs	15	31.91
6 to 10yrs	19	40.43
More than 10yrs	7	14.89
Total	47	100

Figure 4.3: Years of service at Chief Directorate (CFO)



In terms of Table 4.3, six (12.77%) respondents have Years of service at Chief Directorate of less than 1 year, fifteen (31.91%) have an average 1 to 5 years of service at the directorate; nineteen (40.43%) of them have 6 to 10 years in the directorate, seven (14.89%) have more than 10 years services of the chief directorate. The number of years of service at the directorate indicates how familiar the employees are with the systems and culture at the place of work. Spence and Rinaldi (2012)

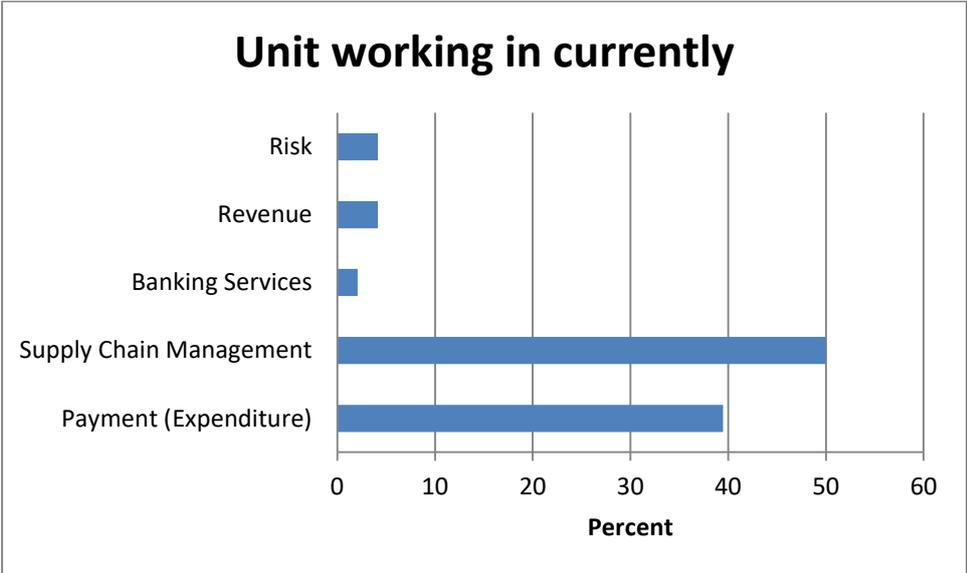
highlight that sustainability accounting reporting requirements continue to be used by a culture as a means to follow when governing a community. Hence the familiarity one has of the culture at the work place determines how well they will perform their work.

The respondents are currently working in various units. This is illustrated the next set of graph 4.4 and table 4.4.

Table 4.4: Unit working in currently

Unit working in currently	Frequency	%
Payment (Expenditure)	19	39.48
Supply Chain Management	24	50
Banking Services	1	2.08
Revenue	2	4.17
Risk	2	4.17
Total	47	100

Figure 4.4: Unit working in currently



The Table 4.4 shows that 19 (39.48%) respondents are working at the payment section, while twenty four (50%) work in the supply chain unit. This means that the majority of the respondents work at the Supply Chain Management unit and payment section. These units are the key pillar of the department. Hence the majority of the respondents have knowledge of the reasons the supply chain and payment section of the department of Culture, Art and Traditional Affairs do not pay the creditors within the prescribed 30 day period. One (2.08%) person works in the banking services unit. Two (4.17%) work in the Revenue unit while the last two (4.17%) work at the risk unit.

Table 4.5: Highest qualification

Highest qualification	Frequency	%
Grade 12	7	14.89
Certificate	10	21.28
Diploma	11	23.40
Degree	15	31.91
Postgraduate	4	8.51
Total	47	100

Figure 4.5: Highest qualification

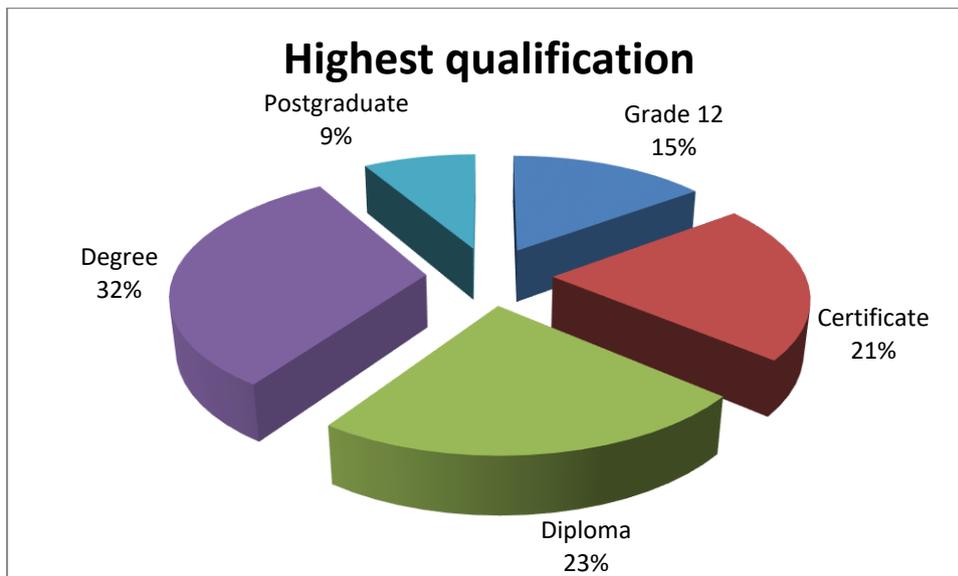


Table 4.5 highlights the highest qualification of the respondents. This table and pie chart show that seven (14.89%) have a Grade 12 qualification, while ten (21.28%) have a Certificate qualification; eleven (23.40%) have a Diploma and fifteen (31.91%) have a Degree qualification; and finally four (8.51%) have a postgraduate qualification. It is clear that the majority of the respondents have a post matric qualification. They are therefore in a position to comprehend and understand what is required of them at work and be able to familiarize themselves with public procurement policies. Ameyaw (2012) highlights that working with qualified personnel can enhance the performance of an organization.

Section B: Supply Chain Management (SCM) Practices

Section B intended to assess the execution and observance of the five pillars in place of the fundamentals of SCM in the department of; in additional arguments the changed features of SCM and the quality of the payment section. Question 6 and its subsections address the supply chain management practices. It is based on a Likert Scale rating with five columns ranging from strongly disagree (SD), Disagree (D), and Agree (A) and strongly agree (SA) respectively. In the last row the average responses are given. Please note the “don’t know” option was designated by a score of (DNK) in the survey.

Key: SD = Strongly Disagree, D = Disagree, DNK = Do not know, A = Agree, SA = Strongly Agree

Table 4.6: To what extent do you agree with the following statements?

		To what extent do you agree with the following statements?				
Item No.	Item	SD(%)	D(%)	DNK(%)	A(%)	SA(%)
6.1	My office operates according to the 5 pillars of SCM. (N = 48)	10.42	14.58	4.17	58.33	12.50
6.2	My office procures at the lowest price which best fits the requirements of the End-user. (N = 50)	14	10	2	46	28
6.3	My office links Demand Plans and Procurement processes (N = 50)	12	6	8	64	10
6.4	The procurement processes are transparent. (N = 48)	2.08	16.67	6.25	56.25	18.75
6.5	Potential suppliers have equal access opportunities to provide quotations. (N = 49)	4.08	14.29	10.2	55.1	16.33
6.6	Favouritism plays a role in supplier selection. (N = 48)	18.75	25	14.58	29.17	12.50
6.7	Procurement is done with the highest integrity. (N = 49)	0	22.45	8.16	48.98	20.41
6.8	Gifts are accepted from suppliers (N = 45)	20	26.67	13.33	26.67	13.33
6.9	The current Procurement Process provides a quality service to End-users. (N = 49)	2.04	16.33	10.2	63.27	8.16

6.10	Procurement processes are Coordinated activities to ensure quality service delivery. (N = 49)	4.08	12.24	8.16	53.06	22.45
6.11	All procurement policies are currently applied. (N = 49)	2.04	4.08	20.41	55.1	18.37
	Average Response (%)	7.91	15.30	9.59	50.54	16.44

Table 4.6, above highlights that 70.83 % agree that the department of Culture, Art and Traditional Affairs in Mafikeng operates according to the 5 pillars of SCM. It is clear that the majority of the respondents believe that the workplace utilities at the department of Culture Art and Traditional Affairs agree to the pillars of SCM. This is in accordance with the prescriptions by Rammer and Walker (2007), who argue that manageable procurement is only possible if the arrangements are based on ideals that emphasize the importance of national policy.

74% of the respondents agree that their office procedures are done at the lowest price which best fits the requirements of the end-user. It also shows that the department complies with the PFMA and SCM policies. Furthermore within the unit as well the lowest price quotation help department to be cost effective.

74% of the respondents agree that the head office links Demand Plans and Procurement processes, and procurement procedures. This certainly reduces payment queries from supplies and employee queries about procedure manuals. According to Abedian and Biggs (as cited in McThomas, 2003:43), managers must have proper and complete understanding of financial management principles and procedure manuals for them to achieve their goals.

75% of the respondents agree that the procurement processes are transparent. (N = 48). It means that the procurement processes are transparent to the public as well as to the people inside the organization. This is outlined by the National treasury (2005:5) SCM guide as follows: The SCM and Payment is the merger of all parties both inside and outside the organisation, intricate in bringing the inputs, outputs or results that will encounter a stated public sector requirement.

71.34% of the respondents agree that potential suppliers have equal access opportunities to provide quotations (N = 49). It is clear that most of the employees are in agree with the statement. It therefore means that the department gives equal opportunities to the suppliers to provide their quotations.

43.75 disagree, while 41, 25% agree, that favouritism plays a role in supplier selection. (N = 48) This indicates that most of the SCM and Payment section employees show that there is no nepotism when they are dealing with their client. However, a larger percentage is also showing that there is preference when dealing with the clients. This may suggest that there is no complete or total transparency in the SCM and Payment processes of the department of Culture Art and Traditional Affairs as some employees perceive it to be.

69.39 % of the respondents agree that procurement is done with the highest integrity. (N = 49) Agreeing to the respondents procurement is done with honesty. This is in line with the PFMA policies and procedures on supply chain management.

46.67% disagree, 40% agree, Gifts are accepted from suppliers (N = 45). This suggests that there are mixed feelings about whether or not gifts are received from the supplies. It appears that sometimes gifts are accepted from the client because it conflict of the interest against the department as indicated by the 40% that agree.

71.41% of the respondents agree that the current procurement Process provides a quality service to End-users. (N = 49) respondents did not answer significantly on whether assistances are acknowledged from suppliers and it certainly propose a risk to the SCM and Payment Section and hazard to honesty and integrity. According to Oguonu (2007), it has a responsibility to be distinguished that Outstanding Procedure and Procurement progresses produced some valuable expenditure. The problem causes here further clear, effective then current purchasing procedure which brands similar charge to customers of public sector contracts.

75.51 % agree that procurement processes are coordinated activities to ensure quality service delivery. This indicates that the majority of the respondents believe that the procurement processes are coordinated with end users so as to ensure quality service delivery. It also demonstrates compliance with SCM procedures and PFMA practices that can reduces such delay of payment to suppliers within 30 days. 73.47% of the

respondents agree that all procurement policies are currently applied. (N = 49) This suggests that most of the respondents believe that they comply with the requirements of PFMA practices on supply chain management. This also suggests that most of the employees are eager to comply with legislation. They are willing to comply with the five pillars of the fundamentals of SCM.

Table 4.7: Do you agree with the following statements

		Do you agree with the following statements?	
Item No.	Item	Yes (%)	No (%)
7.1	My office has a supplier data base. (N =49)	69.39	30.61
7.2	My office has a standard price quotation form (RFQ).(N = 49)	73.47	26.53
7.3	My office has records on vendor performance. (N = 50)	50	50
	Average Response (%)	64.29	35.71

Table 4.7 indicates that most of the employees believe that their office has a supplier database. That is, it is obvious that although 69.39% of the employees agree that a vendor data base is used in the procurement process there is also a substantial 30.61% that say they do not use the data base system to select the suppliers. This means that sometimes suppliers who are not accredited by the department are used resulting in nepotism and corruption. It would be difficult then to know the credibility of the supplier.

73.47% believe that their office has a standard price quotation form (RFQ) (N = 49). However 26.53% of the respondents do not agree whether the office uses a standard price quotation form. A standard price quotation form ensures that uniform prices are quoted and it prevents corruption and nepotism.

In table 4.7, 50 % of the respondents agree, while the 50% does not agree whether the office has records on vendor performance. There are therefore mixed feelings about

whether the department recognizes vendor analysis as a critical measure of SCM. Brammer and Walker (2007) highlight that it is important to have a supplier data base, standard price quotation forms and vendor performances record system .A standard price quotation safeguards all possible vendors and delivers transparent, ethical and fair allocating of resources to the public.

Table 4.8 To what extent are the following applied in your office

Item No.	Item	To what extent are the following applied in your office?				
		Not at all	To a small extent	To a considerable extent	Mostly	Do not know
8.1	Certification of deliveries by End-users before payments are made (N = 50)	6	22	34	30	8
8.2	Regular checking and verification of assets (N = 50)	2	24	28	44	2
8.3	Monitoring and review of vendor performance (N = 50)	16	30	18	18	18
8.4	Disposal of assets (N = 50)	6	24	32	30	8
8.5	Monitor consumable inventory (N = 50)	12	18	34	18	18
	Average Response (%)	8.4	23.6	29.2	28	10.8

This section deals with the levels to which supply chain principles are applied in the department of culture, Art and traditional affairs in Mafikeng. This section evaluates the extent to which the supply chain management principles are applied in the department of Culture Art and Traditional affairs in Mafikeng. The table 4.8 has a five point rating scale ranging from: “Don’t know”, Mostly, “To a considerable extent”, To a small extent, “Not at all”. All practices listed in this question are supposed to be adhered to. Therefore, responses such as “Not at all” and “To a small extent” indicate that the

application of the supply chain management principles can be problematic and threatens service delivery and the outcomes of the annual financial statements.

The grouping of the replies “Mostly” and “To a considerable extent” in Question 8.1 indicates a 64 percentage points. This indicates a great risk that sometimes suppliers are paid without certification. 6% of the respondents specified “Not at all” and 22% “To a small extent”. 8% of the respondents indicated that they do not know about the Certification of deliveries by End-users before payments are made. This suggests that appropriate procedures are not being followed when paying suppliers.

The workplace frequently checked and confirm assets (Question 8.2) with only 24% of the respondents specifying that it is done “To a small extent” in their offices”. 28% indicated that it is done to a considerable extent. 44% of the employees agreed that it is mostly done. 2% of the staff highlighted that not at all. 2% indicated that they do not know about the need to done do this regularly. However, this section is very important part of the department, not proving and confirming assets can lead to an unqualified opinion in the annual financial statements.

Question 8.3, Monitoring and review of vendor performance; shows, 30% of the respondents agreeing that it is done “To a small extent” in the department. It shows that employees do not know the need to monitor and review more often and keep records against the vendor. 18 % of the employees show that this is done to a considerable extent. 18% show that this is mostly done. 16 % do not know the need to monitor and review vendor performance. This suggests that most of the employees (46%) either do not know or believe that it is done to a small extent. Vendor performance is critical to the quality of service delivery and therefore it is important that it is regularly reviewed.

The fact that 32% of the respondents (Question 8.4) indicated they know “To a considerable extent” whether assets are disposed in accordance with the principles of SCM. 30% replied “Mostly” and 24% “to a small extent”. Only a small proportion 6% says not at all while 8% does not know. This suggests that asset disposal is done in accordance with the principles of the SCM.

In 8.5 with regard to Monitoring consumable inventory (N = 50), 34% highlight that it is done to a considerable extent; 18% say “Mostly”, while another 18% say “To a small Extent”, it means that most of the employees do understand the need to “Monitor

consumable inventory” during the procurement process and payment of suppliers .18% Do not Know whether there is a need to monitor consumable inventory. 12% of the staff did not know whether there is a need to monitor consumable inventory. This suggests that most of the employees understand when and how the supply chain management principles are applied at the department of Art culture and traditional affairs.

Section C: Supply Chain Performance

This section intends to investigate how the supply chain management principles are executed as well as the quality of service delivery achieved when applying the supply chain procedures in the department of Culture Art and traditional Affairs in Mafikeng.

Key: SD = Strongly Disagree, D = Disagree, DNK = Do not know, A = Agree, SA = Strongly Agree

Table 4.9 To what extent do you agree with the following statements?

Item No.	Item	To what extent do you agree with the following statements?				
		SD (%)	D (%)	DNK (%)	A (%)	SA (%)
9.1	Procurement processes are supported by management. (N = 49)	8.16	14.29	10.2	40.82	26.53
9.2	Procurement processes are clear within the office. (N = 49)	10.2	12.24	14.29	42.86	20.41
9.3	Procurement processes are clearly broken down into specific tasks. . (N = 49)	6.12	16.33	12.24	51.02	14.29
9.4	End-users are all trained in procurement processes. (N = 49)	4.08	20.41	8.16	53.06	14.29
9.5	End-users trust the procurement processes to be best practices. (N = 48)	4.17	6.25	16.67	52.08	20.83
9.6	End-users are satisfied with	2	18	10	54	16

	the procured goods and services. (N =50)					
9.7	Requisition form (NW1) are completed correctly (N = 50)	2	18	8	46	26
	Average Response (%)	5.25	15.07	11.36	48.55	19.76

This section investigated the excellence of service delivery by the department of Culture, Art and traditional Affairs in Mafikeng as assumed by the respondents. It reviews the productivity of the present procurement actions.

In Question 9.1, 40.82% of the respondents agree that procurement processes are supported by management, 26.53% strongly agree with the comment 14.29% disagree and 10.2% do not know whether procurement process are supported by the management. 8.16% are strongly disagree with above mention comment. However, the majority of the respondents believe it is supported by management. This means that there is adequate monitoring by management of the procurement process.

In Question 9.2, 42.86% of the respondents agree that the procurement processes are clear within the office, 20.41% strongly agree with the statement above mentioned. 14.29 %, do not know about whether the processes are clear within the office. Those who Strongly Disagree is 10.2% and 12.24 % Disagree with the statement. The majority are generally indicating that the processes in the department are clear.

In Question 9.3, 50% of the respondents agree that procurement processes are clearly broken down into specific tasks, 14.29% strongly agree with this statement .12.24% do not know while,16.33% disagree. 6.12 strongly disagree with the clearly broken down within the SCM and payment section. Monitoring of activities is easier if it is broken down into specific tasks.

In Question 9.4, - End-users are all trained in procurement processes (N = 49); 53.06% respondents agree that end-users are trained in procurement processes and 14.29% strongly agree. 20.41% disagree with this statement as well as 4.08% strongly disagree with the above mention matter. 8.16% do not know about whether end users need

training. Though it is not possible for end-users to have in-depth knowledge of SCM, they have certain accountabilities with respect to expenditure and requisitioning. Migro and Amber (2008) endorse that SCM section needs to compliance with the procurement procedure manual within the organisation as well as PFMA.

Question 9.5 investigates whether employees believe End-users trust the procurement processes to follow best practices. 52.08% agree while 20.83% strongly agree that end-users trust the procurement processes to be best procurement practices. 16.67% do not know about the end users performances while 6.25% disagree. 4.17% strongly disagree with the statement. This suggests that generally employees believe that end-users trust the procurement process. The trust of the process by end users influences the apparent end-user fulfilment.

Question 9.6 highlights whether End-users are satisfied with the procured goods and services. 54% agree as well as 16% strongly agree with the statement that end-users are content with procured goods and services.10% of the responses do not know while18% disagree and 2% strongly disagree with the statement. It generally indicates that end users are satisfied with procured goods and services

Question 9.7 investigated whether the requisition forms are completed correctly. An average of 46% (Question 9.7) of respondents agreed that the NW1 is completed properly and 26 % strongly agree it completed correctly all the time before procuring the good and services.8% do not know about the completion of NW1.18% disagree and 2% strong disagree about the statement. This certainly has an influence on period administration as well as on excellence and accuracy of the contacts.

Table 4.10 How would you rate the performance of your office against the following?

		How would you rate the performance of your office against the following?			
		Always	Most of the time	Sometimes	Rarely
		(%)	(%)	(%)	(%)

10.1	Purchase Orders' are delivered according to delivery dates (N = 49)	12.24	40.82	34.69	12.24
10.2	Requisition form. (NW1) are captured the same day they are received. (N =50)	10	46	24	20
10.3	Shopping carts are released the same day they were captured. (N = 48)	12.5	33.33	33.33	20.83
10.4	Purchase Orders' are created within 5 days after the shopping cart was released. (N = 49)	12.24	38.78	34.69	14.28
10.5	Deliveries are issued to End-users on the day goods are received. (N =49)	14.29	51.02	20.41	14.28
10.6	Payment of invoices is made within 30 days. (N = 49)	18.37	44.9	22.45	14.29
10.7	At the end of the financial year accruals amounts to more than 10% of the total allocated budget. (N = 49)	14.29	34.69	26.53	24.49
10.8	At the end of the financial year commitments amounts to more than 10% of the total allocated budget. (N =48)	10.42	27.08	37.5	25
	Average Response (%)	13.04	39.58	29.2	18.18

This question focused on particular actions contained in the procurement process and provides a suggestion of how the respondents valued the presentation in their workplace regarding above mention events.

Altogether the events programmed in question 10 are theoretical to be achieved on a regular base consequently the replies to these declarations would have been "Always". Consequently replies of "Sometimes" or "Rarely" are certainly challenging. If the fractions for these double replies are collective it really results an image of in-house SCM and payment not actuality recognized and adept. These determinations certainly defeat the goal line to achieve a clean Annual Financial Statement. From these

collective replies of the respondents in the taster the following are Determined. However it was mainly to present value of the services delivery in the public sector as discussed by (Niranjan & Metri, 2008:125) above

The 46.93% of respondents are of the view that purchase orders are sometimes and rarely delivered according to delivery dates (Question 10.1). The middle ground facility delivery to end-users, impacting on their processes and can reason commitments at the end of the financial year. 40.82% most of the time deliver on time and 12.24% of the Purchasing order deliver according to the specification.

44% of respondents are of the view that NW1's are sometimes and rarely captured the same day they were received (Question 10.2). An acquisition form movements are captured the same day they are received 10% always. Accordingly 46% Requisition form (NW1) are captured the same day they are received. (N =50) on the time.

54.16% of respondents are of the view that spending purchase orders are sometimes and rarely released the same day they were captured (Question10.3).according to the 33.33% of the mostly of the time order was capture to print purchasing order. Always 12.5% will capture on time within the day end.

34.69% of respondents are make sure that Purchasing Orders are sometimes and rarely created within 5 days after the spending cart was on the rampage (Question 10.4), in other words 38.78% most of the time created within 5 days. However 12.24% always on time with the above statement.

34.69% of respondents on Deliveries are issued to End-users on the day goods are received are sometimes and rarely give out to end-users on the same day (Question 10.5). 51.02% most of the time they received the delivery note. Basically grounds a delay in capacity distribution to end-users, meet halfway their processes. Accordingly 14.29% always without any query supplier will deliver.

36.74% of respondents are of the estimation that supplier will get paid done by is sometimes and rarely within 30 days (Question 10.6). 44.9% of most of the time payment invoices paid within frame time period. According to 18.37 % of the respondents always get paid before the 30days.

48.98%(Always and mostly) of respondents are of the belief that at the end of the financial year the accruals carry forward to the following monetary year by SCM office, total to more than 10% of the total assigned budget of that financial year (Question 10.7). These accruals are not simply paid from the apportioned budget of the following financial year, subsequent in reduced reserves obtainable for the new financial year but can also results in the delay of expenditures to suppliers.in the 26.53% sometime and 24.49% relay agree with the statement.

This is massive problem particularly for minor businesses with an inadequate cash flow and can reason accruals at the end of the financial year. For an improved understanding of the previous double assumptions (Question 10.7) the relations accrual and commitment need to be explained. Accrual consequences from a procurements order provided within the financial year but not paid before the end of the financial year and are passed forward to the next financial year for disbursement.

A commitment outcomes from an acquisition order not transferred beforehand the end of the financial year which could not be cancelled meanwhile the end-user still needs the orderly goods or service and is accepted onward to the following monetary year for distribution and disbursement. 37.5% of respondents are of the always and mostly of the time belief that at the end of the financial year commitments carried forward to the next financial year by their office, amount to more than 10% of the total allocated budget (Question10.10). These commitments are not only paid from the to be paid budget of the next financial year, subsequent in smaller reserves obtainable for the new financial year but also compromise facility delivery to end-users.37.5% sometimes and 25% rarely know about At the end of the financial year commitments amounts to more than.

Table 4.11 How would you rate the officials in your office responsible for the procurement of goods and services

		How would you rate the officials in your office responsible for the procurement of goods and services?			
		Excellent	Good	Reasonable	Poor
		(%)	(%)	(%)	(%)

11.1	Level of skills (N = 50)	12	42	38	8
11.2	Level of commitment (N = 50)	6	50	38	6
11.3	Level of motivation (N = 50)	14	48	26	12
11.4	Level of experience (N = 50)	10	60	26	4
11.5	Level of accuracy (N = 49)	10.2	57.14	22.45	10.2
11.6	Level of time management (N = 50)	10	36	36	18
11.7	Level of End-user satisfaction (N = 49)	6.12	44.9	34.69	14.29
11.8	Level of compliance to policies (N = 50)	10	46	32	12
11.9	Level of knowledge (N = 48)	6.25	47.92	33.33	12.5
11.10	Level of interdependency between units within Finance & Expenditure (N = 50)	14	32	44	10
11.11	Level of cooperation between units within Finance & Expenditure (N = 50)	22	28	40	10
11.12	Level of communication between units within Finance & Expenditure (N = 50)	14	36	40	10
	Average Response (%)	11.21	44	34.21	10.58

Question 11 determined how the respondents valued the employees in their own sections at the department of Culture, Art and traditional Affairs with regard to their accountability towards the procurement of goods and services. The rating scale ranges from Excellent, Good, Reasonable and Poor.

Question 11.1 rated the level of skills of the officials responsible for the procurement. 12% of the respondents believe they have excellent skill and 42% rated them good. 38% believe they have reasonable level of skills and 8% believe they have poor level of skill within the SCM and Payment section. This suggests that the officials are generally highly rated by other employees.

Question 11.2 (level of commitment) 6% believe they have an excellent level of commitment and 50% rate their commitment to be good within SCM and payment section while 38% believe their commitment to be reasonable and 6% believe it is poor. This indicates that the officials working within the SCM are generally believed to be committed.

Question 11.3 (level of motivation) 14% believe that the officials have excellent motivation and 48% believe it is good. 38% regard their motivation to be excellent while 12% believe it is poor. From the above it is clear that the respondents believe that generally the employees working in the procurement section have excellent motivation.

Question 11.4 (level of experience) 70% of the staff rate them to be of Excellent and Good working experience. 26% of the respondents believe they have reasonable working experience while 4% believe they have poor work experience. This indicates that respondents are of the view that the level of knowledge of the officers accountable for procurement is generally good.

Question 11.5 (Level of accuracy) 10% of the respondents rate them as having excellent accuracy and 36% good of level of accuracy among employees. 36% reasonable and as well as 18% of poor level of accuracy within the section.

Question 11.6 (Level of time management) 10% of the respondents believe they have excellent time management skills in the unit of SCM and payment section. 36% of good and 36% of reasonable level of time management skills while 18% rate them as of having a poor level of time management.

Question 11.7 (Level of End-user satisfaction) 6.12% rate them as achieving excellent end-user satisfaction and 44.9% rate them as achieving a good level of fulfilment of the needs of end-users. 14.29% rate them as achieving poor satisfaction of the users.

Question 11.8 (Level of compliance to policies) 10% believe they have an Excellent level of compliance and 46% rate them as achieving a Good level of compliance with the polices within the SCM and payment section. 32% believe they have a reasonable level of compliances with the current polices within the department.12% of them believe they poorly comply.

Question 11.9,10,11 and 12 (level of knowledge) generally indicate that the respondents rate them highly with regard to the level of knowledge, cooperation, interdependence and communication among the department. The respondents believe that the officials involved in the SCM processes have good knowledge, and they cooperate well with the other departments.

Section D: Supply Chain Processes

This section focuses on the paper trail of each requisition or process flow of procurement. It focuses on the in-house logistics within the supply chain. It also highlights in which unit these actions are achieved. The purpose of question 12 was to establish in which unit particular procurement actions are accomplished for the District office as well as for the other directorates. Question 12 determined the District office procurement events and other directorate procurement activities.

Table 4.12 In which unit are the following tasks performed to procure for the district offices?

		In which unit are the following tasks performed to procure for the district offices?			
		Not at all (%)	Finance and Procurement (%)	Office Service Pool (%)	Finance Management (%)
12.1	Secure quotations. (N = 49)	16.33	75.51	6.12	2.04
12.2	Create and update a vendor database (N = 49)	32.65	53.06	8.16	6.12
12.3	Capture Requisition form .(NW1)	8.33	79.17	8.33	4.17

	(N = 48)				
12.4	Release Requisition form .(NW1) (N = 47)	6.38	80.85	4.26	8.51
12.5	Ensure a PO is created correctly. (N = 46)	4.35	78.26	4.35	13.04
12.6	Follow up of deliveries. (N = 47)	10.64	59.57	17.02	12.77
12.7	Monitor vendor performance and compile a Monthly Report. (N = 48)	14.58	54.17	8.33	22.92
12.8	Receive, check and distribute goods delivered. (N = 47)	12.77	61.7	12.77	12.77
12.9	Check invoice and submit to GDF. (N = 46)	8.7	54.35	6.52	30.43
12.10	Capture GRV.(N = 47)	8.51	46.81	10.64	34.04
12.11	Follow up payment of invoices. (N = 48)	2.08	29.17	14.58	54.17
12.12	Aging of supplier payments. (N =48)	0	20.83	16.67	62.5
12.13	Filing of Requisition form. (NW1) and quotations. (N = 48)	2.08	31.25	10.42	56.25
12.14	Filing of GRV and Delivery Note/ copy of Invoice. (N = 47)	0	31.91	8.51	59.57
12.15	Asset Register and Asset Control within the office. (N = 47)	0	36.17	10.64	53.19
12.16	Maintain the record of labour saving devices (monthly payments, lease expiry date, etc.). (N = 48)	0	29.17	10.42	60.42
12.17	Management of Consumable Inventory. (N = 47)	0	25.53	12.77	61.7
12.18	Compiling of Accruals and Commitments for audit reporting. (N =47)	0	20.83	4.17	75

	Average Response (%)	7.08	48.24	9.7	34.98
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In the table above the results are combined with the scores given for the office in head office SCM and Payment section in Chief Director Unit.

The totals verified in the head office show that the procurement activities are performed mainly in two units namely Finance and Procurement and Office service pool.

The Office of unit service pool shows the highest percentage of all units responsible for the following activities:

- ✓ Follow up of deliveries
- ✓ Aging of supplier
- ✓ Follow up payment of invoices
- ✓ Management of consumable
- ✓ Asset Register and assets control within the office
- ✓ Capture of the Good Received Voucher
- ✓ Filing of Requisition form. (NW1) and quotations
- ✓ Maintain the record of labour saving devices (monthly payments, lease expiry date,)

Finance and Procurement demonstrates the highest percentage of all units for the following activities:

- ✓ Secure quotations.
- ✓ Create and update a vendor database.
- ✓ Capture Requisition form (NW1)
- ✓ Release Requisition form (NW1)
- ✓ Ensure a PO is created correctly.
- ✓ Follow up of deliveries.
- ✓ Monitor vendor performance and compile a Monthly Report.
- ✓ Receive, check and distribute goods delivered.
- ✓ Check invoice and submit to GDF.

- ✓ Capture GRV.

Although these events are separated between the two units, it is necessary to note that interdependency between these two units is of great importance to the Department of Culture, Art and Traditional Affairs. Interdependence stops the different units from working in silos. However, the capacity for the two units is not the same. This places additional obligation and responsibility on the Finance and Procurement units. At the present moment the department only provides for fewer posts including the managerial level.

The chief clerk in Finance and Procurement is a lower post level than the senior officer in Office service pool. The chief clerk also has to manage the SCM and the salary administration, while the senior officer is only accountable for SCM. The risk of taking short cuts and cooperating with in-house logistics in the Finance and Procurement is higher than in Office service pool. According to Pretorius and Pretorius (2008) the implementation of Public Financial Management Systems is compulsory in order to achieve public service delivery goals, transparency and to manage public funds well

Section E: Correlation Analysis

TEST OF SIGNIFICANACE (SPEARMAN'S RANK CORRELATION)

This test is concerned with the relationship between two ranked variables (X and Y). The relationship is statistically significant if the p-value is less than or equal to 0.05 level of significance.

The coefficient of Spearman's rank correlation is given by

$$r = 1 - \frac{6\sum D^2}{N(N^2 - 1)}$$

where

D = differences of ranks of corresponding values of X and Y

N = number of paired values in the data

$$-1 \leq r \leq 1$$

Table 4.13: Spearman's rank correlation between current position and views of respondents on the supply chain management practices

Views		
Potential suppliers have equal access opportunities to provide quotations. (N = 46)	Correlation coefficient(r)	0.291
	p - value	0.50

SPSS 23 software package was used to perform the correlation analysis and the results are shown in Table 4.13. Since all the p-value is equal to 0.05 level of significance, then the correlation between the current position and views of respondents about the item listed in Table 4.13 is significant. Positive correlation coefficient implies that respondents who occupied lower positions tend to agree with the item listed in Table 4.13, whereas respondents who occupied higher positions tend to disagree.

Figure 4.6: Views of respondents versus current position ($r > 0$)

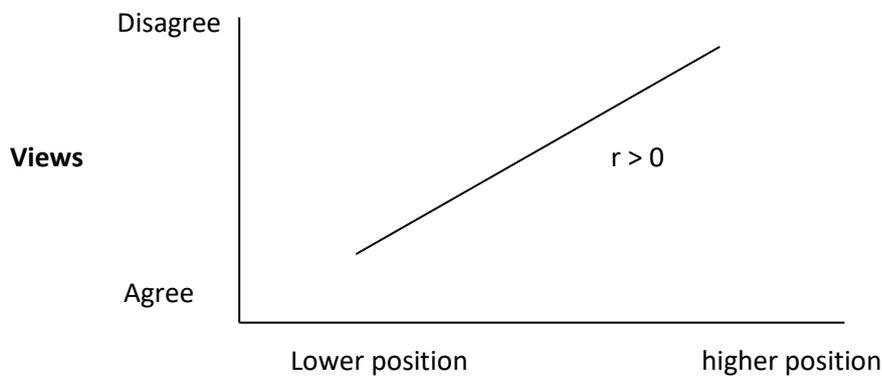


Table 4.14: Spearman’s rank correlation between length of service in the Department and views of respondents on the supply chain management practices and performance

Views		
My office procures at the lowest price which best fits the requirements of the End-user. (N = 48)	Correlation coefficient(r)	- 0.324
	p - value	0.025
End-users are all trained in procurement processes. (N = 47)	Correlation coefficient(r)	0.307
	p - value	0.036

Since the p-values in Table 4.14 are less than 0.05 level of significance, then the correlation between the length of service in the Department and views of respondents about the items listed in Table 4.14 is significant. Positive correlation coefficient implies that respondents who have longer service tend to agree with the listed item, whereas respondents who less service tends to disagree. Negative correlation coefficient implies that respondents who with longer service tend to disagree with the listed item, whereas respondents who less service tends to agree.

Figure 4.7 (a): Views of respondents versus length of service in the Department ($r < 0$)

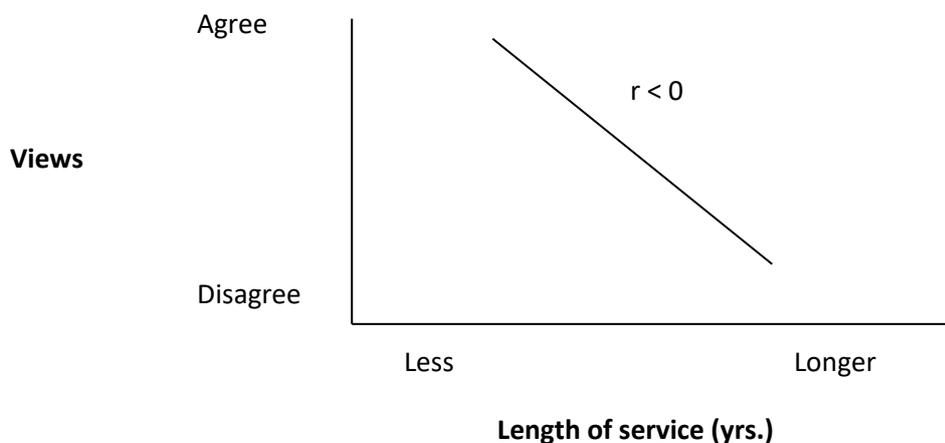


Figure 4.7 (b) Views of respondents versus length of service in the Department (r > 0)

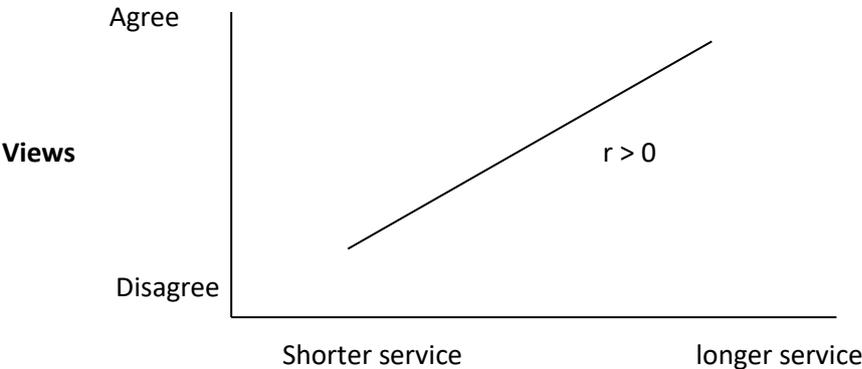


Table 4.15: Spearman’s rank correlation between length of service at chief directorate (CFO) and views of respondents on the ratings about the level of motivation of procurement officials

Views		
(N = 47)	Correlation coefficient(r)	0.348
	p - value	0.016

Since the p-value in Table 4.15 is less than 0.05 level of significance, then the correlation between the length of service in the chief directorate and views of respondents about the items listed in Table 4.15 is significant. Positive correlation coefficient implies that respondents who have longer service at the chief directorate tend to agree with the listed item, whereas respondents who less service tend to disagree.

Figure 4.8: Views of respondents versus length of service at chief directorate ($r > 0$)

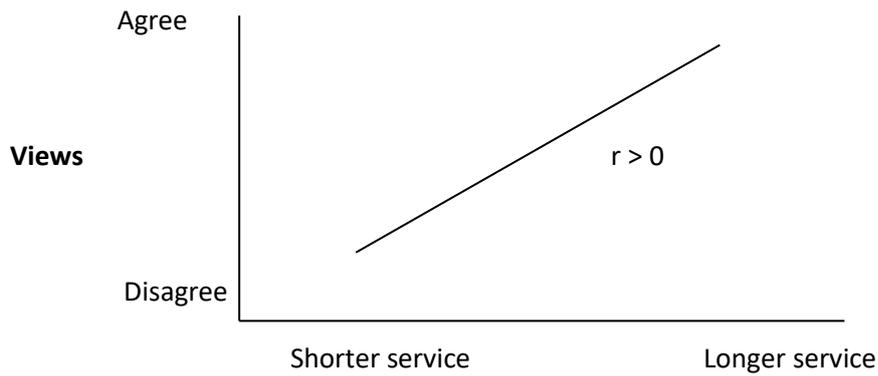
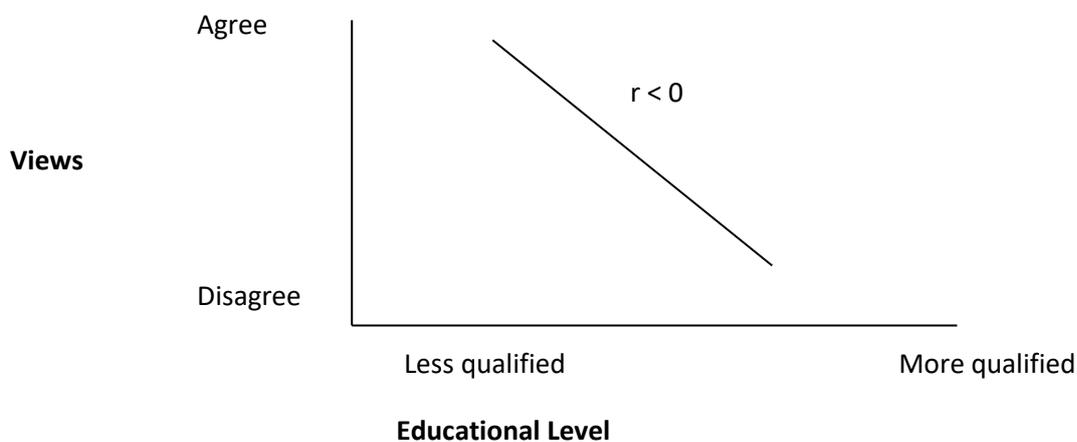


Table 4.16: Spearman’s rank correlation between educational qualification and views of respondents on the ratings about the level of interdependency between units within Finance & Expenditure

Views		
Level of interdependency between units within Finance & Expenditure (N = 47)	Correlation coefficient(r)	-0.297
	p - value	0.043

Since the p-value in Table 4.14 is less than 0.05 level of significance, then the correlation between the educational qualification and views of respondents about the item listed in Table 4.16 is significant. Negative correlation coefficient implies that the more qualified respondents tend to disagree with the listed item, whereas the less qualified respondents tend to agree.

Figure 4.9: Views of respondents versus educational qualification ($r < 0$)



Section F: Reliability Analysis

Cronbach’s alpha (α) reliability coefficient, whose numerical value ranges from 0 to 1, measures the reliability (or internal consistency) of the items in the Likert scale. A high value (close to 1) for Cronbach’s alpha reliability coefficient indicates good internal consistency of the items in the scale.

Table 4.17

Cronbach’s Alpha (α)	N of Items	Items
0.737	11	6.1 – 6.11
0.774	5	8.1 – 8.5
0.891	7	9.1 – 9.7
0.866	8	10.1 – 10.8
0.928	12	11.1 – 11.12

The Cronbach’s alpha coefficients in Table 4.17 above are close to 1, suggesting that the items in the scale have relatively high internal consistency.

4.2 CONCLUSIONS

In conclusion, the respondents’ answers to the questionnaires were analyzed using the SPSS tool, mostly using tables and graphs to present outcomes. The quantity of respondents who contributed in the study showed that there’s been a close correlation between the responses and the gender status.

It was noted that most of the respondents have been working for more than 10 years in the Department of Culture, Arts and Traditional Affairs. 14.89% of the respondents have more than 10 years of being employed in their current unit. Furthermore, the majority of the respondents in the section are of the view that officers accountable for procurement

are not taking their obligations seriously, that they also lack inspiration, familiarity with the legislation guiding procurement, as well as the skills, and knowledge to work effectively and efficiently in the finance and administration division.

CHAPTER 5 : DISCUSSION, RECOMMENDATIONS, CONCLUSION

5.1 Introduction

The purpose of this chapter is to crystalize the discussions and findings from the previous chapters so as to make final conclusions and recommendations derived from this empirical study on the causes of non-compliance with the PFMA payment cycle in the North West Department of Culture, Arts and Traditional Affairs. It also highlights how the research questions were addressed by the investigation. The chapter also recommends solutions to the problem of non-compliance with the prescriptions of the PFMA, specifically in the North West Province.

5.2 30 Day Supplier Payment Agreement

“Section 38 of the PFMA 1(a) (i) states that an accounting officer must maintain effective, efficient and transparent financial risk management and internal control.” Section 38(f) of the PFMA states that the accounting officer “must settle all contractual obligations and pay all money owing, including intergovernmental claims within the prescribed or agreed period.” This means that in order to comply with the prescripts, all the expenditures owing to creditors’ obligation are settled within 30 days after receiving of an invoice or, in the instance of public rights, after the day of the week of payment or Court Judgment (Treasury Regulation 8.2.3). However, in a lot of government departments, especially the North West CATA department, there has been excessive non- compliance with the requirements of Section 38 of the PFMA.

The Department of CATA and processes are governed by the Constitution, Act No 108 of 1996. Supply Chain Management is also one of the principles that ought to be followed that are highlighted by the Constitution in Section 217.

This section consolidates the findings of the research, derived through analysing and interpreting of statistical data, which has been discussed in the previous section. The research questions pertaining to the impact of the Department’s challenges on the SCM to Payment Expenditure management are also answered.

The research was aimed at determining the challenges faced by the Department of Culture Art and Traditional Affairs, North West, in complying with Section 38 of the PFMA.

The study revealed that the challenges faced by the department related to staff members who are lower ranking who did not have the appropriate knowledge of public procurement policies and principles. This lack of knowledge had an adverse effect on the efficient operation of the Department of Culture, Arts and Traditional Affairs. Furthermore, failure to provide bursaries to staff members in the Department of Culture, Arts and Traditional Affairs resulted in staff members not having the appropriate expertise to undertake the functions of the Department.

5.3 Research design and methodology

A quantitative research method was used in this study. It was used to identify the variables in the questionnaire administered to respondents in this study and where the underlying causes of non-compliance lay with regards the prescriptions of the PFMA. A questionnaire was used to collect data in this study. The questionnaire consisted of open-ended questions. Fifty questionnaires were handed out with 97% of them returned and only 3 which were not completed correctly. The questionnaires were circulated amongst employees of Head Office in CATA to all genders; various age groups, with different qualifications and those employed in SCM and payment sections in the Department.

5.4 Summary of findings

The main purpose of the study was to establish whether the 30 day payment to suppliers within SCM and Payment had an impact on compliance. The response towards this question showed that this period was hardly adhered to. The important features of the SCM and Payment were used to build questions for employees to answer within the responsibilities. Forty-seven (47) out of a sample of fifty respondents decided to complete and return the questionnaire giving a 97% response rate. The questions were set to establish planned to discover overall awareness about Treasury Regulations, PFMA and detailed conditions and results linked to the use of the Treasury Regulation and PFMA model as an alternative procurement method matched to the traditional management procurement technique (OECD, 2011:Online). The questions were structured, and they examined and gathered information about the respondent's knowledge of the fundamentals of the SCM and Payment method employed to fulfil the obligations to pay in the department of Culture, Art and Traditional Affairs. This also

sought to obtain knowledge about the implementation of Treasury Regulations and the PFMA and how the opinions on why the procurement procedures are important to the Department and why it should be organised in a way that complies with Treasury Regulation and PFMA.

Payment on time and within certain specified periods has become fundamental in Government service departments (Isaacs, 2007). In the NWPG, the Payment Division has in the past failed to produce appropriate information aimed at fulfilling the information requirements of other service Departments in the NWPG. The budget and financial management process often do not create suitable evidence to assist governmental decision-making. Information such as human resources, economic and social aspects are not provided (National Treasury MTEF, 2010: 3-5).

5.5 Limitations

The mini dissertation was conducted only in the Department of Culture, Arts and Traditional Affairs ATA focusing only on compliance with 30 day payment of suppliers within the Province. It is important to understand how compliance is viewed and practised in SCM and Payment Section within the Department of Culture Art and Traditional Affairs. There is also a chance to compare behaviour in a comparative study in other North West Provincial Government departments to establish the compliance patterns within other provinces and establish a comparative benchmark.

5.6 Recommendations

In light of the findings of this study the following recommendations have been made:

The department of Culture, Arts and Traditional Affairs should consider developing a policy that allows capacity development in order to control the staff turnover and loss of expertise as well as skilled personnel. The existing positions need to be advertised to provide opportunities and attract the requisite skills and professional ethos required by the public service. This should sufficiently close the skills gap identified in this study. This would also reduce the complexities experienced in service delivery practised by the Government

There should be a revised Organisational Structure put in place to permit career development for officials in SCM and Payment Unit. This would allow them to enhance

their knowledge and enable them to apply for higher positions and enhancing the performance of the Department in the North West Provincial Government. The higher one progresses on the Organisational Structure, the better their incentives become. Staff members seek employment elsewhere where organisations offer better incentives to motivate and increase their morale. IT and ICT Management all need to be connected to encourage data compilation and efficient monitoring and revision of public sector programmes. The advantage of this is that there will be more reliable figures on the employment and configuration of the public service.

It is essential to capacitate the existing personnel to ensure that problems of efficiency are addressed more effectively. E-Government plays an important role to achieve outstanding performance for reporting purposes in public administration that links ICT to all the stakeholders as well as improve performance, increase the efficiency, transparency and accountability of Government. CATA needs to encourage employees to adhere to rules and procedures to ensure efficiency and productivity in the North West Provincial Government. Adequate Government funding for functions such as payment for the client the departments are likely to contribute to combating the problem of retaining qualified staff and reducing dependency on consultancy services. For the transformation process to succeed, such as BAS implementation, it is important that all departments at provincial levels have adequate and equitable financial capacity.

Managers in the North West Provincial Government have to lead and direct the change process in a creative and visionary way in order to overcome staff fear, which develops when managerial responsibility is decentralized, in terms of BAS while accountability for performance against specified objectives is increased. The challenges and performance in the North West Provincial Government relate to the productivity, capability, inspiration and self-esteem of the staff. The active organisation, progress and operation of human resources are critical for the success of institution building and management programme performance, as well as for the success of the transformation process.

The issue of human resource development in the North West Provincial Government is guided by the principles of total quality management (TQM). TQM is output-orientated to improve the capacity of the North West Provincial Government to meet the needs of clients by continually reorienting Organisational Structure, behaviour and culture to this purpose. Clients may be external service users, or they may be other public service

agencies of departments. TQM techniques will therefore be studied, adopted where appropriate, and adapted to suit the specific circumstances of the South African Public Service.

5.7 Conclusions

The main aim of this study was to identify the causes of non-compliance with the PFMA payment cycle in the North West Department of Culture, Arts and Traditional Affairs. The purpose remained based on a quantitative study within Head Office in the Department of Culture, Arts and Traditional Affairs (CATA) SCM & Payment Unit. A literature study was done and used as the basis for the questionnaire which was developed in the study. Throughout the study, the principles underlying the SCM and Payment Section Unit of public entities in South Africa was analyzed which clarified the fundamentals and basics of SCM and Payment Sections in public entities. A questionnaire was distributed to the employees accountable for procurement at the Head Office of the department of Culture Art and Traditional Affairs in Mafikeng.

The Officials within the SCM and Payment Unit should conduct a Risk Assessment and identify the root causes of the risks associated with non-compliance to Payment of Suppliers within 30 Days as stipulated in the PFMA and Treasury Regulations and other Financial Circulars. CATA in the North West Department should come up with Treatment Plans which are “SMART” (Specific, Measurable, Affordable, Realistic and Time-bound) to be implemented according to specific time-frames and with responsible Risk and Action Owners that would address the root causes which would ultimately minimize or mitigate the risk and ensure that Service Providers obtain their funds within the specified period.

A well-managed Administration in the Department delivers the essential services timeously and in line with relevant PFMA, Treasury Regulations and Financial Circulars to improve excellence of their services by ensuring that their Service Providers get payments on time for services that were rendered which will ensure a good reputation of the Political Head, Accounting Officer and Government as a whole. Services will then be met resourcefully, professionally and with efficacy.

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APPENDIX A: Informed consent form 1st draft of data collection instrument (-s)

Section A: Demographics

1. CURRENT POSITION/RANK

Director	Deputy Director	Assistant Director	Senior officer	Chief clerk	Senior clerk

2. YEARS OF SERVICE IN THE DEPARTMENT OF CULTURE, ARTS AND TRADITIONAL AFFAIRS

Less than 1	More than 1 but less than 5	More than 5 but less than 10	More than 10 years

3. YEARS OF SERVICE AT CHIEF DIRECTORATE (CFO)

Less than 1	More than 1 but less than 5	More than 5 but less than 10	More than 10 years

4. UNIT WORKING IN CURRENTLY

Payment (Expenditure)	
Supply chain management	

Banking services	
Revenue	
Risk	

5. HIGHEST QUALIFICATION

Grade 12	Certificate	Diploma	Degree	Post graduate

Section B: Supply Chain Management (SCM) Practices

6. TO WHAT EXTENT DO YOU AGREE WITH THE FOLLOWING STATEMENTS?

		Strongly Disagree	Disagree	Agree	Strongly Agree	Do not Know
6.1	My office operates according to the 5 pillars of SCM.					
6.2	My office procures at the lowest price which best fits the requirements of the End-user.					
6.3	My office links Demand Plans and Procurement processes					
6.4	The procurement processes					

	are transparent.					
6.5	Potential suppliers have equal access opportunities to provide quotations.					
6.6	Favouritism plays a role in supplier selection.					
6.7	Procurement is done with the highest integrity.					
6.8	Gifts are accepted from suppliers					
6.9	The current Procurement Process provides a quality service to End-users.					
6.10	Procurement processes are Coordinated activities to ensure quality service delivery.					
6.11	All procurement policies are currently applied.					

7. DO YOU AGREE WITH THE FOLLOWING STATEMENTS?

		Yes	No
7.1	My office has a supplier data base.		
7.2	My office has a standard price quotation form (RFQ).		
7.3	My office has records on vendor performance.		

8. TO WHAT EXTENT ARE THE FOLLOWING APPLIED IN YOUR OFFICE?

		Not at all	To a small extent	To a considerable extent	Mostly	Do not Know

8.1	Certification of deliveries by End-users before payments are made					
8.2	Regular checking and verification of assets					
8.3	Monitoring and review of vendor performance					
8.4	Disposal of assets					
8.5	Monitor consumable inventory					

SECTION C: SUPPLY CHAIN PERFORMANCE

9. TO WHAT EXTENT DO YOU AGREE WITH THE FOLLOWING STATEMENTS?

		Strongly Disagree	Disagree	Agree	Strongly agree	Do not know
9.1	Procurement processes are supported by management.					
9.2	Procurement processes are clear within the office.					
9.3	Procurement processes are clearly broken down into specific tasks.					
9.4	End-users are all trained in procurement processes.					
9.5	End-users trust the procurement processes to be best practices.					
9.6	End-users are satisfied with the procured goods and services.					
9.7	Requisition form .(NW1) are completed correctly					

10. HOW WOULD YOU RATE THE PERFORMANCE OF YOUR OFFICE AGAINST THE FOLLOWING?

		Always	Most of the time	Sometimes	Rarely
10.1	PO's are delivered according to delivery dates				
10.2	Requisition form. (NW1) are captured the same day they are received.				
10.3	Shopping carts are released the same day they were captured.				
10.4	PO's are created within 5 days after the shopping cart was released.				
10.5	Deliveries are issued to End-users on the day goods are received.				
10.6	Payment of invoices is made within 30 days.				
10.7	At the end of the financial year accruals amounts to more than 10% of the total allocated budget.				
10.8	At the end of the financial year commitments amounts to more than 10% of the total allocated budget.				

11. HOW WOULD YOU RATE THE OFFICIALS IN YOUR OFFICE RESPONSIBLE FOR THE PROCUREMENT OF GOODS AND SERVICES?

		Excellent	Good	Reasonable	Poor
11.1	Level of skills				
11.2	Level of commitment				
11.3	Level of motivation				
11.4	Level of experience				

11.5	Level of accuracy				
11.6	Level of time management				
11.7	Level of End-user satisfaction				
11.8	Level of compliance to policies				
11.9	Level of knowledge				
11.10	Level of interdependency between units within Finance & Expenditure				
11.11	Level of cooperation between units within Finance & Expenditure				
11.12	Level of communication between units within Finance & Expenditure				

SECTION D: Supply Chain Processes

12. IN WHICH UNIT ARE THE FOLLOWING TASKS PERFORMED TO PROCURE FOR THE DISTRICT OFFICES?

		Not at all	Finance and Procurement	Office Service Pool	Finance Management
12.1	Secure quotations.				
12.2	Create and update a vendor database				
12.3	Capture Requisition form (NW1)				
12.4	Release Requisition form (NW1)				
12.5	Ensure a PO is created correctly.				
12.6	Follow up of deliveries.				
12.7	Monitor vendor performance and compile a Monthly Report.				
12.8	Receive, check and distribute				

	goods delivered.				
12.9	Check invoice and submit to GDF.				
12.10	Capture GRV.				
12.11	Follow up payment of invoices.				
12.12	Aging of supplier payments.				
12.13	Filing of Requisition form. (NW1) and quotations.				
12.14	Filing of GRV and Delivery Note/ copy of Invoice.				
12.15	Asset Register and Asset Control within the office.				
12.16	Maintain the record of labour saving devices (monthly payments, lease expiry date, etc.).				
12.17	Management of Consumable Inventory.				
12.18	Compiling of Accruals and Commitments for audit reporting.				

Thank you for your time and honesty by completing this questionnaire.

It is sincerely appreciated

