



STUDY ON THE ANALYSIS OF PROCUREMENT RISK MANAGEMENT IN THE MALAWI POLICE SERVICE: CHALLENGES AND STRATEGIC SOLUTIONS

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ABSTRACT :

Procurement is critical for the Malawi Police Service, and the research, this dissertation, An Analysis of Procurement Risk Management in the Malawi Police Service: Challenges and Strategic Solutions, explores procurement risks and identifies strategic solutions to mitigate them, thereby improving operational efficiency. Using a mixed-methods approach, the research collected data from 100 officers through structured questionnaires and detailed interviews. They are illustrated with significant dangers, such as tardiness of suppliers, corruption, insufficient budget allocations, and inefficiencies of procurement processes. This complicates procurement operations and puts at risk service provisioning availability.

The paper argues that the study identifies a few measures to combat these challenges, including improvement of existing transparency mechanisms, establishment of e-procurement systems, ensuring compliance with procurement laws and strengthening capacity-building initiatives. The study further emphasizes the need for policy changes that bear specific relevance to the context of law enforcement agencies in the Malawian setting.

Thus, it advances understanding of the procurement risk management concept as applied to work within law enforcement agencies and presents a potential evidence base for those seeking to inform procurement behavior of relevant stakeholders in similar situations.

KEYWORDS :

- Procurement
- Risk Management
- Malawi Police Service (MPS)

INTRODUCTION :

Yet procurement is very important to the efficient functioning of public institutions – especially in cases where resource allocation has a direct influence on public safety and service delivery. However, in Malawi, the Malawi Police Service (MPS) is one of the central public institutions that is responsible for maintaining law and order, the acquisition of these resources, such as vehicles, uniforms, communication equipment, and operational tools, requires efficient procurement systems to facilitate timely delivery. But the public sector procurement process faces many obstacles like financial limitations, inefficiencies, corruption and poor infrastructure.

Procurement risks in the MPS could highly compromise its ability to deliver services. It is a common issue with Supplier delays, procurement policy non-compliance and lack of transparency leading to ineffective ops. The challenges are exacerbated by a changing working environment marked by budget constraints and increased public demand for accountability.

Risk management has emerged as a critical aspect of procurement processes across the world to help institutions identify, evaluate and address risks associated with procurement processes. "When it comes to the MPS, effective procurement risk management strategies are crucial to the efficient allocation of resources and the delivery of public services."

In this regard, the present study investigates procuring risk management in MPS, determines the main challenges witnessed existences and proposes strategic solutions, considering the local reality and global best practices.

LITERATURE REVIEW :

Concept of Procurement Risk Management

Procurement risk management is the process of identifying, assessing, and mitigating risks associated with procurement activities. As noted by Ambe and Badenhorst-Weiss (2012), comprehensive procurement risk management guarantees the smooth operation of an organization by responding to uncertainties that could threaten the continuity of the supply chain. It includes everything from planning, supplier selection, contract management and monitoring delivery. Such a process would help minimize disruptions and ensure that procurement activities are aligned with organizational objectives, promoting sustainability and operational efficiency.

Risk management is one of the key aspects of public procurement system to promote transparency, accountability and value for money. The majority of these risks, as you will read, fit into four categories: Financial Risks, Operation Risks, Compliance Risks, and Reputational Risks (Rendon & Rendon, 2015). In many cases, such risks are interdependent, underscoring the need for building mitigating strategies in an integrated way. Financial risks are linked to budget overruns, cost increases, or unexpected spending affecting project financing. Operational risks include supply chain disruptions such as delays in delivery, insolvency of suppliers or quality risks. However, procurement malpractice can lead to two types of ancillary risks: compliance and reputational risks. Compliance risks result in failure to comply with regulatory and legal requirements, while reputational risks arise when public trust in the organization is lost.

1. Theoretical Frameworks in Procurement Risk Management

Principal-Agent Theory

The principal-agent theory offers a thoroughly developed framework for the interactions between two parties, the principal and the agent. In the procurement context, the principal may be the buyer or contracting authority of various goods or services, while the agent is the supplier or contractor responsible for providing those goods or services. This theory applies directly where one party gives up authority or responsibility to the other—and therefore depends on the actions of the agent for obtaining results. However, these are rarely straightforward relationships and they present a number of challenges, many of which arise from information asymmetries, conflicting goals, and misalignment of incentives.

Information asymmetry is when one party—generally the agent—has access to more or better information than the principal. In procurement, for example, suppliers may have crucial information about the costs, quality, or timelines of goods and services that the buyer is unable to fully verify. This institutional imbalance gives rise to agent opportunism where agents exploit their information advantage to appropriate surplus or evade tasks. For instance, the supplier can charge higher cost than the agreed rates, sub-standard quality or project execution without intimating to principal. These actions create trust issues and incompetence that can endanger the compliance of procurement projects.

Risk Management Frameworks

While the ISO 31000 framework also provides a set of guidelines that form a universal risk management approach embedded in organizational processes. This is especially important for a framework that lays a critical foundation for the development of structured, systematic, and consistent risk management practices of the highest professional quality, necessary for organizational resilience and long-term sustainability. One of the core processes that is most relevant to this framework is procurement — a fundamental function that underwrites the operational efficiency of any organization. Procurement is the process of obtaining goods, services, or works from an external source, and it is essential for organizations to be able to fulfill their strategic goals. Nevertheless, procurement processes are inherently linked with a variety of risks that, if not properly managed, can impede the achievement of operational objectives. Such risks are financial mismanagement, defaults on suppliers, fraud, corruption, inefficiencies, and much more. So, it becomes inevitable to adopt a systematic approach of risk management like ISO 31000.

Empirical Studies on Procurement Risk Management

Several studies have explored procurement risk management in public institutions:

Case Study: Kenya Police Service

A study by Wanyama et al. Awan et al.(2016) carried out a study focusing on the Kenya Police Service specifically on its procurement practices. Corruption emerged as a major cause of procurement inefficiencies according to the study, indicating that unethical practices permeated the procurement process. Favoritism, bribery, fraudulent activities were among the practices that not just diverted valuable resources, but also compromised the integrity of the procurement procedures. Such corruption often took the form of corrupt payments for awarding contracts, tender corruption, and embezzlement. Instead, the processes of procurement that should be aiming to achieve critical objectives such as getting good quality goods and services at fair prices rarely succeeded, and Kenya Police Service was left with inferior and no equipment or services.

Besides corruption, the agency also marked poor risk management practices in the procurement system. In the context of the police service, the lack of a function risk management strategies resulted in the organisation being exposed to a host of procurement-related risks, including delivery deferment, non-performance by the supplier as well as further corrupt practices. Is it possible that this risk could have been foreseen? In addition, the study noted the lack of adequate records and documentation of procurement processes, which creates challenges in tracing the source of the procurement decisions hence increasing corruption and lack of accountability.

RESEARCH METHODOLOGY :

Research Design

This study employs a **descriptive research design**, which is particularly suited for examining the challenges and strategies related to procurement risk management within the Malawi Police Service (MPS). The choice of a descriptive design is guided by its ability to facilitate a systematic collection and analysis of data, allowing for an in-depth exploration of existing conditions and the relationships among various variables associated with procurement practices. Given the complexity of procurement risk management, this methodological approach ensures a structured examination of both qualitative and quantitative aspects, thereby enhancing the reliability and comprehensiveness of the findings.

Target Population

This study recognized the importance of obtaining data from diverse groups of people that were engaged in different stages of the procurement process at each MPS division. This is to say that the MPS' procurement officers, administrative officers, and senior executives were a focus group as they are the people who work the procurement process daily. They should also ensure that all procurement activities are carried out in accordance with proper procedures and that adequate transparency and accountability are maintained in the acquisition of goods and services. At the same time, administrative individuals also focus on enhancing the role of procurement officers by aiding with documentation, communication, cross-department interactions, etc. Management level — Covers senior officials in the MPS who set high-level strategy to ensure procurement decisions meet the aims of the organization and statutory compliance.

SAMPLING

Sampling Technique

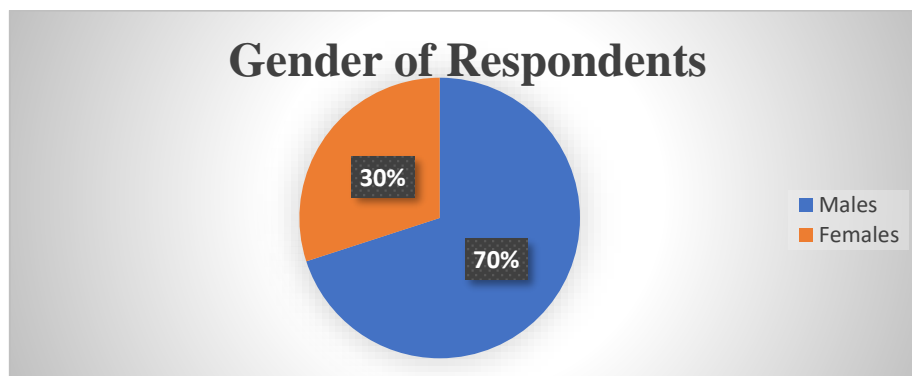
Participants were selected through stratified random sampling to ensure representation of relevant subgroups in the target population. Due to the nature of the sample being more precise and also reliable, this method was selected as it allows the researcher to ensure that the diversity of the population is reflected in the sample by dividing the population into the relevant strata. Stratified Sampling: A method of sampling that involves dividing a population into different sub-groups or strata. The strata were mainly defined in terms of professional roles including procurement officer, senior official and other classes that were considered relevant to the study's aims [54]. These are roles that were chosen due to having varying levels of responsibility, knowledge of decision-making processes and expertise, which could help shed light on the research topic.

These strata were defined not only by the professional roles, but also took into consideration the demographic factors, including years of experience and professional background. These factors were included as it was believed that learners with different experience levels could perceive the subject matter in different ways. There will be senior officials with decades of experience and a wide perspective and procurement officers likely with more down to earth attitudes about the issues to be accomplished. Sample Selection The prevalence of certain demographic variables in the final sample was also important in the context of this qualitative study.

DATA ANALYSIS AND INTERPRETATION :

The study therefore provided practical insights regarding procurement risk management practices for the Malawi Police Service. By matching the results against the objectives and research questions, the study showed the MPS's procurement risk management processes strengths and weaknesses. Moreover, in every department with which it interacted, it pinpointed specific deficiencies and made concrete suggestions that might improve procurement practices at the organization. The table below shows SME participation in regional and international trade. 60% have a low participation, 30% a medium participation, and 10% a high participation. This data highlights the limitations exerted by exchange rate risks, preventing Malawian SMEs from fully reaping the benefits of international markets, Madura also considered similar aspects (2020)

Analysis



Gender	Number of company Owners	Percentage (%)
Male	25	62%
Female	15	38%
Total	40	100%

Interpretation

Table shows that The Gender Profile of Company Owners Among the 40 company owners, there are 25 (62%) males and 15 (38%) females. This shows a predomination of ownership male (2/3) and one of ownership female (1/3). Because the male-to-female business ownership ratio is skewed by the data.

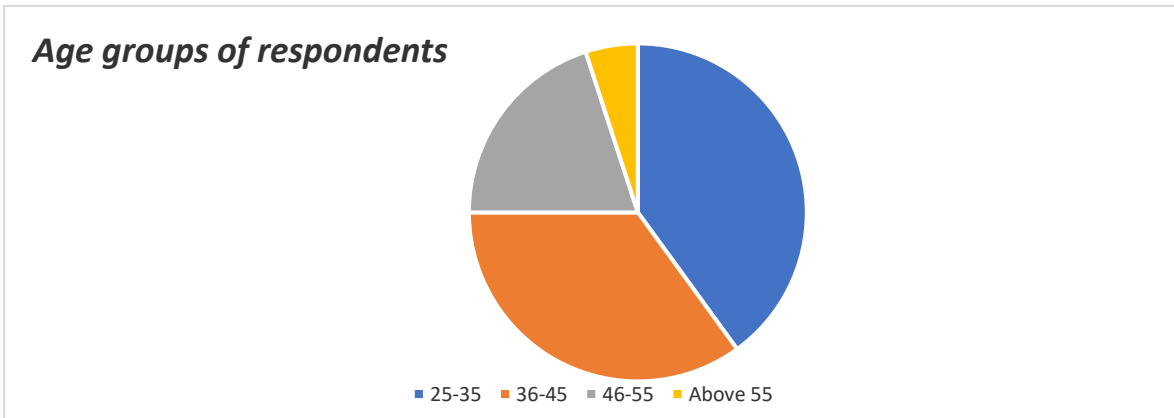


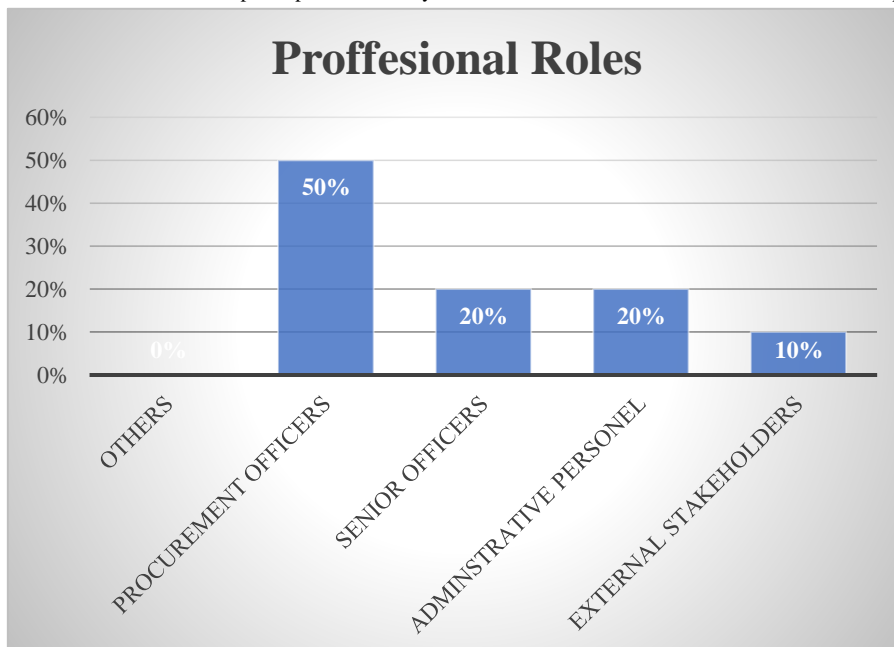
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Range of Age	Percentage (%)
25-35	40%
36-45	35%
46-55	20%
Above 55	5%

Interpretation

Age Distribution of Study Individuals — Table 40% of users are between 25 to 35 years of age The youth (age group) run the group. The 36-45 years age category closely follows with 35%, indicating that middle-aged individuals again make up a significant share. 20% in the 46-55 years group The 46-55 years group represents a smaller but notable majority at 20%. The remaining 5% individuals falling within the 55 + age category are therefore, significantly lesser in numbers.

One notes that this distribution indicates that most participants were early-to-mid career, and there were fewer older individuals participating in the study.



Professional Roles	Percentage
Procurement Officers	50%
Administrative Personnel	20%
Senior Officials	20%
External Stakeholders	10%
TOTAL	100%

The table presents the distribution of professional roles among respondents. **Procurement Officers** make up the largest group at **50%**, indicating their central role in procurement-related activities. **Administrative Personnel** and **Senior Officials** each account for **20%**, showing a balanced representation of managerial and support functions. **External Stakeholders**, such as suppliers or auditors, make up **10%**, suggesting limited but relevant involvement in procurement processes.

This distribution highlights the dominance of procurement officers in the study while also incorporating perspectives from administrative and senior management, as well as external stakeholders.

MAJOR FINDINGS :

The study revealed several pain points within procurement processes, such as ineffective risk assessment frameworks, corruption, political interference, non-uniform regulatory compliance, and limited capacity in terms of training and expertise. Also, limited adoption of technology has resulted in continuous inefficiencies with increased potential for fraud, while supply chain disruptions continue owing to bad supplier performance and external economic shocks. Data relates to our training through October 2023.

SUGGESTIONS :

Based on the findings, the following recommendations can be made to improve procurement risk management in Malawi Police Service (MPS). It urged the need to strengthen regulatory compliance in public procurement, compliance with the Public Procurement and Disposal of Assets Act, as well as independent oversight mechanisms to monitor procurement activities and minimize corruption. Capacity building is critical for procurement staff, and investing in training and development through periodic training sessions on risk assessment, ethical procurement, and advanced procurement techniques is essential. Collaboration with multinational organizations will also help in adopting global best practices.

E-procurement systems should be adopted and implemented with infrastructural resources allocated to create digital platforms and train staff on their use to improve efficiency and transparency. Supplier management should improve by creating defined supplier selection criteria, as well as working with a number of long term supply partners to help reduce the supply chain risks. Furthermore, engagement with civil society organizations and the private sector can facilitate stakeholder collaboration⁷⁸ to ensure that procurement processes are inclusive and transparent⁸⁰ to a wide range of stakeholders. These will further enhance accountability if efforts to encourage community oversight of procurement activities are made.

We need to develop a comprehensive risk mechanism that should be directly integrated into each phase of the procurement cycle followed by creating a risk management framework specifically designed to meet the unique need of the MPS. Another area that needs to be improved in procurement is monitoring and evaluation (M&E); KPIs need to be established to monitor the efficiency and compliance of procurement, along with conducting regular audits of the procurement system to see if there are any gaps that need to be bridged.

Policy and Practical Implications

From a policy perspective, the study underscores the need for procurement governance reforms, emphasizing enhanced regulatory frameworks, increased transparency, and technology investments. Practically, the findings highlight actionable steps for procurement practitioners in the MPS, particularly in capacity building, stakeholder engagement, and digital transformation to address existing challenges

RECOMMENDATIONS :

Comparative studies of procurement risk management practices should focus on best practices across other government institutions in Malawi. Also research on the complimentary role of technology in enhancing public procurement in developing countries and how political interference influences procurement results of public bodies would matter likely information for enhancing procurement lesson learning and transparency.

CONCLUSION :

This study has provided a comprehensive analysis of procurement risk management in the Malawi Police Service, shedding light on the challenges, strategies, and opportunities for improvement. Implementing the recommended reforms can enhance procurement efficiency, mitigate risks, and contribute to the overall effectiveness of the MPS.

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