

ABSTRACT

In today's world any organization do procurement of various goods hence procurement is inevitable to organizations in performing its operations. Procurement has to be handled with great care to facilitate proper and efficient results in performing daily activities. Due to the fact that procurement unit are like blood vessel to organization's daily operations and as the input for different processes needs to be procured to ensure cost effective and maximization of profit or efficiency. Tanzania government institutions, agencies, Parastatal and Non Government organizations have been suffering from getting the right items or products of good quality and right quantity, at the right time, and at the right costs/price.

Risk management in procurement of goods within public sectors have been a problem although the industry now have turning to be enriched with professionals who are full of knowledge and skills also have the enough experience in procuring as they follow the Public Procurement Act and regulations that have been under reform for several times just to meet the requirements and block any loopholes, but still most of procurement entities are facing plenty of risks in their main functions of procurement, therefore the aim of the study after recognising the importance of risk management that is crucial and very important to the public sector of which they cannot be certain that, but they can be able to maintain all risks associated in procurement of goods hence the study was conducted to find out how risks can be managed.

The study was conducted within three month from July, August and September 2012. The main issues addressed under the study are the way risks are identified, the causes of risks involved in procurement and hoe the organization benefits from risk management, also the measures that the sector takes to improve risk management and if possible to be out of any procurement risks while procuring goods.

A sample of 50 respondents was the subject of the study and they were picked through sampling procedures from all departments that interact with Procuring Unit and some customers that already have project with GSPA-Arusha and those seeking for tenders mostly in procurement of goods. Case study method of research was used. Data was gathered through unstructured questionnaires, which were supported by personal interview, actual observation, and documentations. The data collected was processed and presented in percentage basis and graphs in accordance to the results.

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