

A STUDY ON PROCUREMENT SYSTEM IN
INSTITUT TEKNOLOGI MARA
IN RELATION WITH THE SYSTEM USED IN
SYARIKAT TELEKOM MALAYSIA BERHAD

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## ABSTRACT

With the increase in Government expenditure in purchasing goods, service and contract works, the subject of procurement is important as a means to control Government expenditure. Government procurement is actually vital to the growth of the country because every development project is involve purchasing activities financed by Federal Government.

Based on the above fact, this project paper is written for an understanding of the procurement policies and procedures in MARA Institute of Technology (ITM) in relation with the similar system used in Syarikat Telekom Malaysia Berhad (STMB). The writer wish that their policies and procedures will result to the cost effective purchase from the point of best value for money spent.

The methods used in collecting the data are as follows:

- i) Interview the officer incharge of procurement and other personnel who are directly involved in the procurement process.
- ii) Interview an internal auditor.
- iii) Library research.
- iv) Job manual research.
- v) Past experience.

This project paper is introduced into 5 chapters as follows:

Chapter 1:Introduction

Chapter 2:Literature Review

Chapter 3:Research Methodology

Chapter 4:Findings & Analysis

- which discuss the findings on the system and procedure for tender, quotation and direct purchase in ITM and STMB.

Chapter 5:Conclusions & Recommendations

- which conclude the similarities and differences between ITM and STMB procurement.
- which highlight the relevant problem areas and the recommendations/solutions relating to those ITM procurement with some references from STMB.

The identifying problems are as follows:

- ==> delays in receiving supplies
- ==> maintaining records and files
- ==> selection of successful supplier
- ==> specifications accuracy
- ==> contract enforcement

## CHAPTER 1 : INTRODUCTION

MARA Institute of Technology (ITM) is a statutory body governed by the Laws of Malaysia, Act 240. So, basically it is formed as part of government agencies.

ITM had designed their own financial system and its main function is to provide and supply information to aid/assist these following processes:

- i) Financial Management Planning
- ii) Implementing of Financial Service
- iii) Controlling of Financial Activities
- iv) Evaluating Financial Performance

ITM financial system involved all types of ITM funds and one of them is Management Fund. The activities included in this fund are budget, cash, supply and account management. Procurement is one of the activity carried out under supply management.

All types of procurement carried out by ITM should adhere to the rules and regulations provided under Treasury Instructions (No. 166 until 210), Financial Procedure Act 1957, Store Management Procedure and Treasury Circular which is circulated from time to time.

### Objectives of Study

1. To be knowledgeable and familiar with the concept of procurement, both theoretically and practically