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THE STATE OF ACCOUNTABILITY AND CONTROL

IN

PUBLIC PROCUREMENT AT GHANA COCOA BOARD

BY

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PROCUREMENT MANAGEMENT

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DECLARATION

I hereby declare that this dissertation is my own research work carried out in the Department of Building Technology towards the of award Master of Science in Procurement Management degree under the supervision of Professor Joshua Ayarkwa and that, to the best of my knowledge it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University except where due acknowledgement has been made in the text.

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References made to any other work have been duly acknowledged.

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ABSTRACT

Public procurement, a widespread phenomenon across the globe has become a dominant component of most nations' total public expenditure and Ghana is no exception. It accounts for 50% -70% of total expenditure in Ghana representing 18.2% to 25.48% of the country's Gross Domestic Product. This generates interest in monitoring procurement staff and holding them accountable for their actions and inactions. It is in the light of this idea that our study focuses on "the state of accountability and control in public procurement at Ghana Cocoa Board". Data for the study was collected via the use of a well-structured questionnaire survey and an analysis of the responses led to a few findings. The study found out that Ghana Cocoa Board is abreast with the Public Procurement laws, rules and regulations. COCOBOD keeps up-to-date records in paper and electronic form and almost all the procurement staffs have been actively involved in procurement administration. COCOBOD also have well trained professionals who occupy various positions and with their long years of service manning the affairs of the procurement entity. Also there is a clear chain of command and a well-defined organizational structure at Ghana Cocoa Board. There is also a clear separation of roles and responsibilities and all staffs in charge of procurement process are responsible for their actions and inactions. The study recommends that training and refresher courses be organized for COCOBOD staff periodically to update them on current procurement practices, appropriate sanctions be applied for defaulting staff and the procurement department of COCOBOD should be strengthened to improve on documentation of procurement actions.

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DEDICATION

This project work is dedicated to ALMIGHTY GOD for giving me strength and wisdom throughout the programme.

I also dedicate this report to my beloved mother Agnes Addo and my late father Emmanuel Kwasi Ababio who have laid for me an academic foundation that has led me to this level and lastly to all my lovely daughters namely Wendy, Winifred, Willbeck, Esther and Estra for their motivation .



LIST OF ABBREVIATIONS

| | |
|---------|---|
| ACCA | Association of Chartered Certify Accountants |
| COCOBOD | Ghana Cocoa Board |
| DKNADS | Director of the Kenya National Archives and Documentation Services |
| GDP | Gross Domestic Product |
| GPA | Government Procurement Agreement |
| GSD | General Services Department |
| ICT | Information and Communications Technology |
| IRMT | International Records Management Trust |
| ISG | Information Solution Group |
| KPRMPM | Kenya procurement records management procedures manual |
| OECD | Organization for Economic Cooperation and Development |
| PAC | Public Accounts Committee |
| PE | Procurement entities |
| PNDCL | Provisional National Defense Counsel Law |
| PPA | Public Procurement Authority |

| | |
|--------|--|
| PPAM | Public Procurement Authority Manual |
| PPAR | Public Procurement Authority Regulations |
| PPATM | Public Procurement Authority Training Model |
| PPDAR | Public Procurement and Disposal Act Regulations |
| PU | Procurement Unit |
| UNCITL | United Nations Commission on International Trade Law |
| UNDP | United Nations Development Projects |
| WB | World Bank |
| WTO | World Trade Organization |

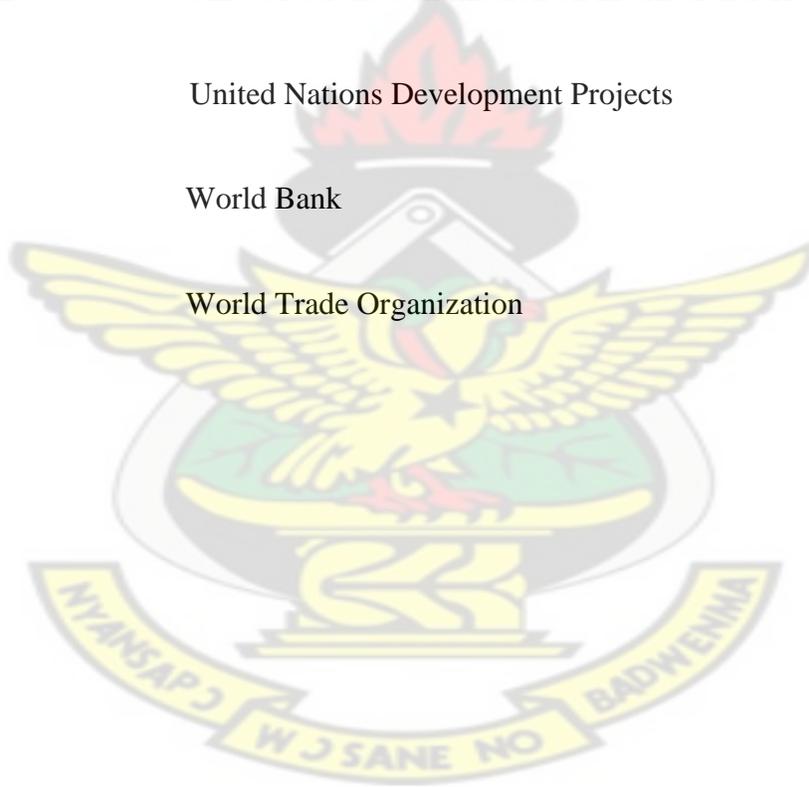


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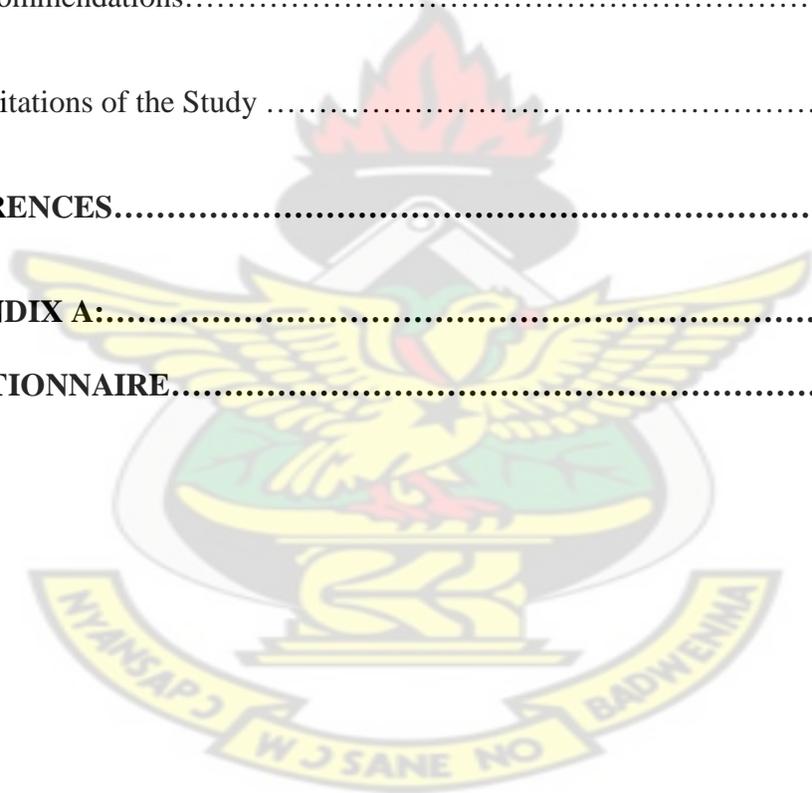
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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

World Bank, (1995) defines public procurement as the process by which organizations acquire goods, services and works using public funds which includes planning, inviting offers, awarding contracts and managing contracts. The World Bank (1995) refers to public procurement as acquisition of goods, services and works by a procuring entity using public funds. According to Mahmood (2010), public procurement represents 18.42% of the world Gross Domestic Product (GDP). In terms of public spending, public procurement for example accounts for 60% in Kenya (Akech, 2005), 58% in Angola, 40% in Malawi and 70% in Uganda (Government of Uganda 2006 as cited in Basheka and Bisangabasaija, 2010). Also it accounts for 50% -70% of total expenditure in Ghana representing 18.2% to 25.48% of the country's Gross Domestic Product (Organization for Economic Cooperation and Development (OECD), 2003; World Bank, 2003)

There have been reforms in public procurement laws and regulations all over the world due to the fact that it accounts for large amount of governments' total expenditure and the need to ensure accountability and control in public procurement. Example of such reforms happened in Ghana which led to the establishment of the Public Procurement Act, 2003 (Act 663) and this became operational and effective in 2004. The objective of the Act is to harmonize public procurement process in the public service; secure judicious, economic and efficient use of state resources; ensure public procurement is

fair, transparent and nondiscriminatory; establish the Public Procurement Authority; make administrative and institutional arrangements for procurement; stipulate tendering procedures (Public Procurement Bill, 2003). Any entity in Ghana responsible for making public procurement with the use of public funds is a Public Procurement Entity and these entities include Ministries, Departments and Agencies (Public Procurement Act, 2003 Act 663). It also includes Sub-Vented Organizations and Boards and an example of such Boards is the Ghana Cocoa Board (COCOBOD). The various procurement entities however, are accountable to the citizens through the Public Procurement Authority.

The Organization for Economic Cooperation and Development (2004) Forum on Governance report indicates that public procurement is the government activity most vulnerable to corruption. Lack of transparency and accountability were recognized as major threats to integrity in public procurement (United Nations Development Programme, 2008). Ensuring accountability, transparency and control are the surest ways to combat corruption (Transparency International, 2011). Accountability, the process by which officials and participants whose actions determine public procurement outcomes are held responsible for such outcomes, is a critical ingredient in public procurement corruption control (Schooner et al., 2008). Procurement Entities (PE) and indeed tendering organizations and their officials must be held accountable for their actions in the public procurement process (Houtzager et al., 2008; Tanzi, 1998). For example procurement officers with delegated procurement authority must be held responsible for the effectiveness, efficiency, legality and the ethics of public procurement decisions and actions they take or advise others to take (Houtzager and Joshi, 2008; Wittig, 2005). It can be enhanced by the availability of mechanisms and

capacity to ensure effective internal control, internal audit and also by the keeping of accurate records.

According to Ambrose (2008), keeping accurate written records at the different stages of the procurement process is essential to maintaining control and accountability. It helps in internal audit which is a form of control, serve as the official record in cases of administrative or judicial challenge and provide an opportunity for citizens to monitor the use of public funds (Organization for Economic Cooperation and Development, 2007). Procurement entities need procedures in place to ensure that procurement decisions are well documented, justified and substantiated in accordance with relevant laws and policies in order to promote accountability (Alfresco, 2009). At a seminar organized for heads of parastatal organisation in Kisumu on 18 February 1998, the Director of the Kenya National Archives and Documentation Services (DKNADS) observed that: “In this time of multi-partyism, guided by transparency and accountability, heads of parastatal institutions should concern themselves with proper record-keeping to demonstrate to the citizens how public funds are utilized” (Musembil, 2000). In a similar seminar for senior officers from the Criminal Investigation Department, also held in Kisumu on 25 May 1998, the DKNADS “warned Government officers that they will be held responsible for the loss, misplacement of, or damage to public records in their custody”. DKNADS further stressed that public procurement officers ought to be transparent and accountable to the citizens (Musembil, 2000). Written records may be kept in paper and/or electronic form. Some countries have used Information systems to coercively support the documentation of all steps of the public procurement process and to allow real-time monitoring of officials’ performance and

integrity (Alfresco, 2009). Information systems often have the advantage of recording information per user, which keeps officials accountable for their actions and can help track irregularities in the process (Alfresco, 2009). Every entity however has an objective of maintaining accurate records. Some of these objectives are to analyze accounting records for audit purposes, check the characteristics of the procurement processes such as the criteria used and the reasons for using a particular procurement method as exceptions to competitive procedures, to check the number and types of controls carried out in an entity and for safeguarding of assets, including the prevention and detection of fraud (Organization for Economic Cooperation and Development, 2007).

A management instrument for improvement in accountability is internal control (Ambrose, 2008). Without an adequate internal control system, an environment is created in which assets are not protected against loss or misuse; good practices are not followed; goals and objectives may not be accomplished; and individuals are not deterred from engaging in dishonest, illegal, or unethical acts (Organization for Economic Cooperation and Development, 2009). It is particularly important to have functioning internal controls in procurement, including financial control, internal audit and management control (Ambrose, 2008). It is the responsibility of procurement authorities to set up effective internal control systems that monitor the performance of procurement officials, assist compliance with laws and regulations and help ensure the reliability of internal and external reporting (Public Procurement Authority, 2007). This responsibility is even more important in a context of decentralized procurement like the procurement system in Ghana. Another key to ensuring accountability and control is an

independent review of accounting records and this is referred to as external audit. According to Organization for Economic Cooperation and Development (2009), many countries have recognized the essential role audit play in detecting and investigating fraud and corruption in procurement as well as suggesting systemic improvements. Countries such as Belgium, Finland, Switzerland and the United Kingdom use only internal audit but the vast majority of countries use external audits conducted mainly by supreme audit institutions with jurisdiction over the whole public service (Organization for Economic Cooperation and Development, 2007). For instance, in Finland and Switzerland, the State Audit Office carries out external financial audits and performance audits of procurement (Organization for Economic Cooperation and Development, 2007). The Audit service conducts periodic audits of various procurement entities in Ghana in collaboration with the internal audit systems practiced by each entity.

1.2. Problem Statement

As a developing country with limited resources, Ghana is largely dependent on foreign assistance for its national development. Furthermore, public procurement in Ghana accounted for 50% to 70% of total Government expenditure and accounting for about 24% of imports (Hardcastle, 2007). This simply means that large amount of public funds go into public procurement. Therefore, it is of utmost importance for a resource-scarce country like Ghana to maintain financial discipline for the optimum utilization of the borrowed and aid money, which adds burden of debt on the future generation. Due to the colossal amount of money involved in government procurement and the fact that such money comes from the public, there is need for accountability and transparency to obtain value for state spending (Baily et al., 2008).

In 2002, Ghana was ranked 50 among 102 countries in the Transparency International's Corruption Perception Index, ranking 3.9, which may reflect improper application of procurement regulations (World Bank, 2003). Procurement system was weak and perceived as a source of corruption. Identifying and dealing with corruption and conflict of interest is not explicitly addressed in the existing regulations. Corruption was thriving because procurement procedures were inherently non-transparent and erring officials were rarely sanctioned. It was in the light of the above reasons the Public Procurement Act, 2003 (Act 663) was passed in 2003 to regulate public spending, foster competition, efficiency, accountability, transparency and ethical conduct, effective management of public procurement to obtain value for money (Government of Ghana, 2001). Even though this Act became operational in August, 2004, procurement entities in Ghana still face challenges. The major obstacle however, has been inadequate compliance by procurement entities.

Needless to say, one single institution cannot ensure accountability in public sector procurement. Accountability enhancement in the public procurement sector is a collective responsibility and each and every institution belonging to this partnership, mainly, the Parliament, the Public Sector, the Public Procurement Authority, the Public Accounts Committee (PAC), Entities, Heads of Departments and procurement officers has to play its role effectively (Ali, 2004). An objective analysis of the situation in this regard will provide an understanding of the level of effectiveness of accountability, internal control measures, record keeping and what needs to be done, if gap detected, to enhance accountability of public procurement.

1.3 Aim of the Study

The aim of this study is to explore the state of accountability and control measures in public procurement processes at Ghana Cocoa Board (COCOBOD).

1.4 Objectives of the Study

Specifically the paper seeks to:

1. To identify the relevant records which are in existence at COCOBOD that enhances accountability.
2. To identify existing internal control measures at COCOBOD which ensures accountability in procurement process?

1.5 Research Questions

The study seek to answer the following questions

1. Does the keeping of accurate records serve as a precondition for accountability and control in public procurement?
2. How can internal controls serve as a management instrument for improving accountability?

1.6 Justification of the Study

Public procurement forms an essential part of governments' annual budget because it accounts for a high proportion of governments' total expenditure. How procurement is

executed by the various procurement entities significantly affects performance in the economy. Therefore accountability of procurement officials is necessary but how accountability and control can be enhanced in public procurement is a knowledge gap that needs to be filled. This study would identify the inefficiencies in internal controls, poor record keeping and check to solving these problems. Since little literature exists on these issues in Ghana, it will also add to literature.

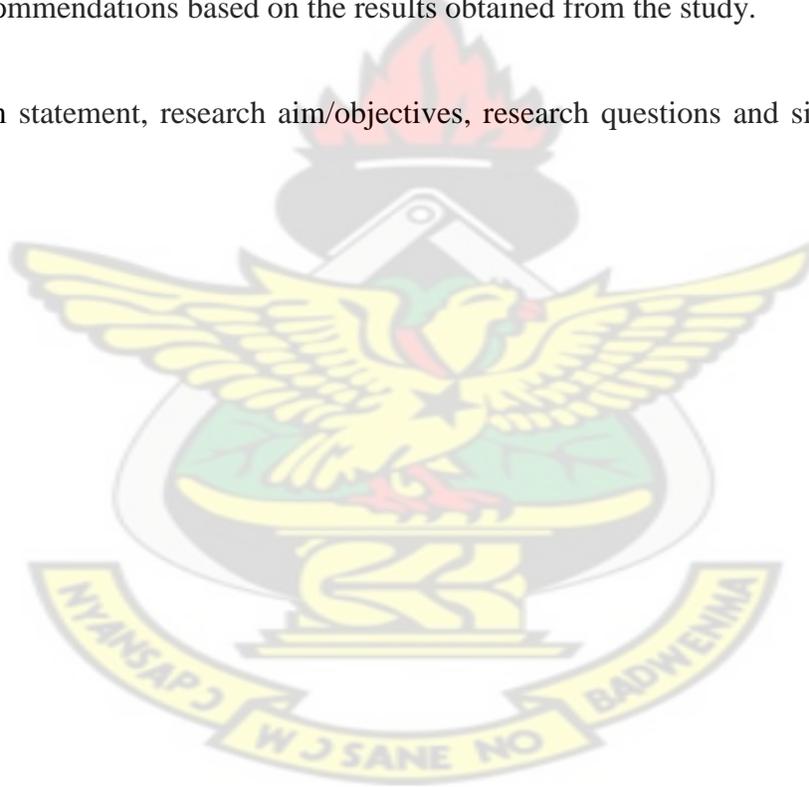
1.7 Scope of the Study

This study was conducted at Ghana Cocoa Board Head Office, located in Accra in the Greater Accra Region of Ghana. Ghana Cocoa Board (COCOBOD) was chosen because it has a huge role to play in the economy of Ghana. Therefore procurement challenges in COCOBOD are likely to affect the revenue streams of Ghana. The respondents for the study were those who, in the opinion of the researcher, are directly involved in the procurement process at COCOBOD. Not all departments and staff of COCOBOD are familiar or conversant with the procurement operation. Therefore, the researcher considered the following groups: top management, heads of department, general services department staff, procurement unit staff, account department staff, audit department staff and human resources department staff as those who are capable of helping this research to achieve its objectives since they are directly involved in the procurement system at one point or the other. The study covered areas such as: profile of respondents, knowledge of the procurement laws on accountability and level of compliance, records keeping, transparency, and internal control systems to ensure accountability, accountability and ethics.

1.8 Organization of the Study

The study composed of five chapters: Chapter one presents the introduction of the study which comprises of a brief background to the study, problem statement, aim and objectives, research questions and justification of the study; Chapter two reviewed the relevant literature on the research topic. Chapter three dealt with the methodology including the data source and the field procedures whiles Chapter four presents' results and discussions of the results. Finally chapter five comprises the summary, conclusions and recommendations based on the results obtained from the study.

Problem statement, research aim/objectives, research questions and significance of the study.



CHAPTER TWO

LITERATURE REVIEW

2.0. INTRODUCTION

This chapter reviewed the work of some authorities in this area in as much as they are relevant to this project. The subsequent sections looked at the significance of procurement reform, records keeping as pre-condition for accountability and control, record keeping requirement under the public procurement Act 2003, (Act 663), accountability, transparency and ethics, internal control systems. Later sections in the chapter reviewed empirical works previously carried out by various authors on the subject.

2.1 Definitions of Procurement

Lyson and Gillingham, (2005) defined procurement as the process of acquiring goods, services, works and equipment for the purpose of carrying on entities business. Public procurement refers to the acquisition of goods, services and works by a procuring entity using public funds (World Bank, 1995). Procurement broadly involves all the structures, systems, methods, procedures, reviews and dispute settlement procedures that are involved in the acquisition of goods, works and services (Public Procurement Authority 2007).

According to Public Procurement Authority, (2007) every procurement activity should and must aim at getting value for money by using the least resource to obtain the best form of goods, works and services which is accountable to taxpayers.

2.2 Significance of Public Procurement Reform in Ghana.

Public procurement operates in an environment of increasingly intense scrutiny driven by technology, programme reviews, and public and political expectations for service

improvements (Eyaa and Oluka, 2011; Bolton, 2006). Currently, in Ghana, procurement is of particular significance in the public sector and has been used as a policy tool due to the discriminatory and unfair practices about decades ago (Public Procurement Authority, 2007). Procurement is central to the government service delivery system; promote social, industrial or environmental policies (Cane, 2004). Prior to 2003, public procurement in Ghana was geared towards large and established contractors. According to Jaques, (2011), it was difficult for new contractors or suppliers to participate in government procurement procedures due to the discriminatory and unfair practices toward small companies.

However, public procurement in Ghana has been granted constitutional status and is recognized as a means of addressing past discriminatory policies and practices (Bolton, 2006). Reforms in public procurement in Ghana were initiated to promote the principles of good governance, provide uniform procedures for the procurement of goods, works and services and for asset disposal, ensure transparency and accountability in all operations, consistency with the guidelines of Development Partners where necessary; ensure the consistent application of the provisions of the Act and Regulations, and promote the consistent application of best procurement practices and international standards (Government of Ghana, 2003) The reform processes were due to inconsistency in policy application and the lack of accountability and supportive structures as well as fragmented processes (Public Procurement Authority, 2003).

2.3 Significance of Procurement Records

According to International Records Management Trust, (2000) records are vital to virtually every aspect of the procurement process. An organization's ability to function effectively and give account of its actions will be undermined if sound records management principles are not applied (Musembil, 2000). Procurement records play a significant role as evidence of purchases of goods and services (Schooner et al., 2008). Unorganized or otherwise poorly managed records mean that an organization does not have ready access to authoritative information, to support sound decision making or delivery of programs and services (Musembil, 2000). This factor contributes to difficulties in retrieval and use of procurement records efficiently and therefore inability to carry out the audit process to enhance accountability (Jones, 2007).

Sound records keeping is a critical component for good governance, effective and efficient administration, transparency, accountability and delivery of quality services to the citizens (Musembil, 2000; Schooner, 2008). Ambrose (2008) and Jones (2007) stressed that good record keeping practices contribute to the following:

1. Creation and maintenance of accurate and reliable information;
2. Easy accessibility to information;
3. Transparency and accountability;
4. Procurement Units and Procuring Entities performing their functions efficiently; and
5. Availability of authentic, reliable and tangible records to fight corruption. However,

Alfresco (2009) affirmed the assertion of Ambrose, (2008) and Jones, (2007) that records form the foundation of good and accountable administration. Procurement

records provide evidence about how a procurement action was undertaken, and protects essential audit trails (Ambrose, 2008). Proper records management is essential for ensuring transparency and probity in the procurement and financial management (Schooner et al., 2008; Jones 2007). Records are important for accountability and are a powerful deterrent against procurement and financial malpractices (Organization for Economic Cooperation and Development, 2009). Ambrose (2008) and Akech (2005) were of the view that weak records management practices means officials cannot be held accountable for their actions. Failure to keep records leads to difficulty in retrieve and use records efficiently (Ambrose, 2008; Akech, 2005).

2.4 Records Keeping: A Pre-Condition for Accountability and Control

According to Ambrose (2008), accurate written records at different stages of procurement procedure are essential to maintain transparency, provide an audit trail of procurement decisions for controls, serve as the official record in cases of administrative or judicial challenge and provide an opportunity for citizens to monitor the use of public funds. Agencies need procedures in place to ensure that procurement decisions are well documented, justifiable and substantiated in accordance with relevant Public Procurement Act 2003, (Act 663) sections and policies in order to promote accountability. Written records may be kept in paper and/or electronic form. Some countries have used information systems to coercively support the documentation of all steps of the public procurement process and to allow real-time monitoring of officials' performance and integrity (Organization for Economic Cooperation and Development, 2002). Musembil (2000); Kemoni and Ngulube (2008) asserted that failure to keep procurement records means:

1. Decisions are taken on ad hoc basis without the benefit of records;
2. Fraud cannot be proven and meaningful reporting and audits cannot be carried out;
3. Government actions are not transparent;
4. Citizens cannot protect or claim their rights;
5. Citizens cannot make an informed contribution to the procurement process; and
6. A procurement entities' or even a country's memory is impaired.

2.5 Record Keeping Requirements under the Public Procurement Act. 2003, (663)

Public Procurement Act 2003, (Act 663) Section 27 states that documentary evidence required in public procurement proceedings shall comply with the Evidence Decree, 1975 (NRCD 323). Section 28 (1) of the Act clearly states that a procurement entity shall maintain a record of the procurement proceedings containing the following information:

1. A brief description of the goods, works or services to be procured, or of the procurement need for which the procurement entity invited proposals or offers;
2. The names and addresses of suppliers or contractors that submitted tenders, proposals, offers or quotations, and the name and address of the supplier or contractor with whom the procurement contract is entered;
3. Information relating to the qualifications, or lack of qualifications of suppliers or contractors that submitted tenders, proposals, offers or quotations;
4. The price, or the basis for determining the price and a summary of the other principal terms and conditions of each tender, proposal, offer or quotation and of the procurement

contract if these are known to the procurement entity;

5. A summary of the evaluation and comparison of tenders, proposals under section 69, offers or quotations including the application of any margin of preference pursuant to section 60;

6. If the tenders, proposals, offers or quotations were rejected, a statement to that effect and the grounds for the rejection;

7. If, in procurement proceedings involving methods of procurement other than tendering, those proceedings did not result in a procurement contract, a statement to that effect and the reasons;

8. The information required under section 29, if a tender, proposal, offer or quotation was rejected pursuant to that provision;

9. A statement of the grounds and circumstances on which the procurement entity relied to justify the selection of the method of procurement used;

10. In the procurement of services by means of Part VI, the statement required under section 71 of the grounds and circumstances on which the procurement entity relied to justify the selection procedure used;

11. In procurement proceedings involving direct invitation of proposals for services in accordance with section 63(3), a statement of the grounds and circumstances on which the procurement entity relied to justify the direct invitation;

12. In procurement proceedings in which the procurement entity, in accordance with section 25(1), limits participation on the basis of nationality, a statement of the grounds and circumstances relied upon by the procurement entity for the limitation;

13. A summary of any requests for clarification of the prequalification or invitation documents, the responses received as well as a summary of any modification of the documents;

14. A record of any complaints received from suppliers, contractors or consultants and the responses from the Procurement Entity.

Government of Jamaica Handbook of Public Sector Procurement Procedures, (2010), and Public Procurement Authority (2003) affirmed that Procurement Unit shall maintain record of procurement activities for each procurement package. The record of each procurement proceedings shall be securely maintained in an individual contract file in chronological sequence, a copy of each and every document raised during the procurement and contract performance process from the initial purchase requisition through to the final payment approval and closure of the contract file. Government of Jamaica Handbook of Public Sector Procurement Procedures, (2010) direct that public procurement documents shall include, but not be restricted to, copies of: initial Purchase Requisitions or requests, Internal Correspondence within Procurement Unit, prequalification or solicitation documents, advertisements, Requests for clarification and responses, records of Tender Opening (Section 56), evaluation report and recommendations for award of contract (Section 59 and 65), decisions of the Tender Committee, decisions of the Tender Review Board, letter and notice of contract award, Contract/Purchase Order and Acknowledgement of receipt, documents relating to any bid protest and decisions, the signed contract, goods received records, certificates, or other confirmations of satisfactory performance, contract variations and records of payment and retentions, copy of Invoices or certificates, copy of payment vouchers,

inspection and acceptance reports, release performance security, after sales warranty and performance claims.

Kenya's Public Procurement Authority (2008) and Public Procurement and Disposal Act Regulations Section 45 (1) of the Public Procurement Act 2003 (Act 663), requires a procuring entity to keep records for each procurement process for at least six years. The records must include: A brief description of the goods, works or services being procured; Reasons for using a procedure other than open tendering; a copy of the advertisement that was placed in the newspaper, names and addresses of the bidders, the price or the basis of determining the price, and a summary of the principal terms of the tender, proposal or quotation; an explanation if the procurement proceedings were terminated, a summary of the tender evaluation, quotation or proposal comparison and the evaluation criteria. Section 45 (6) of the Act provides for a Procuring Entity to maintain a proper filing system with clear links between procurement and expenditure files.

Kenya's Public Procurement Authority (2008) Regulation 34 (1) directs that the following documents should be treated as part of procurement records in order to enhance accountability: feasibility studies and surveys carried out or accepted by the procuring entity for the preparation of tender documents and receipts for sale of tender documents, requests for any clarifications issued by the Procuring Entity, and any negotiations records and end of activity reports. Regulation 34 (3) directs a Procuring Entity to maintain a complete and comprehensive individual file, and marked with relevant procurement number for each procurement requirement. The above assertions were affirmed by International Records Management Trust (IRMT) and Information

Solution Group (2000) that key procurement records such as: accounting records, budget papers records, correspondence with national and international bodies, tax records, customs records and policy files are required to enhance accountability.

2.6 Internal Control System

2.6.1 Procurement Monitoring and Evaluation

Procurement monitoring and evaluation is a process that must be routinely conducted both by Procurement Entities and Public Procurement Authority to ensure compliance to the Act and accountability in the procurement process (Public Procurement Authority, 2006). Overall environment of controls should consist of both internal and external controls carefully coordinated to enable it to achieve effective monitoring (Musembil, 2000). In this regard, the audit function consisting of a mixture of financial, performance, internal, external and procurement, conducted as frequently as the situation may demand is considered appropriate (Organization for Economic Cooperation and Development, 2009). The offences and punishment relating to non-compliance to the procurement process are clearly stated at section 92 of the Public Procurement Act Act 2003, (663).

2.6.2 Auditing the Procurement Records

Procurement activities should be the subject of regular auditing to ensure that public funds are expended for their intended purpose, in a manner that maximizes value for money, under a regulation compliant and accountable environment, identifying any

weaknesses in the procurement system (Ambrose, 2008; Public Procurement Act, 2003 (Act 663), Section 91). A procurement audit is the process to ensure that procurement was conducted for the intended purpose; correct procedure followed and achieved judicious ends (Chowdhury, 2011; Public Procurement Authority, 2006). According to Public Procurement Act 2003 (Act 663) Section 1-3, periodic audit and inspection of a procurement unit's records keeping system need to be carried out periodically. The Act further asserted that the audit or inspection should check that records procedures are understood and are being carried out consistently. A report based on the inspection should be submitted to the head of the procuring unit and to the Accounting Officer. The report should provide a basis for action where records problem is identified. It should be particularly useful to the head of the concerned procuring unit and the accounting officer who are responsible for maintaining financial and procurement records. According to the Public Procurement Authority (2006), the key questions to consider when conducting a records management audit include:

1. Has the responsibility for managing and maintaining procurement records been assigned to an officer?
2. Are procurement documents organized in files and accessible?
3. Are the documents in a procurement file filed in the order and sequence of the transactions they relate to?
4. Are the procurement files complete with all the necessary documents, or are the documents scattered in various offices?

5. Are the stores records maintained in any order?

6. Is there an established records management unit?

The performance audit should be done by a team appointed from within the Procurement Entity and should comprise representatives from departments that use the services of the procurement records including the Entity, Procurement Unit, Information Communication and Technology (ICT), internal audit, accounts and records management. According to Ambrose (2008); Public Procurement Act 2003, (Act 663) Section 28 (6) requires that records and documents maintained by procurement entities on procurement shall be made available for inspection by the Public Procurement Authority, an investigator appointed by the Authority and the Auditor-General upon request; and where donor funds have been used for the procurement, donor officials shall also upon request to the Minister have access to relevant procurement files for purposes of verification and review.

2.7 Empirical Review

2.7.1 Accountability, Record keeping, Transparency and Ethics

According to International Records Management Trust (IRMT) and Information Solution Group (2000), accountability is critical to a responsible entity. The foundation for accountability is well-managed records (Jones, 2007). Records allow employees to account to taxpayer's (Organization for Economic Cooperation and Development, 2009). Good procurement records permit procurement officers to account to the heads of government institutions and help the heads to account to others who represent the

interests of society (Jeppesen, 2010; Akech, 2005). Section 15 (1-4) of Public Procurement Act 2003, (Act 663) also defines the role and responsibilities of the head of an entity, and any officer to whom responsibility is delegated are responsible and accountable for action taken and for any instructions with regard to the implementation of the (Raymond,(2004). According to Association of Chartered Certified Accountants (1999), procurement system must ensure value for money in the procurement of goods, services and works. The use of public money must be conducted in a transparent and open manner, allowing stakeholders and the general public access to information on procurement actions by the Government as well as a means to control and audit all procurement cases (Association of Chartered Certified Accountants, 1999; Ambrose, 2008). Furthermore, the rules governing public procurement must be readily available to all interested parties (Hui et al., 2011 and Organization for Economic Cooperation and Development, 2004). The Government of Ghana requires that:

1. All public officials and practitioners of procurement shall be held accountable and responsible for their actions (Section 15 of Act 663)
2. All suppliers, contractors and consultants will be treated fairly and given equal opportunity to obtain contracts with the Government;
3. procurement shall be done in the most efficient manner, upholding the principles of value for money, transparency and fairness
4. funds will be used solely for the purposes for which they have been entrusted;
5. appropriate procedures of the Government or the Development Partners are applied;

6. all transactions are properly authorized and fully supported by written records (Public Procurement Act 2003, (Act 663).

Accountability is also enhanced through a clear chain of responsibility embedded in an effective control environment (Transparency International, 2011; Wittig, 2005). It is enabled by clearly established authority levels for approval of spending with inbuilt mechanisms to ensure appropriate separation of functions (Organization for Economic Cooperation and Development, 2009). A public procurement law designed to enhance accountability must compel procuring entities to address fraud and corruption, including conflict of interest and unethical behaviour in their tender documentation (Transparency International, 2011). The procurement law must also address how wrongdoing and violations would be dealt with (OECD, 2009). Accountability may be further assured through a systematic empowerment of civil society organisations (CSO's), the media and the wider public to scrutinise public procurement (Björkman and Sverinsson 2009; OECD, 2009). Civil society can ensure accountability by monitoring and creating awareness on public procurement activities thereby putting pressure on public officials to use public resources responsibly (Jeppesen, 2010). The role of the media as a watchdog, channel of communication and public educator in public procurement is equally essential for accountability (Jeppesen, 2010). The press is well placed to investigate and uncover procurement scandals.

The requirement for adequate documentation and record keeping of all procurement actions is also a mechanism for accountability (Schooner et al., 2008). Relevant and complete record keeping throughout the procurement cycle will create an audit trail, facilitate challenge process and provide avenues for public scrutiny (OECD, 2009). A

fair and prompt complaints resolution mechanism (including a system of bid protests) is also require ensuring accountability in a public procurement regime (PPA Act 663). Such a system must make provision for decisions of the procurement entity to be reviewed by an independent body (Gordon, 2006; World Trade Organization / Government Procurement Agreement, (1996). and United Nations Commission on International Trade Law, 1994). It is essential that the decisions and actions taken by the reviewer are made transparent and well publicized. According to Osei-Afoakwa (2013), another mechanism for accountability is a detailed investigation targeted at unearthing specific complex irregularities. The participants of the Global Forum, 2004 agreed that fighting corruption has been rendered problematic by the difficulty in detecting wrongdoing (OECD, 2005). Anti-corruption measures should therefore consist of a very efficient and effective system for monitoring, detecting and punishing wrong-doing. Unfortunately, the literature clearly shows the inadequacy of the traditional financial audit, normally relied upon, for achieving this end (Hans, 2009; Lee et al., 2009). In addition to the foregoing, a public procurement law should appropriately address the issue of conflict of interest, its meaning, how to avoid it and how to deal with it when it arises (Wittig, 2005). There should be established, safe means to report wrongdoing including the use of hotlines.

Public procurement entities are autonomous in their procurement decision making and are accountable to the taxpayer. Since public procurement has become a significant part of most Nations Gross Domestic Product, care must be taken as to how funds are used and the scarce resources must be used judiciously (Mahmood, 2010). This is why

ensuring accountability among procurement entities is paramount and must be enhanced at all cost. The most threatening features however, to an effective procurement system especially with public procurement are lack of accountability and transparency (Organization for Economic Co-operation and Development, 2007) and perhaps, lack of effective control. Ensuring the best form of accountability and control in public procurement can be achieved by several factors such as keeping of accurate records, an adequate internal controls, an effective external audit and ensuring public scrutiny. But this study is limited in scope to how keeping of every accurate records and internal controls lead to accountability which are discussed below.

Akech (2005) stated that, a sound procurement system is one that identifies the four principles of competition, publicity, use of commercial criteria and transparency as its underlying criterion. These principles according to him are very essential in the procurement cycle, which coupled with high standards of ethical behavior, integrity and maintenance of internal controls, accountability in public procurement can be achieved. This presupposes that aside the four principles mentioned above which are the basic principles in procurement activity, the maintenance of internal controls by procuring entities is also essential in ensuring accountability (Organization for Economic Cooperation and Development, 2009).

Keeping of accurate records is also highly linked to Akechs' principle of publicity cited above (Ambrose, 2008). Publicity ensures that suppliers get to know what contracts exist so as to participate in the procurement process (Thurston, 2005). This goes a long way in

promoting transparency and accountability. The main link between publicity and accurate records however is that, the principle of publicity can only be realized when accurate records are kept which enhances accountability (OECD, 2009).

Keeping accurate records of the whole procurement process is essential (Ambrose, 2008). In Norway, a recent reform introduced the obligation of documenting all steps of the procurement process for contracts above the national threshold. The records might be restricted to bidders or on the contrary open to other stakeholders for instance, in Italy, citizens and consumer associations that have a concrete interest. In a few countries (e.g. Brazil, Chile, Poland, Sweden, and the United States), records on procurement are publicly available. In Sweden anybody who has an interest can have access to records, which enables the media, law-enforcement agencies and the public at large to uncover cases of mismanagement and potential corruption in public procurement. More importantly, freedom of information acts as a deterrent since the risk of detection of illicit or questionable practices increases. In Brazil, it is mandatory for federal public administration bodies to disseminate through Internet all the information relative to budgetary and financial execution, including public procurements. This provides an opportunity for citizens to monitor the use of public funds. According to Organization for Economic Cooperation and Development (2007), maintaining a proper internal control enhances accountability and one important way of ensuring internal control is by establishing a clear chain of command (OECD, 2002). A clear chain of command as mentioned is essential and should be established by every procuring entity which should define succinctly the authority for approval of spending, signing off and approval of key stages of the procurement process based on a proper segregation of duties. This will

clearly show who is responsible for what and at what stage of the procurement process and hence enriching the accountability process. OECD (2009) identified the following important factors for measuring the level of accountability in procurement: clear chain of responsibility together with effective control mechanisms; handling complaints from suppliers; public review and scrutiny of procurement action. This means that regular internal controls such as financial and management controls by officials independent of those undertaking the procurement need to be undertaken. Both internal and external audits of procurement activities on the other hand are important to ensure that practices align with the processes.

Thurston (2005) mentioned that, dysfunctional records management undermines legal and judicial reform and hence inhibiting accountability and control. According to Ambrose (2008), the source of data must be safeguarded against tampering such that no one can alter data without leaving some evidence of that change. A study conducted in Kenya found out that poor records management had adverse effect on service delivery. It forces individuals to act on ad hoc basis, makes it intricate to carry out meaningful audits and to prove fraud (Kemoni and Ngulube, 2008). This undoubtedly makes it difficult to ensure accountability since there are no proper records to show whether procurement officials complied with the procurement procedures or not. Similarly, Akech (2005) asserted that due to poor records management, a Minister in Kenya unlawfully obtained confidential information on the tender and used it to interfere with the procurement process. Other studies have shown that current lack of data collection and records by organs of state prevents the effective monitoring targeted on the transparency of the tendering process (Bolton, 2006). In support of this view, it has been

suggested that in order to allow proper accountability in the procurement process, details of procurements undertaken together with all necessary documentations should be available and properly maintained (Jones, 2007).

According to Tukamuhabwa (2012), the procurement integrity survey on Uganda (2006) revealed that public procurement system in Uganda is marred by poor record keeping culture, which has resulted in lack of comprehensive statistics on the value of goods, services and works procured. As Ambrose (2008) suggests, systems without the ability to provide an inviolable audit trail would make their use unacceptable in most compliance and regulatory environments. Proper records management controls involving managing who can access and modify key documents and records have been identified as an integral part of achieving accountability and compliance (Alfredo, 2009). It should however be mentioned that, keeping of accurate records and maintaining adequate internal controls are functions of professionalism. Raymond (2008) and Atkinson (2003) assert that, professionalism in public procurement relates not only to the levels of education and qualifications of the workforce but also to the professional approach in the conduct of business activities. If the workforce is not adequately educated in procurement matters, serious consequences including, breaches of codes of conduct is bound to occur. Raymond (2008) linked lack of a high degree of professionalism in public procurement to corruption, which ultimately impedes accountability. The procurement officers must be trained and be made aware about all regulations in relation to procurement and related procedures (Hui et al., 2011). In Government of Uganda (2008), revealed that lack of professionalism was high amongst public procurement officers. This position is further confirmed by Basheka and

Mugabira (2008), who state that the level of professionalism in public procurement is low or non-existent. De Boer and Telgen (1998) also attributed non-conformity to procurement procedures in public procurement to lack of purchasing professionalism in the public sector.

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CHAPTER THREE

MATERIALS AND METHODS

3.0 Introduction

This chapter shows a description of research design, study population, sampling design which includes the sampling method, sampling procedure and sample size, sources of data collection, data collection methods, data processing, analysis, presentation, and the limitations encountered by the researcher.

3.1.0 About Ghana Cocoa Board

The saying ‘Cocoa is Ghana, Ghana is Cocoa’ portrays the important role cocoa plays in the economy of Ghana. Cocoa is the second foreign exchange earner and the lives of many farmers and their families’ depend on it. Cocoa products like chocolate, pebbles, cocoa powder feature prominently on the menu in many homes, restaurants and hotels. In recognition of the contribution of cocoa to the development of Ghana, the government in 1947 established the Ghana Cocoa Board (COCOBOD), as the main government agency responsible for the development of the industry. Ghana Cocoa Board Law, 1984 (PNDCL81), guides the operations of the Board.

3.1.1 Functions of Ghana Cocoa Board

The functions of COCOBOD center on the production, research, internal and external marketing, and quality control of cocoa. The functions can be classified into two main sectors: Pre-harvest and Post-harvest which are performed by specialized divisions of the Board.

3.1.2 Structure of Ghana Cocoa Board

In order to achieve its objectives and perform its functions effectively and efficiently, Ghana Cocoa Board is organized into a Head Office, subsidiaries and divisions. The Head Office has two departments known as General Services Department in charge of procuring works and consultancy services and Procurement Unit in charge of procuring goods and transport services respectively.

Table 3.1 Structure of General Services and Procurement Department

| General Services Department (GSD) | Procurement Unit (PU) |
|---|------------------------------|
| Director | Director of Finance |
| Dept. Director - Civil Works | Procurement Manager |
| Civil Works Manager | Dep. Procurement Manager |
| Dept. Civil Works Manager/Dpt. Quantity Surveyor Manager | Procurement Officers |
| Quantity Surveyors/Works Superintendents/Electrical Technical Officers/Civil Engineers/Technical Drawing Officers | |
| Works Supervisors/ Works Foremen | |
| | Procurement Clerks |

Source: Human Resource, Ghana Cocoa Board, (2002).

3.1.3 Nature of Projects procure by General Services and Procurement Department

General Services and Procurement Department undertakes the following projects:

1. Newly built structures such as regional and district offices, warehouses, guest houses, bungalows, block of flats for staffs, cocoa stations, hospitals, and construction of drive ways etc.
2. Rehabilitation of existing buildings and drive ways.
3. Refurbishment and upgrading of existing buildings into modern standard.
4. Procuring of goods and furnishing of COCOBOD offices, hospitals, guest houses and bungalows.

3.1.4 Structure of Head Office Procurement Entities

The Public Procurement Act, 2003 (Act 663), Regulations define the Entities framework of each stakeholder for public institution in Ghana. The diagram below summarizes the overall Entities framework, followed by details on the role and responsibilities of each individual, body or institution.

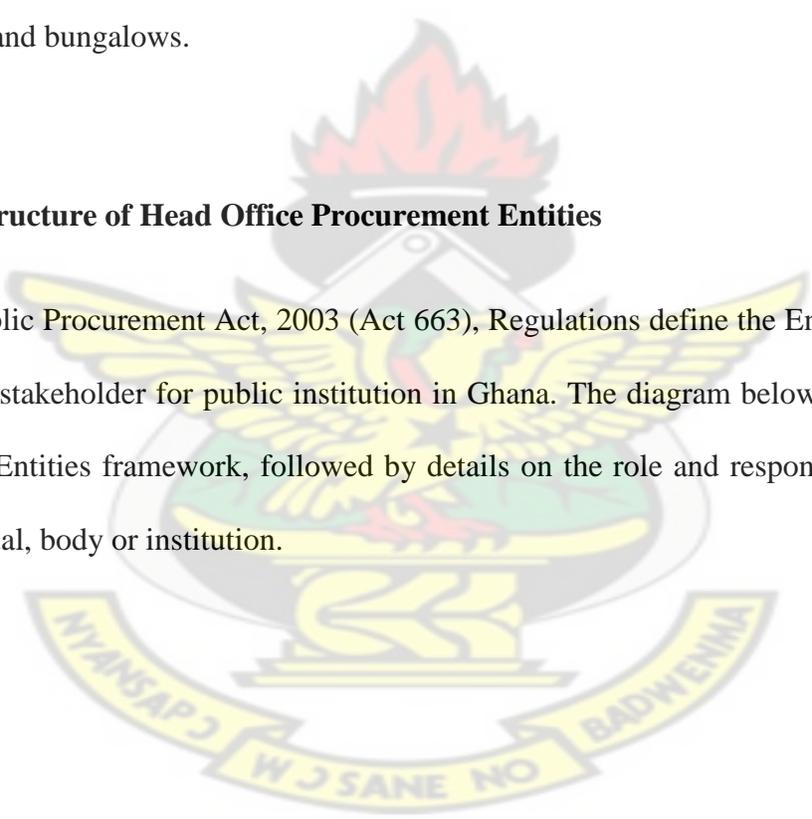


Table 3.2 Structure of Head Office Procurement Entities

| NO. | Procurement Entities | Roles |
|-----|-------------------------|---|
| 1 | Head of Entities | <ol style="list-style-type: none"> 1. Award low value contracts. 2. Chairs tender committee. 3. Investigates tender complains. |
| 2 | Tender Committee | <ol style="list-style-type: none"> 1. Standing committee of senior officials. 2. Approves procurement plans and invitation documents. 3. Award contracts within its authority or ensures referral to the appropriate Tender Review Boards. |
| 3 | Tender Evaluation Panel | <ol style="list-style-type: none"> 1. Ad hoc committee, which conduct evaluations and prepare an evaluation report. |
| 4 | Procurement Unit | <ol style="list-style-type: none"> 1. Permanent unit, staffed by procurement professionals manage all procurement activities. 2. Head of the unit acts as secretary to committee. |
| 5 | End User Department | <ol style="list-style-type: none"> 1. Existing department, which initiate requirements and provide technical in-puts. |

Source: PPA Training Module 2, (2006)

3.2. Research Design

The main objectives of the study were to identify the relevant records and internal control measures which are in existence at Ghana Cocoa Board which ensures accountability in the procurement process. The study used descriptive research designs which were mainly quantitative research so as to describe observations and examine the findings to come up with conclusions and recommendations.

3.3. Study Population and Sample Size

The population studied included the staff of Ghana Cocoa Board (COCOBOD) who are involved in procurement process in the following departments and units: procurement unit, general services department, account department, audit department and human resources department. The above departments are directly involved in the procurement activities at COCOBOD. The researcher selected all the 34 people responsible for procurement management and planning at COCOBOD for the study. The study administered questionnaires to solicit primary information on procurement activities undertaken by COCOBOD. The total number of questionnaires issued to COCOBOD technical staff and management was determined to be thirty four (34) as the total number of staff and management involved in COCOBOD's procurement process is 34. The selected thirty four (34) respondents who were directly involved in the procurement process at COCOBOD, were made up of fifteen (15) General Services Staff, Ten (10) Procurement Unit Staff, three (3) Account Department Staff, three (3) Staff from the Audit Department and finally, another three (3) members of staff from the Human Resource Department.

3.4. Sampling Procedure

The sampling procedure used was census sampling method in the selection of the sample size. Thus, non-probability sampling method was used. One or more specific predefined departments were sought using census sampling method. The main reason for adopting this approach was due to the relatively small number of the targeted respondents. The basic assumption here was that with good judgment the researcher handpick the departments and respondents to be included in the sample which, in this case were: Top-Management, Heads of Department, General Services Staff, Procurement Unit Staff, Account Department Staff, Internal Audit Department Staff and Human Resource Department Staff who were directly involved in the procurement process at COCOBOD. One important aspect that was considered was whether the respondents, in fact, met the criteria for being in the sample. In this case sampling for proportionality was not the primary concern. Since the aim of the research was about the exploring the state of accountability in procurement process at COCOBOD, the respondents were selected for their roles and involvement in the procurement system at COCOBOD. For instance, decisions taken by top management affects the procurement activities and processes. Heads of departments also request for the purchase of goods, services, works/contracts for their departments and units.

Another important group whose actions and inactions affect the procurement system directly was general services department and the procurement unit. They were directly involved in all the procurement activities and processes at COCOBOD. By virtue of their functions at COCOBOD, they were presumed to have in-depth knowledge of the procurement law and guide lines, as well as all the process and activities involved in the procurement cycle. The General Services Department and Procurement Unit were

supposed to be the 'engine room' of the procurement system, in fact, playing the major role in facilitating an efficient procurement system.

The Internal Audit Department and the Account Department were supposed to ensure compliance to the provisions in the Act and the other regulatory framework and guidelines. They monitor advice and in the extreme cases recommend sanctions in case of serious violations for management action. The Human Resource Department was responsible for employing and training of staff.

3.5. Data Sources and Types.

The study used Primary Data. Primary data were collected by using questionnaires at the case study institution.

3.6.1 Questionnaire Design and Methods of Data Collection

The researcher used closed ended and open-ended questions (See Appendix A). The questions contained in the administered questionnaires were based on requirements on records keeping and internal control measures on accountability. As discussed above, the questionnaires were skillfully and expertly designed to explore the state of accountability at Ghana Cocoa Board procurement processes based on the existing records and internal control measures. Questions on the questionnaires had multiple choice answers or close ended questions and some open ended questions providing flexibility in the choice of responses open to the respondents.

The researcher administered 34 questionnaires to respondents. The questionnaires administered were the same for each respondent and this helped to obtain the required

data. The questionnaires were answered by respondents and later collected by the researcher. All the questionnaires administered were hand delivered to the respondent. On deciding to administer the questionnaire by hand, other tools such as telephone interviews, mailing the questionnaires and face-to –face interviews were considered. However, self-administration of the questionnaire emerged as the most suitable tool used to collect the responses from the respondents.

Table 3.3: Showing the Distribution of Questionnaire to the respondents

| Category of respondents | Questionnaire Distributed | Questionnaire Returned | Percentage (%) |
|--------------------------------|----------------------------------|-------------------------------|-----------------------|
| General Services Department | 15 | 15 | 44.00 |
| Procurement Unit | 10 | 10 | 29.00 |
| Account Department | 3 | 3 | 9.00 |
| Audit Department | 3 | 3 | 9.00 |
| Human Resource Department | 3 | 3 | 9.00 |
| Total | 34 | 34 | 100 |

3.6.2 Response Rate

From Table 3.3 above, thirty four (34) questionnaires were distributed, all the thirty four (34), representing hundred percent (100%) were returned. Various methods of soliciting information from respondents were considered. However, the questionnaire method was chosen as it was quicker in collecting information from the respondents at the same time and also easier to evaluated, especially when the questionnaire was the closed-ended type, as in the case of this project where the researcher has adopted the closed-ended type. The questionnaire was also structured in a way which made the analysis simpler and less prone to errors.

3.6.3 Study Variables

Variables measured in this study were as listed below and various questions were asked under each of the sections.

Section A: Profile of respondents.

Section B: Knowledge of the procurement laws on accountability and level of compliance.

Section C: Records keeping.

Section D: Transparency.

Section E: Internal control systems to ensure accountability.

Section F: Accountability and ethics.

3.6.4 Measurement of Variables

The study used a 5-point likert scale to measure the variables in sections B, C, D E and F set out at 3.5.3 in procurement process to come up with findings. This ranged from strongly agree to strongly disagree (strongly agree, agree, not sure, disagree, and strongly disagree), highly frequent to highly infrequent (highly frequent, frequent, not frequent, infrequent and highly infrequent), Very great extent to not at all (very great extent, great extent, moderate extent, little extent and not at all and very good to fairly bad (very good, good, neutral, bad, fairly bad).

3.7 Data Processing and Analysis

Data collected from the respondents was first sorted, coded and the Statistical Package for Social Sciences (SPSS) was used for the data entry and analysis. Responses from the questions were analyzed by using pie charts, bar charts and mean score to draw tables and figures to present the findings. Analysis of the finding was based on objectives of the study started in the introduction. Data obtained was analyzed descriptively. The formula for the Mean Score (MS) is given by:

$$MS = \frac{\sum(f \times s)}{N}$$

Where

MS = mean score

S = the score given to each factor by respondents

f = frequency of responses for each rating

N = Total number of respondents.

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CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1.0 Introduction

This chapter consists of four main parts. The introduction, results as from the survey, discussions and conclusion. The results are presented into the following categories; educational background of respondents, department of employment, length of service, current position of respondents, knowledge of the Public Procurement Act (PPA) on accountability and level of compliance, records keeping, transparency, internal control system, monitoring, mechanism to enhancing accountability and ethics. The discussions on the other hand are categorized into two broad categories which are mainly the objectives to be achieved. These are accurate records keeping and internal control mechanisms.

4.1.1 Results

This section only presents the raw results or data as generated from the survey. The other section which is the discussion section details out the implications of the results and how they relate to the specific objectives.

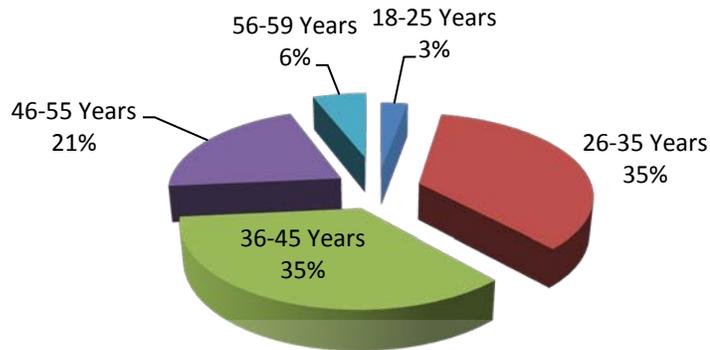


Fig 4.1 Age distribution of respondents

The age distribution of respondents shows that 73% of the total respondents are aged between 18-45 years. The analysis shows that about 21% and 6% of the respondents are within the age group of 46-55 years and 56-59 years respectively. This is shown in Figure 4.1 above.

Table 4.1 Educational Background of respondents

| Qualification | Background of Education | | | | | | % |
|------------------|-------------------------|-----------------|-----------|-------------|---------------------|--------|------|
| | Accounting | Social Sciences | Marketing | Procurement | Building Technology | Others | |
| HND ¹ | 1 | 0 | 1 | 3 | 2 | 0 | 20.6 |
| First Degree | 5 | 2 | 0 | 4 | 7 | 3 | 61.8 |
| Master Degree | 1 | 1 | 0 | 2 | 1 | 1 | 17.6 |
| Total | 7 | 3 | 1 | 9 | 10 | 4 | 100 |

¹ HND: Higher National Diploma

The survey indicates that 62% of the respondents have a first degree, 18% have a Master's degree and 20% have a Higher National Diploma (HND). These respondents had their educational training in fields such as Accounting, Social sciences, Marketing, Procurement (including purchasing and supply), Building technology, and other areas such as Human resource management, Project management, Land economy and Engineering.

In addition, to the above, 74% of the respondents have professional qualifications by way of affiliations to professional bodies. These bodies include Chartered Institute of Purchasing and Supply (CIPS), Association of Certified Chartered Accountants (ACCA), Institute of Chartered Accountants, Ghana (ICA), Chartered Institute of Management Accountants (CIMA), Ghana Institution of Surveyors (GhIS), Ghana Institute of Architects (GhIA) and Ghana Institute of Engineers (GhIE). The remaining 26% are not affiliated to any professional body.

Table 4.2 Respondents Departments

| Respondents Departments | Frequency | Percent (%) |
|--------------------------------|------------------|--------------------|
| General Services Department | 15 | 44.10 |
| Procurement Department | 10 | 29.40 |
| Account Department | 3 | 8.80 |
| Audit Department | 3 | 8.80 |
| Human Resource Department | 3 | 8.80 |
| Total | 34 | 100.00 |

The employment distribution of respondents shows that 44% of the respondents work in the General services department, 29% work in the Procurement department, 9% work in the Account department, and 9% also work in the Audit department and another 9% work in the Humana resource department.

Related to the above is the fact that 35% have worked in their present department for 1-5 years, 32% have worked in their department for 6-10 years, 18% have worked for 11-15 years, 9% have worked for 16-20 years and 6% have worked for 21-30 years in their present department.

It is also interesting to know that 91% of the respondents who took part in this survey were permanent staffs of Ghana Cocoa Board. About 6% of the respondents' were contracted staff and 3% were probationary staff.

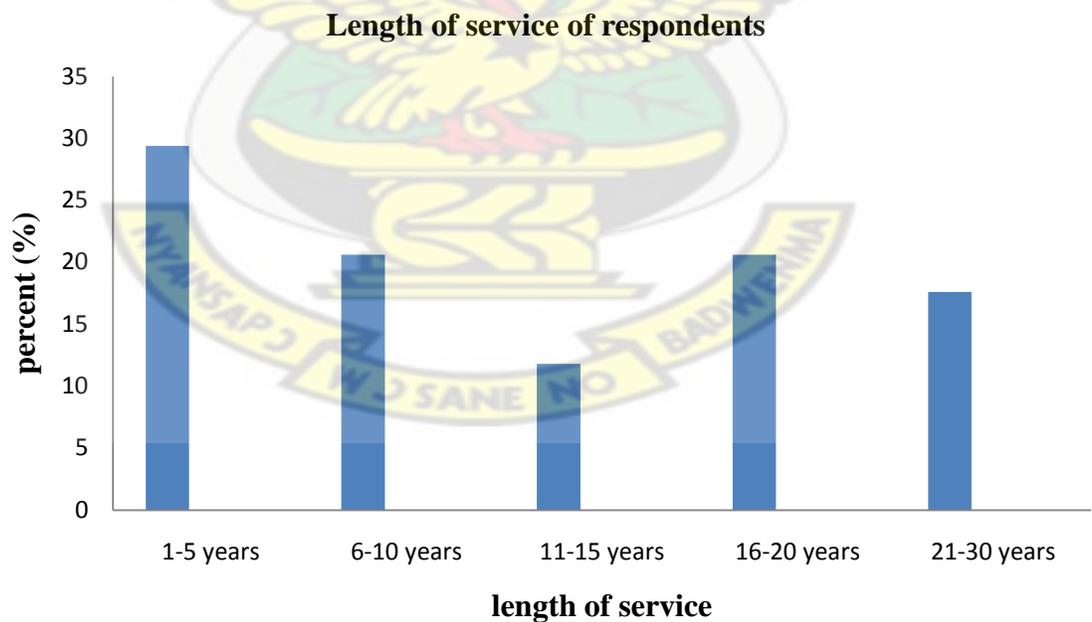


Fig 4.2 Length of service of respondents

Figure 4.2 show the number of years that respondents have worked at Ghana Cocoa Board. It depicts that 29% have worked for 1-5 years, 21% have worked for 6-10 years, another 21% have worked for 16-20 years, 18% have worked for 21-30 years and finally 12% have worked for 11-15 years.

Table 4.3 Current Position of Respondents

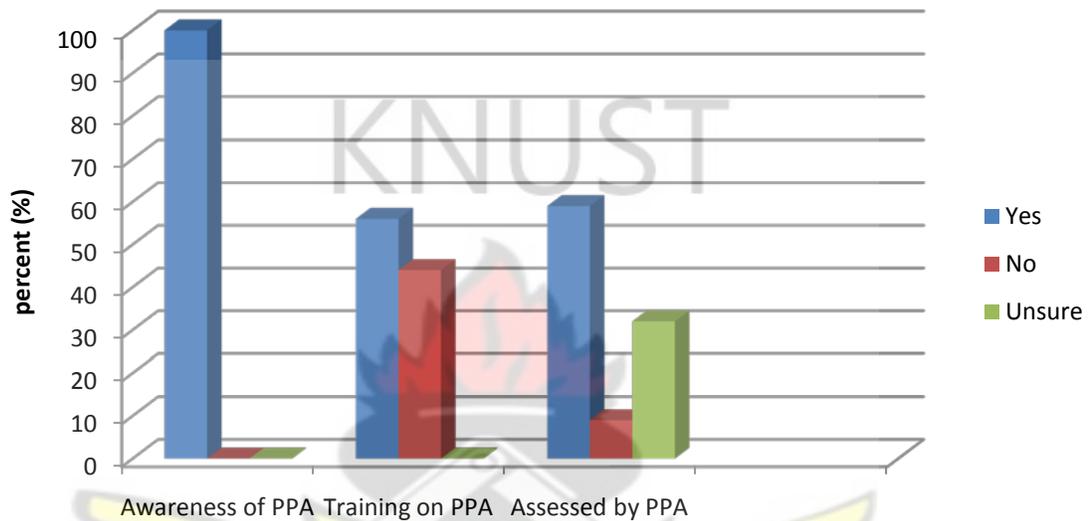
| Current position | Frequency | Percent (%) |
|-------------------------|------------------|--------------------|
| Chief Clerk | 5 | 14.70 |
| Officer | 6 | 17.60 |
| Senior Officer | 11 | 32.40 |
| Principal Officer | 5 | 14.70 |
| Manager | 5 | 14.70 |
| Director | 1 | 2.90 |
| Work Supervisor | 1 | 2.90 |
| Total | 34 | 100.00 |

Table 4.3 shows the current positions that are being held by respondents for this study. The survey showed that, about 32% occupy the position of senior officers at the various departments. The analysis shows that about 18% are first grade Officers, 15% are Principal Officers, 15% are Managers and another 15% are Chief clerks. Finally 3% work as Directors and another 3% occupy the position of works supervisor.

A notable point worth mentioning is that, 70 % of the respondents have been in their present position for 1-5 years. About 27% and 23% have been in their present position for 6-10 years and 16-20 years respectively.

4.1.2 Knowledge of the Public Procurement Act (PPA) on Accountability and

Level of Compliance with PPA Act



Knowledge of Public Procurement Act on accountability and compliance

Fig 4.3 Knowledge of Public Procurement Act on accountability and compliance

Interestingly, all the respondents to the survey are fully aware of the existence of the Public Procurement Act, 2003, (Act 663). But only 56% have had training on the Public Procurement Act specifically on accountability. The remaining 44% have had no form of training on the Act. However, 59% of the respondents indicated that to the best of their knowledge, Ghana Cocoa Board has been assessed by the Public Procurement Authority on its performance as far as the level of records keeping and internal controls on accountability are concerned. Only 9% answered in the negative of the Procurement

Authority assessing the performance of Ghana Cocoa Board whilst 32% are unsure of any form of assessment. This was summarized in Figure 4.3 above.

4.1.3 Compliance with the Public Procurement Act 663

In addition to keeping abreast with the PPA Act, compliance with the Act is of the utmost importance. Respondents were required to rank the extent of their knowledge of the Public Procurement Act, the procurement department's compliance of the Public Procurement Act and the procurement department's level of performance on records keeping and internal controls as prescribed by the Public Procurement Authority. Responses were rated by using a 5 point likert scale defined as 1=very good; 2=good; 3=neutral; 4=bad and 5=fairly bad. The mean score was then used to reveal the preference of the respondents. From Table 4.4, it emerges that records keeping and internal controls as prescribed by the Public Procurement Authority is paramount for the respondents. It further emerges that although knowledge of the Public Procurement Authority Act (Act, 663) is useful, it has the least rank on the respondents' scale of preference.

Table 4.4: Compliance and performance with respect to Public Procurement Act

| Statements | Number | Mean score | Ranking |
|--|--------|------------|---------|
| To what extent are you abreast with the Public Procurement Act 2003 (Act 663). | 34 | 3.68 | 3 |
| The department's level of compliance with the Full stipulations of the PPA, Act 663 with regard to accountability. | 34 | 3.35 | 2 |

| | | | |
|---|----|------|---|
| If yes to statement 11.1 (c), please indicate the level of performance as given by the Authority. | 24 | 3.29 | 1 |
|---|----|------|---|

4.1.4 Form of Record Keeping

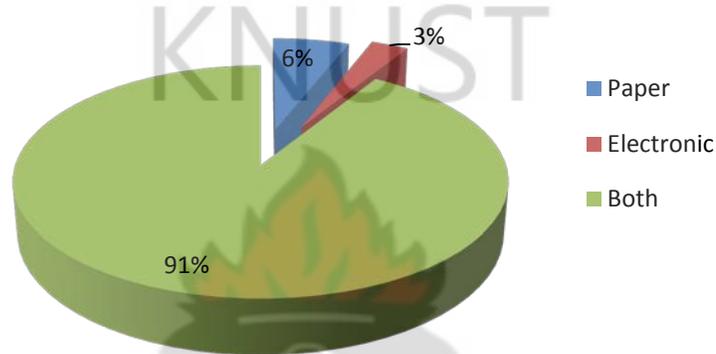


Fig 4.4 Format of record keeping

Figure 4.4 shows the format in which records are kept at various departments at Cocoa Board. About 91% respondents indicated that records are kept in both electronic and paper form in their department, 6% mentioned records are kept in paper form while 3% mentioned that records are kept in electronic form.

Also, all respondents indicated that contracts to be awarded are publicly advertised in the national newspapers and 82% of the total respondents asserted that summaries of information about public procurement are published. Such information include, number of bids received, number of contracts awarded and names of successful bidders. These summaries of information about public procurement are published quarterly and yearly.

About 65% of the respondents mentioned in the survey that, they record at least 1-5 appeal cases annually, 6% mentioned that there are 6-10 appeal cases annually whilst 29% mentioned that there are no records of appeal cases annually. Also, 77% respondents asserted that complaints received from tenderers are not made public but are published on Cocoa Board notice boards and mostly letters are dispatched to the concerned tenderers. About 77% of the respondents also mentioned that the procuring entity have internal quality control mechanisms which are regularly audited.

4.1.5 Respondents Involvement in the Procurement Process

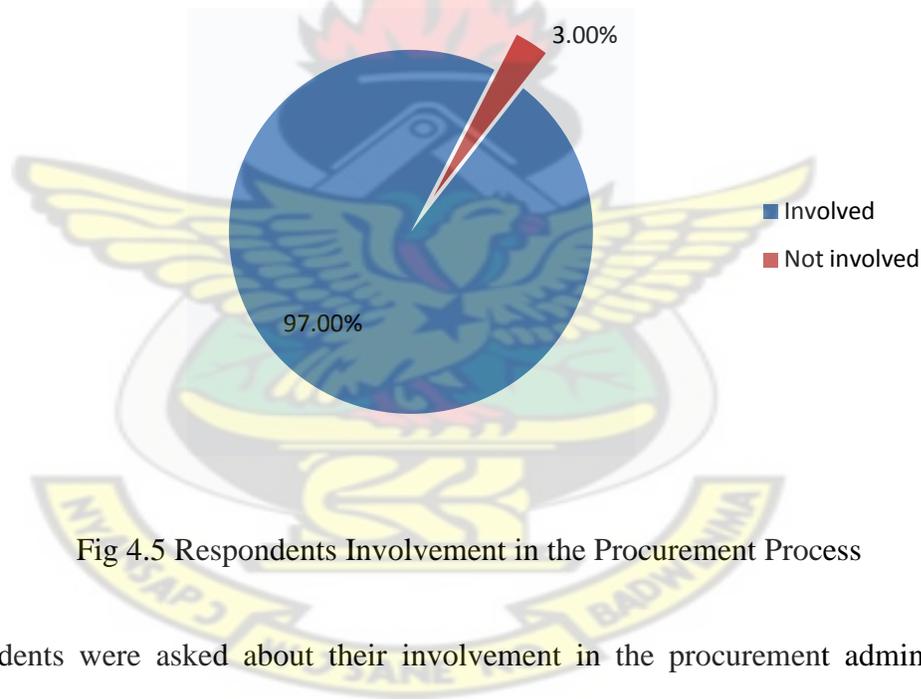


Fig 4.5 Respondents Involvement in the Procurement Process

Respondents were asked about their involvement in the procurement administration. Impressively, 33 respondents representing 97% responded in the affirmative that in one way or the other they have been involved with the administration of Ghana Cocoa Board procurement process. Only 3% have never been involved with the procurement process. This was summarized in figure 4.5 above.

Table 4.5a: Observation of procurement rules and regulations

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------|-----------|---------|---------------|--------------------|
| Valid Yes | 22 | 64.71 | 64.71 | 64.71 |
| No | 2 | 5.88 | 5.88 | 70.59 |
| Unsure | 10 | 29.41 | 29.41 | 100.00 |
| Total | 34 | 100.0 | 100.00 | |

Table 4.5a shows the extent to which procurement rules and regulations are followed. The survey shows that 65% of the respondents mentioned in the affirmative that all procurement rules and regulations are duly followed in their department, 6% stated that not all rules and regulations are followed whilst 29% are unsure whether all rules and regulations are followed.

Table 4.5b: Recording of all procurement procedures

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------|-----------|---------|---------------|--------------------|
| Valid Yes | 32 | 94.12 | 94.12 | 94.12 |
| NO | 0 | 0.00 | 0.00 | 94.12 |
| unsure | 2 | 5.88 | 5.88 | 100.00 |
| Total | 34 | 100.0 | 100.00 | |

Table 4.5b above shows the extent to which procurement procedures are recorded. It emerged that approximately 94% of the respondents asserted that they recorded all the procurement procedures and 6% of the respondents mentioned that they were not sure that the procedures were recorded.

Table 4.5c: Involvement of all stakeholders in the procurement process

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------|-----------|---------|---------------|--------------------|
| Valid Yes | 15 | 44.12 | 44.12 | 44.12 |
| No | 3 | 8.82 | 8.82 | 52.94 |
| Unsure | 16 | 47.06 | 47.06 | 100.00 |
| Total | 34 | 100.00 | 100.00 | |

Table 4.5c shows the extent to which stakeholders are involved in procurement process. Quite related to the above is that, 44% of the respondents mentioned that all stakeholders were involved in procurement issues. About 47% of the respondents were unsure whether all stakeholders were involved and 9% mentioned that not all stakeholders were involved in procurement issues.

Table 4.5d: documentation and storage of procurement actions

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------|-----------|---------|---------------|--------------------|
| Valid Yes | 27 | 79.41 | 79.41 | 79.41 |
| No | 2 | 5.88 | 5.88 | 85.29 |
| Unsure | 5 | 14.71 | 14.71 | 100.00 |
| Total | 34 | 100.00 | 100.00 | |

Table 4.5d shows that 79% of the respondents indicated that, indeed all procurement actions were documented and these documents are stored appropriately, 15% were unsure whether all actions were documented or not and 6% cited that not all actions were documented.

Table 4.5e Sanctions taken against defaulting Procurement Staff

| Response | Held Accountable (Percent) | Sanctioned (Percent) | Entity/Staff |
|--------------|-----------------------------|-----------------------------|--------------|
| Yes | 29 85.29% | 24 70.59% | |
| No | 1 2.94% | 7 20.59% | |
| Unsure | 4 11.77% | 3 8.82% | |
| Total | 34 100.00% | 34 100.00% | |

Table 4.5e shows if procurement practitioners are held accountable for their actions and whether there has been any sanction against any procurement entity or staff who defaulted in his/her procurement obligations. Results in Table 4.5e above indicated that 85% of the respondents gave a response of “Yes” meaning that the procurement practitioners are held accountable for their actions. Although, about 3% cited a response of “No”, meaning that the practitioners are not held accountable whilst the remaining

12% were unsure of their response. In addition, 71% of the respondents answered in the affirmative in the above statement mentioned that procurement entities and staffs who defaulted in their procurement duties were sanctioned, 21% said, the practitioners were not sanctioned whilst 9% are unsure of any sanctions meted out to defaulters.

4.1.6 Frequency of Keeping Records

According to Ambrose (2008), accurate written records of the different stages of the procedure are essential to maintain transparency, provide an audit trail of procurement decisions for controls, serve as the official record in cases of administrative or judicial challenge and provide an opportunity for citizens to monitor the use of public funds.

The respondents were asked to determine the frequency of keeping records using a 5 point likert scale defined as 1=highly frequent; 2=frequent; 3=not frequent; 4=infrequent and 5=highly infrequent, the frequency with which certain procurement documents were kept. The results were then analyzed using the mean score. The results from Table 4.6 reveal that the most recorded procurement document was the notice of contract award and publication which had a mean score of 3.55 followed by submission to the relevant authority and acknowledgement of receipt with a mean score of 4.01 and then performance security and release documents with a mean score of 4.12. The least recorded procurement documents are payment vouchers, evaluation reports, pro-forma invoices received, original requests from originating officers and tender quotations with mean score of 4.88.

Table 4.6 Frequency of Keeping Records

| No. | Statement | Mean Score | Ranking |
|-----|--|------------|---------|
| A | Original request from originating officer. | 4.85 | 14 |
| B | Correspondence with original officer. | 4.79 | 10.5 |
| C | Short list for expressions of interest. | 4.48 | 9 |
| D | Shortlist or advertisement. | 4.24 | 5 |
| E | Tender documentations and specifications/terms of reference | 4.39 | 8 |
| F | Correspondence with suppliers relating to tender. | 4.79 | 10.5 |
| G | Tender quotations or pro-forma invoices received. | 4.88 | 15 |
| H | Tender opening records. | 4.82 | 12 |
| I | Record of tender securities and release. | 4.36 | 7 |
| J | Evaluation report. | 4.85 | 14 |
| K | Submission to the relevant authority and acknowledgement of Receipt. | 4.01 | 2 |
| L | Notice of contract award and publication. | 3.55 | 1 |
| M | Inspection and acceptance reports. | 4.21 | 4 |
| N | Copy of payment vouchers. | 4.85 | 14 |
| O | Record of retentions and release. | 4.27 | 6 |
| P | Performance security and release. | 4.12 | 3 |

4.1.7 Internal Control Systems to Ensuring Accountability

According to the PPAT Module 24 (2006), procurement monitoring and evaluation is a process that must be routinely conducted both by Procurement Entities and Public Procurement Authority to ensure compliance to the Act and accountability in the procurement process. Internal controls and accountability are thus very key in the

sustenance of organizations of which COCOBOD is no exception. Most organizations put in place structures to strengthen internal controls in procurement and hence entrench accountability in the organization. Respondents were asked to reveal the extent of their preference with respect to internal controls and accountability systems in the procurement process according to a 5 point likert scale defined as 1=strongly agree; 2=agree; 3=neutral; 4=disagree and 5=strongly disagree. The mean score was then used to rank the responses. The rankings on Table 4.7 show that ensuring that all managers carry out their duties faithfully is the most significant internal control in project monitoring and evaluation with a mean score of 3.50. The results further shows that a well -defined organizational structure is very useful in ensuring accountability in the procurement process. Ironically however, in terms of ranking the least internal controls ensuring accountability are making sure that staff in charge of procurement are aware of the guidelines of the procurement Act and perform and perform their responsibilities as per the regulations and guidelines with the mean score of 4.76.

Table 4.7: Internal Control Systems to Ensuring Accountability

| No. | Statement | Mean Score | Ranking |
|-----|---|------------|---------|
| A | Clear separation of roles and responsibilities. | 4.21 | 8 |
| B | Clear procedures and guidelines for documentation. | 4.03 | 5 |
| C | A defined organizational structure. | 3.82 | 2 |
| D | A defined reporting structure clearly stipulated. | 4.12 | 6.5 |
| E | All officers in charge of the procurement process should be aware of the guidelines of the Procurement Act. | 4.68 | 11 |
| F | All staff in charge of procurement activities must perform | 4.74 | 13 |

| | | | |
|---|--|------|-----|
| | their responsibilities as per the regulations and guidelines. | | |
| G | Staff in charge of procurement process are responsible for their actions and inactions. | 4.76 | 14 |
| H | All managers carry out their duties faithfully. | 3.5 | 1 |
| I | Monitoring of all procurement process. | 4.5 | 9 |
| J | For monitoring to be effective, all stakeholders need to understand the PPA guidelines. | 3.97 | 3.5 |
| K | A periodic audit and inspection of a procurement unit's records keeping system. | 4.71 | 12 |
| L | Records and documents maintained by procurement entities on procurement should be made available for inspection by stakeholders and the general public access to information | 3.97 | 3.5 |
| M | Anti-corruption measures should therefore consist of a very efficient and effective system for monitoring, detecting and punishing wrong-doing. | 4.59 | 10 |
| N | There should be established, safe means to report wrongdoing including the use of hotlines. | 4.12 | 6.5 |

4.1.8 Mechanisms to Enhance Accountability

In organizations, mechanisms need to be put in place to enhance accountability. According to Ambrose (2008), some of these mechanisms include providing accurate written records of the different stages of the procedure. Agencies need procedures in place to ensure that procurement decisions are well documented, justifiable and

substantiated in accordance with relevant Public Procurement Act 2003, (Act 663) sections and policies in order to promote accountability. Respondents were asked to provide an assessment of certain actions which were taken with the aim of enhancing accountability. These actions were defined on five likert point scale as 1=strongly agree; 2=agree; 3=neutral; 4=disagree and 5=strongly disagree. The main rationale for this question was to unearth the actions which are seen by the respondents as being most critical in enhancing accountability. The results are shown in Table 4.8 below. In terms of rank, the results show that providing an opportunity for citizens to monitor the use of public funds in enhancing accountability with the mean score of 3.82. The next action that enhances accountability is putting procedures in place to ensure that procurement decisions are well documented with a mean score of 3.88. This is followed by putting mechanisms in place for lodging complaints and challenging administrative decisions. The mechanisms which are found to be least sustaining in enhancing accountability are mechanisms and capacity for ensuring effective internal control and audit, providing accurate written records of the different stages of the procedure and ensuring that written records are kept in paper and /or electronic forms with a mean score of 4.71.

Table 4.8: Mechanisms to Enhance Accountability

| No. | Statement | Mean Score | Ranking |
|-----|---|------------|---------|
| A | Accurate written records of the different stages of the procedure are essential to enhance accountability. | 4.71 | 7 |
| B | Provide an audit trail of procurement decisions for controls , serve as the official record in cases of administrative or judicial challenge. | 4.32 | 5 |

| | | | |
|---|---|------|---|
| C | Provide an opportunity for citizens to monitor the use of public funds. | 3.82 | 1 |
| D | Agencies need procedures in place to ensure that procurement decisions are well documented. | 3.88 | 2 |
| E | Written records should be kept in paper and/or electronic form. | 4.76 | 8 |
| F | Mechanisms and capacity for ensuring effective internal control and audit. | 4.44 | 6 |
| G | Mechanisms for lodging complaints and challenging administrative decisions. | 4.24 | 3 |
| H | Introduce direct social control mechanisms by closely involving stakeholders not only the private sector but also end-users, civil society, the media or the public at large – in scrutinizing the process. | 4.29 | 4 |

4.1.9 Ethics and Accountability

It is of universal knowledge that ethical behaviors in organizations have a very strong influence on accountability systems in organizations. The rationale of this question was to find out to what extent ethical behavior in COCOBOD influences accountability in the organization. The responses of the respondents were ranked on a five likert point scale defined as follows: 1=strongly agree; 2=agree; 3=neutral; 4=disagree and 5=strongly disagree. The responses were then ranked using the mean score. The results from Table 4.9 shows that being alert to report any indications of unethical behavior is found to be the most ethical behavior that enhances accountability in the organization and had a mean score of 3.53. This is followed by uniformed procedures for the procurement of goods, works and services and the justification or explanation of those results to internal or external monitors.

Regular reviews or audits of procurement process, measure of goals and results and then punishment or sanctions for non-performance are found to be the least action entrenching accountability in the organization.

Table 4.9: Ethics and Accountability

| No. | STATEMENT | Mean Score | Ranking |
|-----|--|------------|---------|
| A | The measurement of goals and results | 4.59 | 7.5 |
| B | The justification or explanation of those result to internal or external monitors | 4.11 | 3. |
| C | Punishment or sanctions for nonperformance or corrupt behavior | 4.71 | 9 |
| D | Uniform procedures for the procurement of goods, works and services. | 4.00 | 2 |
| E | Ensure transparency | 4.44 | 6 |
| F | Be alert to report any indications of unethical behavior. | 3.53 | 1 |
| G | Regular reviews or audits of procurement process can be done to ensure probity is being considered and achieved. | 4.59 | 7.5 |
| H | Separation of key internal functions contributes to professionalism, accountability and an efficient procurement system. | 4.38 | 4 |
| I | Avoiding conflicts of interest. | 4.41 | 5 |

4.2.0 Discussion of Results

This section explores into detail the data presented above. It expatiates on the state of accountability at Ghana Cocoa Board with reference to the data generated from the survey conducted. It is known for a fact as per the literature studied that, keeping accurate written records at the different stages of the procurement process is essential to

maintaining control and accountability. Also, the maintenance of proper internal control systems enhances accountability to a very great extent.

Accurate records keeping is done efficiently when the procurement staffs show high level of professionalism especially the one that comes with high educational qualification and experience in procurement practice. In addition, accurate records are best kept if the procurement staffs have high and in-depth knowledge of public procurement laws and guidelines.

On the other hand, an effective internal control system is one that depicts a clear and well-defined chain of command, effective monitoring of procurement activities and ensuring that procurement practitioners are held accountable for their actions and inactions. All these are discussed below.

4.2.1 Accurate Records Keeping

As per the discussions in the literature reviewed, there is no gainsaying that keeping of accurate records is an important tool for ensuring accountability. About 65% mentioned in the affirmative that all procurement rules and regulations are duly followed in their department and 94% of the respondents mentioned that they record all procurement procedures in their departments. About 79% of the respondents indicated that, indeed all procurement actions are documented and these documents are stored appropriately mostly in both paper and electronic form.

There are several mechanisms devised by Ghana Cocoa Board in ensuring that accurate records are being kept in order to enhance accountability and control. These include, ensuring professionalism and high knowledge of the Public Procurement Act and processes. These contribute to a large extent in ensuring accountability and are discussed below.

4.2.2 Professionalism

Professionalism is one of the key ingredients to ensuring accountability in public procurement. The results of the survey conducted at Ghana Cocoa Board indicates that there is high degree of professionalism as measured by the educational qualification of staffs involved in public procurement practices. 80% of the procurement staffs have at least a first degree from a tertiary institution and these degrees are in fields of accounting, purchasing and supply, building technology, marketing, procurement management and project management which are all relevant fields of study pertaining to public procurement. In addition, 74% of the staff are affiliated to various professional bodies. Interestingly, 91% of these staff are permanent employees and 71% have worked at Cocoa Board for more than 6 years. 40% have worked more than 15 years in the entity with great deal of experience in procurement practice. Coupled with this, 97% of the employees in one way or the other have been actively involved in the procurement administration. Finally most of these staff occupies relevant positions such as senior officers, principal officers, managers and directors which means that the people directly involved in the procurement administration are people of high repute. This depicts high level of professionalism and hence accountability because Atkinson (2003) and Raymond (2008) asserted that, professionalism in public procurement relates not only to

the levels of education and qualifications of the workforce but also to the professional approach in the conduct of business activities and if the workforce is not adequately educated in procurement matters, serious consequences including breaches of codes of conduct are bound to occur.

4.2.3 Knowledge of Public Procurement Act 2003, (Act 663)

Hui et al (2011) asserts that, procurement officers must be trained and be aware of all regulations in relation to procurement and related procedures in ensuring accountability. Interestingly, all the respondents surveyed were fully aware of the existence of the Public Procurement Act, 2003, (Act 663), and majorities have had training in the Public Procurement Act specifically on ensuring accountability. That notwithstanding, all the respondents mentioned that they were abreast with the Public Procurement Act.

Ghana Cocoa Board has been assessed by the Public Procurement Authority on its performance as far as the level of records keeping and internal controls on accountability is concerned and the company fared well in terms of its performance as given by the Procurement Authority who conducted the assessment.

4.2.4 Frequency of Keeping Records

According to Ambrose (2008), accurate written records of the different stages of the procedure are essential to maintain transparency, provide an audit trail of procurement decisions for controls, serve as the official record in cases of administrative or judicial challenge and provide an opportunity for citizens to monitor the use of public funds. The results from the study showed that the most recorded procurement document was the

notice of contract award and publication, followed by submission to the relevant authority and acknowledgement of receipt and then performance security and release documents. The least recorded procurement documents were the copies of payment vouchers, evaluation reports, original reports from originating officers and then tender quotations or pro-forma invoices received.

4.2.5 Internal Control Mechanisms

There are several internal control mechanisms of ensuring accountability and these include a well-defined organizational structure so that there is a clear chain of command and monitoring the performance of procurement officials to be accountable for their actions. Without these adequate internal control systems as according to OECD (2009), an environment is created in which assets are not protected against loss or misuse; good practices are not followed; goals and objectives may not be accomplished; and individuals are not deterred from engaging in dishonest, illegal, or unethical acts.

Also, it is the responsibility of procurement authorities to set up effective internal control systems that monitor the performance of procurement officials, assist compliance with laws and regulations and help ensure the reliability of internal and external reporting (PPA Manual, 2007). These internal control mechanisms are discussed below.

4.2.6 Chain of Command

It is evident from the results that Ghana Cocoa Board has a well-defined organizational and reporting structure. As per the internal control mechanisms in place at Ghana Cocoa Board, there are clear separation of roles and responsibilities at Cocoa Board and a well-

defined organizational structure which shows who reports to whom. The results also reveal that not all staffs in charge of procurement activities perform their responsibilities as per the regulations, and guidelines and these staffs are solely responsible for their actions and inactions.

4.2.7 Monitoring Performance

The results from the survey show that the staffs of the Ghana Cocoa Board are of a strong conviction that there is monitoring of all procurement process in the entity. This monitoring is further enhanced by the fact that, all stakeholders and procurement staff fully understand the Public Procurement Act guidelines. The study shows strongly that there is also periodic audit and inspection of the procurement unit's record keeping system. The study shows strongly that procurement records are maintained by the procurement entities which are made available for inspection by stakeholders and the general public access to information. Furthermore, anti-corruption measures which consist of a very efficient and effective system for monitoring, detecting and punishing wrong-doing and there are also safe means to reporting wrongdoing.

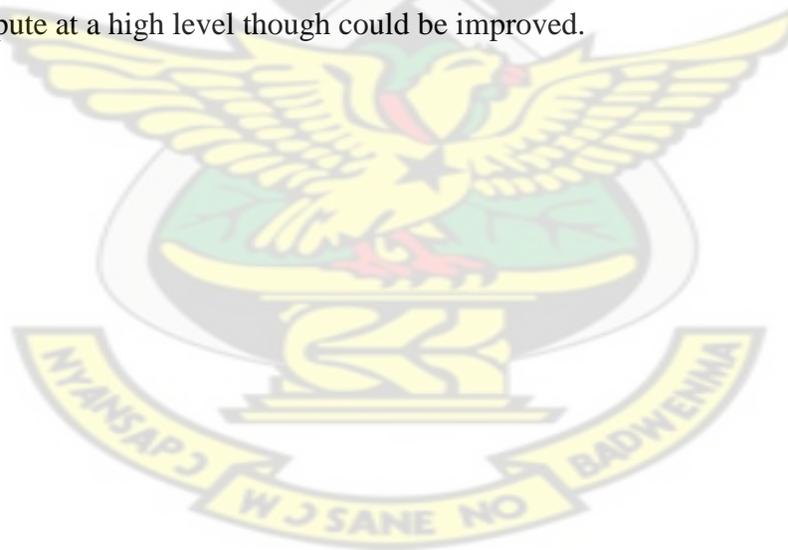
4.2.8 Accountable for Actions

Procurement entities and indeed tendering organizations and their officials must be held accountable for their actions in the public procurement process. For example procurement officers with delegated procurement authority must be held responsible for the effectiveness, efficiency, legality and the ethics of public procurement decisions and actions they take or advise others to take (Wittig 2005). About 85% of the respondents gave a response of "Yes" meaning that the procurement practitioners at Ghana Cocoa

Board are held accountable for their actions. In addition, 71% of the respondent who answered in the affirmative in the above statement mentioned that procurement entities and staff who defaulted in their procurement duties were duly sanctioned.

4.3 Conclusion

It is evident from the foregoing discussion that, Ghana Cocoa Board to a high degree, is abreast with the public procurement rules, laws and regulations. They have well educated staff who maintain high professional standards and are in tune with the Public Procurement Act, 2003, (Act 663). They also monitor procurement practices and those responsible for public procurement are held accountable for their actions. This presupposes that the current state of accountability and control at Ghana Cocoa Board is in no dispute at a high level though could be improved.



CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter concludes the study, summarizes the main findings from the study and makes relevant recommendations based on these findings. The first section discusses the main conclusions arising from the study. The next section provides a summary of the work and provides some recommendations for policy. The final section provides the limitations of the study.

5.1 Conclusion

The study found out that, keeping of accurate records is an essential instrument in ensuring accountability at Ghana Cocoa Board and for that matter any procurement entity. Keeping of accurate records however, is enhanced at Ghana Cocoa Board through several ways especially by maintaining high degree of professionalism. There are well educated staffs of Cocoa Board who are in charge of procurement activities. About 80% of the procurement staff have at least a first degree from a university and 74% are affiliated to various professional bodies like Chartered Institute of Purchasing and Supply (CIPS), Association of Certified Chartered Accountants (ACCA), Institute of Chartered Accountants, Ghana (ICA), Chartered Institute of Management Accountants (CIMA), Ghana Institute of Surveyors (GhIS), Ghana Institute of Architects (GhIA) and Ghana Institute of Engineers (GhIE). Almost all these staffs are permanent staffs of Cocoa Board and 97% of these staff has been involved in the procurement

administration of Cocoa Board. Finally most of these staffs have great deal of experience in procurement and so there is a direct or positive relationship between high education and keeping of accurate records. Closely related to professionalism is the high knowledge base of the procurement staff. All the staffs are aware of the existence of the Public Procurement Act 2003, (Act 663) and are abreast with the procurement rules and regulations. The study reveals that documents relating to procurement are kept in both electronic and paper forms. Also, the respondents agree that records are kept frequently and all procurement records are documented and stored appropriately. The study shows that most recorded procurement document was the notice of contract award and publication followed by performance security and release documents. The least recorded procurement documents are revealed to be copies of payment vouchers, evaluation reports, original request from originating officers and then tender quotations or pro-forma invoices received. This achieves the first objective of how accurate records keeping enhance accountability.

The second objective has to do with how internal control mechanisms enhance accountability. There is a clear and well-defined organizational structure at Ghana Cocoa Board. The organizational structure is clearly specified. There is also a clear separation of roles and responsibilities and all staff in charge of the procurement processes are responsible for their actions and inactions. Majority of the respondents agree that, there are periodic audits and inspection of the procurement unit's records keeping system and is accessible to the public.

Finally, in ensuring accountability, procurement staff who defaults in their duties are sanctioned and held accountable for their actions.

5.2 Summary

Ghana Cocoa Board is one of the important procurement entities in Ghana which is in charge of significant public funds and how these funds are managed is of public interest. In situations where funds are not well managed and procurement staffs not held accountable, it leads to a drain of public funds and hence taxpayers money. It is of this interest that this study sought to investigate the procurement practices at Ghana Cocoa Board. We conclude that Cocoa Board is abreast with the Public Procurement laws and regulations. They also have well equipped staffs and are very much accountable for their actions.

5.3 Recommendations

- ❖ There should be periodic training sessions and refresher courses organized for procurement staff to update them on current procurement practices. This is mainly because only 56% of the procurement staff from the survey have had training on public procurement especially pertaining to accountability.
- ❖ There should also be proper procedure and well-defined sanctions for staff who default in the procurement practice. Any staff who defaults should be consequently sanctioned. This is because 21% of the respondents indicated in the survey that, to the best of their knowledge, the defaulting procurement staffs were not sanctioned and 9% were unsure of any sanction meted out to these defaulters.

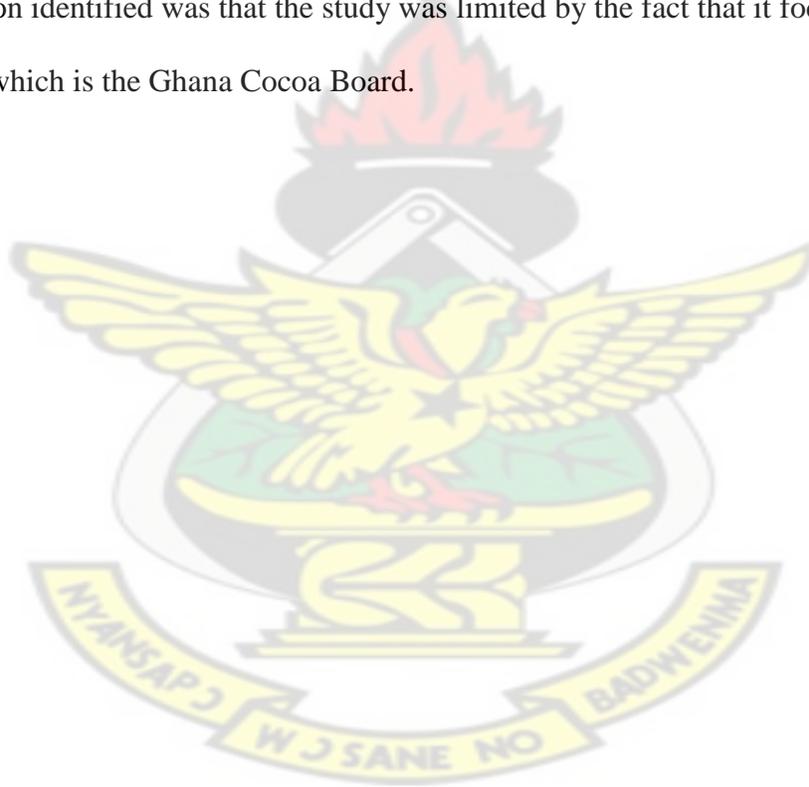
- ❖ It is also important for Ghana Cocoa Board to ensure full compliance with the stipulations of the Public Procurement Act, (Act 663). This is so because there is about 6% of the respondents stated that not all rules and regulations are followed whilst 29% are unsure whether all rules and regulations are followed.
- ❖ Also, the level of performance as given by the Procurement Authority with regards to accountability was not satisfactory and so there is more room for improvement for Ghana Cocoa Board.
- ❖ Only, 79% of the respondents indicated that all procurement actions are documented and these documents are stored appropriately. The institution should be strengthened to ensure that all procurement actions are documented.

Findings revealed that good records keeping and internal control measures in the public procurement process are very important to ensure accountability, I therefore recommend that comprehensive research studies should be carried out in the near future on the following topics:

- i. Government auditing in ensuring accountability of foreign aided projects in Ghana
- ii. Procurement records management
- iii. The effectiveness of internal control systems in achieving value for money in the public sectors

5.4 Limitations of the Study

The results of this study to a large extent represent the true state of accountability in procurement process at Ghana Cocoa Board. However, the study has a few limitations. The limitations have to do with the largely qualitative nature of the study. Since, the study was more of a qualitative nature the results were very subjective as they were based on opinions and not based on any scientific facts. Readers are therefore cautioned to be circumspect in the application of the results emerging out of this study. Another limitation identified was that the study was limited by the fact that it focuses only on one entity, which is the Ghana Cocoa Board.



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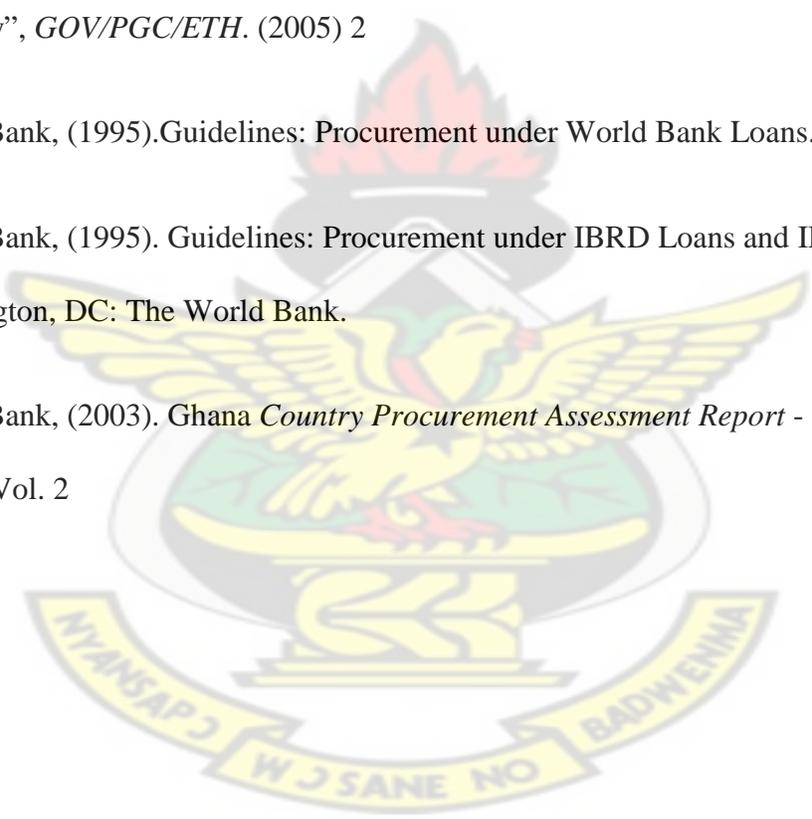
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APPENDIX A

QUESTIONNAIRE

This research study titled "The State of Accountability And Control In Public Procurement at Ghana Cocoa Board" is a dissertation undertaken by *Mr. Richard Asamoah* in partial fulfillment of the requirements for the award of the **MSc (Procurement Management) degree**. The aim of this study is to explore the state of accountability and control measures in public procurement processes at Ghana Cocoa Board. Please be assured that all responses will be treated with confidentiality. Respondents are please entreated to answer **all** questions.

SECTION A: PROFILE OF RESPONDENTS

1. Please indicate your age range (years):
 - a. 18-25 b. 26-35 c. 36-45 e. 46-55 f. 56-59
2. What is your highest educational qualification?
 - a. SHS/ O- Level/ A-Level b. HND c. First Degree d. Masters
 - e. PHD f. Other please specify.....
3. What is the background of your education?
 - a. Accounting b. Social Sciences c. Marketing d. Procurement
 - e. Building Technology f. Other please specify.....
4. What is your Professional Qualification? Thick so many as apply.
 - a. CIPS b. ACCA c. ICA d. ICSA e. CIMA f. GhIS
 - g. Other please specify.....

5. What is your employment status?

Political Staff [] b. Permanent Staff [] c. Probationary Staff []

d. Contracted Staff [] e. Pensioned Staff [] f. other please
specify.....

6. Which of the following best describes your department?

| | | |
|--|--|--|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

7. How long have you worked with Ghana Cocoa Board? a. 1-5 years [] b. 6-10
years [] c. 11-15 years [] d. 16-20 years [] e. 21-30 years []

8. How long have you worked in your present Department? a. 1-5 years [] b. 6-10
years []
c. 11-15 years [] d. 16-20 years [] e. 21-30 years []

9. How long have you been in your present position? a. 1-5 years [] b. 6-10 years
[] c. 11-15 years [] d. 16-20 years [] e. 21-30 years []

10. What is your current position in your Department? a. Chief Clerk [] b. Officer
[] c. Senior Officer [] d. Principal Officer [] e. Manager [] f. Director []
g. Other please specify.....

SECTION B: KNOWLEDGE OF THE PROCUREMENT LAWS

ON ACCOUNTABILITY AND LEVEL OF COMPLIANCE

11.1 Please, tick in the appropriate box against the statements defined below:

| No. | Question | Yes | No | Unsure |
|-----|---|-----|----|--------|
| a | Are you aware of the existence of the Public Procurement Act, 2003 (Act 663) | | | |
| b | Have you had any training on the Public Procurement Act 2003, (Act 663) specifically on accountability? | | | |
| c | Has this organization ever been assessed by the Public Procurement Authority on its performance as far as her level of records keeping and internal control on accountability is concerned? | | | |

11.2 Please used a scale of: 5= Very good (VG), 4= Good (G), 3=Neutral (N),

2= Bad (B), and 1= Fairly bad (FB) to rate the following statements:

| Statements | VG | G | N | B | FB |
|--|----|---|---|---|----|
| To what extent are you abreast with the Public Procurement Act 2003 (Act 663). | | | | | |
| The department's level of compliance with the full stipulations of the PPA, Act 663 with regard to accountability. | | | | | |
| If yes to statement 11.1 (c), please indicate the level of performance as given by the Authority. | | | | | |

SECTION C: RECORDS KEEPING

12.1 Have you ever been involved with the administration of procurement process?

Yes No

(If No skip question 12.2)

12.2 Indicate which of the following is true about your Department.

| No | Activity | Yes | No | Unsure |
|----|---|-----|----|--------|
| a | We record all procurement procedures. | | | |
| b | We follow all procurement rules and regulations. | | | |
| c | We involve all stake holders in procurement issues. | | | |
| e | We ensure all actions are documented, and the documents are stored appropriately. | | | |
| f | Do you think Procurement practitioners are held accountable for their actions | | | |
| g | If yes to statement (f), has there been a sanction against procurement entity or staff? | | | |

12.3 If you answered “No” to any of the above, please explain your response below.

a. We follow all procurement rules and regulations:

.....

b. We involve all stake holders in procurement issues:

.....

c. We employ a specific person with relevant skills to manage procurement activities:

.....

d. We ensure all actions are documented, and the documents are stored appropriately:

.....

13. How are records kept in this department? a. Paper [] b. Electronic [] c. both []

d. Please specify other.....

14. How often does your department keep records on under listed procurement process?

Use a scale of 5-1 where 5 = highly frequent (HF) 4 = frequent (F) 3 = not frequent (NF)

2 = infrequent (INF) and 1 = highly infrequent (HINF)

| | | | | | | |
|---|---|--|--|--|--|--|
| | | | | | | |
| a | Original request from originating officer. | | | | | |
| b | Correspondence with original officer. | | | | | |
| c | Short list for expressions of interest. | | | | | |
| d | Shortlist or advertisement. | | | | | |
| e | Tender documentations and specifications/terms of | | | | | |
| f | Correspondence with suppliers relating to tender. | | | | | |
| g | Tender quotations or pro-forma invoices received. | | | | | |
| h | Tender opening records. | | | | | |
| i | Record of tender securities and release. | | | | | |
| j | Evaluation report. | | | | | |
| k | Submission to the relevant authority and acknowledgement of receipt. | | | | | |
| l | Notice of contract award and publication. | | | | | |

| | | | | | | |
|---|------------------------------------|--|--|--|--|--|
| m | Inspection and acceptance reports. | | | | | |
| n | Copy of payment vouchers. | | | | | |
| o | Record of retentions and release. | | | | | |
| p | Performance security and release. | | | | | |

SECTION D: TRANSPARENCY

15. Do you have written records of procurement process? Yes [] No []

16. Are summaries of information about public procurement published (e.g. number of bids received, number of contracts awarded, and names of successful bidders)?

Yes [] No []

17. If yes, how often? a. quarterly [] b. every six month [] c. yearly [] d. every two years []

18. Are contracts to be awarded publicly advertised? Yes [] No []

If yes, where

National newspapers [] b. Internet [] c. Local radio [] d. Journal [] e. PPA web site []

19. How many appeal cases do you record annually?

a. One to five cases [] b. six to ten cases [] c. Ten and above [] d. None []

20. Do you make public decisions on complaints? Yes [] No []

21. If yes, where do you publish the complaints?

a. Notice board [] b. Procurement bulletin [] c. Newspapers [] c. Send letters to concerned tenderers []

22. Does procuring entity have internal quality control mechanisms? Yes [] No []

If yes, are they regularly audited? Yes [] No []



SECTION E: INTERNAL CONTROL SYSTEMS TO ENSURE ACCOUNTABILITY

23. Please, tick in the appropriate box against the statements defined below as an internal control measures used by your department to enhance accountability; 1 = Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 = Agree and 5 = Strongly Agree.

| | Statement | Strongly Disagree | Disagree | Undecided | Agree | Strongly Agree |
|---|--|-------------------|----------|-----------|-------|----------------|
| a | Clear separation of roles and responsibilities. | | | | | |
| b | Clear procedures and guidelines for documentation. | | | | | |
| c | A defined organizational structure. | | | | | |
| d | A defined reporting structure clearly stipulated. | | | | | |
| e | All officers in charge of the procurement process should be aware of the guidelines of the Procurement | | | | | |
| f | All staff in charge of procurement activities must perform their responsibilities as per the regulations | | | | | |
| g | Staffs in charge of procurement process are | | | | | |
| h | All managers carry out their duties faithfully. | | | | | |
| | | | | | | |
| i | Monitoring of all procurement process. | | | | | |
| j | For monitoring to be effective, all stakeholders need | | | | | |
| k | A periodic audit and inspection of a procurement unit's records keeping system. | | | | | |
| l | Records and documents maintained by procurement entities on procurement should be made available for | | | | | |
| m | Anti-corruption measures should therefore consist of a very efficient and effective system | | | | | |

| | | | | | | |
|---|---|--|--|--|--|--|
| n | There should be established, safe means to report wrongdoing including the use of | | | | | |
|---|---|--|--|--|--|--|

24. Do you agree that the following actions enhance accountability? Use a scale of 5-1 where 5= strongly agree (SA), 4 = agree (A), 3 = unsure (U), 2 = disagree (D) and 1 = strongly disagree (SD) .

| | | | | | | |
|---|--|--|--|--|--|--|
| | | | | | | |
| a | Accurate written records of the different stages of the | | | | | |
| b | Provide an audit trail of procurement decisions for controls, serve as the official record in cases of administrative or judicial challenge. | | | | | |
| c | Provide an opportunity for citizens to monitor the use of public funds. | | | | | |
| d | Agencies need procedures in place to ensure that procurement decisions are well documented. | | | | | |
| e | Written records should be kept in paper and/or electronic | | | | | |
| f | Mechanisms and capacity for ensuring effective internal control and audit. | | | | | |
| g | Mechanisms for lodging complaints and challenging administrative | | | | | |
| h | Introduce direct social control mechanisms by closely involving stakeholders – not only the private sector but also end-users, civil | | | | | |

SECTION F: ACCOUNTABILITY AND ETHIC

25.1 To what extent do ethics enhance accountabilities in public procurement process?

Very great extent [] Great extent [] Moderate extent []

Little extent [] Not extent []

25.2 To what extent do the following key statements enhance accountability in procurement process? Use a scale of 1-5 where 1= Very great extent, 2 = Great extent, 3 = Moderate extent, 4 = little extent and 5 = Not at all

| No | Statement | 1 | 2 | 3 | 4 | 5 |
|----|--|---|---|---|---|---|
| a | The measurement of goals and results. | | | | | |
| b | The justification or explanation of that result to internal or external monitors. | | | | | |
| c | Punishment or sanctions for non-performance or corrupt behavior. | | | | | |
| d | Uniform procedures for the procurement of goods, works and services. | | | | | |
| e | Ensure transparency. | | | | | |
| f | Be alert to report any indications of unethical behavior. | | | | | |
| g | Regular reviews or audits of procurement process can be done to ensure probity is being considered and achieved. | | | | | |
| h | Separation of key internal functions contributes to professionalism, accountability and an efficient procurement system. | | | | | |
| i | Avoiding conflicts of interest. | | | | | |

Thank you very much for your co-operation