

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,
KUMASI, GHANA**

Evaluating the Public Procurement Act 2003(Act 663) as amended as a Tool for Fighting
Corruption in Public Entities in Ghana

By

Afia Acheampomaa Duah (BA (Hons), LLB (Hons), BL)

A Thesis submitted to the Department of Construction Technology and Management,
College of Art Built Environment
in partial fulfilment of the requirement for the degree of

MASTER OF SCIENCE

NOVEMBER, 2018

DECLARATION

I hereby declare that, this thesis submission is my own work towards the MSc. Procurement Management 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.

AFIA ACHEAMPOMAA DUAH (PG 9216217)

Student's name

.....

Signature

.....

Date

Certified by:

PROF. BERNARD KOFI BAIDEN

Supervisor's name

.....

Signature

.....

Date

Certified by:

PROF. BERNARD KOFI BAIDEN

Head of department's name

.....

Signature

.....

Date

ABSTRACT

Corruption in public procurement has become a canker that every government seeks to eradicate. The Public Procurement Act, 2003, (Act 663) was enacted and further amended to strengthen the weak procurement systems that bedevilled the economy. With the passage of the Office of the Special Prosecutor Act, 2017, (Act 959) Ghana seeks to bring corruption down to its knees. The study examined the effectiveness of the Public Procurement Act in combating corruption in public procurement procedures amongst State Owned Enterprises. The objectives of the study were to determine significant corrupt practices within Ghanaian public procurement entities when procuring, to analyse critical causes of corruption in public procurement entities in Ghana and to assess the negative effects of corruption on public procurement in Ghana. A case study research strategy was used for this study with a structured questionnaire to collect data from the procurement units of some selected State Owned Enterprises using the purposive approach. The significant corrupt practices found are procurement corruption during bid evaluation and limiting the number of competitors. The study revealed political influence; desire for wealth and greed of contractors as the critical causes of corruption in State Owned Enterprises with loss of confidence in public officials; increase in public expenditure; diversion of government revenue, negatively affects the economic growth of the country, breeds impunity and dilution of public integrity; impaired quality service delivery; increased cost of doing business; and unnecessarily limits access to public services as important negative ramifications of corruption in public procurement in State Owned Enterprises. In spite of the rich anti-corruption provisions in the Act corruption still exists in public procurement. It is therefore recommended that Act 663 as amended is religiously adhered to and activities of procurement units regularly monitored and sanctioned.

KEYWORDS: Public procurement, Corruption, Public Entities, State Owned Enterprises, Ghana, the Public Procurement Act.

DEDICATION

I dedicate this work to my husband Stephen Opoku who inspired me to pursue this course and my children, David Frimpong - Boateng Opoku, Kwabena Fosu - Duah Opoku for their understanding and cooperation and Nana Kwadwo Nyamekye Koomson Opoku whose divine entry into the world added gloss to this course.

ACKNOWLEDGEMENT

I thank the Almighty God for His love, care, mercies and for seeing me through this work from the beginning to the completion of this study. I am forever indebted to Him. Much appreciation goes to Prof. Bernard Baiden for his supervision, interest and commitment to this study. I am thankful to Dr. Mrs. Jemima Ottou for her timely support and guidance in making this work a better one.

Special thanks go to all friends and loved ones who contributed in diverse ways to help me complete this study. I am very grateful to my mum Agnes Owusu - Ansah and my father Kwaku Duah Fosu for their unflinching support.

TABLE OF CONTENTS

DECLARATION.....	ii
ABSTRACT.....	iii
DEDICATION.....	iv
ACKNOWLEDGEMENT.....	v
LIST OF TABLES	x
CHAPTER ONE	1
INTRODUCTION.....	1
1.1 BACKGROUND	1
1.2 PROBLEM STATEMENT	3
1.3 RESEARCH QUESTIONS	4
1.4 RESEARCH AIM AND OBJECTIVES.....	4
1.4.1 Aim	4
1.4.2 Objectives	4
1.5 SCOPE OF THE STUDIES.....	5
1.6 RESEARCH JUSTIFICATION.....	5
1.7 RESEARCH METHOD.....	6
1.8 ORGANIZATION OF THE RESEARCH	7
CHAPTER TWO	8
LITERATURE REVIEW	8
2.1 INTRODUCTION	8
2.2 OVERVIEW OF PROCUREMENT	8
2.3 PUBLIC PROCUREMENT IN GHANA.....	9
2.4 CORRUPTION IN PUBLIC PROCUREMENT.....	10
2.5 ANTI-CORRUPTION PROVISIONS IN THE PUBLIC PROCUREMENT ACT.....	11
2.6 CORRUPT PROCUREMENT PRACTICES	13
2.6.1 Favours particular firms	14

2.6.2 Bribery-induced violations of procurement procedures	15
2.6.3 Induced legitimate deviations	15
2.6.4 Use of high-ranking officials to influence decisions	15
2.6.5 Releasing confidential information.....	16
2.6.6 Procurement corruption during bid evaluation	16
2.6.7 Use of gifts to get contracts	16
2.6.8 Nepotism is an increasing form of procurement corruption	16
2.6.9 Limiting the number of competitors for procurement	17
2.6.10 Officials manipulating tenders	17
2.6.11 Withholding confidential information	18
2.6.12 Corruption during contract variations of original prices.....	18
2.6.13 Collusion by suppliers.....	18
2.6.14 Awarding contract to favourites.....	19
2.6.15 Exposure of Engineers Estimate to preferred bidders.....	19
2.7 CAUSES OF CORRUPTION IN PUBLIC PROCUREMENT	19
2.7.1 Roles and Responsibilities of Stakeholders are not defined	20
2.7.2 Self-interest of procurement officials	21
2.7.3 Lack of capacity among technical staff	21
2.7.5 Poor records management.....	22
2.7.6 Poor procurement systems	23
2.7.7 Lack of monitoring and supervision	23
2.7.8 Public Procurement Human Resource Capacity Gap	23
2.7.9 Greed of contractors.....	24
2.7.10 Low Salaries of Public Officials	24
2.7.11 Desire for wealth.....	24
2.7.12 The absence of a public procurement policy	24
2.7.13 Political Influence	24

2.7.14 Weak institutions	25
2.7.15 Absence of a Uniform Public Procurement Institutional Framework	25
2.8 NEGATIVE EFFECTS OF CORRUPTION ON PUBLIC PROCUREMENT	26
2.8.1 Limits the quantity of services available	26
2.8.2 Affects the quality of services provided	27
2.8.3 Affects the poor more than the rich	27
2.8.4 Limits access to public services	27
2.8.5 Increases the cost of doing business	27
2.8.6 Benefits private companies	28
2.8.7 Public expenditure will increase due to corruption.....	28
2.8.8 It leads to the loss of confidence in public officials.....	28
2.8.9 It affects the economic growth of the country	28
2.8.10 Corruption diverts government revenues	29
CHAPTER THREE.....	30
RESEARCH METHODOLOGY	30
3.1 INTRODUCTION	30
3.2 RESEARCH DESIGN	30
3.3 RESEARCH STRATEGY	30
3.4 RESEARCH METHOD.....	30
3.5 RESEARCH POPULATION AND SAMPLING TECHNIQUE.....	31
3.5.1 Research Population.....	31
3.5.2 Sampling Procedure and Sample Size	31
3.6 SOURCES OF DATA AND INFORMATION.....	33
3.6.1 Primary Data Source	33
3.6.2 Secondary Source of Information	33
3.7 DATA COLLECTION INSTRUMENT.....	33
3.7.1 Questionnaire Development.....	34

3.7.2 Content of Questionnaire	34
3.7.3 Questionnaire Administration.....	35
3.8 DATA ANALYSIS.....	35
3.8.1 Mean Score Ranking.....	36
3.8.2 Relative Importance Index	36
CHAPTER FOUR.....	38
DATA ANALYSIS AND DISCUSSION.....	38
4.1 INTRODUCTION	38
4.2 RESPONDENTS CHARACTERISTICS	38
4.3 RELIABILITY ANALYSIS	40
4.4 SIGNIFICANT CORRUPT PRACTICES	41
4.5 CRITICAL CAUSES OF CORRUPTION	44
4.6 IMPORTANT NEGATIVE EFFECT OF CORRUPTION.....	46
CHAPTER FIVE	49
CONCLUSION AND RECOMMENDATION	49
5.1 INTRODUCTION	49
5.2 SUMMARY OF THE RESEARCH OBJECTIVES.....	49
5.2.1 Significant Corrupt Practices in Public Procurement	49
5.2.2 Critical Causes of Corruption in Public Procurement.....	50
5.2.3 Important negative effect of Corruption in Public Procurement	50
5.3 FINDINGS.....	50
5.4 CONCLUSION.....	51
5.5 RECOMMENDATION	52
5.6 LIMITATION	53
5.7 RECOMMENDATION TO FUTURE RESEARCH	53
REFERENCES.....	54
APPENDIX.....	60

LIST OF TABLES

Table 2.1: Summary of Corrupt procurement practices.....	14
Table 2.2: Causes of corruption in Public Procurement	20
Table 2.3: Negative effects of corruption in Public Procurement	26
Table 3.1: Sample size for the study	32
Table 4.1: Respondent characteristics.....	39
Table 4.2 Reliability test	40
Table 4.3: Significant corrupt practices within Ghanaian public procurement	41
Table 4.4: Critical causes of corruption in public procurement.....	44

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

Public procurement refers to the acquisition of goods, services and works by a procuring entity using public funds (World Bank, 1995). Public procurement is the process by which government departments or agencies purchase goods, works and services from the private sector.

Corruption can be described as the use of public office for private benefit and it persists in Ghana's socio-economic and political landscape of which government upon government laments and fumes about. Professionals and academicians also never stop complaining about corruption and corruptible behaviours in the Country. The Business Community blames their ineffectiveness and inefficiencies on the level of corruption and corruptible behaviours they experience in Ghana. The laments, fumes, qualms, blames and cries about corruption make it extremely problematic and so need to be attended to and tackled with earnest. The Religious Community always use the pulpit talking about corruption. Churchgoers trooping into the Churches hearing sermons which usually deal with corruption and its attendant behaviours make it eminent dealing with it in every sphere of life. Religious leaders, therefore, never yield to want to do something within their domain about corruption so as to make life better.

Ghana, for some time back, has been grappling with how well the country can improve upon the weak financial management system and so started with a project introduced to her by the Bretton Woods Institution called the World Bank. The project was named Public Financial Management Reform Programme which was initialled 'PUFMARP'. The PUFMARP had the dimension of seeking proper management of how materials and other logistics that government organisations will need to facilitate their work are bought. It therefore brought in the setting up of the Purchasing Committee in the respective government organisations to

enable them manage and control effectively acquisitions of those materials and logistics needed by those Organisations. These happened during the second term office of the Fourth Republic of Ghana.

The third term of office of the Fourth Republic of Ghana ushered in a new Government which decided to change the ways and manners those acquisitions of the materials and other logistics were done. This was because the then government officials had seen the importance of those acquisitions and their impacts on the public expenditure and its toll on the Gross Domestic Products (GDP) of the Country. They, therefore, hatched the idea of professionalising those acquisition process introduced by the PUFMARF. Hence, they drafted a Bill and presented it to the third Parliament of the Fourth Republic for passage in to law. The bill was eventually passed in 2001 and named Public Procurement Law, (2003), Act 663.

The Government also saw that, to a large extent, the Law replete with rich anti- corruption provisions can better manage and control the acquisition process so much so that it can also punish the culprit. Hence, the Government continued to use it to establish an organisation called the Public Procurement Authority to help implement the Law on Procurement.

The Law on Procurement was thus promulgated to curb the way and manner that procurement, particularly, public procurement was conducted in the Country to help to manage corruption. This was also targeted to strengthen the weak Public Expenditure Management System that bedevilled the Country's Economy. The effective implementation of the Act 663 actually started in the year 2005 until the year 2016 when it was amended by the Public Procurement (Amendment) Act, 2016, (Act 914).

According to Lederman et al. (2005) and Mauro (2004), corruption has been marked as one of the most serious or major canker in the economic development of a nation. Due to its normative implications, social scientists have described it as a multi-headed dragon

(Camerer, 1999). Azfar et al. (2001) says that not only does corruption eat into the economic fabric of society but also, the cultural and political fabrics as well thereby affecting the functioning units or bodies of the economy. To Desta (2006), corruption is the major issue of democracy in countries undergoing development and an unwelcome deviation identified among many economies, contributing to a great and negative effect to development (Basheka, 2009). The recent passage of the Office of the Special Prosecutor's Act, 2017 (Act 959) with the mandate to investigate and prosecute cases of alleged or suspected corruption and corruption related offences under the Public Procurement Act, 2003 (Act 663) as amended shows the country's appetite to fight corruption in Public Procurement.

1.2 PROBLEM STATEMENT

It is proved by other researchers (Sarfo and Baah- Mintah, 2013) that the sum total of government expenditure has public procurement constituting more than 50 percent without the cost of the wage bill of government. This however turns to show that the public procurement is the sector that has the largest expending factor of all government expenses. In public procurement, corruption often times take the form of bribery, political lobbying, and kick-backs. A study made by World Bank disclosed that a worth of \$148 billion costs the continent of Africa on corruption which is equivalent to 25 percent of its Gross Domestic Product. This is made visible as works undertaken are poorly done and leave societies bearing the effects (Sarfo and Baah-Mintah, 2013). According to Engelbert (2015), the corrupt practices undertaken in public procurement rules out the quality of services made by government as the increase in spending is not proportional to the public welfare provided to the society hence destroying more developing countries.

In Ghana, public sector corruption is noticed as a major issue and several surveys undertaken previously and periodically shows corruption still exists in the public sector. Ghana has not made any significant improvement on the subject of corruption according to Transparency

International's annual Corruption Perception Index (Pabia, 2013). Although several studies or research have been made on this subject in the light of public procurement, the ability to solve this issue remain little (Ware et al., 2011; Williams-Elegbe, 2012; Engelbert, 2015). Hence the need to evaluate the role of the Public Procurement Act as a tool for fighting corruption in public procurement.

1.3 RESEARCH QUESTIONS

The following questions were constructed to help conduct this study:

1. What are the significant corrupt procurement practices within public procurement entities in Ghana?
2. What are the critical causes of corruption in public procurement entities in Ghana?
3. What are the important negative effects of corruption on public procurement within public procurement entities in Ghana?

1.4 RESEARCH AIM AND OBJECTIVES

1.4.1 Aim

The study was aimed at evaluating the role of the Public Procurement Act as a tool for fighting corruption in public procurement.

1.4.2 Objectives

The following objectives aid the researcher in achieving the aim of the study:

1. To determine significant corrupt practices within Ghanaian public procurement entities when procuring.
2. To analyse critical causes of corruption in public procurement entities in Ghana.
3. To assess the important negative effects of corruption on public procurement in Ghana.

1.5 SCOPE OF THE STUDIES

Geographically the population of the research was personal observations among the public procurement professionals and practitioners in the Greater Accra Region of the Country and the sample population was narrowed down to State-Owned Enterprises. The personnel in these enterprises were the target Respondents. State Owned Enterprises were selected due to the high threshold attributed to them in the Public Procurement Act, 2003 (Act 663) as amended, for procurement of goods, works and services. The reason is that where there is practice of corruption in their procurement it would contribute immensely to the high expenditure of the country. The study was also limited to their procurement units found in the head office in the Greater Accra Region where procurements are mainly done and seats the head of entity.

Contextually, the study also probed into the Public Procurement Act, 2003 (Act 663) and Public Procurement (Amendment) Act, 2016 (Act 914). For better precision, the public sector was specifically looked at using the Act as a tool in fighting corruption in public procurement entities in the country.

1.6 RESEARCH JUSTIFICATION

The Public Procurement Act 2003, (Act 663) of Ghana was developed to facilitate the smooth procurement procedures in the public sector, secure an appropriate, effective and efficient use of the resources of the state and also to ensure that procurement is done on simple and clear ways without controversies (Ministry of Finance, 2001). The need for a new Act came into existence as a result of the high level of foul play in the procurement system in the country and thereby a thorough review of the incumbent regulations needed to be considered. In 2003, the enactment further looked at introducing modernized procedures in procurement to help in the eradication of corrupt practices and other malfunctioning (Osei-Tutu et al., 2010; Osei-Tutu et al., 2011).

The significance of the Public Procurement Act 2003 (Act 663) together with its amendment Act 914 cannot be overemphasized as a major contributor to the GDP of the economy. In this regard, the study is to expose the existence of corruption pertaining in State Owned Enterprises in spite of the promulgation of the Public Procurement Act and its amendment and for the benefit of procurement officials in State Owned Enterprises in particular and public entities as a whole to enable them to appreciate the need to adhere to established standards in procurement. The results of the study would serve as the blueprint for further studies to be conducted in the area to enlighten the various stakeholders and procurement policy formulation and implementation.

1.7 RESEARCH METHOD

The methodology of this research was the foundation upon which the research was based. The Quantitative research was adopted in the collection of data from some Respondents within the selected sample from the State-Owned Enterprises that was selected for the study. This was because the quantitative research focuses on testing hypothesis or a theory made up of variables, measured with numbers and examined with statistical methods: the study needed a large sample for the responses to be representative of the population (State Owned Enterprises) to answer the set questionnaires for the study. Both primary and secondary sources of data collection were used for this study. In obtaining Primary data, structured questionnaires were designed and were administered to Respondents of some State-Owned Enterprises in the Greater Accra Region. The use of structured questionnaire has been the most commonly used survey technique in examining construction issue as it provides an easy means of soliciting professional views from experts in researches regarding construction management (Rahman, 2014; Mao et al., 2015). Secondary source of information was from significant course readings, journals and articles and sources from the internet on public

procurement. The sample of the Respondents were selected purposively from procurement department of these State-Owned Enterprises.

1.8 ORGANIZATION OF THE RESEARCH

Chapter 1: This Chapter related to the background study of the research and considered the necessary research questions. The aim, objectives and scope of the research were covered in this chapter as well.

Chapter 2: This Chapter discussed previous studies made by researchers related to this study. The Chapter sought to explain and examine various comments as well as probe into the existent knowledge which served as a foundation to support the research.

Chapter 3: This Chapter known as the research methods gave a systematic approach to how the research was conducted. The Chapter also discussed the questionnaire to be developed and the few data to be collected incidental to the questionnaire.

Chapter 4: Data Presentation, Analysis and Discussions; discussions on the findings of the research are noted in this Chapter. The outputs of the analysis were presented in forms that are easy to comprehend.

Chapter 5: This provides a summary of the findings, suggested recommendations and the conclusion of the research; this presents the conclusion drawn from the research and data analysis and a set of recommendations necessary to improve the current state of the research problem. The Chapter ends with a recommendation based on the study and probably, for further studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

The Chapter examined literature on the Public Procurement Act as well as the factors that aid in realizing the set objectives for this research. The Chapter starts with an introduction, reviews public procurement in Ghana and corruption in public procurement. The chapter then discusses corrupt practices, challenges and its effects in the Ghanaian context.

2.2 OVERVIEW OF PROCUREMENT

According to European Union (2013), procurement is an act of purchasing or acquiring goods and services. The process of procurement involves processing demand, obtaining receipt and approval of payment. To Cole (2007), it is the procurement of goods and services in the right amount and quality and at a maximum possible total cost. He added that when commodities are purchased when prices are low can be termed as procurement. Procurement procedures include; planning on purchasing, determining standards, development of specifications of commodities, selection and researching appropriate suppliers, analyzing value, financing, negotiating of prices, purchasing, contract administration to suppliers, and control of stores and other major functions.

The act or process of procurement is a major consideration in any organization as it forms part of the operational strategies in order to obtain needed resources in the right quality, time and price. This serves as backbone to businesses as it helps in determining their survival in a rather currently competitive business environment. The complex nature of procurement process has a chance of making organizations become more efficient according to Miles (2015). It was explained that this will ensure the goods and services will be acquired at the right time, of specified quality, relatively cheaper price, and of desired quantity with delivery just when it is needed hence minimizing the stockpiling of goods.

2.3 PUBLIC PROCUREMENT IN GHANA

The subject of public procurement has obtained a high recognition from society and of the business environment for its immense contribution to the management of resources in an economy. Several countries as a result of its impact or influence in an economy, has put in measures to strengthen this area to ensure that mismanagement due to corrupt practices are devoid as this sector normally have direct use of the state's resources. The importance of public procurement as a means of facilitating government operations in both developed and developing countries cannot be overlooked among practitioners (Mahmood, 2010).

According to Chene, (2009) the procurement in the public sector is a major activity that helps to raise significant financial resources and in most developing countries makes them one of the largest economic actors. In improving the public financial management, the public procurement reform programme has been developed which is a part of a wider reform agenda. The goals of the reform are; to enhance development of the nation; harmonize local and international laws; create a competitive environment, develop efficiency, ensure an accountable and transparent system of management; ensure an easy procurement system and as well ensure the client have value for the money spent (Republic of Ghana, 2001). Sarfo and Baah-Mintah, (2013) stated that the Public Procurement Act 663 basic role was to ensure a smooth and vivid procurement system, ensure the appropriate use of state resources, promote fair procurement methods among others in order to eradicate all forms of corrupt practices attributed or undertaken in the procurement sector of the economy.

According to the Public Procurement Authority (2011), the passage of PPA sought to eliminate corrupt practices practiced in procurement, control the expenditure, as well as instilling discipline in the finances of the public. The enactment of the law operationalized the concept of good governance and pursued an agenda towards the elimination of corrupt

practices and to address the actual downfalls of the public procurement of goods, works, and services (Abebrese, 2017).

2.4 CORRUPTION IN PUBLIC PROCUREMENT

Corrupt practices in the procurement sector of an economy downplay the quality of services the government plays as it leads to a zero or no correlation in the welfare of the public to having a high spending of resources and its effect becomes worse in developing countries. It has been identified that basic needs of the populace in a country is not met due to loss of state resources as a result of corrupt practices, and also leads to the mismanagement of funds (Engelbert, 2015). Evidence has it that in all the phases of public procurement there is one form of corrupt practice or another. These corrupt acts can be seen from the planning and budgeting phase of procurement to the phase of awarding of contract. In 2002 a survey report indicated that over 18% of the World's GDP representing a worth of USD 5.8 trillion accounts for procurement (Auriol, 2005) with an estimated amount of USD 400 billion lost through corruption in the procurement sector (Mawenya, 2008). Reports also indicate that in Sub-Saharan Africa, about 70% of the countries procurement process has been infiltrated with corruption thereby inflating the cost of contracts by about 20% -30% (Ibid, 2008). In Africa, it is reported that the cost of corruption is estimated at about USD 148 billion each year (World Bank 2003).

Reports from Transparency International in 2012 indicated that Ghana is one of the most corrupt nations in the world as shown in the annual Corruption Perceptions Index (CPI). Though it has it that in all societies' corruption is present (Sahr, 1998). Lengwiler and Wolfstetter (2006) revealed that annually the amount of money lost globally as a result of corruption is estimated between \$390-400 billion.

Over the years the people of Ghana has sought to control corruption in the public sector as evidenced in the supreme law of the land, the 1992 Constitution of the Republic of Ghana article 284 which enjoins public officers not to put themselves in a position where their personal interest conflicts or is likely to conflict with the performance of the functions of their office. This quest has driven Parliament to translate this constitutional provision into several legislations promulgated by Parliament of which the Public Procurement Act is not an exception.

2.5 ANTI-CORRUPTION PROVISIONS IN THE PUBLIC PROCUREMENT ACT

The Public Procurement Act is replete with anti- corruption provisions as evidence of the nation's zeal to eradicate corruption in procurement activities in the Public Sector. The object of the Act found in section 3 is to harmonize the processes of public procurement in the public service to secure a judicious, economic and efficient use of state resources in public procurement and ensure that public procurement is carried out in a fair, transparent and non-discriminatory, environmentally and socially sustainable manner. As a reinforcement of Article 284 of the 92 Constitution, the Public Procurement Board per section 86 of the Act is empowered to compile and publish an all-encompassing code of conduct that shall apply to each official of a procurement entity, the members of an evaluating panel, members of a tender committee, suppliers, contractors and consultants to enhance an ethical approach to procurement processes without blemish. Section 93 of the Public Procurement Act 2003 (Act 663) as amended further enjoins entities and participants to abide by article 284 of the 1992 Constitution in their procurement relations. Section 26 of the Act ensures that communication between Procurement Entities and Tenderers is done in writing to promote formal relationship with suppliers, contractors and consultants and to avoid behind the scenes dealings.

Section 28 of the Act further mandates Procurement Entities to maintain records of procurement proceedings which may serve as the basis of an administrative complaint and promote transparency. Section 31 of the Act enjoins Procurement Entities to publish on the Authority's website notice of contract awards to ensure transparency. Section 32 of Act 663 (as amended) on Inducement' from suppliers, contractors and consultants is very instructive. It provides as follows: 'a procurement entity shall reject a tender, proposal, an offer or a quotation if the supplier, contractor or consultant that submitted it offers, gives or agrees to give, directly or indirectly, to a current or former officer or employee of the procurement entity or other governmental authority a gratuity in any form; an offer of employment; or any other thing of service or value, as an inducement with respect to anything connected with a procurement entity and procurement proceedings'. Per section 22 A (1) (b) of the Act the Public Procurement Board is clothed with power to suspend a supplier or consultant from engaging in any public procurement or disposal process for a period determined by the Board where it is determined after a special audit or by a court, that a tenderer is engaged in corrupt or fraudulent practices. In section 25, we find that public procurement must be as competitive as possible to promote fairness. In section 56 we also find that procurement entities are to permit tenderers whose tenders have been submitted to be present at tender opening. This seeks to enhance openness and fairness which are key characteristics of anti-corruption. Section 56 sets out the criteria for evaluating tenders to remove or minimize needless discretion exercised by the evaluation committee. Section 64 prohibits negotiations between procurement entity and suppliers or contractors regarding tenders submitted by them.

Section 78 allows the tenderer to seek redress at the appropriate forum stated in the Act where he has suffered any loss or damage as a result of a breach of the Procurement entity's duty owed him under the Act.

2.6 CORRUPT PROCUREMENT PRACTICES

It is of much importance to distinguish between the act of corruption and that of incompetency or inefficiency. Although distinct from each other they both turn to go hand-in-hand resulting in one compromising. For instance, the desire to speed up the process of procurement will impede on its transparency although making it efficient but may result in creating an environment for corruption. Corruption has no single solution and there is the need for effective monitoring of procurement processes. The need for effective supervision and control cannot be overlooked since rules may exist but will always not be adequate in curbing the canker. Periodic auditing with clear procedures must be considered in an attempt to reduce corruption in procurement (Osei-Tutu et al., 2011). Table 2.1 presents a summary of corrupt practices.

Table 2.1: Summary of Corrupt procurement practices

S/N	Corrupt Procurement Practices	Source
1	Favoring particular firms	Abebrese (2017).
2	Bribery-induced violations of procurement procedures	Yukl (1989), Gelderman et al. (2006), Hui et al. (2011).
3	Induced legitimate deviations	Engelbert (2015).
4	Use of high-ranking officials to influence decisions	Kalubanga et al. (2013).
5	Releasing confidential information	Odei (2015).
6	Procurement corruption during bid evaluation	Osei-Tutu et al., (2010), Sadat (2017)
7	Use of gifts to get contracts	Sadat (2017)
8	Nepotism is an increasing form of procurement corruption	Shah (2006), Jones (2009).
9	Limiting the number of competitors for procurement	Transparency International (2005), Mawenya (2008)
10	Officials manipulating tenders	Osei-Tutu et al. (2009), Osei-Tutu et al. (2014).
11	Withholding confidential information	Ameyaw et al. (2012).
12	Corruption during contract variations of original prices	Robb (1996), Shakantu (2006), Sadat (2017).
13	Collusion by suppliers	OECD (2007), Jones (2009).
14	Awarding contract to favourites	Odei (2015).
15	Exposure of Engineers Estimate to preferred bidders	Shakantu (2006).

Source: Author's Construct (2018)

2.6.1 Favours particular firms

The opaque and unaccountable regulations have been the facilitator of corruption in the public procurement sector of Ghana. Public officers at the leading role of procurement are often been influenced by notable politicians and other businessmen in the awarding of

contracts and at other instances influencing the selection of contractors, designing tender document in favour of them and to the extent of getting vital information which they need to have access to (Abebrese, 2017)

2.6.2 Bribery-induced violations of procurement procedures

In analysing the issue of corruption in procurement in Malaysia, Hui et al. (2001), stated that procurement officers were to be blamed for non-compliance with the policies and procedures of procurement. Citing Yuki (1989), Gelderman et al. (2006) stated that there is only compliance when the target tends to do exactly what is required of him or her. However, it is unfortunate how such individuals turn to put in little or no effort in achieving what they desire.

2.6.3 Induced legitimate deviations

In instances where there is an avenue for corrupt practices, the government in a corrupt environment is often times geared towards investing in projects where obtaining kickbacks and other incentives are relatively good rather than other procurement needs where the benefit is less. Typically, it is often seen that developing countries invest in capital-intensive projects like infrastructure projects rather than other projects like the education and health as it is believed those section of development is poised with benefits. (Engelbert, 2015)

2.6.4 Use of high-ranking officials to influence decisions

Currently in Ghana, huge judgment debts are paid to individuals and organizations for wrongful abrogation or termination of contracts. These phenomena are all because of discretionary or political decisions from the powers that be imposed on professionals during procurement process and project execution. (Kalubanga et al., 2013).

2.6.5 Releasing confidential information

Procurement officers are alleged and, in some cases, proven, to have acted in a manner that will favor themselves and their preferred contractors. Some of these acts include the leaking of engineer's figures, hiding of relevant information from other competing contractors and collaborating with suppliers with the intention of getting kickbacks (Odei, 2015).

2.6.6 Procurement corruption during bid evaluation

In a reviewed publication by Osei-Tutu et al. (2010) it is noted that it is of much importance to distinguish between the act of corruption and that of incompetency or inefficiency. Although distinct from each other they both turn to go hand-in-hand. For instance, the desire to speed up the process of procurement will impede on its transparency although making it efficient but may result in creating an environment for corruption as it enhances it subjectively (Sadat, 2017).

2.6.7 Use of gifts to get contracts

Sadat (2017) study indicated that individuals have used gifts and other rewards as means of obtaining awards of one form or the other. These gifts given mainly influence the process of law-making, the chance to winning tenders, massaging the rules in order to favor such tenders.

2.6.8 Nepotism is an increasing form of procurement corruption

Shah (2016) stated in literature that one of the major types of corruption has to do with paternalism. This type of corruption occurs when public officials use their positions to help clients of whom they are of the same ethnic, cultural or geographical background so they receive preferential treatment when they are associated to any work or activity.

Nepotism and cronyism are major dealings of corruption in the procurement sector. This is seen in the awarding of contracts especially where contracts are awarded to companies or

organizations where owners may have political influence or ability or have relations and to some extent due to their financial capacity rather than noting their competence of ability to execute the given work. In order to win such contracts by means of nepotism and cronyism, administrators tend to favor the direct contracting style like negotiation rather than open competition in order to refrain from competition.

2.6.9 Limiting the number of competitors for procurement

The basic rule of procurement is to encourage competition especially in public procurement. However, officials turn to downplay this very act due to corruption intended to be practiced. The various stages or phases of the procurement process provides an avenue for corruption to be practiced (Transparency International, 2005). At pre-qualification stage of the procurement process, rules spelt out may be “massaged” in order to favor certain tenderers for benefits. It is known that contractors, suppliers, and consultants who engage in corrupt practices are driven by several motives with the commonly known one to win contracts.

2.6.10 Officials manipulating tenders

According to Osei-Tutu et al. (2009) embezzlement, bribery, kickbacks, fraudulent acts and manipulation of tender are corrupt practices identified in the procurement of Ghanaian infrastructure projects. Bribery and fraud are also corrupt practices identified in the procurement processes. Whereas bribery is commonly known by the public, there is higher wastage of finance when fraudulent act is practiced. Both petty and grand forms of corruption exist in public procurement. Where petty corruption can be identified among contracts involving goods, services and other relatively smaller contracts, grand corruption on the other hand is practiced under larger contracts (Osei-Tutu et al., 2014).

2.6.11 Withholding confidential information

Section 65(9) of the Public Procurement Act as amended requires that the entities responsible for procurement should communicate results to unsuccessful tenderers. A survey by Ameyaw et al. (2012) revealed that in 87% of the cases of procurement, this aspect of the law was not implemented which is a subject of concern. Where results of tender processes are hidden from unsuccessful tenderers, it turns to undermine the credibility of the procurement entities which in a long run affects their level of participation in potential tenders. Procurement officials deliberately split contracts into smaller units or packages since there is no or little time for interaction between procurement entities and Public Procurement Authority. This results in the breach of some of the provisions in the law by not communicating the outcome of results to tenderers especially those that were not successful.

2.6.12 Corruption during contract variations of original prices

Robb (1996) identified that the procurement planning and preparation of final account are stages liable to corruption as they are prone to manipulations and fraudulent acts. The separation of designing from construction, bidding competitively and the procedures for paying contractors are stages liable to corruption (Shakantu, 2006). There is a likelihood for corruption to occur in public procurement from the start to the end of its process (Sadat, 2017).

2.6.13 Collusion by suppliers

Another form of corrupt practice indulge by suppliers is through collusion which is a form of partnership that arises from competing bidders who together stand as a unit in order to minimize competition or to fix the price for the contract among other bidders. This act is referred to as collusion ring or rigging of tender (Jones, 2009).

2.6.14 Awarding contract to favourites

Some professionals accept inducement packages from suppliers, and also put projects in lots in order to avoid going through the tendering process to win contracts. There have been instances where a single contractor buys and price all bidding documents. (Odei, 2015).

2.6.15 Exposure of Engineers Estimate to preferred bidders

Another form of corrupt practices occurs where the engineers estimate made for the basis of evaluation after the submission of tender is often made known to certain bidders in the competition giving them a higher chance of winning the contracts. To some extents invoices of materials and labour is also made to bidders so that they can arrive at the estimated cost. This act always results in benefits from the clients. (Odei, 2015).

2.7 CAUSES OF CORRUPTION IN PUBLIC PROCUREMENT

The issue concerning the causes and effect of corruption and measures to curb such practice is the agenda of every national or international policymakers as well as a concern for the ordinary citizen who wants to see the essence of the taxes collected. The absence of will power to fight corruption in the African continent is in itself a cause of corruption. In Ghana there is much recognition for wealth regardless of how it is acquired. It has been identified that the failure to inculcate ethical morals and values into civil servants is a major cause for high level of corruption experienced in the public sector. Some attribute the few or no or little incentives to pensioners as a cause for corruption so they can be well stocked before going on retirement. Greed, selfishness, desire to win contracts at all cost, insecurity among many others are reasons people involve in corrupt practices (Azeem, 2009). Table 2.2 presents a summary of causes of corruption in Public Procurement.

Table 2.2: Causes of corruption in Public Procurement

S/N	Causes of Corruption	Sources
1	Roles and Responsibilities of Stakeholders are not Defined	Public Procurement Bill (2003), Osei-Afoakwa (2013).
2	Self-interest of procurement officials	Wymer and Regan (2005), Tan et al. (2009)
3	Lack of capacity among technical staff	Asare & Bentum (2009), Frempong (2013).
4	Absence of a Comprehensive Public Procurement Regulatory and Legal Framework	Osei-Afoakwa (2013).
5	Poor records management	Thurston (2005), Ambrose (2008), Tukamuhabwa (2012).
6	Poor procurement systems	World Bank (2000), Sadat (2017)
7	Lack of monitoring and supervision	Basheka (2009).
8	Public Procurement Human Resource Capacity Gap	Anvuur and Kumaraswamy (2006)
9	Greed of contractors	Osei-Tutu et. al. (2010).
10	Low Salaries of Public Officials	World Bank (2003b), Tukamuhabwa (2012)
11	Desire for Wealth	Basheka (2009).
12	The Absence of a Public Procurement Policy	Public Procurement Bill (2003), World Bank (2003b)
13	Political Influence	World Bank (2004), Abebrese (2017).
14	Weak institutions	Thai (2004), Jones (2007), Lengwiler & Wolfstetter (2006).
15	Absence of a Uniform Public Procurement Institutional Framework	Anvuur and Kumaraswamy (2006)

Source: Author's Construct (2018)

2.7.1 Roles and Responsibilities of Stakeholders are not defined

The absence of a comprehensive procurement law worsened by the non-existent professional set up to clearly define the roles and responsibilities of the participants in the public procurement system made it difficult to trace responsibilities and apportion blame for inefficiency and wrongdoing (Public Procurement Bill 2003). Where wrongdoing was suspected, there was neither an authoritative protest mechanism nor the basis to deal with complaints and grievances. In the absence of such a process, complainants, whistle blowers

and aggrieved stakeholders had no means of receiving attention, redress or possible corrective remedies (Osei-Afoakwa, 2013).

2.7.2 Self-interest of procurement officials

Tan et al. (2009) argue that the effectiveness of public procurement processes is dependent on some inherent factors underpinned by personal values, interest and the desire of procurement officers to have direct gains in the intended outcome of the procurement contract. Available literature (Tan et al., 2009; Wymer and Regan, 2005) shows remarkable negative impact of corruption and disregard of fundamental ethical values in the procurement practice as crucial anthropogenic factors impeding the public procurement progress for national development. Drawing from the United Kingdom experience of internal procurement process, report by the Office of Government Commerce (2008) recognized how internal factors such as procurement officer's personal interest could facilitate or impede the smooth implementation of public procurement. Similarly, Tan et al. (2009) emphasized that such personal interest and involvement could leak sensitive market information to the benefit of some bidders who may not necessary possess the requisite skill to deliver to expectation. Thus, such actions and behaviors could hinder the tender process and the intended outcome.

2.7.3 Lack of capacity among technical staff

The professionalism of the staff cannot be overlooked in the subject of corruption as it is critical to the development of an economy. It is a discipline whereby informed decisions regarding purchasing is taken by educated, experienced and responsible officers (Asare and Bentum, 2009). The lack of capacity of these professionals' breed corruption (Frempong, 2013).

2.7.4 Absence of a Comprehensive Public Procurement Regulatory and Legal Framework

Osei-Afoakwa (2013) posits that, there is no comprehensive legal and professional framework to regulate public procurement. Without a regulatory framework, rules and standards in the award and execution of public procurement contracts, the process could be abused. In the face of this omission, corruption in public procurement could not be effectively managed. Abuses had been alleged in rumours of inflation of contract costs and diversion of public funds through all kinds of alleged manipulations of the contract system. In some cases, as alleged, the abuses had found expression in the proliferation of white-elephant projects which were sometimes abandoned after huge amounts of public funds had been paid to contractors for mobilisation. In the midst of bad contract management practices corruption in public procurement was suspected to have thrived to a crescendo.

2.7.5 Poor records management

It has been identified that in most developing countries in the world, there is a great issue to the management of records as there is no systematic approach to this. It has been argued that the non-existence of this records prepares the grounds for manipulations leading to the act of corruption. This poor records documentation downplays the powers or function of the judiciary when issues like corruption is mentioned as it turns to create room for corruption or collusion between the officials in the judicial and some lawyers (Thurston, 2005) which results in non-compliance as it negatively affects enforcement. Ambrose (2008) mentioned that, in order to prevent the altering of data without leaving some evidence of that change, the source of data must be safeguarded from tampering (Tukamuhabwa, 2012).

2.7.6 Poor procurement systems

It is believed that there is promotion of good governance when an effective public procurement system is practiced. However, where there is a poor procurement system practiced, it tends to increase costs to both the government and the public. According to World Bank, (2000) poor procurement system retards the implementation of projects which leads to the cause of variations in the costs of contracts, resulting in a poor output of work done to clients. More so, it undermines the integrity of the procurement process as it increases the rate of corrupt practices, and discourages good firms; both national and foreign for participating in any tender opening thereby denying the countries of obtaining good prices for works, goods and services (Sadat, 2017).

2.7.7 Lack of monitoring and supervision

It has been argued that the phases of procurement processes from planning to implementation is rife in the opportunities to practice corruption with evidence indicating that where there is no transparency and with high costs to monitor, bribery becomes the major determinants of who wins a contract. A sizeable proportion of the total contract sum is attributed to bribery kickbacks (Basheka, 2009)

2.7.8 Public Procurement Human Resource Capacity Gap

There existed a vast shortage of trained procurement professionals and this reflected in the output or productivity of public procurement officers in the contracting process. In the MDAs, projects were sometimes being managed by personnel who were not necessarily procurement professionals and therefore did not have requisite skills and expertise (Anvuur and Kumaraswamy, 2006). Up to date, a major challenge in the public procurement system of Ghana is the absence of a competent procurement personnel in adequate numbers to effect positive change in the procurement system.

2.7.9 Greed of contractors

The desire of suppliers, contractors, and consultants to be awarded contracts at all times tends to open them up to corrupt practices like bribery (Osei-Tutu et al., 2010)

2.7.10 Low Salaries of Public Officials

World Bank, (2003) report indicates that low salaries of procurement personnel and also the lack of career development are factors look at as a cause of corruption in the procurement system. It is of notice that reforms developed to enhance the efficiency and effectiveness of the procurement entities has been hugely downplayed due to the non-compliance attitudes and corrupt practices existing in the entity (Tukamuhabwa, 2012).

2.7.11 Desire for wealth

The National Integrity Survey has identified the ‘need’ and ‘greed’ as drivers for corruption in the public procurement entity (Basheka, 2009).

2.7.12 The absence of a public procurement policy

The absence of a detailed and principle-based public procurement policy offered a serious setback for the procurement system (World Bank 2003). To a large extent this was due to the absence of a unifying and a strong central body with adequate expertise to assist in the development of a consistent public procurement policy (Public Procurement Bill 2003). As a result of this, policies needed to help in the administration of public procurement were generally not available.

2.7.13 Political Influence

The interference of politicians in the procurement systems has declined the enforcement of procurement reforms in the procurement entities. With their recognitions and to some extent their affiliations, a good number of politicians intervene in the procurement procedures leading to several malfunctioning in decision making especially by the procurement officials

(World Bank, 2004). The bulk of corrupt practices in Ghana have occurred in public procurement which is partly explained by the dynamics of politics in the state (Abebrese, 2017).

2.7.14 Weak institutions

Studies have shown that the weak institutional infrastructure with poor mechanisms for monitoring is a major cause for the rises in corruption (Lengwiler and Wolfstetter, 2006). It has been perceived of the public procurement by society as an area with the widespread of waste and corrupt practices (Thai, 2004; Jones, 2007). It is worth noting that where there is no redress by enforcing to the letter existing laws and regulations, there is a high tendency of growth of corruption hitting up the media sector as well.

2.7.15 Absence of a Uniform Public Procurement Institutional Framework

There was no institutional framework designed to carry public procurement business in an orderly, consistent and controlled manner. As a result, several procurement practices proliferated and blossomed. Moreover, no serious effort had been made to provide a guide on the scope and processes of public procurement in Ghana. Procurement activities funded through the Government of Ghana budgetary allocations were regulated by the Ministry of Finance by means of circulars and these circulars complemented procedures (established through conventions) used to control procurement by the Ministry (Anvuur and Kumaraswamy, 2006). Agencies partly funded by Government appeared to enjoy liberties with the choice of procurement practices they adopted. On the other hand, projects under the World Bank and donor regimes used the World Bank and the donor-specific procurement guidelines and procedures respectively. With the array of partly funded Agencies, donors and development partners in the country this situation led to series of uncoordinated public procurement practices organized under loose structures.

2.8 NEGATIVE EFFECTS OF CORRUPTION ON PUBLIC PROCUREMENT

A good governance requires the effectiveness of a procurement system as a poor procurement system will only result in a high cost particularly to government and the public as a whole. According to World Bank, (2000) a poor procurement system retards the implementation of projects which leads to the cause of variations in the costs of contracts, resulting in a poor output of work done to clients. More so, it undermines the integrity of the procurement process as it increases the rate of corrupt practices, and discourages good firms; both national and foreign from participating in any tender opening thereby denying the countries of obtaining good prices for works, goods and services. Table 2.3 presents the negative effects of corruption in public procurement.

Table 2.3: Negative effects of corruption in Public Procurement

S/N	Negative Effects of Corruption	Source
1	Limits the quantity of service available	Kaufman et al., (2008)
2	Affects the quality of service available	Engelbert (2015)
3	Affects the poor more than the rich	Transparency International (2008).
4	Limits access to public services	Engelbert (2015)
5	Increases the cost of doing business	Osei-Tutu et al. (2014).
6	Benefits private companies	Kaufman and Wei (1999), Drury et al. (2006).
7	Public expenditures will increase due to corruption	PPA (2003).
8	It leads to the loss of confidence in public officials	Tanzi (1998).
9	It affects the economic growth of the country	Azfar et al. (2001), Mauro (2004), Schudel (2008).
10	Corruption diverts government revenues	Osei-Tutu et al. (2014).

Source: Author's Construct (2018)

2.8.1 Limits the quantity of services available

Resource is the backbone to the development of any economy. However, where corruption is perpetuated by these public institutions often by inflating the prices of goods or materials and to an extent of providing materials at very low quality it results in low level of development

as government or any organization may find it difficult to provide assistance to such an economy thereby minimizing the quantity of services provided. (Kaufman et al, 2008)

2.8.2 Affects the quality of services provided

According to Engelbert (2015), corruption in procurement is not limited to only higher prices of goods or services procured but it also affects its quality. Where the basic provisions of the government to the public is of low quality, there is a high tendency that it may turn to serve as threats to the public or consumers.

2.8.3 Affects the poor more than the rich

The Transparency International (2008) mentioned that the development of countries is affected by the corrupt practices played on the part of governments, the individual organizations and citizens as it weakens the decision making process and process of implementation. Where there is abuse of power by the actors there is then the embezzlement of resources of the state. In the long run the poor are left behind as though they have no right to the state resource or a fair share of the national cake.

2.8.4 Limits access to public services

Priority is given to capital-intensive infrastructure projects over areas such as education and health, which are the backbone of development because of corruption. The reason being that the leaders will get their share in these big projects (Engelbert, 2015).

2.8.5 Increases the cost of doing business

The skyrocketing waste of resources through procuring unnecessarily, of purchasing of low quality goods as an act of incompetence or poor control mechanisms are identified as the most unfortunate damaging effect of corruption in the economy (Osei-Tutu., 2014).

2.8.6 Benefits private companies

Despite the negative effects of corruption in a country, corruption has its positive effect to the economy as it tends to benefit most of the big private firms making them outcompete the weaker and smaller ones. This however tends to make the weaker ones become equally competitive as they are compelled to be efficient (Drury et al., 2006). It is important to note that although corruption has a positive effect its negative effect outweighs the positive effects (Kaufman and Wei, 1999).

2.8.7 Public expenditure will increase due to corruption

The Public Procurement Act, 2003 (Act 663) was established with the aim of streamlining procurement activities in the public domain to bring to an end, practices which would hinder the achievement of transparency and efficiency in the public sector where chunk of Government's expenditure are channeled to. It is however evident by reason of reports on procurement irregularities, that the Public Procurement Act, 2003 (Act 663) has not fully achieved this target. (PPA 2003)

2.8.8 It leads to the loss of confidence in public officials

Many developing countries in the world that practice corruption have lost respect from the ordinary citizens due to the practice of corruption. It is observed that the public officials like politicians lose their positions or to an extreme the whole government is replaced as a result of corruption by the citizens. (Schudel, 2008)

2.8.9 It affects the economic growth of the country

The effect of corruption on developing countries becomes great as it tends to reduce the financial support provided by foreign countries or developed nations. This is so because it is believed that monies received from these institutions intended to provide the needs of the citizens find their ways in the pocket of greedy public servants (Schudel, 2008). It leads to

little or no development. Whilst some countries experience low corruption, others are deeply engrossed. The definition of corruption tends to vary as it is seen from cultural perspective. In some cultures, it is difficult to draw a distinction between corruption and gifts whilst others do not have this challenge. (Azfar et al., 2001).

2.8.10 Corruption diverts government revenues

There is a substantial diversion of resources meant for the ordinary public in providing amenities into the coffers of private officials by public servants who perpetuate the act of corruption (Osei-Tutu et al., 2014)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter lays emphasis on the research strategy, research design as well as methods and procedures used in the data collection and analysis.

3.2 RESEARCH DESIGN

This study adopted an explanatory research design because it sought to establish the critical causes and the negative effect of corruption in public procurement.

3.3 RESEARCH STRATEGY

A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context especially when the boundaries between the phenomenon and context are not clearly evident (Yin, 2003). Furthermore, to be able to answer the “how” and “why” questions, a case study is deemed appropriate (Yin, 2003). The case study research was identified and used for this study. This research adopted a case study strategy and in particular multiple case study type.

3.4 RESEARCH METHOD

According to Baiden (2006), there are three main types of research methods. These are: quantitative, qualitative, and mixed. However, the choice to adopt any particular method depends on the purpose of the study, the type as well as availability of information for the research (Naoum, 1998). Hence, this research adopts the quantitative means of analysing the data collected as it is based on testing a theory composed of variables, measured with numbers and analysed with statistical procedures to test whether it holds true. The study use a large sample for the responses to be representative of the population to answer the set questionnaires for the study hence the multiple selection of State Owned Enterprises. It also

use the quantitative method as it gathers empirical findings from literature in order to test using statistical procedures whether it holds true.

3.5 RESEARCH POPULATION AND SAMPLING TECHNIQUE

3.5.1 Research Population

The study was conducted using State-Owned Enterprises. From the Public Procurement Authority's 2014 Assessment Exercise- Maturity Table, a total of thirty (30) State owned enterprises were identified. The procurement professionals and practitioners in these enterprises were the target respondents.

3.5.2 Sampling Procedure and Sample Size

There are two main sampling methods which are non-probability sampling and probability sampling (Page and Meyer, 2000). Probability sampling are used to generalize findings, as opposed to, generating ideas as with non-probability sampling (ibid). For the purpose of this research the purposive sampling technique is used.

The purposive sampling technique which is an example of the non-probability sampling technique was used to identify the key personnel qualified to give credible and reliable responses. Thus, the procurement professionals and others with knowledge in procurement in these state-owned enterprises. In accordance with the Public Procurement Authority's 2014 Assessment Exercise- Maturity Table, a criteria were set to identify some of the state-owned enterprises for the study. In order to make the study representative of all State-Owned Enterprises the following criteria was used; the State-owned enterprise had to be listed in the assessment of PPA; the enterprise had to be under one of the assessment rankings that is excellent, matured, maturing, conforming and non-conforming and the accessibility of the researcher to the enterprises. A total of thirty (30) State Owned Enterprises were identified out of which five (5) were chosen for the study. Fifty (50) questionnaires were distributed

amongst these enterprises and forty-three (43) questionnaires were retrieved from the professionals for the study.

Table 3.1: Sample size for the study

No	State Owned Enterprises	Rank	Selected SOE
1	Ghana Civil Aviation Authority	Excellent	Ghana Civil Aviation Authority
2	Ghana Ports and Harbour		
3	Ghana Cocoa Board		
4	Ghana Grid Co. Ltd.		
5	Ghana Highway Authority		
6	Ghana National Gas Company Ltd.		
7	Volta River Authority.		
8	Electricity Company of Ghana	Matured	Electricity Company of Ghana
9	National Lotteries Authority		
10	Ghana Airports Co. Ltd		
11	Ghana Export Promotion Council		
12	Ghana Irrigation Development Authority		
13	Ghana National Petroleum Commission		
14	Ghana Reinsurance Company Ltd.		
15	Ghana Shippers' Authority		
16	Ghana Water Company Ltd.		
17	Tema Development Cooperation		
18	Ghana Broadcasting Corporation	Maturing	Ghana Broadcasting Corporation
19	Ghana News Agency		
20	National Theatre of Ghana		
21	New Times Corporation		
22	State Enterprises Commission		
23	Ghana Cylinder Manufacturing Company Ltd.	Conforming	Ghana Cylinder Manufacturing Co. Ltd
24	Kpong Irrigation Scheme		
25	Bulk Oil Storage and Transportation Co. Ltd	Non-conforming	Bulk Oil Storage and Transportation Co. Ltd
26	Central Region Development Commission		
27	Ghana Meteorological Agency		
28	Ghana National Procurement Agency		
29	Ghana Supply Company Ltd.		
30	Ghana Trade Fair		

Source: Ghana Public Procurement Authority

3.6 SOURCES OF DATA AND INFORMATION

This aspect of the research methodology addresses data collection instruments, methods and procedures. It provides exhaustive explanations to each of the methods used in addressing the aims, objectives, and research questions. Data gathering is crucial in research as the data contributes to a better understanding of a theoretical background (Bernard, 2002). It then becomes imperative that selecting the manner of obtaining data and from whom the data will be acquired be done with sound judgment, especially since no amount of analysis can make up for improperly collected data (Bernard et al., 1986; Tongco, 2007).

3.6.1 Primary Data Source

Primary data sources are mainly involved with field survey in the collection of empirical data. Field work according to Naoum (2007) can be associated with three practical approaches; the survey approach, the case study approach and the problem-solving approach. The survey approach was used for this research where the primary data were collected from procurement professional within state-owned enterprises. It was the most economical and convenient for the study (Hagget and Frey, 1977).

3.6.2 Secondary Source of Information

Secondary sources of information were identified and collected in technical journals, articles, books and from databases. This forms an essential aspect of the study since it sets the pace for the development of field survey instruments using questionnaires and interviews (Owusu, 2008). The secondary source of information for this study was collected from journals and conference papers relating to the subject matter.

3.7 DATA COLLECTION INSTRUMENT

The research instrument used for the study were questionnaire comprising of open and closed ended questions. The questionnaire was developed from the literature review based on

research questions proposed for the study and issues covered on the Public Procurement Act as a tool for fighting corruption in public entities in Ghana. This paved way for the development of a questionnaire for the study.

3.7.1 Questionnaire Development

It was essential to establish the information to gather for relevant questions to be solicited (Oppenheim, 1996). Contemplations of appeal to Respondents' ease of reading and supplying the required data guided the format of the questionnaires. This enhanced proper usage of time during the data collection. The questionnaire designed includes; close-ended questions, open-ended questions and scaled response questions. The Likert response scale employed, measures the strength or intensity of Respondent's opinion. This is an efficient way to collect statistically quantifiable information and an efficient method as many Respondents can be reached within a short space of time (Twumasi, 1993). The questionnaires were structured to align with the main objectives of this study. Notwithstanding, the questions were also structured in such a manner that the answers received were to help achieve the research aim. Therefore, the questions focused on fulfilling the requirements of this study. Measures were also deployed to keep the questions in the questionnaire in simple language, null and void of technical terms in order to minimize potential errors from Respondents.

3.7.2 Content of Questionnaire

Largely, the questionnaire was developed to collect data from experts on the subject. The questionnaire was grouped in categories to collect data on the corrupt practices within the Ghanaian public procurement entities. **Section A** collected information on the Respondents with the use of objective tests.

Section B solicited information on the significant corrupt practices within Ghanaian public procurement entities when procuring. The personnel were asked some salient questions for

responses on a scale. The factors were rated as strongly disagree, disagree, neutral, Agree, strongly agree on a Likert scale from 1-5.

In **Section C**, information was solicited on the critical causes of corruption in public procurement entities in Ghana which was also rated as strongly disagree, disagree, neutral, Agree, strongly agree on a Likert scale from 1-5.

Lastly, **Section D** was the negative effect of corruption on public procurement in Ghana which was also rated as strongly disagree, disagree, neutral, Agree, strongly agree on a Likert scale from 1-5.

3.7.3 Questionnaire Administration

As described earlier, the format of the questionnaires was aligned to meet the objectives of this research. The questionnaires were distributed and retrieved in person. This was to ensure that the intended recipients in order to help improve the response rate completed the questionnaires.

3.8 DATA ANALYSIS

The raw data obtained from a study is useless unless it is transformed into information for the purpose of decision making (Emery and Couper, 2003). The data analysis involved reducing the raw data into a manageable size, developing summaries and applying statistical inferences. Consequently, the following steps were taken to analyse the data for the study. The data was edited to detect and correct possible errors and omissions that were likely to occur to ensure consistency across the Respondents.

The quantifiable data from the questionnaire will be coded and analysed using IBM SPSS 23.0 (International Business Machine Statistical Package for Social Sciences) software program and the statistical tool employed was the mean score ranking, one sample T Test and

also the Relative Importance Index (RII) to determine the importance of the various ratings in ranks.

3.8.1 Mean Score Ranking

The mean score ranking was used to analyse some of the data by computing to deduce their rankings as below. Data was also analysed by ranking for example whether the professionals agreed or disagreed with the statement. The ratings of the statements by the Respondents were placed against a five-point scale and will be combined and converted to deduce the Mean Score (MS) by the formula:

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

Where MS = Mean Score

S = the score given to each factor by Respondent

F = frequency of responses for each rating

N = total number of Respondents

The factor with the highest mean was then ranked as 1, and then followed by two as the next higher rank and so on.

3.8.2 Relative Importance Index

Relative Importance Index helps in the identification of the hierarchy of variables. The nearer the value of importance index of the identified factor is to a unit or one (1). The importance indices obtained were be ranked to ascertain the most frequent effects. The relative importance index (RII) was calculated using the following formula (Fagbenle et. al., 2004).

$$\text{Relative Important Index (RII)} = \frac{\sum P_i U_i}{N (n)}$$

Where, RII = Relative importance index

P_i = respondent's rating of effects experienced by contractors

U_i = number of respondents placing identical weighting/rating on the effects of payment delays

N = sample size

n = the highest attainable score (i.e. 5

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION

4.1 INTRODUCTION

The Chapter gives an explanation to the analyses conducted on the data collected from the Respondents. The Chapter starts with a description of the characteristics of the Respondents to ascertain the credibility and validity of the Respondents. The others continue with the analyses of the various objectives using one sample t test, relative importance index and mean score ranking. The analysis follows with a discussion of the factors analysed. The analysis and discussions are explained below.

4.2 RESPONDENTS CHARACTERISTICS

The questionnaire targeted the procurement offices in some selected state-owned enterprises in Ghana. To make sure that the data collected from these departments were reliable and credible, information such as their educational background, professional experience, whether they had a procurement department and the number of procurement officers they had were collected from the Respondents. The information collected was analysed using descriptive statistics that is frequencies and percentages. The table below gives a description of the analysed data.

Table 4.1: Respondent characteristics

		Frequency	Percent
Educational Level	Diploma / Professional Certificate	12	27.9
	Higher National Diploma	6	14.0
	Bachelor's Degree	11	25.6
	Masters / Postgraduate Degree	14	32.6
Professional Experience	1 – 5 years	19	44.2
	6 - 10 years	14	32.6
	11 – 15 years	7	16.3
	16 years and above	3	7.0
Procurement Department	Yes	43	100.0
	No	0	0
Number of procurement officers	1 – 5 personnel	18	41.9
	6 - 10 personnel	18	41.9
	11 – 15 personnel	7	16.3
Total		43	100.0
<i>Source: Field Survey (2018)</i>			

The educational level of the Respondents was identified using frequencies and percentages. Many of the procurement officers had graduated with bachelor's degree or postgraduate degree. Twelve (12) of the Respondents had graduated with diploma/professional certificate representing 27.9 percent of the population. The Respondents with higher national diploma were about six (6) representing 14 percent of the population. Those who had graduated with bachelor's degree were eleven (11) representing 25.6 percent of the population. Those who had graduated with masters/postgraduate degree made up fourteen (14) of the population representing 32.6 percent. This showed the qualification of the Respondents to answer the questions. With the issue of experience in the case of the procurement officers, their experience was necessary to verify if they could indeed provide solid information on the subject matter. Nineteen (19) officers had one to five years working experience constituting into 44.2 percent of the population. Fourteen (14) of the officers were having working experience ranging from six to ten years constituting 32.6 percent of the population. Those with experience of eleven to fifteen years were seven (7) representing 16.3 percent of the population. The last was those with experience from sixteen years and over. Three (3)

officers had that qualification constituting 7.0 percent of the population. In general, the working experience of the Respondents were good enough for them to provide quality information. The question of whether they had a procurement department was asked to affirm that they were not just operating somewhere but there was an instituted department set up purposely to deal with procurement. All the procurement officers confirmed this assertion. The next question was to find out the number of officers who were assigned to these procurement departments. According to the analysis, eighteen officers agreed that their office number was within the range of one to five personnel and the same number goes to officers holding six to ten personnel. This combined made up a percentage of 83.8. Seven people were of the view that their office had eleven to fifteen personnel. The information gathered gave the researcher an assurance of the quality and credibility of the questionnaires collected.

4.3 RELIABILITY ANALYSIS

Before the various objectives were analysed, a reliability analysis was conducted using the Cronbach's Alpha Coefficient. Reliability analysis is conducted to identify the consistency in the answering of the questions in the questionnaire. The various coefficients are listed in the table below.

Table 4.2 Reliability test

Objective	No of Items	Cronbach's Alpha
Significant Corrupt Practices	15	0.865
Critical Causes of Corruption	16	0.829
Negative Effect of Corruption	16	0.909

Source: Field survey (2018)

The alpha threshold in construction research from various researchers (Ngai and Cheng, 1997; Nunnally, 1978) has been 0.7 or higher. All the objectives achieved high alpha values which are 0.865, 0.829 and 0.909 respectively which shows the homogeneity and consistency of the answered questionnaires.

4.4 SIGNIFICANT CORRUPT PRACTICES

To achieve the aim, the first objective was to determine significant corrupt practices within Ghanaian public procurement entities when procuring. To do that, literature was reviewed and factors identified. A questionnaire was designed using a Likert scale ranging from one to five. The Respondents were asked to rate the various practices whether they agreed or not to the statements made. The data collected was then screened and analysed. One sample t test and mean score ranking were used in the analyses. The details are discussed below.

Table 4.3: Significant corrupt practices within Ghanaian public procurement

Practices	Mean	Std. Deviation	t	Df	Sig. (2-tailed)	Rank
Procurement corruption during bid evaluation	4.093	1.211	5.917	42	0.000	1
Limiting the number of competitors for procurement	4.047	0.999	6.870	42	0.000	2
Officials manipulating tenders	3.977	1.244	5.149	42	0.000	3
Use of high-ranking officials to influence decisions	3.907	1.151	5.168	42	0.000	4
Corruption during contract variations of original prices	3.861	1.187	4.754	42	0.000	5
Awarding contract to favourites	3.837	1.067	5.143	42	0.000	6
Bribery-induced violations of procurement procedures	3.767	1.288	3.907	42	0.000	7
Exposure of Engineers Estimate to preferred bidders	3.721	0.959	4.928	42	0.000	8
Favouring particular firms	3.698	1.103	4.149	42	0.000	9
Induced legitimate deviations	3.651	1.173	3.641	42	0.001	10
Collusion by suppliers	3.581	1.006	3.792	42	0.000	11

Nepotism is an increasing form of procurement corruption	3.512	1.032	3.250	42	0.002	12
Withholding confidential information	3.512	1.121	2.994	42	0.005	13
Releasing confidential information	3.488	1.099	2.914	42	0.006	14
Use of gifts to get contracts	3.465	1.141	2.673	42	0.011	15

Source: Field survey (2018)

The researcher was a little sceptical asking this particular question because the Respondents may not provide a true reflection of what was going on in the procurement office. For the purpose of this study, a mean of at least 4 is deemed critical since the responses gathered were over the range of 1-5, with 5 being the highest. Therefore, the foremost significant practice identified is procurement corruption during bid evaluation with 4.093 as its mean value and 1.211 as its standard deviation. The next significant corrupt practice is limiting the number of competitors for procurement with 4.047 as its mean value and 0.999 as its standard deviation. The rest of the factors fell below a mean score of 4.0 and are considered not significant. The practice which ranked third is officials manipulating tenders with 3.977 as its mean value and 1.244 as its standard deviation. The practice which ranked fourth is use of high-ranking officials to influence decisions with 3.907 as its mean value and 1.151 as its standard deviation. The practice which ranked fifth is corruption during contract variations of original prices with 3.861 as its mean value and 1.187 as its standard deviation. The practice which ranked sixth is awarding contract to favourites with 3.837 as its mean value and 1.067 as its standard deviation. The practice which ranked seventh is bribery-induced violations of procurement procedures with 3.767 as its mean value and 1.288 as its standard deviation. The practice which ranked eighth is exposure of Engineers Estimate to preferred bidders with 3.721 as its mean value and 0.959 as its standard deviation. The practice which ranked ninth

is favouring particular firms with 3.698 as its mean value and 1.103 as its standard deviation. The practice which ranked tenth is induced legitimate deviations with 3.651 as its mean value and 1.173 as its standard deviation. The practice which ranked eleventh is collusion by suppliers with 3.581 as its mean value and 1.006 as its standard deviation. The practice which ranked twelfth is nepotism an increasing form of procurement corruption with 3.512 as its mean value and 1.032 as its standard deviation. The practice which ranked thirteenth is withholding confidential information with 3.512 as its mean value and 1.121 as its standard deviation. The practice which ranked fourteenth is releasing confidential information with 3.488 as its mean value and 1.099 as its standard deviation. The practice which ranked fifteenth is use of gifts to get contracts with 3.465 as its mean value and 1.141 as its standard deviation. One sample t-test was again used to analyse the data collected to be sure of the significance of the answers given by the Respondents. Using a test value of 3 and a 95% confidence interval, the practices were subjected to the one sample t-test. It was realised that all p values of the effects were below 0.05. This proves the importance of each of the practices and how they are being practised in these enterprises.

The findings of the study align with the research by Transparency International (2005) revealing that the basic rule of procurement is to encourage competition especially in public procurement. However, officials tend to downplay this very act due to corruption intended to be practiced. The various stages or phases of the procurement process provide an avenue for corruption to be practiced. Further, from Osei-Tutu et al. (2009) embezzlement, bribery, kickbacks, fraudulent act and manipulation of tender are corrupt practices identified in the procurement of Ghanaian infrastructure projects. Bribery and fraud are both corrupt practices identified in the procurement processes. Whereas bribery is commonly known by the public, there is higher wastage of finance when fraudulent act is practiced. Both petty and grand form of corruption exist in public procurement.

4.5 CRITICAL CAUSES OF CORRUPTION

Reviewing literature aided the researcher in analysing critical causes of corruption in public procurement. These identified causes were developed into a Likert scale questionnaire to be answered by the Respondents. The sixteen identified factors were analysed using the relative importance index. The analysis ranked these causes from the most occurring to the least occurring. The details of the analysis are shown in the table below and discussed further.

Table 4.4: Critical causes of corruption in public procurement

N _o	Causes	Mean	(ΣW)	$RII = \frac{\Sigma W}{(5 * N)}$	Rank
1	Political Influence	4.326	186	0.865	1
2	Desire for Wealth	4.116	177	0.823	2
3	Greed of contractors	4.093	176	0.819	3
4	Lack of monitoring and supervision	3.930	169	0.786	4
5	Low Salaries of Public Officials	3.814	164	0.763	5
6	Public Procurement Human Resource Capacity Gap	3.744	161	0.749	6
7	Poor procurement systems	3.488	150	0.698	7
8	Poor records management	3.442	148	0.688	8
9	Weak institutions	3.395	146	0.679	9
10	Lack of capacity among technical staff	3.233	139	0.647	10
11	Self-interest of procurement officials	3.116	134	0.623	11
12	Inadequate thresholds	2.930	126	0.586	12
13	Absence of a Uniform Public Procurement Institutional Framework	2.884	124	0.577	13
14	Roles and Responsibilities of Stakeholders are not defined	2.605	112	0.521	14
15	The Absence of a Public Procurement Policy	2.419	104	0.484	15
16	Absence of a Comprehensive Public Procurement Regulatory and Legal Framework	2.326	100	0.465	16

Source: Field survey (2018)

The above table shows the relative importance index of the critical causes of corruption in the public sector of Ghana emphasis being on the State-Owned Enterprises. For the purpose of this study, a mean of at least 4 .0 with a relative importance index of 0.8 is deemed very critical since the responses gathered were over the range of 1-5, with 5 being the highest.

Mean scores below 4.0 are deemed to be less critical although important and demands the focus of regulatory bodies.

The foremost critical cause that emerged from the analysis was political influence with a mean of 4.326 and a relative importance index value of 0.865. The second critical cause identified is desire for wealth with a mean value of 4.116 and a relative importance index value of 0.823. The third critical cause revealed by the study is greed of contractors with a mean value of 4.093 and a relative importance index value of 0.819. The rest of the factors are considered not critical as they fall below 4.0. They are; lack of monitoring and supervision with a mean value of 3.930 and a relative importance index value of 0.786, low salaries of public officials with a mean value of 3.814 and a relative importance index value of 0.763, public procurement human resource capacity gap with a mean value of 3.744 and a relative importance index value of 0.749, poor procurement systems with a mean value of 3.488 and a relative importance index value of 0.698, poor records management with a mean value of 3.442 and a relative importance index value of 0.688. The others are weak institutions with a mean value of 3.395 and a relative importance index value of 0.679, lack of capacity among technical staff with a mean value of 3.233 and a relative importance index value of 0.647, self-interest of procurement officials with a mean value of 3.116 and a relative importance index value of 0.623, inadequate thresholds with a mean value of 2.930 and a relative importance index value of 0.586, absence of a uniform public procurement institutional framework with a mean value of 2.884 and a relative importance index value of 0.577, roles and responsibilities of stakeholders are not defined with a mean value of 2.605 and a relative importance index value of 0.521, the absence of a public procurement policy with a mean value of 2.419 and a relative importance index value of 0.484 and the last cause is absence of a comprehensive public procurement regulatory and legal framework with a mean value of 2.326 and a relative importance index value of 0.465.

The fact that interference of politicians in the procurement systems has declined the enforcement of procurement reforms in the procurement entities is no news. With their recognitions and to some extent their affiliations, a good number of politicians intervene in the procurement procedures leading to several malfunctioning in decision making especially by the procurement officials (World Bank, 2004). The bulk of corrupt practices in Ghana have occurred in public procurement which is partly explained by the dynamics of politics in the state (Abebrese, 2017). The National Integrity Survey also identifies greed as drivers for corruption in the public procurement entity (Basheka, 2009).

4.6 IMPORTANT NEGATIVE EFFECT OF CORRUPTION

The last objective was to determine the major negative effects of corruption on public procurement in Ghana. Again, literature was reviewed to identify some of the effects corruption has on the nation. A number of effects were identified from literature and was developed into a questionnaire using the Likert scale. The Respondents were asked to rate these effects from one to five whether they agreed or not to the statement made in the questionnaire. To find the most impactful effect of corruption, the data collected was analysed using the relative importance index. The effects are ranked from the first to the last in the table below and continues with further discussion on the analysis.

Table 4.5: Negative effects of corruption on public procurement

No	Effects	Mean	(ΣW)	RII= ΣW/(5*N)	Rank
1	It leads to the loss of confidence in public officials	4.488	193	0.898	1
2	Public expenditures will increase due to corruption	4.419	190	0.884	2
3	Corruption diverts government revenues	4.395	189	0.879	3
4	It affects the economic growth of the country	4.372	188	0.874	4
5	Breeds impunity and dilutes public integrity	4.349	187	0.870	5
6	Affects the quality of service provided	4.256	183	0.851	6
7	Increases the cost of doing business	4.209	181	0.842	7
8	Limits access to public services	4.000	172	0.800	8

9	Corruption in Public Procurement Limits the quantity of service provided	3.860	166	0.772	9
10	Affects the poor more than the rich	3.814	164	0.763	10
11	Having one sided contract document	3.744	161	0.749	11
12	Delay in the procurement process	3.581	154	0.716	12
13	Benefits private companies	3.535	152	0.707	13
14	Poor specifications	3.512	151	0.702	14
15	Short bidding periods	3.116	134	0.623	15
16	Professionals may be motivated to work due to bribes	3.070	132	0.614	16

Source: Field survey (2018)

From the table, the negative effects are ranked from the highest to the lowest. The study categorises effects as very important if the mean score is at least 4 as used in other sections. The first major effect was the fact that corruption leads to the loss of confidence in public officials. This effect was ranked first with a mean of 4.488 and an RII value of 0.898. Public expenditures will increase due to corruption was identified as the second major effect with a mean value of 4.419 and an RII value of 0.884. Corruption diverts government revenues was the third ranked major effect having a mean value of 4.395 and an RII value of 0.879. Corruption affects the economic growth of the country was the fourth ranked major effect having a mean value of 4.372 and an RII value of 0.874. Corruption breeds impunity and dilutes public integrity was the fifth ranked major effect having a mean value of 4.349 and an RII value of 0.870. Corruption affects the quality of service provided was the sixth ranked major effect having a mean value of 4.256 and an RII value of 0.851. Increases the cost of doing business was the seventh ranked major effect having a mean value of 4.209 and an RII value of 0.842. Limits access to public services was the eighth ranked major effect having a mean value of 4.000 and an RII value of 0.800. The rest of the factors are not considered as major effects of corruption as their mean score is below 4.0. Corruption in Public Procurement Limits the quantity of service provided was the ninth ranked effect having a mean value of 3.860 and an RII value of 0.772. Affects the poor more than the rich was the

tenth ranked effect having a mean value of 3.814 and an RII value of 0.763. Having one sided contract document was the eleventh ranked effect having a mean value of 3.744 and an RII value of 0.749. Delay in the procurement process was the twelfth ranked effect having a mean value of 3.581 and an RII value of 0.716. Benefits private companies was the thirteenth ranked effect having a mean value of 3.535 and an RII value of 0.707. Poor specifications was the fourteenth ranked effect having a mean value of 3.512 and an RII value of 0.702. Short bidding periods was the fifteenth ranked effect having a mean value of 3.116 and an RII value of 0.623 and Professionals may be motivated to work due to bribes was the last ranked effect having a mean value of 3.070 and an RII value of 0.614.

The study confirms Osei-Tutu et al. (2014) assertion that, many developing countries in the world that practice corruption has lost respect from the ordinary citizens due to the practice of corruption. It is seen on the public officials like politicians losing their positions or to an extreme the whole government replaced as a result of corruption by the citizens. The Public Procurement Act, 2003 (Act 663) as amended was established with the aim of streamlining procurement activities in the public domain to bring to an end practices which would hinder the achievement of transparency and efficiency in the public sector where chunk of Government's expenditure is channelled to. It is however evident by reason of reports on procurement irregularities, that the Public Procurement Act, 2003 (Act 663) has not fully achieved this target. There is also a substantial diversion of resources meant for the ordinary public in providing amenities into the coffers of private officials by public servants who perpetuate the acts of corruption (Osei-Tutu et al., 2014)

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1 INTRODUCTION

The analyses and discussion of the data lead to making conclusion and giving recommendation to academia and practitioners. This chapter therefore summarises the three objectives the study sought to achieve from the start of the research. A description of the various ways of achieving the goal set in each objective is discussed. The findings from the data analysis and discussions are therefore discussed after the summary of the objectives. A conclusion is finally made on the research study and recommendations made to practitioners and academia. The limitation of the study is then stated with recommendation given for further research.

5.2 SUMMARY OF THE RESEARCH OBJECTIVES

The study was aimed at evaluating the role of the Public Procurement Act as a tool for fighting corruption in public procurement. To achieve the aim of this study, the researcher set three objectives. These objectives were; to determine significant corrupt practices within Ghanaian public procurement entities when procuring; to analyse critical causes of corruption in public procurement entities in Ghana; and to assess major negative effects of corruption on public procurement in Ghana. The various objectives are discussed further below.

5.2.1 Significant Corrupt Practices in Public Procurement

The first objective; to identify significant corrupt practices within Ghanaian public procurement entities when procuring. The study revealed that, the significant corrupt practices in State Owned Enterprises are; Procurement corruption during bid evaluation and Limiting the number of competitors for procurement.

5.2.2 Critical Causes of Corruption in Public Procurement

The second objective; to identify critical causes of corruption in public procurement entities in Ghana. The study identified political influence; desire for wealth; and greed of contractors to be the critical causes of corruption in public procurement.

5.2.3 Important negative effect of Corruption in Public Procurement

The third objective; to identify the negative effect of corruption on public procurement in Ghana. The important negative effects identified are loss of confidence in public officials; increased in public expenditures; corruption diverts government revenues; negatively affects the economic growth of the country and breeds of impunity and dilution of public integrity; impaired quality service delivery; increased cost of doing business; and unnecessary limit access to public services.

5.3 FINDINGS

The findings of any research are necessary to make a conclusion on the research and to be able to also give recommendations where appropriate.

The findings from the mean score ranking conducted on the first objective highlights corruption during bid evaluation and limiting the number of competitors for procurement as significant to the test conducted. The rest are identified as not significant to the study. Namely; Officials manipulating tenders, use of high-ranking officials to influence decisions and corruption during contract variations of original prices, awarding contract to favourites, bribery-induced violations of procurement procedures, exposure of Engineers Estimate to preferred bidders, favouring particular firms, induced legitimate deviations, collusion by suppliers, nepotism is an increasing form of procurement corruption, withholding confidential information, releasing confidential information and use of gifts to get contracts. For objective two, these factors were identified as the critical causes of corruption; Political influence,

desire for wealth and greed of contractors with lack of monitoring and supervision, low salaries of public officials, public procurement human resource capacity gap, poor procurement systems, poor records management, weak institutions, lack of capacity among technical staff, self-interest of procurement officials, inadequate thresholds, absence of a uniform public procurement institutional framework, roles and responsibilities of stakeholders are not defined, the absence of a public procurement policy and absence of a comprehensive public procurement regulatory and legal framework, lack of monitoring and supervision and low salaries of public officials not critical. The third objective also used the mean score and relative importance to rank the various effects from one to sixteenth. Consequently, the important effects identified are that corruption leads to the loss of confidence in public officials, public expenditures will increase due to corruption, corruption diverts government revenues, it affects the economic growth of the country, breeds impunity and dilutes public integrity, Corruption affects the quality of service provided, Increases the cost of doing business and limits access to public services The rest of the factors are not considered as major effects of corruption. Namely; Corruption in Public Procurement Limits the quantity of service provided, affects the poor more than the rich, having one sided contract document, delay in the procurement process, benefits private companies, poor specifications, short bidding periods and Professionals may be motivated to work due to bribes was the last ranked effect.

It was also realised that the Respondents were happy with the questions asked and hoped the research will aid in addressing the corruption situations in public procurement entities.

5.4 CONCLUSION

In Ghana, public sector corruption is noticed as a major issue and several surveys undertaken previously and periodically show corruption still exists in the public sector. Ghana has not made any significant improvement on the subject of corruption according to Transparency

International's annual Corruption Perception Index. Accordingly, the aim was to evaluate the role of the Public Procurement Act as a tool for fighting corruption in public procurement. Three objectives were set to achieve this aim. To achieve the aforementioned objectives, purposive sampling was used to gather some selected state-owned enterprises for the study. Using the one sample t-test, mean score ranking and relative importance index, the various objectives were analysed. The first objective came out with the significant corrupt practices associated with public procurement in these state-owned enterprises being procurement corruption during bid evaluation, limiting the number of competitors for procurement. The second objective ranked the critical causes of corruption as political influence, desire for wealth and greed of contractors. The last objective was to rank the negative effects of corruption. The important ones are it leads to the loss of confidence in public officials, public expenditures will increase due to corruption, corruption diverts government revenues, it affects the economic growth of the country and breeds impunity and dilutes public integrity, Corruption affects the quality of service provided, Increases the cost of doing business and limits access to public services. These factors are deleterious to the nation and the economy as well and should be tackled with utmost urgency and seriousness.

5.5 RECOMMENDATION

1. Public procurement practitioners should religiously abide by the provisions in the Public Procurement Act, 2003(Act 663) as amended in their procurement activities to promote transparency, fairness and the like.
2. Public Procurement Authority must put in place a robust monitoring and enforceability systems.
3. There must be timely application of rewards and sanctions.
4. Politicians must have a strong will and commitment to fight corruption.

5.6 LIMITATION

The study was limited in so many ways. First, the entire state-owned enterprises in the country were not surveyed. Moreover, some of the public entities were left out of the research. It was also very difficult trying to reach the Respondents for the questionnaires.

5.7 RECOMMENDATION TO FUTURE RESEARCH

The researcher recommends studies on how to control corrupt practices in Public procurement on the same area.

REFERENCES

- Ambrose, J. (2008). A best practice approach to learning compliance management in regulated industries. *Industrial and commercial training*, 40(3), 142-145.
- Anvuur A. and Kumaraswamy, M. (2006). "Taking Forward Public Procurement Reforms in Ghana". Construction in Developing Economies International Symposium "Construction in Developing Economies: New Issues and Challenges" January 18th – 20th; 2006 – Santiago, Chile.
- Asare and Bentum (2009). *Public Procurement Management*. 2nd ed., New York: McGraw Hill.
- Auriol, E. (2006). Corruption in procurement and public purchase. *International Journal of Industrial Organization*, 24(5), 867-885.
- Azfar, O., Lee, Y. and Swamy, A. (2001) 'The causes and consequences of corruption', *Annals of the American Academy of Political and Social Science*, p.573.
- Basheka, B. C. (2009). Public procurement corruption and its implications on effective service delivery in Uganda: an empirical study. *International Journal of Procurement Management*, 2(4), 415-440.
- Bernard, H.R. (2002) *Research Methods in Anthropology: Qualitative and quantitative methods*. 3rd ed. California: AltaMira Press, Walnut Creek.
- Chêne, M., (2009). *The political economy of public procurement reform*. Bergen, Norway: Anti-Corruption Resources Center, Transparency International.
- Cole A. (2007). *Procurement Definition*, EzineArticles.com/?expert=Alison_Cole. Accessed on [28/09/2018).
- Drury, C., Krechhaus, J. and Lusztig, M. (2006) 'Corruption, democracy and economic growth', *International Political Science Review*, Vol. 27, No. 2, pp.121–136.
- Emory, C.W and Cooper, D.R. (2003), *Business Research Methods* (4th edition), Illinois: Richard D. Irwin Inc.
- Engelbert, A. (2015), "Anti-Corruption Elements in the Ghanaian Public Procurement Law, *African Public Procurement Law Journal*, 2(1).

- Frempong, R. K., Owusu-Bempah, G., Amoako, D. and Tuffour, S. (2013), "An Assessment of the Impact of The Public Procurement Act 663 (2003) of the Republic of Ghana, Approaching a Decade of Its Enactment", *Global Journal of Politics and Law Research*, Vol. 1, No. 1, pp. 10-19.
- Gelderman, J. C., Ghijsen, W. P. and Brugman, J. M. (2006). Public procurement and EU tendering directives explaining non-compliance. *International Journal of Public Sector Management*, 19(7), 702-714.
- Hagget P. and D. C. Frey (1977), *Locational Analysis in Human Geography* 2nd Edition, Edward Arnold Ltd., London.
- Hui, W. S., Othman, R. O., Normah, O., Rahman, R. A. and Haron, N. H. (2011). Procurement issues in Malaysia. *International Journal of Public Sector Management*, 24(6), 567-593.
- Jones, D. S. (2009) Curbing Corruption in Government Procurement in Southeast Asia: Challenges and Constraints, *Asian Journal of Political Science*, 17:2, 145-172.
- Kaufman, D. and Wei, S.J. (1999) 'Does "grease money" speed up the wheels of commerce?', NBER Working Paper 7093, Harvard University, Boston, Massachusetts.
- Kaufman, D., Montoriol-Garriga, J. and Recanatini, F. (2008) 'How does bribery affect public service delivery? Micro-evidence from service users and public officials in Peru', *Policy Research Working Paper 4492*, World Bank.
- Lederman, D., Loayza, N. V., & Soares, R. R. (2005). Accountability and corruption: Political institutions matter. *Economics & Politics*, 17(1), 1-35.
- Lengwiler, Y., and Wolfstetter, E. (2006). Corruption in Procurement Auctions. *Handbook of Procurement — Theory and Practice for Managers*, Dimitri, Piga, and Spagnolo (eds.), Cambridge University Press.
- Mahmood, S. A. I. (2010), "Public procurement and corruption in Bangladesh confronting the challenges and opportunities", *Journal of public administration and policy research*, Vol. 2(6) pp. 103-111.
- Mauro, P. (2004) 'The persistence of corruption and slow economic growth', IMF Staff Papers, International Monetary Fund, Vol. 51, No. 1.

- Mawenya A. S. (2008). SAIIA Occasional Paper, Preventing corruption in Africa, SAIIA – Jan Smuts House, Johannesburg – South Africa.
- Ministry of Finance (2001) *Procurement Reform Proposal*. A component of the Public Financial Management and Reform Programme (PURFMARP), Accra: Ministry of Finance, Ghana.
- Naoum, S. G. (2007) Dissertation research and writing for construction students 2nd ed. Butterworth-Heinemann
- Ngai, E. W. T., and Cheng, T. C. E. (1997). Identifying potential barriers to total quality management using principal component analysis and correspondence analysis. *International Journal of Quality & Reliability Management*, 14(4), 391-408.
- Nunnally, J. C. (1978). *Psychometric methods*. 2nd ed. New York, NY: McGraw-Hill.
- Odei, B. (2015), “An Investigation of Procurement Malpractices and Their Effects on The Procurement System in Ghana. A Study of Ledzokuku Krowor Municipal Assembly”, MSc. Thesis. KNUST, Kumasi.
- Office of Government Commerce (2008), “An Introduction to Public Procurement”, Available at www.ogc.gov.uk (accessed 21/05/2018).
- Oppenheim, A.N. (1992). *Questionnaire design, interviewing, and attitude measurement*. New York: Pinter Publishers
- Osei-Afoakwa, K. (2012). “The Antecedents and the Prospects of Public Procurement Regulation in Ghana”, *Developing Country Studies*, 3 (1), 123-135.
- Osei-Tutu, E., Badu, E. and Owusu-Manu, D. (2009). Exploring corruption practices in public procurement of infrastructural projects in Ghana, *International Journal of Managing Projects in Business*, Vol. 3 No. 2, 2010 pp. 236-256.
- Osei-Tutu, E., Badu, E., Owusu-Manu, D., (2010). Exploring Corruption Practices in Public Procurement of Infrastructural projects in Ghana. *International Journal of Managing Projects in Business*. Vol. 3 No. 2, 2010, pp. 236-256.
- Osei-Tutu, E., Mensah, S., Ameyaw, C., (2010). The Level of Compliance with the Public Procurement Act (Act 663) In Ghana. *Management and Innovation for a Sustainable Built Environment*. ISBN: 9789052693958.

- Osei-Tutu, E., Offei-Nyako, K., Ameyaw, C. and Ampofo, K. T. (2014). Conflict of Interest and Related Corrupt Practices in Public Procurement in Ghana, *International Journal of Civil Engineering Construction and Estate Management*, Vol. 1, No. 2, pp. 1-15.
- Owusu M. D., (2008), "Equipment Investment Finance Strategy for Large Construction Firms in Ghana" *Unpublished Thesis*, Kwame Nkrumah University of Science and Technology, Ghana
- Pabia, I. (2013). *Combating Public Sector Corruption in Ghana: The Case of the Public Procurement Act (2003) Act 663* (Doctoral dissertation, University of Ghana).
- Page, C., & Meyer, D. (1999). *Applied research design for business and management*. McGraw-Hill Higher Education.
- Public Procurement Act, 2003* (Act 663) as amended of the Republic of Ghana.
- Public Procurement Authority (2013). Ensuring Compliance in Public Procurement through effective Monitoring & Evaluation, *Electronic Bulletin Ma*, 4 (3): 1 -8.
- Public Procurement Bill* (2003). Assembly Press, Accra, GPC/A130/300/2/2003.
- Raymond, J. (2008). Benchmarking in public Procurement. *Benchmarking: An International Journal*, 15(6), 782-793.
- Republic of Ghana (2001). *Procurement reform proposals: A component of the Public Financial Management Reform Programme*. Accra: Ministry of Finance.
- Robb, D.J. (1996). *Ethics in Project Management: Issues, Practice, and Motive*. Proceedings.
- Sadat, I. (2017), "Assessing the Capacities of District Assemblies for Effective Implementation of The Public Procurement Act, 2003 (Act 663). A Case Study of The Saboba And Zabzugu District Assemblies in The Northern Region", MSc. Thesis, UDS, Tamale.
- Sahr J. K. (1998). *Corruption and integrity improvement initiatives in developing countries*. United Nations Development Programme. Available at:
http://openlibrary.org/works/OL3499612W/Corruption_Integrity_Improvement_Initiatives_in_Developing_Countries. (Accessed on 15th September, 2018).

- Sarfo, P. A. and Baah-Mintah, R. (2013), "Assessing the Effect of the Procurement Act (663) on the Public Financial Management in Ashanti Region", *American Journal of Rural Development*, Vol. 1, No. 4, 91-98.
- Schudel, W.J.C. (2008) 'Corruption and bilateral aid: a dyadic approach', *Journal of Conflict Resolution*, Vol. 52, No. 4, pp.507–527.
- Shah, A. (2006) '*Corruption and decentralized public governance*', World Bank Policy Working Paper 3824, <http://econ.worldbank.org> (accessed 16 October 2008).
- Shakantu, W. (2006). Corruption in the Construction Industry Forms, Susceptibility and Possible Solutions. *Journal of Civil Engineering*, Vol. 14 No. 7, Pp. 43-47.
- Thai, K. V. (2004). Challenges in public procurement. In *Challenges in Public Procurement: An International Perspective* Vol. 3. Boca Raton FL, USA: PrAcademics Press
- Tan, K.S., Chong, S.C., Lin, B. and Uchenna, C.E. (2009). "Internet-Based ICT adoption: evidence from Malaysian SMEs", *International Journal of Management and Enterprise Development*, 109(2), 224-244.
- Tanzi, V. (1998) '*Corruption around the world – causes, consequences, scope, and cures*', IMF Working Papers 98/63, International Monetary Fund.
- The 1992 Constitution of the Republic of Ghana
- Thurston, A. (2005). Fostering trust and transparency through information Systems. The World Bank (Development Economics Vice Presidency and Poverty Reduction and Economic Management Network) PREMNotes, (97), *ACARM Newsletter*, 36.
- Tongco, M.D.C. (2007) Purposive sampling as a tool for informant selection. *Ethnobotany Research and Applications*, 5. Pp.147-158. Available at [<http://hdl.handle.net/10125/227>] Accessed on [04/08/2015].
- Transparency International (2005). Preventing Corruption in Construction Projects, Examples of Corruption. March 2005.
- Transparency International (2006). *Handbook: Curbing Corruption in Public Procurement*, Transparency International, Berlin.

- Transparency International (2008) Working Paper No. 2,
http://www.transparency.org/publications/publications/working_papers/wp_02_08_poverty_corruption (accessed 30 June 2018).
- Tukamuhabwa, B. R. (2012), "Antecedents and Consequences of Public Procurement Non-compliance Behaviour", *Journal of Economics and Behavioral Studies*, Vol. 4, No. 1, pp. 34-46.
- Twumasi, P. A. (1993) *Social Research in Rural Communities*. 2nd ed. Accra: Ghana Universities Press.
- Ware, G. T. et al. (2011). Corruption in procurement. In Graycar, A. & Smith, R. G. (Eds.): *Handbook of global research and practice in corruption*. Cheltenham, Northampton, MA: Edward Elgar.
- Williams-Elegbe, S. (2012). *Fighting corruption in public procurement: a comparative analysis of disqualification or debarment measures*. Bloomsbury Publishing.
- World Bank (1995a). *Guidelines: Procurement under IBRD Loans and IDA Credits*, World Bank, Washington, D.C.
- World Bank (2003) *Ghana 2003 Country Procurement Assessment Report*, Washington, DC: Ghana Country Department, The World Bank.
- Wymer, S., and Regan, E. (2005), "Factors influencing e-commerce adoption and use by small and medium businesses", *Electronic Markets*, Vol. 15 No. 4, pp. 438-53.
- Yin, R.K., (2003), Case study research: design and methods, 3rd edition, Thousand Oaks, California: *Sage Publications, Inc.*
- Yukl, G. (1989). Managerial leadership: a review of theory and research. *Journal of Management*, 15(20), 251-89.

APPENDIX

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

COLLEGE OF ART AND BUILT ENVIRONMENT

FACULTY OF BUILT ENVIRONMENT

DEPARTMENT OF BUILDING TECHNOLOGY

RESEARCH QUESTIONNAIRE

The Public Procurement Act; A Tool for Fighting Corruption in Public Entities in Ghana

Dear Sir/Madam,

These set of questions are intended for the research work on ‘The Public Procurement Act; A Tool for Fighting Corruption in Public Entities in Ghana’. The aim of the study is to evaluate the role of the Public Procurement Act as a tool for fighting corruption in public procurement. The work will be submitted to the Department of Building Technology, Kwame Nkrumah University of Science and Technology, in partial fulfillment for the award of Master’s Degree in Procurement Management. All information will be solely used for academic purposes and would be treated as confidential.

Yours sincerely,

Afia Acheampomaa Duah

Tel. 0242770909

Email: acheampomaaduah@gmail.com

SECTION A: RESPONDENTS CHARACTERISTICS

Please **tick** [✓] where appropriate and provide brief answers where necessary.

1. What is your educational level?

Diploma / Professional Certificate []

Higher National Diploma []

Bachelor's Degree []

Masters / Postgraduate Degree []

PhD []

2. How many years of working experience do you have in the field of procurement?

1 – 5 years []

6 - 10 years []

10 – 15 years []

15 years and above []

3. What is your professional background?

.....

4. Does your organization have a procurement unit?

Yes []

No []

5. If yes, how many officers are in your procurement unit?

1 – 5 personnel []

6 - 10 personnel []

11 – 15 personnel []

Above 15 personnel []

SECTION B: SIGNIFICANT CORRUPT PRACTICES WITHIN GHANAIAN PUBLIC PROCUREMENT

6. This section identifies some significant corrupt practices within the Ghanaian Public Procurement. Kindly rate the statements below; **strongly disagree-1, disagree-2, neutral-3, Agree-4, strongly agree-5.**

Practices						
Please tick [√] under your choice of rating		1	2	3	4	5
1	Favoring particular firms					
2	Bribery-induced violations of procurement procedures					
3	Induced legitimate deviations					
4	Use of high-ranking officials to influence decisions					
5	Releasing confidential information					
6	Procurement corruption during bid evaluation					
7	Use of gifts to get contracts					
8	Nepotism is an increasing form of procurement corruption					
9	Limiting the number of competitors for procurement					
10	Officials manipulating tenders					
11	Withholding confidential information					
12	Corruption during contract variations of original prices					
13	Collusion by suppliers					
14	Awarding contract to favorites					
15	Exposure of Engineers Estimate to preferred bidders					
Others , please specify						
16						
17						
18						

SECTION C: CRITICAL CAUSES OF CORRUPTION IN PUBLIC PROCUREMENT

7. This section identifies some critical causes of corruption in public procurement. Kindly rate the statements below; **strongly disagree-1, disagree-2, neutral-3, Agree-4, strongly agree-5.**

Causes						
Please tick [√] under your choice of rating		1	2	3	4	5
1	Roles and Responsibilities of Stakeholders are not defined					
2	Self-interest of procurement officials					
3	Lack of capacity among technical staff					
4	Absence of a Comprehensive Public Procurement Regulatory and Legal Framework					
5	Poor records management					
6	Poor procurement systems					
7	Lack of monitoring and supervision					
8	Public Procurement Human Resource Capacity Gap					
9	Greed of contractors					

10	Low Salaries of Public Officials					
11	Desire for Wealth					
12	The Absence of a Public Procurement Policy					
13	Political Influence					
14	Weak institutions					
15	Absence of a Uniform Public Procurement Institutional Framework					
16	Inadequate thresholds					
Others, please specify						
17						
18						
19						

SECTION D: NEGATIVE EFFECT OF CORRUPTION ON PUBLIC PROCUREMENT

8. This section identifies some negative effects of corruption on public procurement.

Kindly rate the statements below; **strongly disagree-1, disagree-2, neutral-3, Agree-4, strongly agree-5.**

Effects						
Please tick [✓] under your choice of rating		1	2	3	4	5
1	Corruption in Public Procurement Limits the quantity of service provided					
2	Affects the quality of service provided					
3	Affects the poor more than the rich					
4	Limits access to public services					
5	Increases the cost of doing business					
6	Benefits private companies					
7	Public expenditures will increase due to corruption					
8	It leads to the loss of confidence in public officials					
9	It affects the economic growth of the country					
10	Corruption diverts government revenues					
11	Poor specifications					
12	Short bidding periods					
13	Having one sided contract document					
14	Delay in the procurement process					
15	Breeds impunity and dilutes public integrity					
16	Professionals may be motivated to work due to bribes					
Others, please specify						
17						
18						
19						

THANK YOU