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KUMASI**

**COLLEGE OF ARCHITECTURE AND PLANNING  
DEPARTMENT OF BUILDING TECHNOLOGY**

**SAFEGUARDS AGAINST CORRUPTION IN ROADS SECTOR  
PROCUREMENT OF WORKS IN GHANA**

**BY**

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**A Thesis submitted to the Department of Building Technology, College of  
Architecture and Planning in partial fulfillment of the requirements for the award  
of  
Master Of Science (MSc) in Procurement Management**

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## DECLARATION

I hereby declare that this submission is my own work towards the award of 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.

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## ABSTRACT

Procurement is one of the fundamental links in the supply chain of any organization. If this link is not managed efficiently and effectively, there will be serious downstream challenges in the supply chain. Kaufman (2004) estimated that more than US\$1,000 billion is paid annually in bribes, and the volume of bribes exchanging hands for public sector procurement alone to roughly 200 billion dollars per year. The issue of corruption in Ghana has over the years taken a centre stage during discussions about public financial management and by extension public procurement. The subject has become very critical since recent public hearings of the public accounts committee of parliament and various commissions/committees set up by government in recent times have had to deal with procurement related corruption issues. Today, public outcry about judgment debt payments has remained a source of worry for most procurement practitioners since most of the debts have arisen as a result of procurement lapses. This research seeks to; assess the opportunities for corruption in the road sector procurement of works in Ghana, and identify the motivational and incentives of individual procurement officials to engage in such corruption. For industry, it aimed to also identify a set of process or issues that can be implemented at the roads sector level to minimize the potentials for corruption. This study used a likert scale to generate the perception of various study respondents on the magnitude of corruption in roads sector procurement of works. *The primary coverage area of this study includes the Ministry of Roads and Highway Agencies in Northern Region Thus, Ghana Highway Authority, Department of Urban Roads and Department of Feeder Roads, Road Works Contractors and Consultants in the region.* This research was based on purposive sampling technique, the other alternative use of probability sampling was not considered due to limited time and resources. The questionnaires were

sent out to each respondent via e-mail with a letter (see Appendix 1), explaining the purpose of the research and to complete the survey questions between 1st - 17th October 2013. Four(4) participants were targeted and interviewed. Please see appendix 3 for those questions. The feed backs of the survey were collected from the period between 1st - 17th October 2013. The results were organized in the Microsoft Excel spreadsheet with the code sheet that was developed to measure the attitudes from the data of the survey results. The study recommended that to safeguard against corruption in the road sector procurement, Risk assessment should be comprehensive analysed to reduce corruption risk projects, Communication and training should be intensified among staff for them to understand their respective roles and responsibilities in the fight against procurement corruption using the procurement law, Authorities at the road sector should support the system with a sanctions policy, which needs to be fair and open and as transparent as possible, they should enhance periodic monitoring and establish credibility for their anti-corruption programmes, and finally, there should be collaboration between governmental, non-governmental organisations, donor partners and civil society's working together to develop enforcement of anti-corruption laws.

## **DEDICATION**

This work is dedicated to my loving Wife Henrietta, My Children, Majesta, Maisie and Manuel and the rest of the family. I know this dedication can in no way compensate for the time and other resources missed out during the period of this study. However it is to say that I really appreciate your love and your support.

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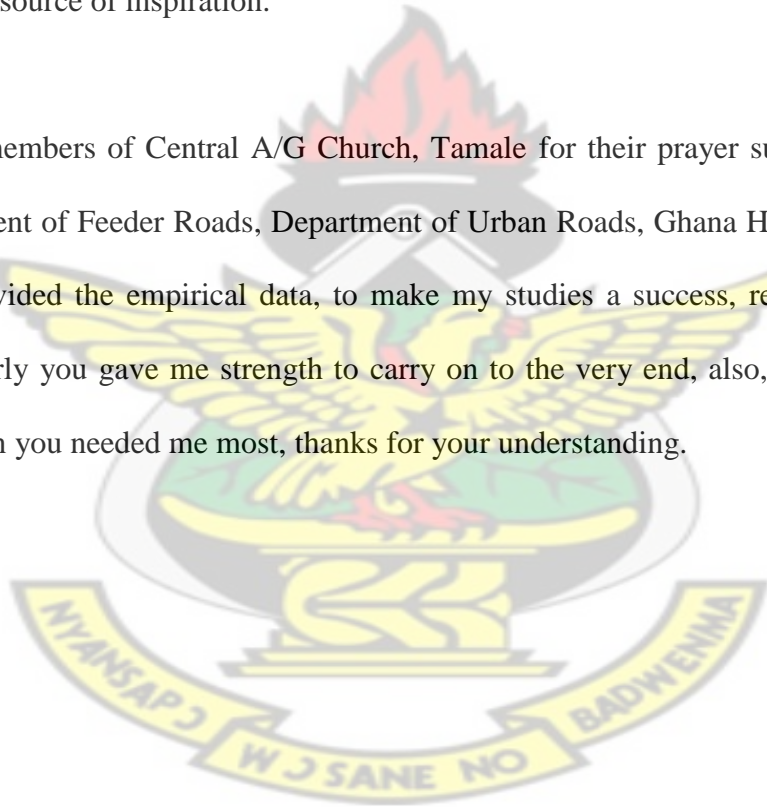


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My lovely Mother. you never doubted my ability to succeed. I hope this achievement will be a source of inspiration.

To the members of Central A/G Church, Tamale for their prayer support, All Staff of Department of Feeder Roads, Department of Urban Roads, Ghana Highways Authority, who provided the empirical data, to make my studies a success, relatives and friends particularly you gave me strength to carry on to the very end, also, I couldn't be with you when you needed me most, thanks for your understanding.



## TABLE OF CONTENTS

DECLARATION .....	ii
ABSTRACT.....	iii
ACKNOWLEDGEMENT .....	vi
TABLE OF CONTENTS.....	vii
LIST OF TABLES .....	xi
LIST OF FIGURES .....	Error! Bookmark not defined.
<b>CHAPTER ONE.....</b>	<b>1</b>
<b>INTRODUCTION.....</b>	<b>1</b>
1.0 GENERAL .....	1
1.1 STATEMENT OF PROBLEM .....	3
1.2 RESEARCH QUESTIONS:.....	4
1.3 RESEARCH AIM: .....	4
1.5 SIGNIFICANCE OF STUDY:.....	5
1.6 RESEARCH SCOPE.....	6
1.7 RESEARCH METHODOLOGY:.....	6
1.8 STRUCTURE OF REPORT .....	7
<b>CHAPTER TWO .....</b>	<b>8</b>
<b>LITERATURE REVIEW.....</b>	<b>8</b>
2.1 INTRODUCTION.....	8
2.2 THE CORRUPTION IN THE ROAD SECTOR PROCUREMENT OF WORKS	10
2.2.1 Procurement and Corruption In The Road Sector.....	10
2.2.2 Corruption in the context of procurement of works.....	11

2.2.3 The framework for procurement .....	13
2.3 THE MOTIVATION AND INCENTIVES OF PROCUREMENT OFFICIALS TO ENGAGE IN CORRUPTION. ....	15
2.3.1 The Motivation And Incentives For Engaging In Corruption. ....	15
2.3.2 How Corruption Occur In Procurement .....	16
2.3.3 Bid Rigging Comprising Official Procurement Officers .....	18
2.3.4 Collusive Bidding By Contractors .....	19
2.3.5 The Importance Of Hindering Corruption .....	20
2.3.6 What Influences The Opportunities For Corruption? .....	21
2.3.7 Type of sector involved: .....	22
<b>CHAPTER THREE .....</b>	<b>24</b>
<b>RESEARCH METHODS .....</b>	<b>24</b>
3.1 INTRODUCTION.....	24
3.2.1 Population.....	25
3.3 SAMPLE AND SAMPLING TECHNIQUES .....	26
3.4 INTERVIEWS .....	27
3.6 DATA COLLECTION.....	29
3.7 DATA ANALYSIS .....	29
3.8 LIMITATIONS AND SCOPE OF RESEARCH .....	30
<b>CHAPTER FOUR.....</b>	<b>31</b>
<b>DATA COLLECTION AND ANALYSIS .....</b>	<b>31</b>
4.1 INTRODUCTION.....	31
4.2 RESULTS FROM QUESTIONNAIRE .....	31

4.3 RESULTS OF THE SURVEY .....	32
4.3.1 Section-1 Respondents Personal Details.....	32
4.3.2 To Assess The Avenues For Corruption In The Road Sector Procurement Of Works In Ghana. ....	35
4.3.3 Motivational And Incentives Of Individual Procurement Officials To Engage In Such Corruption Views about what Influences the Opportunities for Corruption.....	44
4.3.4. To Identify A Set Of Process That Can Be Implemented At The Roads Sector Level To Minimize The Potentials For Corruption .....	55
 <b>CHAPTER FIVE.....</b>	<b>61</b>
<b>SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS .....</b>	<b>61</b>
5.1 INTRODUCTION.....	61
5.2 SUMMARY OF FINDINGS .....	62
5.2.3 To identify a set of process issues that can be implemented at the road sector level to minimize the potential of corruption.....	64
5.3 CONCLUSION .....	65
5.4 RECOMMENDATIONS .....	65
5.4.1 Risk assessment .....	65
5.4.2 Communication and training.....	66
5.4.3 Sanctions.....	67
5.4.4 Monitoring.....	68
5.4.5 Collaboration by governments and non-governmental organisations .....	69
 <b>REFERENCES.....</b>	<b>71</b>

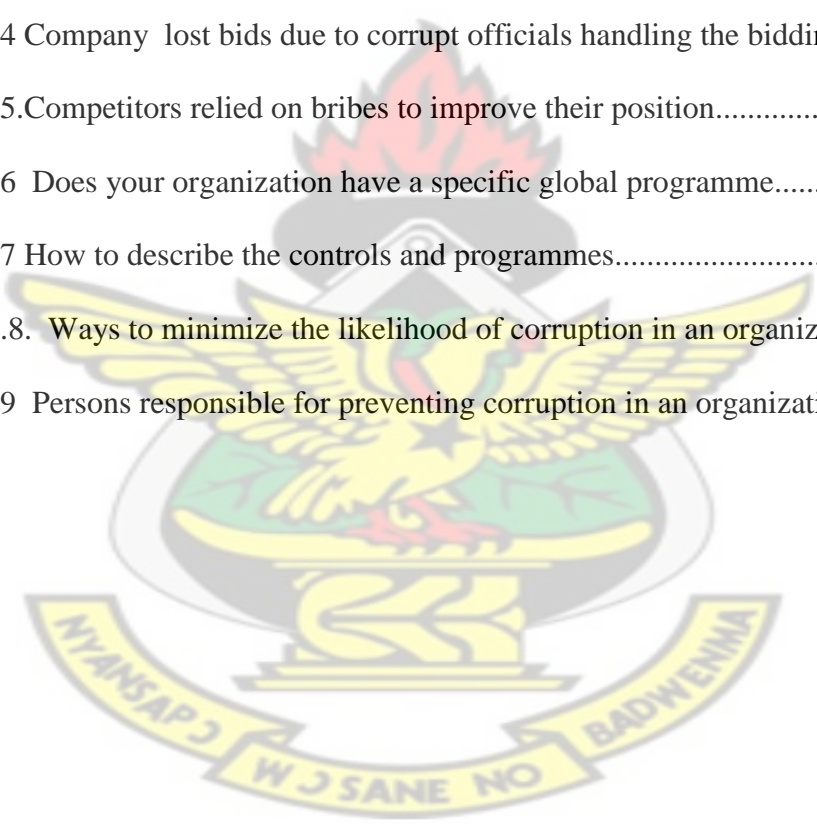
<b>APPENDIX 1 .....</b>	<b>75</b>
Invitation to Participate .....	75
<b>APPENDIX 2.....</b>	<b>77</b>
Research Questionnaire.....	77
<b>APPENDIX 3.....</b>	<b>94</b>
Interview Guide .....	94

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## LIST OF TABLES

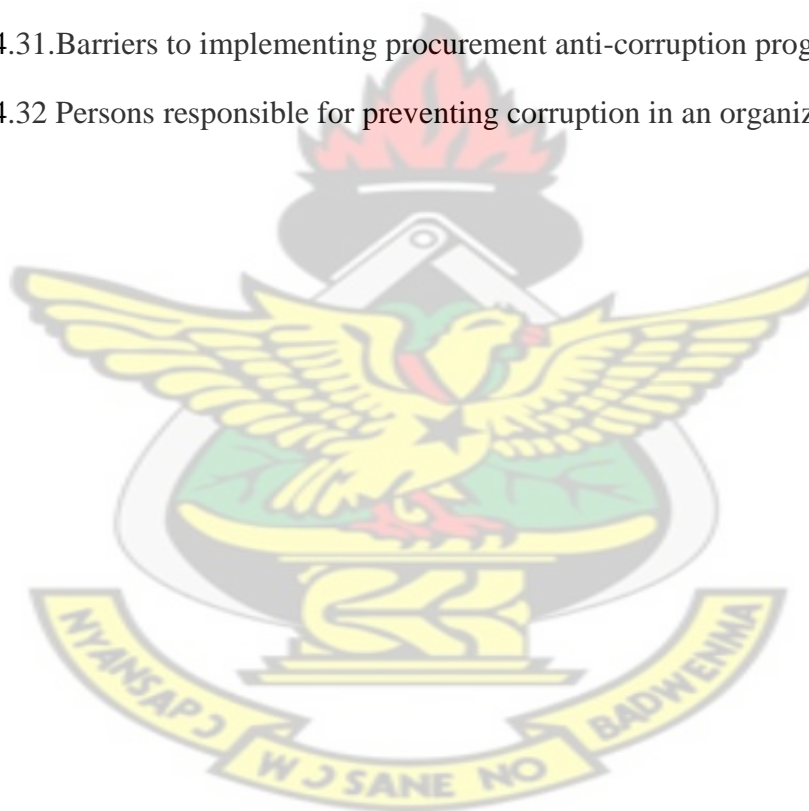
Table 3.1 Sample Frame selected from the Population.....	25
Table 4.1 Respondent view on corruption.....	38
Table 4.2 Corruption which are prevalent among roads Construction companies/Procurement officers/Consultants.....	39
Table 4.3 Company withdrawn from a tender in the past because it concerned the expectation of “personal favours”.....	42
Table 4.4 Company lost bids due to corrupt officials handling the bidding.....	43
Table 4.5.Competitors relied on bribes to improve their position.....	44
Table 4.6 Does your organization have a specific global programme.....	55
Table 4.7 How to describe the controls and programmes.....	56
Table 4.8. Ways to minimize the likelihood of corruption in an organization.....	58
Table 4.9 Persons responsible for preventing corruption in an organizations.....	60



## LIST OF FIGURES

Figure 2.1: Framework for procurement.....	14
Figure 4.1: Respondents Profile.....	32
Figure 4.2: Academics Qualification of respondent.....	33
Figure 4.3: Years Of Experience Of Respondents.....	34
Figure 4.4: Stage of procurement phase at which respondent is involved .....	35
Figure 4.5 construction procurement experience of senior management .....	36
Figure 4.6 Work environment for the performance of procurement functions.....	36
Figure 4.7 Value to disclosed procurement anti- corruption programme and control .....	37
Figure 4.8 The impact of procurement corruption in an organization .....	40
Figure 4.9 How corruption (attempted or actual), was discovered.....	41
Figure 4.10 Company withdrawn from a tender in the past because it concerned the expectation of “personal favours.....	42
Figure 4.11 Company lost bids due to corrupt officials handling the bidding. ....	43
Figure 4.12 Competitors relied on bribes to improve their position .....	44
Figure 4.13.1a Size of the contract .....	45
Figure 4.14.1b Complexity of technology .....	46
Figure 4.15.1c. Discretion.....	46
Figure 4.16.1d. Lack of financial controls.....	47
Figure 4.16.1e. Restricted access to information.....	48
Figure 4.18.1f Funding Schemes .....	49
Figure 4.19.1g. Immediacy:.....	49
Figure 4.20.1h. Soft social control.....	50
Figure 4.21.1i. Conflict of interest:.....	50
Figure 4.22.2a. The value of possible benefits.....	51

Figure 4.23.2b. Professional integrity .....	52
Figure 4.24.2c. The actual need of the procurement officer.....	53
Figure 4.25.2d. Lack of monitoring, supervision and sanctions .....	53
Figure 4.26.3a Creating a level playing field is crucial .....	54
Figure 4.27 Does your organization have a specific global programme .....	55
Figure 4.28 How to describe the controls and programmes .....	56
Figure 4.29. How controls/ programmes can identify and mitigate corruption risk .....	57
Figure 4.30 Ways to minimize the likelihood of corruption in an organization.....	58
Figure 4.31. Barriers to implementing procurement anti-corruption programme .....	59
Figure 4.32 Persons responsible for preventing corruption in an organizations.....	60



## CHAPTER ONE

### INTRODUCTION

#### 1.0 GENERAL

In Ghana, public procurement represents about 24% of total imports and apart from personal emoluments, public procurement represents 50 -70% of the national budget and 14% of Gross Domestic Product (GDP) (Adjei, 2006). Studies indicate that the annual value of public procurement for goods, works, and consultancy services was about US\$600 million (World Bank, 2003) which represented about 14 per cent of Ghana's (GDP).

Procurement is one of the fundamental links in the supply chain of any organization. If this link is not managed efficiently and effectively, there will be serious downstream challenges in the supply chain. Kaufman (2004) estimated that more than US\$1,000 billion is paid annually in bribes, and the volume of bribes exchanging hands for public sector procurement alone is roughly 200 billion dollars per year.

The issue of corruption in Ghana has over the years taken a centre stage during discussions about public financial management and by extension public procurement. The subject has become very critical since recent public hearings of the public accounts committee of parliament and various commissions/committees set up by government in recent times have had to deal with procurement related corruption issues. Today, public outcry about judgment debt payments has remained a source of worry for most procurement practitioners since most of the debts have arisen as a result of procurement lapses.

From the early stages of procurement planning to contract implementation, the procurement process is rife with opportunities for corruption with anecdotal evidence suggesting that in environments characterized by a lack of transparency and high monitoring costs, bribery plays a critical role in determining which firms win public contracts. Bribery kickbacks often represent a sizeable proportion of the total contract value; estimates by the Organization for Economic Co-operation and Development (OECD) group on corruption suggest that bribes can represent 10-25% of total contract value, which may be considerable in defense or infrastructure projects (Kuaffman, 2007).

Maintaining integrity in public procurement is one of the most important pillars of modern national procurement systems (Arrowsmith, et al , 2000; Kelman, 1990; Schooner, 2002). Perhaps ensuring the accountability of procurement officials is the most essential objective in ensuring integrity.

The accountability of procurement officials is not only important from a public or administrative law perspective, but also has economic implications. According to Schooner (2002), these economic implications have three main dimensions. Firstly, on the procuring side, a lack of accountability on behalf of procurement officials may lead to additional costs, as non-commercial criteria, such as corruption, favoritism or nepotism. Secondly, on the business community side, in the absence of accountability, potential suppliers are less encouraged to value government business and provide high-quality goods and services. This, in turn, distorts incentives in the market place as less efficient suppliers are chosen at the expense of efficient suppliers. The third economic dimension of accountability in public procurement concerns the rest of the society,

which is affected by the actions of both the government and the business community. The public interest therefore requires that governmental business is done in a manner guaranteeing that expenditures are made in the most economically rational way. Kuaffman (2007) intimated that, this is required both to save on tax-payers money on the one hand, and to ensure the long-term growth of the market by allocating contracts to the most efficient contractors, on the other hand.

This recognition accounts in part for the growing interest in public procurement planning and in national attempts to mitigate all forms of procurement abuses within government established institutions in Ghana.

### **1.1 STATEMENT OF PROBLEM**

Well planned, properly maintained, and safe roads are critical for economic growth and overcoming poverty in developing countries with Ghana not an exception. The roads sector has been a major target for development financing over the entire history of World Bank and remains important today.

While roads projects have had consistently positive development results, dangers of fraud, corruption, and collusion plague the sector. Though this is a problem for this country, it is much more costly in terms of opportunity costs and lost economic growth for the citizenry. Given the importance of roads to the poor, this challenge is of special significance to the roads ministry and the country as a whole.

Major concepts that underlie the corruption in road sector procurement such as lack of accountability, transparency, equity, sustainability, fairness in terms of best practices

and prudent local financial management to offer value for money on all contracts in Ghana, has come to be recognized as critical to the integrity of procurement process and for gaining and retaining the trust of all citizens.

According to shah (2005), such integrity and trust are sometimes lacking in some governments establishment in developing countries especially in the African region.

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## **1.2 RESEARCH QUESTIONS**

1. What are the avenues for corruption in the road sector procurement of works in Ghana?
2. What are the motivational and incentives of individual procurement officials to engage in such corruption?
3. What process issues can be implemented at the roads sector level to minimize the potentials for corruption?

## **1.3 RESEARCH AIM**

To identify and examine opportunities for corruption in the road sector and provide practical safeguard against procurement corruption of works, ensuring and sustaining the integrity of the road sector ministry in Ghana.

## **1.4 RESEARCH OBJECTIVES**

1. To identify the avenues for corruption in the road sector procurement of works in Ghana
2. To identify the motivational and incentives of individual procurement officials to engage in such corruption.
3. To identify a set of process issues that can be implemented at the roads sector in Ghana to minimize the potentials for corruption

## **1.5 SIGNIFICANCE OF STUDY**

Establishing sound procurement policies and practices are necessary to reduce all forms of corruption and increases transparency for procurement of works in the road sector.

The vision of the Ministry of Roads and Highways “To provide and maintain an integrated, cost-effective and sustainable road transport network responsive to the needs of users, supporting growth and poverty reduction” requires getting the most out of the scarce resources available for the construction of the road infrastructure.

Additionally, effective government procurement policies and practices contribute to sound financial management of public resources (Hunja, 2003).

The provision of effective road infrastructure often requires coordinated delivery, which the Ministry procurement specialists must accomplish in an effective and efficient manner to ensure value for money.

It is often a herculean task to imagine how the Ministry can provide any meaningful improvements in their policy objectives without a good financial management system which includes effective and efficient procurement policies and practices devoid of any forms of corruption. This cognizance recognition has accounted in part for the growing interest in good public procurement management and Ghana's attempt to mitigate all forms of procurement corruption and hence the need for this study.

### **1.6 RESEARCH SCOPE**

The primary coverage area of this study included the Ministry Roads and Highway Agencies in Northern Region (Ghana Highway Authority, Department of Urban Roads and Department of Feeder Roads) and Road Works Contractors/Consultants in the region.

### **1.7 RESEARCH METHODOLOGY**

This research was based on purposive sampling technique, the other alternative use of probability sampling was not considered due to limited time and resources.

The researcher contacted respondents within the scope of this study via telephone and e-mail for the participation of this survey research.

Having decided to use case study of a single region, thus Northern Region, various data collection methods are adopted to ensure that relevant data is obtained in answering the research questions and objectives.

**Stage1. Literature Review;** This study reviewed relevant literature on the objective and subject of procurement process in the Ministry of Roads and Highways, looking at the process as a safeguard against procurement corruption.

**Stage2. The Main Body;** This adopted the quantitative data collection approach, which means obtaining facts and figures from the various road agencies and contractors in Northern Region of Ghana and not solely taking opinions or views of respondents.

**Stage3. Writing up;** This stage involved writing up the context of the thesis which covers the chapters as proposed in the structure of the report.

## **1.8 STRUCTURE OF REPORT**

The report was structured as below:

Chapter 1; Introduction and background to the problem

Chapter 2; - Review of the procurement Process as a safeguard against corruption

Chapter 3; - Research design and method of Analysis

Chapter 4; - Analysis of the results

Chapter 5; - Summary, Conclusion and recommendation

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 INTRODUCTION

In one form or another, corruption exists in all societies, at all stages of development and under all types of politico-economic regimes (Blackburn, et al, 2005 , Aidt, 2003). Corruption is equated to cancer which strikes almost all parts of the society; as it “eats” the cultural, political and economic fabric of society, and destroys the functioning of vital organs” (Amundsen, 1999). As an act where public office is used in a manner that contravenes the rules of the game (Jain, 2001); corruption in Africa has been blamed for the development challenges facing the continent (Basheka, 2009, Thai, 2008).

There is substantial empirical evidence on the detrimental effects of corruption whether in procurement or other government sectors (Seldadyo & de Haan, 2006; Treisman, 2000; Serra, 2004; Basheka, 2009). Corruption has ‘toxic’ effects on societies (Carino, 1986) and in developing countries; it acts like a tax adding to the cost of providing public services and conducting business (Olken, 2007). Despite its prevalence and detrimental effects, doing research on corruption has been considered a scientific passion for knowing the unknown because to get correct information about the extent of corruption activities in the goods and labor market is difficult as individuals engaged in those activities wish not to be identified (Dreher & Schneider, 2006).

Public procurement corruption studies are more difficult to investigate and address than other crimes not physically but intellectually because of the variety of competing determinants,

Procurement corruption is one of the most common and lucrative white-collar ‘crimes’ in government machinery in Ghana.

Corruption is high in the public procurement domain because of the great ‘opportunities’ in the acquisition of government goods, services and works. Corruption takes place at any stage of the procurement process and may involve both internal and external stakeholders.

To gather information about the extent of corruption is crucial for effective and efficient decision making although corruption lends itself to problems of measurement (Dreher & Schneider, 2006).



## **2.2 THE CORRUPTION IN THE ROAD SECTOR PROCUREMENT OF WORKS**

### **2.2.1 Procurement and Corruption In The Road Sector**

Corruption in the road sector procurement of works may arise in any step of the procurement procedure. Corruption of the procurement of works can arise through violations of ordinary procurement rules or through misuse of legal authorization of discretionary decisions from the rules (Schultz & Soreide, 2006). Many practices have an unclear legal status.

Public procurement is particularly vulnerable to corruption due to the high level of funds involved. Globally government expenditure on procurement is estimated to be between 12 and 20 percent (OECD, 2006b).

Public procurement is the main area where the public and the private sector cooperate financially. Furthermore, public procurement tends to involve relatively few, but high-value transactions. Compared to sectors with low-value and a high number of transactions the procurement officers thus have more to gain on corrupt behavior (Ware et al., 2007).

Works according to Ghana's PPA Act 663 (2003), means work associated with the construction, reconstruction, demolition, repair or renovation of a building or structure or surface and includes site preparation, excavation, erection, assembly, installation of plant, fixing of equipment and laying out of materials, decoration and finishing, and any incidental activity under a procurement contract.

### **2.2.2 Corruption in the context of procurement of works**

Corruption involves the behavior of officials in the public and private sectors to improperly and unlawfully enrich themselves and /or those close to them, or induce others to do so, by misusing the position for which they are placed (Asian Development Bank, 2003). When this unlawful and improper behavior is applied to the public acquisition of works process, it becomes public procurement of works corruption. It essentially entails deliberate failure to follow the expected minimum standard behavior in managing the acquisition process by government agencies and departments. Corruption takes place once the procurement laws and regulations are broken for the benefit of an individual or group of individuals against the public interest and need of internal customers. The World Bank extends the definition of procurement corruption to include the offering, giving, receiving or soliciting; directly or indirectly, of anything of value to influence the action of a public official in the procurement process or in contract execution (World Bank, 2004). A broad definition of public sector corruption is the abuse of authority by bureaucratic officials who exploit their powers of discretion, delegated to them by the government, to further their own interests by engaging in illegal, or unauthorized, rent-seeking activities (Blackburn, Bose, & Haque, 2005).

Public Procurement corruption can be classified to include;

- Supplier induced corruption as a result of stringent competition for government contracts,
- Public official induced corruption through creating bureaucratic hurdles that would necessitate seeking faster services. It may also be

- politically induced corruption where contractors with political connections receive favors for the fear of political persecution

In many less-developed countries, one of the prevalent forms of corruption is called "speed corruption" (Bose, 2004, and Marjit *et al*; 2000) . This involves the capacity to harass, delay or withhold decisions handed down by procurement officials unless a bribe is given. In Ghana's case, officials in the finance and accounts departments may delay or fail to process the payments for providers until a bribe is paid or promised. It may also involve the engineers, in case of construction projects failing to issue a certificate of completion or issuing them when the works have not been completed . The most common forms of procurement corruption in Ghana include violations of procurement procedures, the use of high-ranking officials to influence procurement decision making and bribery-induced violations of procurement procedures by government officials in collaboration with providers (Basheka, 2009).

The Integrity Survey Report, (2008) identifies new forms of corruption and prominent among them included "Syndicate corruption"; and "Management by Crisis". The former involves networks of strategically placed public officials who collude to embezzle public funds with impunity . Under management 'by crisis' syndrome, public officials deliberately delay to plan in time in order to create a crisis and stampede the procurement process.

Demand for, and payment of, bribes has changed from covert to overt actions. Public officials are openly asking for bribes in exchange for services while the clients are openly paying without complaining. A survey, revealed that in Ghana, there is now a shift in the middle age crisis from previous 40-45 years to 25-30 years. This has been

due to peer pressure among the young generation who has succumbed to flamboyant lifestyles provided by the private sector.

This has encouraged them to live beyond their means hence engaging in acts of corruption .

### **2.2.3 The framework for procurement**

The framework for a procurement process is important for the level of risk for corruption, and a transparent, accountable and well managed structure will mitigate the risks. The overarching picture is made up of five main points.

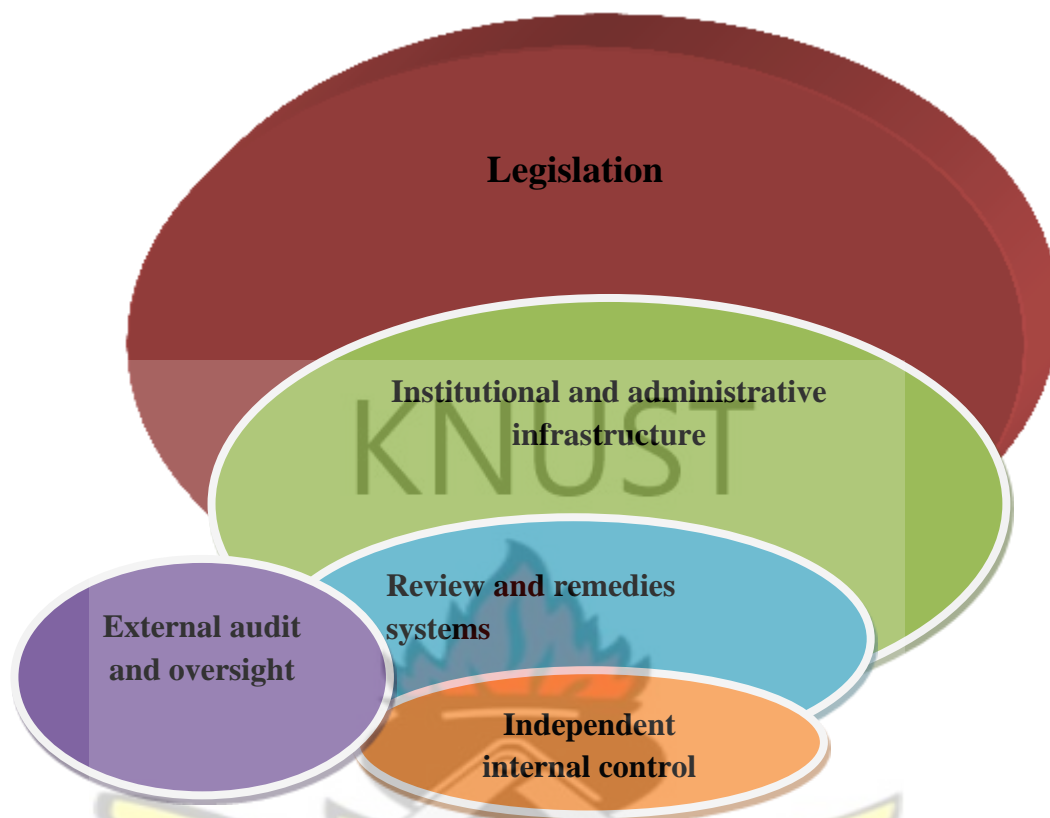
First, **legislation** which covers the entire procurement cycle and all the involved actors creates the overall framework for how to operate.

Second, **institutional and administrative infrastructure** in the country poses restrictions on how to structure the procurement process. Ideally staff roles should be clearly separated between financial and procurement authorities to ensure propriety.

Third, effective **review and remedies systems** are necessary to detect and correct irregularities.

Fourth, **independent internal control systems** are crucial to strengthen integrity and detect corruption or fraud.

Fifth, **external audit and oversight** offers the last independent check done by a supreme audit institution.



**Figure 2.1: Framework for procurement**

**Source:** Figure created based on the OECD Toolbox for enhancing integrity in procurement draft version 2009.

The five elements presented above create the general framework for a procurement process. In many countries the real situation is that the procurement officer has to operate within a framework where risks of corruption are heightened because of weaknesses in the general framework of the country, and/or the sector/organization the officer is working within. Examples of weaknesses can be inadequate legislation or weak execution of existing laws and corrupt auditing officers.

Legislation Institutional and administrative infrastructure Review and remedies systems

Independent internal External audit and control systems oversight.

## 2.3 THE MOTIVATION AND INCENTIVES OF PROCUREMENT OFFICIALS TO ENGAGE IN CORRUPTION

### 2.3.1 The Motivation And Incentives For Engaging In Corruption.

Causes of corruption can be divided into two main groups: structural causes and individual causes.

**Structural causes** refer to the political system, history, culture and other systemic factors which can influence the level of corruption.

The **individualistic causes** are related to the individual's decision to engage in corrupt actions.

A procurement officer's choice to engage in corruption will depend on:

- **Authority:** The procurement officer must have authority to deal with rules and regulations in a discretionary manner
- **Capability:** The power that authority provides must give the procurement officer the capability to extract value
- **Incentives:** She/He must have incentives to exploit the power that comes with the position.

The incentive for a procurement officer to take part in corruption depends on:

1. *The value of possible benefits*
2. *Professional integrity:* how a procurement officer's attitude and behavior coincides with the goals of the institution she/he represents
3. *The actual need of the procurement officer:* In developing countries the salaries of ordinary officials are low, and necessity can explain why corruption occurs. However, human greed may also explain why corruption occurs

4. *Lack of monitoring, supervision and sanctions* is likely to increase engagement in corrupt activities. If the institutions in a country are weak, the chances of being caught in corruption tend to be low, and even if caught, the procurement officer may be able to bribe his/her way out. Thus, the cost of being corrupt is low when the institutions are weak and therefore corruption is more likely to occur.

The suppliers of bribes, often companies, incentives to take part in corruption are influenced by the competitive environment they operate within. To prepare for a tender is both time consuming and costly, and to offer a bribe may be seen as a short-cut to be awarded a contract. A Norwegian business survey studied the different motivations for firms to offer bribes, and showed that the most important motivation was “the risk of having competitors who offer bribes” (Soreide, 2006). The risks of sanctions if caught taking part in corrupt actions, will have a dampening effect on incentives for corruption.

### **2.3.2 How Corruption Occur In Procurement**

Bribery is frequently seen as the most common type of corruption, and can be defined as an offer of money, goods or services in order to gain an advantage. Bribes can influence the government’s choice of suppliers of goods and services. This can distort the allocation of resources and talents. Bribes can be used to avoid red tape and thereby speed up government’s granting of different kinds of permissions. Bribes can influence outcomes of legal and regulatory processes, as well as influence the allocation of benefits such as pensions, subsidies and taxes.

The choice of offering bribes is closely linked to risk. There is a risk of being detected in bribery, and the punishment can be severe. Since bribing is an illegal agreement, the

benefits to be gained are uncertain. The briber is vulnerable to deviations from the agreement because such agreements can generally not be enforced in courts due to their illegality. Further, the offer of one bribe may lead to demand for more bribes, and thus creating uncertainty whether the briber will ever get what s/he wanted in the first place (Soreide, 2009). However, being honest also entails risk and uncertainty. If the business environment is perceived as having widespread corruption, being honest may lead firms to fear losing contracts because their competitors are perceived to offer bribes to procure contracts (Soreide, 2006).

**Extortion** may entail to cause harm or to threaten a person in order to obtain something.

**Embezzlement** is the illegal appropriation of property or money entrusted to someone, but owned by others (Andvig et al., 2001).

**Nepotism** is to favour relatives when granting jobs or benefits (Andvig et al., 2001).

**Patronage systems:** Patronage takes place when local public office holders grant favours, jobs and contracts in return for political support. Such systems tend to disregard formal rules, and instead give importance to personal channels (Andvig et al., 2001).

**Fraud** involves some kind of deceit and manipulation or distortion of information, by a public officer, with the intention to seek personal gain. Fraud is an economic crime which covers more than bribery and embezzlement. As Andvig et al. states: *“It is fraud when politicians and state agents take a share for closing their eyes on economic crimes, and it is serious fraud when they have an active role in it.”* (Andvig et al., 2001:9). In procurement corruption fraud often takes the form of failure to meet contract specifications, or false, inflated or duplicated invoices (U4 red flag tool).

**Bid rigging** takes place when companies conspire to fix the price for works goods and services, purchased through a bidding process, to an artificially high level. One can distinguish between bid rigging where a public procurement officer take part in the bid rigging and situations where only companies take part in corruption. The additional funds obtained through the inflated contracted price tend to be distributed amongst the conspirators.

### **2.3.3 Bid Rigging Comprising Official Procurement Officers**

**1. Excluding qualified bidders;** Qualified bidders can be inappropriately disqualified in order to promote a favoured bidder. This may entail limited publication of requests for bids, unreasonably limited time allowed to respond to requests for bids, unreasonably narrow contract specification or intimidating behaviour in order to discourage potential bidders from taking part in the bidding process.

**2. Manipulation of bids;** The procurement officer can tamper with bids after submission in order to ensure that a pre-designated firm is winning the bid. This can involve making changes to parts of bids or bids scores, or “losing” bids.

**3. Rigged specifications;** The procurement officer can modify the criteria in the requests for proposals to fit a particular company.

**4. Unbalanced bidding;** The procurement officer provides the favoured firm relevant information which is not shared with other participants in the bidding process. This information gives the favoured firm a competitive advantage in tailoring its bid and thus increasing its likelihood of winning the contract.

**5. Unjustified no-bid awards;** Improper no-bid contracts is a common mean of avoiding competition, and can be set up by

- a) falsifying documentation needed for justification for issuing no-bid contracts, or
- b) by ignoring the requirement for no-bid contracts, or c) by splitting up purchases in order to stay below the competitive bidding limits

**Case example: Construction sector in Germany**

Bid rigging was revealed in a trial in Germany in 2004. Bribery was disclosed in a tender for a contract concerning construction of waste processing facilities. One of the construction firms participating in the tender, LCS Steinmüller, bribed a civil servant to get hold of information about the other proposals submitted in the tender. LCS Steinmüller won the tender after having used this information to revise its original proposal

*Source: Global Corruption Report 2005 (Transparency International, 2005a)*

**2.3.4 Collusive Bidding By Contractors**

When contractors cooperate in order to coordinate markets, prices and production with the aim to increase their own profits by reducing competition, this can be defined as cartel.

**1. Complementary bidding;** Complementary bidding, also called cover bidding, occurs when competitors agree in advance who will submit the winning bid. Such bidding involve one or more of the following:

- A participant in the bidding process agrees to put forward a bid that is higher than the bid of the designated bidder
- A participant in the bidding process offer a bid that is known to be too high to be accepted
- A participant submits a bid that contains special conditions that are known to be undesirable to the purchaser

**2. Bid suppression;** Bid suppression occurs where one or more of the competitors agree to refrain from bidding so that one of the competitors, the designated winner, can win the contract.

**3. Bid rotation;** Bid rotation occurs when competitors take turns being the successful bidder.

**4. Market division;** The conspirers may carve up markets in different segments, and agree not to compete in each other's segments.

**Source:** Adapted from U.S., Department of Justice, 'Price-Fixing, Bid-Rigging and Market Allocation Schemes: What They Are and What to Look For' (available on the internet at [www.usdoj.gov/atr/public/guidelines/211578.htm](http://www.usdoj.gov/atr/public/guidelines/211578.htm)).

### **2.3.5 The Importance Of Hindering Corruption**

Corruption in public procurement is an important obstacle to development. As Soreide (2002:1) states: **“Corruption in public procurement makes the officials or the politicians in charge purchase goods or services from the best briber, instead of choosing the best price quality combination”**. For instance, the firm responsible for building a new school may not offer the best price quality combination, but is rather the best briber of government officials. The outcome may be a more expensive school with

a lower quality that would otherwise have been the case (Tanzi & Davoodi, 1997). The misallocation of resources reduces the funds available for social services, and corruption is in this way affecting the poor.

Corruption can lower the profitability of doing legal business, and thus give incentives to go over to corrupt activities (Andvig & Moene, 1990). An emphasis is often put on the adverse welfare effects of corruption; rather than being oil in the machinery corruption fuels the growth of excessive and discretionary regulations (Rose-Ackerman, 1999). Corruption can lead to a disregard of laws and procedure, and a lower level of trust and confidence in the government. Politicians may be seen as motivated by bribes only, and creating rules only intended to generate rents. Public spending decisions can be seen as influenced by corruption when funds are allocated to sectors where the opportunities to generate bribes are high, such as the construction sector, while other sectors, such as the education sector, are neglected (Tanzi & Davoodi, 1997).

### **2.3.6 What Influences The Opportunities For Corruption?**

**Size of the contract:** Bribes tend to be calculated as percentages of the total contract amount. Thus, the more money involved the higher potential kickback (Soreide, 2002).

**Complexity of technology:** With high level technology involved in a contract, it tends to be more difficult to evaluate whether the price paid for a good is realistic or not. There may not be many people who can say whether a particular aircraft should cost \$25 million rather than \$30 million (Soreide, 2002; Moody-Stuart, 1997).

### 2.3.7 Type of sector involved:

There are some sectors that are more prone to corruption than other sectors. Transparency International's (2008), bribe payers' index has a ranking which shows the likelihood of firms in different sectors to bribe public officials.

These are the ten sectors most vulnerable to corruption according to TI:

Public works, contracts & construction, Real estate & property development, Oil & gas, Heavy manufacturing, Mining, Pharmaceutical & medical care, Utilities, Civilian aerospace, Power generation & transmission and Forestry (Transparency International, 2008).

**Discretion:** The more a procurement officer can influence demand and preferences, the easier it is to take part in corruption.

**Lack of financial controls:** With weak systems of oversight and enforcement, the chances of being caught in corrupt acts are smaller, and may therefore lead to a higher level of corruption (UNDP, 2004).

**Restricted access to information:** When there is poor transparency concerning executive decisions, and especially combined with the lack of public demand for information, this can have a boosting effect on the corruption level (UNDP, 2004).

**Funding Schemes:** Promotion of funding schemes such as direct budget support and sector wide approaches may increase the opportunities to take part in corruption due to fewer possibilities for financial control (Plummer & Cross, 2007).

**Immediacy:** The more urgent it is to complete a contract, the more opportunities there are to inflate the price of the contract (Schultz & Soreide, 2006).

**Soft social control:** The acceptance for corruption-like practices differs between countries (Lambsdorff, 2001).

**Conflict of interest:** The risk of corruption increases when public duties and the private interest of an involved actor are conflicting, because there is a chance that the public position might be exploited to the advantage of the private interests (OECD 2005a).

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## **CHAPTER THREE**

### **RESEARCH METHODS**

#### **3.1 INTRODUCTION**

Three widely used scientific measurements of corruption can largely apply to corruption in the procurement sector. According to Farida & Ahmadi-Esfahani, (2006, p.15), the general perception methodology, the incidence-based methodology and the transparency international expert evaluation methodology are the three methods which hold value in achieving the goal of estimating the spread and map of corruption. The first relies on the media coverage of corruption. Going by this measure, procurement corruption in Ghana is entrenched as all daily newspapers must have a headline related to alleged or actual corruption in the award of contract and judgment debt payment in the country. The second methodology depends on asking the ones who potentially bribe and those whom bribes are offered and Manchin (2000) recommends this approach as the researcher is likely to get a good feedback on how frequent corruption is in different transactions.

Data on corruption are usually expressed on some scale reflecting the perception of respondents. Therefore, most corruption indicators are not about the actual level of corruption, but about perceived corruption (Seldadyo & de Haan, 2006). This study used a likert scale to generate the perception of various study respondents on the magnitude of corruption in roads sector procurement of works in Ghana.

#### **3.2 THE STUDY AREA**

The primary coverage area of this study includes the Ministry of Roads and Highway Agencies in Northern Region (Ghana Highway Authority, Department of Urban Roads

and Department of Feeder Roads) and Road Works Contractors & consultants in the region.

Northern Region is located in Northern Ghana and is the largest area of Ghana. The Region is divided into twenty(20) administrative Districts with its regional capital being Tamale. The Region covers an area of 70,384 Sq.km.

### 3.2.1 Population

A research population can be defined as the totality of a well-defined collection of individuals or objects that have a common, binding characteristics or traits. The population for this study comprised of all those who are involved in public procurement activities within the Northern Region. The main reason for using this category of people is that their activities directly or indirectly has a bearing on public procurement within Northern region which is the scope for the study. The research covers a population of about Twenty three (23) direct stakeholders and Nine (9) private entities in Northern region.

**Table 3.1 Sample Frame selected from the Population**

	Sample Frame	No. of Person
1	Staff of Ghana Highways Authority -Tamale	8
2	Staff of Department of Feeder Roads -Tamale	8
3	Staff of Department of Urban Roads -Tamale	7
4	Suppliers, Contractors and Consultants in the Private Sector	9

**Source: Researcher's Fieldwork**

### **3.3 SAMPLE AND SAMPLING TECHNIQUES**

This research was based on purposive sampling technique, the other alternative use of probability sampling was not considered due to limited time and resources.

The researcher contacted respondents within the scope of this study via telephone and e-mail for the participation of this survey research.

The process continued until thirty-two (32) respondents agreed to participate in the research.

The questionnaires were sent out to each respondent via e-mail with a letter (see Appendix 1), explaining the purpose of the research and to complete the survey questions between 1st - 17th October 2013.

Each respondent was promised to receive a summary of the research result for participation if so wish. The Samples were selected on the basis of the knowledge, connection and judgment of the researcher in the construction industry.

Public procurement corruption studies are more difficult to investigate and address than other crimes because of the various determinants which account for its occurrence as it also lends itself to problems of measurement (Dreher & Schneider, 2006).

However, it is through the researchers personal and working relationships with the samples that ensured the fully participation and completion of this survey.

The samples includes, Quantity Surveyors, Civil Engineers, Consultants and Contractors in the road works industry who are regarded professionals with sufficient knowledge,

skills and experiences on procurement of roads works and able to evaluate corruption in procurement related issues.

A pilot test was first undertaken via five (5) of the total sample of the thirty two (32) selected for this study in order to ensure that every question was stated appropriately that respondents could clearly understand the concepts and questions.

Improvements were made based on the respondents comments at the end of this consultation process. Specifically, the participants suggested that the questions be arranged and grouped according to the three objectives and other typographical errors corrected.

The final version of the question (see Appendix 2) was distributed to the thirty two (32) participants. Updated industry news and events, referrals personal experiences and other relevant information also helped to form the basis for the selection.

### **3.4 INTERVIEWS**

Four(4) participants were targeted and interviewed. One (1) each from the Department of Urban roads, Ghana Highways Authority, Department of Feeder Roads and a Road Contractor.

The interviews were conducted via telephone calls to each of the them within the period of 1st - 17th October 2013.

To ensure the consistency, the interview questions were identical to the ones in the questionnaire survey. Please see appendix 3 for those questions.

### 3.5 MEASUREMENT PROCEDURES

The method of e-mail survey was used in this research. This particular Instrument was chosen due to the unique characteristics of the study population and efficiency of data collection. The survey considered Closed-ended questions formulated based on the objective, research questions and hypothesis of the research.

The questions followed a logical progression starting with sample themes and progressing to complex issues to sustain the interest of respondents and gradually stimulate question answering.

A cover letter was attached to the survey questions to explain further the purpose of the research and its relevance, and to confirm their agreement to participate in this research.

Contact information of the research provided in case a respondent had any questions.

One of the major advantages of using this instrument is lower cost. The use of the e-mail system promotes efficiency, offers respondents to answer the survey at their own pace and convenience.

The disadvantage includes, possible bias based on the respondents judgment for sample selection and less spontaneous response.

The basic approach of the survey includes cross-sectional in nature, as it could be completed in office or household and it is self-administered.

The Likert categorical scale was used to measure the respondents multi-dimensional constructs measurement.

### **3.6 DATA COLLECTION**

The feed backs of the survey were collected from the period between 1st - 17th October 2013.

The data was recorded and updated simultaneously as responses were received.

The results were organized in the Microsoft Excel spreadsheet with the code sheet that was developed to measure the attitudes from the data of the survey results.

The responses of each question was assigned with numerical values for the data analysis.

### **3.7 DATA ANALYSIS**

In this study, both quantitative and qualitative methods were employed in the data analysis. The excel spread sheet was used for data entry and analysis of the data collected. Data preparation was the initial step to convert raw data into structured format that was more appropriate for the analysis. Tasks in this stage included data editing, data coding and data entry, frequency distributions, percentages, and descriptive analysis of assessing the effect of public procurement corruption safeguards on the organizations in the Northern Region.

Data collected were collated and analyzed using various quantitative statistical models such as tables, bar chart and pie chart to illustrate the results. The findings were critically examined to ensure consistency with the research objective and hypotheses.

### 3.8 LIMITATIONS AND SCOPE OF RESEARCH

One of the problems faced during the research was the issue of honesty and truly detailed answers to the questions from the participants. Most of the participants since they work in the public sector did not want anybody to know of their identity and thought that the answers they provided might be used against them. We overcame this problem by not mentioning their names or trying to know their identities. Another problem encountered was difficulty in gaining access to participants because most of them would not want to talk publicly. We used an alternative method of interviewing the participants by the researcher at their convenience. Time and lack of financial resources were also problems encountered in the research. Thus the research concentrated only on participants within the Northern Region.



## **CHAPTER FOUR**

### **DATA COLLECTION AND ANALYSIS**

#### **4.1 INTRODUCTION**

The survey relies on a variety of question formats. For example, in a number of questions, respondents were asked to respond on a scale of 1 to 5 with 1 being “strongly agree” and 5 being “strongly disagree.” In other cases, comparison phrases such as “highly accurate / not accurate” or “very valuable / no value” were used within a similar five-point scale to capture attitudes and practices. In still other cases, respondents were asked to choose their top three answers or select all that applied. Finally, questions were presented where respondents were asked to choose one they believed to be the most appropriate from among several options. The report itself uses actual percentages from the survey in every case. But, in many situations, the analysis may combine two similar categories of answers (such as all those respondents who chose 1 or 2) to draw its conclusions. While such combinations are referenced in all cases, the tables themselves are often useful for a more detailed view of the responses.

#### **4.2 RESULTS FROM QUESTIONNAIRE**

The questionnaire consists of four sections. Section one is on personal details of the respondents, and made up of six questions. Section two(2) had Nine(9) questions seeking to Assess the avenues for corruption in the road sector procurement of works in Ghana. Section three (3) was seeking to identify the motivation and incentives of the individual procurement officials to engage in such corruption which consist of Three(3)

questions. Section four (4) had Five(5) questions which seeks to identify a set of process that can be implemented at the roads sector level to minimize the potentials for corruption.

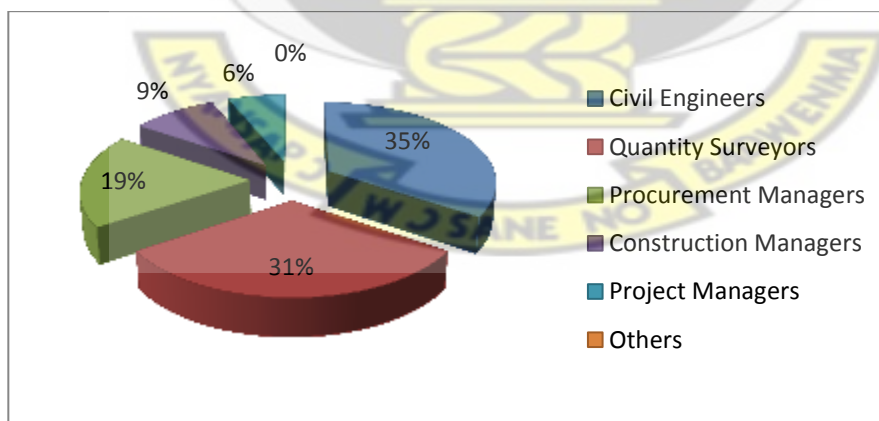
### 4.3 RESULTS OF THE SURVEY

Respondents' answers to the survey questions are illustrated in the following figures.

#### 4.3.1 Section-1 Respondents Personal Details.

##### *Respondents Profile*

The survey conducted revealed that the profession of the respondent included Civil engineering, Quantity Surveyors, Procurement Managers, Construction Managers, and Project manager. 35% of the respondents were civil engineers and 6% represents Project Managers. This shows that most respondents were mainly civil engineers, and least been Project Managers.

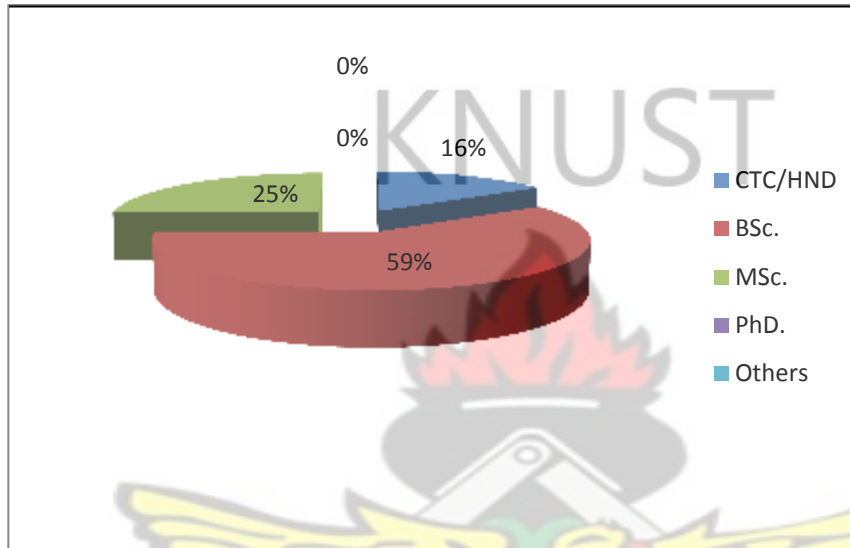


**Figure 4.1: Respondents Profile**

**Source: Field Survey, October, 2013**

### *Academics Qualification of respondent*

In gaining insights to the highest education attain by the respondents, the study revealed that, out of the 32 respondents, the least 16% represent respondents who had attained CTC/HND qualification with the highest being 59% representing those with BSc.

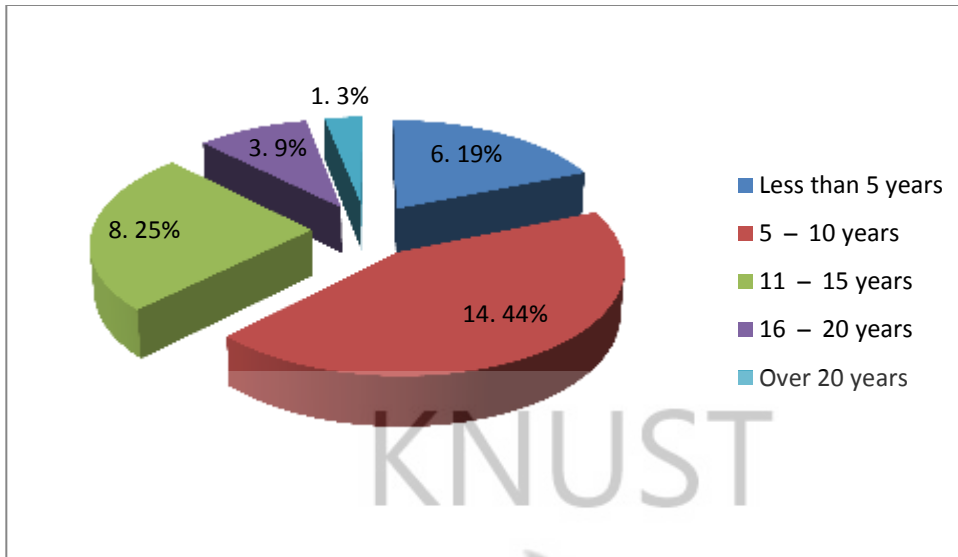


**Figure 4.2: Academics Qualification of respondent**

**Source: Field Survey, October, 2013**

### *Years Of Experience Of Respondents*

The survey conducted indicated that most of the respondents had worked between the periods of 5 -10 year in the road industry representing 14.44% and 1.3% representing those who have worked for more than 20 years.

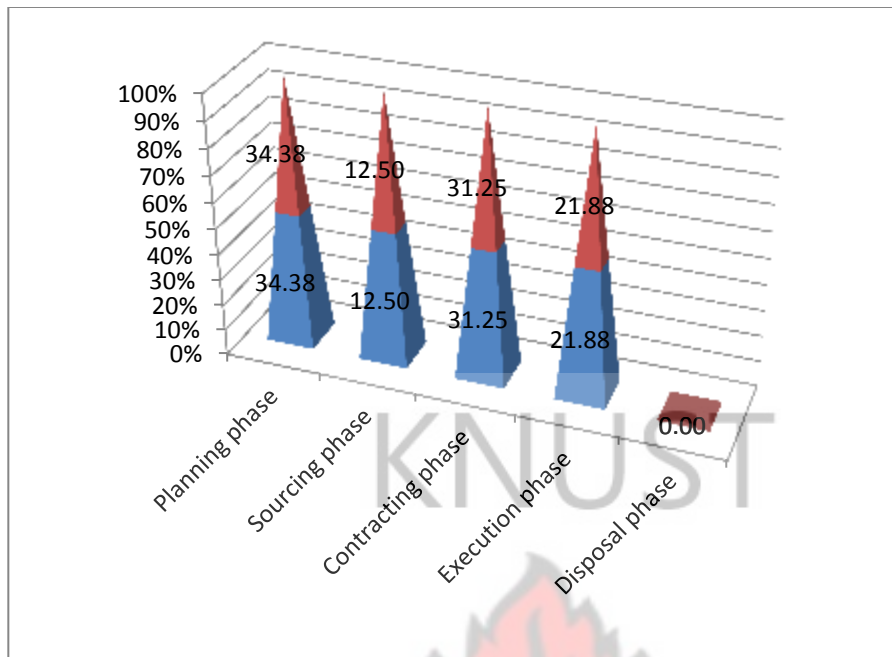


**Figure 4.3: Years Of Experience Of Respondents**

**Source: Field Survey, October, 2013**

***Stage of the procurement phases at which respondent is involve***

The various stages that respondents were involved in the procurement phases includes the following: planning phase, sourcing phase, contracting phase, execution phase and disposal phase. It was discovered that 34.38 of respondent were involved in the planning phases and whilst 3.13 % representing respondent involved in the sourcing phase. This is illustrated in the figure below.

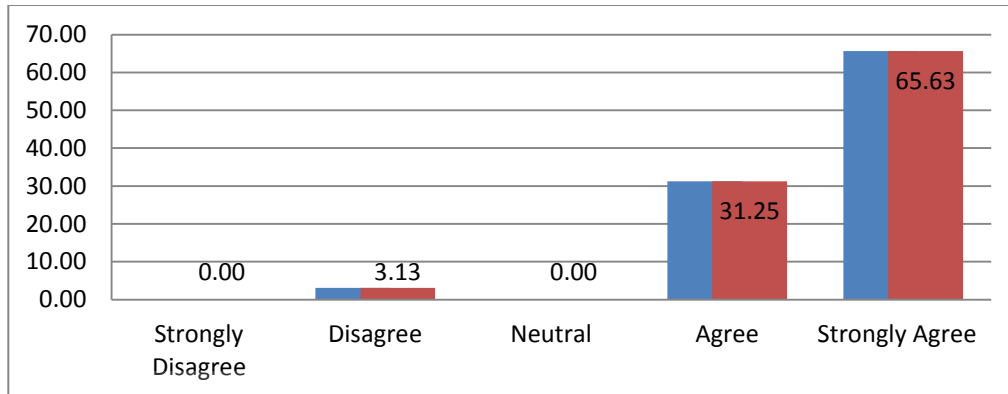


**Figure 4.4: Stage of procurement phase at which respondent is involved**

**Source: Field Survey, October, 2013**

#### **4.3.2 To Assess The Avenues For Corruption In The Road Sector Procurement Of Works In Ghana.**

As part of the measure to assess the avenues for corruption in the road sector procurement of works in Ghana, the survey was conducted to cover responses about the construction procurement experience of the organization of the respondent and also to find out whether the organization is led by a senior management. Response from the respondents revealed that 65.63% strongly agreed to the fact that their organization is been led by a senior management with construction procurement experience and 3.13% disagreed that their organization was led by a senior management with construction procurement experience. This meant that most of the organization was led by the adequate senior management with requisite construction procurement experience.

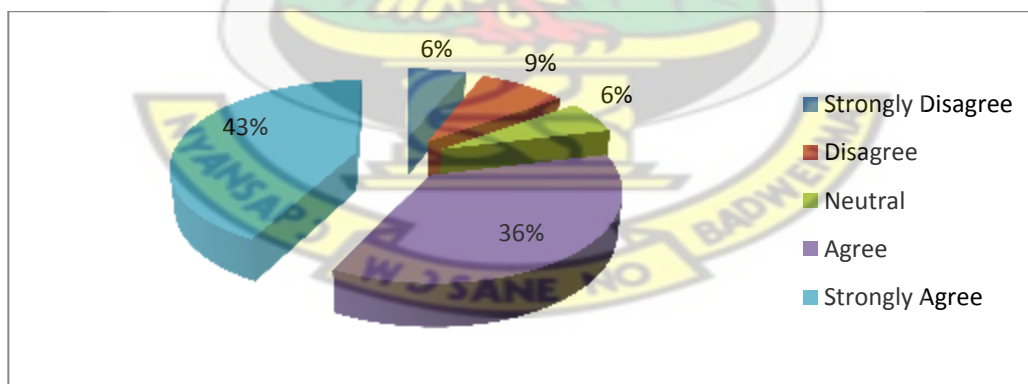


**Figure 4.5 construction procurement experience of senior management**

**Source: Researcher's Field Work, Oct, 2013**

***Work environment for the performance of procurement functions***

Respondents were questioned to know whether they were working under conducive and enabling working environment adequate for the performance of procurement functions. 43% respondent strongly agree that, there was conducive and enabling work environment for the performance of their procurement functions and 6% strongly disagrees.

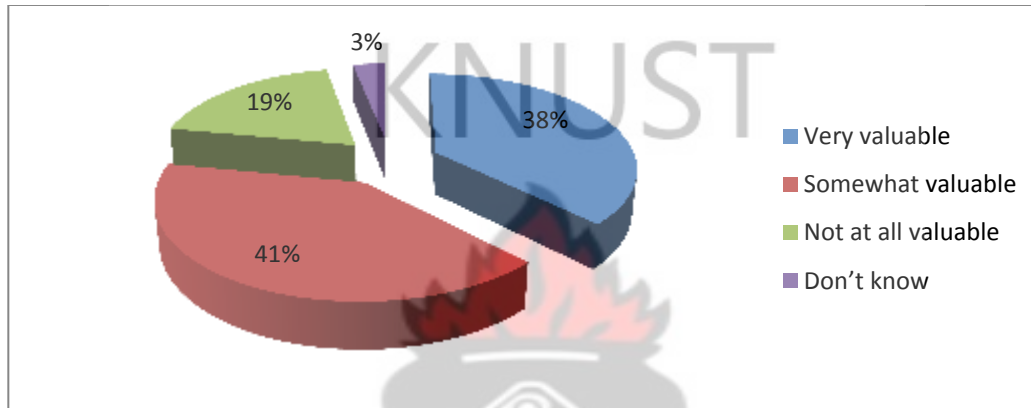


**Figure 4.6 Work environment for the performance of procurement functions**

**Source: Researcher's Field Work, Oct, 2013**

#### ***Value to disclosed procurement anti- corruption programme and control***

The study undertaken brought to the fore that 41% of the Respondents Indicated That Procurement Anti-Corruption Programme And Controls Are Somewhat Values And 3% Of The Respondent Do Not Know Procurement Anti-Corruption Programmes And Control.



**Figure 4.7 Value to disclosed procurement anti- corruption programme and control**

**Source: Field Survey, October, 2013**

#### ***Respondents view of corruption?***

From the survey conducted, it was deduce from respondents views that, the issue of corruption has become more important over the past 5 years, and Corruption is a cost of doing business and cannot be eradicated with respondent views representing 34.38% and 3.23 % respectively.

This is shown in the Table below

**Table 4.1 Respondent view on corruption**

Description	No.	Percentage
The issue of corruption has become more important over the past 5 years	16	51.61
The issue of corruption will become more important over the next 5 years	4	12.90
Regulatory enforcement action has been strengthened over the past 5 years	7	22.58
Regulatory enforcement action will be strengthened over the next 5 years	3	9.68
Corruption is a cost of doing business and cannot be eradicated	1	3.23
<b>Total</b>	<b>31</b>	<b>100.00</b>

Source: Researcher's Field Work, Oct, 2013

***Corruption which are prevalent among roads Construction companies/Procurement officers/Consultants?***

The study made a comprehension to the fact that there were several forms of corruption and prevalent among them was the Non-cash payments (company products, services, favours, etc.). 48.48% of the respondents confirmed that Non-cash payments was the prevalent form of corruption whilst 1.52% of respondent were of the view that Direct payments (e.g., payments made directly from company bank accounts or petty cash) were more prevalent.

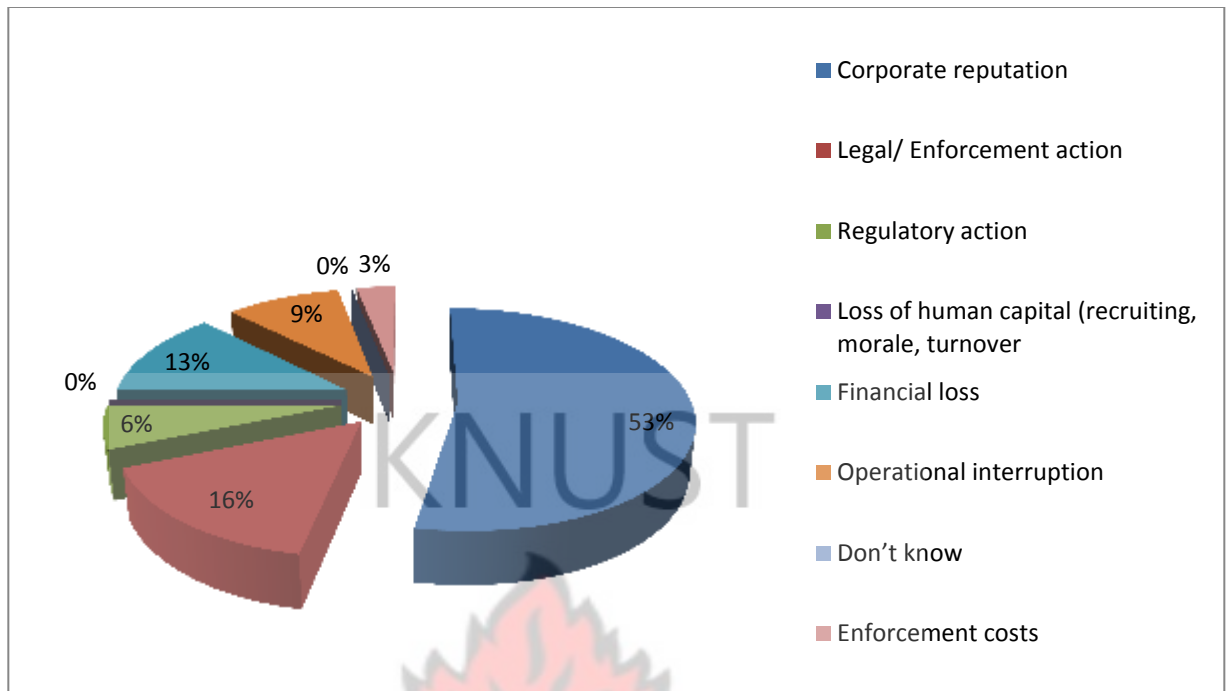
**Table 4.2 Corruption which are prevalent among roads Construction companies/Procurement officers/Consultants?**

Description	No.	Percentage
Indirect payments (e.g., payments to agents, intermediaries or other third parties)	32	48.48
Inappropriate gifts, hospitality, entertainment, travel	10	15.15
Non-cash payments (company products, services, favours, etc.)	7	10.61
Sponsorships (e.g., for an event or participation at an event) or donations to extortionist's preferred causes	6	9.09
Political donations	8	12.12
Employee expenses (e.g., bribes made via employee/ corporate credit cards)	2	3.03
Direct payments (e.g., payments made directly from company bank accounts or petty cash)	1	1.52
Other	0	0.00
Don't know	0	0.00
<b>Total</b>	<b>66</b>	<b>100.00</b>

**Source: Researcher's Field Work, Oct, 2013**

***The impact of procurement corruption in an organization***

The study sought to found out the impact of procurement corruption to organization of the respondent. It was revealed from the study that 53% of respondent indicated that procurement corruption would severely affect the corporate reputation and 3% of respondent indicated that procurement corruption will severely affect regulatory actions.

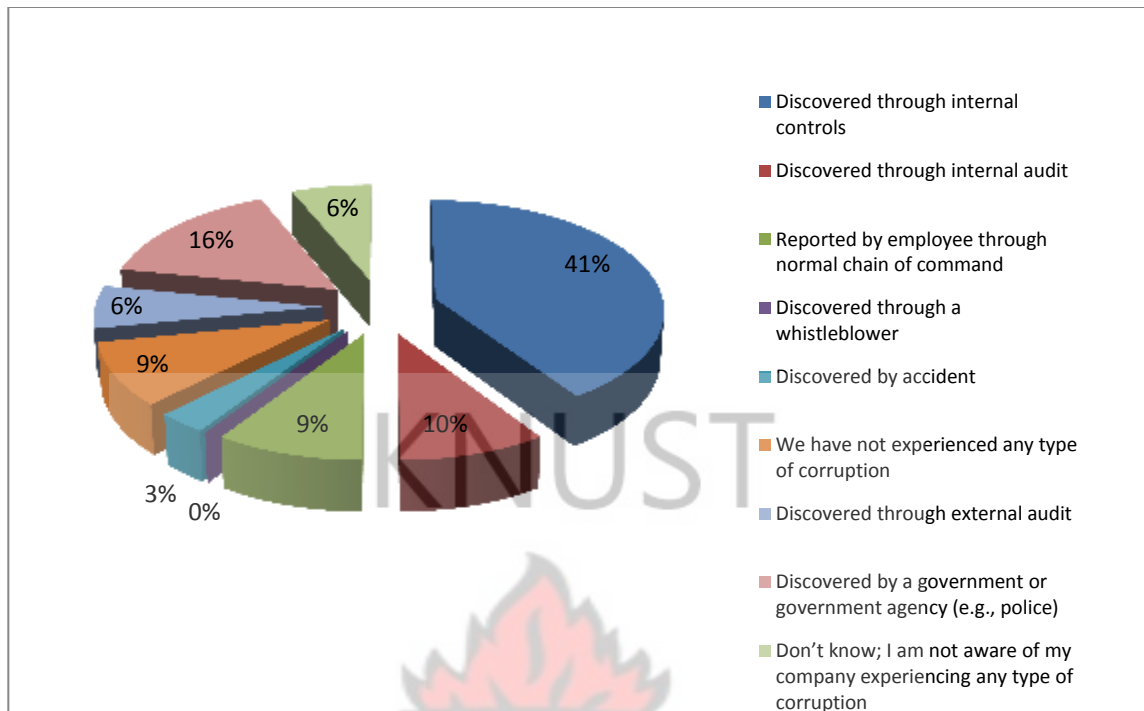


**Figure 4.8 The impact of procurement corruption in an organization**

**Source: Researcher's Field Work, Oct, 2013**

***How corruption (attempted or actual), was discovered***

From the analysis of the respondents views, we can confidently say that corruptions whether actual or attempted has been discovered through internal control which is depicting from the figure below as high as 41%, with discovering through external audit been the least with 3%



**Figure 4.9 How corruption (attempted or actual), was discovered**

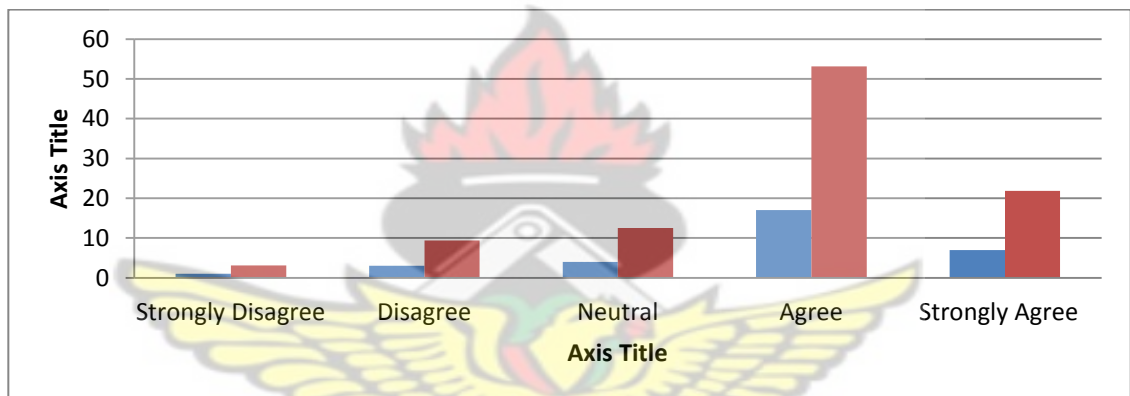
**Source: Researcher's Field Work, Oct, 2013**

*Company withdrawn from a tender in the past because it concerned the expectation of “personal favours.”*

It was discovered that 53.13% of the respondent agree that their organization has withdrawn from a tender in the past as a result of over expectation of personal favour and 3.13% strongly disagreed that their organization has withdrawn from a tender in the past as a result of over expectation of personal favour.

**Table 4.3 Company withdrawn from a tender in the past because it concerned the expectation of “personal favours.**

Description	No.	Percentage
Strongly Disagree	1	3.13
Disagree	3	9.38
Neutral	4	12.50
Agree	17	53.13
Strongly Agree	7	21.88
<b>Total</b>	<b>32</b>	<b>100</b>



**Figure 4.10 Company withdrawn from a tender in the past because it concerned the expectation of “personal favours.**

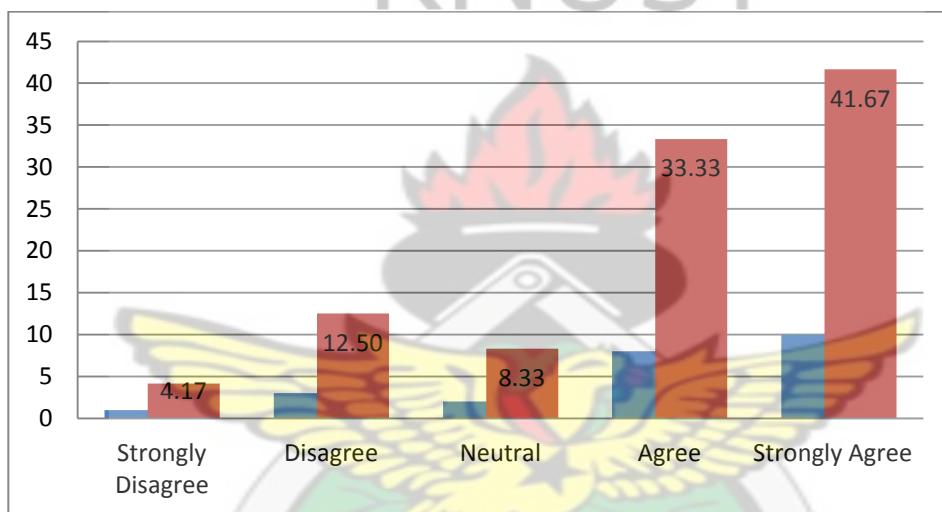
**Source: Researcher’s Field Work, Oct, 2013**

***Company lost bids due to corrupt handling the bidding.***

The study revealed that some organization lost bids due to corrupt officials on handling the bidding. 41.67% of respondents agreed that their organization lost bids due to corrupt officials on handling the bidding 4.17% strongly disagreed that their organization lost bids due to corrupt officials on handling the bidding.

**Table 4.4 Company lost bids due to corrupt officials handling the bidding.**

Description	No.	Percentage
Strongly Disagree	1	4.17
Disagree	3	12.50
Neutral	2	8.33
Agree	8	33.33
Strongly Agree	10	41.67
<b>Total</b>	<b>24</b>	<b>100</b>



**Figure 4.11 Company lost bids due to corrupt officials handling the bidding.**

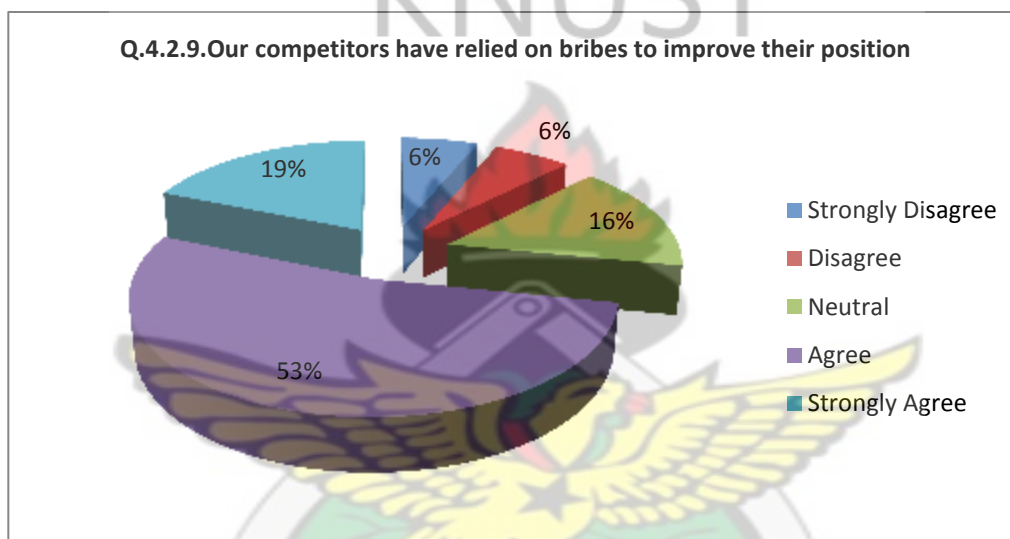
**Source: Researcher's Field Work, Oct, 2013**

***Competitors relied on bribes to improve their position***

The study revealed that some organization relied on bribes to improve their chances of winning projects. 46.88% of respondents agreed that some organization relied on bribes to improve their chances of winning projects whilst 4.17% strongly disagrees.

**Table 4.5.Competitors relied on bribes to improve their position**

Description	No.	Percentage
Strongly Disagree	2	6.25
Disagree	2	6.25
Neutral	5	15.63
Agree	17	53.13
Strongly Agree	6	18.75
<b>Total</b>	<b>32</b>	<b>100</b>



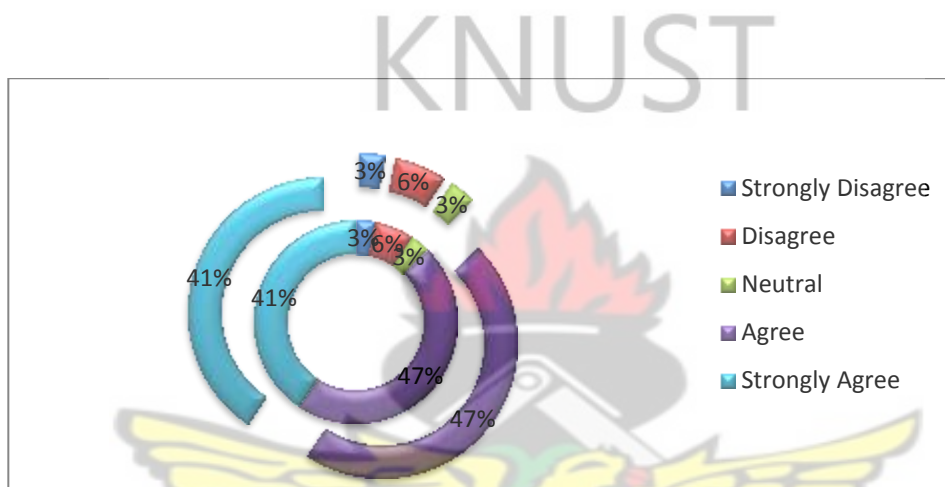
**Figure 4.12 Competitors relied on bribes to improve their position**

Source: Researcher's Field Work, Oct, 2013

### **4.3.3 Motivational And Incentives Of Individual Procurement Officials To Engage In Such Corruption Views about what Influences the Opportunities for Corruption**

Respondents accessed the various reasons that influences the opportunity for corruption in the roads sector in Ghana.

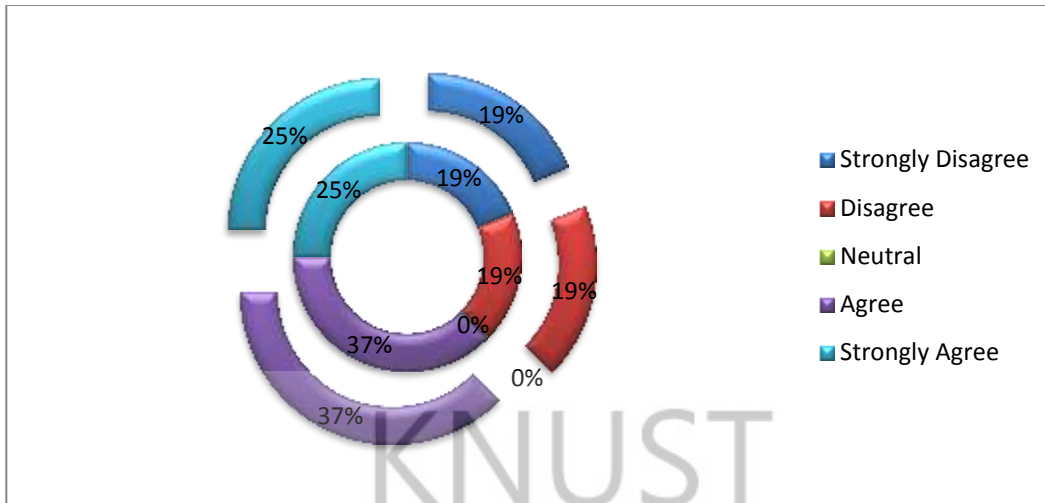
Among these are the Size of the Contract as an avenue that influences the opportunity for corruption. 47% responses agreed that Bribes tend to be calculated as percentages of the total contract amount. Thus, the more money involved the higher potential kickback whilst 3% strongly disagreed to the fact that size of the contact can influence corruption. This is shown in the figure below.



**Figure 4.13.1a Size of the contract**

**Source: Researcher's Field Work, Oct, 2013**

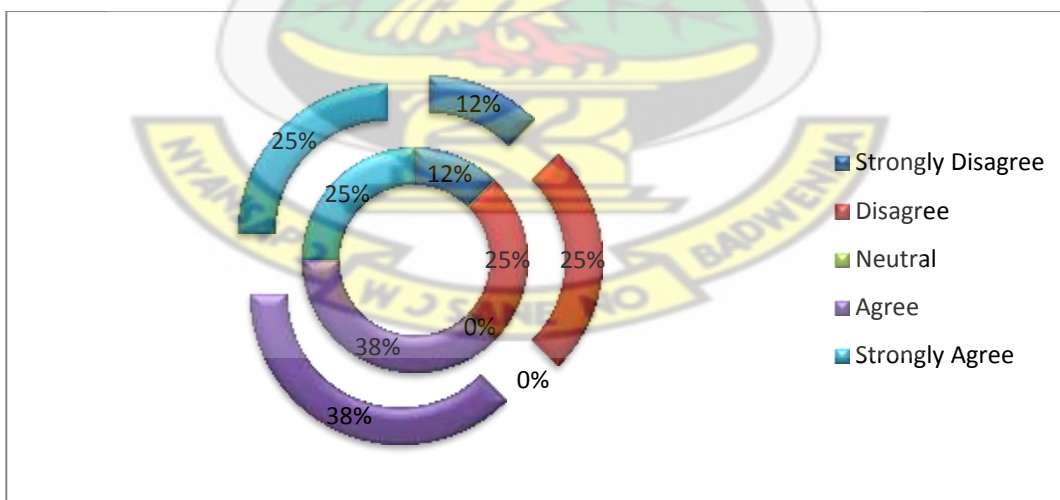
The figure below shows that 37% of respondent agreed that high level technology involved in a contract, tends to be more difficult to evaluate whether the price paid for a good is realistic or not and 19% disagreed to the issue that complexity of technology can influence the level of corruption.



**Figure 4.14.1b Complexity of technology**

**Source: Researcher's Field Work, Oct, 2013**

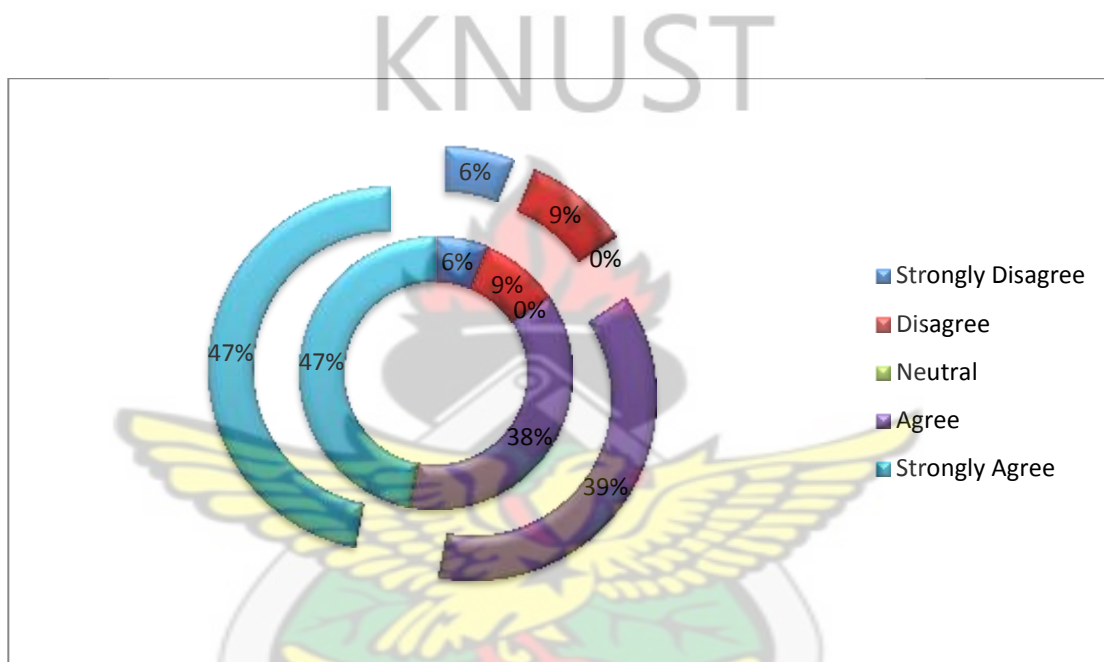
Using the discretion of procurement officers as a factor that influences corruptions 38% of respondents agreed that the more a procurement officer influences demand and preferences, the easier it is for him/her to take part in corruption whilst 12% strongly disagree.



**Figure 4.15.1c. Discretion**

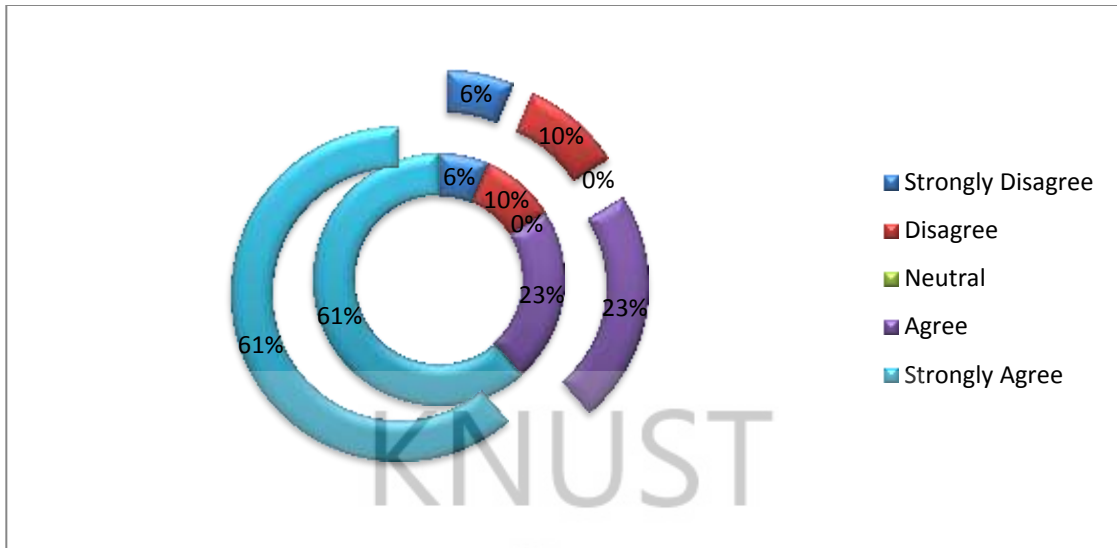
**Source: Researcher's Field Work, Oct, 2013**

Lack of financial controls was considered as one of the factors that can influence corruption by the respondent. 47% of the respondents strongly agreed that with weak systems of oversight and enforcement, the chances of being caught in corrupt acts are smaller, and may therefore lead to a higher level of corruption. Whilst 6% strongly disagreed to the fact that lack of financial control influences corruption.



**Figure 4.16.1d. Lack of financial controls**

**Source: Researcher's Field Work, Oct, 2013**

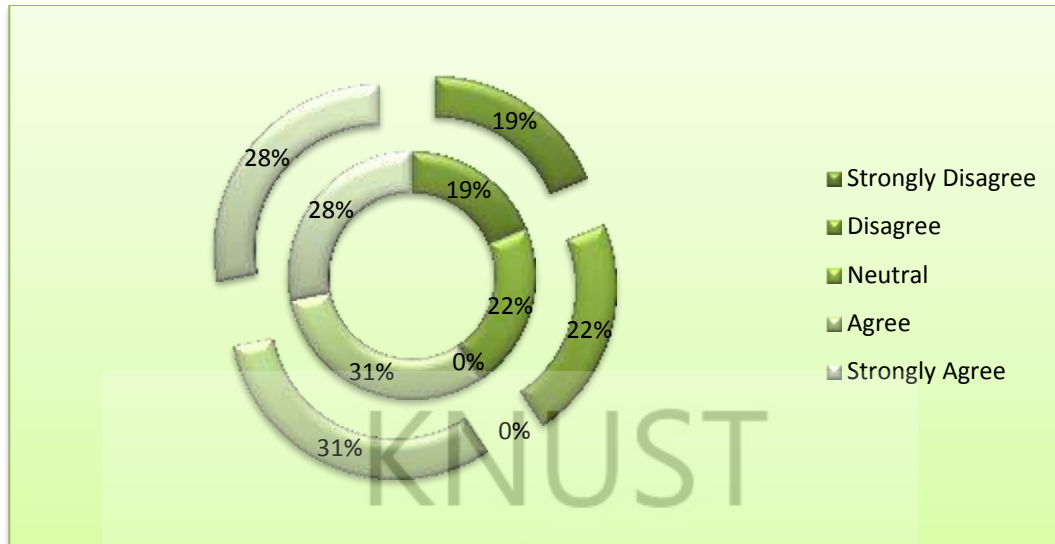


**Figure 4.16.1e. Restricted access to information**

**Source: Researcher's Field Work, Oct, 2013**

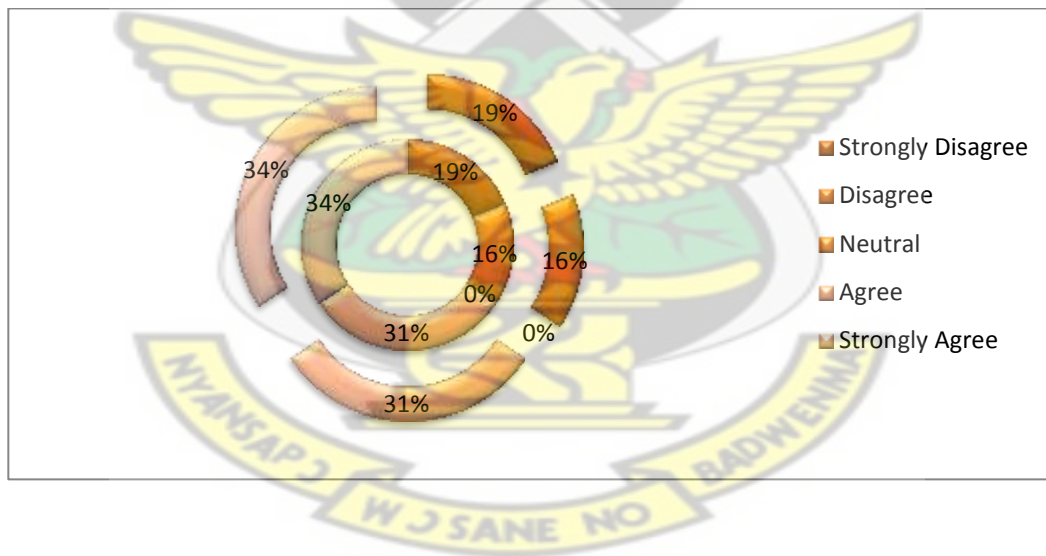
The figure above shows that 61% of responses strongly agreed that, when there is poor transparency concerning executive decisions, and especially combined with the lack of public demand for information, this can have a boosting effect on the corruption level. Whilst 6% strongly disagreed.

As shown in the figure below, funding schemes are some of the factors that are likely to influence corruption within an organization. Responses from 31% respondent indicated that, the promotion of funding schemes such as direct budget support and sector wide approaches may increase the opportunities to take part in corruption due to fewer possibilities for financial control and 19% of respondent strongly disagreed to the issue that funding schemes influences corruption.



**Figure 4.18.1f Funding Schemes**

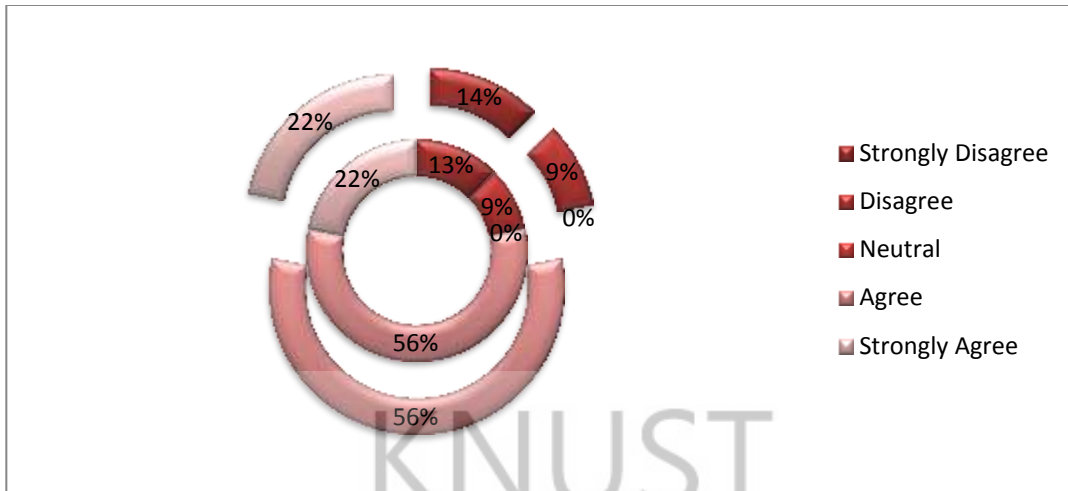
**Source: Researcher's Field Work, Oct, 2013**



**Figure 4.19.1g. Immediacy:**

**Source: Researcher's Field Work, Oct, 2013**

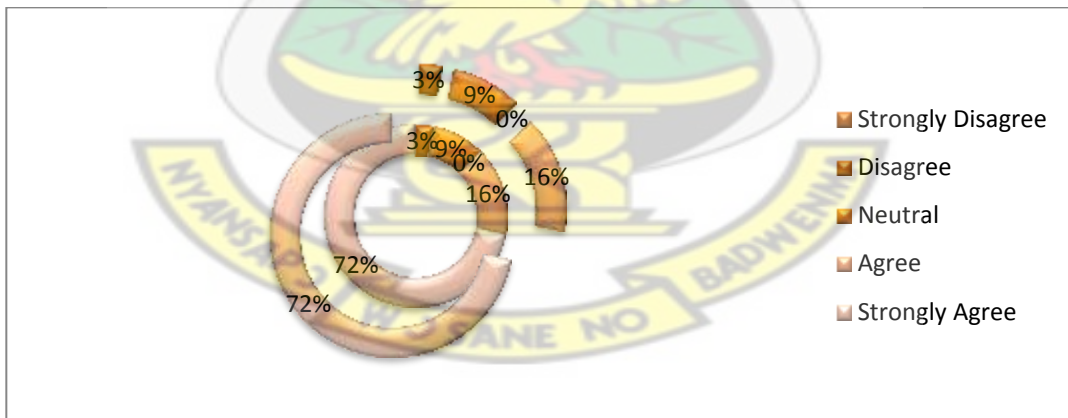
The study further revealed that 34% of respondent strongly agree that the more urgent it is to complete a contract, the more opportunities there are to inflate the price of the contract and 16% disagreed.



**Figure 4.20.1h. Soft social control**

**Source: Researcher's Field Work, Oct, 2013**

From the figure above, it is indicated that soft social control also influences corruption within an organization. The study shows a significant percentage of 56% of respondent revealed that, the acceptance for corruption-like practices differs between countries and 9% strongly disagree.



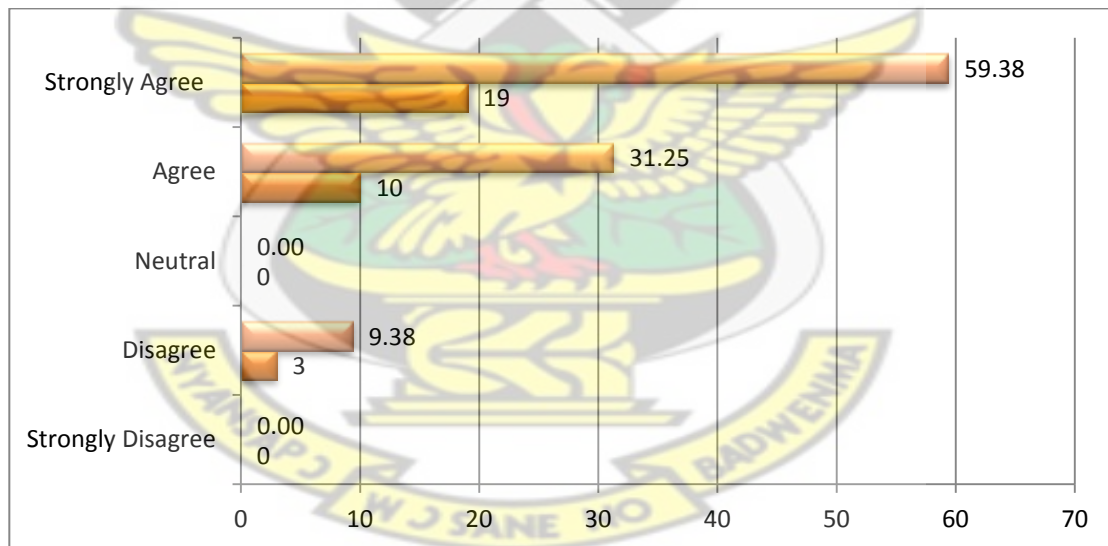
**Figure 4.21.1i. Conflict of interest:**

**Source: Researcher's Field Work, Oct, 2013**

From the figure above, a whopping 72% of respondent agreed whilst a meager 3% strongly disagree with the assertion that the risk of corruption increases when public duties and the private interest of an involved actor are conflicting, because there is a chance that the public position might be exploited to the advantage of the private interests.

#### ***Views about the incentive for a procurement officer to take part in corruption***

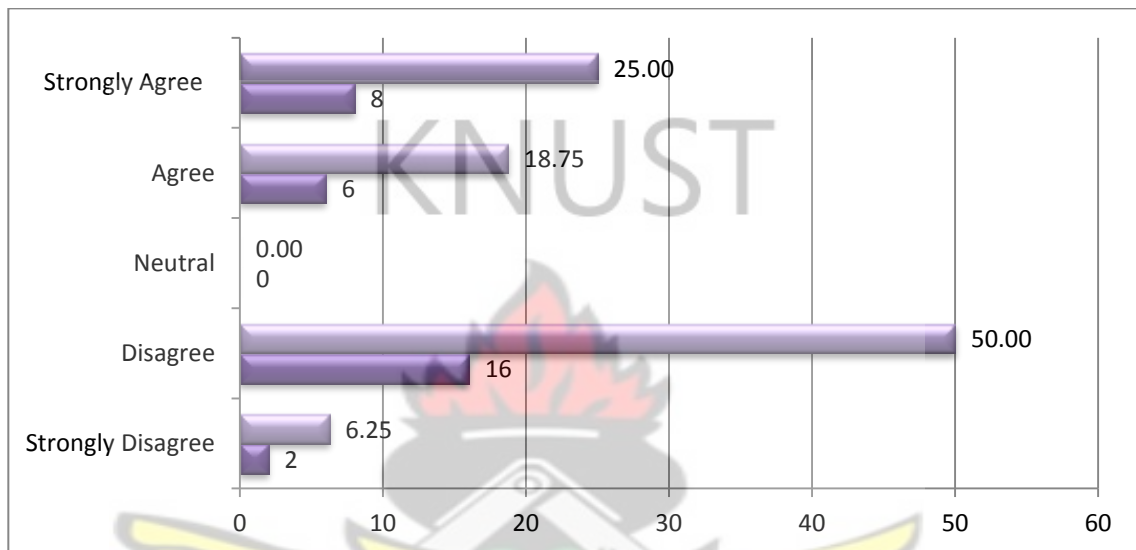
The figure below depicts are incentive that will entice a procurement officer to take part in corruption. The figures further explain the responses from the respondent from the study conducted.



**Figure 4.22.2a. The value of possible benefits**

**Source: Researcher's Field Work, Oct, 2013**

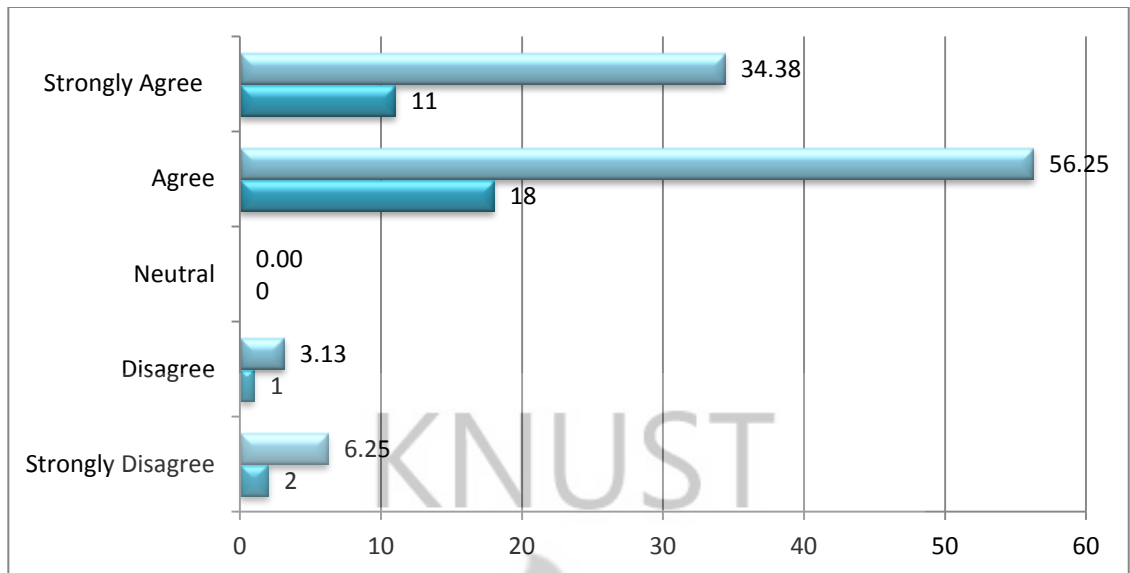
59.38% responses from respondents indicated that they strongly agreed and 9.38% strongly disagrees that the value of benefits as an incentive will enable procurement officers to take part in corruption.



**Figure 4.23.2b. Professional integrity**

**Source: Researcher's Field Work, Oct, 2013.**

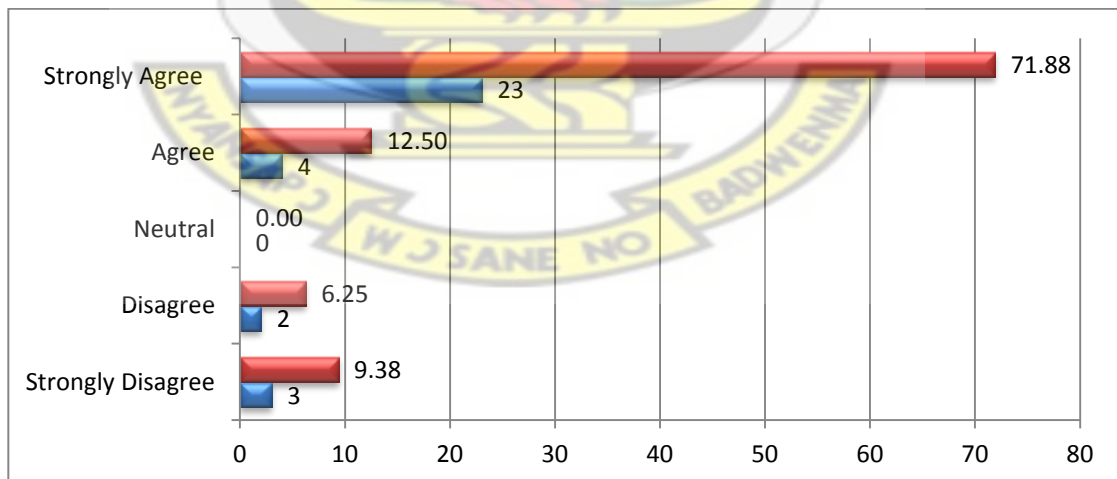
Using professional integrity as bases to determine whether procurement officers takes bribes, 50% of the respondent as shown in the figure above made it emphatically clear that, they disagree whilst 6.25% agrees that professional integrity determine whether procurement officer takes bribes.



**Figure 4.24.2c. The actual need of the procurement officer**

**Source: Researcher's Field Work, Oct, 2013**

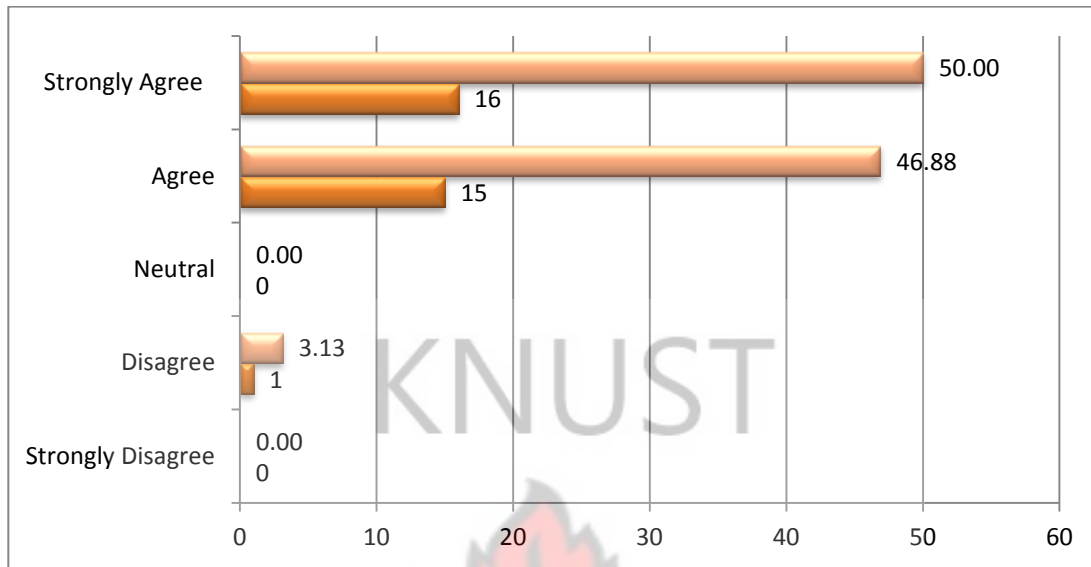
The figure above further explains that, the actual needs of a procurement officer can serve as an incentive to influence him/her to take part in corruption. 56.25% of the respondent agrees and 3.13% disagrees.



**Figure 4.25.2d. Lack of monitoring, supervision and sanctions**

**Source: Researcher's Field Work, Oct, 2013**

*Creating a level playing field is crucial to my organization's future working activities.*



**Figure 4.26.3a Creating a level playing field is crucial**

**Source: Researcher's Field Work, Oct, 2013**

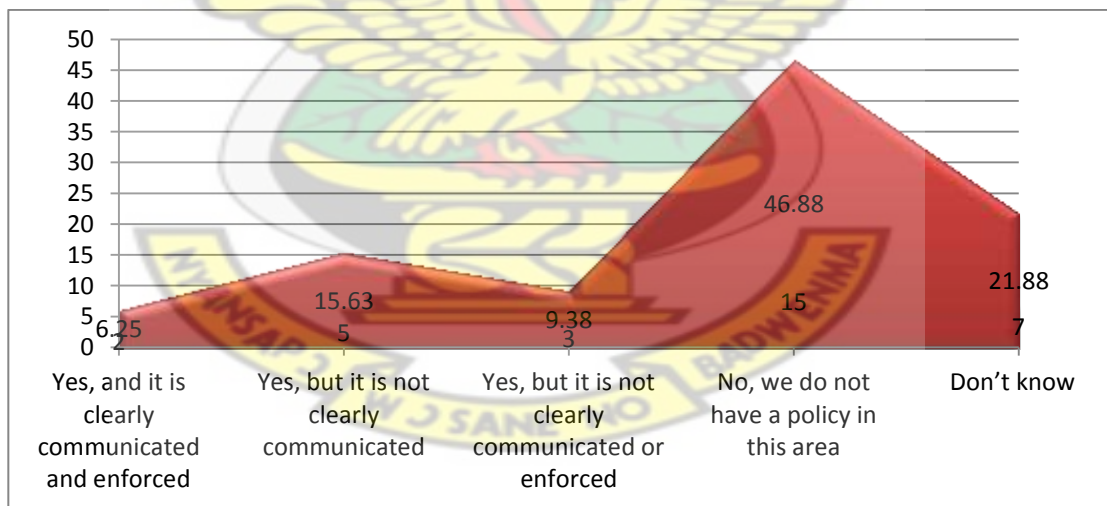
Some respondent made it known that creating a level playing field is crucial to their organization's future working activities. The figure below illustrate that 50% responses strongly agreed Whilst 3% disagree to the issue that creating a level playing field is crucial to their organization's future working activities as an incentive for procurement officers to take part in bribes.

#### 4.3.4. To Identify A Set Of Process That Can Be Implemented At The Roads Sector Level To Minimize The Potentials For Corruption

*Specific global programme that includes policies and controls designed to prevent and detect corruption,*

**Table 4.6 Does your organization have a specific global programme**

Description	No.	Percentage
Yes, and it is clearly communicated and enforced	2	6.25
Yes, but it is not clearly communicated	5	15.63
Yes, but it is not clearly communicated or enforced	3	9.38
No, we do not have a policy in this area	15	46.88
Don't know	7	21.88
<b>Total</b>	<b>32</b>	<b>100</b>



**Figure 4.27 Does your organization have a specific global programme**

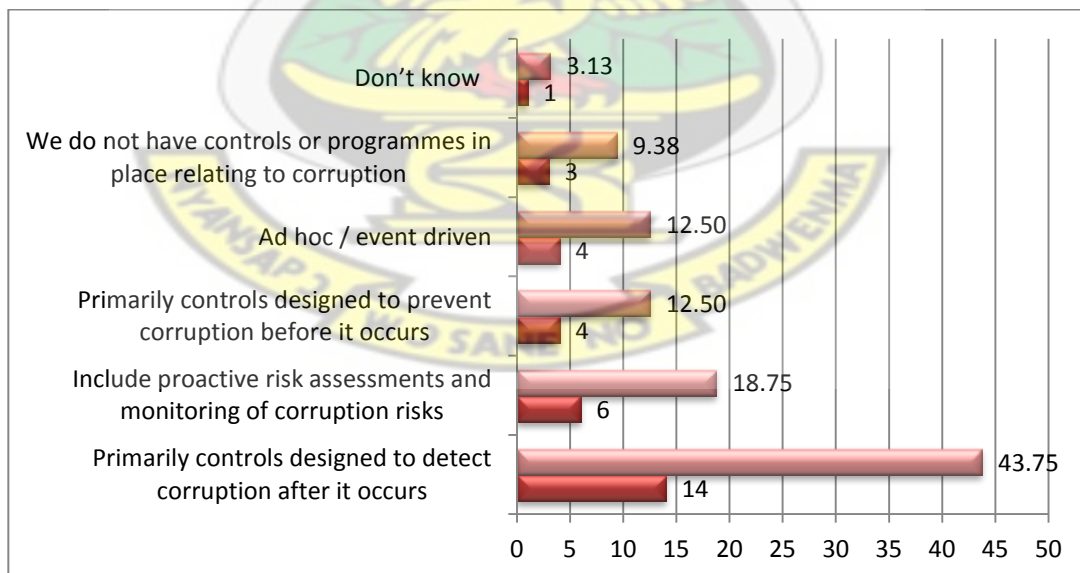
**Source: Researcher's Field Work, Oct, 2013**

From the figure above 46.88% respondents revealed that they do not know of any global programme that includes policies and controls designed to prevent and detect corruption in their organization and only 9.38% revealed that their organization had.

***Description of Controls And Programmes related to corruption of an organization.***

**Table 4.7 How to describe the controls and programmes**

Description	No.	Percentage
Primarily controls designed to detect corruption after it occurs	14	43.75
Include proactive risk assessments and monitoring of corruption risks	6	18.75
Primarily controls designed to prevent corruption before it occurs	4	12.50
Ad hoc / event driven	4	12.50
We do not have controls or programmes in place relating to corruption	3	9.38
Don't know	1	3.13
<b>Total</b>	<b>32</b>	<b>100</b>



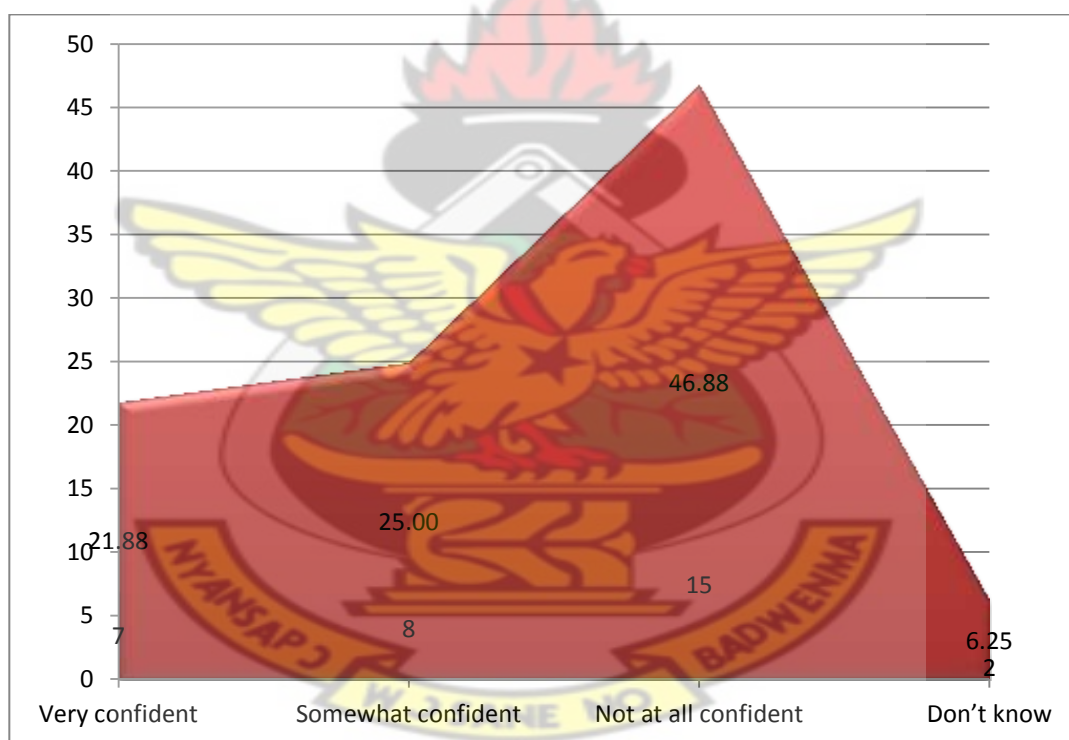
**Figure 4.28 How to describe the controls and programmes**

**Source: Researcher's Field Work, Oct, 2013**

Responses indicated that 43.75% of the respondent did not know how to describe their organization controls and programmes related to corruption and 3.13% of respondent revealed that they primarily controls designed to detect corruption after it occurs.

### **How controls/ programmes can identify and mitigate corruption risk**

The figure below indicates that, 46.88% of respondent are not confident at all that controls/ programmes can identify and mitigate corruption risk and 25% are somewhat confident that controls/ programmes can identify and mitigate corruption risk



**Figure 4.29. How controls/ programmes can identify and mitigate corruption risk**

**Source: Researcher's Field Work, Oct, 2013**

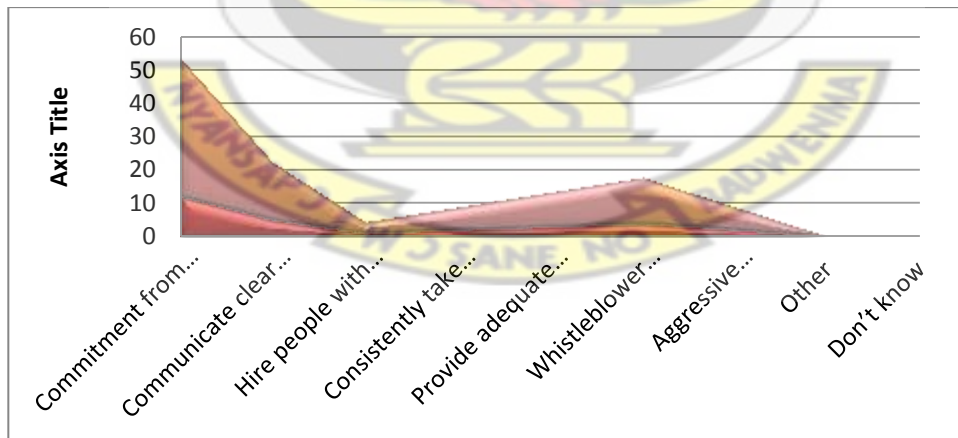
*Effective ways to minimize the likelihood of corruption at a organization.*

**Table 4.8. Ways to minimize the likelihood of corruption in an organization**

Description	No.	Percentage
Commitment from senior management	12	41.38
Communicate clear guidelines policies	5	17.24
Hire people with high ethical standards	1	3.45
Consistently take action against all perpetrators	2	6.90
Provide adequate training	3	10.34
Whistleblower hotlines	4	13.79
Aggressive enforcement by regulatory agencies	2	6.90
Other	0	0.00
Don't know	0	0.00
<b>Total</b>	<b>29</b>	<b>100.00</b>

**Source: Researcher's Field Work, Oct, 2013**

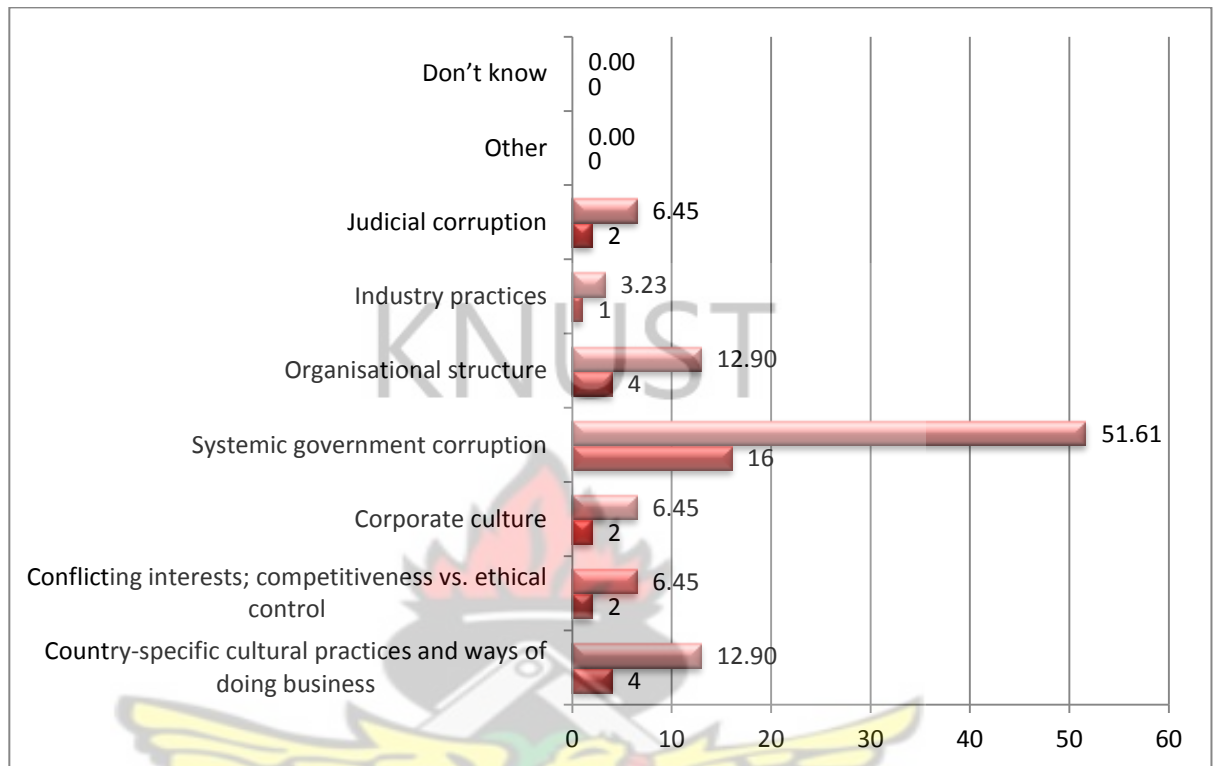
As depicted in the table above, 36.36 % respondent revealed that commitment from senior management is the most effective ways to minimize the likelihood of corruption in their organization and 3% indicated that the hire of people with high ethical standards will be most the most effective ways to minimize the likelihood of corruption in their organization.



**Figure 4.30 Ways to minimize the likelihood of corruption in an organization**

**Source: Researcher's Field Work, Oct, 2013**

*Views of the greatest barriers to implementing a successful procurement anti-corruption programme at your organization?*



**Figure 4.31. Barriers to implementing procurement anti-corruption programme**

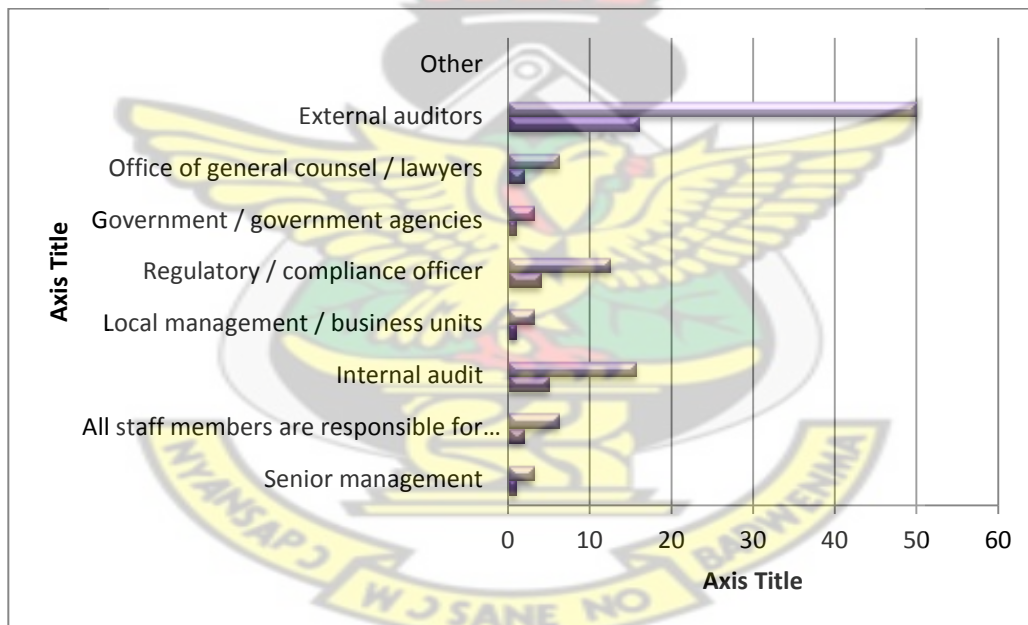
**Source: Researcher's Field Work, Oct, 2013**

The above figure indicated with 51.61% respondent agreeing that the greatest barriers to implementing a successful procurement anti-corruption programme at their organization is as a result of the systemic government corruption whilst 3.03% respondents revealed that Industry practices are the greatest barriers to implementing a successful procurement anti-corruption programme.

*Views on who is primarily responsible for preventing corruption in an organization*

**Table 4.9 Persons responsible for preventing corruption in an organizations**

Description	No.	Percentage
Senior management	1	3.13
All staff members are responsible for their own ethical high standards	2	6.25
Internal audit	5	15.63
Local management / business units	1	3.13
Regulatory / compliance officer	4	12.50
Government / government agencies	1	3.13
Office of general counsel / lawyers	2	6.25
External auditors	16	50.00
Other	0	0.00
<b>Total</b>	<b>32</b>	<b>100.00</b>



**Figure 4.32 Persons responsible for preventing corruption in an organizations**

The above in figure depicted that, 50.00 % respondent revealed external auditors are primarily responsible for preventing corruption at organization in their organization and 3% indicated that senior management.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 INTRODUCTION**

The fight against corruption continues to engage governments, donor partners and civil society's highest attention as a result of its damaging ramifications on the socio-economic development of any country, especially developing ones.

Corruption has become an 'anti-development virus'. It thrives where there is arbitrary use of discretion in making procurement decisions and awarding of contracts without strict adherence to laid down rules and procedures.

Addressing corruption in Public Sector Procurement is an indispensable element of any effective strategy for harnessing and promoting the socio-economic well being of the people by ensuring the prudent use of state resources. Fighting procurement corruption probably means, strengthening compliance mechanisms and ensuring strict adherence to the principles of probity and accountability.

This report examines what the road sector is currently doing to manage the risk of corruption and what steps they should take to better protect themselves in the future. The research is based on two types of information. First, survey of a total sample of thirty two (32) was conducted and supplemented with an in-depth interviews with 4 samples, One (1) each from the Department of Urban, Ghana Highways Authority, Department of Feeder Roads and a Road Contractor

## 5.2 SUMMARY OF FINDINGS

### 5.2.1 To identify the avenues for corruption in the road sector procurement of works in Ghana

In our bid to assess the avenues for corruption in the road sector procurement, most samples in the survey increasingly admitted and recognized their vulnerability to corruption:

- Among survey respondents, **41%** indicated that they have experienced some form of actual or attempted corruption.
- Enforcement is rising, with **51.61%** saying it has increased in the last five years, and **22.58%** anticipating that regulatory enforcement action has been strengthened over the past five (5) years.

There is a strong and strategic case for having an anti-corruption strategy that goes beyond avoiding potential enforcement penalties:

- Almost **48.48%** of respondents say the most prevalent corruption form among roads construction companies/procurement officers/consultants are indirect payment to agents, intermediaries or other, **41.67%** say their company has lost a bid because of corrupt officials, and **53.13%** say their competitors pay bribes to improve their position.
- If corruption was discovered, **53.13%** say the most severe impact would be to corporate reputation. This is greater than the combined total of those who say legal, financial and regulatory impacts would be the most severe.

### **5.2.2 To identify the motivational and incentive of individual procurement official to engage in corruption.**

In our attempt to identify the motivations and incentives of the individual procurement official to engage in such corrupt practices revealed that, about **47%** of the respondent agreed that the size of the contract greatly motivates the individual procurement official as bribes are calculated as percentage of the total contract amount. thus, the more money involved the higher potential kickback.

Also, 61% of respondents believed that, when there is poor transparency concerning executive decisions, and especially combined with the lack of public demand for information, this can have a boosting effect on the corruption level among procurement officials, more so, conflict of interest is determined by **72%** of the respondents as been the factor that influences the opportunities for corruption in the road sector. They agreed that, the risk of corruption increases when public duties and the private interest of an involved actor are conflicting, because there is a chance that the public position might be exploited to the advantage of the private interests.

However respondents from the interview intimated that a better understanding of corruption will help them compete more effectively, make better decisions, improve corporate social responsibility and enter or explore new markets.

Fifty percent of respondents believe a level playing field is crucial to their organization's future working activities. While organizations are generally responding to the risk of corruption, many of their underlying policies and controls do little to identify and mitigate risk due to poor design or implementation.

### **5.2.3 To identify a set of process issues that can be implemented at the road sector level to minimize the potential of corruption.**

In our bid to identify a set of process that can be implemented at the roads sector level to minimize the potentials for corruption, respondents were questioned to determine whether their organizations have a specific global programme that includes policies and controls designed to prevent and detect corruption, Almost **7 %** of respondents say their organizations has some form of programme in place to prevent and detect corruption, but as much as **41.88%** are very confident that they do not have any policy in their organization designed to prevent and detect corruption. Slightly less than **45%** described the controls and programmes as Primarily controls designed to detect corruption after it occurs while **9.38%** say they have no idea of any communication or the enforcement of their anti-corruption programme in place. Rigorous risk assessment, a crucial step in programme design, is overlooked by more than half of those surveyed, and only **18.75%** perform proactive risk assessments or monitoring. Only **25%** of respondents believe their current controls are effective at identifying high-risk corruption partners.

Effective anti-corruption programmes not only mitigate risk but can also enhance corporate reputation and establish credibility.

Having an anti-corruption programme in place and publicizing it is seen as valuable or very valuable to a organization's brand by respondents. Having a public report by an independent auditor stating that an anti-corruption programme is in place and operating effectively is considered valuable or very valuable to external stakeholders by **76%** of the respondents.

### 5.3 CONCLUSION

Overall, the survey indicates that road sector in Ghana is more keenly aware than ever of the dangers of corruption. Yet, more work is needed by the road sector to produce anti-corruption programmes that are well-designed, comprehensive, clearly communicated and enforced. Efforts by governments, donor partners and civil society's organizations in the last decade have given the fight against corruption considerable momentum. But significant challenges lie ahead. Government, donor partners and civil society's organizations all have vital roles to play: governments to implement and enforce anti-corruption measures, donor partners and civil society's organizations to implement and vigorously enforce anti-corruption programmes. Each must assume their responsibility to create and sustain an environment that delivers the best resources at the best value to their stakeholders.

### 5.4 RECOMMENDATIONS

#### 5.4.1 Risk assessment

In the survey, **18.75%** of respondents say their company always considers the risk of corruption when making significant business decisions. Dig deeper into the findings and problems emerge. Among respondents, only **12.5%** describe the corruption risk assessment at their company as rigorous, which means that **87.5%** of companies limit the effectiveness of their programmes. Thoroughly proper risk assessment allows organizations to focus resources on key risks instead of chasing the hot topic of the day. Only **18.75%** of respondents say their organization performs proactive risk assessments or monitoring. Little wonder then that only **43.75%** of respondents believe their controls are effective at identifying high-risk partners.

A comprehensive corruption risk analysis may persuade a organization to avoid certain markets or partners altogether because the possibilities of becoming involved in corruption are judged too high. But it can also equip the organization within the road sector in Ghana to stride with confidence into a challenging environment, knowing that it has identified key risks and can design processes to manage corruption risk.

#### **5.4.2 Communication and training**

The world's best-designed anti-corruption programme is not enough by itself. Employees must also know about it and understand that there will be sanctions if they transgress. The survey highlights the continuing challenges in this area. Among all respondents, only **17.24%** say their organization's programme is clearly communicated and enforced, while **6.25%** see problems with either communication or enforcement. Notably, **46.88%** say their organization does not have a programme that includes policies and controls designed to prevent and detect corruption. The larger organizations appear to be doing a better job in this respect.

Too many organizations fail when it comes to implementation, says Mr. Brooks of Transparency International: "They don't do too badly on the policy. And they do understand that it's part of risk management. But then they sit back and say: 'Well, we'll just put it on notice boards, we'll put it on our website, and then everyone inside and outside the company knows about it.'" Experience shows more effort is needed.

There was some disagreement among those interviewed for this report as to whether programme implementation should be primarily a top-down affair, or whether employees should be actively involved at all stages of the process. A company must have both, "You must have a clear commitment from top down, clear enforcement from

the top down, but also encourage the many grassroots, bottom-up endeavors within the company.” There was no disagreement, however, on the importance of training to ensure that the values incorporated in the anti-corruption programme are translated into real action on the ground. The workers in the road sector in Ghana should be constantly educated to under-stand their respective roles and responsibilities in the fight against procurement corruption using the procurement law. I believe that understanding the operational intricacies of the procurement process through the ‘windows’ of Act 663 will help public procurement stakeholders contribute meaningfully to this important endeavor.

#### **5.4.3 Sanctions**

Even the strictest guidelines will eventually be ignored unless there is a penalty for not following them. The survey indicates that respondents place a high degree of importance on consistent sanctions as a means of minimizing corruption. The penalty may not necessarily be immediate and tailored, but it must be consistently enforced. “You have to support the system with a sanctions policy, which again, needs to be fair and open and as transparent as possible, because you obviously need to protect people’s privacy,” says Mr. Brooks of Transparency International.

Although no public procurement system will likely ever be fully free of all corruption, a system that promotes transparency, efficiency, economy, fairness and accountability will be a system where corrupt activities will be more difficult to conceal and will be easier to punish administratively or criminally. The aforementioned principles are the basic tenets in the Public Procurement Act 663.

#### 5.4.4 Monitoring

No company would put a health and safety programme in place and then just assume that it works. Treating an anti-corruption programme this way greatly increases the possibility that there will be problems down the road. In ensuring that the processes actually work, organizations may also uncover suspect transactions and move to correct them long before the problems spread.

In the survey, respondents place internal controls at the top of the list when asked how corruption, either attempted or actual, was discovered at their company. This was followed by internal audit, employees reporting through the normal chain of command, a tip from a whistleblower and by accident.

Internal auditors are part of the monitoring process, although they are more likely to catch corruption after it occurs. The Transparency International guidelines suggest that internal auditors conduct regular tests to ensure the programme is working and is reaching all the right people in the company. Problems should be reported to management and the information used to revise and improve the programme.

To enhance periodic monitoring and establish credibility for their anti-corruption programmes, governmental, non-governmental organisations, donor partners and civil society's should work together to develop means of independent verification.

The ever-changing nature of corruption makes continuous monitoring essential.

“You are not going to entirely put an end to corruption by having some legislation that makes it unlawful to bribe a public official and vigorously enforcing it because the form and methods will change.” Constant monitoring helps companies identify new forms of corruption and adapt their programmes accordingly.

#### **5.4.5 Collaboration by governments and non-governmental organisations**

Recent activity by governments has made the enforcement of anti-corruption laws an increasingly important area for business. Among survey respondents, 52% agree that regulatory enforcement action has strengthened over the last five years and 22% believe it will get tougher still in the next five years. Government action is a critical component in creating the level playing field that road sector in Ghana desire. If government efforts are not sustained and increased, there is a danger that the fight against corruption will suffer. In the survey, 50% of respondents strongly agrees that, a level playing field is crucial to their organization's future business activities.

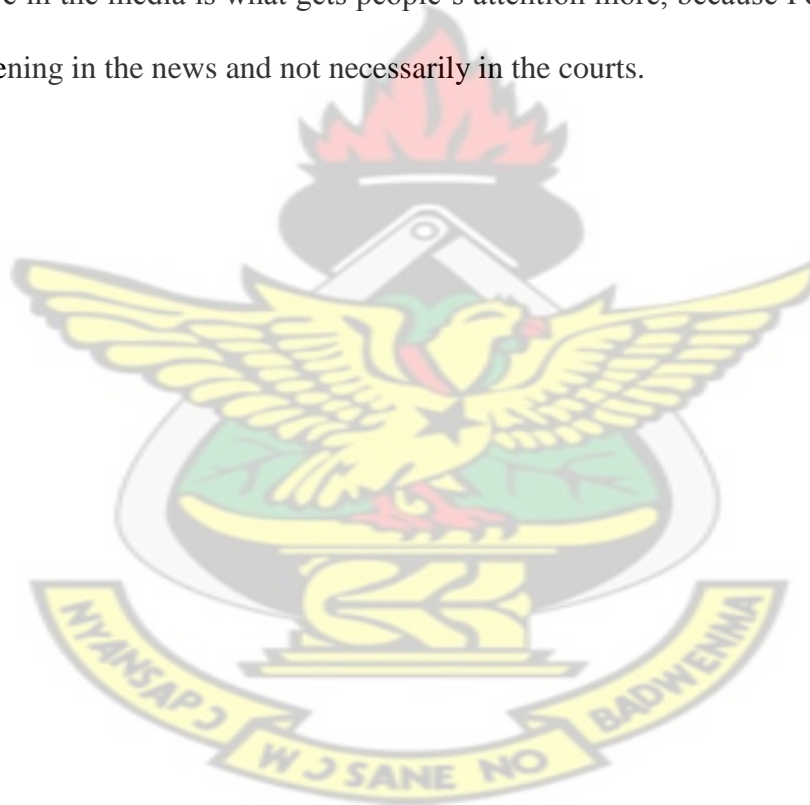
Governments need to somehow find the political will to stop corruption at the source, to get their houses in order if there is going to be significant improvement.

Government of Ghana works to provide road infrastructure through the development banks that they fund, such as the World Bank, the Asia Development Bank and the European Bank for Reconstruction and Development. organizations frequently look to these banks to help reduce the demand side of corruption by setting rules on contracts and helping governments to establish efficient and stable institutions.

In 2007, the international financial institutions agreed to harmonize their approaches to investigating fraud and corruption in their lending programmes, between governments and companies bidding on a project. These pacts, which have been used in more than 80 projects around the world both inside and outside of the World Bank, specify sanctions, which can include cancellation of the contract, liability for damages and disqualification from future government contracts. While stronger enforcement by governments has raised awareness of corruption and its costs, so too have campaigns by watchdog

advocacy groups, chief among them Transparency International. Its programmes and publications have sensitised the international media, and through them the public, knows the prevalence and cost of corruption.

Given the fact that people have become more sensitized to corruption, it is not surprising that respondents to our survey say that a organization's reputation is its most vulnerable asset once corruption is made public. The threat of negative coverage can be a powerful incentive for organizations to ensure they have prevention programmes in place. The exposure in the media is what gets people's attention more, because People follow what is happening in the news and not necessarily in the courts.



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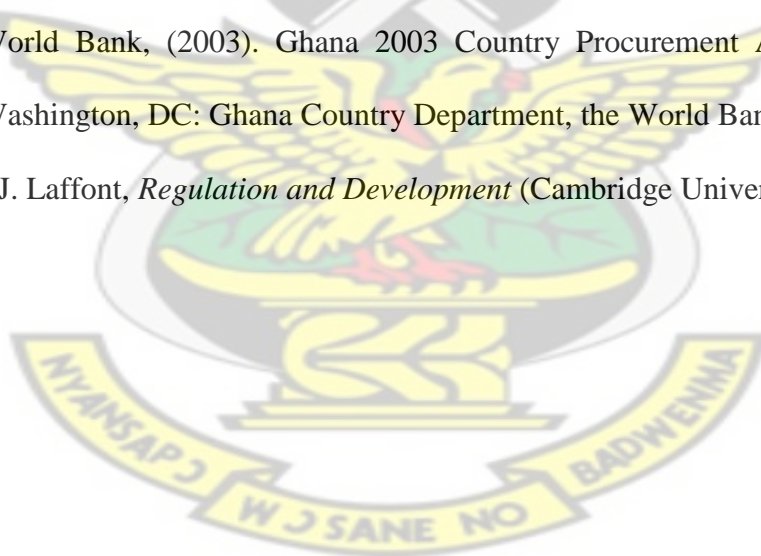
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## APPENDIX 1

### Invitation to Participate



### *Information sheet*

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**Investigator:** Emmanuel Norgah, Bukari (Student)

**Course:** MSc Procurement Management

**Supervisor:** Dr. T. Adjei-Kumi of KNUST

**Study title:** Safeguards Against Corruption in Roads Sector Procurement of Works in Ghana.

### **Invitation to Participate**

---

I, Emmanuel Norgah, Bukari postgraduate student, from the Department of Building Technology of the University of Science and Technology, Kumasi, cordially invite you to participate in a research project entitled “Safeguards Against Corruption in Roads Sector Procurement of Works in Ghana.” The study is part of research being undertaken for dissertation in partial fulfillment of the requirement for the degree of MSc Procurement Management at the University of Science and Technology Kumasi.

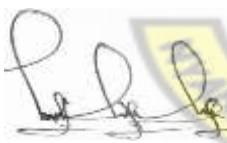
This research seeks to; assess the opportunities for corruption in the road sector procurement of works in Ghana, and identify the motivational and incentives of individual procurement officials to engage in such corruption.

For industry, it aims to also identify a set of process issues that can be implemented at the roads sector level to minimize the potentials for corruption Should you choose to participate, you will be asked to complete the attached questionnaire that is expected to last for 15 minutes.

Participation is voluntary, confidential and anonymous. You are not under any obligation to complete the questionnaire and can withdraw from the study at any point in time or choose not to answer any question which may seems uncomfortable to you.

Findings of the report will be available to you if you include your contact details at the bottom of the questionnaire.

Yours faithfully



Emmanuel Norgah, Bukari (Student)

***Tel: +233-244440522/+233-200828982***

***Email: benorgah@yahoo.com or benorgah@gmail.com***

**Dr. T. Adjei-Kumi** (Supervising Tutor)

***Tel: +233-244536995***

***Email: tadeikum@yahoo.com***

## APPENDIX 2

### Research Questionnaire

### KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

### DEPARTMENT OF BUILDING TECHNOLOGY

### MSc. PROCUREMENT MANAGEMENT

#### *Confidential questionnaire survey*

**Topic: Safeguards against Corruption in Roads Sector Procurement of Works in Ghana**

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#### **Introduction:**

*Procurement is one of the fundamental links in the supply chain of any organization. If this link is not managed efficiently and effectively, there will be serious downstream challenges in the supply chain. Kaufman (2004) estimated that more than US\$1,000 billion is paid annually in bribes, and the volume of bribes exchanging hands for public sector procurement alone to roughly 200 billion dollars per year.*

*The issue of corruption in Ghana has over the years taken a centre stage during discussions about public financial management and by extension public procurement. The subject has become very critical since recent public hearings of the public accounts committee of parliament and various commissions/committees set up by government in recent times have had to deal with procurement related corruption issues. Today, public outcry about judgment debt payments has remained a source of worry for most procurement practitioners since most of the debts have arisen as a result of procurement lapses.*

### **Objectives of the Study:**

1. To assess the avenues for corruption in the road sector procurement of works in Ghana
2. To identify the motivation and incentives of individual procurement officials to engage in such corruption.
3. To provide suggestions that can be implemented at the roads sector level to minimize the potentials for corruption.

**Student** : Mr. Emmanuel Norgah, Bukari (0244-440522)

**Supervisor** : Dr. T. Adjei-Kumi of KNUST

**Internal Examiner** : .....

*Thank you for agreeing to participate in this survey. Please answer the following questions, If you have any questions regarding the completion of this questionnaire, please do not hesitate to contact the address and telephone numbers at the bottom of this survey. All answers you provide in this survey will be kept confidential.*

Please select appropriate box - example

☒

#### 4.3.1.0; SECTION-1 PERSONAL DETAILS

---

Q.4.3.1.1Name(optional):.....

Q.4.3.1.2JobTitle/Position:.....

Q.4.3.1.3What is your profession?

Civil engineer

☐

Quantity Surveyor

☐

Procurement Manager

☐

Construction Manager

☐

Project Manager

☐

Other(*Please*

*Specify*).....

Q.4.3.1.4. What is your highest educational qualification?

CTC/HND

☐

BSc.

☐

MSc.

☐

PhD.

☐

Other(*Please*

*Specify*).....

Q.4.3.1.5. How long have you worked in the road construction industry?

Less than 5 years

5 – 10 years

11 – 15 years

16 – 20 years

Over 20 years

☐☐☐☐☐

Q.4.3.1.6. Which stage of the procurement phases are you involved? *[Tick all that apply]*

Planning phase	Sourcing phase	Contracting phase	Execution phase	Disposal phase
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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#### 4.3.2.0 SECTION-2 TO ASSESS THE AVENUES FOR CORRUPTION IN THE ROAD SECTOR PROCUREMENT OF WORKS IN GHANA

---

Please tick appropriate box to indicate your level of agreement with the following statement:

Q.4.3.2.1.'Your organization is led by senior management with construction procurement experience'

Strongly Disagree      Disagree      Neutral      Agree      Strongly Agree

Disagree

☐
☐
☐
☐
☐

Please tick appropriate box to indicate your level of agreement with the following statement:

Q.4.3.2.2.'There is a conducive and enabling work environment for the performance of procurement functions'

Strongly Disagree      Disagree      Neutral      Agree      Strongly Agree

Disagree

☐
☐
☐
☐
☐

Q.4.3.2.3 What is the value to your organization's reputation and/or brand in having a publicly disclosed procurement anti-corruption programme and controls? *[Tick all that apply]*

Very valuable      Somewhat valuable      Not at all valuable      Don't know

☐
☐
☐
☐

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Q.4.3.2.4. What is your view of corruption? *[Tick all that apply]*

The issue of corruption has become more important over the past 5 years	The issue of corruption will become more important over the next 5 years	Regulatory enforcement action has been strengthened over the past 5 years	Regulatory enforcement action will be strengthened over the next 5 years	Corruption is a cost of doing business and cannot be eradicated
---	--	---	--	---

☐
☐
☐
☐
☐


Q.4.3.2.5. Which of the following forms of corruption do you believe are prevalent among roads Construction companies/Procurement officers/Consultants? *[Tick all that apply]*

Indirect payments (e.g., payments to agents, intermediaries or other third parties)	Inappropriate gifts, hospitality, entertainment, travel	Non-cash payments (company products, services, favours, etc.)	Sponsorships (e.g., for an event or participation at an event) or donations to extortionist's preferred causes	Political donations	Employee expenses (e.g., bribes made via employee/corporate credit cards)	Direct payments (e.g., payments made directly from company bank accounts or petty cash)	Other	Don't know
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.4.3.2.6. If procurement corruption was discovered at your organization, in which of the following areas would the impact be most severe? *[Tick all that apply]*

Corporate reputation	Legal/Enforcement action	Regulatory action	Loss of human capital (recruiting, morale, turnover)	Financial loss	Operational interruption	Don't know	Enforcement costs
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.4.3.2.7. If your company has experienced corruption (attempted or actual), how was it discovered? *[Tick all that apply]*

Discovered through internal controls	Reported by employee through normal chain of command	Discovered through a whistleblower	Discovered by accident	We have not experienced any type of corruption	Discovered through external audit	Discovered by a government or government agency (e.g., police)	Don't know; I am not aware of my company experiencing any type of corruption
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please tick appropriate box to indicate your level of agreement with the following statement:

Q.4.3.2.8. My company has withdrawn from a tender in the past because we were concerned over the expectation of “personal favours.”

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please tick appropriate box to indicate your level of agreement with the following statement:

Q.4.3.2.9. My company has lost bids due to corrupt officials handling the bidding.

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please tick appropriate box to indicate your level of agreement with the following statement:

Q.4.3.2.10. Our competitors have relied on bribes to improve their position.

Strongly

Disagree

Neutral

Agree

Strongly Agree

Disagree

☐☐☐☐☐

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#### 4.3.3.0 SECTION-3 TO IDENTIFY THE MOTIVATIONAL AND INCENTIVES OF INDIVIDUAL PROCUREMENT OFFICIALS TO ENGAGE IN SUCH CORRUPTION

---

Please tick appropriate box to indicate your level of agreement with the following statement:

Q.4.3.3.1. In your view, What Influences The Opportunities For Corruption?:*[Tick all that apply]*

Strongly Disagree   Disagree   Neutral   Agree   Strongly Agree

##### 3.1a. Size of the contract:

Bribes tend to be calculated as percentages of the total contract amount. Thus, the more money involved the higher potential kickback

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

##### 3.1b. Complexity of technology:

With high level technology involved in a contract, it tends to be more difficult to evaluate whether the price paid for a good is realistic or not

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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##### 3.1c. Discretion: The more a

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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procurement officer can influence demand and preferences, the easier it is to take part in corruption.

**3.1d. Lack of financial controls:**

With weak systems of oversight and enforcement, the chances of being caught in corrupt acts are smaller, and may therefore lead to a higher level of corruption

**3.1e. Restricted access to**

**information:** When there is poor transparency concerning executive decisions, and especially combined with the lack of public demand for information, this can have a boosting effect on the corruption level

**3.1f. Funding Schemes:**

Promotion of funding schemes such as direct budget support and sector wide approaches may increase the opportunities to take part in corruption due to fewer possibilities for financial control

**3.1g. Immediacy:** The more urgent it is to complete a contract, the more opportunities

there are to inflate the price of the contract

**3.1h. Soft social control:** The acceptance for corruption-like practices differs between countries

☐ ☐ ☐ ☐ ☐

**3.1i. Conflict of interest:** The risk of corruption increases when public duties and the private interest of an involved actor are conflicting, because there is a chance that the public position might be exploited to the advantage of the private interests

☐ ☐ ☐ ☐ ☐

Q.4.3.3.2. In your view, The incentive for a procurement officer to take part in corruption depends on: *[Tick all that apply]*

Strongly Disagree    Disagree    Neutral    Agree    Strongly Agree

**3.2a. The value of possible benefits**

☐ ☐ ☐ ☐ ☐

**3.2b. Professional integrity**

☐ ☐ ☐ ☐ ☐

**3.2c. The actual need of the  
procurement officer**

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**3.2d. Lack of monitoring,  
supervision and sanctions**

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Please tick appropriate box to indicate your level of agreement with the following statement:

Q.4.3.3.3. Creating a level playing field is crucial to my organization’s future working activities.

Strongly Disagree      Disagree      Neutral      Agree      Strongly Agree

Disagree

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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#### 4.3.4.0. SECTION-4 TO IDENTIFY A SET OF PROCESS THAT CAN BE IMPLEMENTED AT THE ROADS SECTOR LEVEL TO MINIMIZE THE POTENTIALS FOR CORRUPTION

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Please tick appropriate box to indicate your level of agreement with the following statement:

Q.4.3.4.1. Does your organization have a specific global programme that includes policies and controls designed to prevent and detect corruption? *[Tick all that apply]*

Yes, and it is clearly communicated and enforced	Yes, but it is not clearly communicated	Yes, but it is not clearly communicated or enforced	No, we do not have a policy in this area	Don't know
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.4.3.4.2. If your organization has controls and programmes related to corruption, how would you describe them? *[Tick all that apply]*

Primarily controls designed to detect corruption after it occurs	Include proactive risk assessments and monitoring of corruption risks	Primarily controls designed to prevent corruption before it occurs	Ad hoc / event driven	We do not have controls or programmes in place relating to corruption	Don't know
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.4.3.4.3. How confident are you that your controls/ programmes can identify and mitigate corruption risk? *[Tick all that apply]*

Very confident      Somewhat      Not      at      all      Don't know  
confident      confident

☐
☐
☐
☐

KNUST

Q.4.3.4.4. In your view, what are the most effective ways to minimise the likelihood of corruption at a organization? *[Tick all that apply]*

Commitment from senior management      Communicate clear guidelines policies      Hire people with high ethical standards      Consistently take action against all perpetrators      Provide adequate training      Whistleblower hotlines      Aggressive enforcement by regulatory agencies      Other      Don't know

☐
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Q.4.3.4.5. In your view, what are the greatest barriers to implementing a successful procurement anti-corruption programme at your organization? *[Tick all that apply]*

Country-specific cultural practices and ways of doing business      Conflicting interests; competitiveness vs. ethical control      Corporate culture      Systemic government corruption      Organisational structure      Industry practices      Judicial corruption      Other      Don't know

☐
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Q.4.3.4.6 In your view, who is primarily responsible for preventing corruption at companies? *[Tick all that apply]*

Senior management	All staff members are responsible for their own ethical high standards	Internal audit	Local management / business units	Regulatory / compliance officer	Government / government agencies	Office of general counsel / lawyers	External auditors	Other
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Any further comments concerning the questionnaire

.....

.....

.....

***Please return or direct any enquiries to:***

***Emmanuel Norgah, Bukari (Student)***

***Department Of Feeder Roads,***

***P.O Box 452,***

***Tamale, Northern Region,***

***Ghana West Africa***

***Tel: +233-244440522/+233-200828982***

***Email: benorgah@gmail.com or benorgah@yahoo.com***

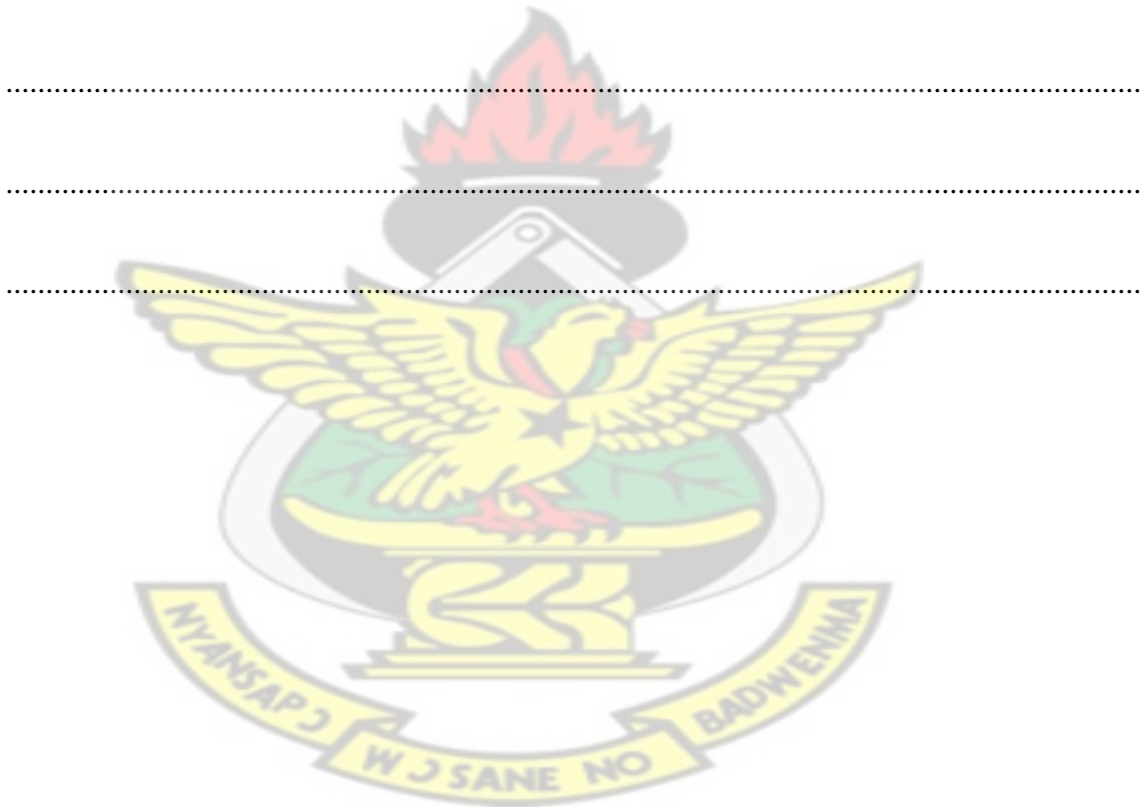
**Thank you for your time and cooperation.**

Please indicate if you would be prepared to participate in a follow-up interview by

Telephone ☐ or Skype ☐ /Viber ☐

Please include your contact details if you would like to receive analysis of the results or executive summary.

Contact details:



## APPENDIX 3

### Interview Guide

#### *Confidential Interview survey*

**Topic: Safeguards against Corruption in Roads Sector Procurement of Works in**

**Ghana**

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1. What is your profession?
2. What is your highest educational qualification?
3. How long have you worked in the road construction industry?
4. Which stage of the procurement phases are you involved?
5. Is your organisation led by senior management with construction procurement experience?
6. Are there conducive and enabling work environment for the performance of procurement functions in your organization?
7. What is the value to your organization's reputation and/or brand in having a publicly disclosed procurement anti-corruption programme and controls?
8. If procurement corruption was discovered at your organization, in which of the areas would the impact be most severe?
9. Which forms of corruption do you think are prevalent among roads Construction companies/Procurement officers/Consultants?
10. What is your view of corruption these days?

11. Which functional areas of business do you think companies are at greatest risk of corruption?
12. If your company has experienced corruption (attempted or actual), how was it discovered?
13. Has your Organization ever withdraw from a tender in the past because you were concerned over the expectation of “personal favours”?
14. Has your organization lost bids due to corrupt officials handling the bidding?
15. Have you experience a situation where your competitors relied on bribes to improve their position in bidding process?
16. Do you think creating a level playing field is crucial to your organization’s future business activities?
17. Do you think Strengthening anti-corruption measures globally would benefit your organization?
18. Do you think Interactions with government officials and contractors increase likelihood of corruption?
19. What is your view, in procurement officer’s choice to engage in corruption?
20. In your view, who is primarily responsible for preventing corruption at companies?
21. What is your view in the incentive for a procurement officer to take part in corruption?
22. If your organization has controls and programmes related to corruption, how would you describe them?

23. Does your organization have a specific global programme that includes policies and controls designed to prevent and detect corruption?
24. How confident are you that your controls/ programmes identify and mitigate corruption risk?
25. Do you think internal auditors in your industry are performing procedures that are likely to detect instances of corruption?
26. In your view, what are the most effective ways to minimise the likelihood of corruption at an organization?
27. In your view, what are the greatest barriers to implementing a successful procurement anti-corruption programme at your organization?
28. Do you think the severity of potential government enforcement action in regards to a corrupt procurement act would be reduced if a strong anticorruption programme is in place at an organization?
29. What is the value to your organization's reputation and/or brand in having a publicly disclosed anticorruption programme and controls?
30. In your view, how effective are industry-led global anti-corruption programmes currently and how effective do you think industry-led global anti-corruption programmes will be five years from now?