

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,

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COLLEGE OF ARCHITECTURE AND PLANNING

DEPARTMENT OF BUILDING TECHNOLOGY

**AN INVESTIGATION OF PROCUREMENT MALPRACTICES AND THEIR
EFFECTS ON THE PROCUREMENT SYSTEM IN GHANA.
A STUDY OF LEDZOKUKU KROWOR MUNICIPAL ASSEMBLY**

BY

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DECLARATION

This is to certify that this work or any part thereof has not been previously submitted in any form to the University or to any other body whether for the purpose of assessment, publication or for any other purpose. I confirm that except for any expressed acknowledgements and references cited in the work, the original work is the result of my own efforts.

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DEDICATION

This research work is dedicated to the Almighty God who gave me wisdom, strength and power to sail through this Master's programme. It is also dedicated to my Lovely wife, Mrs Odei, My sons, Adom Odei and Nhyira Odei. God bless you for your prayers.

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May God richly bless you all.

ABSTRACT

The practice of procurement has long been in existence and though not in a systematic or well-structured form, was very evident in early history of this world. Procurement can be defined as the process of acquiring products or goods and services in its correct quantity, at the right time, at the right price from the right source. A lot of discussions by various Governments are centered on procurement issues. Issues like best practices, relationship with suppliers, support, financing, policies and goals. Procurement laws were enacted to ensure best practices in order to ensure value for money and sanctity in the procurement system. In spite of all these measures put forward by various Governments, there are still allegations of procurement malpractices among officers and professionals within the procurement system in Public institutions in Ghana. The research looks at procurement practices and their effects on the Public Procurement system in Ghana. The Ledzokuku Krowor Municipal Assembly in the Greater Accra Region of Ghana was used for the study. To achieve the aim of the study, three set of objectives were set. The researcher adopted survey approach as the method to be used for the study. Questionnaires were designed after using the Yamane Taro's formula to calculate the sample size. Using the Statistical Package for Social Sciences, data received were analyzed using tables, charts, Mean and Standard Deviation. The findings of the study revealed the existence of procurement malpractices in the Assembly. These malpractices include; Accepting late Submission, Single contractor sometimes buying the entire tender document, Awarding contracts to close relations, Envelopes are sometimes opened before the opening time, Some respondents also believe that tenders which are not signed are sometimes accepted because according to them it has no effect on the selection process, Others also believe that it is not necessary to inform unsuccessful Tenderers,

Lastly leaking information to preferred contractors was recorded. The researcher therefore recommends among others that, Politicians as well as External influence should be detached from the procurement processes to enable professionals take bold and professional decisions. This would make the system fair and transparent for all competitors.

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CHAPTER ONE

INTRODUCTION

1.1 Background

The practice of procurement has long been in existence and though not in a systematic or well-structured form, was very evident in early history and its practices. (Coe 1989).

Man as was created was given the mandate and authority to acquire and take dominion of all that he needs or wishes to have. Acquisition of goods can be from or between persons to persons, between groups of people or between organizations and between countries. It is evident that procurement emanated way back in the 18th Century where barter trade was the order of the day. This form of trade was very eminent in Africa. History reveals that the Egyptians were very powerful and skillful in construction and were among the first people to engage in high level procurement. While the Egyptians would move all round with their slaves to procure materials needed to build their pyramids, the Europeans and Americans moved to Africa to buy slaves to plough their farms, construct their railway and build their industries.

Unfortunately all these procurement activities were done without any laws, regulations or body regulating it. It was the survival of the fittest as war was very rampant during that period. However in recent times' procurement laws have been designed to regulate and to streamline procurement activities to manage the public purse. Procurement and its related activities in no doubt, have gained a lot of exposure in this new century worldwide. (Thai 2005), as cited by Csaki Csaba (2006). A lot of discussions by various Governments are centered on procurement issues. Issues like best practices, relationship with suppliers, support, financing, policies and goals

(Erridge 2005). Other Authors like Caldwell et al (2005), also emphasize the need for a long term supplier relationship. Ghana over the years has always tried to follow the world order for best practices in all sectors of her economy. The procurement sector since 1957 has received serious attention in the area of reforms, legislature, and even infrastructural improvement all in the attempt to ensure irregularity-free in the procurement practices. The Government in the year 1960 brought the Ghana Supply Commission Act, notwithstanding this Act the Contract Act, 1960 (Act25) was also introduced in the same year. Again in 1976 the military Government also passed the National Procurement Agency Decree. From this period to date, various decrees, Acts, and laws have been enacted by both Military and Democratic Governments the recent been the Public Procurement Act, 2003 (Act 663) all in the attempt to regulate procurement activities.

The Public Procurement Act, 2003 (Act 663) therefore established regulatory laws and a governing body to enhance the efficient practice of procurement in the country. The objective of the PPP Act 663 was to bring reforms into the procurement processes and instill transparency, integrity, competition, uniformity, accountability, wealth, distribution, value for money, efficiency and customer satisfaction, among others, in public procurement.

To be able to achieve its objective, the Act came out with guidelines to follow. This includes standards and procedures, a knowledgeable governing authority, high level responsible personnel with adequate resources and authority, ensuring compliance, training and monitoring.

It also includes incentives and disciplinary measures, reasonable steps in response to criminal conduct. In the implementation of the Procurement Law, the Act also has clearly defined structures which will enhance the smooth implementation of the Law.

The Public Procurement Authority, established by the Act, has since 2003 been working on its mandate to regulate procurement practices in the country to enhance efficiency and transparency. This has been done through periodic monitoring and training for public professionals to keep them abreast with the law and introduce new ways of maintaining efficiency while upholding the procurement law.

However in spite of all these laws, Regulations, and Acts, a day would not pass without hearing about corrupt practices, irregularities and total disregard for the law especially in Metropolitan, Municipal, District, Assembly's (MMDAs). Various reports indicate high levels of irregularities in procurement practices in Ghana, much of which have been attributed to malpractices on the part of professionals. These professionals includes but not limited to Directors of finance, Administrators, Procurement officers, Chief Executives, Auditors, Heads of Departments and all officers who will in one way the other be involved in procurement activities. "Practice" as explained by the Oxford Dictionary is the actual application or use of an idea, believe, or method as opposed to theories related to it. It also defines a professional as a person engaged in a specified activity as one's main paid occupation rather than as amateur. These definitions above indicates that before one can practice, he should have idea about what the subject matter is about, the skills involved, the rules for operation and it is supposed to bring him or her a source of income.

By reason of the establishment of the PPA, 2003 (Act 663) professionals are obliged to engage in practices that are in accordance with the Law. The usual procurement

practices professionals are engaged in includes; planning and co-ordination of purchasing efforts to ensure that value for money through appropriate aggregation and rationalisation; provision of standardised forms, guidance and models to assist departments with sourcing and tendering activities ; Management of multi-department contracts and appraisal of existing and potential suppliers. (Handfield 2011). Others include benchmarking of prices, contracts, systems and purchasing costs in order to improve standards and finally, ensuring the compliance of National and Organisational Procurement guidelines, including advertising in the media and compilation and submission of statutory reports (Evaluation report).

Prior to the establishment of the Public Procurement Act, 2003 (Act 663) there were few practicing procurement professionals. Professionals who were engaged in public procurement were people with purchasing and supply background or Accounting. Meanwhile procurement does not involve only the acquisition of goods, but also works and services. Hence, the need for a more qualified and trained procurement professional to effectively implement the Law. Most public institutions lacked competent people to manage the process until recently when Kwame Nkrumah University of Science and Technology introduced programs on procurement management in 2012 to fill this huge vacuum.

In procurement practice in Ghana, there have been many instances where professionals have flouted the procurement laws. Many of these malpractices can be attributed to ignorance, failure to observe and respect laws, sheer negligence and on many occasions, political influence. The Public Procurement Authority in a statement made in 2012 indicates non-compliance of the PPA, 2003 (Act 663) by procurement professionals. According to the Authority, its annual procurement assessment reveals

this rather unpleasant phenomenon, in spite of the regular training given procurement professionals about the dictates of the law.

Procurement Malpractice can have dire consequences on every organizational or institutional financial standing. It can put the Organization at risk when professional fail to execute their duties efficiently. The financial burden on organizations and society as a result of malpractice can never be underestimated. This financial burden ranges from having to redo projects because of bad execution as a result of failure to observe laid down procedures or rules and the pain of paying penalties for abrogating contracts and agreements that were born out of avoidable bad practices by professionals. Currently in Ghana, huge judgment debts are paid to individuals and organizations for wrongful abrogation or termination of contracts. These phenomena are all because of discretionary or political decisions from the powers that be imposed on professionals during procurement process and project execution. (Kalubanga et al 2013). The Public Procurement Act, 2003 (Act 663) is a coherent law which when duly followed can enhance transparency and efficiency in our public procurement processes. Much as it is coherent and all encompassing, it needs an able, courageous and law abiding professionals to uphold it and execute their duties according to its dictates to enhance transparency, efficiency and growth in the country.

1.2 Problem Statement

Procurement can be defined as the process where an organization, person or group secure product or services from an external source to meet a need. The whole process has a cycle which involves; review selection, determine needed quantities, reconcile needs and funds, choose procurement method, select suppliers, specify contract terms, monitor order status, receipt and inspection. It is also the process by which the

government, corporate or private individuals acquire goods, works and services from external sources using public, corporate or personal funds. It involves planning, invitation and evaluation of offers, awarding contracts and managing contracts.

This process however, cannot be functional without a law, a regulatory body and professionals guiding the process. Hence, the introduction of the Public Procurement Act 663 by Parliament of Ghana in 2003, to make provision for guidelines and a regulatory body to standardize procurement practices in the country.

In spite of the guidelines provided by the Act, professionals are alleged to be engaged in activities contrary to the stipulations of the Public Procurement Act, 2003 (Act 663). Procurement officers are alleged and in some cases proven, to have acted in a manner that will favour themselves and their preferred contractors. Some of these acts include the leaking of engineer's figures, hiding of relevant information from other competing contractors and collaborating with suppliers with the intention of getting kick backs. On many occasions, some professionals accept inducement packages from suppliers, and also put projects in lots in order to avoid going through the tendering process to win contracts. There have been instances where a single contractor buys and price all bidding documents. (Crown agents.1998)

The Chronicle on 10th May 2012, reported about an instance where the Chief Executive Officer of the National Sports Council single handedly awarded a contract worth US\$620,000 three other more contracts GH¢221,115.88, to lift over 200 athletes and officials to Maputo for the All Africa Games without going through the Tendering process.

According to a report by *myjoyonline.com* in 2014, a DCE in the Brong Ahafo Region had awarded a contract to his family members without following due processes as

stipulated by the PPA, 2003 (Act 663). In a similar and recent event in the Ejura Municipal Assembly, investigations by the Chronicle newspaper on 2nd July 2015 revealed that the MCE in a flagrant disregard for the Procurement Act, awarded the construction of a 6-unit classroom at Ayinasu to a contractor at the blind side of the Tender Committee and only ordered the conveyance of tender opening meeting as a mere formality.

Further reports by reputable Organizations like the Public Procurement Authority, SEND-Ghana etc indicates high level of procurement malpractices by officers and some chief Executives of the various Metropolitan, Municipal, and District Assemblies (MMDAs).

This and many reports and sentiments have triggered the need to explore the level of malpractices by procurement practitioners and examine its effects in the Municipality.

1.3 Aim

The aim of the study is to identify Procurement Malpractices as a challenge in the effective implementation of the Public Procurement Act, 2003 (Act 663)

1.4 Objectives

Specific objectives are;

1. To explore the level of Procurement Malpractice in the Municipal Assembly
2. To ascertain the factors influencing malpractices in the Municipal Assembly
3. To identify the effect of these factors on the procurement process of the Municipal Assembly.

1.5 Research Question

1. What is the level of procurement Malpractice in the Municipal Assembly?
2. What are the factors that influence bad procurement practices?
3. What are the effects of these factors to the Municipal Assembly?

1.6 Justification / Relevance of the study

The enactment of the Public Procurement Act, 2003 (Act 663) aimed at streamlining procurement activities in the public sector was to bring to an end, practices which would hinder the achievement of transparency and efficiency in the public sector where chunk of Government's expenditure are channeled to. It is however evident by reason of reports on procurement irregularities, that the Public Procurement Act, 2003 (Act 663) has not fully achieved this target. The need to therefore investigate and expose the practices affecting the achievement of goals of the Public Procurement Act, 2003 (Act 663) cannot be overemphasized. This would help put measures in place to ensure all the loopholes are blocked. It would also bring to light some of the practices which are been done under the quiet but has telling effects on the Municipal Assembly.

This research among other things would enhance procurement practices in public institutions as it would help improve transparency and efficiency in public procurement. This research would also serve as a reference material for others who wish to undertake further research into the topic. It will thus contribute to the development of literature in the subject area under study.

1.7 Delimitations of the Study

To avoid biases and also to stay focus on the topic, the study is delimited strictly to bad procurement practices in Ledzokuku Krowor Municipal Assembly with much focus on the Works Department which executes the Assembly's projects, the Finance Department, Central Administration, Audit Department, Procurement Department, and Budget.

1.8 Limitation of the Study

The research is limited to Departments and suppliers of the Assembly due to proximity, financial and time constraints. Also, questionnaires are the tools to be used in gathering data from targeted respondents and there is the possibility of not getting all relevant information since respondents may have a tendency of wanting to protect their offices if indeed there is the existence of any malpractices in the Municipality.

1.9 Structure of the Study

This research work is carefully articulated in five chapters. The first chapter gives a clear background of the study, problem statement, clear aim and objectives. It also covers the research question, justification of the study, delimitation and limitation of the study as well as structure of the study. The second chapter consists of the review of literature from published and unpublished materials relevant to the study. The third chapter describes the methodology adopted in gathering data, research design, sample and sampling procedure, and data analysis method. The fourth chapter analyzes the data collected from the questionnaires; while the fifth chapter entails the summary, conclusion and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature related to the topic under study. Headings which address the aim as well as the objectives are also reviewed. Some of the literature headings used for the study includes;

- The Public Procurement Act, 2003 (Act 663)
- Sound Procurement Practices
- Factors influencing malpractices
- Effects of Malpractices in Public Institutions etc.

An efficient public procurement system is vital for the smooth running of any economy, and its organizations. (Gnanih, 2012).

However barely a day passes by without the disclosure of another significant embarrassing act in the public at some place in the world (Transparency International 2000). Most nations have laws or regulations regarding public procurement. These laws or regulations vary from nation to nation yet most share numerous elements and features in common, taking into account what may be termed a "standard model" of good procurement practice (United Nations Capital Development Fund, 2013). Public expenditure is an unpredictable marvel of developing global significance (Afonso et al., 2005; Evenett and Hoekman, 2005). The impact of this expenditure on the economy and governance raises genuine concern for leaders and hence the need to regulate these expenditures with the application of laws.

Furthermore, public procurement is likewise a noteworthy action in the developing world with an investigation of 106 developing countries finding that the purchases

made by their governments represented ' approximately 5.1% of their joined national yields' (Evenett and Hoekman, 2005).

This therefore is a proof that the willingness of leaders to commit to the success of procurement laws cannot be excused from their responsibilities as decision makers for the public sector.

2.2 The Public Procurement Act, 2003 (Act 663)

Procurement is the processes required to acquire works, goods and services from an external source. It should be done such that there is an attainment of the quantity required and worth the price bearing in mind the time, and place for delivery and bounded by a valid contract. (Public Procurement Authority, 2007). Before the endorsement of the Public Procurement Act, 2003 (Act 663) into law, Ghana supply Company Limited (GSCL) and Ghana National Procurement Agency (GNPA) were the major operators that obtained every public goods for the government because there was no exhaustive procurement direction. (Anvuur and Kumaraswamy, 2006).

The Public Procurement Act, 2003 (Act 663) lays down the legitimate, institutional and administrative structure to secure fiscal transparency and public accountability in Ghana's procurement framework. The Public Procurement Act, 2003 (Act 663) establishes five basic principles upon which the public procurement is based (World Bank, 2003a) which are:

- Standardized procurement procedures & Tender documents
- Legal and institutional framework
- Proficient procurement staff
- Independents control system and

- Anti-corruption measures

The objectives of Act 663, as per the Public procurement Manual, (2003), are to fit public procurement procedures in order to guarantee judicious, financial and efficient utilization of public resources in the public sector and to guarantee that the public procurement functions embraced within the public sector are transparent, fair and non-biased. This procurement law however does not only apply to the procurement funds taken directly from the public purse but also applicable to procurement financed by foreign aids, donor funds and loans contracted by the government.

The Public Procurement Authority (PPA); previously Public Procurement Board (PPB) and the Tender Review Board (TRB) among other procurement entities were instituted by the Public Procurement Act, 2003 (Act 663) to help implement or enforce the laws of the Act.

The Public Procurement Act; an essential regulator of the public financial activities for governments has been a pivotal component in managing the world's economy by controlling the use of the public purse by procurement entities. The Office of Governance Commence, (2008) in their report indicated that more than £150 billion is spent by the United Kingdom Public sector per annum on procurement activities. A study by the World Bank (2003a) likewise indicated that around 50% to 70% of the Nations' spending plan thus post personal emoluments) is attributed to procurement; this assertion does not exclude the public procurement sector of Ghana. These facts made by numerous other researchers brings to the forefront the need to focus attention in the field of procurement in order to ensure the effective management of financial resources allocated to this sector and the realization of value for money through the use of laws to execute planned policies.

Procurement, as the above definition specifies, is a process and not an event and therefore encompasses a series of activities that involves different individuals and institutions. Weak institutions coupled with corrupt individuals responsible for procuring goods and services for countries led to the introduction of public procurement laws with the ultimate aim to purge the procurement system in countries of any such corrupt activities.

The Public Procurement Act, 2003 (Act 663) is an extensive enactment intended to dispose of the inadequacies and organisational shortcomings which were characteristic in public procurement in Ghana (Ameyaw; et al 2012). This law, though key to helping curb and regulate the actions of procurement entities in the country, leaves much to be desired in this respect. Rules, Laws and policies only are not sufficient enough to achieve change in the conventional procurement attitude that is based on “the best value for money” instead of the best value over the project or product life span and cost (Perera, 2007).

2.3 Sound Procurement Practices

Many public procurement researchers have outlined numerous challenges that bedevil the procurement systems in developing countries (Ameyaw et al., 2012; and Thai et al., 2004) as indicated by the national Public Procurement Authorities (PPA) of the respective countries. Albeit sustainable procurement has a rising prominent profile in policy circles all over the world, just a little is known about the degree to which SP approaches and practices are implanted within of the activities of public procurement professionals Internationally (Brammer & Walker, 2007).

Sound procurement practices do take into consideration environmental factors, economic factors and the social factors to ensure the sustainability of such practices.

This is confirmed in the work of the chartered Institute of Procurement and Supply (CIPS) and National Institute of Governmental Purchasing (2012). It is worth noting that public procurement malpractices renders procurement laws redundant, thereby raising questions on implementation. The authors of the Synthesis report (2013), were therefore on point when they stated that institutions set up to implement the law are important elements when used to effect change in the society to benefit both organizations and individuals alike.

This assertion gives meaning to the fact that empowering institutions to play their role in bringing about the needed change can go a long way in achieving the much needed result in the public procurement sector. This however, is not the case in many developing nations hence the numerous challenges facing these nations in their fight against militating factors in the area of public procurement to bring about sustainable development.

2.3.1 Procurement Principles and Ethics

The Public Procurement Act 663 also clearly outlines the principles and ethics of procurement expected to be exhibited by all procurement entities involved in one way or the other in public procurement activities. On time delivery of procurement goods at the requested place of delivery and at the right price; all aimed at maximizing quality at the lowest possible cost are what is required of procurement persons working on procuring items on behalf of the Country or Organisation. It must be pointed out that this should be and must be done in fairness in an ethical way in achieving procurement goals. Procurement processes are also expected to be transparent yet employing a competitive bidding process professionally in attaining value for money.

2.3.2 Professionalism and Transparency in Public Procurement

As indicated by Adjei (ibid), procurement professionalism alludes to the business whereby educated, experienced and responsible procurement officers settle on informed choices in regards to the acquisition of products and services and contends that the activities procurement professionals engage in the procurement system of the Ghanaian economy is vital to the economic improvement of the nation. And it is in this manner in acknowledgment of this fact that one critical element of the Public Procurement Board is to develop professionalism in procurement and give the professional development, support for officers as well as Institutions occupied within Public Procurement. The Board is to guarantee adherence to moral gauges via trained personnel in procurement processes.

Transparency in procurement then again means ensuring that procurement procedure is open to all suppliers and that the procurement procedure is fair to all partners and individuals willing to partake. Adjei (ibid) specifies that transparency requires the formation of fair and open technique to procure an item. Transparency prompts development in the country especially in the area of investments. It brings about healthy competitions and the general public becomes satisfied with decision taking by institutions which public funds have been entrusted in their care. Transparency is viewed as a major antidote to corruption as it ensures fairness and openness.

2.3.3 Ensuring Value for Money

Public procurement should provide the best quality of products and services to meet the said amount of money which was invested. This however does not preclude the purchase of low quality of products do meet the acceptable standard and thereby meets the needs for which such procurement is being made. It is also the totality of

the life span of the product vis-à-vis the money used in procuring the product to meet the requirement of the purchaser.

R Glendinning, (1988) also is of the view that value for money is paying the exact money for a particular product and ensuring that its life span or durability justifies the acquisition. As suggested by Adjei (ibid), it is the obligation of a Public Procurement Board to orchestrate the processes of public procurement in the public sector in order to secure value for money.

VFM aims at ensuring that National goals can be met through the judicious, economic and efficient use of state resources. It is a critical measure of the effectiveness of the procurement process and therefore achieving it requires a strategic and integrated approach (lecture note). Therefore the easiest way to achieve it would be strictly following the Procurement Act and Regulations in all procurement activities.

2.3.4 Accountability, Fairness and Efficiency in Public Procurement

Fairness and Accountability are values that are needed in the processes of procurement. Thompson (1992) characterizes accountability as the process of holding an individual or an organization completely in charge of activities and inactions for roles they are occupied with over which they have power to practice their discretions. Demanding accountability from procurement practitioners will also oblige them to be fair in their undertakings thereby promoting efficiency in the public procurement sector.

2.3.5 Ethical Approach to Public Procurement

Ethical approach means an exemplary approach to all procurement processes that cannot be questioned or criticized.

Heady et al (1996) suggests that ethics needs to do with maintaining good moral standards and qualities which impacts a person's beliefs, activities and choices. Fortunately, what is said to be ethical is not subject to the individual of concern but rather outlined clearly in the dos and don'ts of the Public Procurement Act, 2003 (Act 663). Schapper et al (2006) in their research outlined a list of ethical standards in the procurement system, ethical standards and considerations are very important for the following reasons:

- a. professionals are representatives of their organizations and therefore their action and in action has impact on their organisation.
- b. excellent ethical conduct is exhibited in dealing with suppliers and contractors;
- c. it creates a good buyer-supplier relationship;
- d. procurement officers are more exposed to acting ethically than most other employees.

2.3.6 Institutional Empowerment

The Public Procurement Act, 2003 (Act 663) manual defines Procurement Unit as an outfit in a Procurement Entity with the responsibility of superintending procurement. The Head of the Procurement Unit (and his/her team) shall be responsible for undertaking and coordinating all detailed procurement activities within the procurement entity. The manual further out lines responsibilities for those in this unit with the aim of presenting them with a guide to carrying out their responsibilities as a unit; these responsibilities, however, are hardly what one witnesses on the ground due to obvious reasons in the procurement system.

The World Development Report (2000/2001) indicated as their reason behind weak institution is the fact that institutions are caught by the rich and powerful and become

buried in a society of corruption, clientism, exclusion, and discrimination, such that even good policies, principles and projects fail to promote investment or reduce poverty. This anomaly in the manner institutions are managed in the public sector accounts largely for the corrupt approach to getting work done in many developing nations. North (1990) gives a simple yet very familiar definition of institutions, as “rules and norms that restrain human behaviour.” From this definition, institutions can comfortably be viewed as the body of law which must be enforced by those responsible for the implementation of the law. However, those responsible for coordinating activities in the procurement system to get the work done form the institute or organizations in the public sector. Das (2005) defined this clearly in his work “an organization is a conceptual social entity,” and a social entity is a categorized group of people brought together under a common umbrella to achieve a common goal. These definitions bring to bear the role procurement entities play in the success or otherwise failure of the procurement law as a result of their procurement practices.

2.4 Factors Influencing Malpractices

2.4.1 Accountability

It is the responsibility of every government to show effectiveness in the implementing of policies that will drive nations towards the achievement of goals and objectives. This depicts the obligation of every government to show accountability (Segal and Summers 2002), who’s absence gives room for corruption). Three key elements of accountability has been identified by Brinkerhoff (2004, .According to him, the measurement of goals and results, the justification of those results to internal and external monitors, and the consequent punishment for non-performance or corrupt

behavior are three key elements of ensuring accountability. There are many strategies that can be used to increase accountability. They include information systems which measure inputs and outputs; watchdog organizations, the strengthening of civic organizations, sanctioning of poor performance and output and incentives for good performance. For instance, a district health planning and reporting system was introduced in South Africa to improve management control and hold national health agencies accountable for their decisions. By combining financial and service data, the reporting system drew attention to clinics and programs that had unusual indicators, and enhanced in the identification of root causes for performance differences, including possible cases of corruption (Vian and Collins 2006).

2.4.2 ICT adoption

Many countries around the world have come to the consciousness that there is the need for the utilization of ICT services in public procurement processes. However, non-availability of funds coupled with a retiring workforce, has forced many government agencies to operate in environments defined by the need to 'do more with less'. In spite of these challenges, constituents expect their Public authorities to provide excellent service to them in an effective and transparent manner hence, the need for the adaptation of ICT (Hagén and Zeed, 2005). In a bid to overcome operating challenges in this era, most public authorities are turning to the use of ICT to enhance the services for residents, stakeholders and clients and also improve internal efficiencies by lowering costs and increasing productivity. Most public authorities are now implementing scalable communication infrastructures to promote economic development, attract new businesses and investments, and most importantly, provide quality services to their constituents (Abouzeedan and Busler, 2002). From a business point of view, the implementation of scalable communication infrastructures such as

wide area networks (WANs) enhance the accommodation of the various types of services government agencies require on a daily basis, including the provision of broadband internet access for online services and internal collaboration and the handling of administrative data

2.4.3 Internal Processes

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

2.4.4 Ethics

Ethical consideration is very vital in every procurement process because it influence the behaviors of the party involve and whether or not the right processes is followed to the later. Wee (2002) gave an elaborate explanation of ethics to encompass the

moral principle and values accepted as the best practice in every human relation or work. Such values influence the behaviors of people in making honest decisions that have positive impact in business environment and transaction of contracts. Amos and Weathington (2008) posit that maintaining good ethics in public procurement environment require constant training and programmes that appeal to the conscience of the individuals involved the procurement process to maintain good moral standards. In the procurement and supply chain processes, ethical consideration is thus an invisible variable that affect the multidimensional cost and effect of the procurement outcome including the specification and selection criteria.

2.5 Effects of Malpractices in Public Institutions

The ideas and concepts of accountability and transparency are not close to being important in public administration than in procurement, which may represent more than 33% of the majority of government's expences. (Schapper, et al 2006).

As indicated by Magnouloux (2006) corruption which is one of the malpractices in public institutions has a considerable measure of economic effects: (1) on the assignment of resouces (in goods and services and as well as in human capital), (2) on the economic environment, and then on the way economic decision makers will analyze different courses of action. (3) Corruption could diminish the pace and degree of economic exercises. (4) There is a negative relationship between the level of corruption and the level of economic growth. (5) Corruption negatively influences the level of trust between individuals so that in the long period, it imperils the stability of social and political organizations.

The expressions of corruption in the public organizations are in different forms for both public and private entities. Prof. Dua- Agyemang in his paper to the University

of Ghana 36th Annual Management Week celebration in April, 2015 defined Corruption in the public sector simply as “the misuse of public office for private gain”. The former auditor general of Ghana in his paper gave a rather simple yet an elaborate structure of government that point to the fact that the fight against corruption by government is questionable. This assertion by the professor cannot be ignored considering the fact that the head of the Executive wing of government is responsible by law in the appointment of key persons including the head of all anti-corruption institutions in the country. This power to appoint these individuals compromises the fight against corruption both within the executive and public service organizations.

Public Procurement is a political sensitive activity inherently, not minimum in light of the fact that it includes huge amounts of public money even within of the setting of a national economy (Schapper et, al., 2006). Intensifying the issues suggested by its clearly political and business measures are across the board mistaken assumptions and even gross lack of awareness within the executive structures of governments in the matter of what procurement really involves (Coggburn, 2003). At the point when corruption is accepted to be the way the public sector, or one of its agencies, routinely works the harm goes past the loss of misled resources (Department of Economic and Social Affairs, 2012). Public administration takes a risk losing both its capacity to be effective and the trust of nationals in the reasonable and fair utilization of public resources and authority. (Thompson 1992). Corruption has adversely affected Ghana's socio-economic and political development since Ghana gaining independence in 1957; it undermines good governance and the rule of law, wear away public trust in the benefits and rewards frameworks and inefficient service delivery. (UNDAF, 2013). Corruption is just as multifaceted idea as there are societies and economic and

political systems that grasps from the wide idea of corruption to the thin lawful idea of bribery (Vargas-Hernández, 2008).

The social outcomes of corruption are found in the form of reduced public safety, low quality consumer products and entrenched poverty as government spending is directed from public goods like health and education (Mauro 1998; Rose-Ackerman 1996). Shortfalls in economic development, institutional capacity or the rule of law, have been said to "run in both directions" implying that they could be a reason or a result of corruption, or both. (Lambsdorff, 2005).

Kaufman (2004) in his examination evaluated that more than US\$1,000 billion is paid every year in bribes, and the volume of bribes trading hands for public sector procurement alone is around 200 billion dollars every year. The issue of corruption in Ghana has throughout the years taken a central stage amid examinations about public financial management and by extension public procurement. (Bukari, 2014).

The effect on developing nations and for that matter, developing economies like that of Ghana is far more of dire consequences. On a very basic level, the poor share the advantages of growth when their livelihoods are enriched through quality employment opportunities (United Nations development Programme, 2010); the reverse is also fundamentally the case when corruption is allowed to stifle the growth of the fledgling economy. Collier (1999), in his work categorized corruption into three main groups namely Public-Office-Centered, market centered and Public-Interest-Centered. This grouping cited in many other literatures can be used as a guide by researchers in further understanding the corruption embedded within public organizations to help suggest solutions to them. With the help of different procurement researchers, each of these categories are defined and explained.

Nye (1967) views corruption as a conduct that veers off from the normal duties of public duty due to private (family, close private inner circles), financial or status gains; or violates rules against the activity of specific types of private influence. This includes such conduct as bribery; nepotism; and misappropriation of public resources (Nye, 1967).

Van Klaveren offers a much clearer explanation of what a market-centered corruption entails and in his definition states that:

A corrupt civil servant views his office as a business, the wage or income of which he will try to boost. The workplace then turns into a maximizing unit. The size of his income relies on available circumstance and his abilities for discovering the purpose of maximal addition on the public's demand curve (Van Klaveren, 1957).

This however does not go without acknowledging the guiding principles used for public servants in the public procurement law (2003) Act 663 which expresses that the guiding rules and standards of ethical conduct are fair-mindedness, independence and honesty. Ethical conduct must be promoted and upheld by appropriate frameworks and procedures.

Many African civil servants can identify with this definition given by Van Klaveren, and presents an outlook or disposition that makes categorizing such characters interesting between misuse of public office and an avenue to enrich ones pocket wrongfully. The third classification of corruption was characterized by Friederich (1996). In his definition he clarifies that:

This kind of corruption can be said to exist at whatever point a power holder who is accused of doing certain things, thus, who is a mindful functionary or officeholder, is

by financial or different remunerates not lawfully given to, prompted to take activities which support whoever gives the rewards along these lines does harm to the general public and its intrigues. (Friederich, 1966).

2.5.1 Developing Anti-Corruption Strategies

Developing an anti-corruption strategy relevant to the fight against corruption in any given country require a detailed study of the Economy and the Administrative procedures in the public sector of that country.

According to World Bank (1997), the use of an all-inclusive means to deal with corrupt practices reduces it in the public division. Their study suggested different establishments known within a given country to be addressing corruption in both government and the private sectors. These government institutions in Ghana can be identified to be in all three arms of the government i.e. the Executive, Legislature and Judiciary. The media and civil society organizations can be used for the private sector to help deal with corruption in the country.

Examine the sum total of the institutions and practices within a given country that address aspects of maintaining the honesty and integrity of government and private sector institutions. It includes each of the institutions (pillars) from the executive, legislative, and judiciary, to the private sector, the media and civil society organizations, the various institutional inter-relationships and the equilibrium of the system as a whole.

Transparency International (2000) were right when they argued that the use of different approaches in tackling corruption, hence the use of multiple approaches can

be helpful in the long term. This corroborates the claim made earlier that each country is unique and hence the need to under study its structures before designing strategies

Furthermore, Mbaku (1998) makes a strong claim in his work that corruption in the civil services damages public interest, thus the need to protect public interest when it comes to fighting corruption. From his point of view, considering and examining the interest of the public presents a better understanding and an effective method of fighting corruption.

Non-governmental organizations, such as Transparency International and International Financial Institutions, such as the IMF and the World Bank do understand this growing concern and have put in place mechanisms to create anti-corruption movements across countries (Tanzi, 1998). This move to curb corruption by these international organizations and the non-governmental organizations has receive the nod of many national leaders paving way to help deal with the corrupt activities in the public service.

2.6 Procurement Act 663 (2003) as a tool in Streamlining Procurement Activities

According to white paper (2005) emergence of global economy, increased decentralization of government function, greater discretions power officials and weakness of the current procurement system have led to need of regulating procurement in new ways, hence need for reforms to solve these emerging challenges in the public procurement.

In view of this, the significance of public procurement reform for developing countries is increasingly being appreciated by development agencies globally, recognizing that the social and economic costs (Schapper & Malta, 2004) of the

weaknesses in public procurement governance are compounded by increases in sovereign risk that this represents for foreign investment (Jones, 2002).

An example is the case of Sierra Leone, where their National Public Procurement Authority (NPPA) stated in their annual procurement report the challenges faced by their outfit. As part of the report, NPPA (2005) showed that the procurement law could accomplish its goals if there is a coordinated effort by all stakeholders, upheld by firm political will and satisfactory budgetary backing, to streamline and enhance public procurement procedures in Sierra Leone.

Procurement Laws differ from one country to the other yet these laws do have some semblance when it comes to curbing corruption in their country of operation. Countries like Kenya, Nigeria and South Africa have procurement laws that manage the activities of their procurement sector.

The Public Procurement Law, 2003 (Act 663) is an exhaustive enactment intended to wipe out the inadequacies and organisational shortcomings which were innate in public procurement in Ghana (Ameyaw et, al. 2012). This notwithstanding, one cannot ignore the challenges that bedevils all these procurement laws in their respective countries.

In an attempt to stem the tides of procurement corruption, Ghana's Public Procurement Act, 2003 (Act 663) which is formed after the UNCITRAL Model Law of Public Procurement ensures transparency and accountability in the use of public funds (PPA, 2013). Yet, it is an open secret that the procurement laws designed for Ghanaians do have implementation issues. The Public Procurement Authorities (PPA), like their counterparts in other African countries are faced with numerous challenges making it virtually impossible for the procurement authority to achieve its

goal. Many of such challenges have been mentioned in the work of various researchers and other public organization annual reports (e.g. PPA, 2013; Ameyaw et, al. 2012; NPPA Annual Report, 2005; (PPA Annual Report, 2007 & 2008 and Thou & Njeru, 2014).

When there are weak systems and/or institutions of accountability, lack of checks and balance (PPA, 2013) there is therefore an opportunity for activities of corruption. History however shows that the leaders do have a key role to play in eliminating corruption in the public sector.

Provisions for procurement planning and budgeting are clearly stated in the Public procurement and its instructions are not ambiguous in any form. An example of such instructions is a directive that states that, “structured development of procurement plans is an essential part of the annual budget preparation process and provides a ready checklist for the approval of procurements by Tender Committees and Tender Review Boards, and monitoring of procurement activity by the Public Procurement Board”. This however is not the case in many developing countries where procurement activities for each year do not reflect what was planned to be achieved that year. Funds are used for executing projects not in the budget.

Here in Ghana, the three arms of government are designed in manner that permits coordinated and connected activities to bring about the ultimate goal of achieving sustainable development.

The executive arm headed by the President controls the system of governance while the legislative arm legislated on policies and laws. The Judiciary which is the third arm oversees the implementation of the law legislated upon by the legislature represented by parliament. The Judiciary is part of the Public service of the country.

Dua-Agyemang, (2015) in his paper explained well the functions of the Executive; the Executive appoints all officials in the Public Services and all key government functionaries, including the heads of all the anti-corruption institutions. This function of the executive compromises the very purpose for which the procurement law was instituted in the first place. Since the status quo has been maintained over the years, the functions of the three arms of government since independence are tainted with corruption. The expected checks and balances in the three arms of government are simply theoretical since practically no one checks the Executive (Dua-Agyemang, 2015). Without political will and commitment by the leadership of a country, grand corruption is propagated at an alarming rate with frivolous corruption becoming endemic and more difficult to stop (Philip, 2002).

2.7 The Public Accounts Committee of Parliament

The Public Accounts Committee (PAC) of Ghana is one of the 11 Standing Committees of Parliament; established by the Standing Orders of the Parliament of Ghana, Order 151(2), the PAC is mandated to examine the audited accounts of Government to determine whether public funds have been utilized judiciously for their intended purposes (Parliamentary Centre, 2009). However, their works both in the past and present have been held questionable by many. The cause for this concern is the fact that the parliamentarians responsible for examining the public accounts seek approval from the executives they are mandated by law to examine. Also, its mandate is limited only to the examination of reports presented by the Auditor-General, and has no mechanism of carrying out pre-emptive investigations to prevent the abuse of public funds (Parliamentary Centre, 2009). The committee, though mandated to examine, do not wield the power to take legal action against government officials found liable in the PAC reports. The Judiciary mandated to take action

against such government officials are not able to do so mainly because they have been compromised from the beginning of their appointment by the head of the executive.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

The focus of this chapter is to strategically collate the observations, assertions and conventions that emerged from the literature review and questionnaires to form a theoretical frame work for the study. This particular Chapter delves into the research design, population, sample size determination, data collection and data analysis methods.

3.2 Research Design

In order to achieve the objectives set out in this research, set of strategies were adopted. Research design is a plan or tactics that has to be adopted to perform a study (Babbie 2001). It is also defined as a detailed outline of how an investigation will take place. It plans, manage and systematize quantitative or qualitative data collection.

Therefore the researcher had a plan specifying the methods and procedures for collecting and analyzing the relevant information or data and the kind of instrument is to be used for the study. The research design was aimed at helping the researcher to answer the research questions accurately with the intention of finding solution(s) to the problem.

The researcher used survey as the approach to execute the study. It is a quantitative research design that describes phenomena as they exist without influencing subjects or events in any way. The researcher therefore adopted this method to achieve his objectives.

The main tool which was used in the collection of the data was questionnaire. Quantitative approach was adopted since it is useful in the compilation of numerical evidence. It counts and classifies components and creates statistical models to explain what is observed. Qualitative approach however is subjective and attempts to understand human behaviour, and rationale that govern it. It thus generates verbal data which can be analyzed and interpreted. The researcher therefore took advantage of it in the analysis. Statistical Package for Social Sciences was used to analyze the data.

3.3 Population

Bryman & Bell (2007) describes a population as the complete set of cases or elements from which a sample is taken for a research. For the purposes of this research, information was to be gathered from 185 potential respondents or individuals with active participation in Public Procurement in the Ledzorkuku Krowor Municipal Assembly. They include officers of Administration, Procurement Unit, Finance department, Audit, Works department, Planning and Budget.

Table 3.1: Population of Department that deals in procurement activities

S/N	DEPARTMENTS	TOTAL NUMBER OF POTENTIAL RESPONDENT
1.	ADMINISTRATION	105
2.	PROCUREMENT UNIT	12
3.	WORKS DEPARTMENT	15
4.	AUDIT	10
5.	PLANNING	8
6.	BUDGET	5
7.	FINANCE	30
	TOTAL	185

3.4 Sample and Sampling Procedures

A sample is a section of population used to represent the whole. To be able to ascertain the sample, the process of selection has to take place in order to arrive at a section whose characteristics duly reflect the entirety of the population. This process is known as sampling. Purposive sampling technique was employed in selecting respondents for the study. In Purposive sampling the researcher has in mind the targeted group he is seeking to use for the study. It is also useful for situations where you need to reach a targeted sample quickly and where sampling for proportionality is not the primary concern. (Lecture Note, 2014).

However to be able to ascertain the actual sample size for the study, Yamane Taro's formula below was adopted.

$$n = \frac{N}{1 + N \alpha^2}$$

- n= Sample Size,
- N= Population size
- α = margin of error (which will be 10% or 0.1)

$$N = 150$$

$$\alpha = 10\% = 0.1$$

Therefore;

$$n = \frac{185}{1 + 185(0.1)^2}$$

$$n = 64.9$$

Therefore n = 65

Therefore a sample size of 65 professionals from aforementioned departments in the Municipal Assembly was used for the research.

3.5 Sources of Data

Information from both primary and secondary sources were extensively used for this research. The primary source of data includes information gathered from the 60 officers who responded to the questionnaires administered for the study. The secondary sources of data also included information from newspapers, books, reports, and manuals relevant to the subject under study. A number of published and unpublished materials on public procurement from journals, dissertations and articles were also used for this research.

3.6 Research Instrument

The main instrument used to collect information was questionnaires. It was adopted because the researcher needed quick information with little stress without much hustle. Questionnaires are also cheaper to administer as little finance is needed to design.

3.7 Data Collection Procedure

The researcher used both primary and secondary sources of data, primary data were the data which the researcher got from the field work. However the secondary data were obtained through published and unpublished books, articles, journals and internet. Questionnaires were the major tools used to collect the primary data.

A total number of thirty six (36) questions were set in the questionnaire. They were in three sections, the first section contains personal data, the second section involves procurement processes and management whiles the third section contains procurement practices and factors influencing procurement malpractice. Closed ended questions were extensively used with few opened ended questions were used to

ascertain the views of the respondents. A five point Likert Scale ranging from one (1) being the least to five (5) being the highest was used to measure the view of respondent in the third section.

The researcher made the questions as simple as possible to make it interesting in reading and also answering. The questions were intentionally restricted to questions bothering on procurement practices. The questions were made easy to answer and the researcher tried as much as possible to avoid all sort of jargons, vague and sensitive as well as threatening words that may have impacted negatively on the response. Also every question and their response categories were clear and correctly mapped. This made it very easy for respondents to attend to it as it did not have to take much of their time.

The questionnaires were then delivered to all respondents personally after piloting about 10 of them at La Dade Kotopon Municipal Assembly. It really helped to make corrections and also know the time it will take a responder to complete one questionnaire and even how well respondent understood the questions. The researcher sent them personally in other to ensure that all questionnaires reached the right targeted respondents and on time. They were collected within one week and this gave respondents ample time to ensure all questions were attended to.

3.8 Data Analysis

Data Analysis is a critical examination of data in order to understand its parts, relationships and to discover trends. A likert Scale of (one) to five (5) with (1) representing strongly disagree and 5 strongly agree was used to rank the level of agreement or disagreement on questions asked by the researcher.

Responses gathered from the survey were analyzed using the Statistical Package for Social Sciences (SPSS). Data received, was edited, coded and subsequently fed into the Statistical Package for Social Sciences soft ware. The Soft ware processed the data and the results were put in a table form showing the mean and standard deviation.

Moreover, tables and charts were used to demonstrate other responses, details of the analysis and discussions are shown in the subsequent chapter.

3.9 Summary of Methodology

Descriptive or Survey design was adopted for the study and Purposive Sampling technique was used in selecting respondents for the study.

Questionnaires were designed for potential respondents from the Ledzokuku Krowor Municipal Assembly. A sample size of sixty Five (65) was determined using the Yamane Taro's formulae from a population of One Hundred and Eighty Five (185) personnel from the Municipal Assembly.

Primary and secondary sources of data were used to gather relevant information for the study.

Statistical Package for Social Science was used to analyse the data. The results were put in a table form showing the Mean and Standard Deviation as well as their ranks while others were also shown in a chart form.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSIONS

4.1 Introduction

The chapter presents information gathered from the field and using the SPSS software, the data was analyzed and presented in charts and tables form to enhance better understanding of the results of the investigation.

A sample size of 65 respondents was drawn from a population of 185 potential respondents. This was possible using the Yamane Taro's formula of sample size determination. The sample size obtained represents 35% of the total population of potential respondents from the administration unit, finance, budget, works, audit and planning unit from the Ledzokuku Krowor Municipal Assembly. Out of the 65 questionnaires sent, 60 were retrieved representing a response rate of 92.3%. This percentage is too good since a response rate of 30% is good for a research work according to Newman and Idrus (2002), Oladapo (2005) also attests to this fact.

Results obtained from the analysis from the SPSS software are also presented in this chapter using tables, charts, and descriptive statistics with mean and standard deviation. The Cronbach Alpha Model in table 4.1 was used to test the reliability of responses given.

This test is very crucial since it reveals whether there is consistency in the responses or not. An alpha value of 0.764 was recorded after the test was done. In social science research, a reliability coefficient (Alpha Value) greater than or equal to 0.7 is required (George and Mallery 2003).

Table 4.1 Reliability Statistics

Cronbach's Alpha	No. of Items
0.764	17

Source: field data 2015

An objective, fair and detailed discussions are also made from the analysis and it was upon these bases that recommendations and conclusions were drawn in chapter five.

4.2 Demographic characteristics of the respondents

This is about the age of respondents, the sex group, the position respondent holds in the Municipal Assembly. This was really helpful as it gave the researcher about the kind of respondents he was going to use for his study, their educational background and their knowledge as well as work experience they have acquired or gained over the years. Below is a detail analysis of the demographic characteristics of the respondents.

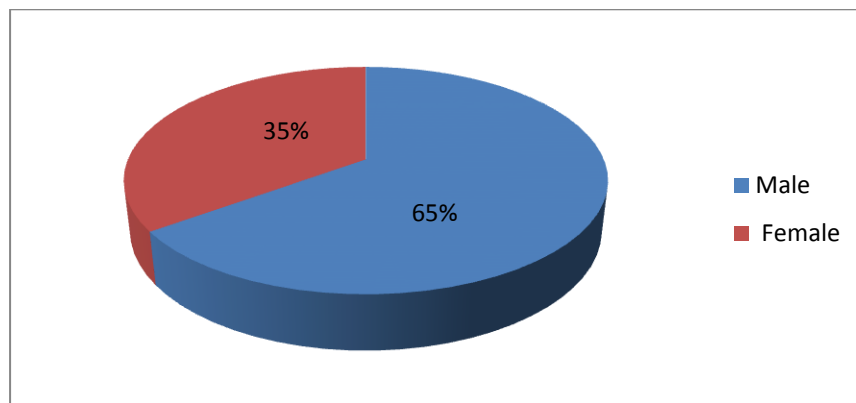


Figure 4.1: Gender of Respondents

Source: Field Data, 2015

As illustrated in Figure 4.1, there were about 35 percent females and 65 percent males from the Municipality. It can be deduced that males dominate in the procurement activities in the Municipal Assembly since they have the highest percentage as compared to females.

Table 4.2: Age of Respondent

Age (in years)	Frequency	Percent
18 - 25	3	5.0
25 - 35	28	46.7
35 - 45	20	33.3
Above45	9	15.0
Total	60	100.0

Source: Field Data, 2015

The purpose of asking the age was to find out whether the Municipal Assembly has young and vibrant work force who are ambitious and daring in learning new technology, applying new skills or an old generation who may stick to the old ways of doing things or take no high risks in decision making. The table above however proves that the modal age group in the Assembly is between 25 to 35 years as they get 46.7% as against 33.3% of the 35 to 45 year group. It is also evident from the table that the very young people are the least age group in the Assembly thus 18 to 25 years group with 5% as against 15% of the age group above 45 years. It can be deduced that the Assembly does not involve inexperienced people in their procurement activities since they may have come fresh from school and have any practical experiences.

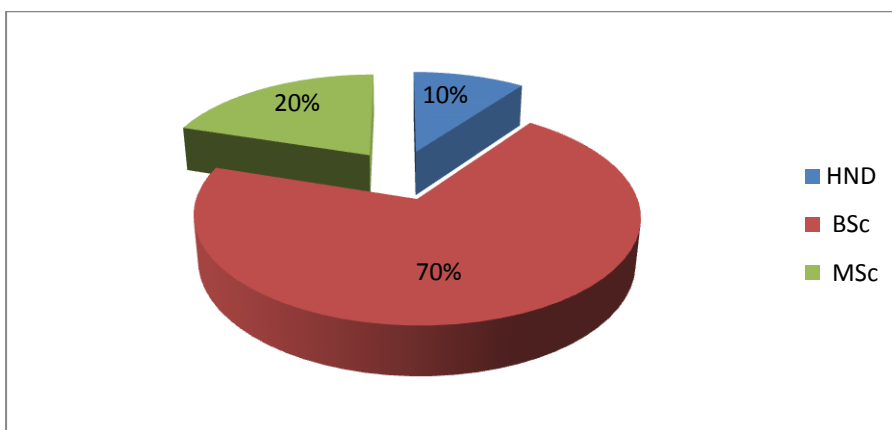


Figure 4.2: Respondents Highest Level of Education

Source: Field Data, 2015

The figure above shows a high level of educated work force in the Municipality. This can also be attested to the fact that procurement activities are highly sensitive job and therefore would require some level of education, understanding and knowledge to be able to execute the job. Amazingly Bsc holders are more in the Assembly procurement system with a percentage of seventy (70) as against Msc holders twenty percent (20%) and the least being HND holders of ten percent (10%). This statistics show that more employees of the Assembly are highly educated and it could be as a result of opportunities Universities are given for upgradement.

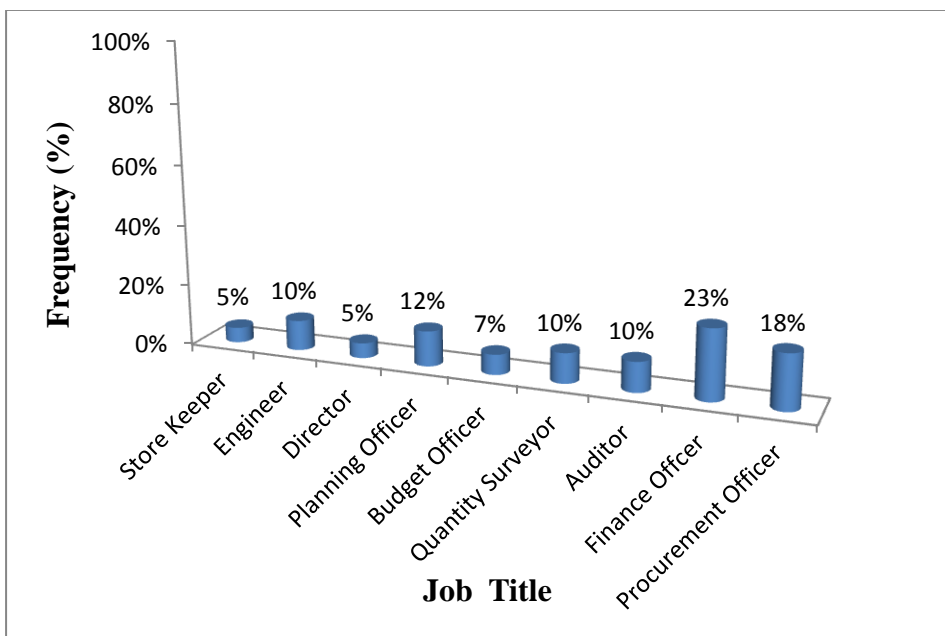


Figure 4.3: Respondents job title in the Municipality

Source: Field Data, 2015

The Assembly is having almost all the work force that it may need for procurement activities per the figure above. The figure 4.3 shows a high number of Finance Officers in the Municipality with 23%, Procurement Officers 18%, followed by Planning Officers 12% and Engineers, Quantity Surveyors and Auditors all attaining 10%. Other professionals include Budget Officers 7%, Directors 7% and Store Keepers 5%. The research indicates that there are more people practicing as Finance

Officers and Procurement Officers. This is very good for the Assembly as these groups of people are directly involved with procurement activities and having them in the Municipality is an added advantage.

Table 4.3: Work experience of the Respondents

Work experience (in years)	Frequency	Percent
5 - 10 years	44	73.3
10 - 15 years	10	16.7
Above 15	6	10.0
Total	60	100.0

Additionally, majority of these procurement practitioners have enough working experience with the least of them having as many as 5 years and the highest above 45 years working experience. This neutralizes any doubt in the minds of researchers about the kind of professionals being used as participants for this research. All participants are experienced enough to know what the procurement processes entails and what is expected of procurement practitioners.

As many as 44 respondents have worked between 5 to 10 years in the procurement sector, representing 73.3% of the respondent with the remaining 16.7% being those who have worked for between 10 to 25 years and 10% for those who have worked above 45 years.

4.3 Level of procurement malpractice in the municipal assembly

The literature review and other report the researcher depended on, shows that there exist some malpractices in the various Government institutions in the country of which Ledzokuku Krowor Municipal Assembly is no exemption. The researcher therefore wanted to explore to reveal the existence and the level of procurement

malpractices in the Municipality. Factors influencing these malpractices were also analyzed. Below shows details of the analysis of the above.

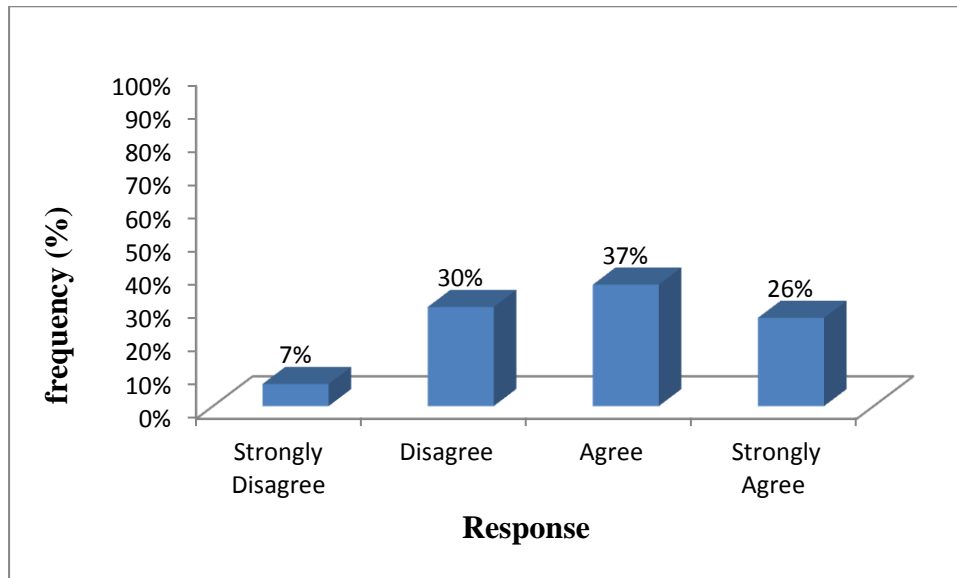


Figure 4.4: Procurement Malpractice in the Municipal Assembly

Source: Field Data, 2015

The researcher wanted to find out whether indeed there is some level of procurement malpractices in the municipality. The researcher was quite pessimistic as to whether respondents were going to be bold enough to admit that indeed there is some level of bad practices going on in the Assembly. However as many as 37% of respondents admit there are malpractices in the Assembly, 27% strongly agree while 37% disagrees. However putting the respondents of those who agree and those who strongly agree on this assertion together we realised a whopping high percentage of 63%. This shows that a lot of respondents agree to the fact that there exist malpractices in the Municipality.

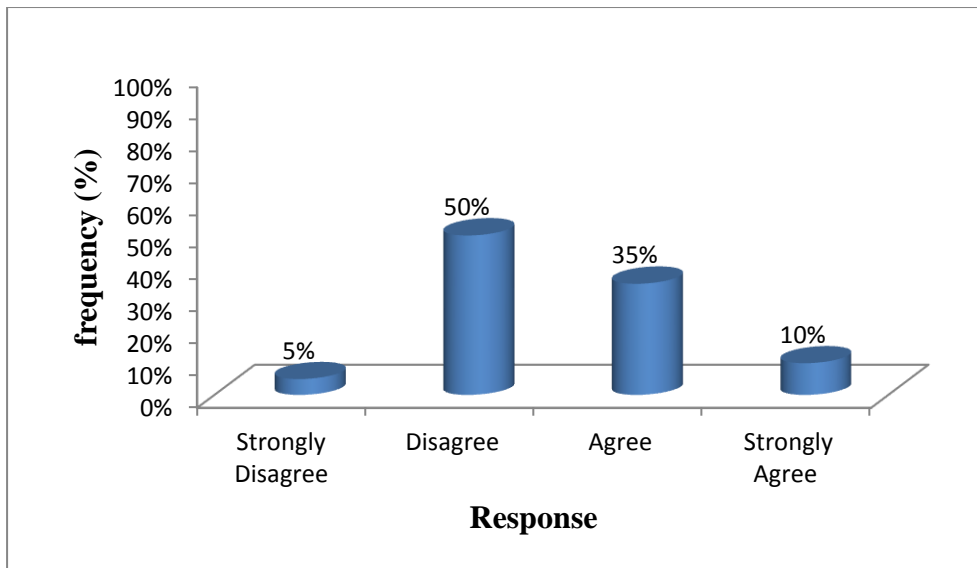


Figure 4.5: Training on Procurement Practices

Source: Field Data, 2015

On the question of practitioners receiving frequent training, it was too close to call as a weak majority of 55% respondents disagreed with 45% agreeing. It can be said that those who disagreed may be in departments that do not carry out frequent procurement training or may have training which is not related to procurement activities. This was obvious because almost a split decision was reached with no major majority of admittance or denial.

Table 4.4: Forms of Procurement Malpractice

Factor/Variable	Mean	Std. Deviation	Rank
Accepting late submission	3.65	0.917	1st
Single contractor buying the entire tender document	3.08	1.608	3rd
Awarding contract to favourites, family and friends	2.40	1.368	5th
Exposure of Engineers estimate to preferred contractors	1.95	1.443	9th
Having a close relationship with suppliers can influence selection process	3.10	1.714	2nd
Its normal to open envelopes even if opening time is not due	2.15	1.696	7th
It's right to accept tenders which have not been signed, it has no effect on the selection process	2.10	1.458	8th
It's not necessary to inform unsuccessful tenderers	2.20	1.582	6th
Leaking vital information to preferred contractor	2.45	1.545	4th

Source: Field Data, 2015

In this sub-section, we explore the level of procurement malpractices in the Municipal Assembly. The respondents were asked to indicate their level of perception or knowledge on the extent of procurement malpractices existing in the Municipal Assembly on a 5-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree. The outcome of these results is presented below.

It can be observed from Table 4.4 that there is some degree of differences in the level of agreement among the respondents on the forms of procurement malpractices in the Ledzokuku Krowor Municipal Assembly. Majority (61.7%) of the respondents agree that the most common form of procurement malpractices is ‘accepting late submission’.

This is followed by the perception that having a close relationship with suppliers can influence selection process; as reported in Table 4.4, the average level of agreement on this assertion is about 3.10. Furthermore, some respondents believe that there are instances where an entire tender document is sold out to a single contractor. These results seem to suggest that procurement malpractices persist in the Assembly.

The above observation is consistent with the earlier question reported in Figure 4.4 concerning the existence of potential malpractices in the Assembly where about 63 % agreed to and as many as 37% disagreed with respect to the question on procurement malpractices. Apart from the aforementioned three forms of procurement malpractices, majority of the respondents practically disagreed with the other forms of malpractices reported in Table 4.4. On a 5-point Likert scale, the average level of agreement is approximately 2. The implication of these results is that the level of procurement malpractices in LEKMA depends on the kind malpractice which is being considered.

4.4 Factors influencing procurement malpractices in the municipal assembly

Subsequently, we examine the factors which can lead to procurement malpractices. The respondents were asked to indicate their level of agreement or disagreement on a 5-point Likert scale containing variables which might influence procurement malpractices. The outcomes of these results are shown below.

Table 4.5: Factors Influencing Malpractice

Factor/Variable	Mean	Std. Deviation	Rank
Nepotism	3.85	0.777	4th
Favouritism	4.03	0.78	3rd
Financial Influence	4.73	0.446	1st
Political Influence	4.30	0.462	2nd
Punitive actions are seldom taking against any professional who engaged in any malpractice	3.60	1.123	5th
There is a committee to deal with both internal and external complaints about the Assembly's procurement issues	2.27	1.056	6th

Source: Field Data, 2015

Table 4.5 reports the factors that influence procurement malpractices. Financial influence appears to be the most influential factor which drives procurement malpractices; the average level of agreement is 4.73. This is followed by political influence, favouritism and nepotism with an average level of agreement of 4.30, 4.03 and 3.85 respectively. Furthermore, majority of the respondent perceive that punitive actions are infrequently taken against professionals who indulge in malpractices. This therefore has the tendency to cause or increase procurement malpractices. Similarly, majority of the respondents disagree with the assertion that “*There is a committee to deal with both internal and external complaints about the Assembly's procurement issues*”; the average level of agreement is about 2.27.

Table 4.6: Number of times the Assembly Engages in Sole Sourcing.

	Frequency	Percent
Very often	3	5.0
Often	6	10.0
Quite often	18	30.0
Not often	33	55.0
Total	60	100.0

Source: Field Data, 2015

On the question on sole sourcing as reported in Table 4.6, majority of respondents represented by 55% of participants said “not often” while just a few of respondents representing 5% said very often. From this item, it is quite obvious respondents who chose “not often” did so because they believe this method of procurement is rarely pursued at the Assembly. Instance where sole sourcing is not adequately conducted, malpractices is more likely to occur. Hence, it is not surprising that some form of procurement malpractices is said to exist at the Assembly.

Table 4.7: Reasons for Sole Sourcing

Variable	Frequency	Percent
External influence	6	10.0
Emergency situation	3	5.0
No idea	33	55.0
Because it is a procurement method in the Act 663 (2003)	3	5.0
work involves specialised skills	9	15.0
Past experience	6	10.0
Total	60	100.0

Source: Field Data, 2015

In addition, when asked the reason for engaging in sole sourcing, the results as shown in Table 4.7 indicate that only three (3) participants referred to the Procurement Act as a reason with as many as 33 participants, representing 55% said they have no idea. This number of respondents probably corresponds to the same number of participants who answered “not often” for the number of times sole sourcing happens. This response is somehow surprising given that respondents with that many years of procurement experience do not know that sole sourcing is a procurement method used in emergency situation or for security reasons among others. Nevertheless, this observation can be explained by the fact that majority of the respondents, representing 55% do not undergo regular procurement training as indicated in figure 4.5.

Table 4.8: Suggested changes to the Assembly’s Procurement Practices

	Frequency	Percent
Political/External influence	18	30.0
Organisational structure should be changed or redefined	18	30.0
Procurement process should be shortened	6	10.0
Training of officers	3	5.0
None	15	25.0
Total	60	100.0

Source: Field Data, 2015

To ascertain how procurement activities can be improved, respondents were asked to indicate the factors they wish it to be changed. The outcome of this is reported in Table 4.8. Interestingly, an equal proportion, representing 30% each of the respondents wish that political/external influence and organisational structure of the assembly should be changed. Furthermore, 10% of the respondents believe that procurement process appears to be long; hence ought to be shortened, while 5% think

that training of officers should be improved. However, 25% of the respondents appear to be satisfied with the procurement practices as a result don't wish that the existing practices be changed or amended.

4.5 Effects of Procurement Malpractice

The researcher curiously wanted to know whether personnel of the Municipal Assembly know the effect of procurement malpractices in the Municipal Assembly. The effects were identified and respondents were asked about their level of agreement or disagreement to the question posed. The figure below shows details of the above.

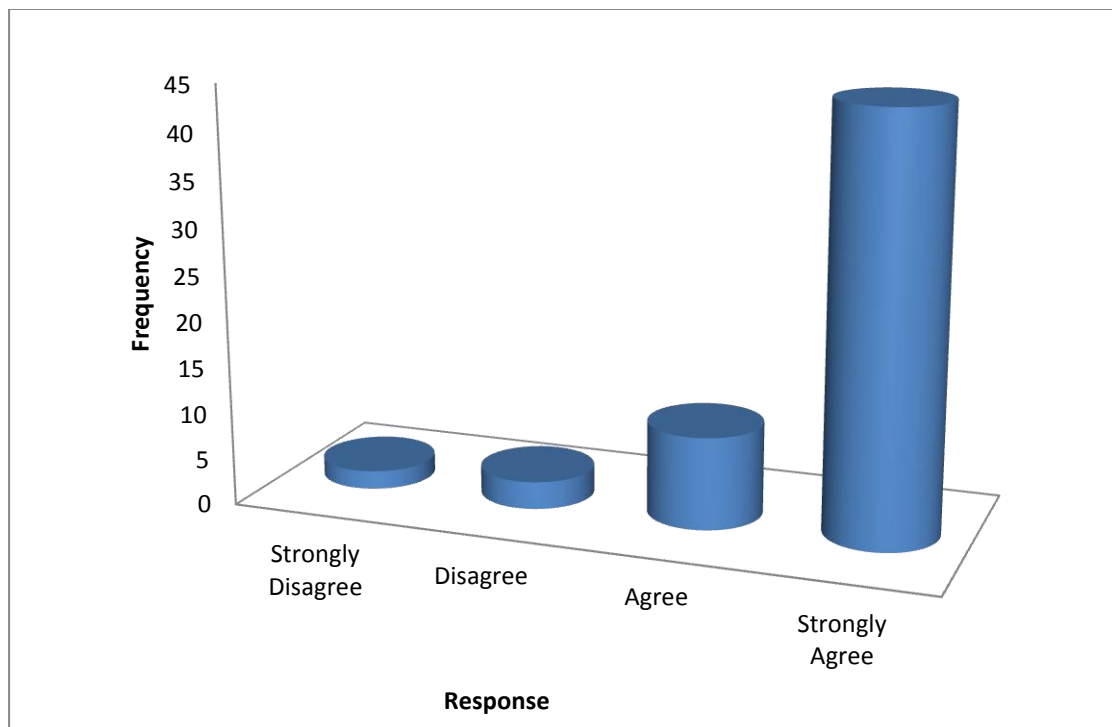


Fig 4.6 Effect of Procurement Malpractice in the Municipal Assembly

Source: Field Data, 2015.

The researcher asked respondents to indicate their level of agreement to the effects of Procurement Malpractice in the Municipal Assembly.

The figure above indicate a high majority of respondents agreeing to the various forms of effects that may occur when Malpractices are indulge in. 45 respondents representing 75% of respondents strongly agree that malpractices have high effects on the procurement system in the Municipal Assembly. Whiles 10 respondent also agreed to the various effects identified by the researcher. This response combined together shows a hooping majority of 55 respondents representing 92% agree to the fact that Procurement Malpractice have serious effects on the procurement process in the Assembly. However few respondents disagree to this fact. 5 respondents representing 8% of respondents disagree to the effects.

This revelation indicates that most respondents in the Municipal Assembly are aware of the various effects of Malpractices in the Municipality.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

Having concluded the preceding four chapters, various findings, recommendations and conclusions are made in this last chapter. The findings are revelations of what the researcher found out during the study. Although some are not strange to have found out, others are mind boggling. Recommendations are however made to improve upon the ground situation pertaining to procurement practices going on in the Assembly. In conclusion this chapter sums up all the research work that was carried out and further suggestions are made for other researchers to carry out other equally important areas which the researcher could not capture.

5.2 Summary of Findings

The research work revealed the following;

There are a lot of graduates who are involved in the procurement activities in the Municipal Assembly of which males are the majority compared to the female counterpart.

5.2.1 Procurement malpractices

The research also revealed that indeed there exists some level of procurement malpractices in the Municipal Assembly. Some of these malpractices include;

1. Accepting late Submission
2. Single contractor sometimes buying the entire tender document
3. Awarding contracts to close relations

4. Envelopes are sometimes opened before the opening time
5. Some respondents also believe that tenders which are not signed can also be accepted because according to them it has no effect on the selection process.
6. Others also believe that it is not necessary to inform unsuccessful Tenderers
7. Lastly leaking information to preferred contractors

However among the above practices which the researcher found out, the most prominent one was accepting late submission. The next close to that practice is awarding contracts to favourites contractors or suppliers. All the other practices were not occurring often as respondents indicated.

5.2.2 Factors influencing malpractices

The research also found out the following as factors influencing procurement malpractice in the Municipal Assembly.

- i. Nepotism
- ii. Favouritism
- iii. Financial difficulties
- iv. Political Influence
- v. Lack of Punitive action against culprit especially those in higher Authority.
- vi. The research also revealed that there is no effective committee set aside to look into issues concerning malpractices.

5.2.3 Training

The research also revealed that training programmes are not often done for officers in the Municipal Assembly. Those who receive this training exercise are few people who are in the procurement unit.

5.2.4 Sole sourcing

The research also revealed that although the Assembly engages in sole sourcing, most of respondents did not know why or the factors which may trigger sole sourcing as a method of selecting contractor or supplier without going through competitive tendering. This is very amazing as most or all respondent used for the study are highly educated and the researcher would have thought the respondent should have known better so they can take informed decisions. A whopping 55% of respondents indicated they have no idea when asked about the reason why the Assembly engages in sole sourcing.

5.2.5 Effect of malpractices to the Assembly

The following are some of the effect that procurement malpractice could bring to the Assembly.

- a) Shoddy execution of work
- b) Abandoned project due to lack of funds
- c) Discourage competent suppliers to the Assembly
- d) Increase cost of project
- e) Affect organizational image
- f) Affect value for money
- g) High Staff turnover
- h) Bankruptcies

5.3 Conclusion

For every country to excel in any area of operation, professional practices must be strictly adhered to. Laws, Acts, Rules and Regulations are meaningless and impotent if it's not applied to achieve its goal. Countries which have triumph in the economic ladder are those who respect its laws and apply irrespective of person, gender or race Gregg Barak (2001) Therefore the procurement law cannot fully achieve its goal if some practices which are alien to the norms of the Public Procurement Act is not addressed.

5.4 Recommendations

Having explored the objectives of the researcher, the following recommendations are proposed;

- a. Politicians as well as External influence should be detached from the procurement processes to enable professionals take bold and professional decisions.
- b. The Assembly should have regular refresher courses and training programmes to keep officers informed on new trends, knowledge and technology.
- c. There should be a committee set to look into procurement practices in the Municipal Assembly, this would expose bad practices and also deter others from engaging in same activity.
- d. Also punitive action should be taken against any officer whether junior or senior as professed by the Procurement Act 2003 (Act 663) without fear of favour.

5.4.1 Suggestion for further study

The researcher is of the view that for every system to operate fair and firm, there should be laws and regulations to guide their operations. Therefore the researcher suggest a research conducted into why these practices still prevails in spite the various Procurement Act, guidelines, laws and regulations in Public Institutions.

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APPENDIX

QUESTIONNAIRE

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY
(KNUST)

DEPARTMENT OF BUILDING TECHNOLOGY

MSc. PROCUREMENT MANAGEMENT

RESEARCH TOPIC: *“An investigation of procurement malpractices and its effect on the Procurement system in Ghana. A study of Ledzokuku Krowor Municipal Assembly”.*

Dear Respondent,

The study aims at investigating procurement practices in Public institutions in Ghana with emphasis on the Ledzokuku Krowor Municipal Assembly. The results from this report will help proffer solutions to address the issues that confront the implementation of the Public Procurement Act and consequently improve procurement in the Municipal Assembly and public institutions at large. Kindly note that the research is purely for academic purposes.

Your response to the following questions would be highly be appreciated for the success of the project. Any information given would be treated with utmost confidentiality.

SECTION ONE. PERSONAL DETAILS

INSTRUCTIONS: Please *tick (✓) or write* the most appropriate answer to each of the questions

1. Age: () 18-25 () 25- 35. () 35-45. () 45 and Above

2. Sex: () Male () Female

3. Educational level and Qualification(s)

() PHD () MSC () BSC () HND () other please specify.....

4. Position in the Municipal Assembly

() Accountant /Finance Officer () Budget Officer () Procurement Officer

() Director () Engineer () Auditor () Planning Officer () Other Please Specify.....

5. How long have you been working in the Municipal Assembly? () 0-5 years

() 5-10 () 10-15 () above 15

**SECTION TWO. PROCUREMENT PROCESS AND ITS MANAGEMENT IN
THE MUNICIPAL ASSEMBLY**

Please indicate your level of agreement with the following statements regarding procurement practice in your institution on a scale of 1-5 where 1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree . Please tick (√), the most appropriate answer to each of the questions except for question 9, 15 and 19 where you may answer it differently.

S/N	QUESTIONS	1	2	3	4	5
6	You are often faced with serious challenges in applying professionalism to the Procurement practice.					
7.	You have knowledge about the Public Procurement Act 663, 2003.					
8.	The Assembly works with a well defined procurement plan and procures according to the plan.					
9.	Is the procurement plan linked to the Assembly's approved budget?	YES		NO		
10.	Officers have regular training on public procurement practices.					
11.	Management has provided all Departmental heads with the Procurement Act, manuals, guidelines and other relevant procurement documents to guide them in procurement procedures.					
12.	Procurement activities of the Assembly are assessed annually or periodically by the Public Procurement Authority					
13.	There is a Committee to deal with both internal and external complaints about the					

	Assembly's procurement issues.						
14.	How often does the Assembly engaged in sole sourcing as a procurement method in selecting a contractor						
15.	If VO, O or QO Outline the reason(s)					
16.	The Assembly is normally faced with procurement malpractice(s)						
17.	Punitive actions are seldom taking against any professional who engaged in any malpractice?						
18.	Receiving gifts from suppliers before Tender meeting is held is NOT a bad practice.						
19.	Who is able to influence the selection process of contractors? MP= Member of Parliament, MCE=Municipal Chief Executive, MCD=Municipal Coordinating Director, MPO=Municipal Procurement Officer, MFO=Municipal Finance Officer, MWE= Municipal Works Engineer.	M	M	M	M	M	M
		P	CE	C	PO	F	W
				D		O	E
	Other please specif.....						
20.	The Public Procurement Act 663, (2003) has NOT helped in reducing procurement malpractice?						

SECTION THREE. PROCUREMENT PRACTICE AND FACTORS

INFLUENCING MALPRACTICES IN THE MUNICIPAL ASSEMBLY

Rank the following **factors** that may influence procurement **malpractices** in the Municipal Assembly.

Please indicate your level of agreement with the following statements regarding procurement practice in your institution on a scale of 1-5 where 1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree. Please tick (√), the most appropriate answer to each of the questions

S/N	PRACTICE	1	2	3	4	5
21	Nepotism					
22	Favoritism					
23	Financial Influence					
24	Political Influence					

Rank the listed items on scale 1-5. 1 represents NO Occurrence. 2 represents LEAST occurrence, 3 represents OCCASIONAL occurrence, 4 represents FREQUENT occurrence and 5 represents VERY FREQUENT occurrence. Please write the mark against the items as appropriate.

S/N	PRACTICE	1	2	3	4	5
25	Accepting late submission					
26	Single contractor buying the entire tender document					
27	Awarding contract to favorites, family, friends etc					
28	Exposure of Engineers Estimate to preferred contractors					
29	Leaking vital information to preferred contractor					

Rank the following practices in order of occurrence in the Municipal Assembly.

Please indicate your level of agreement with the following statements regarding procurement practice in your institution on a scale of 1-5 where 1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree. Please tick (√), the most appropriate answer to each of the questions

S/N	PRACTICE	1	2	3	4	5
30	Having a close relationship with suppliers can influence selection process.					
31	Its normal to open envelopes even if opening time is not due					
32	It's alright to accept tenders which have not been signed, it has no effect on the selection process.					
33	It's not necessary to inform unsuccessful tenderers					
34	Political influence has a negative bearing in the supplier selection process.					

Please indicate your level of agreement with the following statements regarding the effects of procurement malpractices in your institution on a scale of 1-5 where 1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree. Please tick (✓), the most appropriate answer to each of the questions

S/N	EFFECTS	1	2	3	4	5
35	(a) Shoddy execution of work (b) Abandoned project due to lack of funds (c) Discourage competent suppliers to the Assembly (d) Increase cost of project (e) Affect value for money (f) Affect organizational image					

36. What one thing would you wish to change/amend in the Assembly's procurement practice?

.....

.....

.....

.....

THANK YOU