

CONFLICT OF INTEREST AND RELATED CORRUPT PRACTICES IN PUBLIC PROCUREMENT IN GHANA

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ABSTRACT: *Purpose: The objective of this study was to assess the perceptions of the players in Ghana's Construction industry (GCI) on the pervasiveness of conflict of interest and corruption in the industry. Research Design: The study involved the undertaking of an extensive literature review on the subject matter. Additionally, employing the principles of a "survey approach to research", a questionnaire was developed, which sought to primarily establish, which of the stages of the procurement process was most susceptible to corruption and acts of conflict of interest. Purposive sampling was utilized and descriptive statistics and relative importance index were used to analyze the data. Research Limitations: The use of purposive sampling limited the survey to the participants of the procurement forum. Findings: From the study, acts of conflict of interest and corrupt practices are still pervasive in the construction industry and the tender stage, contract execution stage and final accounting and auditing stage were found to be the stages of the public procurement process that are most susceptible to the perpetuation of acts of conflict of interest and corrupt practices in Ghana. Response to the conference theme and outcome: This study unearths the level of corrupt practices and conflicts of interest in the construction industry in Ghana. Practical Implications: The study increases the awareness of the prevalence of conflict of interest and corrupt practices in the construction industry despite the interventions made by successive Governments to curb same. Originality: The study explores issues of conflict of interest and corrupt practices in the Ghanaian construction procurement landscape and identified some stages in the procurement process prone to conflict of interest and corrupt practices which if given attention safeguard the already stretched public purse.*

KEYWORDS: Conflict Of Interest, Corruption, Public Official, Construction, Public Procurement

INTRODUCTION

Public procurement, in one way or the other, can be understood to be a process by which governments and organizations acquire goods, works and services using public funds. It includes

planning, inviting offers, awarding contracts and managing contracts. This may also include acquiring consumables, capital equipment, real properties, infrastructure and services under consultancies, professional services, facility management and construction (Code of practice for procurement, 2005). This is important because it has a direct impact on successful delivery of government goods works and services, effective management of public funds by achieving value for money in public services, reducing corruption and encouraging private sector growth and investment. It has been the above-mentioned reasons that the government, after series of technical reviews, enacted the public procurement act. A draft Public Procurement Bill was made available to parliament in 2002. Over a period of over two years, the draft procurement bill was constituted into law in 2003. Public procurement accounts for 50%-70% of the national budgets (after personal emoluments), 14% of GDP and 24% of imports. Implicitly, public procurement therefore has both social and economic impact on the country (World Bank Economic Report on Ghana, 2003).

Corruption, according to Szeftel (1998), is a behaviour which deviates from the norms, rules and duties, governing the exercise of a privileged role or office, for purposes of private gain. Corruption around the world is believed to be endemic and pervasive, and a significant contributor to the low economic growth, inhibition of the provision of public services and increase in inequality. This has led to international organizations such as the World Bank (2001) to identify corruption as the single greatest obstacle to economic and social development. Conflict of Interest, according to McDonald et al., (2002), is when an individual, such as a public official, an employee, or a professional, has a private or personal interest, sufficient to appear to influence the objective exercise of his or her official duties. The inference can therefore be drawn that the perpetration of an act of conflict of interest amounts to being corrupt thus making the understanding of corruption to be a perception. The study aimed at assessing the perceptions of the players in Ghana's Construction industry (GCI) on the pervasiveness of conflict of interest and corruption in the industry and establishing, which of the stages of the procurement process was most susceptible to corruption and acts of conflict of interest.

LITERATURE REVIEW

The Public Procurement Act

A Section of the Ghana Public Procurement Act, 2003 (Act 663), defines public procurement as the process by which public organizations acquire goods, works and services using public funds. The Public Procurement Act (PPA) 2003, Act 663 was constituted to harmonize public procurement processes in the public service, secure judicious, economic and efficient use of state resources, and furthermore, ensure that public procurement is fair, transparent and non discriminatory. The scope of the new procurement act encompasses all procurement activities financed from public funds – wholly or partly, procurement of goods, works, services and contract administration, disposal of public stores and equipment, and procurement financed by funds or loans taken by the government of Ghana, including foreign aid funds.

Conflict of interest and Causes of Conflict of Interest

Conflict of interest is a situation in which a public official's decisions are influenced by the official's personal interests (Mawenya , 2008). Furthermore, 'conflict of interest' involves a conflict between the public duty and private interests of a public official, in which the public official has private interests, which could improperly influence the performance of their official duties, and responsibilities (OECD, 2003). In any circumstance there is always the possibility that a public official may have private interests that could conflict with their official duties in future works that they may find themselves involved and this, if not checked could influence the performance of their duties. Conflict of interest is likely to arise when an individual finds himself in a situation where that individual who is constructing a project, or supplying goods or services to a project, is also a member of the consultant's team or a member of the procurement committee (Shakantu, 2003). This results in a conflict of interest situation, which can lead to fraudulent consequences.

Corruption and Nature of Corruption in Procurement

Corruption takes place when client officials entrusted with procurement collude with suppliers and contractors and break the law in pursuit of personal interests (Mawenya A. S., 2008). Bribery, embezzlement, kickbacks, tender manipulation and fraud are observed corruption practices in the Ghanaian infrastructure projects delivery system (Osei-Tutu et al, 2009). Bribery normally involves a degree of fraud because it has to be concealed by cheating and deception. Although bribery normally attracts greater public attention, fraudulent procurement practices often lead to higher financial wastage. There is both petty and grand corruption in public procurement. Petty corruption exists mainly in smaller contracts, notably those involving goods, services and minor projects for local government authorities. Larger contracts are special targets for grand corruption. Primarily central governments, through own or donor funding, execute these. Corrupt public officials and politicians in partnership often target them with unscrupulous business corporations or their agents (Mawenya , 2008). Corruption may take place at any stage of the procurement cycle (Transparency International, 2005). During pre-qualification and tendering phases, for example, client officials and representatives may bend procurement rules to favour preferred bidders in exchange for bribes. Corrupt suppliers, contractors and consultants are driven by one or more of several motives. The most common is to win business. It is frequently manifested when a potential contractor/supplier seeking an unfair competitive advantage bribes an official to (I.C.A.C, 2004):

- gain access to confidential information;
- be included in the pre-qualified list;
- eliminate a competitor from the pre-qualified list;
- influence the proposal evaluation process; or
- Level the playing field just in case all other competitors are offering bribes.

Suppliers, contractors and consultants who pay bribes to win business are sometimes depicted as innocent parties forced by ruthless officials to provide kickbacks. In reality, both parties are guilty, ultimately, of defrauding the client. During the contract execution phase, there is wide scope for corruption. Compromised suppliers, contractors and consultants usually have a

deliberate intention to get unjustified compensation or to embezzle public funds. They use ingenious ploys to inflate claims or vary contract terms. Consultants are normally accomplices. They approve fraudulent payments for defective work or for goods and services not actually supplied; and they approve artificial claims, unjustified variations and extensions of time, etc.

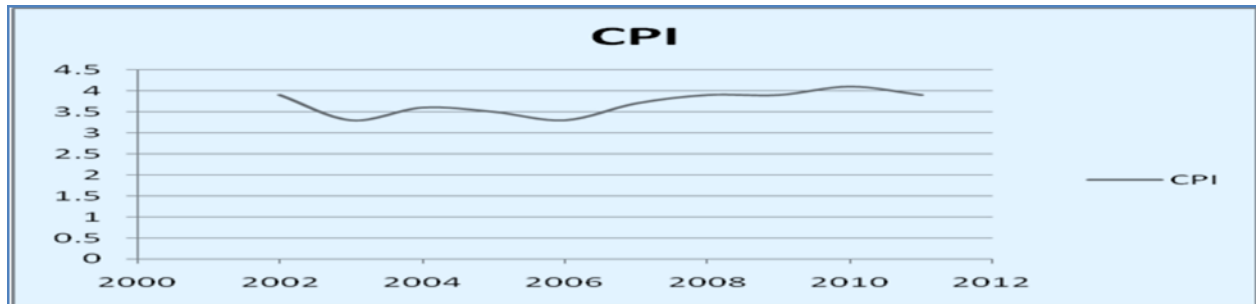


Figure 1: Ghana's Corruption Perception Index Scores

Source: www.en.wikipedia.org/wiki/Corruption_Perception_Index

According to World Bank and African Union surveys, corruption costs Africa \$148-billion a year (AU press release, 2002). Worldwide, the volume of bribes exchanging hands through public sector procurement is estimated to be \$390-400 billion per year (Lengwiler and Wolfstetter, 2006). It is estimated that corruption occurs in up to 70% of public procurement contracts in Sub-Saharan Africa (Mawenya, 2008). In such cases, bribes and fraudulent transactions inflate project costs by about 20-30%. Where government and public scrutiny of projects is weak, corruption often creates white elephants – projects chosen not so much for their intrinsic economic worth as for the opportunity they provide for bribes and kickbacks.

Some Landmark Cases of Corruption in Ghana

As a result of the nature of the Ghanaian construction industry and its related activities, most corruption cases remain with especially the parties involved in that particular project. The few that do come to the public light are usually those involving high profile public persons and national projects that have the media having an interest in.

Below are some instances in which some government officials were found to have misconducted themselves.

- As rumoured under the Supreme Military Council administration led by General Ignatius Kutu Akyeampong, from 1972 to 1978, there was the famous green pen syndrome whereby top brass military officials corrupted young women by giving them chits and notes written in green ink for them to go to the Ghana National Trading Corporation (GNTC) and the banks to get goods for sale (essential commodities or groceries or 'essenco') or access soft loans. It became known as 'fa wo to begye Golf' meaning offer your body in exchange for a Golf car. The generals seduced young girls in Accra with brand new bright Golf cars. Some of them, like Utuka, Kotei, Amedume, Yaw Boakye, F.W.K. Akuffo, among others, faced the wrath of revolutionary fervor in June 1979.
- In the last counts of the 2000 election, it was identified that most of the regional chairmen of the then ruling NDC were road/building contractors who were unfairly awarded

contracts. In so doing they created a cover-up that the money they are making is legitimate and then recouped it into the party's coffers.(UN Report, 2006)

- In 2005, during the New Patriotic Party's administration, the Honorable minister, Richard Anane, the then minister for Transport was alleged to have transferred various sums of money to his mistress in the US who was also at that time purporting to enter into a contract with the Government of Ghana. The Minister was also alleged to have lied before Parliament on matters pertaining to this affair. Upon investigations, CHRAJ found that there was indeed conflict of interest and abuse of power and recommended that the President sacks the said Minister. The Minister in fact resigned (UN Report, 2006).
- The 2009 Global Corruption Report indicates that, "In September 2007 the Yendi district chief executive Alhaji Mohammed Habib Tijani claimed that contracts he had allegedly taken for himself were awarded and executed on behalf of the ruling party, using borrowed documents of private companies to generate funds for the party. Tijani alleged that some of the projects cost US\$27,000 and US\$30,000".
- According to the Auditor General's Report (2009), a total of GH¢ 2.7 billion could not be accounted for by the various Ministries, Departments and Agencies (MDAs) due to lapses, irregularities and errors in the financial management of these MDAs, for the period 2008 to 2009.

RESEARCH APPROACH

The study adopted the survey research approach whereby a questionnaire was developed to address the study's objectives and administered during the 5th Annual Public Procurement Forum held on the 23rd of August, 2012 at the Great Hall of the Kwame Nkrumah University of Science and Technology themed "Consolidating the Gains of the Public Procurement Reforms through Innovative Approaches". The purposive sampling technique was used, as the main population size was too large. Again, the forum was chosen as a preferred avenue to administer the questionnaires, primarily because it brought together most of the key players in the construction industry such as contractors, consultants, suppliers and procurement practitioners in government agencies and institutions spread across the length and breadth of the country. To ascertain the extent to which the various stages of the procurement process were susceptible to corruption and possible ways of combating corruption, a 6-point likert scale from 0 to five where 0= not susceptible to corruption, 1= very low susceptibility to corruption, 2= low susceptibility to corruption, 3= susceptible to corruption, 4= highly susceptible to corruption and 5=extremely highly susceptible to corruption, was used respectively. Information obtained from the respondents was analyzed using descriptive statistics. Importance indices was the main statistical data analysis method employed.

The importance indices used is given by the formula below

$$\text{Importance index (I. I)} = \frac{(5n_1 + 4n_2 + 3n_3 + 2n_4 + 1n_5 + 0n_6)}{(6(n_1 + n_2 + n_3 + n_4 + n_5 + n_6))}$$

Where: n_1 = number of respondents who answered “extremely highly susceptible to conflict of interest and corruption”

n_2 = number of respondents who answered “highly susceptible to conflict of interest and corruption”

n_3 = number of respondents who answered “susceptible to conflict of interest and corruption”

n_4 = number of respondents who answered “low susceptibility to conflict of interest and corruption”

n_5 = number of respondents who answered “very low susceptibility to conflict of interest and corruption”

n_6 = number of respondents who answered “not susceptible to conflict of interest and corruption”

Importance Indices (I.I) facilitated the identification of the critical stages of the procurement process susceptible to acts of conflict of interest and corrupt practices. The nearer the value of importance index of the identified factor is to unit (1), the more susceptible that stage is, to acts of conflict of interest and corrupt practices. The importance index determination was adopted from Lim and Alum (1995).

Data Analysis, Results and Discussions

Demographics of Respondents

Overall, 120 questionnaires were administered out of which 85 were answered and returned. This gave a response rate of 71% (*refer to Table 1 for the details of response to the questionnaires*).

Table 1: Details of Response to Questionnaire

Group	Consultant	Contractor	Supplier	Procurement Practitioners In Government Agencies	Other
Frequency	14	12	7	51	1
Percentage	16%	14%	8%	60%	1%

The data collected include the perpetration of corrupt practices and acts of conflict of interest in the procurement processes or otherwise, the effectiveness of the public procurement Act in curbing corruption, the effects of corruption on construction delivery and the stages of the procurement process which corruption perceived to be endemic and strategies in combating corruption in the procurement process.

Familiarity and Utilization of the Provisions of the Public Procurement Act

Respondents were required to indicate their familiarity with the provisions of the Procurement Act, to which all 85 respondents responded in the affirmative. Respondents were again asked whether they have ever used or still using the Act. To this, 90% gave a confirmatory response.

Respondents were again asked for their reasons for adhering to the provisions of the Procurement Act; and below is a tabulation of their reactions to this inquiry.

Table 2: Reasons for Adherence to Provisions of the Procurement Act

Reasons	Frequency	Percentage
Very convenient	19	22%
Free and fair tendering process	60	70%
Level “playing ground”	48	56%
Private sector development	29	34%
Healthy business competition	39	46%
Low possibility of hitches occurring	17	20%

From table 2, it can be argued that having a free and fair tendering process is of utmost importance (**70%**), followed by the existence of a level playing ground (**56%**) and healthy business competition (**46%**)

The Impact of an Effective Procurement System

An effective Public Procurement system serves as a bridge between public requirements such as roads, hospitals, defence needs among others; and private sector providers (Wittig, 1999). The benefits and impact of an effective and a strengthened procurement system are immense and can be put under the following broad headings:

- Direct Impact,
- Economic Impact,
- Social Impact.

Direct Impact

With the establishment of the new procurement system in Ghana, coupled with the unending debate and reformations, a new breath of life has been put into the existing public institutions and procurement practitioners have now been empowered to execute their functions effectively and in conformity to world standards. The existence of an effective and well strengthened procurement system, with all the control mechanisms in place, further ensures that there is more transparency, greater efficiency, less corruption, more professionalism in the procurement sector and greater respect for the procurement boards and institutions. 43% of the respondents were in union that indeed there has been a direct impact as a result of the passage the new Procurement Act.

Economic Impact

With so much money associated with procurement in the name of the public, an efficient and well-strengthened procurement system does not only ensure sanity to the procurement sector but also gives greater benefits to the taxpayer economically, by ensuring that there is more effective and efficient use of external financial assistance, better coordination of external assistance, stimulation for private sector growth, reduced levels of debt, savings on the national budget; and

greater value for money. On the issue of economic impact, Ghana's Public Procurement Act managed to gain a 38% affirmative response from the respondents. However, having the mechanisms of the perpetration of corruption as a basis, this is a high enough score particularly knowing that corruption cannot be stamped out completely but can only be minimized.

Social Impact

With economic impact comes social impact. Being able to achieve great economical developmental heights puts the country in a better position to improve its prospects of achieving its MDGs; set government objectives and policies and its social sector services. Other social benefits include better management of the environment, private sector participation, enhanced reputation for the government and respect for rule of law and improved living standards. The social impact effect, since the enactment of the Public Procurement Act, gained only 28% of the input of respondents. Again, the argument as raised for the economic impact effect also holds for this. On the contrary it is also worth noting, with reference to figure 1, that the perception of corruption in Ghana has, over the years, not varied much, though almost immediately after the passage into law of the Procurement Act, Ghana's Corruption Perception Index Score Rating dropped from 3.9 in 2002 to 3.3 in 2003. Additionally, a recent publication by Transparency International, pegged Ghana's CPI at 3.9 with the country ranking 69th out of 183 countries (Transparency International, 2011). Perhaps, it is the knowledge of this fact that gave rise to the 26% negative response on whether the passage of the Public Procurement Act has indeed led to the strengthening of the public procurement system in Ghana. Respondents cited reasons such as loopholes in the legislative provisions of the Public Procurement Act, lack of political will to fully implement the act to the letter, lack of adequate funding, short circuiting the procurement process by government officials, low capacity of procurement officers and pervasive corruption among others, as having rendered the quest to strengthen and streamline the public procurement process in Ghana, ineffective. Furthermore, an effective and efficient public procurement system should exhibit some characteristics such as accountability, competitive supply, consistency, fair-dealing, integration, integrity, inherent informed decision making process, legality, responsiveness and above all, transparency (I.C.A.C, 2004). Respondents were asked to indicate, in their own opinion, which among the characteristics they saw as lacking in the procurement system in Ghana. Below in table 3, is a tabulation of the results.

Table 3: Characteristics of an Effective Public Procurement System

Characteristics	Frequency (N = 85)	Percentage Representation (%)
Accountability	43	50
Competitive supply	37	44
Consistency	31	36
Effectiveness	26	30
Efficiency	37	44
Fair dealing	43	50
Integration	34	40
Integrity	29	34
Informed decision making	26	30

process

Legality	26	30
Responsiveness	34	40
Transparency	34	40

Conflict of Interest and Corruption in the Different Stages of the Procurement Process

At all levels and stages in the procurement process, it has been identified that neither of the stages is immune to conflict of interest and corrupt practices (Wittig, 1999). As a result, it has been ascertained that corruption alone claims an estimated \$340 billion annually according to the American Society for Civil Engineers (Sohail and Cavill, 2005). Respondents were asked whether they still perceive corruption and acts of conflict of interest to be pervasive in the various public and other governmental institutions and agencies considering the fact that there is the existence of a Public Procurement Act, which is fully operational. There was a 70% affirmative response with only 4% claiming that incidences of corruption have been eradicated. The remaining 26% were of the view that acts of corruption and conflict of interest were still pervasive but not as intense as in the previous years. Some corrupt practices at the various stages of the procurement process; and the possibility of their perpetration are discussed below.

Conceptual and Design Stage

Some possible acts of corruption perpetrated at this stage include official planning for projects not because the society needs it but because of some personal gains such as winning more electoral votes, planning in favour for high valued projects which may not address immediate or long term socioeconomic problems leading to eventual abandonment by successive governments (Twumasi-Ampofo et al, 2014). Moreover, over designing and overpricing projects because of personal gains, ignoring favourable environmental impact assessments and planning proposals or approvals. The perpetration of these acts eventually worsens situations as the problems for which all the concepts and designs are developed, still exist and even deteriorate further. Averagely, 48% of the respondents were of the opinion that the perpetration of acts conflict of interest and related corrupt practices at this stage of the procurement process is very much prevalent.

Tendering and Contract Stage

At the tendering and bidding stage it is possible for laid-down procedures to be manipulated; going round them in such a way to favour unqualified persons or for personal gains. Other fraudulent practices include kickbacks for construction and supply contracts; and politicians influencing the choice of contract, the nature of contract and who the winning contractors and suppliers should be. Once more, averagely, 58% of the respondents were in unison that the commission of acts of conflict of interest and related corrupt practices was still a herculean problematic challenge, which still requires attention. This goes to confirm the work of Ameyaw et al. (2012), Improving Transparency in the Public Procurement Process of Ghana which identified the tendering stage of the procurement process to be highly susceptible to corrupt practices.

Construction and Supply Stage

At this stage, the contract is being executed. A lot of administrative work and managerial activities; including supervision are undertaken at this stage and due to the fact that humans play

an active part, this stage is also prone to corruption. Some corrupt and conflict of interest activities such as in-house officials taking over subcontracting works and delivery of inferior quality materials and supplies other than what has been specified; lowering quality standard of construction works have been observed to be prevalent at this stage. Other fraudulent actions which also are prevalent at this stage include cutting corners and by passing rules and agreed procedures by officials, inspection officials concealing substandard works by contractors and payment of claims, which actually cannot be accounted for. On the prevalence of the perpetration of corruption at this stage, 40% of the respondents, averagely, were in harmony.

Effects of Corruption and Conflict of Interest

Anti-corruption agencies around the globe have made the effects of corruption on the global economy bear over the years. . The high cost of resources wasted through unnecessary purchases and inferior quality or goods, opportunities missed and inefficiencies introduced in the process of doing business is unfortunately the most damaging effects of corruption and related activities. 62% of respondents attested to this fact by indicating that it further leads to the inflation of cost of projects. Furthermore, corruption in public procurement undermines capacity building in the private sector by sustaining corrupt enterprises while killing competent and clean ones. This was also attested to by 38% of respondents. Additionally, grand corruption perpetuated by high public officials diverts substantial public revenues earmarked for government developmental expenditure budgets into private coffers and this, according to 36% of the respondents, leads to missed and abused economic development opportunities. Over time, this distorts economic activity in the country to such an extent that poverty sets in. It is clear, therefore, that corruption in the high levels, which is driven by greed to amass illegal personal wealth and power, causes poverty, which in turn causes petty corruption. To this, 50% of the respondents further claimed that the perpetuation of corruption leads to the creation of white elephant projects, which are chosen not so much for their intrinsic economic worth but for opportunities such projects provide, or the commission of fraud such as kickbacks and bribery.

Managing and Accommodating Conflict of Interest and Corruption

In the execution of official duties and works, the tendency for conflict of interest is always high. This stems from when lot of factors are neglected and effective monitoring tools overlooked or abandoned. Over years of observation and study, several ways to managing and accommodating the personal interests of public officials influencing the execution of their public duties have been propounded. It should however be noted that, to effectively manage this, a lot of financial resources and human resources and commitment will be needed. To eliminate and kill corruption is also impossible. This will also demand great amount of resources and dedications which the country cannot afford to deliver and sustain. Notwithstanding, it is believed that the canker can be managed and accommodated to a bearable level, as observed in some developed countries. There is a general recognition, furthermore, that corruption is a multi-faceted problem for which there is no single solution. To fight it, a combination of measures must be implemented in an integrated manner at national and global levels. Hence, anti-corruption strategies adopted by most countries are based on a holistic approach that addresses issues such as political will and commitment, the legal and regulatory framework, transparency and accountability, public service reforms and constructive engagement with non-state actors (Mawenya, 2007). These have been elaborated in the following paragraphs.

Political Will

The fight must start with an explicit commitment to eradicate corruption, in all its manifestations, at the highest level of government. Political commitment is a necessary condition for procurement reforms. New rules and platform gimmicks alone are not enough. Without political will and commitment by the prime leadership of the country, grand corruption is perpetuated and petty corruption in the bureaucracy becomes endemic and more difficult to stop. Constitutionally mandated institutions (CHRAJ and SFO) in doing their works must not be hindered and interfered by the politics going on.. There are tangible indications of political will by some stakeholders at the lower level to effect change, but this fight can never be won if those at the apex of the pyramid lean back. In general, however, ordinary citizens feel that the government is not sufficiently committed to fighting and eradicating corruption, hence the zeal to also put in an effort dies and the reverse happens. Further, data from the survey also goes to support this in that 90% of the respondents claimed that though the procurement act is to make it impossible for acts of corruption to be perpetuated, the lack of political will to have it operate to its fullest still makes corruption pervasive.

Legal and Regulatory Framework/ Public Service Reforms

The legislative domain is the most dynamic component of the anti-corruption effort in Africa, and there are a number of countries that have adopted, or are adopting, new anti-corruption legislation (Goredema, 2002). Some of these legislations, as enshrined in the constitution, recognize that fighting corruption requires both criminal justice and civil legislation procedures to be used comprehensively. By Article 218(e) of the Constitution, the Commission for Human Rights and Administrative Justice (CHRAJ), for instance, has the duty to “investigate all instances of alleged or suspected corruption and the misappropriation of public moneys by officials” Again, the Serious Fraud Office (SFO) Act, 1993, was designed similarly to detect certain types of corruption and economic crime, such as procurement fraud. The SFO, now EOCO (Economic and Organized Crime Office), is a specialized agency to monitor, investigate and, on the authority of the Attorney General, prosecute any offence involving serious financial loss to the state. The constitution also recognizes the importance of balance between anti-corruption measures that are preventive in nature and those that are punitive. The purpose of the former is to regulate the context within which corruption takes place, while the latter category focuses on punishment and sanctions. The former category includes statutes for regulating the public sector and public corporations. Legislation to regulate public procurement, for instance, belongs in this category. However, the general perception of people as indicated by the study survey data is that, though there are offices and institutions mandated by law to enforce the legal provisions with regards to the perpetuation of corruption, and the existence of a public procurement act, there is the lack of enforcement by the authorities, political interference with the operations of the Public Procurement Authority and short-circuiting the procurement process in favour of others thus crippling other businesses among others. This is evidenced by the fact that, cumulatively, 60% of the respondents were of the view that issues relating to legalities and existence of offices and institutions to address the perpetuation of corruption and associated acts still requires critical attention.

Transparency and Accountability

Equal opportunity and fairness for all in the bidding process are central features of a sound and transparent procurement system. To achieve this, it is necessary to ensure the following, some of which are enshrined in the PPA (Act 663):

- Adequate and opportune advertisement of all business opportunities,
- Transparent and objective tender evaluation criteria,
- Wide publicity for tender results and contract awards,
- Prompt and effective review procedures for handling complaints by aggrieved bidders,
- Media, civil society and general public involvement in monitoring public procurement,
- Adequate protection for whistle-blowers.

These features are normally incorporated in the procurement guidelines and also set by several multilateral and bilateral donors. The legislations and laws in the country also provides clearly defined institutional arrangements within which public procurement takes place, including mechanisms for monitoring how procurement is implemented and procedures for handling complaints, and this the Public Procurement Act, 2003 (Act 663) adequately spells out. A transparent procurement system promotes competition and empowerment of domestic suppliers, contractors and consultants. It also fosters procurement standards and practices that ensure that clients get value for money and with that agenda; national development is always put first. In reality, though much is being done to inculcate some level of transparency into the current public procurement system, the perception of the majority is that there is still more to be done for improvement in that 50% of the respondents were of the view that the level of accountability exhibited is low. A further 50% more believe that unfair dealings still exist in the public procurement system with some suppliers and contractors discriminated against whilst unnecessary burdens, constraints and bureaucracies are imposed on them. Adequate competition, efficiency and integration were also attested to as being lacked in the procurement system. All three issues received a 44% response rate. Generally, 60% of respondents indicated their displeasure at the low level of transparency and accountability existing in the procurement system.

As part of the research, respondents were required to rank the various stages of the procurement process using a six-point likert scale from 0-6. On the next page is table 4, showing the results of the ranking procedure. From table 4, it is unambiguous that, the Tender stage followed by the Contract execution stage and the Final accounting and auditing stage, respectively, are the stages most susceptible to acts of conflict of interest and corrupt practices. The tender stage had an average importance index score of 0.57 and that of the contract execution stage and final accounting and auditing stage were 0.52 and 0.43 respectively. This goes to support partly, the study undertaken by Ameyaw et al, (2011) in which it was identified, among others, that the tender evaluation stage is the most susceptible stage of the procurement process to corruption.

<i>Table 4: Results of ranking of procurement stages</i>																	
Stages	Pretender				Tender						Contract Award		Contract Execution				Final Accounting and Auditing
Sub stages	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
0	19	7	17	5	14	2	1	1	2	4	18	16	1		1		11
1	21		15	19	15	5	1	2	4	4	11	10	5	7	5	5	3
2	3	20	7	7	9	10	4	20	7	8	5	5	5	3	10	5	5
3	6	15	8	9	1	25	30	25	25	30	8	15	16	22	18	21	15
4		6	5	8	2	58	55	58	56	45	5	6	18	13	7	12	10
5	2	2		3	1	58	58	58	45	20	4	3	5	5	9	7	6
Important Index	0.18	0.40	0.23	0.35	0.19	0.66	0.68	0.65	0.65	0.59	0.28	0.32	0.53	0.52	0.51	0.54	0.43
Average Important Index	0.29				0.57						0.30		0.52				0.43

CONCLUSION

The procurement of construction projects goes through several phases and the very nature of how these phases are managed make them vulnerable to acts of conflict of interest and corrupt practices. From the study, the tender stage, contract execution stage and the final accounting and auditing stage of a project are more prone to corrupt activities and actions of conflict of interest. The perpetration of corrupt activities and actions of conflict of interest usually involves government officials, clients, procurement officers, consultants and contractors and suppliers, who are more often than not in a position to prevent the occurrence of such activities. The study postulates that there is still the need to constitute a sound procurement system and pro-social equity policies that would foster good governance, corporate social responsibility, transparency, accountability, and judicious public expenditure which would ultimately lead to national progress.

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