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### RESEARCH ARTICLE

#### ACCOUNTABILITY IN PUBLIC PROCUREMENT: THE CASE OF FEDERAL PUBLIC ORGANIZATIONS OF ETHIOPIA

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#### Abstract

Public procurement is the main tool through which governments acquire goods, works, and services in the course of achieving public objectives. The study has focused on the accountability aspects of government procurement. The study has addressed the accountability in government procurement of the federal organizations of Ethiopia, and particular emphasis was given to ministries, agencies and commissions. Procurement accountability is related to being answerable to what has been planned, what has been implemented, what result has been achieved, and how the decisions have been made. Thus, the basic objective of the study is to examine procurement related accountability in selected federal organizations of Ethiopia. The research questions have been designed to examine how accountability related factors influence government procurement, and what areas are needed to be considered in promoting accountability. Accordingly, the data show that accountability in control of efficiency and effectiveness, ensuring value for money by taking the whole-life cost of acquisition is not strong enough in selection and awarding of suppliers, and professionalism and experiences are not created well to establish a strong accountability. It has been suggested that federal organizations have to revisit the accountability issues to obtain equivalent benefit from the amount they spend. Moreover, creating accountability to the successes as well as to failures will enhance answerability of individuals working in procurement related areas.

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#### Introduction:-

Public procurement is a prerequisite for economic growth and development as it makes 15% to 20% of the GDP. It is linked to multi-stakeholder engagement, political accountability, effective checks and balances and decentralization and participation (The World Bank, 2009). Accountability means that anyone involved in procurement activity is required to be answerable for his plan, action, and results achieved. Accountability is seen from simple traditional hierarchical constructs; from outside the traditional forms within more complex and demanding environments; or from administrative efforts such as performance measurements, democratic prerogative, or general normative goals (Diggs & Roman, 2012). It deals with performance, identifying weaknesses and corruptions, and hence taking corrective actions (The World Bank, 2009).

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Accountability in public procurement has to be created because it indicates the governance that considers inclusive and accountable government through civil society organizations and citizen participation (The World Bank, 2009). Accountability and transparency have direct influence on the behavioral patterns of the state, public bodies, and contracting authorities (Bovis, 2009). To create accountability, transparency, and sustainability in public procurement, Kotwani (2013) suggests that it requires high-level political commitment to mandate and enforce the established system.

Core areas needed to be addressed in fostering accountability are related to participating citizens to monitor public procurement, institutionalizing and developing competencies of civil society organizations, and building capacity of the parliament as the main oversight bodies of the spending (The Word Bank, 2009).

In Ethiopia, the federal organizations are guided by the Federal Procurement and Property Administration Proclamation (Proclamation 649/2009) and the Federal Procurement Directive issued in 2010. In fact, the procurement section of the Ethiopian government was reformed after public expenditure reform was done. The public expenditure reform of the government considered procurement as the most essential part of government resource management, and later a separate proclamation was issued in 2005 (Procurement and Property Administration Proclamation 430/2005). After four years, the government had made significant revision of the previous 430/2005 and replaced it by proc. 649/2009. Later, a lot of implementation manuals, standard bidding documents, and circulars were issued to upgrade the procurement system that would enhance transparency, accountability, and integrity in public procurement of Ethiopia. Despite all these efforts, the federal procurement system lacks transparency, accountability, and integrity, and hence significant public resources are lavishly spent in the name acquiring goods, works, and services.

#### **Statement of the problem:**

Public procurement accounts for 10 to 15% of GDP around the world (OECD, 2009), and in Ethiopia it accounts for about 14% of GDP. The government information shows that Ethiopia spends 64% of its annual budget in acquiring goods, works, and services (PPA, 2015). These values indicate that public procurement has significant economic impact and if it is mismanaged and accountability is not created, it will certainly destabilize the economy of the country.

Accountability – as transparency and integrity – is an essential requirement to carry out public procurement activities in accordance with the required laws and regulations (Kuhn & Sherman, 2014). Accountability is central to the governance of modern state (Ma and Huo, 2009). It is the most important agenda of a government for reasons that have to do with issues such as the recent economic, environmental and other related problems resulting from government operations (Greiling and Halachmi, 2011).

There are a lot of struggles in making government accountable to its people although there are many questions with regard to designing and addressing the ways of ensuring it (Ma and Hu, 2009). To establish and maintain answerability and responsibility in public procurement actions and decisions, clear level of authority for approval of key stages based on appropriate segregation of duties and reporting is essential (OECD, 2009). Moreover, public organizations are needed to make an effective control to examine whether accountability is ensured in its procurement system (Bedasso, 2020).

Accountability in planning, accountability in implementation, and accountability in achieving certain results are the major problems of the Ethiopian procurement system. Due to lack of accountability, the wastages of resources, surplus acquisitions, acquiring substandard goods and services, high cost overruns of many projects are the most common problems manifest in procurement processes. Thus, this research attempts to address the accountability related issues of public procurement and the areas that are needed to be addressed in ensuring and promoting accountability.

#### **Research questions:**

This study attempts to evaluate how problems related to accountability are affecting the federal public procurement of Ethiopia. The following question was formulated to seek answers for the accountability problems of federal public procurement:

1. What are the major factors that influence accountability in federal public procurement of Ethiopia?

**Study Objective:-**

The overall objectives of this study is to identify the strengths and weakness in maintaining transparency and accountability in public procurement of federal public organizations of the Ethiopia and thereby effects. The specific objectives are to:

1. Identify the major factors that influence accountability in federal public procurement of Ethiopia.

**Methodology:-**

This study has considered descriptive and explanatory research designs. Agencies, ministries, and commissions of the federal government organizations were the main sources of data for this study.

**Population, sample Size and sampling technique:**

Primarily, ministries, commissions, and agencies were selected purposively due to the large purchases they make including framework contract procurement (indefinite delivery contract), which is a very bulky acquisition of common-user items. Some of the organizations such as commissions and ministries make large and complex acquisitions such as constructions. All the employees working under in procurement management sections are included to respond to the questionnaire, and interviews. Ministry of Finance and Economic Cooperation, Ministry of Transport, Ministry of Water and Energy, Public Procurement and Property Disposal Service, Federal Public Procurement and Property Administration, Ethiopian Revenue Authority, Ministry of Urban Development and Housing, and Ethiopian Road Authority were considered in this research as sample organizations. Seventy-eight (78) responses were collected from questionnaire from these organizations.

**Data collection instruments:**

Data were mainly collected in the form of questionnaire from the organizations selected for this study. Focus group discussion was made in three different organizations. In Public Procurement and Property Disposal Service, Ethiopian Road Authority, and Ministry of Urban Development and Housing, there were 6, 8, and 6 discussants respectively.

**Variables:**

The variables that have been used in the study are identified from various articles on accountability. A five-level likert questionnaire was prepared for the identified respondents, and the responses were transcribed and the analyses were made. The variables considered in analysis are emphasis to value for money, clarity of procurement policies and guidelines, rewards and penalties, political will and oversight mechanisms, external pressure, administrative procedure, capacity and professionalism in ensuring effective competition

**Data analysis, presentation and interpretation:**

The researchers have analyzed the data descriptively and inferentially. Descriptive statics, frequencies, and percentages have been used in presentation of the results. To analyze the data, Both descriptive and inferential results have been presented, analyzed interpreted to have information about the identified variables.

**Review of Related Literature:-**

Accountability is an important requirement from both administrative and economic perspectives. An administrative perspective is particularly related to the law that the procuring organization must respect, whereas economic implications of public procurement are seen from additional costs due to lack of accountability (such as corruption, favoritism, etc.), less encouragement of suppliers in providing right or quality goods or services, and the adverse impact of inefficient procurement on society due to the former two (Greiling&Halahmi, 2010). In line with this, it can be explained by two connotations - answerability and enforcement. Answerability is justifying what has been done or what is to be done (i.e., plan), and enforcement is related to the capacity to enforce sanctions on officials who have violated their public duties (Jun &Huo, 2009).

From the view point of procurement, accountability means that governments, individual officials and officers, and business firms and their executives and agents are liable for the execution of their duties, and for decisions and actions taken in their area of responsibility (OECD, 2015; Armstrong, 2005). Accountability can be promoted through effective record-keeping of decisions made and the reasons for those decisions, systematic and credible enforcement of the rules, including establishment of independent oversight and the use of effective, proportionate, and dissuasive sanctions. This makes the occurrence of malpractices less likely and that a person will not be in risk

offering or accepting a bribe, and is a mechanism to uncover and investigate corruption (OECD, 2009; Vasantasingh, 2008, PPAA, 2011).

Having effective procurement system for accountability and properly practicing it increases the chance of getting caught and act as a deterrent, and dismissal of individuals or debarment of companies and imposition of civil and criminal penalties, including fines and imprisonment, which is acted as a significant deterrent to improper behavior (Kuhn & Sherman, 2014). In a system where there is weak accountability and thus when the magnitude of collusive and corruptive practices boosted up, there is a diminishing trust in government to its operation (Greiling and Halachmi, 2010). The problem of lack of trust reduces the goodwill of the government as well as citizens and the citizens' willingness to cooperate with the government and government agencies. This also results in inefficiencies and ineffectiveness, which will ultimately result in a greater mistrust. Public trust can be ensured when public accountability such as legality, integrity, efficiency, effectiveness, involvement, fairness, and transparency are ensured.

In the absence of effective control over public procurement, it is most likely that the procurement process does not achieve its objectives. With regard to accountability, unlike private procurement, in public procurement decision making, authority is delegated to the agent and the quality of control mechanisms is weak (Bishop, 1990; Ogun, 1994; cited in Greiling&Halachmi, 2010). This is because control over the agent in public procurement is more complicated than private procurement as there are diverse collection of principals with different interests and influences. Furthermore, the agents do not really face the threat of dismissal unless some severe misconduct is observed. It is still more important to see from the view point of that the agents' achievement is not usually measured in monetary value as they pursue the public interest.

According to Hansen (2003), contracting out government services will be accountable to the agency's relevant constituency, and to the officials' formal and informal controls surrounding the contract and management process support the goals of reasonable, timely decisions. It is also accountable to reasonably effective service-delivery outcomes, a fair and non-corrupt process. Legal structures and government contracting can be seen from agency regulation, legislative pronouncement, contract enforcement, and justice review structure. Bidders, clients, and members of the public can work effectively and efficiently when statutory, regulatory and contractual requirements work well. In order to ensure accountability, there must be policies that support control over fairness, integrity, and reasonable decisions. In addition, professional accountability that considers the norms of professionalism and trust, which are essential to constrain self-interested behavior, is also crucial to maintain sound accountability in public procurement.

**Table 1:- Framework of Accountability.**

<b>Types of Accountability</b>	<b>For What?</b>	<b>With What Process?</b>	<b>To Whom?</b>
<b>Competition</b>	Efficiency; innovation	Competitive bidding; ongoing monitoring	Everyone
<b>Legal Oversight</b>	Fair process; no corruption; transparency; reasonable decisions; effective outcomes	Statutory/ regulatory reporting requirements; appeals; contract standards	Executive officers; legislators; public; bidders; clients
<b>Hierarchical Controls</b>	Fair process; no corruption; transparency; reasonable decisions	Government and agency review processes	Executive officers
<b>Professional Accountability</b>	No corruption; reasonable decisions; effective outcomes; fairness	Informal professional contacts; formal board or donor review; training	Colleagues; staff volunteers; boards; donors
<b>Public/Client Input</b>	Transparency; openness; reasonable decisions; effective outcomes	Notices; hearings; appeals; media; security	Public; client
<b>Political Accountability</b>	No corruption; reasonable decisions; effective outcomes	Elections	Public
	Particular stakeholders interests	Informal contracts with public/stakeholders; formal mandated review	Special interests or public interest
	Efficiency; speed	Informal contracts with executive	Agency

**Source:** Hansen, 2003

Hansen (2003) states that limited competition, lack of professionalism at the government level as well as at the suppliers' level, lack of public awareness, weak hierarchical structure, multiple overlapping structure, and weak political oversight and access are the major problems in creating accountability to government contracts.

In relation to performance measurement that is linked to accountability and transparency, Terman and Yang (2016) in their article examine the transparency and accountability issues with regard to contracting out and a performance measurement tool. They note that a performance measurement tool is viewed as performances that can be manipulated so that it will be difficult whether it will enhance transparency. Their findings indicated that performance measurement scores are politicized as they can be manipulated in evaluating accountability and transparency.

### **Discussion and Result:-**

Accountability is related to being liable to the assigned tasks. It is being answerable for the plans made, actions taken, and results achieved. Accountability considers the administrative as well as the enforcement aspects. These areas are also very important concepts in procurement management of the government.

### **Demographic Profile of the Respondents:**

The data have been collected from 78 respondents in the form of questionnaire from federal public organizations (ministries, agencies, and commissions). With regard to this, table 2 indicates the experiences of the respondents.

**Table 2:- Year of Experience.**

Year of Experience		Frequency	Percent	Cumulative Percent
Valid	Below 2 Years	14	17.9	17.9
	2-4 Years	13	16.7	34.6
	4-6 Years	15	19.2	53.8
	Above 6 Years	36	46.2	100.0
	Total	78	100.0	

Table 2 shows that more than 82 percent of the respondents have two or more years of experiences. This may highlight that the respondents have understanding on accountability related to procurement of the federal organizations.

Table 3 shows that the larger share of respondents can respond the questions having sufficient understanding on the specified topic. Table 3 shows that about 95 percent of the respondents are diploma and above.

**Table 3:- Level of Education.**

Level of Education		Frequency	Percent	Cumulative Percent
Valid	Certificate	4	5.1	5.1
	Diploma	11	14.1	19.2
	First Degree	48	61.5	80.8
	Masters Degree	15	19.2	100.0
	Total	78	100.0	

Table 4 shows the respondents' current position. Their position shows that they are the ones that needed to answer the questionnaire. Procurement activities and decisions are made by these personnel so that they have sufficient understanding on accountability related issues of their respective organizations.

**Table 4:- Current Positions of the Respondents.**

Current Assignment of the Respondents		Frequency	Percent	Cumulative Percent
Valid	Procurement Officer	22	28.2	28.2
	Senior Procurement Officer	29	37.2	65.4
	Head of Procurement Department	9	11.5	76.9
	Property Administrator	1	1.3	78.2
	Purchaser	2	2.6	80.8

	Procurement Training and Professional Support Officer	1	1.3	82.1
	Procurement and Procurement Affairs Expert	2	2.6	84.6
	Property Administrator	1	1.3	85.9
	Procurement Complaint Resolution Officer	4	5.1	91.0
	Other	7	9.0	100.0
	Total	78	100.0	

### Accountability

Discussions in the earlier sections indicate that accountability is a very important requirement in public procurement as it demands an answer for plans, actions, and outcomes achieved for the tasks assigned.

With regard to accountability, the federal public organizations assume that it is perceived that there is a mechanism that ensures accountability to the government and the general public as a whole.

**Table 5:-** Accountability to the Government and the General Public.

There is a mechanism that ensures accountability of your procurement officials to the government and the general public.		Freq.	Percent	Cumulative %
Valid	Strongly Disagree	24	30.8	30.8
	Disagree	18	23.1	53.8
	Neutral	9	11.5	65.4
	Agree	25	32.1	97.4
	Strongly Agree	2	2.6	100.0
	Total	78	100.0	

Public accountability is not only to the organizations in which public officials work in, but also to the society in general so that it has to have a mechanism that officials should also be accountable in addition to their respective organizations (Greiling and Halachmi, 2011). With regard to this, the data in Table 5 indicate that there is a rare practice that the society are aware of to whom procurement officials are accountable. The focus group discussions also indicate that public hearings and investigations have not facilitated the disclosure of information. Moreover, the mechanisms of ensuring accountability to the government and the general public at an organization level are not visible.

Private organizations are more cautious in acquiring value for their invested resources when compared to government organizations (UNCTAD, 2014). This happens due to the fact that public procurement is more complex as a result of the demands of many stakeholders and the concerns of accountability issues. Regarding this, the data in table 6 show that more than 46 percent of the respondents have concerns over the procurement efficiency and effectiveness, and 35.89 percent agree that their organization ensures efficiency and effectiveness and hence value for money. The rest 14.10 percent respondents remained neutral with regard to it.

**Table 6:-** Efficiency and Effectiveness of Procurement.

Procurement has helped the government to make its expenditures in the most economically rational way (Value for Money).		Freq.	Percent	Cum. %
Valid	Strongly Disagree	7	8.97	8.97
	Disagree	29	37.18	46.15
	Neutral	11	14.10	60.25
	Agree	28	35.89	96.14
	Strongly Agree	3	3.86	100.0
	Total	78	100.0	

This gives some clue that public procurement gives less emphasis to costs and benefits as well as achieving procurement goals. Efficient and effective spending of public resources has economic and social implications. It contributes its part to the economic growth and development as well as public trust and confidence are ensured in government operations.

With regard to efficient and effective use of resources (Table 7), it was responded that public officials will be accountable if problems of inefficiency and ineffectiveness are seen (i.e., agree plus strongly agree, 34.6 percent), while others responded that the practices of penalizing inefficiencies and ineffectiveness are not noticeable on the

ground (i.e., disagree plus strongly disagree, 34.6 percent). The remaining respondents (30.8 percent) replied neutral on this issue. This shows that the accountability concern is almost equally responded "agree" or "disagree".

**Table 7:- Accountability with Regard to Efficiency and Effectiveness.**

Procurement procedure ensures accountability when they are not efficient and effective in allocation of public resources.		Freq.	Percent	Cumulative Percent
Valid	Strongly Disagree	15	19.2	19.2
	Disagree	12	15.4	34.6
	Neutral	24	30.8	65.4
	Agree	21	26.9	92.3
	Strongly Agree	6	7.7	100.0
	Total	78	100.0	

Public procurement consumes significant share of government budget since goods, works (constructions), and services are acquired through various methods of procurement depending on their value and nature. Thus, managing procurement processes requires knowledge and skill of public officials. With regard to this, more than 43 percent of the respondents disagree that it is based on sufficient knowledge and skill that procurement operations are being implemented (Table 8). More than 38 percent of the respondents agree that their organization is equipped with sufficient knowledge and skill to manage procurement activities, and the remaining 17.9 percent responded neutral. This injects some concerns that there are gaps in professionalization on procurement areas.

**Table 8:- Professionalism and Delegation.**

Professionalism is achieved through the delegation of decision-making authority from elected representatives to procurement officials.		Freq.	Percent	Cum. Percent
Valid	Strongly Disagree	26	33.3	33.3
	Disagree	8	10.3	43.6
	Neutral	14	17.9	61.5
	Agree	20	25.6	87.2
	Strongly Agree	10	12.8	100.0
	Total	78	100.0	

In relation to knowledge and experience, the respondents also agree (50 percent) that procurement officials do not have experience and knowledge to justify the best suited acquisition methods that meet the purposes of the organizations, while 30.7 percent agree that the experience and knowledge are there to ensure the best acquisition (Table 9).

Even with no malpractices, procurement procedures may not ensure value for money due to the knowledge and experience gaps the organizations face, and wrong decisions may be made in procurement operations.

**Table 9:- Knowledge and Experience.**

Procurement officials have knowledge and experience as to what kind of acquisitions is the best suited for the public purposes.		Freq.	Percent	Cum. Percent
Valid	Strongly Disagree	19	24.4	24.4
	Disagree	20	25.6	50.0
	Neutral	15	19.2	69.2
	Agree	20	25.6	94.9
	Strongly Agree	4	5.1	100.0
	Total	78	100.0	

A strong control over public procurement process promotes accountability through identifying unethical practices existing in procurement processes. With regard to this, 35.9 percent of the respondents disagree on this issue and 42.3 agree. On the other hand, 21.8 percent of respondents remained neutral. It is not easy to conclude that the quality of control is strong or weak based on this information. But, this information indicates that about 36 percent (35.9) of the respondents don't agree or strongly agree that they have a high quality control mechanism in the course of ensuring value for public money. Moreover, concerns on efficiency and effectiveness and low accountability issues are the consequences of control among other things. In contrast, the respondents' discussions indicate that there are mechanisms of monitoring and imposing sanctions and using budget restrictions to limit discretions of

procurement officials. These are methods of control of procurement procedures so that there are indications that control over procurement operations exists although these sanctions and budget restrictions are not well established.

**Table 10:- Control Mechanisms of Procurement Operations to Ensure Accountability.**

There is a high degree of quality control mechanism in ensuring value for money and hence accountability.		Frequency	Percent	Cum. Percent
Valid	Strongly Disagree	14	17.9	17.9
	Disagree	14	17.9	35.9
	Neutral	17	21.8	57.7
	Agree	28	35.9	93.6
	Strongly Agree	5	6.4	100.0
	Total	78	100.0	

The effectiveness of public procurement is not only determined by the procurement processes up to award to the best offer, but also by post-contract award management, which is very essential in ensuring the best acquisition of goods, works, or services. Control over public procurement after the contract has been awarded is not simple to ensure value for money (as 56.4 percent responded) although 28.2 percent responded that control over procurement implementation after the award of a contract is easy and to the level expected (Table 11).

**Table 11:- Control of Procurement Contract Awarded.**

Simplicity of control after the contract has been made.		Frequency	Percent	Cum. Percent
Valid	Strongly Disagree	9	11.5	11.5
	Disagree	35	44.9	56.4
	Neutral	12	15.4	71.8
	Agree	16	20.5	92.3
	Strongly Agree	6	7.7	100.0
	Total	78	100.0	

In public procurement, quality is the main issue after the contract has been awarded. It is very essential for public organizations to assure whether goods and works are being acquired and services are being rendered as per the agreed standard. 42.3 percent of the respondents agree and disagree that the actual acquisition is/is not as per the defined, specified and agreed quality standard (Table 12).

**Table 12:- Quality versus Accountability.**

Quality is not compromised in ensuring value for public money.		Frequency	Percent	Cum. Percent
Valid	Strongly Disagree	11	14.1	14.1
	Disagree	22	28.2	42.3
	Neutral	12	15.4	57.7
	Agree	21	26.9	84.6
	Strongly Agree	12	15.4	100.0
	Total	78	100.0	

Decisions related to public procurement determine the quality of acquisition and hence accountability has to be in place to ensure the right decision on public resource. With regard to this, the responses indicate that there is weak accountability on the ground that is linked to decisions related to procurement operations.

Among decisions undertaken in public procurement, selecting the best offer that ensures the highest value for public money is recommended by the public procurement policy of Ethiopia. Specifically, the standard bidding document prepared by the Ethiopian government states that public organizations have to consider the "lowest evaluated responsive bid". Although the concept of the lowest evaluated responsive bid has its own limitation as it emphasizes the least price while other requirements meet the minimum standard (i.e., specification), it promotes the unnecessary awards that may hamper public resources in later contract implementation and quality may be compromised and delay in delivery may occur. Regarding this, more than forty seven percent of the respondents agree that the best offer is not ensured and accountability is not linked to the best offer, whereas about forty five percent of them agree that those who do not award best offer are accountable for the decisions they make on public resource (Table 13).



**Table 13:-** Awarding the Best Offer.

Due to accountability award is always provided to those who proposed the best offer.		Frequency	Percent	Cumulative Percent
Valid	Strongly Disagree	20	25.6	25.6
	Disagree	17	21.8	47.4
	Neutral	6	7.7	55.1
	Agree	10	12.8	67.9
	Strongly Agree	25	32.1	100.0
	Total	78	100.0	

According to the respondents, suppliers do not respect their contract agreed, and fail to supply goods as per the specification.

As discussed earlier, accountability is being answerable for the plan made, the action taken, and the result achieved. Thus, it has to be rewarded or penalized accordingly. As the responses show, practices of awarding or penalizing individuals or organizations for their plan, action, or result is not practical on the ground (i.e., 50 percent), whereas a few respondents (20.6 percent) indicate that there is a penalty or reward for procurement performance in their respective organization. Poor reward or penalty mechanisms on duties assigned leads to improper decisions and discourage those who perform their assigned duties to the expected standard (Table 14).

**Table 14:-** Measures, Rewards, and Penalties.

In procurement operations, there are measure, rewards and penalties for performances.		Freq.	Percent	Cum. Percent
Valid	Strongly Disagree	24	30.8	30.8
	Disagree	15	19.2	50.0
	Neutral	23	29.5	79.5
	Agree	8	10.3	89.7
	Strongly Agree	8	10.3	100.0
	Total	78	100.0	

An internal audit examines and identifies the areas that need to be corrected. Although the auditing task is not basically established to find the faults of individuals or departments, its systematic examination and control discourages weak and irresponsible decisions that increase unnecessary costs to the government. Most of the respondents (i.e., 48.7 percent) agree that their internal control system is not strong enough to ensure value for money, whereas 39.7 percent of the respondents disagree indicating that their organization's internal control system is strong and discourages malpractices. Although the internal control system is not strong as majority of the respondents agree, the organizations have a system that takes measure on poor decisions and malpractices (Table 15).

**Table 15:-**Quality of Internal Auditing System.

To identify malpractices there is a strong internal auditing system.		Frequency	Percent	Cumulative Percent
Valid	Strongly Disagree	9	11.5	11.5
	Disagree	29	37.2	48.7
	Neutral	9	11.5	60.3
	Agree	22	28.2	88.5
	Strongly Agree	9	11.5	100.0
	Total	78	100.0	

### Regression analysis:

The questions responded are many in number so that they were factored to reduce the dimension of the questions of variables. The average values of the factors of likert-scale questionnaires were later grouped into variables (covariates). Then, the linear regression has been applied for the analysis of variables.

Linear regression has to pass some assumptions such as normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test before applied to the analysis. As can be seen from the Annex-1, the normality test has been made and the data has satisfied the test. Moreover, the model summary indicated below in table 16 indicates that the

model can measure the dependent variable well. The value of Durbin-Watson indicates that there is not autocorrelation, and the VIF result in the same table shows that there is no multicollinearity problem (since the value is in between 1 and 10).

**Table 16:- Model Summary<sup>b</sup>.**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. Change	
1	.909 <sup>a</sup>	.827	.810	.43607598	.827	47.845	7	70	.000	2.166

1. Predictors: (Constant), Capacity and Professionalism in Ensuring Effective Competition; Emphasis to Value for Money; Measures, Rewards, and Penalties; External Pressure, Clarity of Procurement Policies and Guidelines; Administrative Procedure; Political Will and Oversight Mechanisms
2. Dependent Variable: Accountability

**Table 17:- ANOVA<sup>a</sup>.**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	63.689	7	9.098	47.845	.000 <sup>b</sup>
	Residual	13.311	70	.190		
	Total	77.000	77			

a. Dependent Variable: Accountability

b. Predictors: (Constant), Capacity and Professionalism in Ensuring Effective Competition; Emphasis to Value for Money; Measures, Rewards, and Penalties; External Pressure; Clarity of Procurement Policies and Guidelines; Administrative Procedure; Political Will and Oversight Mechanisms

**Table 18:-Coefficients<sup>a</sup>.**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.835E-017	.049		.000	1.000		
	Emphasis to Value for Money	.828	.052	.828	15.865	.000	.907	1.103
	Clarity of Procurement Policies and Guidelines	.357	.060	.357	5.925	.000	.680	1.470
	Measures, Rewards, and Penalties	.189	.050	.189	3.769	.000	.983	1.017
	Political Will and Oversight Mechanisms	.007	.064	.007	.109	.913	.597	1.676
	External Pressure	-.034	.051	-.034	-.671	.504	.960	1.042
	Administrative Procedure	-.104	.061	-.104	-1.697	.094	.655	1.526
	Capacity and Professionalism in Ensuring Effective Competition	-.076	.066	-.076	-1.154	.252	.564	1.772

a. Dependent Variable: Accountability

The result in table 18 shows that value for money is significantly related to accountability (i.e., p-value < 1 percent). It can be concluded that an emphasis to value for money such as quality, time, quantity, and source of supply in addition to price and asking the procurement officials to ensure value for money in procurement process creates more accountability in procurement process. Similarly, clarity of procurement policies and guidelines will contribute to the enhancement of accountability in public procurement (p-value <1%). Accountability is also related to the availability of measures, rewards, and penalties for the plans, actions, and results of procurement operations. The result with respect to this shows that availability of procurement measures and corrective actions, rewards to good

performances, and penalties for poor achievements will enhance accountability (see the significance level, i.e., p-value < 1%).

Political will and oversight mechanisms, pressures coming from outside the organizations such as higher officials and ministries, administrative procedures and capacity to professionalism are not statistically significant so that there is no clear evidence that these variables have contribution to accountability.

### **Conclusions and Recommendations:-**

Public procurement is one of the most important key areas of public expenditure management. The quality of public procurement system is essential to the quality of public expenditure decisions.

Accountability to the general public in addition to the government enhances public procurement answerability and hence the procurement processes will achieve their goals and objectives. Efficiency and effectiveness with regard to value for money are the major problems of public procurement in many countries of the world and in this study in particular. Enhancing efficiency and effectiveness and discouraging inefficient behaviors of public officials and public organizations ensure value of public money.

The control mechanism of public procurement processes determines the level of accountability to the government or general public. Control requires policy compliance, quality of acquisition and performance of the organization in ensuring value for public money. Award of the best offer and monitoring and evaluation of policy, internal operations and contracts will ensure accountability to public procurement operations.

Hence, the federal public organizations of Ethiopia need to consider the following essential points:

1. Procurement may follow certain procedures to meet compliance to public procurement frameworks. However, it may not ensure value for money due to inefficient control over public resources and value may not be achieved. Thus, public organizations are required to balance the policy compliance and value for public resources discouraging inefficient spending and accidental acquisitions through non-competitive procedures.
2. Since procurement consumes significant portion of government budget and accounts for significant share of GDP of the country, the government has to work having clear policy and guidelines that would create accountability to the plan, action and results achieved. Moreover, measures, rewards, and penalties on procurement operations will enhance accountability to the assigned responsibilities as well as to the general public.
3. It is very essential to make internal control mechanisms including audit system independent of any pressure from top of the organization. As auditors are ideally needed to be independent in their decision-making, they should be independent on the ground as well to investigate compliance, performance, and financial practices of the organization and hence attach the findings to accountability.

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