

# **The Influence of Legislation, Institutional Capacity and Risk Management and Monitoring on Malpractice Incidences in Local Government Authorities Procurement Undertakings**

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## **Abstract**

*In light of the growing reports on malpractice incidences in public procurement, especially for local government authorities, this study investigated the influence of procurement legislation, institutional capacity, and risk management on the occurrence of malpractices in public procurement. The study was conducted at Kasulu District Council due to the council being one of the procuring entities reported to have procurement malpractices. The study used an explanatory design to determine the effect of legislation, institutional capacity, and risk management on the occurrence of malpractice incidences. Data was collected by means of questionnaires and key informant interviews, of which 112 questionnaires and 12 interviews were conducted. Data was collected by means of simple random sampling and purposive sampling. The results show that the legal and regulatory framework [ $p = 0.006$ ] and risk management [ $p = 0.001$ ] were found to significantly influence the prevalence of malpractice. Institutional capacity [ $p = 0.145$ ] was found to be insignificantly influencing the prevalence of malpractices. Henceforth, the study recommends that the correct application of legislative frameworks and risk management be emphasized to ensure that procurement malpractices are driven out of public procurement. Further, training is considered important to both practitioners and non-practitioners to understand the pervasiveness of legislative frameworks and the importance of risk management to eradicate procurement malpractices.*

**Keywords:** *Procurement Malpractices, Institutional Capacity, Legislative Framework, Risk Management and Monitoring*

## **1.0 INTRODUCTION**

Public procurement plays a crucial role in public corporations, as it is responsible for the delivery of necessary materials that are used in the day-to-day activities of the government, construction projects, and facilities (OECD, 2019). The complexity of the procurement process and procedures, the close collaboration between corporations and public officials, and the number of stakeholders that are involved in transactions are the gaps that may be exploited by various stakeholders involved in the procurement process for corruption practices, including theft and improper influence during the need assessment and selection process (OECD, 2019; Transparency International, 2020). It is observed that in Organization for Economic Co-operation and Development (OECD) nations, 29% of government expenditure is dedicated to public procurement. Unfortunately, between 10 and 30% of the amount allocated for this is lost due to corruption and mismanagement activities, and about 57% of the cases reported are bribery cases from public procurement contracts (OECD, 2019).

According to a 2017 European Commission survey, approximately 60% of businesses in the European Union (EU) believe that corruption is a problem when it comes to public procurement (Fazekas & Szalai, 2017). According to the 2019 report by the EU, it is estimated that average public procurement in the EU is valued at €2.4 trillion annually, and it is believed that corruption in this sector costs the EU economy up to €5 billion annually (European Commission, 2019). Also, it was found that increasing transparency and accountability contributed to reducing opportunities for corruption in public procurement in Italian municipalities (Campisi *et al.*, 2020).

In Africa, 70% of national budgets are spent on public procurement. This implies governments spend a lot of their financial resources on public procurement, and it is noted that in many African countries, the budget has increased over the past few decades (Kotze and Bada, 2021; Lewis, 2020). Despite the numerous increases in spending on public procurement, most of the countries remained underdeveloped. This implies that African countries experience public procurement malpractices that limit economic development as the activities tend to disturb the country's market mechanism by reducing competition among traders (International Budget Partnership (IBP), 2019; Chêne and Pirotte, 2020). The current public procurement system improvements are not being implemented effectively, and there is a lack of transparency in the awarding of public contracts. The lack of accountability on the part of government stakeholders, including federal, state, and local, in the use of public resources is among the reasons why the public procurement system in Africa has failed (Aigheyisi and Edore, 2015). In Kenya, malpractice in public procurement has been attributed to the lack of

moral principles and failure to follow procurement principles when performing the public procurement (Philly *et al.*, 2017). Also, in Ghana, Osei-Tutu *et al.* (2017), reported that the country experiences malpractice in public procurement due to the high cost of goods and services procured, financial resources wasted through the purchase of unnecessary items, and procurement of low-standard goods, which limit private sector capacity.

Malpractices in public procurement are prevalent in local government authorities in the East African Community. Collusion and bid rigging, conflict of interest, limited competition, and fraudulent practices are some of the most common malpractices (Ndungu, 2021; Mwenda, 2021). These malpractices not only lead to the misuse of public funds but also erode public confidence in governmental institutions. For example, a study conducted in Kenya by the Ethics and Anti-Corruption Commission (EACC) found that conflict of interest was the second most common malpractice in public procurement, accounting for 14.6% of the reported cases (Ndungu, 2021; Mwenda, 2021). Moreover, a study conducted in Uganda by the Public Procurement and Disposal of Public Assets Authority (PPDA) found that limited competition was the most common malpractice in public procurement, accounting for 23% to 45% of the reported cases (PPDA, 2021). According to an investigation done by the Office of the Auditor General (OAG) in Rwanda, fraud was the most common malpractice occurrence in government, with 41% of the reported cases (OAG, 2019). In Tanzania, public procurement malpractices have been a persistent problem, particularly in local government authorities, where some of the common malpractices reported include bid rigging, corruption, favoritism, and non-transparent procurement processes (URT, 2019). A 2019 report by the Public Procurement Regulatory Authority (PPRA) revealed that in the 2017-2018 financial year, there were 1,719 procurement disputes worth Tsh. 2.2 trillion in Tanzania, with a majority of the disputes arising from local government authorities (URT, 2019).

Again, in Tanzania, public procurement accounts for about 70% of the public budget for financing the procurement of goods and services that value the interests of society (Gombeye, 2020). 12% of the country's GDP is contributed through public procurement. This indicates that public procurement has a significant impact on the economic efficiency of Tanzania and can be utilized as a strategic tool to address economic welfare in the public and reduce resource ownership inequality (Joseph and Mwakibinga, 2022). One of the primary goals of the government in spending public funds on procuring goods and services is to attain value for money (VFM), which indicates the effectiveness of procurement practices through transparency, efficiency, and fairness that achieve the targeted goals of the procuring entities (Magakwe, 2020).

Yet, the prevailing public procurement practices face issues when pursuing value for money in the procurement process at local government authorities and other public entities (Shija, 2019). Failure to attain value for money in public spending indicates poor public procurement practices in the public sector, which means government-owned institutions have failed to comply with procurement frameworks and accepted standards. For instance, according to various reports, including the CAG report, in the 2017–2018 financial year, only 35% of public sector spending followed procurement guidelines and procedures as outlined by procurement regulatory bodies (PPRA, 2018; CAG, 2018). Failure to abide by procurement guidelines and procedures facilitates malpractices in the procurement practices of the public sector, such as the occurrence of corruption, favoritism, and bribery environments that led to excessive spending of public funds from constructed additional costs that benefit a few of the officials in the local government and other public officers (Nyambariga, 2016). The malpractices in public procurement have cost implications for the public services offered, such as education, health services, and public infrastructure, and failure to deliver expected products or services accordingly within the timeframe and expected goals (Nyambariga, 2016).

In addressing the challenges of malpractices in local authorities, the government adopted various intervention strategies to strengthen public procurement practices, for instance, adopting waves of public procurement reform and transformation that led to public procurement regulations of 2013 (URT, 2013) and the Public Procurement Act of 2011 (PPA 11), adopting holistic approaches that include administrative compliance measures, integrating ICT in the bidding process, and ensuring transparency, control, and oversight of the procurement process (Gombeye, 2020).

However, despite the efforts that the government and other stakeholders have made to address the challenges of malpractice and corruption in local government authorities, such as introducing regulations and standard procedures through PPA and PPRA, issues such as bias in tender offers and the selection of unqualified bidders for the personal interests of public officials are still prevailing in local government authorities (LGAs). For instance, two officials in the Katavi region from the Mpanda Water Supply and Sanitation Authority (Mpanda WSSA) and the Town Planning Officer of Tanganyika District were suspended due to a scandal and a violation of public procurement procedures by increasing the cost of services (Mhagama, 2022). Also, the Medical Stores Department was scandalized for inflating the cost of procuring different equipment, which is an indicator of malpractice in public procurement (The Citizen Reporter, 2022).

The challenges of corruption and malpractices in public procurement have been the focus of various authors (Gombeye, 2020), who indicated that procurement practices in Tanzania are affected by the adopted methods, compliance with legal, regulatory, and procurement standards, and the qualifications of officials. Leocadia (2019) identified challenges such as corruption, failure to comply with regulations, and cost inflation as affecting the performance of public procurement in Temeke. Further, Nyambariga (2016) revealed that 96% agreed the existence of corruption in the public sector's procurement that was influenced by poor employees' remuneration, collusion, pressure from top management, and pressure from politicians with personal interests as driving factors to malpractice in public procurement.

Despite the numerous bodies of literature that focused on assessing the performance of procurement practices and related determinants, there are few that focused specifically on assessing the effectiveness of legislation, institutional capacity, and risk monitoring strategies as holistic interventions to prevent the existence of malpractices in public procurement. Therefore, this study assessed the influence of legislation, institutional capacity, risk management, and monitoring on malpractice incidences in local government authority procurement undertakings.

## **2.0 LITERATURE REVIEW**

### **2.1 Strategic Choice Theory**

Strategic choice theory was originally developed by Child in 1972 as a corrective statement to the classic contingency theory created on the basic assumption that it is possible to attain high organizational efficiency and performance through better consideration of the context in which strategy is formulated and implemented (Adalo and Omwenga, 2019). Child marked the perspective by explaining that the strategic choice theory emphasizes the function of an authoritative management group that can motivate the structures of their organization via a political process. Therefore, unlike outside-based approaches like institutional theory, strategic choice theory is based on strategies at the intra-organizational level to give out some capabilities like agility and adaptability (Lavassani and Movahedi, 2010). Lastly, strategic choice theory stresses that taking the right decision is dependent on some environmental factors, like distributors and the strategic type of the organization, but most essentially on the judgment of the dominant coalition to lead purchasing goals and actions.

Despite the challenges of organizations being numbered and difficult, according to strategic choice theory, they were classified as three interrelated challenge sets: the entrepreneurial problem, the engineering problem, and the administrative

problem (Rohof, 2013). This study addressed an administrative problem whereby the strategic choice theory depicts the relationship between top management's choices and firm performance and the overall interaction between the environment and organizations. Strategic choice theory was developed to underline the inadequacy of deterministic organizational views and stress the importance of managerial choices. It views organizations as partially influenced by environments and primarily affected by top management choices. The situations in which these challenges exist and strategic choices are created were recognized as environmental variability, environmental complexity, and environmental illiberality (Rohof, 2013). The strategic choice theory is considered relevant to the current study on assessing the influence of legislation, institutional capacity, risk management, and monitoring on malpractice incidences in local government authorities' procurement undertakings since it provides the foundation of the decision-making process in the organizations in relation to procurement and tendering decisions. Most of the study adopted the theory as it has been used in a study by Ramadhani (2020), to indicate the relationship between management and employees of LGAs in complying with procurement standards, such as accountability, for the prevalence of malpractice in public procurement.

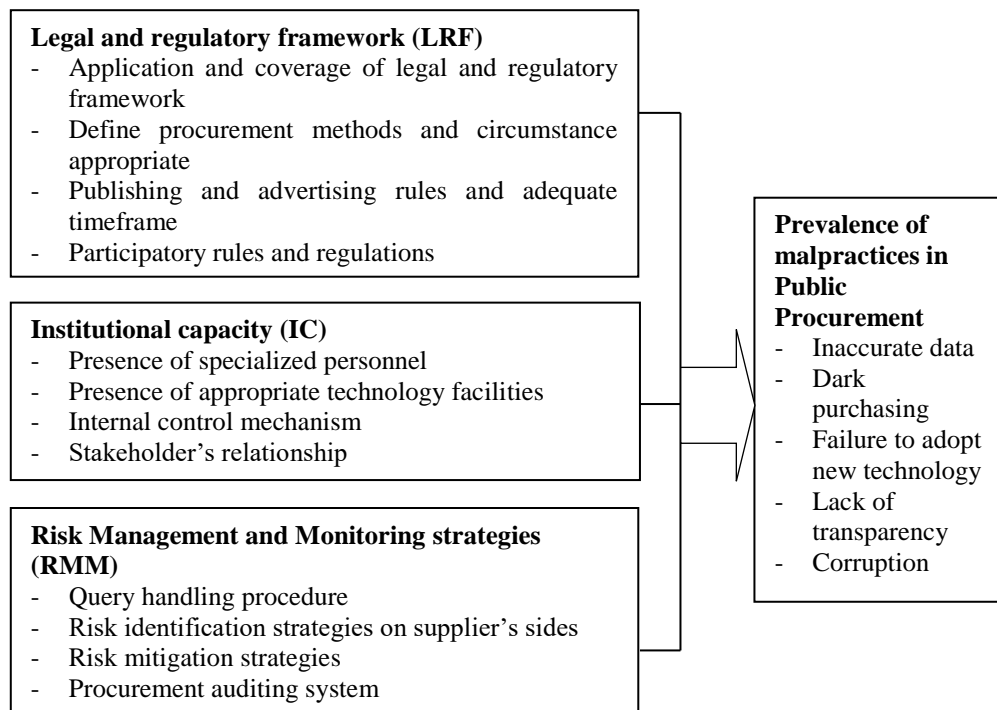
## **2.2 Empirical Literature Review**

Alinda and Mugisa (2017) conducted a study to determine institutional capability as a prerequisite for good record maintenance that enhances accountability. The investigation discovered significant capacity gaps, institutional issues, and technological issues that limit an entity's ability to maintain and manage records. Han et al. (2020), conducted a study to investigate the impact of accountability on preventing malpractice in public procurement in South Korea. The study found that a lack of accountability has a significant negative effect on malpractice in public procurement. Agaba and Emenika (2018) conducted a study on the impact of procurement practices on public service delivery by examining the perspectives of respondents. The results of the study indicated that legal and regulatory frameworks have a significant positive influence on public procurement performance and service delivery.

Furthermore, Mutangili (2019) conducted a study to perform a critical review of empirical literature on the function of procurement policies and procedures and the prevalence of malpractices in public procurement by local government authorities in Kenya. The study found that good laws alone cannot control corruption; laws and regulations regulating procurement in the prevalence of malpractices must inherit open contracting principles and information standards of disclosure and public involvement and start to publicize government contracts

throughout the procurement process. According to Mabillard and Zumofen (2021), accountability and transparency are significant elements of public procurement that interrelate in contributing towards improving procurement practices that can be adopted together.

Moreover, Mohamed (2020) argues that good procurement practices have a significant impact on the performance of public procurement. Also, the institution's inefficiency causes delays in issuing tender documents because of corruption and low monitoring. Moreover, Biramata (2017) argued that procuring entities did not comply with the Public Procurement Act 2011 largely because of forces like corruption and bureaucracy. Furthermore, Ramadhani (2020) indicated that accountability has a positive impact on preventing corruption and any malpractices in public sector procurement by allowing the involvement of all stakeholders. In addition, Athanace (2019) showed that there are several loopholes in the legal and regulatory framework that include a lack of independent oversight on procurement procedures, the complexity of the procurement law, a centralized system of PPRA, and low enforcement compliance with procurement accountability.



**Figure 1: Conceptual Framework**

Source (2023)

## **2.3 Operationalization of the Variables under this Study**

### **2.3.1 Legal and Regulatory Framework (LRF)**

Oduma and Getuno (2017) observed that prior to reforms, procurement and tendering activities in public institutions was carried out under unclear legal frameworks, which failed to check irregularities arising from the process. A review of the process established that ethical practices, transparency, procurement professionalism, inspections and acceptance were not implemented which is the indicator of the irregularities and lack of compliance to the legal and regulatory framework governing procurement and proved that they affected performance of public institutions. They thus recommended stiffer penalties to be imposed for violations of procurement ethics and that procurement officers should be adequately trained on the compliance to the legal and regulatory framework governing public procurement.

Furthermore, Shatta et al. (2020) argued that the legal environment has an indirect impact on the adoption of the e-Procurement Model and suggested that Tanzania, in particular in LGAs, the legal and regulatory framework depicts the application and coverage of the legal and regulatory framework, defines procurement methods and circumstances appropriate, publishes and advertises rules within an adequate timeframe, as well as participatory rules and regulations. This makes it possible to carry out public procurement appropriately, leading to the intended outcome being time and cost-efficient. Swensson and Tartanac (2020) argue that despite the enormous opportunity that public food procurement offers to promote more sustainable diets, the main obstacle to the implementation of public food procurement for sustainable diets and food systems is the absence of a supportive regulatory framework in public procurement, whereby the legal and regulatory framework indicates how effective and time-efficient the rules, principles, acts, and procedures for conducting public procurement in LGAs are believed to be in terms of public procurement accountability. The first step in limiting the potential for misconduct, such as corruption in public procurement, is the availability of an effective legal framework; procurement regulations should be constructed within this framework. They include, for instance: clear and objective rules regarding the available procurement methods and the grounds under which each of them should be used; transparent rules on the bidding process, including time limits, tender documents, and contractor qualifications; and the evaluation criteria of bids and bidders (Swensson and Tartanac, 2020).

*H1: There is a statistically significant influence of the legal and regulatory framework on procurement malpractice incidences.*

### **2.3.2 Institutional Capacity (IC)**

According to Picho (2017), who looked at how institutional human capability



affected public procurement performance in tertiary institutions in the West Nile sub-region of Uganda, there was a strong positive correlation between the two. It was therefore determined that institutional human capability, as determined by professionalism and competence, had an impact on the performance of public procurement in tertiary institutions in the West Nile sub-region of Uganda. It is suggested that tertiary institutions in Uganda's West Nile sub-region concentrate on institutional human capacity building to enhance performance in public procurement. Institutional capacity goes hand in hand with utilizing the needed objectives accordingly to achieve accountability in public procurement.

Moreover Mahonda et al. (2022) contended that professional qualification affects procurement performance; thus assumed that functionality, transparency, and considerable reductions in public spending are made possible by adopting professionalism in public procurement; however professionalism depends on system controls that affect human behavior, staffing, knowledge, skills, and capacities of human resources and concluded that strategic procurement function has become more professional by organizing trainings and seminars for its employees, determining the competence of procurement staff, and adhering to professional codes of conduct and PPA of professionals. However, this will depend on the permission of the management of the organization to allow User department and Tender Board to attend training, workshops, and seminars (Building capacity) for them to make appropriate judgment of their decision.

Likewise, Changale and Mosoma (2022) studied the effects of human resources training practices on workers' performance, and the findings revealed that internal communication gives workers more decision-making power, increases workers' commitment and involvement in a variety of issues, increases workers' ability to meet deadlines, increases workers' feelings of ownership, and treats workers with respect. The use of human resource training methods has also been shown to boost employee morale, personality development, proactivity, absenteeism, the capacity to defend the employer, and, last but not least, the organization's reputation. The study also found that human resource training practices improve job satisfaction by increasing employees' devotion time, teamwork, ability to cope with changes, ability to meet work standards, and reducing supervisors' supervision.

With regard to LGAs, both human and non-human resources matter when it is convenient to ensure high levels of accountability in public procurement. The role of these resources should be to ease accountability, and stakeholders should not experience hardship in procuring public commodities. Strong institutional capacity in terms of the presence of specialized personnel, the presence of

appropriate technology facilities, internal control mechanisms, and stakeholder relationships has been deployed to have a positive impact on the prevalence of malpractice in public procurement in LGAs.

*H2: There is a statistically significant influence of institutional capacity on procurement malpractice incidences.*

### **2.3.3 Risk Management and Monitoring Strategies (RMMS)**

According to Nouban and Almuhsen (2018), projects in the later decades have become more complicated and riskier in the construction industry as a result of the multiplicity of activities among worldwide organizations, and the best that can be achieved is the regulation of the risks allocated to various groups along with the proper management of the risks. Therefore, an integrated mechanism can be established depending on a balanced inducement and risk sharing technique for contracting alongside a better practice methodology for risk management in terms of the entire life cycle of a project, in which contractors usually aim at obtaining an acceptable scope of excess margin. Fischer-Preßler et al. (2020) argued that supply chain disruptions are a major source of risk for business organizations and consumers alike; however, from practical and research perspectives, current knowledge of how to avoid and manage supply chain risk and disruptions with the support of IT is insufficient.

According to Ullah et al. (2021), sustainable smart cities are confronted by technological, organizational, and external risks, making their governance difficult and susceptible to manipulation. A total of 56 risks are identified. There are 17 technological risks, including IoT networks, public internet management, and user safety concerns, with a 38.7% contribution to smart city governance risks. With a 15.6% share, there are 11 organizational risks, including user data security and cloud management. There are 28 external risks with a contribution of 46.7% to smart city governance and consist of smart city's environment, governance, integration, and security risks. These risks present investment opportunities for city governance bodies to develop critical and effective responses as well as provide safety, security, and enhanced privacy for citizens. Risk management and monitoring strategies denote the extent to which LGAs control and manage all potential risks encountered in public procurement. Adhering to risk management and monitoring strategies in public procurement provides simplicity and utilizes the objective of reducing the possibilities of malpractice occurrence. Query handling procedures, risk identification strategies on suppliers' sides, risk mitigation strategies, and procurement auditing systems are considered to be significant variables that have a negative influence on the prevalence of malpractice in public procurement in LGAs.

*H3: There is a statistically significant influence of risk management and monitoring strategies on procurement malpractice incidences.*

### **3.0 METHODOLOGY**

The study employed a mix of positivism and interpretivism philosophy using an explanatory research design to answer research objectives. The objectives and purpose of the study have an influence on the decision toward the selection of a research design; therefore, it is necessary to select a research design that matches the problem studied (Creswell and Poth, 2016). This study used an explanatory research design since it establishes the causal relationship between the independent variable (LRF, IC, and RMMS) and the dependent variable (procurement malpractice). Data were collected from employees of Kasulu District Council and suppliers located in Kasulu District. Data were collected by means of a questionnaire and key informant interviews. Kasulu District Council was selected because, as one of the procuring entities for the financial year 2020, it did not submit the annual Activities Action Plan (APP) into TANePS (URT, 2019). Also, the CAG report for the 2019 financial year indicates that Kasulu DC spent 195,382,273 TZS on unintended uses from the money deducted from the contractor's payment for a water project (URT, 2020). Furthermore, the CAG report shows that Kasulu DC failed to submit relevant documents indicating expenditure of 31,487,338.47 as required by the Public Procurement Regulations of 2013 and the local government finance memorandum of 2009 (URT, 2020). Thus, it shows the various malpractices in public procurement in Kasulu DC that provides opportunities for the study.

Data was collected from employees and suppliers in Kasulu DC. 112 questionnaires were circulated to the council's employees and suppliers, while 12 interviews were conducted with the heads of department and the council's director. Out of the 112 questionnaires, 24 were administered to purposively selected suppliers, and 88 were administered to the council's employees. Simple random sampling techniques and purposive sampling techniques were used to select samples. Simple random sampling was used to select the council's employees to fill out the questionnaire, while purposive sampling was used to select suppliers, heads of department, and directors. Data collected by means of a questionnaire were analyzed using multiple linear regression analysis and descriptive analysis to answer the research objective. Also, data collected by means of interviews was subjected to narrative analysis. All variables were measured ordinally with 5-point Likert scale (1-strongly disagree, 5-strongly agree) measurements, excluding demographic characteristics of the respondents such as age, gender, education level, and working experience. All MLR analysis

assumptions, such as linearity, normality, hetero/homoscedasticity, and multicollinearity, were observed.

The Multiple regression model for this study was;

$$MPP = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \dots \dots \dots \epsilon \text{-----Eqn}$$

Where;

$\beta_0$ =Constant term

MPP = malpractices prevalence in public procurement

$X_1$ =Risk Management and monitory strategies (RMM)

$X_2$ =Legal and regulatory framework (LRF)

$X_3$ =Institutional capacity (IC)

{ $\beta_i = 1,2,3$ }=The coefficients representing the various independent variables

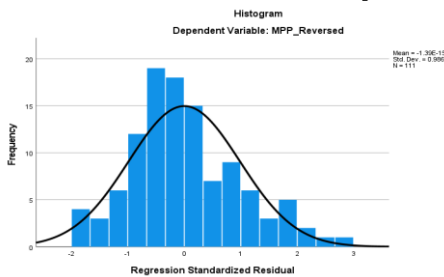
$\epsilon$ =Error terms

## 4.0 RESULTS AND DISCUSSION

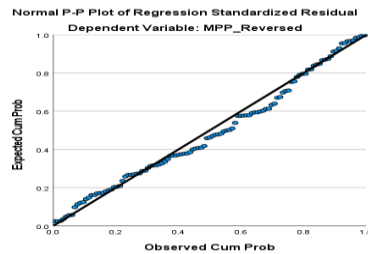
### 4.1 Diagnostic, Reliability and Validity Tests

The study’s MLR model was guided by the statistical assumptions that show the trustworthiness of the results found by the study when those assumptions are not violated. This includes the normality test, multicollinearity test, heteroscedasticity test, and homoskedasticity test, as well as multicollinearity. Figure 2 presents the skewed and kurtotic data using Q-Q plots; the observed value for each score is plotted against the expected value from the normal distribution under the bell curve, indicating that the study model did not violate the normality assumption.

While Figure 3 tested the linearity assumption of the data collected through the inspection of bivariate scatter plots, it shows no serious violation of linearity, and the scatter plots for the argued component plus residuals were linear in nature because all point variables linearly follow the diagonal regression line. Figures 4, 5, and 6 scatter plots distributed across the rectangle suggest that homoscedasticity was not violated for both criterion variables, as the variability of the residuals must be fairly robust to violate this assumption.



**Figure 2; Normality test**



**Figure 3; Linearity test**

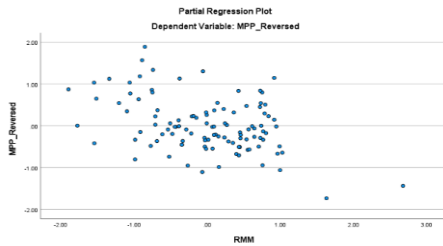


Figure 4: Homoscedasticity 1

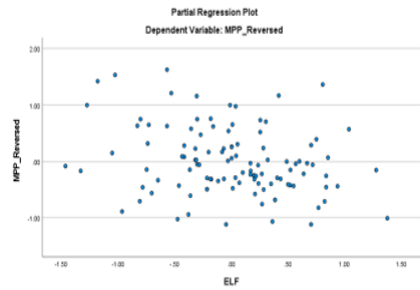


Figure 5: Homoscedasticity 2

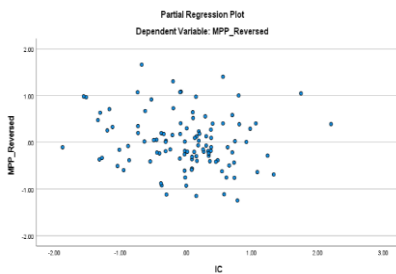


Figure 6: Homoscedasticity 3

The data reliability was measured using Cronbach’s alpha, which determines the internal consistency of data. Under Cronbach’s alpha, the variables tested were above 0.7, which was the internal consistency measure for the variables under this study. The reliability as measured by Cronbach’s alpha is presented in Table 1 below.

Table 1; Reliability test

Variable	Alpha value	Number of items
MPP	0.888	5
LRF	0.807	4
IC	0.863	4
RMM	0.878	4

This study conducted a data validity test using Kaiser-Meyer-Olkin (KMO) to measure data adequacy in covering the research problem. The KMO value for the overall model was 80.5%, with a P-value of 0.000 (Sig) less than 0.5 significance level, indicating that the study instrument was significant and valid. Furthermore, according to component matrix, MPP, RMM, LRF, and IC had individual component matrix of 85.8%, 84.5%, 89.5%, and 83.3%, respectively, which all had greater values above 80%, indicating that the instrument was significant and valid for each individual variable.

**Table 2: Validity test**

			Component Matrix		
			Variables	Component	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy			.805	MPP	.858
Bartlett's Test of Sphericity	Approx. Chi-Square	237.091		RMM	.845
	df	6		LRF	.895
	Sig.	.000		IC	.833

## 4.2 Multiple Linear Regression Results

The study used regression analysis to analyze the influence of LRF, IC, and RMM on MPP. Prior to running the regression analysis, the study tested for multicollinearity using the tolerance and variance inflation factor (VIF). The VIF for LRF, IC, and RMM was 2.666, 2.169, and 1.810, respectively. Since all the VIF values were not above 4, there is no multicollinearity. Further, the tolerances for LRF, IC, and RMM were 0.375, 0.461, and 0.552, which signifies the absence of multicollinearity due to all tolerance values being above 0.25. The model summary results indicate that the  $R^2$  of the multiple regression model is 0.563. This means that the variation of the independent variables (LRF, IC, and RMM) explains 56.3% of the variation of the dependent variable (MPP). Furthermore, the results indicate that Durbin-Watson was equal to 1.961, which falls within the acceptable range of  $1.5 < d < 2.5$ . This proves that the residuals of the linear regression model are independent.

**Table 4: Multiple Regression Model Summary**

R	$R^2$	Adjusted $R^2$	Std. error of estimate	Durbin-Watson (d)
0.750	0.563	0.550	0.58276	1.961

In addition, the study used a linear regression F-test to determine the model's significance in explaining the amount of variance in the dependent variable (MPP). The linear regression F-test has a null hypothesis that postulates that the model explains zero variance in the dependent variable ( $R^2 = 0$ ). However, the F-test result shows significant findings ( $p = 0.001$ ), which means that the model explains a significant amount of variation in MPP.

**Table 5: F-test ANOVA Results**

Model	Sum of squares	df	Mean square	F	Sig.
Regression	46.759	3	15.586	45.895	0.000
Residual	36.338	107	0.340		
Total	83.097	110			

The multiple linear regression estimates, intercepts, and significance levels are shown in Table 6 below.

**Table 6: Relationship between MPP and LRF, IC and RMM**

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Standard error			
(constant)	4.931	0.245		20.100	0.001
Risk management and monitoring	-0.355	0.073	-0.417	-4.850	0.001
Legal and regulatory framework	-0.275	0.098	-0.293	-2.803	0.006
Institutional capacity	-0.116	0.079	-0.138	-1.469	0.145

The results of the regression show a relationship between the independent variables RMM, LRF, and IC and the dependent variable MPP. Each slope coefficient ( $\beta$ ) is a partial regression coefficient and measures the change in estimated value for a unit change in value of a given independent variable, while other factors remain constant. According to the result in Table 6, RMM and LRF have a significant negative impact on MPP because their slope coefficients have a negative sign (-0.355 and -0.27) and p-values of 0.001 and 0.006, respectively. This means that a unit increase in risk management and monitoring will lead to a 0.355-point decrease in malpractice in public procurement. Also, a unit increase in the legal and regulatory framework will lead to a 0.275-point decrease in malpractices in public procurement. However, IC had no significant relationship with MPP because its P-value of 0.145 was greater than the 0.05 level of significance. Therefore, the regression results depict that in order to fight and eradicate malpractices in public procurement; it is a panacea that there is strict adherence to legislation and effective risk management and monitoring. These findings concur with the findings of Aigheyisi and Edore (2015), who contended that to solve heinous acts in public procurement, it is important that there is strict adherence to laws and that everyone involved in public procurement expenditure accounts for every dime spent.

### 4.3 Interview and Descriptive Results

From the MLR results, two variables, LRF and RMM, were determined to be significant in influencing MPP. Herewith, the descriptive results and interview results of the two variables are presented. The descriptive results of LRF show that from the four constituting items studied, publishing rules and adequate timeframes were found to have more influence [mean = 3.8214; SD = 1.08399]. Further, application and coverage of the legal and regulatory framework [mean = 3.7232; SD = 1.27491], definition of procurement methods and appropriate circumstances [mean = 3.7143; SD = 1.18875], and participatory rules and regulations [mean = 3.6786; SD = 1.09227] had an orderly sequence. The higher the mean, the higher the influence of the LRF item. However, generally, because

the mean for all the items was close to 3, indicating neutrality, this suggests that LRF has an average influence on the prevention of malpractice. This finding contradicts the findings of Agaba and Emenika (2018), who argued that the legal and regulatory frameworks have a significant influence on public procurement performance and service delivery. This contradiction can be due to the belief that good laws alone do not suffice to eradicate malpractice incidences. This notion of law insufficiency to control malpractice is upheld by Mutangili (2019), who contended that good laws alone cannot control corruption. In addition, Athanace (2019) argued that there are several loopholes in the procurement procedures, the complexity of the procurement law, and low compliance enforcement. During an interview, one respondent remarked:

*“The purchasing price using the systems and processes laid down by the law, leads to acquisitions at a higher price than when we purchase informally.”* (Anonymous KII-1, May 16, 2023).

Further, another interviewee provided insights as to the reasons for the average influence of LRF in executing procurement practices. The average influence of LRF implies that there are instances where legal requirements are kept aside, thus resulting in procurement malpractice. This notion was upheld by one of the interviewed respondents:

*“The biggest problem is undue political influence by local political leaders who are even non-professionals and have higher authority. Sometimes, when you abide by all the legally laid-down procedures, you are at risk of losing your job or even being framed in a criminal case. Therefore, the government should reduce undue influence among officials so as to eradicate malpractice in public procurement”* (Anonymous KII-10, May 17, 2023).

On the other hand, RMM had measures or items from which each item was measured to determine which item had more influence. From the four items, query handling procedure [mean = 3.9107; SD = 1.21961] had more influence on malpractices. Further, risk identification on the supplier’s side [mean = 3.8482; SD = 1.17181], risk mitigation strategies [mean = 3.8393; SD = 1.11947], and procurement auditing systems [mean = 3.5179; SD = 1.23742] had the next successive influence on procurement malpractices. Since all the influences were measured using the mean statistic and all the mean statistics were close to the neutrality point, it means that currently, risk management practices are futile in eradicating procurement malpractice. These findings are consistent with the findings made by Suwanda (2020), who argued that risk management is important but has not been given enough attention. The inefficiency of risk management practices was echoed by an interviewer, who remarked:



*“There are a number of challenges facing the monitoring system within the district, mostly the presence of allegations of malpractice that involve taking bribes from some of the involved members of the monitoring committee”*  
(Anonymous KII-5, May 16th, 2023).

## **5.0 CONCLUSION AND RECOMMENDATIONS**

This study investigated the pervasive influence of legislation, institutional capacity, and risk management on malpractice incidences in local government public procurement, with a special focus on Kasulu District Council. The study concludes that legislative frameworks and risk management practices are pivotal in ensuring that procurement malpractices are abated. However, the study further determined that the legislative frameworks and risk management practices are currently ineffective in addressing or driving out procurement malpractices. Henceforth, to ensure that procurement malpractices are eradicated, it is crucial that the correct application of legislative frameworks be emphasized. Correct application of legislative framework requirements will ensure that procurement practices are compliant with the provisions of the law that elaborate on the don'ts so as to ensure procurement practices are deprived of malpractice. In addition to the correct application of the legislation, it is also important that risk management efforts are stringently channeled to procurement practices to ensure that points of vulnerability that expose procurement practices to malpractices are identified and strategies are enacted to ensure that malpractices do not transpire. Further, it is important that to ensure the correct application of legislation and risk management practices, members (practitioners and non-practitioners) of the procuring entity are rigorously trained on the requirements of the law and risk management strategies.

## **6.0 LIMITATION OF THE STUDY**

The study identified the influence of legislation, risk management, and institutional capacity on procurement malpractice by focusing specifically on Kasulu District Council. The fact that the study collected data from Kasulu DC implies that it would be impractical to generalize the findings to other procuring entities, especially other local government authorities (LGAs). It is difficult to generalize the findings because across the country there are twenty-two (22) urban LGAs and ninety-two (92) rural LGAs, which is a huge figure where the study could not cover even a quarter of the LGAs. The focus on Kasulu DC was due to insufficient financial resources and time to cover multiple LGAs. Therefore, in future studies of similar nature, it is recommended that the scope be expanded to include multiple LGAs.

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