

UNIVERSITY OF NAIROBI

TRAINING FOR COLLEGE/UNIT CORRUPTION
PREVENTION COMMITTEE SECRETARIES, COLLEGE
REGISTRARS AND KEY OFFICERS HELD FROM JUNE
20TH 2013 TO 23RD JUNE 2013 AT MERICA HOTEL,
NAKURU

TOPIC: ANTI-CORRUPTION STRATEGIES IN
PROCUREMENT: RISK AREAS AND IMPACT
OF INTEGRITY PROGRAMME IN
PROCUREMENT

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1.0. INTRODUCTION

I have been asked to talk on the risk areas in Procurement and the impact of the integrity programme on procurement. We in Procurement feel honoured whenever requested to get involved in important programs of the University. This is a relatively new occurrence that reflects the growing significance of procurement in the public affairs. This development gained momentum in 2001 with the inauguration of the Exchequer and Audit Regulations, 2001. The other impetus for greater attention on Procurement relates to colossal sums of funds channeled through Procurement; less salaries, emoluments and utility services more than 70% of the University funds are spent on Procurement! Public Procurement therefore requires regulatory laws that must be complied with.

2.0 INTEGRITY PROGRAMS

The integrity programs are generally intended to supplement the enhancement of the Public Procurement law:

- i) The New Constitution
Chapter 12 - Public Finance
201 - Principles of Public Finance
227 - Procurement of Public goods & service
- ii) Public Procurement and Disposal Act, 2005
- iii) Public Procurement and Disposal Regulations, 2006
- iv) Public Procurement and Disposal Regulations, 2009
(Public Private Partnership – PPP)

OTHERS

- i) Code Conduct & Ethics for Public Universities 2003
- ii) University of Nairobi Staff Code of Conduct & Ethics
- iii) Public Officers Ethics Act 2003

3.0 RISK AREAS

To come back to the point; Procurement has been identified as a “wet area”. I do not think there are people who dispute that Procurement is a vulnerable area to corrupt practice. Both media and courts reports attest to this. What makes Procurement vulnerable is not hard to decipher.... Billions of shillings go through Procurement.

So what are the risk areas in the Procurement Process?

a) Recruitment, selection and induction.

Confidential reports might be required on those to be recruited into procurement as well as “certificates of good conduct”

Further, the induction or socialization process is very important. Those involved in inducting new officers should be people of integrity and good standing.

b) Quotations

Selection of suppliers to give quotation, receipt and evaluation of the same can be a centre for corrupt practices. In this category could be chemicals, construction materials, furniture and printing services. Soon enough suppliers learn to know those who matter in the issuance of quotations. Foodstuffs also are in this category. The malpractices could include:

- Quotation fixing
- Destruction of quotations from the “unpreferred” suppliers
- Cooking of quotations
- Alteration of figures for the preferred supplier to win

Suggested solution:

Subject quotation to the same conditions of tenders i.e. quotation register, two-lock quotation box, opening minutes and segregation of duties.

c) Direct Procurement

The law is clear on this; an item from one supplier and there are no substitutes, in case of an emergency to save life and property and hence the nearest source of supply could suffice provided the price is reasonable.

There are a few cases, however, where one could feel that the user or procurement staff could be fronting for a particular supplier. Tactics employed include:

- Sabotage of other suppliers
- Concealment of information that could reveal that other suppliers exist
- Last minute purchases
- Putting procurement staff under extreme pressure/threat

d) Technical Evaluation Committees

In the current set-up, Technical Evaluation Committees play a pivotal role in the selection of suppliers. The committee recommends the supplier or set of suppliers the awarding authority cannot go

outside. The suppliers have taken note of this and are now focusing on the Technical Evaluation Committees. In the current dispensation procurement may not carry a lot of clout as before when evaluation used to be a preserve of the procurement staff.

e) Writing of the L.P.O.

This could also be an area for corrupt practices as suppliers would come to know that once the process has been completed, getting the order is what really matters. In practical sense, the writing of the L.P.O. is purely a clerical matter. However, some unscrupulous officials could use the L.P.O. as a bait. Closely related to this could be the issuance of cheques.

4.0 IMPACT OF THE INTEGRITY PROGRAMME IN PROCUREMENT

Module seven deals with Public Procurement. Procurement provides ample opportunity for people to come in contact with procurement in order to win tenders.

Others may hold differing opinion but we know that the impact of the integrity programmes on Procurement has been felt:

- i) Omnipresence of anti-corruption in the University system is a good deterrent to corrupt practices. The officers and all staff are reminded over and over again on anti-corruption strategies.
- ii) The vetting of officers in Procurement has been very useful. It acts as “rite of passage” and those who have not gone through it become “pariahs”. Generally officers view it positively.
- iii) The programme provides an opportunity for staff to review their activities and make joint reports to the Central Committee on Anti-corruption.
- iv) Provides management an opportunity to know what is going on through submission of formal reports from departments and college. Also there is follow-up and corrective action.
- v) Integrity officers with express mandate to report and/or prevent corruption is a move in the right direction.

CONCLUSION

Finally, I wish to thank all participants and organizers of this important training. The sharing of ideas has been very useful.

THANK YOU

