

KOLOKIUUM PENYELIDIKAN INTAN 2021

TOWARDS ETHICAL PUBLIC PROCUREMENT: A CASE STUDY OF EDUCATION PUBLIC AGENCY

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Problem Statement

Public procurement is the worst vulnerable government activities to corruption (OECD, 2016).

Former Malaysia's Chief Auditor : "up to 30% of Malaysia's 2018 public projects, was lost due to mismanagement and corruption" (Satar, 2019)

SPRM reported 46.3% of the 4, 860 individuals detained since 2014 - 2019 were civil servant engage with procurement activities (Hussin, 2019).



- **RO 1** : To investigate factors influenced to the unethical behavior in public procurement.
- **RO 2** : To identify which activities have the highest risk for unethical behavior in public procurement.

Research Objective

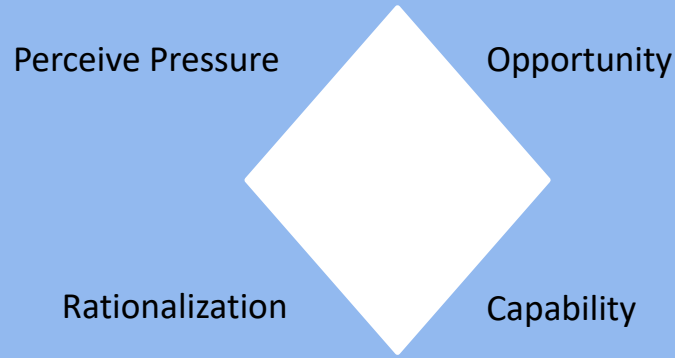
- Factors that influence to the unethical behavior in public procurement
- Process of public procurement that has greater risk for unethical behavior
- Focus on 1 category of public procurement within 1 selected public agency

- Guidance for future empirical research
- Theory evolvment
- Assist the policymaker or the executors in designing an effective internal control system
- To maintain an effective public procurement – no wastage

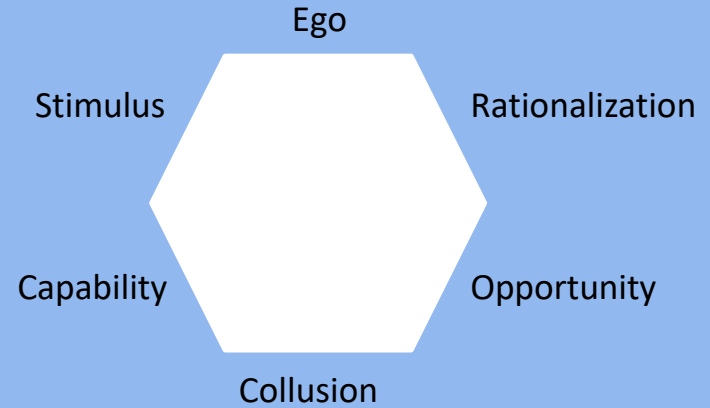
Scope

Contribution

Literature Review



**Fraud Diamond Theory
(Wolfe and Hermanson, 2004)**



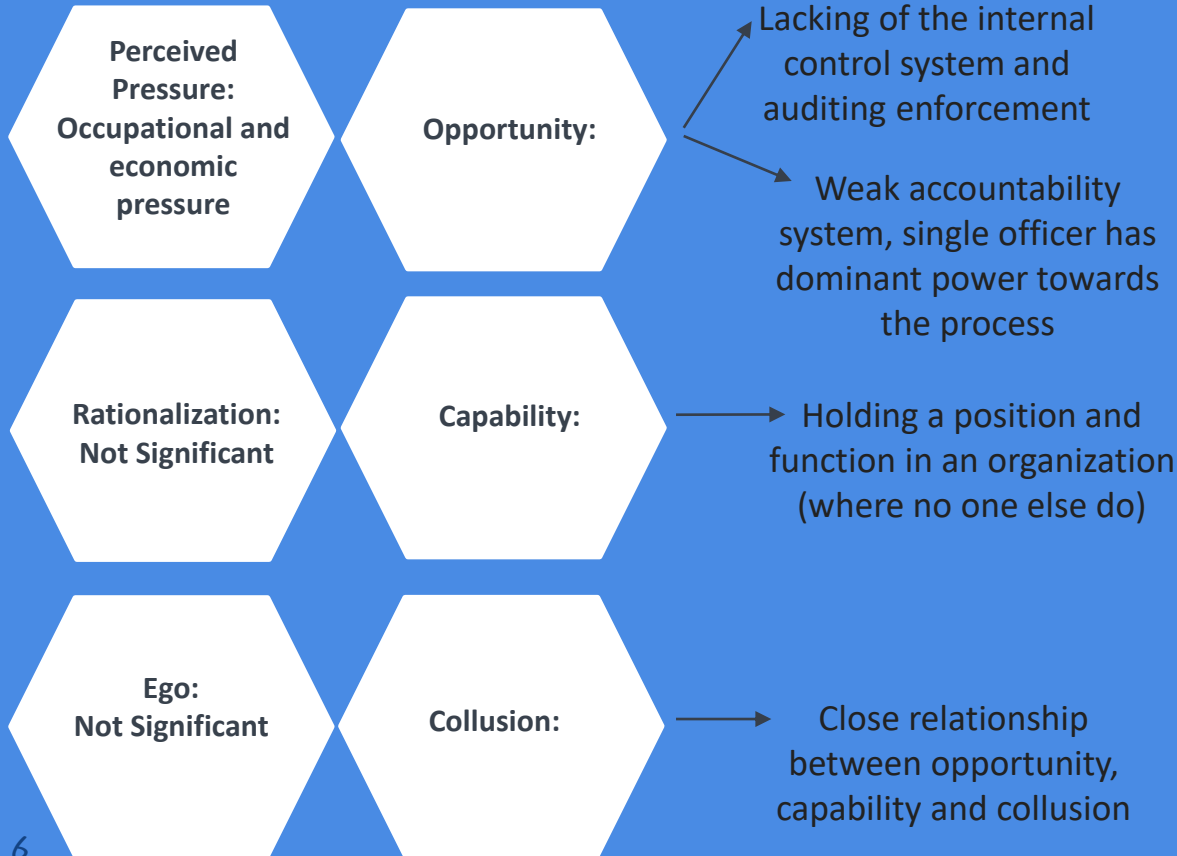
**The S.C.C.O.R.E Model
(Vousinas, 2019)**

Research Methodology

Research Philosophy	Critical Realism
Research Design	Exploratory Research
Methodological Choices	Mono Method - Qualitative
Research Strategy	Case Study – Federal agency located at State
Time Horizon	Cross- sectional
Data Collection	Primary data – Interviews & Observation Secondary data – Articles published, newspaper, official websites, report published, public policies & circulars

Findings (RO1)

Factor influenced to unethical public procurement



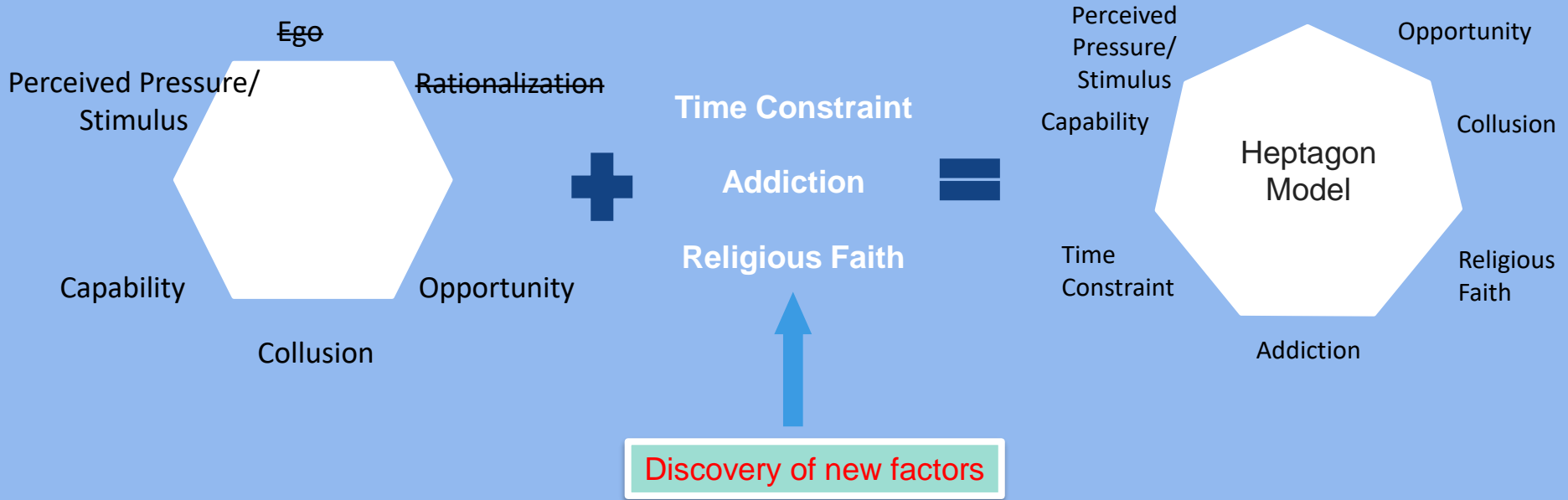
New Findings

Time Constraint – bias & favoritism

Addiction

Religious Faith – future recommendation

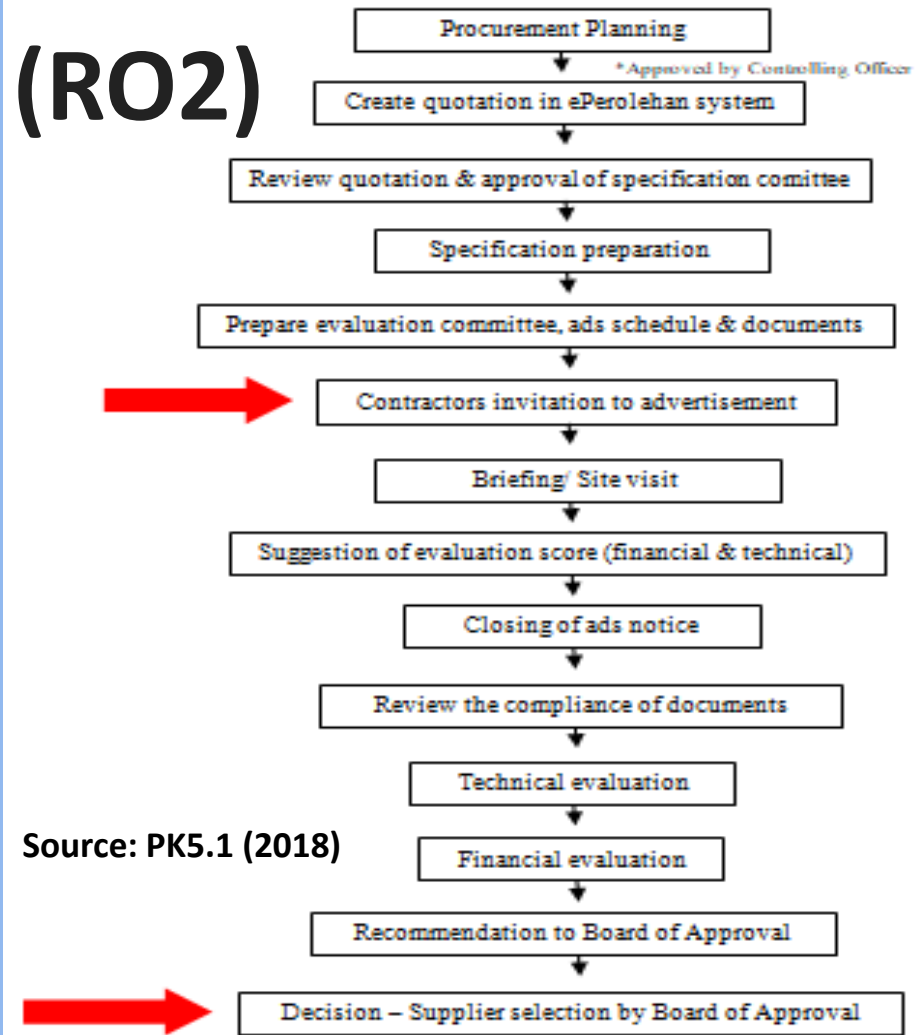
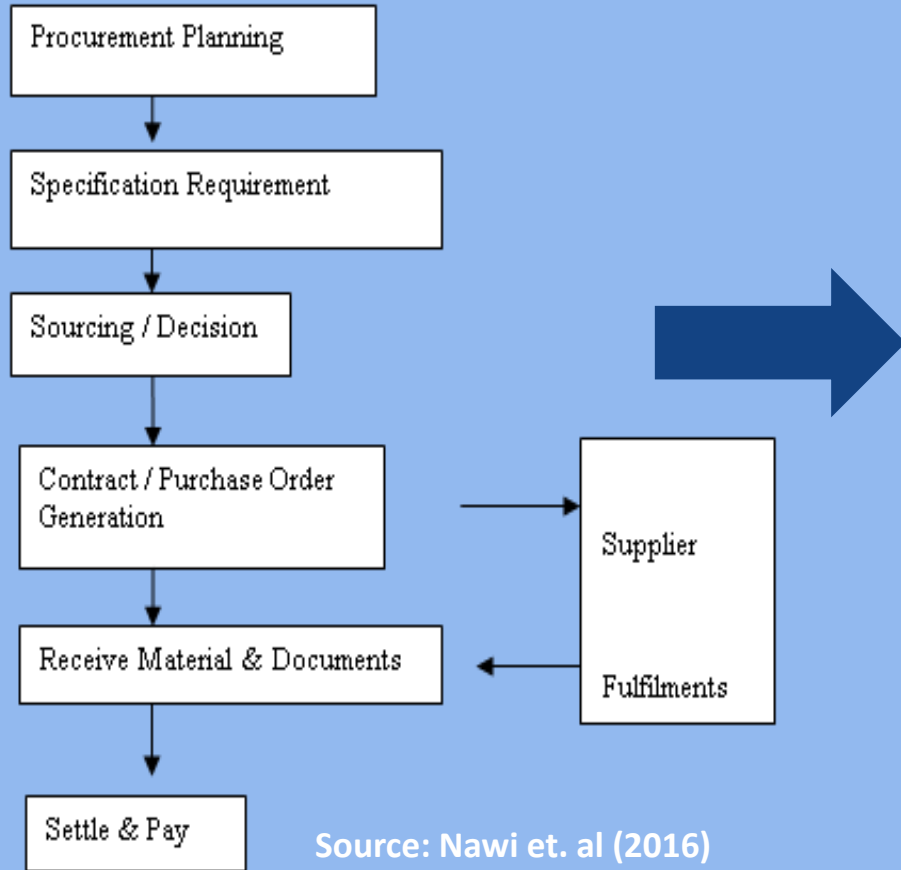
Discussion (RO1)

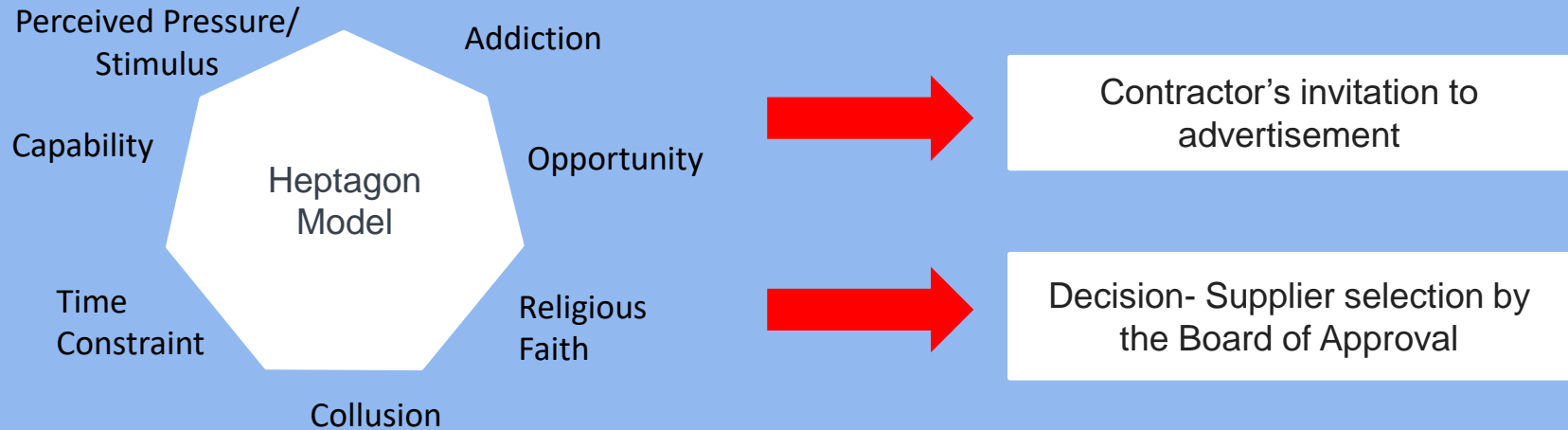


Findings (RO2)

Sources	Collected data	Author's Opinion
Process of public procurement that risky for unethical behaviour:		
Nawi et. al (2016)	An overview of procurement process	The flowchart of public procurement process stated in PK5.1 (MOF, 2018) is parallel and even more detail compared with the process highlighted by Nawi et al. (2016).
Referring to Treasury Circular PK5.1	Contractor's invitation to advertisement Decision Board of Approval	Complicated process does not guarantee transparency of the activities. Bottle neck are during contractor's invitation and decision of the board.

Discussion (RO2)

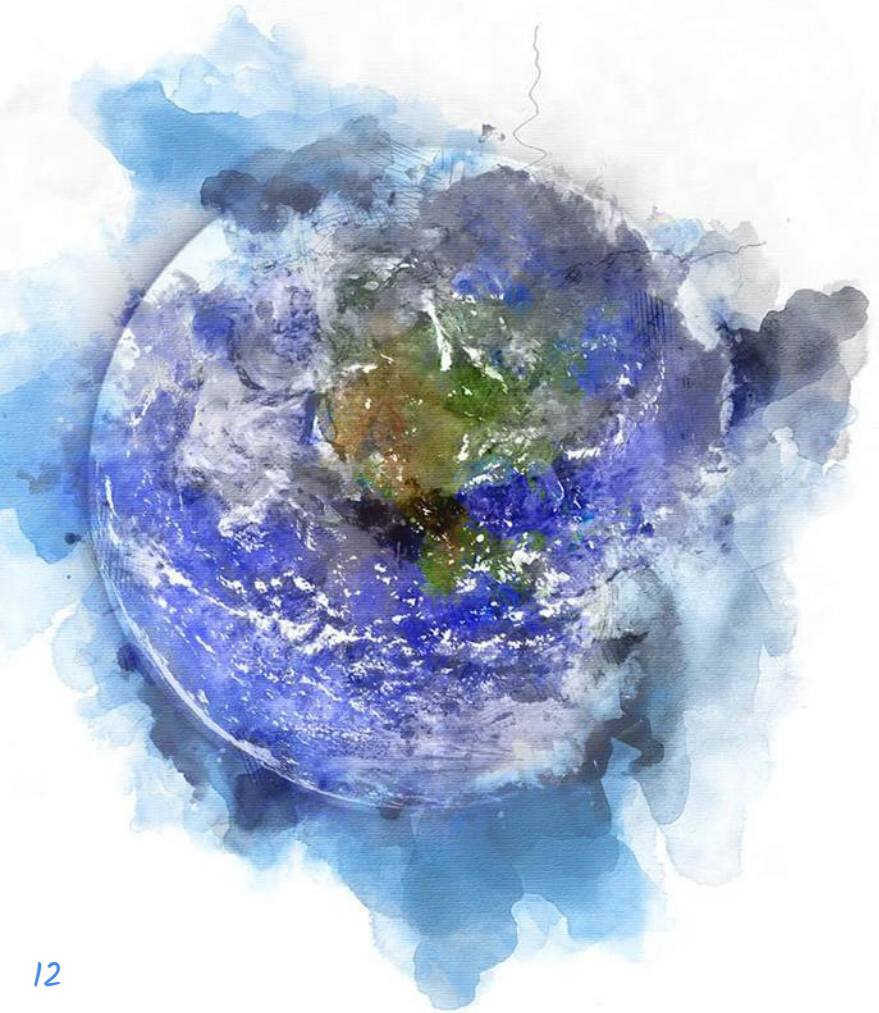




Source: The author (2020)

Conclusion

- **Perceived pressure/ stimulus, opportunity, capability, collusion, time constraint, addiction and religious faith** are factors influenced to unethical behaviour of public procurement
- These **seven factors are found to be risky to occur** during two (2) activities of the public procurement process; **invitations to contractors and decision of procurement board**
- Unethical behaviour of public procurement - the entire management system may fail to deliver successfully and collapse the good governance of a country. Thus a huge effort needs to be done by all stakeholders namely
 - SPA and JPA – in recruiting and training/grooming ethical public servants;
 - MOF – to identify loopholes in procurement procedures so as to not be taken advantage of by corrupt officers and contractors.
 - Public service leaders should lead by example
 - SPRM should put their effort to prevent more rather than mostly trying to cure or to apprehend.



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