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Governance Factors and Mismanagement of Public Project Funds in Nigeria: A Case Study of Ondo State

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Abstract

This paper evaluates the governance factors that are responsible to the mismanagement of public project funds in Nigeria. Governance factors are variables that influence the effective usage of project funds to achieve project delivery while public projects relate to works done by the government to meet public interest. The target population for this study include ministries, departments and agencies (MDAs) in the public sector in Ondo State comprising a total number of seventy-four (74) establishments in the state. Primary and secondary data were collected. Principal component analysis method and explorative factor analysis were combined to extract the five relevant governance factors that impact public project delivery in the study area. Findings reveal that execution of public projects could be fettered with different types of corrupt practices such as bribery, favour-to-favour, nepotism, percentage sharing and contract inflation in the study area; however, weaknesses and lapses were observed in bureaucracy, accountability and due process. Therefore, the study suggests among others, that there should be a political will to redress corruption dilemma, tighten accountability, due process and bureaucratic control in project environment.

Keywords: evaluation, governance factors, MDAs, mismanagement, public project funds

1. Introduction

Public projects relate to works done by the government to assuage public interest. They usually include public road construction and repairs, building construction, schools and parks. These developmental projects require a huge amount of finance that needs to be well managed and accounted for, in order to achieve the goals and objectives set for such projects. Globally, pure public projects have garnered a reputation for being poorly managed, leading to cost and time overruns alongside with long-term technical problems (Hobson, 1999). Also, Nwachucku & Emoh (2011, pp.15-16) confirm that financing construction projects is a great challenge in developing countries, and has left most of the infrastructure in an undesirable state.

Public financial management (PFM) is a crucial tool that helps the public sector to take care of every financial issue in a systematic, efficient, transparent and legitimate way (Graham, 2011). Conceptually, it is the managerial activity that is concerned with the planning and controlling of a nation's financial resources. PFM is the hub that affects the way of spending of a nation, both on capital and recurrent expenditure (Ogunjiuba & Okafor, 2013, p. 15). Many efforts have been made by governments of various nations (both state and local) at one point in time or the other, to satisfy the burgeoning needs of the society in carrying out different projects. The results of these projects most times, failed to meet the actual needs of the society, due to mismanagement of funds allocated to such projects (Obadan, 2012). Mismanagement is not limited to corruption alone; there are many other governance factors responsible for mismanagement of public project funds thereby distorting the set out goals. However, Association of Chartered Certified Accountants (ACCA, 2010, pp. 2-5) opines that PFM is absolutely necessary to promote the quality of public service delivery. Thus, the need for managing the finance of public projects to promote efficient and effective performance, value for money, good service delivery and ultimately, economic development cannot be undermined.

In Nigeria, sourcing for project funds has never been the bane to developments to any governments at all levels in the time past, but the effective utilisation of the available funds to achieve the pined objectives always constitutes insurmountable problems. Consequently, numerous poor quality of projects, cost overruns and inflation on projects, continuous monumental waste of resources, and partial or total abandonment of such projects and loss of lives, among others were experienced. Although, the success of any project in both private and public sectors is highly dependent on the project managers, conceptualization of staff, appointments and control, strict monitoring of the cost, materials, quality and environmental constraints; nevertheless, these capabilities are not enough. The effective management of funds and good accountability on the part of the initiators and executors of such projects, most especially in the public sectors are very relevant for effective public project delivery. Lack of sound financial management, bureaucracy and rule of law on how infrastructural projects should be handled could also cause mismanagement of public project funds and engender a setback to the growth of infrastructure in any nation. Thus, the need for the application of sound public financial management that will aid governance factors in the development of public infrastructure.

2. Literature Review

2.1 Conceptual Issues on Governance System

Projects are the cutting edge of developments across the world, and for any nation or state to develop, there is the need for the efficient execution of public projects. Public project is any project that is funded by a government, and is meant to be possessed and run by that government for the benefit of the society. These include projects such as water, transportation, telecommunication, educational buildings, offices, public buildings, sports and recreational facilities. The World Bank cited in Adler (1987) describes public projects as a set of interrelated expenditure, actions, and policies planned to achieve a country's specific objectives for economic and social development. Again, public projects are designed to be 'engines of growth and glued to economic development' as opined by Rao (2003). Hence, for any nation or state to progress economically, public infrastructure must be well provided for. The primary aim of public projects originates from the rapidly increasing needs and prospects of humanity. Governments are often responsible for the initiation of Public projects and the required budgets allocation are made available for the implementation of such projects. These developmental projects necessitate a huge amount of finance which may not be feasible for private sectors to handle and administer independently. Hence the need for government to provide the required fund from the revenue generated and to ensure judicious allocation, evenly distribution and stabilization of price for such projects. Globally, one main characteristic of pure public projects is that, they are generally known for being poorly managed (Hobson, 1999) and this often results to cost and time overruns. In addition, Likpe & Henderson (2006, p. 22) posit that the management of government projects is totally essential to improving the quality of public service outcomes, hence, the need for improvement in managing the finance of public projects for effective service delivery.

Also, public financial management is the means of managing public funds according to the procedures, established by law through budgets, which includes formulation, implementation, analysis and reporting (Potter & Diamond, 1999). Public financial management is the aspect of financial management that underlie all government operations. It involves the mobilisation of revenue, allocation, expenditure; and accounting for used funds. The fundamental objective of public financial management practices of any nation is to ascertain that available financial resources of government are utilized for the maximum benefit of her citizens (Omopariola, 2002, p. 36). It is essential for recuperating the value of public service delivery, determining the cost-effectiveness of public services, the accessibility of resources for investment can also affects the priorities of government on both national and local spending. Similarly, Mear & Flynn (2011) assert that globally, what people are being held to account for is changing from one time to the other; politicians and the public want to know how well resources have been expended, economically, efficiently and effectively to achieve the desired goals. Although there are a lot of financial management and control system in Nigeria which are meant to guide the disbursement of funds in the public sector as disclose by (Agba, Stephen & Nnamani, 2014, p. 92). However, going by the objective above, the state of public financial management in Nigeria over the years have been deplorable, there are a lot of practices by the politicians and public servants that has bedevilled Nigerian public financial management system. Accordingly, Ogujiuba & Okafor (2013, p. 24) opine that Nigeria has, over the years been scored low by the corruption perception index (CPI) of the Transparency Initiative, based on weak and poor manner in which public policies are implemented. Budgets are in most cases not properly executed and contracts are often times awarded to violate Procurement Acts (PPA, 2007); while public funds are misappropriated with an increasing level of abandoned public projects across the country. Mear and Flynn (2011) posit that services are increasingly contracted out to commercial companies, to NGOs or to communities, rather than being provided directly by public employees due to poor handling and lack of accountability to the public. Most of the challenges that our country is facing today in the area of public project delivery is as a result of lack of proper accountability. Accountability is centred on being responsible to those who have invested their trust, faith, and resources to you. Ola and Effiong (1999) and ICAN (2014, p.18) refer to it as the ability to furnish satisfactory analyses and explanation of one's actions in the process of

discharging one's responsibilities at all levels, whether technical, administrative, political, financial, or otherwise. One main characteristics of public sector accountability is that it is fleeting and unpredictable. The hub of accountability is trust, irrespective of the sufficiency of the reporting instruments and the assurance in the system, trust in those providing the information is highly essential. Having sound financial systems that generate dependable information is a way of creating such trust. Thus financial management becomes an important tool of establishing accountability through the system of financial reporting which are based on legislative or a prescribed format. However, Omopariola (2002) observes the unserious attitude of the Nigerian public administration to probity, accountability and transparency. While probity deals with integrity and honesty, transparency promotes internal discipline, openness and better governance.

The government of President Olusegun Obasanjo believed that without probity in public life, the primary aim of providing for the happiness and welfare of the citizenry will be an illusion. Based on this, the government introduced a number of public sector reform programmes focusing on blocking leakages in public sectors' service delivery. This informed the introduction of due process policy as an official instrument for achieving honesty, transparency and accountability in the performance of government businesses, particularly in procurements and awards of contracts in the ministries, parastatals and departments in Nigeria. Due process is a tool that verifies public funding, only for those projects that have passed the test of proper implementation packaging and that comply strictly with the international competitive bid approach in the award process (Obasanjo, 2003, p.7). The Budget is the only most significant instrument of power and governance whether in a democratic government or otherwise that gives access to State resources. Where there is lack of supervision and adequate sanction, it gives public officers the colossal opportunities and incentives for considerable corruption. However to guide against this, President, Olusegun Obasanjo, created the Budget Monitoring and Price Intelligence Unit (BMPIU) to develop budgetary and public expenditure management systems and procedures that have transparent and effective oversight. Nevertheless, Jacob (2010, p.148) asserts that, many Nigerians believe that the introduction of Due Process and Procurement Act (2007) would curb corruption and abuse of power in the award and execution of contracts, but this remains a tool in the hand of government officials and politicians in looting the public treasury. Corruption is a major factor that wars against public financial management and Public Procurement Acts (PPA, 2007). In Nigeria, construction and infrastructure projects are consistently rated as the most corrupt worldwide (Asobie, 1991, p.10; Oyedele, 2013 and Egbu, 2015, p.8). Corruption generally refers to the misuse of public office for private benefits. In accounting terms, it is any form of irregularity or distortion in financial records for any purpose. Similarly in Nigeria, Otalor & Eiya (2013, pp. 127-128) identify corruption in public project environment in relation to their effect on value for money, as corruption indicated by lack of economy, lack of efficiency and lack of effectiveness.

Corruption has been the main obstacle liable to the country's difficulties in developing fast (ICPC, 2006-22). Total elimination of corruption may not be possible but it can be reduced significantly and this agrees with the views of Thompson (1992), Rose-Ackerman (1999, pp.30-31), Pope (1999), and Anechiarico and Jacobs (1996, pp. 67-69) that the purpose of corruption prevention is to improve the integrity of government in order to perform its fundamental roles efficiently and reasonably. However, Ibietan (2013, p.47) affirms that the Nigerian penal (code) system or sanctions for weighty crimes such as corruption are weak and serve no deterrence to actual and potential offenders. Furthermore, Lipsky (2010) opines that public officials are given bureaucratic discretion which is the ability to decide how policies should be implemented, but if this power is abused, it can amount to corruption. The public bureaucracy has a vital role to play in government administration; it guarantees that the delivery of goods and services are uniformly distributed and delivered to guarantee equity. However, a corrupt bureaucracy can result to a decrease in the value of goods and services being provided by the government (Okotoni, 2001, p. 227). Thus, the need to examine the governance factors that are responsible for mismanagement of public projects that affects public projects delivery.

2.2 Theoretical Issues on Governance System

Many authors on institutional theory assert that, for an organization to survive, it must conform to the rules and belief systems that are widespread in the environment, because institutional isomorphism, both structural and procedural, will earn the organization legitimacy (Kraft's Public Policy, 2007; Scott, 2004, p.410; Scott, 2008; DiMaggio and Powell, 1983, p.155; Meyer and Rowan, 1977, p.359). A country's institutions (formal and informal) have a significant influence on budgetary outcomes at three levels, which are aggregate fiscal discipline, allocation of resources and efficient and effective use of resources in the execution of strategic priorities. However, if the institutional arrangements (the rules of the game) are not in support of good performance, the results will not be sustainable on the ground. Mills (2012) referred to corruption as evidence of institutional failure and this had been gathered from several studies that poor institutional governance has been the undoing of proper management.

2.3 Principal-Agency Theory

Arguably, public expenditure management (PEM) systems are characterised by a chain of principal-agent relationship,

which in turn raises the potential for agency problems. In the words of Tanzi (2000, p.450), "between formation and final implementation of public expenditure, fiscal decisions pass through multi-stages of which mistakes, indifference, passive resistance, implicit opposition, and various forms of principal-agent problems may affect the final outcome. This study examines these agency problems that can jeopardise the actual performance of the task, that is, project outcome, and as well affect economic development. It tends to evaluate the various asymmetric information and interest divergence factors termed as exogenous and endogenous financial factors.

2.4 Empirical Survey on Governance System

Okekeocha (2013) points out that one of the causes of corruption in Nigeria is lack of strong government agencies to enforce laws and rules as sternly as they need to. This creates an opportunity for public officials to embezzle funds without fear of repercussion or punishment. The study concluded that Nigeria is degenerating into a society without a discernible legalistic framework for law enforcement agencies or judicial system. In addition, Onuorah & Appiah (2012, p. 10) examine the management of public funds in terms of how public office holders give accountability report of their stewardship. Statistical Bulletin from the Central Bank of Nigeria (1961-2008) was collected on government revenue and expenditure for both federal and state. The results were analyzed using ordinary least square (multiple regressions) and findings reveal that the level of accountability is very poor in Nigeria because of the failure to disclose information on government activities on economic, social and political matters by public office holders. The non-availability or partially availability of this information makes it difficult for the citizens to assess the operations of public servants' stewardship relevant to the development of the society.

Also, Adejuwon (2014, p. 30), on the dilemma of accountability and good governance for improved public service delivery in Nigeria, used historical and descriptive research methods and content analysis of previous researchers. The study revealed that the institutional framework put in place by successive governments to checkmate corruption only thrived luxuriantly. Similarly, Jacob (2010, p. 139) asserts that the passage of PPA (2007) is a great opportunity for Nigeria to develop as a nation but findings reveal that, the enormous threat to the Act is the reluctance of the government to embrace in totality the full implementation of the Act. Since 2007, the government has failed to do the first thing that the Act prescribes to be done, to lay a strong foundation for its implementation. This was also corroborated by Omolehinwa & Naiyeju (2015, p. 163) that the provision of the law requiring the establishment of National Council on Public Procurement (NCPP) has been jettisoned.

2.5 Conceptual Framework

Conceptually, based on the body of literatures reviewed, funding is the life-blood of any project either in private or public organizations. Project management goes beyond management of the technical aspect of it, but it extends to management of the finance for effective service delivery. This study focuses on the nitrogenous factors that could distort project delivery. It considers corruption, rule of law, bureaucratic control and accountability as governance factors that affect the financial management of public projects delivery. These variables interrelate with one another for effective project delivery in the public sector. Where there is a strong rule of law, higher bureaucratic quality and good accountability in practice, the level of corruption will eventually reduce. Thus, the effective management of these variables to have lower levels of corruption, stronger rule of law, higher bureaucratic quality and good accountability will promote projects delivery in the public sector.

3. Methodology

This research design was based on an empirical survey using structured questionnaires to obtain data from the respondents on the perception of clients, consultants, contractors, accountants, financial managers and the public that were involved in public projects in the study area. The target population for this study were the public sectors in Ondo State, which comprises ministries, departments and agencies (MDAs) with a total number of seventy-four (74) establishments in the state and project stakeholders that were directly involved in the finance, construction and implementation of public projects in the various MDAs together with the beneficiaries of such projects. The MDAs in the state were clustered into two groups comprising of MDAs that engaged in construction projects' implementation and those responsible for programmes implementation. It was observed that very few MDAs i.e. nine (9) were directly involved in construction projects' execution. The paper focuses on the various MDAs that were engaged in projects' implementation. These ministries are Ministry of Works, Ministry of Health, Ministry of Education, Ministry of Lands and Housing, Ministry of Budget and Statistics, Public Private Partnership (PPP) unit, Ministry of finance and three State tertiary institutions. The selected tertiary institutions include: Adekunle Ajasin University, Akungba-Akoko, (AAUA), Ondo State University of Science and Technology, Okitipupa (OSUTECH) and Rufus Giwa Polytechnic, Owo (RUGIPO). It should be noted that five (5) out of the nine (9) MDAs were directly involved in the construction of projects while Ministries of Finance and Budget and Bureau of Statistics were in the administration of finance. Also, the Ministry of Lands and Housing supervises housing projects in the study area. These MDAs were considered as the sample size using the stratified random sampling

technique which was based on Krejcie and Morgan, (1970, pp. 7-12, Appendix E, Table 1) formulae for sample size determination for research activity. The research made use of primary and secondary data. Primary data were collected through structured questionnaires and interviews, while the secondary data were sourced from Ministry of Budget and Bureau of Statistics and Ministry of Finance. The study population was classified into three groups that are mutually exclusive. These groups are; (i) contractors, consultants, project managers, (ii) project accountants, financial managers, officers from ministry of finance and (iii) beneficiaries of the projects that were relevant to the study. Variable sampling fraction was employed in administering the questionnaire among the groups of respondents so that strata with high degree of variability were sampled more and respondents were selected in each of the MDAs based on the variable sampling fraction (Odugbemi & Oyesiku, 2000, p. 28). Also, purposive sampling method was employed in the interview since only senior officials of the various ministries and consultants were involved in the implementation of projects, in order to ensure high level of validity of the instrument. Principal component coupled with explorative factor analyses were combined for the analyses. The choice of factor analysis was predicated on the need to trim down the number of variables of the merging matrix into smaller subset of principal components (or factors). Here, the intention is to keep as much as possible of the quantitative amount of information (explained variance) contained in the data set. Thus, factor analysis categorises the variables of the data matrix into some definite factors that share common characteristics. Characteristically, there is no assumption about dependent-independent variable relationship.

4. Results and Discussion

4.1 Factoring Methods for Grouping the Most Significant Variables

In the explorative factor analysis (EFA), five common factors were extracted. To decide how many factors needed to represent the variables, percentages of total variances explained by each factor were estimated (Eigen values). To ascertain the appropriateness (sampling adequacy) of the data, two appropriate tests including the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity were used. KMO ranges from 0 to 1; the closer the measure to 1 the better. For Bartlett's test, a significant result of less than 0.05 is desirable, which is an indication that the matrix is not an identity matrix (i.e. that the variables do relate to one another enough to run a meaningful EFA). From Table 4.1, KMO statistics is 0.772, which is nearer to 1.0 than 0.5, and it is very close to the meritorious benchmark showing that the data is adequate and well-suited for factor analysis. Bartlett's test also is highly significant with favourable value of 1077.87 and significant value well below the threshold (< 0.05). It then seems justified to conduct a factor analysis based on the data set (see Appendix A, Table 4.1).

4.2 Communalities for Correlation of Variables

Communality is the extent to which an item correlates with all other items. This is shown in Table 4.2. Higher communalities are better, as a very low value (between 0 and 0.4) may struggle to load significantly on any factor. The result shows that no variable has a value below 0.4 threshold indicating that all of them fit appropriately for the analysis (Appendix B).

4.3 Factor Structures to Determine Eigen Values

Principal component analysis (PCA) was used for the extraction in Table 4.3; variables were expressed in standardized form with a mean of 0 and standard deviation of 1. Variance indicates the dispersion of scores around the mean and is basically the average error between the mean and the observation made (Fields & Bisschof, 2014). For the purpose of further analysis, the factors above the dotted lines are extracted while the ones below it were ignored and discarded. This is based on Kaiser's criterion which, as a statistical measure, placed the minimum threshold value at 1.0. It is obvious from the results that the most important factor is related to bribery index, and it accounts for about one-quarter (25%) of the variance explained. The second factor related to bureaucracy index accounts for about 21%, the third related to accountability index accounts for about 8%, the fourth related to favouritism accounts for about 7%, and the fifth related to due process factors accounts for about 6%. When combined, the five factors account for more than half (66.7%) of the variance. A cumulative variance in excess of 60% signifies a "good fit" (Field, 2007, p.56; Hafiz & Shaari, 2013; Fields & Bisschof, 2014, p.50). See Table 4.3, (Appendix C).

4.4 Rotation Type for Factor Loadings

Rotation causes factor loadings to be more clearly differentiated, which often facilitates interpretation of the results. To make for easy interpretation of the extracted factors, the Orthogonal Varimax factor rotation method with Kaiser Standardization was adopted in the PCA, as suggested in some recent studies (Adeyeye *et al.,* 2012, p.166; Adeyeye & Oloyede, 2014, pp.45-47). Convergence was achieved after five (5) iterations. Cronbach's alpha is an index of reliability, it ranges from 0 to 1 and may be used to express the reliability of factors extracted from dichotomous and multi-point formatted questionnaire or scale as used in this research. The higher the score, the more reliable the generated scale. Nunnaly (1978) indicated 0.7 to be an acceptable reliability co efficient value.

The governance factors that contribute to mismanagement of public project funds in the study area were extracted based on their internal consistency, reliability and the variables were arranged in order of the strength of their respective item factor loadings on each factor. The result is shown in Table 4.4 (Appendix D) and the significance of each element contained in each factor is explained in the table.

Factor 1-Bribery index: This factor explains about one-quarter (25%) of the variance, and contains three elements that point to the profound effect of bribery and corruption on mismanagement of public project funds. The consequence of bribery frequency (FREBRIBE), bribery occurrence (OCBRIBE) and bribery scale (SCBRIBE) on the levels of mismanagement of public funds cannot be overemphasised. Cronbach's alpha of 0.836 is a highly satisfactory reliability coefficient.

Factor 2-Bureaucracy index: This is the second most important factor enhancing mismanagement of public project funds in Ondo State. It explains a favourable variance of about 21%. Four elements constitute this factor: independent expert advice (OIEXPA), regular reporting measures (RRME), feasibility study observance (OBFS) and adherence to financial management guidelines (AFMGT). The higher these variables are ignored and neglected, the higher the propensity to mismanage available public funds. Cronbach's alpha is 0.731, and it shows a satisfactory reliability coefficient.

Factor 3-Accountability index: This point specifically to the impact of accountability on mismanagement of public funds, it explains 7.55% of the variance. The three elements in this factor are: accountability measuring instrument (MACC), level (degree) of accountability value (LACCVALU), accountability value (ACCVALU). Where accountability level and value are ebbing, low and diminishing, there will be higher propensity for mismanagement of public funds. Cronbach's alpha is 0.735 and it shows a satisfactory reliability coefficient.

Factor 4-Favouritism index: This factor explains about 7% of the variance and contains four variables that point to the effect of sharing incidence (IPERSHARE), sharing level (LPERSHARE), favour-to-favour (FFF) and nepotism frequency (FNEPO) in explaining mismanagement of public project funds. In situations where contracts are awarded to family members, cronies and on tribal lines, it may be difficult to checkmate the contractor where they fail to execute the terms of the contract. Cronbach's alpha is 0.735 and it shows a satisfactory reliability coefficient.

Factor 5 - Due process index: This factor explains about 6% of the variance; it points to the importance of adherence to due process in explaining the level of mismanagement of public funds. The three elements in the factor are: due process adherence (ADUPRO), level of due process adherence (LADUPRO) and due process transparency (TRDUPRO). Where due process is not strictly followed, especially in contract award and the like, mismanagement of public project funds will be pronounced. Cronbach's alpha is 0.774 and it shows a highly satisfactory reliability coefficient. Neglect of all these factors contributed to the mismanagement of public projects in their order in the state.

5. Conclusion

The objective of this study is to evaluate the governance factors that are liable to the mismanagement of public projects funds in Nigeria, particularly, in Ondo State and to determine how these factors can be influenced to promote effective and efficient project delivery and economic development. The reviewed literature provided some useful insight into the governance of management of public project funds and reveal that poor institutional governance has been the bane of proper management of public projects while prevalence of corruption has been described as evidence of institutional failure. In agreement with the literature our findings revealed that public projects' execution is fettered with different types of corrupt practices such as bribery, favour-to-favour, nepotism, percentage sharing and contract inflation in the study area, and weaknesses and lapses were observed in bureaucracy, accountability and due process. To this end, it can be inferred that even though corruption seems to be the most significant governance factor that affect public project funds and delivery, yet, neglect of accountability, bureaucracy and due process heighten the occurrence of corruption. Thus, there is the need to tighten other governance variables to reduce corruption.

6. Recommendations

Based on these findings, the paper proposes the following recommendations:

1. Establishment of the National Council of Public Procurement (NCPP) (both at the Federal and State levels) that will take the awarding of contracts from the hands of politicians to a body that will ensure tender and non-biased selection of contractors; give due consideration to experience and knowledge of the project, and demonstrate fairness and objectivity in the award of contracts, must be of high priority. This will reduce the problem of corruption, favour-to-favour and nepotism to the barest minimum, thus, promoting accountability.
2. Feedback mechanism on every amount committed to projects should be put in place from time to time, to prevent unauthorized diversion of project funds and to ensure that all the money disbursed are accounted for after the completion of a project.

3. The issue of accountability in the public financial management system in the state is very germane. Proper implementation of the International Public Sector Accounting Standards (IPSAS) should be encouraged. Ministries, departments and agencies should be encouraged to begin the use of the accrual basis of accounting, as this would make public managers accountable for recording and safeguarding of public assets, for managing public cash flows, and for disclosing and discharging public liabilities.
4. Enforcement of strict compliance to every institutional arrangement on public project infrastructure to improve management of project fund is imperative and essential.
5. Establishment of strong penal code system to enforce laws and rules as sternly as they need for adequate punishment for offenders on corruption and related matters.

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Appendix A

Table 4.1. KMO and Bartlett's test for validity of data

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.772
Bartlett's Test of Sphericity	Approx. Chi-Square	1077.866
	Df	136
	Sig.	.000

Source: Author's computation using SPSS 24

Appendix B

Table 4.2: Communalities for correlation of variables

Code	Initial	Extraction
ADUPRO	Due process adherence	.741
LADUPRO	Due process adherence level	.705
TRDUPRO	Due process transparency	.600
OBFS	Feasibility study observance	.523
AFMG	Financial management guideline adherence	.532
RRME	Regular reporting measures	.647
OIEXPA	Independent expert advice	.593
ACCVALU	Accountability value	.559
MACC	Accountability measuring instrument	.813
LACCVALU	Accountability level	.808
OCBRIBE	Bribery occurrence	.761
FREBRIBE	Bribery frequency	.839
SCBRIBE	Bribery scale	.705
FFF	Favour-to-favour	.598
IPERSHARE	Sharing incidence	.679
LPERSHARE	Sharing level	.659
FNEPO	Nepotism frequency	.485

Extraction Method: Principal Component Analysis.

Source: Author's computation using SPSS 24

Appendix C

Table 4.3: Factors and their relative importance

Component	Initial Eigen values Total	% of Variance	Cumulative %
1	4.245	24.968	24.968
2	3.523	20.725	45.693
3	1.283	7.545	53.239
4	1.195	7.031	60.270
5	1.002	5.896	66.166
6	.954	5.613	71.778
7	.786	4.625	76.403
8	.688	4.047	80.450
9	.535	3.147	83.597
10	.514	3.026	86.623
11	.455	2.676	89.299
12	.425	2.499	91.799
13	.402	2.364	94.162
14	.341	2.005	96.167
15	.259	1.526	97.693
16	.217	1.278	98.971
17	.175	1.029	100.000

Extraction Method: Principal Component Analysis.

Source: Author's computation using SPSS 24

Appendix D

Table 4.4. Rotated component matrix[a]

	Component				
	1	2	3	4	5
FREBRIBE	.867				
OCBRIBE	.836				
SCBRIBE	.806				
OIEXPA		.762			
RRME		.716			
OBFS		.656			
AFMGT		.652			
MACC			.852		
LACCVALU			.836		
ACCVALU			.708		
IPERSHARE				.795	
LPERSHARE				.783	
FFF				.652	
FNEPO				.559	
ADUPRO					.817
LADUPRO					.754
TRDUPRO					.712
Name given to factor	Bribery Index	Bureaucracy Index	Accountability Index	Favouritism Index	Due Process Index
Percent variance explained (%)	24.97	20.73	7.55	7.03	5.90
Cumulative variance contribution rate (%)	24.97	45.70	53.25	60.28	66.18
Cronbach's alpha	0.838	0.731	0.80	0.735	0.774

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 5 iterations.

Source: Author's computation using SPSS 24

Appendix E

Table 4.5 Table for Determining Sample Size from a Given Population

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note: N is population size

S is sample size