

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI,
GHANA**

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**EFFECT OF VALUE FOR MONEY AUDIT ON PUBLIC SECTOR
ACCOUNTABILITY: EVIDENCE FROM NORTHERN REGION, GHANA**

BY

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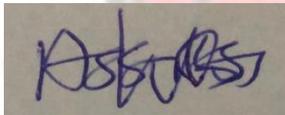
MSc. (ACCOUNTING AND FINANCE)

**A THESIS SUBMITTED TO THE DEPARTMENT OF ACCOUNTING AND FINANCE
COLLEGE OF HUMANITIES AND SOCIAL SCIENCES IN PARTIAL FULFILMENT
OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF SCIENCE IN
ACCOUNTING AND FINANCE**

NOVEMBER, 2020

DECLARATION

I hereby declare that this submission is my own work towards the MSc. Accounting and finance and, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.



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ABSTRACT

The study examines the effect of value for money auditing on public sector accountability in selected MMDAs (Tamale Metropolitan Assembly, Sagnarigu Municipal, Gushegu District Assembly and Karaga District Assembly) in the Northern Region of Ghana. The study adopted a descriptive survey approach with a sample size of 83. Quantitative approached was adopted to analyse the data. The study revealed that value for money auditing induce the use of indicators that enhances accountability to users for quality of service, stimulus pressure from an informed domestic public opinion is needed for public sector reform. Cost should not be more than expected in value for money auditing in the region, cheaper inputs may risk the effectiveness and sustainability of value for money auditing. The study also revealed that respondents agreed that a program should not duplicate, overlap, or conflict other related programs, respondents agreed that it is not enough if an activity is very cheap and runs efficiently, but does not achieve results. Also respondents agreed that there should be adequate assessments of needs, clear objectives and adequate means of implementation, respondents agreed that information that is complete, accurate. The study further revealed that respondents agreed that goals and targets should be stated in writing and publicized, clearly specifying its effects, respondents agreed that poor project planning and management cause inadequate supervision and non-compliance with terms and conditions of the contract in the selected MMDAs in the Northern Region of Ghana. It thus recommended that to enhance economy value for money auditing and public accountability, regulation of the Public Finance Management Act regulations should be adhered to. It requires that expenditure of goods and services

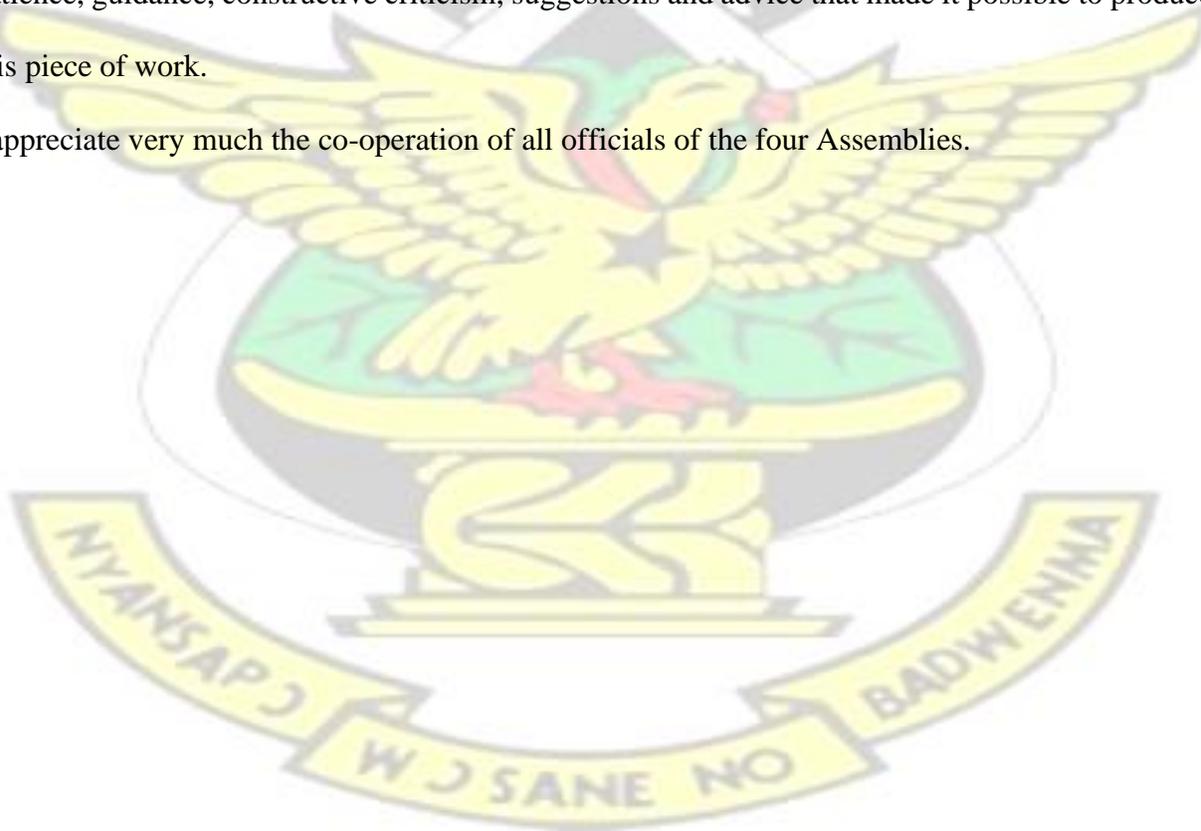
should be controlled against spending and procurement plans approved by the responsible accounting officer. The accounting officer should not authorize payment to be made out of funds earmarked for specific activities for purposes other than those activities.

ACKNOWLEDGEMENTS

A number of individuals have contributed tremendously towards the successful completion of this study for which I wish to acknowledge my appreciation.

I acknowledged with a sentiment of deep gratitude and appreciation to my supervisor Mr. Alexander Agambila a Deputy Director of Finance at SADA, Tamale and a part-time lecturer at Kwame Nkrumah university of science and Technology institute of distance learning (IDL) for his patience, guidance, constructive criticism, suggestions and advice that made it possible to produce this piece of work.

I appreciate very much the co-operation of all officials of the four Assemblies.



DEDICATION

This piece of work is dedicated to AMRAVY3, my three girls.



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TABLE OF CONTENTS

DECLARATION	1
ABSTRACT	2
ACKNOWLEDGEMENTS	3
DEDICATION	4
TABLE OF CONTENTS	5
LIST OF TABLES	7
LIST OF FIGURES	8
LIST OF ACRONYMS	9
CHAPTER ONE	1
INTRODUCTION	1
1.1	Backg11.2
	P41.3
	Main 51.4
	Specific 51.5
	51.6
	Significance of the Stud61.7
	Scope of the Stud71.8
	Limitation of the Stud71.9
	O7CHAPTER TWO
	10

LITERATURE REVIEW		10
2.1	Int82.2	Definitions and Concepts
	10	
2.2.1	Value fo92.2.2	The Issue of Public Accountabilit102.2.3
	Public Financial Management (PFM)	13
2.2.4	Accounting and Financial 152.2.5	Financial 162.2.6
	Auditing	19
2.2.7	T212.2.7.1	Financial and 212.2.7.2
	Value fo22.2.7.3	Compliance audits
	23	
2.2.7.4	Effectiveness audits	23
2.2.8		232.3
		Theo252.3.1
		Agenc262.4
		Conceptual F272.5
		Empi29
		CHAPTER THREE
		33
METHODOLOGY		33
3.1	Int323.2	Stud323.3
	363.4	Population of the stud363.5
	Sample size	38
3.6		Sampling Technique and Sampling P383.7
		Data Collection Inst403.8

KNUST

	Questionnai	413.9
	Sou	413.9.1
	P	413.9.2
	Seconda	413.10
	Data anal	423.11
	42CHAPTER FOUR	
		45
RESULTS AND ANALYSIS		45
4.1 Int	434.2	Pe444.3
Econom	454.4	Efficienc484.5
Effectiveness of Value fo	494.6	Discussion
53		
CHAPTER FIVE		58
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS		58
5.1 Int	555.2	Summa565.2.1
Dete	565.2.2	Efficienc575.2.3
Effectiveness of Value fo	575.3	Conclusions
60		
5.3.1 Economy Value for Money Auditing and how it Affects Public Accountability		60
5.3.2 Efficienc	585.3.3	Effectiveness of Value fo595.4
Recommendation		61
REFERENCE		63
QUESTIONNAIRE		69

KNUST

LIST OF TABLES

Table 4.1: Personal Information of Respondents	45
Table 4.2: Economy Value for Money Auditing Affects Public Accountability	48
Table 4.3: How Efficiency Value for Money Auditing Affect Public Accountability	49
Table 4.4a: Effectiveness of Value for Money Auditing and Public Accountability	51
Table 4.4b: Effectiveness of Value for Money Auditing and Public Accountability	52

KNUST

LIST OF FIGURES

Figure 2. 1: Framework of Internal Control

28



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LIST OF ACRONYMS

The logo of the Kenya National University of Science and Technology (KNUST) is centered in the background. It features a yellow eagle with its wings spread, perched on a green shield. Above the eagle is a red and orange flame. Below the eagle is a yellow banner with the Swahili motto "NYANSAPATI WAJAMANA NO BADWENNA".

AG	-	Auditor General
FAC	-	Financial Administration Courts
FAR	-	Financial Administration Regulation
FM	-	Financial Management
IA	-	Internal audit
IT	-	Information Technology
MDAs	-	Ministries, Departments and Agencies
MMDAs	-	Ministries, Metropolitans, Departments and Agencies
NGOs	-	Non-Governmental Organizations
PAC	-	Public Accounts Committee
PFA	-	Public Financial Accountability
PFM	-	Public Financial Management
TEA	-	Theory of audit explosion

VFM - Value for Money
VFMA - Value for Money Audit

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CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

There is the need to pay greater attention to the awareness all over the world for the improvement of public sector management (Enofe et al., 2013). The reason being that, government constitutes the largest single business entity and her pattern of expenditure through its various parastatals, agencies and commissions stimulate lot of economic activities (Van Gansberghe, 2005). As a result of these Government huge involvements in economic activities, initiatives are being taken all over the world towards improvement of the standards of accounting and auditing departments in government (Angus & Mohammed, 2011). Public sector managers operate in a complex and challenging environment. This, in part, reflects the evolving demands and expectations of the community, government and the Parliament. Internal audit is an important element of the range of resources and mechanisms available to public sector managers to assist them to meet their responsibilities within this environment. Anao (2012). Internal audit provides an independent and objective review and advisory service to provide assurance to the Chief Executive and/or Board that the entity's financial and operational controls designed to manage the organization's risks and achieve the entity's objectives are operating in an efficient, effective, economical and ethical manner; and assist management in improving the entity's business performance (Goodwin-Stewart & Kent, 2006). According to Izedonmi (2000), Auditing involves an independent examination of the financial statements of an enterprise prepared by the management of that enterprise by an appointed person called auditor in order to express a professional opinion whether or not those financial statements show a true and fair view position of the enterprise as at the end of the financial period in accordance with the auditor terms of engagement as well as other relevant statutory and

professional regulations (Reynolds, 2000). As owners of organization are separated from the management, this has necessitated the need for auditing. It used to be that internal auditing in the public sector served as a simple administrative procedure comprised mainly of checking accuracy of transactions, pre-payment verification and control, counting assets and reporting on past events to various types of management (Schwartz et al., 2005). But in recent times, a combination of forces has led to a quiet revolution in the profession (Goodwin, 2004).

Governments moving toward higher levels of transparency must demonstrate accountability in the use of public money and efficiency in the delivery of services. Larger and more complex operations demand greater competency and professionalism from internal auditors to minimize and manage risk (Unegbu & Obi, 2007). Internal audit is one of a number of internal assurance and business review activities that should operate in a coordinated and complementary manner to reduce corruption and benefit the people (Fernandez & Rainey, 2006).

According to Bechberger (2007), it is observed in the past decades that in order to fight global corruption and strengthening transparency and accountability in public sector organization across the world, public sector organizations are now under pressure from the public to integrate value for money principles in their management practices.

Value for money according to National Audit Office (2007), means providing a service or a product in a way which is economical efficient and effective. Value for money audit is therefore, the type of audit that is used to assess the value for money system in any organization. It is an independent examination of the criteria (economy, efficiency and effectiveness) for the value for money to confirm that the organizations available resources are used wholly, necessarily, reasonably and exclusively so as to maximize progress towards the chosen objective.

Value for money audit, according to Okwoli (2004), is “a systematic evaluation of the methodologies employed in the execution of programmes, projects, and activities with the objectives of confirming whether the stated objectives of the programmes, projects, and activities were actually achieved and at what cost. According to him, this method of audit has evolved over time and been found to be the best approach to confirming whether managers of resources are applying best practices in the use and application of resources. He maintains that the best practices in this respect will be the extent to which the managers apply economically and efficiently the resources made available and how the expected results are being achieved. In effect, therefore, while the need to achieve stated results is of primary importance, the curtailment of waste and extravagance makes the results more realistic (Oshisami, 1992), Value for Money Audit determines whether the entity is acquiring, managing or utilizing its resources (staff, buildings, spaces, materials) in an economic and efficient manner and the causes of any inefficiencies or uneconomical practices (Nwosu, 2013). Oshisami (1992), went further to state that it involves an inquiry into whether in carrying out its responsibilities, the organization gives adequate consideration to optimal acquisition, procedures and practices, safe keeping of its assets, money and minimum expenditure of effort. Value for money audit has been found to be particularly useful in public sector where measurement of results achieved by public sector organizations is more subjective than in the private sector. In the private sector, measurement of the success of an enterprise is a function of the profit of such an enterprise. Its continuous existence depends entirely on the ability of the enterprises to make profit without which it will fold up (Ene, 2000). Whereas the private sector enterprises endeavor to make profit in order to continue to remain in business. This particular urge is not very prevalent in public sector. Public sector enterprises are set up specifically to address various problems, some social, while some are economic.

1.2 Problem Statement of the Study

Financial resources are very key component of the operations and activities of the public sector. This is because the public sector is the largest spender and employer in virtually every developing country and it sets the policy environment for the rest of the economy (Owalla & Luanga, 2014). Unfortunately, the approach to mobilizing and managing public finance in most developing countries has been met with challenges such as corruption, misapplication and misappropriation of funds, over-spending and lack of compliance with existing legislative frameworks. In an effort to overcome these challenges, developing countries have attempted to introduce reforms in public sector financial mobilization and management systems. These reforms have mainly dealt with areas of legal and institutional framework, resource generation, improved resource allocation, transparency, accountability and fiscal discipline aimed at improving efficiency, effectiveness and value for money (Owalla & Luanga, 2014).

The FAA, 2003, Act 654 on the other hand, established the Financial Administration Courts (FAC) to enforce recommendations of the Public Accounts Committee (PAC) on the Auditor-General's (A-G) reports as approved by Parliament. In spite of the systems put in place, the Auditor-General's (A-G) reports which are readily available and covering the periods 1993-2015 reveal low levels of compliance with existing legislative framework, misapplication and misappropriation of funds, managerial lapses and weak monitoring procedures leading to the loss of billions of Ghana Cedis- a situation that suggests significant managerial and capacity handicaps. For instance, the latest A-G's report of 2015, reveals that Ghana lost GH¢505,179,135 as a result of financial errors and irregularities committed by public boards, corporations and other statutory institutions. The loss, according to the A-G's Report for the 2015 fiscal year, arose out of the breakdown of internal controls. The loss, according to the report, occurred between January 1 and

December 31, 2015. While the reports of the A-G persistently condemn the weak internal control systems within the Ministries, Departments and Agencies (MDAs), hardly have there been any empirical research that assess the role and contributions of the Financial Administration Courts (FAC) to the promotion and enhancement of public financial accountability. Therefore this study intends to investigate value for money auditing on public sector accountability in selected MMDAs in the Northern Region of Ghana.

1.3 Main Research Objective

The main objective of the study is to examine the effect of value for money auditing on public sector accountability in selected MMDAs (Tamale Metropolitan Assembly, Sagnarigu Municipal, Gushegu District Assembly and Karaga District Assembly) in the Northern Region of Ghana.

1.4 Specific Research Objectives;

1. To determine how economy value for money auditing affect public accountability in the selected MMDAs in the Northern Region
2. To establish how efficiency value for money auditing affect public accountability in the selected MMDAs in the Northern Region
3. To ascertain how effectiveness value for money auditing affect public accountability in the selected MMDAs in the Northern Region.

1.5 Research Questions

1. What is the effect of economy value for money auditing on public accountability in the selected MMDAs in the Northern Region?
2. How does efficiency value for money auditing affect public accountability in the selected MMDAs in the Northern Region?

3. What is the effect of effectiveness value for money auditing on public accountability in the selected MMDAs in the Northern Region?

1.6 Significance of the Study

The study will generate support for VFMA as a public accountability tool as follows:

The Government

Parliamentary committees such as the Public Accounts Committee will be stimulated to focus on enacting unambiguous policy legislation to make it easy in developing measurement standards crucial to gauge the difficult aspect of determining effectiveness element of VFM in programs being implemented by the state.

Administrators will also polish their implementation skills of policies, programs, and activities in a manner that ensures that organizations get the most out of resources allocated.

The Donor Community

The organization/institutions such as the Bretton Woods Institutions will use it as their source of data for background checks on trends of previous funding utilization and impact, to inform negotiation for more financing.

Advocacy groups

Interest groups such as Transparency International (TI) and other NGOs will be able to champion anti – corruption effectively, by for instance shaming graft laden institutions from the point of accurate support data.

Academicians

Will stimulate further inquiries into formulation of models for measuring effectiveness element, which is difficulty to measure.

1.7 Scope of the Study

Geographically, the study will be conducted in selected MMDAs in the Northern Region of Ghana. Theoretically, the study will investigate value for money auditing on public sector accountability.

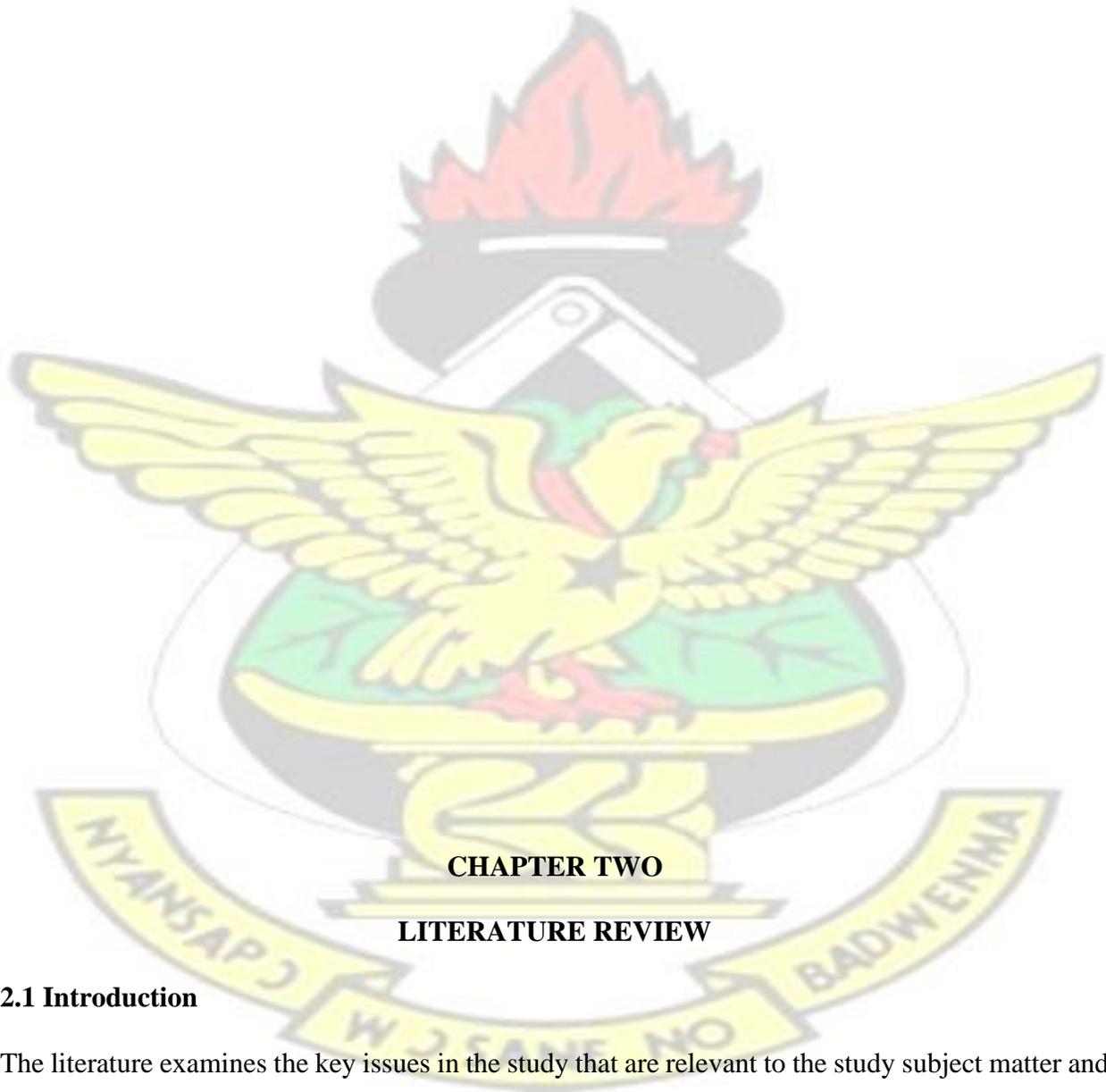
1.8 Limitation of the Study

The research study will be hampered by a number of constraints in data collection. Since the research topic is sensitive, many respondents will be unwilling to participate in the research due to fear of intimidation. The sample size will difficult to reach and interview as some respondents will be bound by the secrecy act which restricted them from disclosing information paramount to the study. The researcher will also face challenges in gathering information from the selected respondents as many of them will be bound by policies that included the Secrecy Act and AIPPA which prohibited them from disclosing information about their organizations.

1.9 Organization of the Study

The study shall be organized into five chapters, thus chapter one will look at the introduction and background to the study. Chapter two will look at the literature review which will contain definitions and concepts, theoretical and conceptual frame work of the study and empirical evidence from other authors. Chapter three will look at the study design and the procedure for the collection of data for analysis. Chapter four will cover data analysis and discussion, while chapter five will look at the study summary, conclusion and recommendation.

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CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The literature examines the key issues in the study that are relevant to the study subject matter and reviews the existing body of knowledge in that area. It is intended to help the researcher to draw

on ideas that would help in the analysis of findings. As such, the study reviews the literature on relevant areas particularly in the context of value for money audit. Additionally, the study presents an existing body of knowledge on the concepts and definitions that are associated with effectiveness of value for money audit on public sector accountability.

2.2 Definitions and Concepts

2.2.1 Value for Money Audit

There is no universally acceptable definition of VFM audit, the Canadian comprehensive Auditing Foundation defines VFM audit as: Examination that provides an objective and constructive assessment to which; Financial, human and physical resources are managed with due regard to economy, efficiency and effectiveness i.e. accountability relationships are served (Adedokun et al., 208). The United States General Accounting office auditing defines VFM audit as; performance audit which includes economy, efficiency and program audits. Economy and efficiencies audit include determining whether the entity is acquiring, protecting and using its resources (such as personnel, property and space) economically and efficiently (Adedokun et al., 2018). The causes of inefficiencies or uneconomical practices are whether the entity has complied with laws and regulations concerning matters of economy and efficiency. Chiu-Kinpoon (1995), defines value for money audit framework in modern term as a methodology which assists in decision making process of setting output goals and designating resources to meet those goals. He argues further that such kind of auditing goes beyond traditional reviews of internal controls and financial statements by reviewing economy, efficiency and effectiveness in the use of resources and in establishing management accountability. According to Bernard (2013), VFM audit in public service projects is the only means of evaluating whether a government organization is effectively meeting its objectives, and using its resources economically and efficiently. VFM audit is basically

undertaken to provide an independent assurance to the responsible public officials and community that funds appropriated for particular government activities are spent wisely and in accordance with parliament's expectations. Bernard (2013), further opines that VFM auditing is an independent appraisal of an audit entity to determine the extent to which resources are managed with due regards to economy, efficiency and effectiveness and gives the positive or agreeable desired impacts to the society concern. Adedokun (2015), draws out a clear distinction between VFM expenditure and value for money audit itself. He posits further by defining VFM expenditure as one of the aspects of expenditure controls which ensures that all expenditures are "wholly" "necessarily" "reasonably" and "exclusively" incurred for the purpose for which they were meant while he equally contends that the 3 key ingredients that are fundamentally germane in VFM expenditure are Economy, Efficiency and Effectiveness.

2.2.2 The Issue of Public Accountability

There is another perspective on the evaluation of the performance of government programmes which is the accountability of the government to the society. The basic meaning of accountability is easy to understand. In the Concise Oxford Dictionary, "accountable" is defined to mean "responsible; required to account for one's conduct." Public accountability is extended to cover the accountability of the authorities to the people. This notion of public accountability has been accepted by auditors of government accounts. According to the Asian Organization of Supreme Audit Institutions (1985), public accountability is the obligations of persons of authorities entrusted with public resources to report on the management of such resources and be answerable for the fiscal, managerial and programme responsibilities that are conferred. Public accountability is necessary because the people have entrusted their government to perform certain tasks which

are best performed by the government. Usually, this process of entrustment is enforced by a legislature elected by the people.

The legislature, acting in the public interest, confers powers to the government, and entrusts the government to execute programmes and delivers products. To enable the government to function, the legislature provides the government with the necessary resources. Johnsman (1993), states that public accountability is obligatory because the legislature and the people need to know, and have the right to know whether the government is doing what it has been entrusted to do.

Based on the declaration of the Asian Organization of Supreme Audit Institutions, for a government to be publicly accountable for its performance, it is obliged to report on the management, and is answerable for the performance of her programmes. The basic requirement to fulfill such accountability is the provision of information both at the time the government requests resources from the legislature and at regular intervals when the government reports on her performance to the legislature. This is a process of self-evaluation where the government assesses her own performance, probably in the light of promoting the image of the government or with the aim of securing resources to be allocated.

For full public accountability to be achieved there should be external scrutiny of the performance of government programmes. Various institutions exist to accomplish this goal. There are politicians commenting on government activities on the political perspective, academics doing social researches on the effect of government programmes on the society and the media keeping a close watch on the impact of government actions on the daily life of the community.

Value for money audits are something in between. Such audits are conducted by the Audit Department as a government department. It has the ability to research within the government structure and has access to classified information kept by various government departments. Such

ability enables the internal Audit Department to obtain information which cannot be obtained easily by other institutions. Although it is one of the government departments, the Director of Audit is empowered by the internal Audit act to report on any irregularities in the various government departments and institutions accounts. It adds a dimension to public accountability by providing information which the government herself may not voluntarily present and which the public may not readily have access to (Poon, 1995).

2.2.3 Public Financial Management (PFM)

A sound PFM is fundamental to achieving development objectives and reducing poverty. It enables managers of public funds to efficiently manage and spend with integrity to give ratepayers the necessary confidence against their own fiduciary risk. It is a catalyst to broader country development, to raising revenues effectively, planning, and executing budget decisions reliably and transparently, and to building trust for stakeholders. The recognition that development should be led by MMDAs if it is to have lasting transformative impact requires greater reliance on a country's PFM systems (Bonsu, 2015).

According to Ekpung (2001), PFM is a specialized functional area found under the general classification public administration and finance. He defined PFM as the management of the flows of money or financial resources through an organization (public), whether it is a company, a school, bank, or government agency. It concerns the actual flow of money or financial resources, as well as claims made against it in a judicious way.

Ola and Offiong (2008), defined the management of public funds or finance, as the measures put in place to control the use of the people's money or funds. Public financial management is an attempt made by government to ensure that consistently the budget is either a balanced or a surplus budget. These are, largely achieved through ensuring adequate receipts from taxes and non-taxes

sources and reducing public expenditure levels. These are, done through the assessment of expenditure policies, revenue drive or revenue diversification and tax reforms among others (World Bank, 2001).

According to Anwar Shah, a well-functioning public sector that delivers quality public services consistent with citizen preferences and fosters private market-led growth while managing fiscal resources prudently is considered critical to the World Bank's mission of poverty alleviation and the achievement of the Millennium Development Goals. Good public financial management promotes a system of accounting that shows the effective utilization of the financial resources of the country; provides a window to the public to ascertain the financial status of the government; and serves as a major instrument in the formulation and implementation of government policies.

According to Shand (2005), the Public Financial Management (PFM) framework sets out the following as key components of a good PFM system:

- i. The internal control system should ensure that the budget appropriations, are not exceeded, that funds are spent as intended as well as ensuring that reliable information is produced.
- ii. There is full transparency of budget processes and information. The budget should be developed and implemented through an orderly and understood process. The legislature and the public should have full information on budget results in relation to targets, the government's financial position and the assumptions and risks involved in the budget.
- iii. The budget is credible; it is realistic and, can be implemented. In many countries, much effort may be put into preparing budgets which, cannot be implemented because they are not realistic. Predictability of donor funding may be an important issue here. It should be clear to line ministries, departments and agencies how much funding they

may expect to receive during the year and what results are expected from that expenditure.

- iv. It is comprehensive, covering all government activities. Off budget accounts should be minimized, particularly those for which there is little transparency. The budget is a reflection of the government's policies and priorities –the expected results of expenditures should be known, as far as they can be reasonably measured. There are accounting systems that provide timely and reliable reporting at all level of decision making for internal management and control and for external accountability purposes. Good external reporting needs to be based on good internal reporting. The ex-post systems are of external scrutiny by the legislature and by external audit, by holding public officials accountable.
- v. Should help keep the budget on track and improve performance. A good public financial management system, through comprehensive budgeting, sound internal control systems, reliable information systems and fiscal transparency can assist in this.

Shand (2005), explained that, there is now a consensus among donors and partner countries on what constitutes good public financial management, and it is developed through extensive diagnostic work, in many cases undertaken collaboratively by many donors and collaboratively with the partner countries. There is also a consensus that the need now is to move beyond diagnostics to work with development partners in improving their public financial management systems through capacity development programmes and the extent to which public financial management systems are improving over time, using the performance measurement framework.

Shand (2005) continued that, Public financial management should seek to achieve the following objectives;

i. Good and simplified financial reporting and accounting systems, establish clear and strong cost controls, link programme responsibility and budget of the ministries, departments and agencies.

ii. Bring transparency to government activities.

In agreement to the above, public financial management system should seek to achieve fiscal discipline, strategic prioritization of expenditure with the budget the budget as the key instrument, operational efficiency in the use of resources and fiscal transparency. In addition, it needs to be recognized that improving public financial management is not just a technical exercise. It must deal with the deficiencies in financial management since it involves proper planning, accounting and auditing, reporting, providing information and deals with complaints.

Again, there is no doubt that transparency and accountability, expenditure or cost control and bureaucracy run through the components and objectives of public financial management. All of these subsystems are relevant to the success of public financial management. Therefore, it is necessary to discuss these components.

2.2.4 Accounting and Financial Reporting

Amid the need to foster efficiency and effectiveness in the disbursement and management of public funds, accounting practices and financial reporting have been embraced by MMDAs in Ghana. The purpose is to accumulate and provide financial information.

Accounting and reporting systems are crucial for budget management, financial accountability, and policy decision making. Government accounting was, traditionally aimed at assuring compliance and proper use of public monies.

In the local government, the spending officers/budget holders need the information provided by the accounting system in order to plan and organize their activities. Similarly, the information is needed to make budgets and forecasts.

Financial transactions in MMDAs involve inflow and outflow of economic resources. This means that recognition should be given to it by way of measuring and recording in a set of books of accounts. External transactions occur when an organization gives and receives something in return, for example purchase of material by local government in cash requires the giving of cash in exchange of the material in question. On the other hand, internal transactions occur when the transaction takes place within the organization itself like for instance the use of materials by a department in the discharge of its duties within a particular local government.

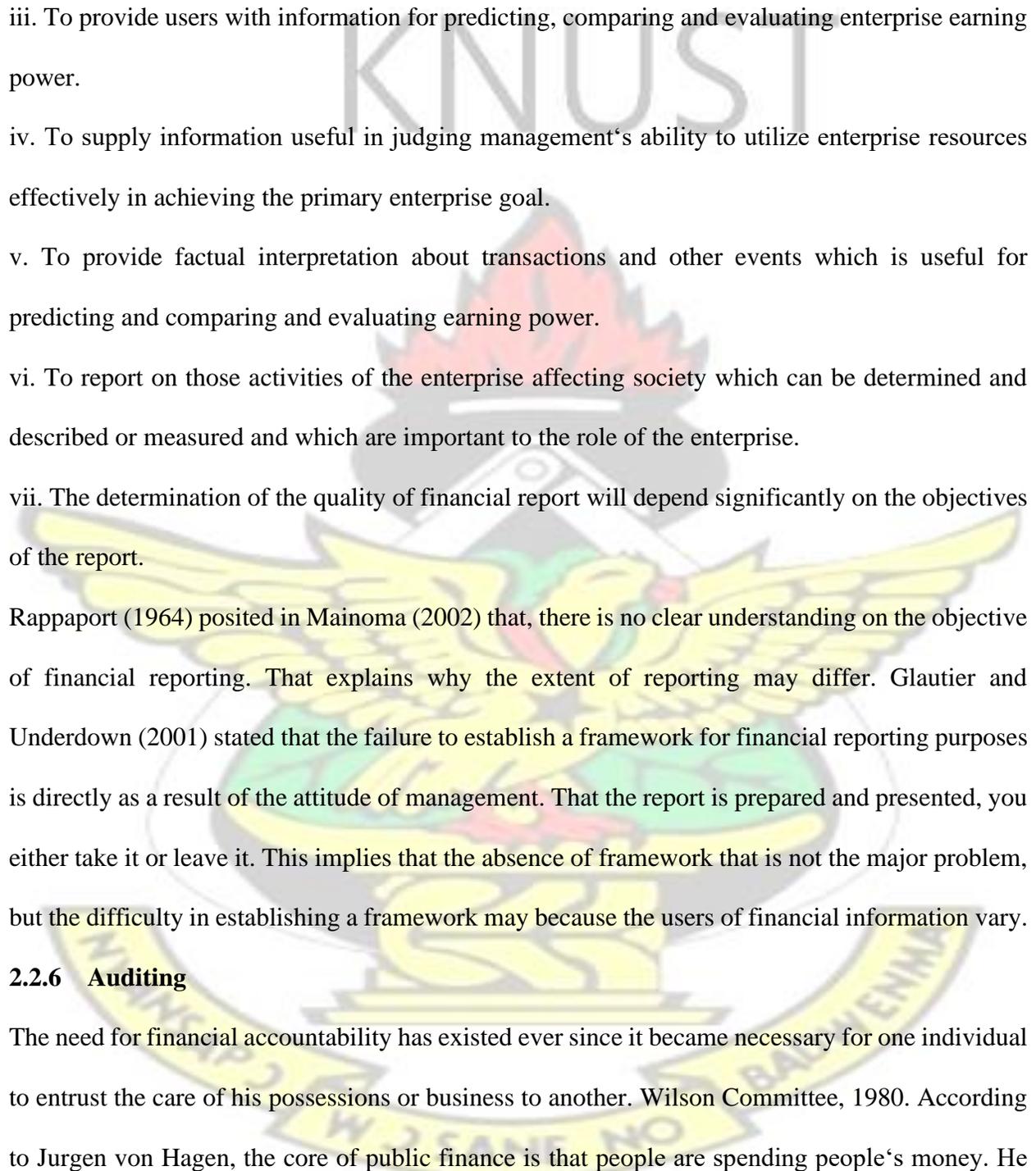
2.2.5 Financial Reporting

According to Adebayo (2005), financial reporting is the only way by which managers of organizations give account of their stewardship to their owners and other stakeholders. He continued that financial reporting discloses in clear terms and languages what resources are acquired and available, how they are utilized to achieve results.

Obazee (2008), simply defined financial reporting as the process of communication of financial information. Financial reporting is a critical source of information managers need to make informed decision about how to use limited resources to best serve the interest of shareholders.

According to Jenfa (2000), the objective of financial reporting is clearly defined in the True Blood Report (New York, 1973). The report stated that, the basic objective of financial reports is to provide information that would be useful for economic decisions. Other objectives have been identified in addition to the basic objective. It includes the following:

- i. To serve primarily those users who have limited authority, ability, or resources to obtain information and who rely on financial statements as their principal source of information about an enterprise 'economic activities.

- 
- ii. To provide information useful to investors and creditors for predicting, comparing and evaluating potential cash flows to them in terms of amounts, timing and related uncertainty.
 - iii. To provide users with information for predicting, comparing and evaluating enterprise earning power.
 - iv. To supply information useful in judging management's ability to utilize enterprise resources effectively in achieving the primary enterprise goal.
 - v. To provide factual interpretation about transactions and other events which is useful for predicting and comparing and evaluating earning power.
 - vi. To report on those activities of the enterprise affecting society which can be determined and described or measured and which are important to the role of the enterprise.
 - vii. The determination of the quality of financial report will depend significantly on the objectives of the report.

Rappaport (1964) posited in Mainoma (2002) that, there is no clear understanding on the objective of financial reporting. That explains why the extent of reporting may differ. Glautier and Underdown (2001) stated that the failure to establish a framework for financial reporting purposes is directly as a result of the attitude of management. That the report is prepared and presented, you either take it or leave it. This implies that the absence of framework that is not the major problem, but the difficulty in establishing a framework may be because the users of financial information vary.

2.2.6 Auditing

The need for financial accountability has existed ever since it became necessary for one individual to entrust the care of his possessions or business to another. Wilson Committee, 1980. According to Jurgen von Hagen, the core of public finance is that people are spending people's money. He continued that in democracies, the voters delegate the power over public spending and taxes to

elected politicians. An aspect of this delegation is particularly important for the conduct of fiscal policy since it represents an agent- principal relationship. The public sector represents a principal-agent relationship. The officials, acting as the principal's agent must periodically account to the principal for their use and stewardship of resources and the extent to which the public's objectives have been accomplished.

According to Akinbuli (2010), the principal-agent relationship is associated with conflicting interests of shareholder and management of organizations. He stated that the less informed party would have to demand information that monitors the behavior of the better-informed manager. An effective audit activity reduces the risks inherent in a principal-agent relationship. The principal relies upon the auditor to provide an independent, objective evaluation of the accuracy of the agent's accounting and to report on whether the agent uses the resources in accordance with the principal's wishes. This is in consonance by an assertion by Hayes et al (1999). They posited that, the agency theory could be used to explain the supply side of audit. They said, the contribution of audit is determined by the probability that the auditor will detect errors in the financial statements and the will willingness to report these errors.

According to Persson, Roland, and Tabellini 1997; and Seabright 1996, the principal-agent relationship resembles an-incomplete contract, which leaves politicians with considerable residual powers. Their reason is that delegation of power to elected politicians implies that politicians can extract rents from being in office and spend public monies on projects other than those desired by voters. They continued that voters might wish to limit these opportunities by subjecting politicians to strict and detailed rules that prescribe what they can and cannot do under specific circumstances. However, the uncertainty and complexity of the economic and political environment render the

writing of such complete contracts impossible. They concluded that the greater these residual powers are, the greater will be the divergence between voter preferences and actual policies.

The need for a third party to attest to the believability (credibility) of the financial reporting, performance results, compliance, and other measures arises from several factors inherent in the relationship between the principal and its agent:

- i. Moral hazards — conflicts of interest: Agents may use their resources and authority to benefit their own interests, rather than the principal's interests.
- ii. Remoteness: Operations may be physically removed from the principal's direct oversight.
- iii. Complexity: The principal may not possess the technical expertise needed to oversee the activity.
- iv. Consequence of error: Errors may be costly when agents are stewards of large amounts of resources and are responsible for programs affecting citizens' lives and health.

Auditing is one of the several compliance mechanisms in the PFM system designed to ensure that the budget is executed in accordance with the law and effectively delivers public services (Simson, Sharma and Aziz, 2011). It is the process of determining that the statements provided by the management of an organization and the information contained in them fairly represent the underlying facts on which the information is based.

Auditing has evolved as systems, transactions, and operations have become more complex. In its earliest origins (evidence points to audits conducted in Babylonia and Mesopotamia as early as 3,000 B.C.), auditing verified the existence of assets. Over time, auditing shifted from a detailed focus on confirming or validating individual transactions to evaluating the effectiveness of the systems that control transactions. In the 20th century, public sector auditors also moved well

beyond evaluating economic and financial transactions and conditions. Since the introduction of social programs, some government auditors have been called upon to validate the effectiveness of the government services themselves. Or, they may be required to determine whether the organization has established mechanisms to measure and report on its effectiveness. (Waring, 2002).

Some current definitions of auditing illustrate the variability in the roles of auditors, while underscoring the fundamental elements of the profession. For example, according to the Canadian Comprehensive Audit Foundation, 1991, —audit serves an accountability relationship. It is the independent, objective assessment of the fairness of management representations on performance or the assessment of management systems and practices, against criteria, reported to a governing body or others with similar responsibilities.

Simson, Sharma and Aziz (2011), posited that, originally audit were means to ascertain that governments financial statements with respect to revenue collected and how it was expended was fair and accurate reflection of what has been presented (Financial Audit), and that agencies acted in accordance with the laws and regulations (Compliance Audit). They continued that the role of the auditor varies and that today it is common for auditors to undertake value for money or performance audits that assess an agency's performance as against its stated goals rather than its compliance with the rules and laws.

Stakeholders, can effectively and efficiently assess the performance of management using the independent report prepared by an auditor. According to Whittington and Pany (2004), auditors provide high level of assurance that the financial statements follow generally accepted accounting principles. Akinbuli (2010), posited that audit consists of a searching investigation of the accounting records and other evidence supporting those financial statements. The auditor, through

the study and evaluation of the organizations system of internal control and by inspection of documents, observation of assets, making enquiries within and outside the organization, and by other auditing procedure is able to determine whether the financial statements provide a fair and reasonably complete picture of the organizations financial position and its activities during the period. According to the International Standard on Auditing 200, the objective of an audit is to enable the auditor to express an opinion whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework.

2.2.7 Types of Audits in the Public Sector

2.2.7.1 Financial and regulatory audits

Zinyama (2013), postulated that a financial audit is to guarantee that systems of accounting and financial control are efficient and operating properly and those financial transactions have been correctly authorized and accounted for. The financial audits fasten on the state of affairs of the financial statements and this commune to accounts of both government and parastatals. INTOSAI (2005) further noted that financial auditing dwells on determining whether an entity financial reporting and regulatory framework. This is cultivated by obtaining sufficient and appropriate audit evidence to enable the auditor to express an opinion on whether the financial information is free from material misstatement and unscrupulous activities whether due to fraud, embezzlement of funds or error. Regulatory audits corroborate that expenditure has been incurred on approbated services in consonance with statutory and other ground rules and authorities managing them. This research seeks to determine whether the financial and regulatory audits were being carried out periodically by the Audit Office in Zimbabwe.

2.2.7.2 Value for money audits

According to Zinyama (2013), value for money audits dwell on the examination of economy and efficiency, to bring to light examples of wasteful, extravagant or unrewarding expenditure, failure to maximize receipts or financial arrangements detrimental to the Exchequer and weakness leading to them. The value for money therefore administers issues of efficiency and effectiveness in the use of public resources and finances in the government departments and parastatals. The research seeks to determine if value for money audits have enhanced efficiency and effectiveness in the usage of government resources.

2.2.7.3 Compliance audits

According to INTOSAI (2005), compliance auditing fasten on whether particular subject content is in compliance with applicable authorities distinguished as criteria. Compliance auditing is conducted by assessing whether activities, financial transactions and information are in all material respect; in accordance with the authorities which manage the audited entity. The purpose of the study is to ascertain if government ministries and parastatals comply with the auditing expectances administered by the Audit Office in Zimbabwe.

2.2.7.4 Effectiveness audits

Command Paper (1903) asserts that effectiveness audits seek to examine programs or projects undertaken to meet established policy goals or objectives have been met. Butt and Pulmer (1985), noted that effectiveness concerns ensuring that the output from any given activity is producing the desired expectations. Brown and Jackson (2007), argued that „in order to assess effectiveness, it is first to determine and specify the objectives and second to assess performance against objectives so that appropriate adjustment or remedial action can be taken. Therefore, the gist to a triumphant effectiveness audits is to first pinpoint the legislative aspiration of the audited program. The

research seeks to investigate the relationship between the Audit Office and both government and parastatals in line with execution of programmes and projects administered.

2.2.8 Role of public audits in the public sector

Rutherford (1993), points out that public audits provide key mechanisms through which financial accountability is enforced within government ministries and state bodies. Across the world, public audits have been institutionalized through the creation of Offices of the Comptroller and Auditor General which act as the supreme audit institutions. They prevent “dishonesty and abuses” by providing an expert independent and unbiased opinion on specified issues relating to the activities of an organization. Diamond (2002), asserted that public audits also enhance legislative oversight by ensuring that appropriated expenditures are spent as espoused by legislation governing them. They also promote excellence in fiscal management providing reform measures that should be adopted to correct identified faults in systems and procedures. Review of contemporary audit practices and academic discourse suggest a paradigmatic shift from traditional fixation was with compliance to broader issues of value for money audits and governance.

Closely related to these are audits whose primary purposes are to detect embezzlements and misappropriations. In the event of established evidence of fraud, disciplinary action is taken to recover the funds. Because of their investigative and remedial nature, these audits are referred to as „curative audits. Audits also function to promote administrative improvements and reforms. These promotive audits examine extant procedures and practices to ensure that they remain abreast with the ever-changing conditions, for instance, those arising from technological changes. As put by Mahzan and Veerankutty (2011), advances in information technology (IT) continuously render control procedures obsolete. Review of current audit systems and practices show a visible leaning

towards audits that are sensitive to the social implications of financial transactions-hence focus on issues of economy, efficiency and effectiveness in resource use.

Clearly emerging from this literature review is that audits are integral aspects of sound public administration. They institutionalize values of accountability, transparency, value for money (efficiency, effectiveness and economy), integrity, propriety, and financial solidity within the operations of government ministries and state bodies and in this way enhances state credibility and legitimacy (Elder et al., 2010). Equally visible is the close link between public audits and parliamentary financial control; in fact, legislative oversight in the absence of sound audit systems is a nullity. These ensure the availability of accounting data (records and summary of the activities of an organization in terms of money).

These accounting records provide the basic information infrastructure upon which audit reports are made. Underlined here is the critical role of government ministries, departments and state companies in ensuring that by the prescribed audit period, all expenditure vouchers and other documents showing proposed or past financial transactions are available for audit. The need for such audits is compelling in developing countries where budgeting is mostly conducted under emaciated fiscal conditions. Organizational independence, formal mandate, unrestricted access, sufficient funding, competent leadership and competent staff and clear-cut professional audit standards recurrently feature as integral elements of sound public audits (The Institute of Internal Auditors 2006)

Independence, according to Rutherford (1983), is enhanced when the constitutional position of the auditor is separate from the body to be audited, when the body to be audited does not control the level of funding, when the auditor has unqualified right of access to the records of organizations, and also when parties who receive the audit report are clearly specified in the constitution

governing the audit. Organizations being audited should not have the right to suppress or vary the contents of the report. Public audit operational frameworks should be conceptualized within a, principal-agent relationship, officials acting as the agents of the principals (Martmort, 2001).

The agent must periodically account to the principal for the use and stewardship of resources and the extent to which the public objectives have been accomplished. The principal relies upon the Comptroller and Auditor-General to provide an independent, objective evaluation of the accuracy of the agents accounting and to report on whether the agent uses the recourses in accordance with the wishes of the principal. The need for a third party to attest to the authenticity of the financial reporting, performance results and compliance justifies the importance of public audits. The research seeks to ascertain if the roles of public audits are being upheld in Zimbabwe through the Audit office which has the mandate of conducting periodic public audits in the Zimbabwean public sector.

2.3 Theory of audit explosion (TEA)

Its main proponent is Michael Power who advocated for a critical approach to auditing and accounting practices, advancing the importance of the sociological context in comprehending auditing. The theory states that a relation should be made between the explosion of audit and other control activities; with the NPM reforms on public management processes (Peci et al., 2012).

This involves the growth of formal monitoring institutions due to increased demands for managerial accountability supported by pressure from accountants and other advisers, and the NPM reforms that created demand for audit services in the public sector (Chezue, 2013). The theory sought to drop control on regularity and legality of transactions, for control guided by the principles of efficiency and value for money as consequence of the following factors underlying NPM reforms: the political demand for greater accountability of public service providers; fiscal

constraints that brought the need for reduction of public borrowing; interest in efficiency and quality of public sector services, expressed in performance accountability and customer focus (Peci et al. , 2012). The theory demonstrates how and why value for money variables which are the same variables for this study were introduced in the public sector, and the close relationship with the accountability theme.

2.3.1 Agency Theory

This theory describes a relationship where one party called the principle delegates work to another known as an agent, with aim of resolving conflict of interests in such a relationship (Julkaisuja, 2010). De Almeida (2014), traces the origin of agency theory to the rift between ownership and control with focus on conflict between the principal and the agent that was highlighted by Berle and Means; and Rose, Jensen and Meckling.

It was also developed from the works of (Bendor, Glazer & Hammond, 2001); and it states that the people as principles through their political representatives delegate the execution of public affairs to the agents (public officials). Julkaisuja (2010), concurs that this relationship is observable between government and the taxpayers. Thus, there is need to control actions of public officials' actions and performance since failure to oversight them will result into policy drift and corruption in the public sector (Gustavson, 2015)

The agency theory imposes monitoring of agents behavior via evaluation, since the philosophy of accountability requires individuals to take enquiries of activities taken and get explanations of actions taken to correct deficiencies (De Almeida, 2014). This theory assists in this study on reflections about VFM audit findings being made available to the general public in addition to reports to management and representatives; such that VFMA can be organized for public sector to render account to the people as the true principal.

2.4 Conceptual Framework

Value for Money

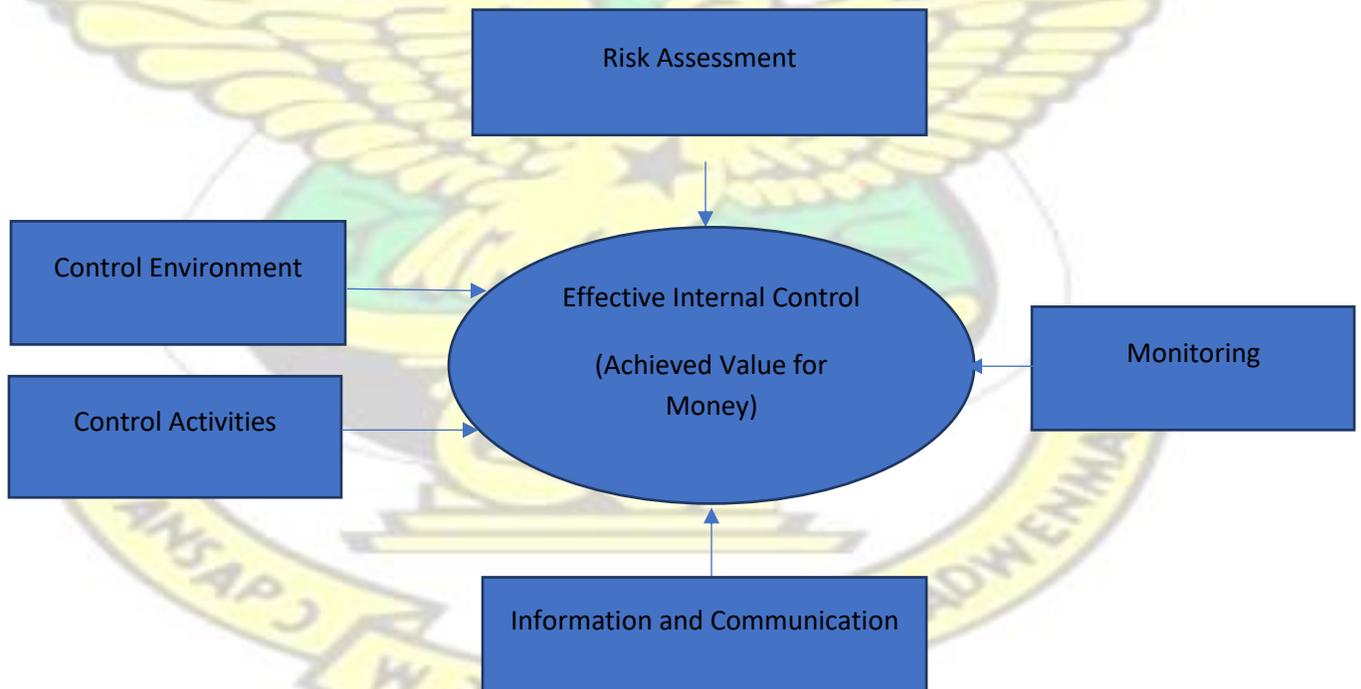
The success for a public-sector organization is the degree to which it fulfills its set objectives and mission in terms of being efficient, effective and economical. The Internal Control Systems are keys in achieving the organizational set mission and objectives; hence Value for Money. However, many authors hold that Value for Money is a term used to assess whether or not an organization has obtained the maximum benefit from the goods and services it acquires and / or provides, within the resources available to it. Value for Money (VFM) can be achieved by eradicating waste in benefits services processes and systems. Value for Money is not paying more for a good or service than its quality or availability justifies as well public spending implies a concern with economy (cost minimization), efficiency (output maximization) and effectiveness (full attainment of the intended results) (Davies, 2007; and Deakin 1998).

The most effective way to improve Value for Money is by reducing the level of irregularity and fraud through improvements in the Government's systems of internal financial control (Kaplan, 2009). Communities need to be assured that their resources are being used efficiently and effectively in providing the right service at the least cost. However, Kerr (2005), observed that the will to provide Value for Money in Government spending is weak because accountability to taxpayers and the public is generally weak. According to Heald (2003), VFM analysis needs to pay attention to total risks and VFM is related to concepts of efficiency and effectiveness. Fryer, Jiju, & Ogden, (2009), hold that despite a long period of implementing performance management within the public sector, improvements in performance, accountability, transparency, quality of service and Value for Money have not yet been achieved.

Government policies now promote effective control particularly in the management of resources while stressing the values of economy, efficiency and effectiveness (Value for Money) (Sanderson, 2001). Effective; Control Environment, Control Activities, Risk Assessment, Information and Communication, and Monitoring are a necessary to achieve organizational objectives and should achieve Value for Money (INTOSAI 2004).

Internal Control Systems were studied under the constructs of Control Environment, Control Activities, risk assessment, information and communication and monitoring while Value for Money constructs were Economy, Efficiency and Effectiveness. The model on INTOSAI (2004), shows that effective Internal Control Systems results in the achievement of Value for Money. The following diagram shows the relationship between components of internal control and value for money.

Figure 2. 1: Framework of Internal Control



Source; Adapted from INTOSAI (2004)

2.5 Empirical Evidence

Pimpong (nd), study public financial accountability: The Case of the Financial Administration Courts in Ghana. The paper focused on the Financial Administration Courts (FAC), an independent oversight institution responsible for the enhancement of financial accountability in the public sector. The paper, argues that public financial accountability failures in Ghana denote poor internal control systems that signify deficits in oversight institutions. The study adopted a largely qualitative research approach. Face-to-face Interviews, document reviews and the direct observation methods were employed as tools for data collection. The study reveals the presence of a good and detailed constitutional-legal framework that promotes and enhances PFA in Ghana. However, the absence of applying sanctioning mechanisms to wrongdoers, deficiencies in institutional capacity of the FAC, coupled with financial and human resource limitations, have had an adverse impact on PFA. The study also argues that the persistent failure of the Financial Administration Courts in applying sanctions to wrongdoers has the tendency to retard any efforts towards the improvement of PFA in Ghana.

Adedokun and Oluwakemi (2018), study the roles of internal audit at ensuring value for money in higher education management in Nigeria- A Desktop Perspective. The study examined the roles played by internal audit unit of tertiary institutions in Nigeria adopting desktop research approach. The primary objective of this study is to x-ray these roles and see how internal audit ensures judicious utilization of public funds in the higher educational subsector in Nigeria economy. The study therefore concluded that the roles played by internal audit unit in the higher institutions in Nigeria were geared towards ensuring value for money.

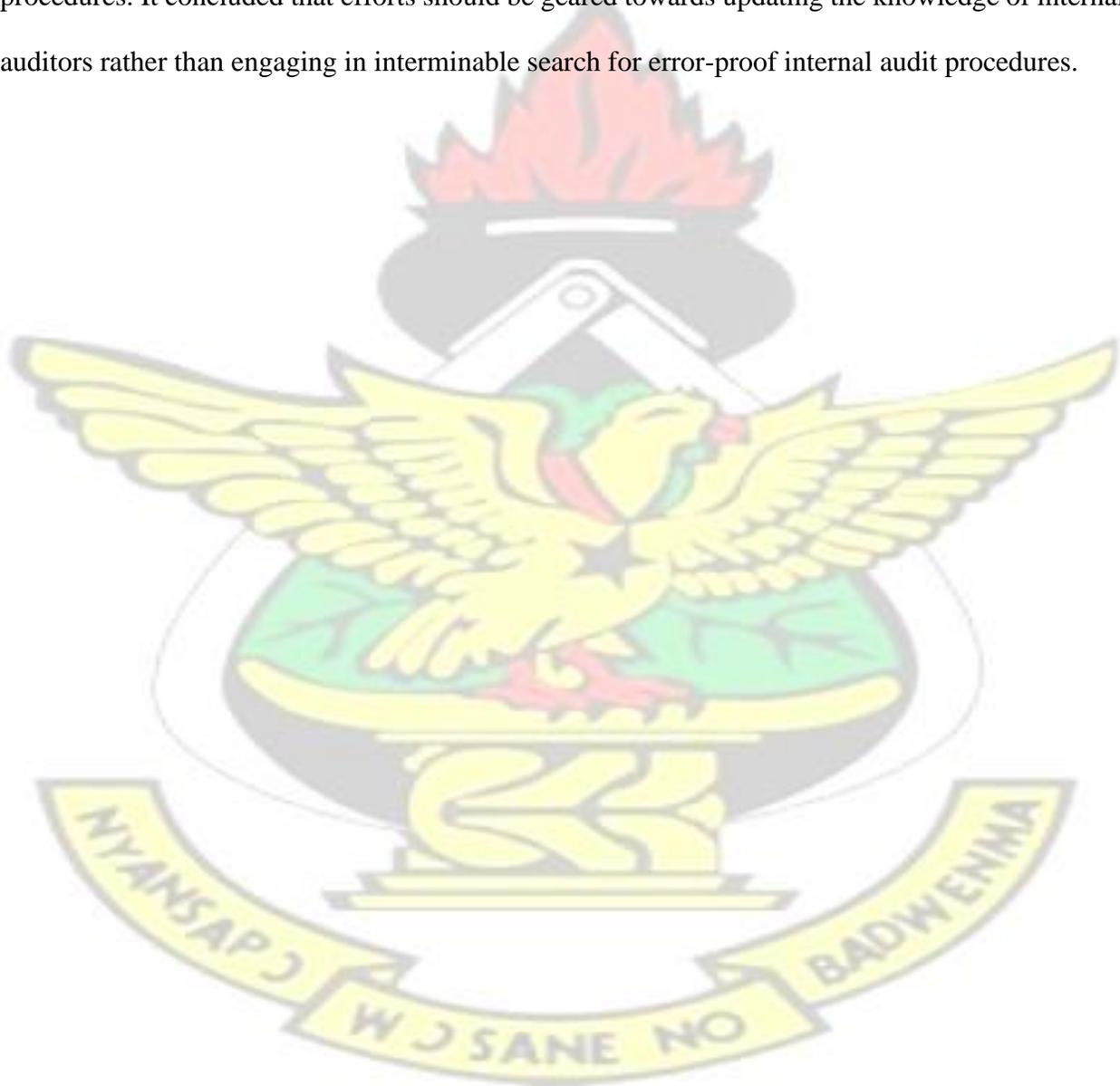
Enofe et al., (2013), study the role of internal audit in effective management in public sector.

The study analysis the role of Internal audit (IA) in an effective management control in public sector. It examines if effective management can be achieved in local government, IA effectiveness does play a role in ensuring effective management in public sector, and If IA effectiveness does affect management control in public sector in Edo State using Z –test statistical tool. The Z-test results show that effective management can be achieve in local government, IA effectiveness play role in ensuring effective management in public sector, while IA effectiveness does not affect management control in public sector in Edo state.

Baharud-din et al., (2014), study the factors that contribute to the effectiveness of internal audit in public sector. The study investigates the factors that contribute to the effectiveness of internal audit in the Malaysian public sector. It is to determine the auditors' perception toward the effectiveness of internal audit work, influenced by the quality of audit work in order to perform in an effective manner as control instrument in public financial management. The scope of this study covers the internal auditors that work in the ministries in Putrajaya. This study employs a cross sectional survey to investigate the effectiveness of internal audit. The result of the study showed that there were significant positive relationships among the factors analyzed in this study such as auditor competency, auditors' independence and objectivity and management support to the effectiveness of internal audit. Thus, the effectiveness of internal audit will depend strongly to the attributes of the factors analyzed in this study.

Nwannebuike and Nwadiolor (2016), study the evaluation of effectiveness of internal audit in the Nigerian Public Sector. The study evaluates the effectiveness of internal audit in the Nigerian Public Sector. Simple random sampling technique was used to select 4 of the Federal Government Parastatals located in Enugu State of Nigeria. A study population of 182 made up of 127 accountants and 55 internal auditors in the Parastatals was utilized. A self – structured

questionnaire, using a four-point modified Likert a scale was the instrument for data collection. 168 respondents that correctly completed and returned their questionnaire formed the sample size for the study. While mean was employed in data analysis chi-square was used to test the postulated hypothesis. The study found, among other things, that in spite of availability of adequate punishments, they were not effectively applied across boards for violations of internal audit procedures. It concluded that efforts should be geared towards updating the knowledge of internal auditors rather than engaging in interminable search for error-proof internal audit procedures.



KNUST

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter describes the study area, processes that are used to collect, describe and analyze the data. It also gives an insight into the study design, population of the study, sampling procedure, data collection instrument, validity and reliability, and data analyses.

3.2 Study Area Profile

Tamale Metropolitan Assembly

Northern region is where Tamale Metropolis is located. It shares boundaries with Savelugu and Nanton District to the north, to the west by Sagnarigu district to the south west is Central Gonja district, to the south is the East Gonja District and Yendi district to the East. The Tamale Metropolis occupies approximately 750 sq km, and its 13 percent of the area in total of the Northern Region.

The 2010 population Census put the population of Tamale at a total of 371,351 comprising 185,995 representing (50.1%) males and 185,356 representing (49.9%) females. The population of Tamale is characterized by a large proportion of children (less than 15 years) estimated to be about 49.2 percent and a sizeable proportion of elderly persons (above 64 years) estimated at 9.4 percent. The economically active group (between 15 to 64 years) stands at 41.4 percent estimated.

With an urban population of 67.1 percent, the Metropolis is the only district in the region which is predominantly urban. The population density of 318.6 persons per square kilometre for the

Metropolis is about 12 times higher than the Regional average density of 25.9 persons per square kilometre. There exists vast difference between the densities of the urban and rural areas. This is an indication of influx of people to urban Tamale, and gives credence to the assertion that facilities and opportunities for modern employment are concentrated in few central places.

Tamale Metropolis is one of the metropolises with high revenue base in Ghana which calls for higher expectation of development and accountability to the people. Auditing is one of the means of safeguarding the spending and management of the revenue base of the metropolis, this study will therefore assist the Internal Audit practices to improve on areas where there are lop holes in their daily activities in running the metropolis.

Sagnarigu Municipal Assembly

The Sagnarigu District with its capital at Sagnarigu is one of the six (6) newly created districts in the Northern Region in the first half of 2012. It was carved out of the Tamale Metropolis by Legislative Instrument (LI) 2066. The district was inaugurated on 24th June, 2012. One of the reasons for the creation of the district was to redirect developmental projects to the communities north and west of the Metropolis (now Sagnarigu) which were relatively less developed as compared to the urban areas in the Tamale Metropolis. The Sagnarigu District has 79 communities, comprising of 20 urban, 6 peri-urban, and 53 rural areas.

The district covers a total land size of 200.4km² and shares boundaries with the Savelugu - Nanton Municipality to the north, Tamale Metropolis to the south and east, Tolon District to the west and Kumbungu District to the north-west. Geographically, the district lies between latitudes 9°16' and 9° 34' North and longitudes 0° 36' and 0° 57' West. Figure 1.1 is a map of the Sagnarigu District. The population of Sagnarigu District, according to the 2010 Population and Housing Census, is 148,099 representing 6 percent of the region's total population. Males constitute 50.6 percent and

females represent 49.4 percent. The district has an urban population of 93,550, representing 63.2 percent. The district has a sex ratio of 102.3. The population of the district is youthful (0-14 years) representing 37.5 percent and depicting a broad base population pyramid which tapers off with a small number of elderly persons (60+ years) (5.9%). The total age dependency ratio for the District is 71.2, the age dependency ratio for males is higher (71.9) than that of females (70.5).

Gushiegu District Assembly

Gushiegu District is one of the twenty-six Administrative Districts of the Northern Region of Ghana. The District was created by an Act of Parliament (Act 18, 1959) and by the Legislative Instrument (LI) 1783. The District was inaugurated and started operating on 20th March 1993 and its capital is Gushiegu. The population of Gushiegu District stands at 111,259 in 2010 with 395 communities.

The District is located on the eastern corridor of the region and shares boundaries to the east with Saboba and Chereponi Districts, Karaga District to the west, east Mamprusi District to the north and Yendi Municipality and Mion District to the south. The total land area of the District is approximately 2,674.1 square kilometers. It is about 114 km from the Northern Regional capital, Tamale.

The District Assembly as a Legislative, Political and Administrative Authority has 25 electoral areas under one constituency. The District Assembly consists of 36 Assembly members, 25 elected and 11 appointed. The District Chief Executive is the Political Head of the District and also chairs the Executive Committee. Eight Town/Area Councils exist under the Assembly. They include Gushiegu Town Council, Galwei Area Council, Nabuli Area Council, Bogu Area Council, Kpugi Area Council, Nawuhugu Area Council, Kpatinga Area Council and Zanteli Area Council.

Karaga District Assembly

The Karaga District is one of the twenty-six administrative districts in the Northern Region of Ghana and was carved out of the then Gushegu-Karaga district and officially inaugurated in August, 2004. The district was created by legislative instrument, LI 1787. The current population of the district according to the Population and Housing Census (PHC2010) is 77,706, comprising 37,336 males and 40,370 females.

The District is located in the North-Eastern part of Northern Region of Ghana, between latitudes 9°30' South and 10°30' North and longitudes 0° East and 45° West. It has a total area of 3,119.3 square kilometres. It shares common boundaries with four districts in the Northern Region: West and East Mamprusi to the North, Savelugu/Nanton to the West and Gushegu (the mother district) to the South and East. Karaga, the district capital is 24km from Gushegu and 94km from Tamale, the regional capital.

The district assembly is the highest political authority in the district. The political and executive head of the Assembly is the District Chief Executive. The Assembly is composed of 32 members, 21 of whom are elected, representing twenty-one electoral areas, (11) government appointees, one Member of Parliament and the District Chief Executive. Administratively, the district is divided into one Town Council, five Area Councils and 21 Unit Committees. Politically the district has one constituency, namely Karaga and twenty-four Electoral Areas.

The inhabitants of Karaga are mostly farmers. Farming is their main economic activity and source of income for the people of the District. The crops produced include maize, rice, yam, beans and groundnuts. The animals kept include sheep, goats, cattle, pigs and fowls. Shea butter production is another important economic activity in the district. This activity is gender differentiated with only women engaged in it. The market day for the district occurs weekly and attracts traders from many places particularly Gushegu, Yendi, Bolga, Bawku and Tamale.

3.3 Research Design

Blanche et al., (2006), noted that a research design is a plan or blue print of how a researcher intends to conduct a study. These are plans on sampling, methods of data collection and how data would be processed and analyzed to give meaning to research findings. Punch (2003) delineated research design as the overall plan for the overall plan for the research which comprise the strategy, the conceptual framework, the questions of who/what will be studied and the tools to be used for collecting and analyzing empirical data.

Kothari (2004), postulated that a research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. Research design can also be defined as the study of methods and techniques employed by which knowledge is attained. Kothari (2004), further asserted that research design stands for advance planning of the methods to be adopted for collecting the relevant and the techniques to be used in their analysis, keeping in view the objective of the research and availability of staff, time and money. The research design is paramount to the research study as it facilitates an easy flowing of various research operations, by means of that fact making the research study as fruitful as possible reaping highest possible data with minimal disbursement of exertion, time and money. The study adopted a descriptive survey approach since it's focused on describing the conditions that exist within the given population. This will be made possible by asking respondents about their perceptions concerning value for money audit in their unit.

3.4 Population of the study

All the items under consideration in any field of inquiry constitute a 'universe' or 'population'. It can be presumed that in such an inquiry when all the items are covered, no element of chance is left and highest accuracy is obtained (Kothari, 2004). The population of the study consisted of all

the procurement staff, finance offices, audit offices, directors, Engineers of all the four district Assemblies in the Northern Region of Ghana.

3.5 Sample size

Bryman (2012), defined a sample size as a number of people that would interviewed and observed. A sample is a subject of the population on which observations would be made. Bhattacharjee (2012), defined a sample size as an accessible section of the target population from where a sample can be drawn. In conducting a research study, it is practically impossible, time-consuming and too expensive to test every individual in the entire population. Therefore, smaller chunks of a unit sample are often chosen to represent the relevant attributes of the whole unit (Graziano & Raulin, 1997). In view of this the study considered a sample of all the study population which is 83. The justification for this was that there are certain non-definitive practices among social researchers that could be adopted. One such practice suggests that if the population is a few hundreds, a 40 per cent or more samples is desirable. If many hundreds, a 20 per cent would be alright. However, if a few thousands a 10 percent will do, and if several thousand 5 percent or less will do, and this do not apply to this study's population since the total population is less than 100 (Fraenkel & Wallen, 2000, Rubin & Rabbie, 2001). Hence using the above assertion, the study uses the entire population of 83 for its data collection.

Table 3.1 Sample size for the study

	TMA	GDA	KDA	SMA	TOTAL	POPULATION

Directors	3	3	3	3	12	12
Procurement offices	4	1	1	3	9	9
Finance /Accounts/Budget	6	3	5	5	19	19
Auditors/Planning/Budget	10	6	9	7	32	32
Engineers	6	2	3	4	15	15
Total	29	15	21	22	83	83

Author construct, 2020

construct, 2020

Where TMA = Tamale Metropolitan Assembly

SMA = Sagnarigu Municipal Assembly

GDA = Gushegu District Assembly

KDA = Karaga District Assembly

3.6 Sampling Technique and Sampling Procedure

According to Amedahe (2004), sampling is a process of selecting a portion of the population to represent the entire population of a study. Best and Khan (1998), postulated that sampling depends on the nature of the population, the kind of data to be elicited, the nature of the analysis to be carried out, and the availability of funds to carry out the study.

According to Sarantakos (1998) cited by Amedahe (2004), in a research study, “in many cases, a complete coverage of the population is not possible”, and “a complete coverage may not offer substantial advantage over a sample survey. However, this study carried out a census with all the officers who deal with procurement in the selected MMDAs with all the heads of the various units and some unit officers as regards the purchasing or procurement of items for their departments and units. In all, thirty (83) respondents were targeted. The main reason for choosing the above

population was that, they are directly linked with the procurement or requisition of goods and services for their departments or units in the MMDAs. This criterion is supported by Amedahe (2004), who says that, “in a study, an investigator may be interested in a group of people”. In view of this it is this population that the study targeted in the research.

There are basically two types of sampling; probability sampling and non-probability sampling. This research was conducted using the non-probability sampling, which is divided into components as convenient, and purposive sampling. The sampling procedure that was used was purposive sampling or judgmental sampling, this sampling technique was used because in a research like this the researcher has to hand pick the subjects or respondent who in the opinion of the researcher has the knowledge that is going to be very useful to the research.

There are many advantages of carrying out purposive sampling. The people who have been selected for the sampling have been selected with a particular purpose already in mind. Some of the advantages involved in this type of sampling include: Those people who were unsuitable for the sampling study or who do not fit the bill have already been eliminated, so only the most suitable candidates remain.

As the most appropriate people for the study have been selected, this process becomes a lot less time consuming. With fewer time constraints and a more accurate subject, the costs for carrying out the sampling project were greatly reduced. The results of purposeful sampling are usually expected to be more accurate than those achieved with an alternative form of sampling. If you are looking for a very rare or much sought-after group of people for a particular research study, using purposive sampling may usually be the only way you can track them down.

However Purposive samples, irrespective of the type of purposive sampling used, can be highly prone to researcher bias. The idea that a purposive sample has been created based on the judgement

of the researcher is not a good defense when it comes to alleviating possible researcher biases, especially when compared with probability sampling techniques that are designed to reduce such biases.

However, this judgmental, subjective component of purpose sampling is only a major disadvantage when such judgements are ill-conceived or poorly considered; that is, where judgements have not been based on clear criteria, whether a theoretical framework, expert elicitation, or some other accepted criteria.

Secondly, the subjectivity and non-probability-based nature of unit selection (i.e. selecting people) in purposive sampling means that it can be difficult to defend the representativeness of the sample. In other words, it can be difficult to convince the reader that the judgement you used to select units to study was appropriate. But, at all the selected MMDAs, it is not everyone that is engaged in the purchase or procurement of goods and services, that is why it was very prudent to use the purposive sampling. Amedahe (2004), supports this as he says that “in judgmental (purposive) sampling, the researchers handpick the cases to be included in the sample on the bases of their judgement of their typicality or particular knowledgeable about the issues under study”. The researcher shall identify the respondents and arrange time to meet.

3.7 Data Collection Instruments

Data in a simple meaning is information, statistics, facts, figures, numbers or records. Data divided into two types, primary and secondary data. Kothari (2008), states that we collect data for research either by experiment methods in experimental research or by survey method in case we do research of the descriptive type. However, for the purpose of this study primary data were collected with the use of both closed and open-ended questionnaires as described in details bellow.

3.8 Questionnaire

Questionnaire is a research instrument and consists of a group of questions designated to elicit information from an informant to a respondent. This instrument was used because of its reliability, easier and cheap to use. Questionnaires are inexpensive way of gathering data from large number of respondents and are only feasible way to reach a number of reviewers large enough to allow a statistically analysis of the results. A well-designed questionnaire can gather information well from the organization and as well as specific information on specific matter studied. Questionnaires were distributed to the staff of the selected MMDAs to gather information related to the objectives of this study.

3.9 Source and Type of Data Collection

In this study both primary and secondary data and information were used. Primary data were collected from the field where secondary data were obtained from documentation available from libraries books, journal and magazine as well as references from internet.

3.9.1 Primary Data Source

According to Kothari (2004) primary data are those which are collected afresh and for the first time and thus happen to be original in character. According to Kothari (2004), Primary data are those which are collected afresh and for the first time and thus happen to be original in character. This study used three techniques of primary data collection; observation (i.e. looking at what people actually do), interviews (i.e. situations where the researcher interviews the participants-face to face) and questionnaires (i.e. self – report instruments).

3.9.2 Secondary Data Source

Naoum (1998) and Kombo and Tromp (2006:99) defined secondary data as review of published data and information from articles, reports, periodicals, indexes, bibliographies, abstracting

periodicals, reviews, summaries and citation of other work, monographs. Secondary data is that which has already been collect and is used for reference or to gain knowledge from other people's experiences for example published books, Government publications, Journals and the internet. Secondary data are used to combine with Primary data for verifications.

The use of Internet was of great help in obtaining some information. A number of other sources were received including past research papers, published reports, and journals, textbook, and internationals reports. These methods involved critical examination of various information such as documents related to the problem under investigation. Apart from the above publications the study research is expected to search from the internet on journal, articles, published and unpublished works regarding areas under investigation.

3.10 Data analysis

Data analysis is a process which implies editing, coding, classification and tabulation of collected data (Kothari, 2002). Compilation and processing of data collected were started immediately after field work. Data processing involved editing the questionnaires, coding and entering in the computer. The Statistical Program for Social Sciences (SPSS) was used to process the data. Frequency distribution tables, was used to analyze data in this study. Data analyses were done based on the research objectives and it were presented according to the research objectives. The researcher analyzed quantitative data using descriptive statistic such as parentages, mean frequency standard deviation.

3.11 Reliability and Validity of Data

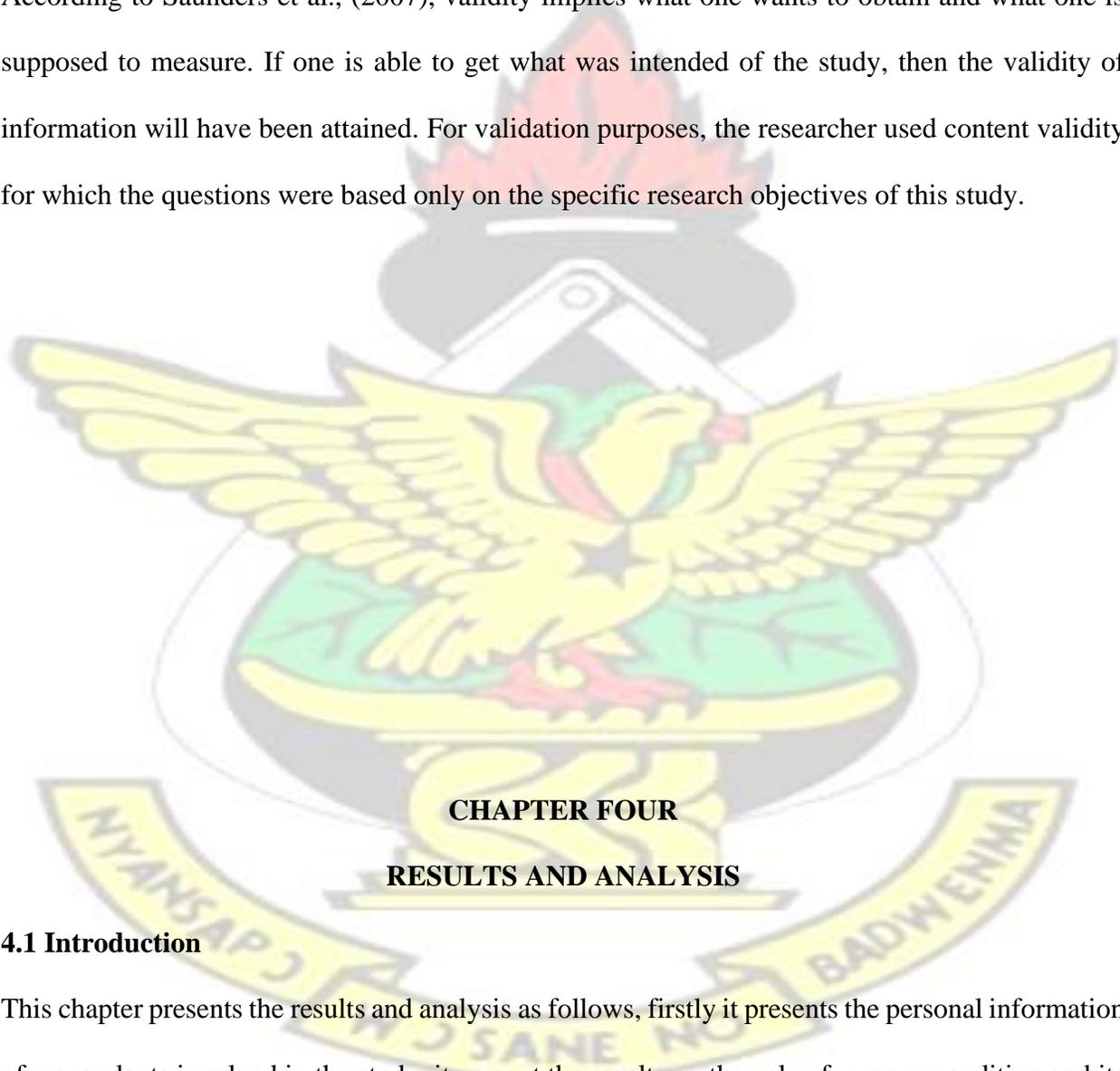
Reliability

According to Kathari (2004), the reliability of measuring instrument is defined as the ability of the instrument to measure what is supposed to measure. A measuring instrument is reliable if it

provides consistent results. For this case the information collected from different sources guided the researcher when drawing up the conclusion of the study. To ensure the reliability of data, the researcher used collection analysis in which some questions were posed twice on the same day to the respondents and the results compared.

Validity

According to Saunders et al., (2007), validity implies what one wants to obtain and what one is supposed to measure. If one is able to get what was intended of the study, then the validity of information will have been attained. For validation purposes, the researcher used content validity for which the questions were based only on the specific research objectives of this study.



CHAPTER FOUR

RESULTS AND ANALYSIS

4.1 Introduction

This chapter presents the results and analysis as follows, firstly it presents the personal information of respondents involved in the study, it present the results on the value for money auditing and its effect on public accountability, it also present the results on how efficiency value for money

auditing affect public accountability, addition it also present the results on how effectiveness value for money auditing affect public accountability in selected MMDAs in the Northern Region of Ghana.

4.2 Personal Information

This section presents on personal information of respondents involved in the study thus their sex, age, level of education, department and category of staff. The study involved both males and females, with 68.0 percent of the respondents being male and 32.0 percent of the respondents being females. Also the study investigated the ages of the respondents involved in the study, the study revealed that most of the respondents were within the ages of 30-39yrs represented by 41.7 percent, it further revealed that 20.8 percent of the respondents were within the age ranges of 20-29 years, another 20.8 percent of the respondents were 50+ years of age and 16.7 percent of the respondents were within the ages 40-49 years as shown in Table 4.1 bellow.

On the educational level of respondents, majority of respondents represented by 48.0 percent were first degree holders, also 36.0 percent of respondents were master's degree holders and 16.0 percent of the respondents were HND/Diploma holders. Furthermore, study also looked at the department of respondents, with most respondents represented by 66.7 percent being in finance and administration departments, 20.8 percent of respondents are parts of the internal audit department, 8.3 percent of the respondents were part of stores and 4.2 percent of the respondents are in the technical department.

The research also investigated the staff category of respondents involved in the study, with majority (56.0%) indicated that they were senior members in their institution, 28.0 percent of respondents also indicated that they were junior staff of their institution and a few represented by 16.0 percent indicated being with management in their institution as shown in Table 4.1 bellow.

Table 4.1: Personal Information of Respondents

Variables	Frequency	Valid Percentage (%)
Sex		
Male	56	68.0
Female	27	32.0
Total	83	100
Age		
20-29 years	17	20.8
30-39 years	35	41.7
40-49 years	14	16.7
50+ years	17	20.8
Total	83	100
Educational Level		
HND/Diploma	13	16.0
First Degree	40	48.0
Masters	30	36.0
Total	83	100
Departments		
Finance and Admin	55	66.7
Technical	4	4.2
Stores	7	8.3
Internal Audit	17	20.8
Total	83	100
Staff Category		
Junior Staff	23	28.0
Senior Staff	47	56.0
Management	13	16.0
Total	83	100

Source: Field Survey, 2020

4.3 Economy Value for Money Auditing Affects Public Accountability

The study determines how the economy value for money auditing affects public accountability in the selected MMDAs in the Northern Region. The study showed a mean of 2.08 which is approximately to 2 meaning respondents agreed that value for money auditing induce the use of indicators that enhances accountability to users for quality of service. It also reveal a mean of 2.56 which is approximately to 3 meaning respondents don't know whether value for money auditing

is complex as performance in the public sector is more difficult to verify than in private firms. Also with a mean of 2.96 which is equivalent to 3 meaning respondents don't know whether value for money auditing has clashed with the state over its mandate on effectiveness in the Northern Region. In addition, the study revealed a mean of 2.30 which is equivalent to 2 meaning respondents agreed that stimulus pressure from an informed domestic public opinion is needed for public sector reform in the Northern Region of Ghana.

Data from the study showed a mean of 1.80 which is equivalent to 2 meaning respondents agreed that cost should not be more than expected in value for money auditing in the Northern Region. It further showed a mean of 1.84 which is approximately to 2 meaning respondents agreed that cheaper inputs may risk the effectiveness and sustainability of value for money auditing. Also the result showed a mean of 1.96 which is approximately to 2 meaning respondents agreed that value for money auditing assesses the alternatives that would result in lower costs in the Northern Region. Majority of respondents with a mean of 3.00 which is approximately to 3 meaning respondents don't know whether value for money auditing avoid higher quality of input required to achieve the desired outputs or results in the Northern Region of Ghana.

Furthermore, the result revealed a mean of 1.64 which is equivalent to 2 meaning respondents agreed that they should not buy equipment costing millions of cedi's that is unsuitable for work inputs, again with a mean of 1.60 which is equivalent to 2 meaning respondents agreed that goods and services delivered unordered, should not be received in order to maintain clear accountability. Data from the study showed a mean of 1.72 which is approximately to 2 meaning respondents agreed that importing locally available materials from abroad will affect public accountability in the selected MMDAs in the Northern Region. It also revealed a mean of 1.71 which is

approximately to 2 meaning respondents agreed that economies of scale should be considered to avoid overpriced items which will affect public accountability in the Northern Region.

Additionally, the results revealed a mean of 1.76 which is equivalent to 2 meaning respondents agreed that undue extension of projects may lead to cost escalation such as defects rectification costs which affect public accountability. The study showed a mean of 2.13 which is approximately to 2 meaning respondents agreed that to minimize higher user maintenance costs later, focus on functionality rather than on contract sum. Also with a mean of 1.84 which is approximately to 2 meaning respondents agreed that non-performance by contractors, lead to termination costs such as re-evaluation costs, alteration costs and monitoring costs. It also showed a mean of 1.88 which is approximately 2 meaning respondents agreed that materials should be adequately secured, and get maximum net benefit from disposals in the selected MMDAs in the Northern Region of Ghana as shown in Table 4.2 below.

Key: 1 = Strongly Agree, 2 = Agree, 3 = Don't Know, 4 = Disagree, 5 = Strongly Disagree

Table 4.2: Economy Value for Money Auditing Affects Public Accountability

Statement	N	Mean
VFMA induce use of performance indicators that enhance accountability to users for quality of service.	83	2.08
VFMA is complex as performance in the public sector is more difficult to verify than in private firms.	83	2.56
VFMA has clashed with the state over its mandate on effectiveness.	83	2.96

Stimulus pressure from an informed domestic public opinion is needed for public sector reform.	83	2.3
Cost should not be more than expected.	83	1.8
Cheaper inputs may risk the effectiveness and sustainability.	83	1.84
Assess alternatives that would result in lower costs.	83	1.96
Avoid higher quality of input than required to achieve the desired outputs of results.	83	3
Do not buy equipment costing millions of cedi's that is unsuitable	83	1.64
Goods and services delivered unordered, should not be received.	83	1.6
Do not import locally available materials from abroad.	83	1.72
Economies of scale should be considered to avoid over priced items.	83	1.71
Undue extensions to projects may lead to cost escalations such as defects rectification costs.	83	1.76
To minimize higher user maintenance costs later, focus on functionality rather than on contract sum.	83	2.13
Non-performance by contractors, lead to termination costs such as re-evaluation costs, alteration costs, and monitoring costs.	83	1.84
Materials should be adequately secured, and get maximum net benefit from disposals.	83	1.88

Source: Field Survey, 2020

4.4 Efficiency of Value for Money Auditing and Public Accountability

The study establishes how efficiency value for money auditing affects public accountability in the selected MMDAs in the Northern Region. The study revealed a mean of 1.68 which is approximately to 2 meaning respondents agreed that benefits should outweigh or justify the costs incurred in its administration. Data from the study showed a mean of 1.56 which is approximately to 2 meaning respondents agreed that maximum amount of output should be achieved from the resources put in. Also the result showed a mean of 1.60 which is approximately to 2 meaning respondents agreed that there should be no output from the allocations to ghost projects by the selected MMDAs in the Northern Region.

In addition, study showed a mean of 1.48 which is approximately to 2 meaning respondents agreed that avoiding duplication of employees and avoiding of over staffing. It further revealed a mean of 1.71 which is equivalent to 2 meaning respondents agreed that unnecessary overlapping should be done away with promptly to ensure optimum use of time by the selected MMDAs in the Northern

Region. Additionally, the results showed a mean of 1.48 which is approximately to 2 meaning respondents agreed that regular review of procedures, and staff training and development is desirable to enhance adjustment to new work patterns and practices in the Northern Region of Ghana as shown in Table 4.3 below.

Key: 1 = Strongly Agree, 2 = Agree, 3 = Don't Know, 4 = Disagree, 5 = Strongly Disagree

Table 4.3: How Efficiency Value for Money Auditing Affect Public Accountability

Statements	N	Mean
Benefits should outweigh or justify the costs incurred in its administration.	83	1.68
Maximum amount of output should be achieved from the resources put in.	83	1.56
No output from the allocations to ghost projects.	83	1.6
Avoid duplication of effort by employees and avoid over staffing.	83	1.48
Unnecessary overlapping should be done away with promptly to ensure optimum use of time.	83	1.71
Regular review of procedures; and staff training and development is desirable to enhance adjustment to new work patterns and practices.	83	1.48

Source: Field Survey, 2020

4.5 Effectiveness of Value for Money Auditing and Public Accountability

The study investigates the effectiveness of value for money auditing and how it affects public accountability in the selected MMDAs in the Northern Region. The result reveals a mean of 1.72 which is approximately to 2 meaning respondents agreed that a program should not duplicate, overlap, or conflict other related programs. It also reveals a mean of 1.80 which is approximately to 2 meaning respondents agreed that policy proposals should impact the benefits provided by a program or costs incurred to administer it. Data from the study shows a mean of 2.16 which is approximately to 2 meaning respondents agreed that it is not enough if an activity is very cheap and runs efficiently, but does not achieve results.

Also the study revealed a mean of 1.52 which is approximately to 2 meaning respondents agreed that there should be adequate assessments of needs, clear objectives and adequate means of

implementation. It further showed a mean of 1.48 which is equivalent to 2 meaning respondents agreed that information that is complete, accurate, and consistent should be produced for decision making. Majority of respondents with a mean of 2.00 which is approximately to 2 meaning respondents agreed that projects or programs should reflect the state of the art, besides being cost-justified in the selected MMDAs in the Northern Region.

More so, the study showed a mean of 1.76 which is approximately to 2 meaning respondents agreed that goals and targets should be stated in writing and publicized, clearly specifying its effects. Additionally, the result showed a mean of 1.84 which is approximately to 2 meaning respondents agreed that poor project planning and management cause inadequate supervision and non-compliance with terms and conditions of the contract in the selected MMDAs in the Northern Region of Ghana as shown in Table 4.4a below.

Key: 1 = Strongly Agree, 2 = Agree, 3 = Don't Know, 4 = Disagree, 5 = Strongly Disagree

Table 4.4a: Effectiveness of Value for Money Auditing and Public Accountability

Statements	N	Mean
A program should not duplicate, overlap, or conflict with other related programs.	83	1.72
Policy proposals should impact the benefits provided by a program or costs incurred to administer it.	83	1.8
It is not enough if an activity is very cheap and runs efficiently, but does not achieve results.	83	2.16
There should be adequate assessment of needs, clear objectives and adequate	83	1.52

means of implementation.		
Information that is complete, accurate, and consistent should be produced for decision making.	83	1.48
Projects or programs should reflect the state of the art, besides being cost-justified.	83	2
Goals and targets should be stated in writing publicized, clearly specifying its effects.	83	1.76
Poor project planning and management cause inadequate supervision and non-compliance with terms and conditions of the contract.	83	1.84

Source: Field Survey, 2020

The study further revealed a mean of 1.84 which is approximately to 2 meaning respondents agreed that public accountability is all about rendering stewardship. Data from the study reveals a mean of 2.75 which is approximately to 3 meaning respondents don't know whether developments are equitably distributed across the districts. Majority of respondents with a mean of 3.04 which is approximately to 3 meaning respondents don't know whether government budget is fully implemented by the public officers in the selected MMDAs in the Northern Region of Ghana.

More so, the study established a mean of 1.75 which is approximately to 2 meaning respondents agreed that strong audit units help overcome corruption and deteriorating service delivery in the region. Also the study showed a mean of 1.60 which is approximately to 2 meaning respondents agree that an effective media assists the public to access government information and financial budgets. In addition, the result showed a mean of 2.52 which is approximately to 3 meaning respondents don't know whether parliamentary committees ensure accurate feedback on expenditure to the public. The results also showed a mean of 2.40 which is approximately to 2 meaning respondents agreed that pressure from international and local organizations such as transparency international and national tax payers association, cause proper use of resources in the selected MMMDAs in the Northern Region of Ghana as shown in Table 4.4b below.

Key: 1 = Strongly Agree, 2 = Agree, 3 = Don't Know, 4 = Disagree, 5 = Strongly Disagree

Table 4.4b: Effectiveness of Value for Money Auditing and Public Accountability

Public Accountability	N	Mean
Public accountability is all about rendering of stewardship.	83	1.84
Developments are equitably distributed across the districts.	83	2.75
Government budgets are fully implemented by public officers	83	3.04
Strong audit units help overcome corruption and deteriorating service delivery.	83	1.75
An effective media assists the public to access government information and financial budgets	83	1.6
Parliamentary committees ensure accurate feedback on expenditure to the public.	83	2.52
Pressure from international and local organizations such as transparency international and national tax payer's association, cause proper use of resources.	83	2.4

Source: Field Survey, 2020

4.6 Discussion

Institution values of accountability, transparency, value for money (efficiency, effectiveness and economy), integrity, propriety, and financial solidity within the operations of government ministries and state bodies enhances state credibility and legitimacy (Elder et al., 2010). Equally visible is the close link between public audits and parliamentary financial control and legislative oversight in the absence of sound audit systems is a nullity. These ensure the availability of accounting data (records and summary of the activities of an organization in terms of money).

On how the economy value for money auditing affects public accountability in the selected MMDAs in the northern region. The study revealed that respondents agreed that value for money auditing induce the use of indicators that enhances accountability to users for quality of service, respondents agreed that stimulus pressure from an informed domestic public opinion is needed for public sector reform, respondents agreed that cost should not be more than expected in value for money auditing in the region, respondents agreed that cheaper inputs may risk the effectiveness and sustainability of value for money auditing. Also respondents agreed that value for money auditing assesses the alternatives that would result in lower costs in the Northern Region. This means that value for money in the MMDAs are been adhered to by staff to ensured effectiveness

and efficiency. These findings are similar to the argument of Martmort, (2001), who argues that organizations being audited should not have the right to suppress or vary the contents of the report. Public audit operational frameworks should be conceptualized within a, principal-agent relationship, officials acting as the agents of the principals.

Furthermore, respondents agreed that they should not buy equipment costing millions of Ghana cedis that is unsuitable for work inputs, respondents agreed that goods and services delivered unordered, should not be received in order to maintain clear accountability, respondents agreed that importing locally available materials from abroad will affect public accountability, respondents agreed that economies of scale should be considered to avoid overpriced items which will affect public accountability, respondents agreed that undue extension of projects may lead to cost escalation such as defects rectification costs. Additionally, respondents agreed that to minimize higher user maintenance costs later, focus on functionality rather than on contract sum, respondents agreed that non-performance by contractors, lead to termination costs such as re-evaluation costs, alteration costs and monitoring costs, respondents agreed that materials should be adequately secured, and get maximum net benefit from disposals in the selected MMDAs in the northern region of Ghana. This means that value for money in the MMDAs ensure accountability and minimize cost of maintenance. These findings are in line with the findings of Pimpong (nd), whose study reveals the presence of a good and detailed constitutional-legal framework that promotes and enhances PFA in Ghana. However, the absence of applying sanctioning mechanisms to wrongdoers, deficiencies in institutional capacity of the FAC, coupled with financial and human resource limitations have had an adverse impact on PFA. The study also argues that the persistent failure of the Financial Administration Courts in applying sanctions to wrongdoers has the tendency to retard any efforts towards the improvement of PFA in Ghana.

On how efficiency value for money auditing affect public accountability in the selected MMDAs in the northern region. The study revealed that respondents agreed that benefits should outweigh or justify the costs incurred in its administration in the selected MMDAs, respondents agreed that maximum amount of output should be achieved from the resources put in, respondents agreed that there should be no output from the allocations to ghost projects, respondents agreed to avoid duplication of employees and avoid over staffing, respondents agreed that unnecessary overlapping should be done away with promptly to ensure optimum use of time, respondents agreed that regular review of procedures, and staff training and development is desirable to enhance adjustment to new work patterns and practices in the northern region of Ghana. These findings are supported by the findings of Adedokun and Oluwakemi (2018), whose study concluded that the roles played by internal audit unit in the higher institutions in Nigeria were geared towards ensuring value for money.

On the investigation on ascertaining how effectiveness is value for money auditing affecting public accountability in the selected MMDAs in the Northern Region. The result revealed that respondents agreed that a program should not duplicate, overlap, or conflict other related programs, respondents agreed that policy proposals should impact the benefits provided by a program or costs incurred to administer it, respondents agreed that it is not enough if an activity is very cheap and runs efficiently, but does not achieve results. Also respondents agreed that there should be adequate assessments of needs, clear objectives and adequate means of implementation, respondents agreed that information that is complete, accurate, and consistent should be produced for decision making, respondents agreed that projects or programs should reflect the state of the art, besides being cost-justified in the selected MMDAs in the northern region. This means that value for money auditing is not affecting public accountability in the selected MMDAs in the

Northern Region. These findings are in line with the findings of Baharud-din et al., (2014), whose study showed that there were significant positive relationships among the factors analyzed in this study such as auditor competency, auditors' independence and objectivity and management support to the effectiveness of internal audit. Thus, the effectiveness of internal audit will depend strongly to the attributes of the factors analyzed in this study.

Additionally, respondents agreed that goals and targets should be stated in writing and publicized, clearly specifying its effects, respondents agreed that poor project planning and management cause inadequate supervision and non-compliance with terms and conditions of the contract in the selected MMDAs in the Northern region of Ghana. These findings are similar to the findings of Nwannebuikwe and Nwadiakor (2016), whose study found, among other things, that in spite of availability of adequate punishments, they were not effectively applied across boards for violations of internal audit procedures. It concluded that efforts should be geared towards updating the knowledge of internal auditors rather than engaging in interminable search for error-proof internal audit procedures

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

Summary of the major finding of the study, conclusions and recommendations are presented in this chapter. The chapter determines how the economy value for money auditing affects public accountability in the selected MMDAs in the northern region. Also the chapter establishes how efficiency value for money auditing affects public accountability in the selected MMDAs in the

Northern Region. It further ascertains how effectiveness value for money auditing affects public accountability in the selected MMDAs in the Northern Region of Ghana.

5.2 Summary of Findings

5.2.1 Determining How the Economy Value for Money Auditing Affects Public Accountability

On how the economy value for money auditing affects public accountability in the selected MMDAs in the northern region. The study revealed that respondents agreed that value for money auditing induce the use of indicators that enhances accountability to users for quality of service, respondents agreed that stimulus pressure from an informed domestic public opinion is needed for public sector reform, respondents agreed that cost should not be more than expected in value for money auditing in the region, respondents agreed that cheaper inputs may risk the effectiveness and sustainability of value for money auditing. Also respondents agreed that value for money auditing assesses the alternatives that would result in lower costs in the Northern Region.

Furthermore, respondents agreed that they should not buy equipment costing millions of Ghana cedis that is unsuitable for work inputs, respondents agreed that goods and services delivered unordered, should not be received in order to maintain clear accountability, respondents agreed that importing locally available materials from abroad will affect public accountability, respondents agreed that economies of scale should be considered to avoid overpriced items which will affect public accountability, respondents agreed that undue extension of projects may lead to cost escalation such as defects rectification costs. Additionally, respondents agreed that to minimize higher user maintenance costs later, focus on functionality rather than on contract sum, respondents agreed that non-performance by contractors, lead to termination costs such as re-evaluation costs, alteration costs and monitoring costs, respondents agreed that materials should

be adequately secured, and get maximum net benefit from disposals in the selected MMDAs in the Northern Region of Ghana.

5.2.2 Efficiency of Value for Money Auditing and how it Affect Public Accountability

On how efficiency value for money auditing affect public accountability in the selected MMDAs in the northern region. The study revealed that respondents agreed that benefits should outweigh or justify the costs incurred in its administration in the selected MMDAs, respondents agreed that maximum amount of output should be achieved from the resources put in, respondents agreed that there should be no output from the allocations to ghost projects, respondents agreed to avoid duplication of employees and avoid over staffing, respondents agreed that unnecessary overlapping should be done away with promptly to ensure optimum use of time, respondents agreed that regular review of procedures, and staff training and development is desirable to enhance adjustment to new work patterns and practices in the Northern Region of Ghana.

5.2.3 Effectiveness of Value for Money Auditing and how it Affect Public Accountability

On the investigation on ascertaining how effectiveness is value for money auditing affecting public accountability in the selected MMDAs in the northern region. The result revealed that respondents agreed that a program should not duplicate, overlap, or conflict other related programs, respondents agreed that policy proposals should impact the benefits provided by a program or costs incurred to administer it, respondents agreed that it is not enough if an activity is very cheap and runs efficiently, but does not achieve results. Also respondents agreed that there should be adequate assessments of needs, clear objectives and adequate means of implementation, respondents agreed that information that is complete, accurate, and consistent should be produced for decision making, respondents agreed that projects or programs should reflect the state of the art, besides being cost-justified in the selected MMDAs in the northern region. Additionally,

respondents agreed that goals and targets should be stated in writing and publicized, clearly specifying its effects, respondents agreed that poor project planning and management cause inadequate supervision and non-compliance with terms and conditions of the contract in the selected MMDAs in the Northern Region of Ghana.

5.3 Conclusions

5.3.1 Economy Value for Money Auditing and how it Affect Public Accountability

On how the economy value for money auditing affects public accountability in the selected MMDAs in the Northern Region, the study concludes that value for money auditing induce the use of indicators that enhances accountability to users for quality of service, stimulus pressure from an informed domestic public opinion is needed for public sector reform. cost should not be more than expected in value for money auditing in the region, cheaper inputs may risk the effectiveness and sustainability of value for money auditing, value for money auditing assesses the alternatives that would result in lower costs, and it also concludes on not knowing whether value for money auditing avoid higher quality of input required to achieve the desired outputs or results in the Northern Region of Ghana.

5.3.2 Efficiency of Value for Money Auditing and how it Affect Public Accountability

On how efficiency value for money auditing affect public accountability in the selected MMDAs in the Northern Region. The study concludes that the benefits should outweigh or justify the costs incurred in its administration, maximum amount of output should be achieved from the resources put in, there should be no output from the allocations to ghost projects, avoid duplication of employees and avoid over staffing, unnecessary overlapping should be done away with promptly to ensure optimum use of time, there should be regular review of procedures, and staff training

and development is desirable to enhance adjustment to new work patterns and practices in the Northern Region of Ghana.

5.3.3 Effectiveness of Value for Money Auditing and how it Affect Public Accountability

On the investigation on ascertaining how effectiveness is value for money auditing affecting public accountability in the selected MMDAs in the Northern Region. The study concludes that a program should not duplicate, overlap, or conflict other related programs, policy proposals should impact the benefits provided by a program or costs incurred to administer it, it is not enough if an activity is very cheap and runs efficiently, but does not achieve results. Also the study concludes that there should be adequate assessments of needs, clear objectives and adequate means of implementation, information that is complete, accurate, and consistent should be produced for decision making, projects or programs should reflect the state of the art, besides being cost-justified, Additionally, goals and targets should be stated in writing and publicized, clearly specifying its effects, poor project planning and management cause inadequate supervision and non-compliance with terms and conditions of the contract in the selected MMDAs in the Northern Region of Ghana.

5.4 Recommendation

Based on the findings, the study suggested the following points to be considered by stakeholders;

- To enhance economy value for money auditing and public accountability, regulation of the Public Finance Management Act regulations should be adhered to.
- It requires that expenditure of goods and services should be controlled against spending and procurement plans approved by the responsible accounting officer.
- The accounting officer should not authorize payment to be made out of funds earmarked for specific activities for purposes other than those activities.

- Public officers should ensure adherence to the provisions of all legislations that guide procurement of public goods and services geared to get the most out the limited resources appropriated during budget making.
- Increase level of public accountability via efficiency value for money auditing by ensuring that performance is measured.
- Thus, the tools that have been introduced in the public service such as performance contracts along with procurement plans, and variance analysis of budgets should be followed up during appraisal of officers' work.
- These appraisals should form the basis for rewarding hard working public officers, challenge the poor performers to future improvement, and discipline those who disregard the need to put effort in offering better services to the public.
- Effectiveness value for money auditing should be bolstered in its contribution to public accountability. This is by citizens taking interest in actively scrutinizing the execution of policy activities by the public officers.
- They should seek for explanations of actions taken whenever deficiencies occur that need to be corrected, to avoid creation of a vacuum that drives public officers to policy drifts and corruption.

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QUESTIONNAIRE

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI

INSTITUTE OF DISTANCE LEARNING

MSC ACCOUNTING AND FINANCE

Dear Sir / Madam

The researcher is an MSC Accounting student conducting a study on the “*Effect of Value for Money Audit on Public Sector Accountability: evidence from Northern Region, Ghana*” in partial fulfillment for the award of Master of Science degree in Accounting.

In order to address the objectives of the study, questionnaire administration has become quite relevant. You are identified as a respondent who can provide relevant information to the research. You are therefore implored to provide appropriate answers to the questions and you are assure that responses given will be treated in strict confidence

Thank you.

Section A: Personal Information

1. Sex: Male [] Female []

2. Age :(years) 20–29 [] 30–39 [] 40–49 [] 50+ []

3. Level of education of respondents

HND/Diploma [] First degree [] Masters [] PhD [] others, specify []

4. Which Department do you belong?

Finance and Admin. [] Technical [] Stores [] Internal Audit []

5. Which staff category do you belong?

Junior staff [] senior staff [] Management []

Section B: To determine how economy value for money auditing affect public accountability in the Northern Region

6. Please indicate your level of agreement or otherwise with each of the statements by ticking the appropriate box. scale ranging from **1 =Strongly Agree, 2 = Agree, 3 = Don't know 4=Disagree 5 = Strongly Disagreed**)

Statement	1	2	3	4	5
VFMA induce use of performance indicators that enhance accountability to customers for quality of service.					
VFMA is complex as performance in the public sector is more difficult to verify than in firms.					
VFMA has clashed with the state over its mandate on effectiveness.					
Stimulus pressure from an informed domestic public opinion is needed for public sector reform					
Costs should not be more than expected.					
Cheaper inputs may risk the effectiveness and sustainability					
Assess alternatives that would result in lower costs.					
Avoid higher quality of input than required to achieve the desired outputs or results.					
Do not buy equipment costing millions of cedis that is unsuitable.					
Goods and services delivered unordered, should not be received.					
Do not be import locally available materials from abroad					
Economies of scale should be considered to avoid overpriced items.					

	Undue extensions to projects may lead to cost escalations such as defects rectification costs.					
	To minimize higher user maintenance costs later, focus on functionality rather than on contract sum.					
	Nonperformance by contractors, lead to termination costs such as re - evaluation costs, alteration costs, and monitoring costs.					
	Materials should be adequately secured, and get maximum net benefit from disposals.					

To establish how efficiency value for money auditing affect public accountability in the Northern Region

6. Please indicate your level of agreement or otherwise with each of the statements by ticking the appropriate box. scale ranging from **1 =Strongly Agree, 2 = Agree, 3 = Don't know 4=Disagree 5 = Strongly Disagreed**)

Statement	1	2	3	4	5
Benefits should outweigh or justify the costs incurred in its administration.					
Minimum level of resources should be used to achieve a given level of output.					
Maximum amount of output should be achieved from the resources put in.					
No output from the allocations to ghost projects.					
Avoid duplication of effort by employees and avoid over staffing.					
Un necessary overlapping should be done away with promptly to ensure optimum use of time.					
Regular review of procedures; and staff training and development is desirable to enhance adjustment to new work patterns and practices.					

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To ascertain how effectiveness value for money auditing affect public accountability in the Northern Region.

6. Please indicate your level of agreement or otherwise with each of the statements by ticking the appropriate box. scale ranging from **1 =Strongly Agree, 2 = Agree, 3 = Don't know 4=Disagree 5 = Strongly Disagreed**)

Statement	1	2	3	4	5
A program should not duplicate, overlap, or conflict with other related programs					
Policy proposals should impact the benefits provided by a program or costs incurred to administer it.					
It is not enough if an activity is very cheap and runs efficiently, but does not achieve results.					
There should be adequate assessment of needs, clear objectives, and adequate means of implementation.					
Information that is complete, accurate, and consistent should be produced for decision making.					
Projects or programs should reflect the state of the art, besides being cost – justified.					
Goals and targets should be stated in writing and publicized, clearly specifying its effects.					
Poor project planning and management cause inadequate supervision and non- compliance with terms and conditions of the contract.					
PUBLIC ACCOUNTABILITY					
Public accountability is all about rendering of stewardship					
Developments are equitably distributed across the districts					
Government budget are fully implemented by public officers					
Strong audit units help overcome corruption and deteriorating service delivery.					
An effective media assists the public to access government					

	information and financial budgets					
	Parliamentary committees ensure accurate feedback on expenditure to the public					
	Pressure from international and local organizations such as transparency international and national taxpayer's association, cause proper use of resources.					

