Universidad Autonoma de Madrid

Effects of the Auditor General’s report on taxpayers, government and public purse managers entrenched behaviors in Ghana

A thesis submitted to the Department of Economics and Business, Universidad Autonoma de Madrid in partial fulfilment of the requirements for the award of the post graduate degree, Doctor of Philosphy (PhD) in Accounting

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DECLARATION

I, Ekpaa MAALO hereby declare that this thesis is the product of my own original efforts and that it has not been presented to any other educational institution, wholly or in part, for the award of any academic degree. I further declare that with the exception of the references in quotes, ideas, figures and analyses which are duly acknowledged and referenced, the thesis is the result of a dutifully conducted research under the diligent direction and supervision of the able directors: Prof. José Luis Ucieda and Prof. José Maria Mella.

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DEDICATION

I dedicate this thesis to the memory of the late Fr Adrain Edwards, CSSp (PhD) for his support and encouragement, to my family, espeically Most Rev. Richard K. Baawobr, MAfr, Catholic Bishop of Wa and my sister Sr Jane Lucy A. Maalo, FHM for their unwavering suppport and encagement, to Dr Albert Dare,Vice Rector, Academics, Spiritan University College, Ejisu for his untiring academic mentorship; to my confreres in the Congregation of the Holy Spirit, Provinces of Ghana and Spain, and to all my colleagues and students at the Spiritan University College, Ejisu, Ashanti, Ghana.

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LIST OF ABBRVIATIONS AND ACRONYMS

AG	Auditor General
BC	Before the Birth Christ (Before Christian Era)
BOST	Bulk Oil Storage Transportation
CAG	Controller and Accountant General
CDD	Center for Democratic Development
CEPA	Center for Policy Analysis
CEPS	Customs, Exercise and Preventive Service
CJA	Committee for Joint Action
CIPFA	Chartered Institute of Public Finance and Accountancy
CST	Communication Service Tax
DV	Dependent variable
EOCO	Economic and Organized Crime Organization
EMBA	Executive Master of Business Administration
FAA	Financial Administrative Act
PAR	Financial Administrative Regulations
GETFund	Ghana Education Trust Fund
GYEEDA	Ghana Youth Employment and Enterprise Development Authority
GII	Ghana Integrity Initiative
GDP	Gross Domestic Product
GRA	Ghana River Authority
IAA	Internal Audit Act
IAU	Internal Audit Unit
IFAC	Internal Federation of Accountants
IIA	Institutes of Internal Auditors

INTOSAI	International Association of Supreme Audit Institutions
IPSASs	International Public Sector Accounting Standards
IQR	Interquartile range
ITC	International Tax Compact
MBA	Master of Business Administration
MDAs	Ministries Departments and Agencies
MMDAs	Metropolitan, Municipal and District Assemblies
NDA	Northern Development Authority
NHIL	National Health Insurance Levy
OSP	Office of Special Prosecutor
PAC	Public Accounts Committee
PDS	Power Distribution Services
PFM	Public Financial Management
PPA	Public Procurement Authority
PEFA	Public Financial Expenditure Management Accountability
PUFMARP	Public Financial Management Reform Program
SADA	Savanah Accelerated Development Authority
SAI	State Audit Institution
SFO	Serious Fraud Office
SHS	Senior High School
UK	United Kingdom
UN	United Nations
US	United States
VAT	Valued Added Tax

THE ABSTRACT

This study assesses effects of the Auditor General's (AG's) report on taxpayers, government and public purse managers entrenched behaviors in Ghana using experimental and Delphi studies to gather and analysis data. The results from the Delphi study show that, the AG's report can promote transparency, probity, financial discipline, accountability; affect voluntary tax compliance and taxpayers willingness to allow an indicted corrupt public official remain at post. The PSM results corroborate significant effects of the AG's report on voluntary tax compliance and taxpayers decision on the job retention of an indicted corupt public offical. However, the ANOVA results that are not statitistcally significant; necessitate the need for strict enforcement of the PFM laws; an automation of the nation's public purse management process; and implementation of the AG's recommendations to help improve upon the perceived effects of the AG's report on the transparency, probity, accountability, financial discipline and the quality with which the nation's public funds are managed.

Keywords: AG's report, entrenched behaviors, voluntary tax compliance, job retention of corrupt public purse mangers, experimental and Delphi studies.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

CHAPTER ONE

BACKGROUND TO THE STUDY

1.0. Introduction

This thesis assesses the critical role that the AG's annual report palys in the accountable management of Ghana's public funds from the raising through allocation and reporting on them to the taxpayer. The study does so via a control experimental study using 188 Master of Business Administration (MBA) in Accounting and Finance students; and a Delphi study with a panel of 12 experts in the study area. The Delphi findings show that the AG's report is significant in influencing the quality of public purse managers' reports; promoting transparency, probity, financial discipline; voluntary tax compliance and taxpayers' willingness to forgive a public official who has been indicted by the AG for embezzling public funds. The findings on voluntary tax compliance and taxpayers' decision on the job retention of an indicted corrupt public official are also confirmed by the PSM results.

However, the ANOVA results that are not statistically significant imply that the AG's report can contribute to change the entrenched corrupt situation in the Ghanaian public sector. The implication is deducible in the study revelation that the AG's report can significantly influence voluntary tax compliance in the country and taxpayers' willingness to forgive a public official who has been indicted by the AG for embezzling public funds. Since the AG's report is significant in voluntary compliance decisions and in the job retention of corrupt public official decisions; it can be useful in determining the availability of public resources because it can inspire the resource providers to continue to release resources or to withdraw the resource supply that is crucial for the survival of the sector.

Taxpayers taxpaying decisions are generally contingent on their perception that their tax revenues are being managed in accordance with the principles of economy, effectiveness and efficiency, transparency with probity, financial discipline and accountability.

It also worth noting that, even though the results on the influence of the PFM laws are not significant; they disclose that the current PFM laws can be useful for promoting transparency, probity, accountability, financial discipline in the management of Ghana's public funds if they are strictly enforced without favoritism. Therefore, the strict enforcement of the PFM laws will complement and facilitate the AG's work to help Ghana achieve the transparency, probity and financial discipline she so much desire as demonstrated in her PFM regulatory framework.

This study contributes to prior literature practically, theoretically and methodically. The practical contributions of the study include the recommendation for implementation of simple, practical and novel strategies to help arrest the entrenched culture of mismanagement, embezzlement and corruption in the management of Ghana's public funds. Theoretically, the study application of deterrence theory in studying the utility value of the AG's report in taxpaying decisions in Ghana, a developing economy, extends prior literature. Lastly, the study contributes to literature both contextually and methodologically by applying a Delphi technique to the study of the utility value of the AG's report in the context of a development economy in Ghana. Though the technique had been used in Sub-Saharan Africa, it was applied to the study of e-commerce by Okoli and Pawlowski (2004); as a credible research methodology (Ogbeifun, Agwa-Ejon, Mbohwa, & Pretarius, 2016); etc. and to the assessment of the utility value of the AG's report in voluntary compliance decision and in taxpayers decisions relating to the job retention of corrupt public purse managers; rather than to the study of the utility value of the AG in taxpayers financial decisions.

This current chapter commences the assessment of effects of the AG's annual report on taxpayers, government and public purse managers entrenched behaviors in Ghana by providing first, the background to the study, which provides the context within which statement of the problem capturing the motivation of the study, is premised. This section is followed by the subparts dealing with the objectives and questions of the study that precedes the section on the scope, the organization and significance of the thesis.

1.1 Contextualizing the study

Financial accountability is a crucial principle and a vital ingredient for the management of public funds. It is necessary in the management of public funds for two reasons. Firstly, because it serves as a fundamental life sustaining ingredient in the management of public funds since it holds the key to the availability of funds for public interest projects, programs and services. Secondly, because the management of public funds is shrouded in the problems of agency. Therefore, financial accountability can help to mitigate the agency problems shrouding the management of public funds; especially when it is exercised with transparency, probity and stewardship; it engenders financial discipline which has the ability to influence the quality of delivered public goods and services and its attendant ability to protect and safeguard public property.

The importance of financial accountability in the public sector which is a network of fiduciary or agency relationships is underscored by the separation of ownership of public resources from control of those resources. The separation of ownership from control over public resources; goes with the delegation of decision-making authority to the delegate (agent), who exercises control over the public financial resources, and controls the day-to-day administrative issues of the contractual resources of the remote owners (taxpayers). This creates an information asymmetry situation between the two parties in the relationship; simply because the agent who has delegated decision-making authority over the resources, has better knowledge and understanding of how the delegated resources are being used. This relationship can potentially hurt the principal's interest adversely if the agent is left unchecked. As Jensen and Meckling (1976) put it, since both parties, principal and agent in "the relationship are utility maximizers, there is good reason to believe that the agent will not always act in the best interests of the principal" if he is left unchecked.

To keep the agent in check against maximizing his interest at the expense of the principal, a monitoring mechanism is usually used to control the potential opportunistic behavior of the agent. Financial accountability has long been used as an integral component for regularizing the problems of agency relationships in both the private and public sectors. Jensen and Meckling (1976) "define an agency relationship as a contract under which one or more persons (the principal(s)) engage another person (the agent) to perform some service on their behalf which involves delegating some decision-making authority to the agent."

Accountable management of public funds is so vital that it can be compared to the ancient Chinese Military General Tsun Zu's understanding of war. In his book, *Art of War,* Tsun Zu held that the art of war was of vital importance to the state; a matter of life and death, a road that led either to safety or to ruin; so, under no circumstance was it to be neglected (Clavell, 1983). Just as the art of war is of vital importance to the state to the extent that it bordered on life and death, safety and ruin and should never be neglected; so is the practice of financial accountability in the management of public funds. It is so vital that it can lead either to success or failure; to a sustained flourishing public sector or to a ruined and destroyed public sector incapable to delivering on its mandate. So, under no circumstance should the practice of financial accountability be neglected in the management of public funds. It should be prioritized over and above all other issues because it holds the key to a flourishing or a nonperforming public sector.

The significance of public sector financial accountability is arguably underscored by the numerous implementations of the public financial management programs across the world. For instance, New Zealand implemented the Public Finance Act in 1989. Ferris and Graddy (1998) alluded to the importance of financial accountability in the management of public purse when they indicated that a “premium has been placed on getting more out of public sector resources.” They cited the numerous strategies including what was termed in the US as reinventing government and in the UK, the New Public Management have been advanced to support their claim.

Further evidence supporting the importance of financial accountability in the management of public funds, is underscored by Sinason’s (2000) position that voters, citizens or principals deem it necessary to place intense pressure on their agents, government owned entities and their elected officials for accountability. This is consistent with Van der Nest, Thornhill and de Jager (2008) argument that the “increasing pressure on public officials to demonstrate a high level of accountability concerning the use of public funds.” References could also be made to South African PFM Act 1 in 1999 which was updated and gazetted in April 2010; and Ghana’s PFM Act 921, 2016 that replaced the Financial Administrative Act that all aim at motivating the public purse manager to be accountable, transparent and discipline in their management of public funds.

Moreover, CIPFA's (2010) emphasized that, the importance of accountability in public financial management is widely acknowledged and used to manage the incomplete information problems in the sector. Basically, financial accountability is not only used as a necessary monitoring tool to control any opportunistic behavior of the agents in the management of public funds; but also, as a mechanism to motivate the agents to act in accordance with the terms of the contract. In this sense, accountability serves as a relevant double barrel tool that can be used to instill financial discipline, transparency, probity and stewardship from the agent; and also to inspire confidence in the principals that their scarce economic resources are being managed with economy, efficiency and effectiveness. Consequently, accountability is used to fill the information gap and to eliminate the mistrust that exists between the agents and principals Monfard (2010).

To a large extent, this claim is supported by Minja's (2013) position that, "resource accountability in public sector is fundamental for national development" and for improving the quality of public goods and services. It is also corroborated by Appau and Anku-Tsede (2015) argument that, public financial accountability refers to the process of exercising public authority to spend public money and openly giving accounts of the use of the that authority to spend public funds. Thus, it seems logically appropriate to suggest that financial accountability is fundamental for the management of the expectations of the taxpayer who are the primary resource provider in the relationship and for building up the trust needed for a successful and enduring public sector relationship.

The use of financial accountability as a governance mechanism to manage the expectations of the taxpayer and to build up trust in the management of the fiduciary relationships necessarily requires an ethically enabling environment. An ethically enabling environment must be facilitated by a working PFM regulatory framework and supported by active oversight institutions spearheaded by the SAI that are up to the task of playing their watchdog and linchpin roles. A good interplay of an ethically enabled working PFM regulatory framework and an active SAI ensures that; firstly, the PFM laws that are guiding, directing, regulating the management of public funds to facilitate the attainment of the objectives of framework are complied with. Secondly, the interplay makes room for verification and evaluation (auditing) of the agent's actual performance with the view to expressing a professional opinion on whether agent's reports are true and faire and whether they conform with the established standard criteria. Lastly, the interplay ensures that breaches against the PFM laws and non-implementation of the AG's recommendations sanctioned in accordance with the PFM regulatory framework.

In an ethically enabled working PFM regulatory environment, the findings of the SAI are the inputs of the PAC and the anticorruption institutions for the purpose of promoting transparency, probity, financial discipline and increased accountability. The promotion of these principles of good governance lends credibility to the agent's financial reports, inspires the taxpayers' confidence that their resources are protected against unauthorized removal, waste, fraud, embezzlement and corruption.

It is against this back drop that modern nation states establish PFM regulatory framework for the audit of their public accounts. Such regulatory frameworks for auditing public accounts, acknowledge the need to monitor and control the actions of public purse managers. From time immemorial auditing has been used as a crucial monitoring and controlling tool in the management of public accounts; and as the hinge upon which the credibility of public sector accountability hangs. As the hinge upon which public financial accountability thrives, it serves as the cornerstone for transparency, probity and financial discipline in the management of public economic resources since it used to verify the performance of public sector entities against the objectives for which they were established. As The Institute of Internal Auditors (2012) puts it; the audit of public accounts to verify whether public entities have achieved the intended results for which they were set up; whether they are providing value for money services; is a value-added service aim at helping public sector organizations to improve upon their operations, fulfilling their accountability and integrity roles as well as instilling confidence among the general public.

Consequently, "the public sector auditor's role supports the governance responsibilities of oversight, insight, and foresight" (Ibid.). In his oversight role, public sector auditor checks whether public sector organizations are delivering on their mandate and doing what is expected of them. In exercising his oversight role, the auditor detects and deters fraud. Through his insight role, the auditor reports on his findings and provides the decision maker with credible information to assess the performance of public sector entities (Ibid.).

Ghana's PFM regulatory framework which is anchored on the 1992 Constitutions Article 187; PFM Act 921, 2016 Section 84; Audit Service Act 584, 2000 among others; seeks to instill accountability, transparency, probity, stewardship and financial discipline in the management of Ghana's public funds. The achievement and practice of these principles of accountability in the management of Ghana's public funds should lead to the prevention of waste and abuse, fraud, embezzlement, corruption; safeguard against loss, misuse and damage to public properties; and promote best practices and achieve good governance.

Unfortunately, the reality on the ground is quite different from what the regulatory framework envisions. The management of Ghana's public funds is replete with entrenched recurring financial indiscipline, mismanagement, embezzlement, and outright corruption. This is evidenced in the AG's annual reports from 2000 till date. The entrenched nature of the abuse and mismanagement of Ghana's public funds suggests that; the regulatory framework is either unenforced or weak and is incapable of promoting financial discipline, transparency, probity and accountability, or the governments are not bothered about the high level of corruption in the management of the nation's scarce economic resources.

1.2 Statement of the problem

The contextualization of the study has so far demonstrated that, financial accountability is widely acknowledged as a vital tool for managing public funds. Ghana's acknowledgement of this fact is demonstrated in her PFM regulatory framework that consists of the constitutional provision in chapter 13 of the 1992 Constitution; the Public Financial Management Act 921, 2016 which replaced Financial Administrative Act 2003, the Audit Service Act 584, 2000; the Internal Audit Agency Act 659, 2003, the Public Procurement (Amendment) Act 2016, the Financial Administration Regulation 2004 (FAR), International Public Sector Accounting Standards (IPSASs) among others.

Together, the constitutional provision and these acts of Parliament with the support from the FAR and IPSASs provide a good constitutional and legal framework for the regulation and facilitation of the management of Ghana's public financial resources. Apart from providing the needed constitutional and legal directive on how to manage Ghana's financial resources, it seems the overall objective of the PFM regulatory framework is to improve upon the financial management and reporting practices in the country in a manner that instills financial discipline and promotes transparency, probity and accountability in the management of Ghana's public funds.

The objective of the PFM Act 921 (2016) summarizes this claim as follows "The object of this Act is to regulate the financial management of the public sector within the macroeconomic and fiscal framework." Ghana's SAI, the institution responsible for the audit of Ghana's public accounts, articulates this objective more clearly than the PFM. For instance, the SAI through the AG (Ghana Audit Service, 2019) holds that, the objectives for the audit of Ghana's public accounts include, reporting to Parliament whether,

- proper records, books of accounts and accounts were kept.
- all public monies due were fully accounted for,
- the rules and procedures applied were sufficient to ensure an effective check on the assessment, collection and proper allocation revenue,
- monies were expended for the purpose for which they were appropriated, and the expenditures made as authorized, and
- programs and activities were undertaken with due regard to economy, efficiency and effectiveness in relation to the resources utilized and results achieved.

The verification of the nation's public sector accounts and reporting on the AG's findings in respect of the above objectives is expected to lead to accountability, transparency, probity and stewardship, financial discipline in the management of Ghana's public funds. The promotion of these sound principles in the Ghanaian public sector should lead to the prevention of fraud, waste and abuse, safeguard against loss, misuse and damage to properties and promote best practices and achieve good governance (Ghana Audit Service, 2019).

The PFM regulatory stipulations for the audit of Ghana's public funds is an acknowledgement of the crucial role accountability plays in Ghana's ability to raise and utilize public funds. The PFM regulatory framework acknowledgement is evidence in the role it assigns the AG as far as the accountable management of Ghana's public funds is concerned. It empowers the AG to act as a control agent with oversight responsibilities of ensuring that there are checks and balances in raising and expending public resources in the country. As the Center for Policy Analysis (2005) puts it, "the Auditor General provides broader oversight functions over public sector accountability."

The achievement of these noble objectives should greatly enhance the transparency, probity, financial discipline and accountability with which Ghana's public funds are managed, as well as improve upon the credibility of public fund managers' reports and inspires public trust. Unfortunately, the accountability measures envisioned by Ghana as contained in the PFM Act 921 to sustain and facilitate financial discipline, responsibility, stewardship, transparency and probity in the management of the country's public financial resources do not seem to be working as expected. This claim is tenable because many public sector organizations' financial reports often fall short of the nation's envisioned objectives contained in the PFM regulatory framework since they are often riddled with credibility issues.

A cursory survey of the literature on the management of Ghana's public purse reveals deep rooted culture of financial malfeasance, mismanagement, embezzlements and corruption in the management chain of the nation's public purse. The culture of impunity is probably fueled by the general perception that corruption is high in the country. For example, CDD's (2000) found that as high as 75% of the Ghanaian population view corruption as a serious problem; and an overwhelming 82% believe that corruption was more prevalent in government than it was in the preceding three years. The worst part of the CDD's (2000) finding showed that about 63% of households and 74% of public servants were skeptical about the government commitment to fight corruption. This evidence seems to be pointing to a widening credibility gap that Ghanaians appear to have very little faith in their government anti-corruption efforts (CDD, 2000).

Further evidence supporting the claim of a growing credibility gap between the Ghanaian taxpayer and the agent managing their public financial resources; is available in CEPA's (2005) claim that "throughout the 1990s, … Ghana's public expenditure management system deteriorated and needed improvements" because the AG's report for the period paint a disturbing picture of persistent non-compliance with the laws, regulations and other irregularities.

It seems the country has not yet recovered at least fully from the PFM system deterioration it suffered in the 1990s because the AG still reveals the same disturbing trend of low levels of compliance with the regulatory framework, managerial lapses and weak monitoring resulting in financial malfeasance including fraudulent activities, misapplication, misappropriation, embezzlement, and outright corruption that always lead to loss of large sums of cedis to the taxpayer. For instance, literature covering the 2000s section, also show the same impunity with which the country's public purse is being abused and raped. CEPA (2005) confirmed this fact when it noted that the AG's annual reports consistently highlight the recurring blatant disregard of the PFM regulatory framework by some public officials resulting in substantial financial losses to the country.

In an apparent corroboration with this position, Azeem (2009) the then Executive Secretary of Ghana Integrity Imitative at a Panel discussion organized by the Committee for Joint Action (CJA) in Accra on May 19, 2009; stated that, Ghana was good at engaging in rhetoric about anti-corruption; but she lacked the political will power to fight corruption. Advancing his argument further, he alleged that all the past rulers of Ghana had at least paid lip service to the eradication of corruption. He supported his allegation by recalling that President Kufuor in 2001 declared a policy of zero tolerance of corruption, promised to promulgate a code of conduct to guide political appointees were signs of his readiness to fight corruption. Unfortunately, they were mere rhetoric, because his regime was embroiled in many corruption cases. He further alleged that President Atta-Mills also promised to run a transparent and accountable governance was already showing signs of lapses and inaction where action was required (Azeem, 2009).

Fast-forwarding Azeem's (2009) claim of the lack of interest in the fight against corruption by the presidents of Ghana to 2016 through 2020, evidence of high-profile corruption scandals under President Mahama regime including the GYEEDA, SADA, etc. (Pulse, December 14, 2016) confirms the claim. Similarly, the regime of President Akufo-Addo who promised during the presidential electioneering campaign that there will be no place for corruption in his government; has been effectively set aside because his administration has been beset with numerous high-profile corruption scandals since its inception such as, Ameri-Mytelinous scandal, PDS, NDA, etc. (Gyamfi, February 6, 2020).

Further evidence supporting the deterioration of the PFM regulatory framework claim is contained in Duffuor's comment. Duffuor who was the Minister of Finance and Economic Planning of the country in 2011, claimed that "The present and past reports of the AG express misgiving that fraudulent wage and salary payments also add up to the total wage bill in the public sector" (Ghanaian Chronicle, August 25, 2011). The staggering evidence of fraudulent practices, embezzlements and corruption highlighted by the AG in his reports, compelled Duffuor to conclude that the entrenched canker of abuses, wastes, fraudulent and corrupt practices in the Ghanaian public sector are attributable to low ethics in business and public administration, general lack of coordination between personnel and account sections within the same organization (Ghanaian Chronicle, August 25, 2011).

Moreover, Ghana Integrity Initiative (2014); Pimpong (2015); Appau and Anku-Tsede (2015); Agyenman (2015) and Scott (2018) had all reported on the level of financial indiscipline in the management of Ghana's public funds and resulting effects of losses of large sums of taxpayers money, festering throughout the period either as a result of nonenforcement, accountability deficit or weak regulatory framework.

The negative effects of the entrenched recurring financial malfeasance, embezzlement and corruption on the Ghanaian public is evidence in the AG's annual findings. For instance, the 2018 Auditor General's report reveals that Ghana loss a staggering GH₵5,196,081,899.94 through weaknesses and irregularities caused by the actions and inactions of some public sector managers (Ghana Audit Service, 2019). Similarly, in the two preceding years, the nation suffered significant losses through weaknesses and irregularities amounting to GH₵892,396,375.19 in 2017 (Ghana Audit Service, 2017); and GH₵2,165,542,375.14 in 2016 (Ghana Audit Service, 2016).

The years preceding 2016 were not different. In the 2013 annual report (Ghana Audit Service, 2013, p.15), the AG lamented, "*The cataloguing of financial irregularities in my report on MDAs and other agencies had become an annual ritual that seems to have no effect because affected MDAs are not seen to be taking any effective action to address the basic problems of lack of monitoring and supervision and nonadherence to legislation put in place to provide effective financial management of public resources*"

It was unfortunate for the AG to make such comments again, because, two years earlier, the AG made exactly the same lamentation on the floor of Parliament which is contained in the 2011 report (Ghana Audit Service, 2011, p. 9).

The 2012 annual report (Ghana Audit Service, 2012) contained a similar lamentation, "MDAs are not taking effective action to address the basic problems of lack of monitoring and supervision, and nonadherence to legislation, due to outright disregard for established order in the conduct of public financial business." The effects of those irregularities in the management of Ghana's public funds on Ghana was a loss of GH₵119,268,367.38 (Ghana Audit Service, 2012).

Earlier in 2007, the AG made a similar complaint that internal controls in 2007 as in 2006 had not improved (Ghana Audit Service, 2007). The 2002 report disclosed that MDAs were still encountering problems in the management of cash, collection of advance loans and taxes with cash irregularities constituting 90.62% of all the lapses (Ghana Audit Service, 2002). This disclosure implies that MDAs have been struggling with these problems that have been costing the country, the taxpayer huge billions of cedis.

The 2001 report confirmed this unfortunate fact because the AG stated, "my audit again disclose that MDAs continue to experience major problems administering their payrolls, managing cash, imprests, loans, debts and collecting taxes and custom duties on behalf of Internal Revenue Service, CEPS and VAT. In addition, inadequate and or total lack of internal financial control duties stand out as a major lapses and irregularities" (Ghana Audit Service, 2001). Similarly, in 2000, the AG's report highlighted "that MDAs experienced major problems administering their payrolls, managing imprests, loans and debts and collecting taxes on behalf of the Internal Revenue Service" including paying for items that had not been unsupplied and allowing staff rent to fall into arrears (Ghana Audit Service, 2000).

These two decades long negative findings by the AG underscore the entrenched nature of the fraudulent and corrupt practices with which Ghana's public funds are managed. The frequency and magnitude of the corruption is so high that, it gives the impression that the officials charged with the responsibilities for managing Ghana's public funds are having a field day. It even gives the impression that the implementers of the country's public financial management regulatory framework are helpless, powerless, clueless and incapable as far as the enforcement of the PFM laws and the AG's recommendations are concerned. Thus, the implementers are unable to protect the public purse.

Unfortunately, over two decades of entrenched corrupt practices is long enough to be perceived as a culture. Thus, the culture of managing Ghana's public funds could at least be best described as a culture of misappropriations, embezzlement and corruption. This designation sums up the over two decades long of financial malfeasances, embezzlements and corruption in the Ghanaian public sector. As undesirable as this designation is, it is also common knowledge that a rotten management culture imbued with gross financial malfeasance, embezzlements, fraudulent and corrupt practices could only thrive in any environment that lacks the culture of proper accountability. Because corruption and accountability are not bed fellows and cannot cohabit in any situation under any circumstance. As Appau and Anku-Tsede (2015) put it, "Corruption is the antithesis of accountability; the two are diametrically opposed to each other. The absence of one nurtures or promotes the other."

Appau and Anku-Tsede (2015) further claim that corruption and its pervasiveness is not new in Ghana. They used two known instances to justify their claim. Firstly, they referred to General Kutu Acheampong Commission of Inquiry that was appointed in 1973 by the then National Redemption Council to inquire into bribery and corruption in the country. According to these authors, the General Kutu Acheampong Commission report emphasized that corruption was caused by the state of mind, certain habits, administrative and institutional shortcomings, weak or inoperative sanctions and uncertain natural leadership. Secondly, they cited the former president of Ghana, President Kufuor condemnable claim in his effort to wade-off the tag of corruption that was hanging on his government's neck, that corruption started from the day of Adam (Appau & Anku-Tsede, 2015).

The continuing corrupt practices in the management of Ghana's public resources is an indictment on Ghana's integrity and on her preparedness to fight corruption and promote financial discipline and accountability in managing her public funds. This indictment seems to present Ghana as engaging in propagandist and mere lip-service exercise to use Appau and Anku-Tsede's (2015) words. Such a propagandist and lip-service approach to the fight against corruption in the public sector, can achieve absolutely nothing but bends on burdening the poor taxpayer with additional expenditures since every apparent effort aims at fighting corruption whether successful or failed must still be paid from the taxpayers' scarce financial resources.

In fact this position is tenable because the AG's report of 2017 revealed that four ministries, including Ministry of Sanitation, Office of the Government Machinery (with its allied Ministries), Ministry of Information and Ministry of Fisheries did not submit financial reports as required by the law for auditing (Ghana Audit Service, 2018). As undesirable and condemnable the noncompliance with the PFM regulatory framework directive for all public sector institutions to submit the annual reports to the AG for verification is, yet the Ministry of Water Resources and Sanitation again failed to present its 2018 financial statements as required by the law (Ghana Audit Service, 2019) to be verified by the AG. But who would blame it and take it to task, when the whole Office of Government Machinery (which should have set a good example for the other ministries to follow) is leading in recalcitrant behavior?

These ministries failure to comply with the PFM regulatory framework can best be described as a gross disrespect for the PFM laws which is a recipe for the entrenched corrupt practices with which Ghana's public funds are managed. These MDAs refusal to with PFM regulatory framework requirements and submit their annual financial statements to the Ga for auditing and reporting on his findings to Parliament demonstrate the absence of practice of transparency, probity, accountability and financial indiscipline in the management of Ghana's scarce public resources. And the absence of these principles accountability promotes and nurtures corruption, since corruption is the antithesis of accountability.

These entrenched recurring cases of financial malpractices and embezzlements have the potential to create credibility deficit and affect the sector ability to generate revenue, deliver quality of public services, programs, projects as well as the overall development agenda negatively. As Alexander Danny, Chief Secretary to Her Majesty Treasury observes in the forward to *Public money*, a handbook on how to manage the United Kingdom's (UK) public resources; "Every government needs credibility. Without it, no government can raise the funds it needs for its policies – from taxpayers, from charge payers, or from borrowers" (HM Treasury, 2015).

Furthermore, they seem to border on crime and fraud that one would expect the Auditor General and the Ministry of Justice to deal with, yet they are left to fester. The Serious Fraud Office which was created through a parliamentary enactment, Serious Fraud Office Act, 1993 (Act 446) as a specialized "agency of Government to monitor, investigate and, on the authority of the Attorney-General, prosecute any offence involving serious financial or economic loss to the state and to make provision for connected and incidental purposes." Yet it does not seem to be up to the task assigned to it. The Office of the Special Prosecutor that was established by the Special Prosecutor Act 959, 2017 is also believed to be too slow or inactive in investigating and prosecuting cases of corruption.

It is obvious from the perspective of the law that Ghana is battle ready to manage her scarce public financial resources transparently with probity, accountability and financial discipline. However, the reality on the ground depicts otherwise. The reality on the ground shows that Ghana's efforts at managing her scarce public funds is a mere propagandist or lip-service exercise that amounts to nothing. That could be the reasons why her public purse managers are engaged in a non-stopping mismanagement, wasting and embezzling the scarce public financial resources of the nation. Appau and Anku-Tsede (2015) implied this when they argued that "Corruption is the antithesis of accountability; the two are diametrically opposed to each other. The absence of one nurtures or promotes the other."

On the strength of Appau and Anku-Tsed (2015) argument on corruption, one may maintain that the entrenched financial malfeasance, mismanagement, embezzlement and corruption in the management of Ghana's public fund is basically due to the lack of the exercise of public accountability for the usage of public funds. It seems the non-practice of public financial accountability and financial discipline is fueled by the apparent delay or inaction on the part of the above listed state anticorruption institutions that should be actively enforcing the PFM laws and the AG's recommendations seem to embolden the Ghanaian public purse managers to act as they deem appropriate instead of complying with the PFM laws; resulting in significant annual losses of Ghana Cedis to the state.

Apart from these unacceptable entrenched behaviors of the public purse managers in Ghana, the Ghanaian governments seem to have an insatiable thirst for taxing the citizens. For instance, government after government had tended to impose taxes on the citizenry to their displeasure. The evidence available shows that, President Rawlings among other taxes, introduced a 10% Valued Added Tax Act, 1994 (Act 486) which was enacted in December 1994 and became operational in March 1995, but had to be withdrawn after only three and half months because of the massive agitations against its implementation in the country at that time.

However, it was re-introduced under the VAT Act 546 in 1998 under the presidency of Kufuor even at a higher rate of 12½%, and subsequently to 15½%. Two and half percent was chargeable on the 15½% VAT rate as National Health Insurance Levy (NHIL) on all goods and services except those exempted. It is also worth noting that, President Kufuor introduced the Communication Service Tax (CST) Act 754, 2008 on charges for use of communication services provided by operators of communication services in the country.

In 2013, the Mahama government also increase VAT from 15½% to 17½% and revised income tax law (Act 896) increasing capital gains tax from 15% to 25%; withholding taxes from 5% to 7.5%; corporate tax of 0% to 1% for businesses operating under tax concessions. Similarly, Nana Akuffo-Addo government revised VAT in 2018; increased the energy sector levies and communication service tax in August 2019 (Boateng, 2019); and extended the National Fiscal Stabilization Levy (Amendment) Act, 2017 (Act 958) to 2019 year of assessment.

As the governments show entrenched insatiable thirst for taxes, the Ghanaian taxpayers also show a corresponding entrenched unwillingness to voluntarily comply with these tax laws and regimes. For example, a massive public agitation against the VAT in 1995 led to its cancelation (Research directorate, Immigration and Refugee Board, Canada, 1996).

Furthermore, the Minority side of Parliament on November 18, 2013, asked organized labor and Ghanaians to rise up and reject the upward adjustment of the VAT rate (Ghana News, November 19, 2013). The increment of VAT through the energy sector levies Act 896, 2015 by Mahama was met with hostility from the labor and trade unions (Business desk, 2016). Nana Akufo-Addo government has also been having a fair share of resistance from the Ghanaian taxpayers. Whilst the Chamber of Petroleum Consumers, Ghana and the Industrial and Commercial Worker Union on January 26, 2018 charged the government to scrap the special petroleum tax (Citfmonline.ocm February 7, 2018 and Newsghana.com.gh, January 29, 2018); a coalition of car dealers and owners on March 7, 2019 demonstrated in the streets of Accra against the luxury vehicles (Ghanaweb Business News March 8, 2019).

Given the above outlined PFM framework; the potential of corruption to negatively affect the availability of public funds; governments insatiable thirst for taxation; the taxpayers unwillingness to voluntarily fulfil their tax obligation; and the potential negative consequences of corruption to affect the availability of funds to the government; one may ask; why does the financial embezzlement and corruption persists in the Ghanaian public sector organizations? Why have the various governments in the Forth Republic with all the machineries including the anticorruption agencies (Serious Fraud Office, Office of Special Prosecutor) at their disposal been so slow or unable to check the entrenched financial malfeasances? Why have governments not used the Ministry of Justice and Attorney General Department to deal with this recurring canker? Why are the people who misapply, misappropriate, embezzle or steal the Ghanaian taxpayers' funds not being severely punished to deter others from committing such or similar offenses? Why are the Ghanaian taxpayers accepting the entrenched gross financial indiscipline and corruption?

In spite of the urgent need for answers to these and similar concerns; there is dearth of research on the effects of the AG's report especially on taxpayers, government and public purse managers entrenched behaviors in the country. The research on this issue is scanty and rather concentrated on independent financial auditing and the crusade against government sector financial mismanagement in Ghana (Rahaman, 2009); Evaluating taxpayers' attitude and its influence on tax compliance decisions in Tamale, Ghana Abdul-Razak and Adafula (2013); fighting corruption by means of effective internal audit function: Evidence from Ghanaian public sector (Asiedu & Deffor, 2017).

Other studies that are remotely related to this thesis include: the management of public sector financial records (Akotia, 1996); role of the financial courts in public financial accountability (Pimpong, 2015); implications of PFM regulatory framework on service delivery in the

Assemblies (Scot, 2017); state of government accounting in Ghana and Benin (Lassou, 2017); among others.

So, apparently, there are few studies that have been done on the utility value of the AG's report in taxing decisions and job retention decisions of a public official who has been found by the AG to have misappropriated public funds. This underscores the existence of a research gap; and the need to fill this gap inspires this study to assess the effects of the AG's report on taxpayers, government and public purse managers entrenched behaviors in Ghana.

Moreover, the widespread outcry against corruption leading to the Ghanaian public calling on Alfred Agbesi Wayome, a businessman to refund the monies (GH₵51.2 million) that were illegally paid to him; the Ghana Youth Employment and Enterprise Development Authority (GYEEDA) scandal in 201 in which millions of cedis were paid illegally to GYEEDA contractors; and the Savanah Accelerated Development Authority (SADA) scandal involving about GH₵47,498,000 (Pulse, December 14, 2016) kept togues wagging. In Aidoo's view these two scandals cost Mahama the 2016 presidential election (Aidoo, September 18, 2017).

Also, the numerous calls on the government to take drastic action to reduce corruption in the public sector. For example, on August 22, 2019; Modern Ghana reported Manasseh Azure Awuni (an investigative journalist) revelation of the PPA boss sales of genuine road contract that had been awarded to the PPA boss' company for GH₵22.3 million Ghana cedis to a fake company that the undercover freelance journalist used for the investigation (Modern Ghana, 2019).

Similarly, Daily Guide newspaper an ardent supporter of the current government reported the conflict of interest scandal on the Ghana River Authority (GRA) acting Board chairperson Adelaide Ahwireng who rented two of her buildings to GRA at an annual charge of a whopping GH₵1.4 million Ghana cedis (Daily Guide, September 2, 2019). On November 13, 2019; Amihere, a Ghanaian TV personality expressed her disappointment in the Akufo-Addo government lackadaisical attitude towards the fight of corruption. She is clearly unhappy that the president who swept to power on the back of anticorruption campaign is superintending over the deepening of the canker with constant outbreak of corruption scandals in the country (Ghanaweb.com, November 13, 2019).

The report that apart from the missing 400 tricycles under the custody of Northern Development Authority (NDA), the Authority cannot trace another set of 200 tricycles and 700 motorbikes (Radio Tamale January 7, 2020). Other scandals that have rocked Ghana under the presidency of Akuffo-Addo that were recalled by Sammy Gyamfi, the National Democratic Congress Communication Officer Gyamfi (February 6, 2020) at a news conference include:

- Ameri-Mytelinous scandal in which President Akufo-Addo gave executive approval for a deal which was inflated by an amount of US$800 million
- BOST scandal where five (5) million liters of contaminated fuel that was illegally sold to unlicensed businesses and the proceeds misappropriated,
- PPA scandal or the Australia Visa Fraud scandal
- Galamsey fraud scandal,
- PDS scandal which caused this nation a huge financial loss of US$190 million.

These and the growing numerous corruption scandals in the management of the nation's scarce public economic resources and the loud public condemnation of these corrupt deals leading losses to the taxpayer; point to the existence of credibility gap between the Ghanaian taxpayers and the managers of their public funds. The apparent credibility gap between Ghana's public resources providers and the resource users also motivate the researcher to find out whether the Ghanaian public is growing in awareness of the need for the managers of their funds to be discipline, transparent and accountable for how they raise and use public economic resources; or whether they are just playing dirty party politics. This motivation is further boosted by the general commendations and hailing of AG for disallowing GH₵5,479,253,011.26 (Ghana Audit Service, 2018) as government's liabilities to contractors.

1.3 The research objectives

The general objective of this study is to examine the effects of the Auditor General's report on taxpayers, government and public purse managers entrenched behaviors in Ghana. The specific objectives of the study include:

1. Assess effects of the AG's report on the perceived practice of transparency, probity and accountability in the management of Ghana's public funds.
2. Examine effects of the AG's report on perceived financial discipline in the management of Ghana's public funds.
3. Analyze effects of the AG's report on the perceived quality of public fund managers' report in Ghana.
4. Examine the extent to which the AG's report influences the taxpayer disposition to voluntarily pay tax in Ghana.
5. Analyze effects of the AG's report on the job retention of a public purse manager who has been found by the AG to have misappropriated public funds.

1.4 Research questions

Based on these research objectives, the following specific research questions were formulated to guide the study:

1. How significant is the AG's report influence on the perceived practice of transparency, probity and accountability in the management of Ghana's public funds?
2. To what extent does the AG's report instils financial discipline in the management of Ghana's public funds?
3. How significant is the AG's report influence on the perceived quality of public fund managers' report in Ghana?
4. To what extent does the AG's report influence the taxpayer disposition to voluntarily pay tax in Ghana?
5. How significant are the effects of the AG's report on the job retention of a public purse manager who has been found by the AG to have misappropriated public funds?

1.5 The scope of the study

The scope of the study in terms of coverage extends only as far as effects of the Auditor General's report on taxpaying decisions; on the government taxing decisions; and on the taxpayer willingness to forgive and allow a public official who has been found by the AG to have misappropriated public funds, to remain at post.

1.6 Organization of the study

The study is broken down into six workable units with chapter one on the background introducing the study progressively through the statement of the problem, the objectives, research questions, the significance, the scope and limitation of the study. This is followed by the review of related literature in chapter two with appropriate conceptual and theoretical frameworks underpinning the need for accountability in agency relationships. The review of the literature runs into the third chapter on the PFM regulatory framework of Ghana, which is followed by the research design that briefly presents the research philosophies, methodology and the method adopted in this study for the collection and analysis of the research data. Chapter five focuses on the presentation and discussions of the research major findings. Finally, chapter six rounds up the study with the conclusion and some recommendations on how to regularize the situation.

1.7 Significance of the study

The study is significant at least for two reasons. Firstly, because it deals with an issue of national interest as majority of the Ghanaian populace demands for answers as to why the managers of their public funds constantly mismanaged their scarce funds. To the extent that this study findings contributes toward providing the much-needed answer to this problem, the annual public sector fiscal mismanagement in Ghana, it is significant. Secondly, the study findings may inspire the Ghanaian taxpayer to rise up and make active demands from the management of their public funds not only to be accountable and credible; but also, to be efficient, effective and economical in the manner in which they utilize the nation's scarce economic resources.

As taxpayers demand for transparency, probity, accountability and financial discipline in the raising and using of their funds, governments will be forced to rise to the fight against corruption. Governments will be forced to enforce the regulatory framework and the AG's recommendations and punish noncompliance behaviors. Lastly, the active posturing of the taxpayer and governments will prick the conscience some public purse managers to sit up and commit to be guided by the laws and principles of the PFM regulatory framework of transparency, probity, stewardship, financial discipline and accountability in their management of the Ghanaian public purse.

CHAPTER TWO

REVIEW OF RELEVANT LITERATURE

2.0. Introduction

This chapter reviews related literature on the utility value of external audit of public accounts within the general framework of financial accountability in the context of contractual relationships. The review process commences with a brief outline of the theoretical framework, a conceptualization of public sector financial accountability. With such an introductory understanding of public financial accountability, the researcher situates the review in the context of fiduciary (agency) relationships to underscore the agency problems intrinsic in the management of the nation's public funds. This establishes the need for independent verification of the public purse managers' annual disclosures. This presupposes that, the findings of the independently verified public accounts will be useful especially in the taxpayers' economic and financial decisions in Ghana.

2.1 Theoretical framework

This section on the theoretical framework hinges on an understanding of a theory as a systematic and coherent explanation and interpretation of what a specific natural (social) phenomenon is and how it works. According to Jonker and Pennink (2010), a theory indicates the direction to look, what to look for and how to look. In other words, a theory systematically explains and interprets interrelated variables and propositions in order to predict a phenomenon or behavior of interest within certain conditions and assumptions (Bhattacheriee, 2012). In Neuman's (2014) view it as "a logically connected set of general propositions that establishes a connection between two or more variables." Consequently, it is logical to assume that a theory clarifies issues by explaining what is already known, what is missing and what research can contribute to enhance understanding and directly affects the depth of the discussions and analysis.

From the premise that a theory clarifies issues in order to enhance understanding and influence the direction of a discussion, research, it is obvious that a theory has the ability to improve the quality of discussions and analysis of issues. This logical assumption underscores the importance a theoretical framework in academic research work.

A theoretical framework is defined by Sekaran (2003) as "a conceptual model of how one theorizes or makes logical sense of the relationships among the several factors (variables) that have been identified as important to the problem." As Imenda (2014) observed, "A theoretical framework is the application of a theory, or a set of concepts drawn from one and the same theory, to offer explanation of an event, or shed light on a particular phenomenon or research problem." Grant and Osanloo (2014) also posit that a theoretical framework is the blueprint for the entire research inquiry that guides and supports the study including providing the structure for the definition and selection of the research paradigm for the study.

In other words, a theoretical framework serves as the foundation and structure that supports the rationale for a chosen research problem, objectives and questions. Therefore, a theoretical framework provides a good grounding base and an anchor for the literature review, and most importantly, for the selection of the methodology, methods and eventually the analysis (Grant & Osanloo, 2014).

With this understanding on the relevance of a theoretical framework in research, this researcher believes the theories that have generally been used to justify the demand for and supply of financial accountability and audit services in fiduciary relationships; are appropriate for the formation of the theoretical framework for this study. For example, financial accountability has been used across the centuries as a fundamental control strategy to ascertain the steward compliance with the contractual terms by holding the steward responsible and answerable for their stewardship of public resources and performance related to the resources (Romzeck & Dubnick, 1987; Mulgan, 1997; Premchad, 1999; IIA, 2006 and Monsurur, Framarz & Rez, 2014) among others.

Similarly, agency theory, the theories of lending credibility, inspire confidence (Jesen & Meckling, 1976; Ittonen, 2010 and Salehi, 2010); and the police officer (Ittonen, 2010) have been used to justify the demand for an independent audit and assurance of management annual reports. Thus, the adoption and application of these theories in this study of the utility of value of the AG's annual report in decisions related to taxing, taxpaying and the job retention of an indicted corrupt public official is reasonably justified.

Furthermore, deterrence theory which focuses on inhibiting a person being punished from committing crime again as well as preventing people from committing crime they are contemplating (Choi & Song, 2018), is deemed suitable. Deterrence theory is generally applied in situations with the view to preventing occurrence of crime. Since the mismanagement, corruption and embezzlement of public funds deviate from the PFM laws, they are considered by this researcher as crimes against the Ghanaian taxpayer that must be countered and prevented at all cost in order to save the public purse. Therefore, the adoption and application of deterrence theory in this study is not only justifiable but it also seems to complement the police officer theory logically. Thus, making it a suitable part of the theoretical framework this study.

2.2 Conceptualizing public sector financial accountability

2.2.1 Public sector

The study conceptualization of public sector financial accountability commences with a clarification the term public sector. The term public sector as it used in this study, refers to government (central and local) and all other organizations within Ghana that were established by the Constitution; or by an act of Parliament to provide a service (good) to the good people of Ghana and are either wholly or partially funded by the Ghanaian taxpayer. Public sector entities also include quasi-commercial public sector entities that were established by the constitution or an act of parliament.

This is consistent with Broadbent and Guthrie (1992) definition of public sector further corroborates it stating that public sector comprises of federal, central, local governments, organizations providing services to the public that are funded, owned and operated by the public as well as public business entities in which government (central or local) has shareholding.

Article 187.2 of the 1992 Constitution of the Republic of Ghana and Audit Service Act 584 (2000) Part II Number 11.1 which states that the public accounts of Ghana include accounts of the: Courts, Central and Local Government Administrations, Public Educational Institutions, Public Corporations and other institutions established by an Act of Parliament. IFAC (2001) conception of public sector also supports this view. It posits that public sector entities include national, regional and local governments and related governmental organizations such as agencies, authorities, boards, commissions as well as government business enterprises or quasi-commercial public entities.

Generally, public sector organizations exist to provide public services (goods) at non-commercial rates (except the quasi-commercial entities); or for strategic reasons and are generally funded from the taxpayers' resources. As Owalla and Luanga (2014) maintain, public sector entities include all entities that are funded from the public purse. In other words, public sector refers to the part of a nation's economy or an industry that is controlled by the government (Appau & Anku-Tsede, 2015).

Thus, public sector organizations are owned and financed (partially or wholly) from the public purse; yet they are managed in trust by the government and government agents on behalf of the public. This underscores the fiduciary, trusteeship and agency network of relationships in the public sector between managers (agents) and owners (taxpayers who are the principals). By extension, the existence of agency relationships in the management of public funds, basically points to the potential problems in the relationship that underscores the need for financial accountability in the sector that are discussed in the next section.

2.2.2 Public sector financial accountability

Accountability is a value-added service that is much talked about and demanded in agency and fiduciary relationships. According to Romzeck and Dubnick (1987), accountability is a fundamental control strategy that is used to manage the expectations of principals in agency relationships since it can be used to check the agent performance compliance in accordance with the contract standards and objectives. Mulgan (1997) maintains that accountability is a call to account and "acceptance of oversight, of one type of responsibility, where there is relational responsibility to someone else." As Premchad (1999) puts it, it "has (always) been viewed from time immemorial as a channel for ascertaining how power was used by an individual or an organization that has been entrusted with the task of performing prescribed tasks."

In Scott's (2000) view, the need for accountability arises from the delegation of authority by one person(s) to another person(s) within a contractual framework. Sahgal and Chakrapani (2000) also view public financial accountability as an integrated process of managing public funds from mobilizing, allocating and reporting comprehensively and publicly on performance indicating both financial and nonfinancial components including compliance with the systems of internal control and ethical standards.

Thus far, it is obvious from the literature that accountability is the process of "providing an account of one's activities, typically with respect to agreed-upon performance standards or outcomes" (Verschuere et al., 2006). Hedger and Blick's (2008) confirmed this when he noted that accountability is the process through which a delegated party renders an account of his actions after carrying out a delegated duty and is held responsible for the delegated task in accordance with the delegated terms. This position is also supported by Koliba's (2011) view that accountability is an "obligation to give an account of one's actions to someone else, often balanced by a responsibility of that other to seek an account." Furthermore, Schillemans (2015) argues that accountability is "a communicative interaction between an agent with a responsibility for some actions and decisions and an audience or accountability forum, demanding accountability and equipped with the ability to correct and punish the agent."

The slight various in the conceptions of accountability outlined so far, confirms prior literature position that it evades definition (Ebrahim, 2003); it is a widely debated concept (Vershuere et al., 2006) and it is elusive to define (Bovens 2007). This gives the impression that accountability is like a chameleon that adapts to the environment it finds itself. Fortunately, the various conceptions of accountability can be grouped as either restricted (narrow) or expanded (broad) (Verschuere et al., 2006 and Bovens, 2007). However, that argument is beyond the scope of this study, which focuses on assessing effects of the AG's report on taxpayers, government and public purse managers entrenched behaviors in Ghana in the context of the general framework of public sector financial accountability.

Public financial accountability

Financial accountability according to Omolay as cited by Agwor and Akani (2017), refers to the "holding and ensuring that stewards with resources which are not theirs give an accurate and up to date accounts of what they have done with the resources, with a view to ascertaining whether or not they have individually or collectively conformed with, violated, manipulated, achieved or even thwarted the objectives of the owners of the resources."

With this backdrop perception of accountability, public financial accountability may be viewed as a monitoring mechanism use to control the opportunistic behavior of public purse managers. This is corroborated by IFAC (2001) view that public financial accountability is the process through which "public sector entities, and the individuals within them, are responsible for their decisions and actions, including their stewardship of public funds and all aspects of performance, and submit themselves to appropriate external scrutiny. It is achieved by all parties having a clear understanding of those responsibilities and having clearly defined roles through a robust structure. In effect, accountability is the obligation to answer for a responsibility conferred."

It also consistent with Paler (2011) claim that public financial accountability is the process through taxpayers monitor and hold their governments and public purse managers accountable for their management of public funds. Confirming this view, Appau and Anku-Tsede (2015) argued that public sector financial accountability is the process of exercising public authority to spend public money and openly giving accounts for the use of that authority to spend public funds. This understanding of authors led them to conclude that public financial accountability is basically evaluative that is used to positively justify the agent's performance and to demonstrate his willingness to act fairly and with transparency and equitably.

It can also be inferred from the authors (Appau & Anku-Tsede, 2015) argument that; public financial accountability requires public officials with responsibilities over public funds to be opened to give accounts publicly. This means that public accountability happens in the public domain with public officials using public authority to manage public funds for the benefits of the general public. It could be taken for granted that the authors position also implies using public authority to raise public funds since there could be no public funds to be spent if it were not previously raised.

Similarly, INTOSAI (9100) considers accountability as the process through which public sector bodies and individuals within them are held responsible and answerable for their decisions, actions and stewardship of public funds entrusted to them and all aspects of performance related to these funds; and compliance with the established related criteria.

This situates the understanding of public sector financial accountability in the context of principal-agent relationship as Appau and Anku-Tsede (2015) did. They argued that, in this type of relationship, the principal who is either the forum or accountholder usually has a wide range of potential remedies ranging from grave sanctions including dismissals, termination among others to lesser sanctions like suspensions, reprimands, etc.

Consequently, one may conclude that, public sector financial accountability is a process of four key activities including firstly, exercising public authority to raise public funds. Secondly, using the raised public funds according to the value for money principles to meet public interests and objectives. Thirdly, publicly accounting for both the raised and expended public funds with transparency, probity and financial discipline in accordance with the preestablished criteria (the contractual terms and the PFM regulatory framework); and fourthly, the *accounter*, the agent must also be willing to accept sanctions from the public for any breaches of the regulatory framework.

2.2.3 Brief historical perspective of public sector financial accountability

Public financial accountability has a long history. For example, Premchand (1999) argues that, the practice of public financial accountability existed in ancient India at about the same time, 300 Before the birth of Christ (BC). However, Premchand (1999) adds that over the centuries, the original concept of public sector financial accountability has gone through six noticeable evolutionary stages from the:

- treasury management stage,
- commissioner of accounts stage,
- independent audit agency stage,
- legislative committees oversight stage,
- economy, efficiency, and effectiveness stage, and
- prudent macroeconomic management to the enhanced financial accountability stage which he believes is still emerging.

According to him (Premchard, 1999), the treasury management stage focused on treasury accountability because all the state (kingdom) activities depended firstly on the state's (kingdom's) treasury. That explains why kingdoms and states in that era placed emphasis on recording revenues and expenditures in prescribed forms to facilitate the inspection (auditing) of public officials accounts for their stewardship of the revenues and expenditures of the kingdom or state. The focus of this stage was on fighting corruption in the management public funds. This was obvious in the severe sanctions that were exerted on offending public officials including confiscation of the properties of defrauders[1] or offenders.

The commissioner of accounts stage, Premchand (1999) argues, occurred in the seventeenth century when the English Legislature asserted their rights and exercised control over the public purse by appointing committees to review the wisdom, faithfulness and economy with which parliamentary grants were being spent by public officials. This was done to ensure financial accountability in the management of the public purse. The work of the parliamentary committees eventually led to the appointment of a communion of accounts (a predecessor of audit as it is practiced today) with a Commissioner of Accounts to ensure financial accountability in the management of the Crown's public funds.

The commissioner of accounts stage was followed with the establishment of an independent audit agency in the nineteenth century with the duty to review the regularity and economy of public expenditure. The audit report of the established independent audit agency was to be

[1]Kautilya held that it was "impossible not to taste honey or poison that one may find at the tip of one's tongue, so it is impossible for one dealing with government funds not to taste, at least a little bit, of the king's wealth." Or "just as it is impossible to know when a fish moving in water is drinking it, so it is impossible to find out when government servants in charge of undertakings misappropriate money."

reviewed by a committee of the legislature to either approve or qualify the approval of the financial transactions of the government (Premchard, 1999).

The independent audit agency stage progressively evolved into the economy, efficiency and effectiveness stage with the public participating and scrutinizing public financial transactions and performance to ensure that they get value for money quality public services. In addition to the preceding centuries of efforts at promoting financial accountability in the management of public funds; the fifth stage emphasized prudent macroeconomic management. The emphases on prudent economic management stage stressed the need to focus on expenditure choices, programs management and regular dissemination of information showing government prudence in the management of the economy. In other words, the managers of the public purse were called upon to make regular reports on their performance to justify their compliance with the established criteria. This stage Premchard (1999) believes is leading to the sixth stage, the enhanced public financial accountability.

Contrary to Premchard (1999) and other researchers position that the evolution of public financial accountability goes back over 3,000 years; Dubnick (2002) and Bovens (2007) trace the evolution of public financial accountability to 1086 after the death Christ (AD) when the King of England, William I required the valuation and listing of all properties of his subjects in the Domesday Book to establish royal governance. However, IIA (2006) supports Premchard (1999) position by tracing public sector financial accountability back to 3,000 years BC. It argues that evidence of public financial accountability (auditing) exists in Babylon and Mesopotamia as early as 3,000 years BC. Messier, Glover and Prawitt (2008) also implied that public financial accountability existed in pre-Christian ancient Greece 500 BC where evidence showed that some form of accounting and auditing were practiced. Similarly, Monsurur, Framarz and Rez (2014) confirm that the practice of public sector financial accountability existed in the ancient Indian kingdom 2,300 years ago.

This brief exposé of the evolution of public financial accountability shows that; the overarching purpose of public sector financial accountability is firstly, to keep the citizens informed of the progress made in the mobilization, protection, allocation and utilization of the public financial resources to meet the needs of the community (Premchad, 1999). Secondly, it has been used across the centuries as a crucial tool for managing the fiduciary, trusteeship and agency problems as well as for holding the managers of public resources accountable for their stewardship of public funds and their performance.

2.2.4 Agency theory

The centuries old practice of demanding the demonstration of transparency, probity, financial discipline and accountability in the management of public funds underscores the need for objectivity, credibility and reliability in the management of the public purse. This need is usually considered met when the public, especially the resource providers perceive that their resources, in this case, the public purse is being managed with transparency, probity, financial discipline and accountability. It is generally believed that such public perception adds credibility to the resource managers' annual reports. Such positive perception can greatly influence the principals willingness to finance the public purse by voluntarily fulfilling their tax and other financial obligations to the state. Such compliances build up the public purse to help fund projects of public interest.

It has long been held that agency theory offers great insight as to how to overcome the credibility issues in agency institutions including the public sector. The theory has been used to help resolve the age-old issues of mistrust resulting from the separation of control from ownership of organizations, and the problems associated with the separation between control and ownership of the principal economic resources. Therefore, it can offer great insight to the disturbing recurring corruption, embezzlement and mismanagement of the public purse of Ghana, which is the topic of interest in this study.

Agency theory seeks to explain agency relationship between a principal and an agent who are utility maximizers; have incongruent goals; with the agent acting for and on behalf of the principal as the principal's representative with delegated decision-making authority (Ross, 1973; Jensen & Meckling, 1976). The theory studies agency or contractual relationships between principals and agents within the framework of a contract (Jensen & Meckling, 1976). The study of the contractual relationships is necessitated by the fact that both parties are utility maximizers therefore, "there are good reasons to believe the agent will not always act in the best interest of the principal" (Jensen & Meckling, 1976). Thus, the principal needs to guard against any such tendencies in the relationship.

Similarly, Moe (1984) maintains that agency theory seeks to explain the "relationship in which one party, the principal, considers entering into a contractual agreement with another, the agent, in the expectation that the agent will subsequently choose actions that produce outcomes desired by the principal." In agency relationships, the principal suffers from information asymmetry problems that is occasioned by the separation of ownership from control over the principal's investment. The information asymmetry problems force the principal to motivate the agent to act in his (principal's) interest (Broadbent, Dietrich & Laughlin, 1996). This position led them to conclude that, the solution to agency problems involves in designing an optimal incentive package that furthers the objectives of the principal and constrains the agent's opportunistic behavior (Broadbent, Dietrich & Laughlin, 1996).

In other words, the information asymmetry situation in the relationship creates the need to establish a monitoring mechanism to help check the agent actions. The need to monitor the agent becomes urgent and unavoidable when the principal's inability to accurately assess the competences and skills of the agent (Ferris & Graddy, 1998; Messier, Glover & Prawitt, 2008 and Bhattacheriee, 2012) is factored into the picture.

Furthermore, Ferris and Graddy (1998) suggest that, agency theory seeks to understand and resolve the dilemmas of incomplete information in the design of contractual relationship. Such an understanding is necessary because the two parties in the contract have divergent interests or objectives with the agent having an information advantage over the principal (Ferris & Graddy, 1998). Zahirul et al. (2010) support this view noting that, both parties in the contract are motivated solely by self-interest and if left alone, each will seek to satisfy only his interests at the expense of the other party. It is further corroborated by Bhattacheriee (2012) position "that human beings are self-interested persons boundedly rational, and risk-adverse."

The conflict of interests in agency relationships is compounded by the dilemmas of the incomplete information problem associated with information asymmetry problems that arise as a result of the separation of control from ownership. Due to the separation of control from ownership; the agent enjoys superior information advantage over the principal as far as the day-to-day management, the actual performance and the true state of affairs of the entity are concerned. So, if the agent is left unchecked, he will not always act in the interest of the principal (Messier, Glover, & Prawitt, 2008; Puyvelde et al., 2012).

This sums up the traditional believe that agency theory encapsulates the traditional choice modeling in which the principal uses whatever actions that are available to him to motivate the agent to make and act on decisions that will further the principal's interests. Therefore, the theory focuses on the responsiveness of the agent's decisions and actions to the principal's goals; and how this responsiveness is mediated by actions available to both the principal and the agent as well as the institutional setting within which they interact (Gailmard,2012).

The principal's focus on the agent's responsiveness are generally manifested in measures that attempt to limit the agent divergence from the principal's interests. The principal usually does this by designing appropriate incentive packages including incurring monitoring costs in order to curtail the aberrant activities of the agent (Jensen & Meckling, 1976; Moe, 1984; Broadbent, Dietrich & Laughlin, 1996; Sinason, 2000; Messier, Glover, & Prawitt, 2008; Zahirul et al., 2010; Ittonen, 2010; Puyvelde et al., 2012; Gailmard, 2012). In Salehi's (2010) view, the principal uses audit to supervise the agent.

The exposition on agency theory so has demonstrated that the theory focuses on addressing the problems of goal incongruence and information asymmetry issues in agency relationships that, if left unchecked, could be used opportunistically by either party, but more especially by the agent to pursue his personal interest over and above the interest of the principal. This focus is motivated by agency theorists position that, the principal and the agent are at variance, they may have divergent goals that could lead to conflict of interests between them. Since these theorists position is premised on potential disaster for the principal, it leads naturally to the need to monitor and or to motivate the agent to stick to the contractual terms and to keep working toward the realization of the goals of the principal.

Agency theory as a paradigm for studying public financial accountability

Given the potential of agency theory to regularized agency problems in contractual situations, this researcher assumes it can be used to study effects of the AG's report on taxpayers, government and public purse managers entrenched behaviors in Ghana. This is actually a study of the contractual issues involved in the management of Ghana's public funds. So, agency theory can provide a useful framework for analyzing the fiduciary role that the public purse managers are playing on behalf of their principals (taxpayers).

This is supported by Ross (1973) argument that the theory could be used in all contractual arrangements such as: employer and employee relationship or the state and the governed relationship. Although Jensen and Meckling (1976) focused almost exclusively on contractual relationship between stockholders and management, nevertheless, they acknowledged the applicability of the theory in the public sector. Because they held that; the cost of agency exists in all organizations and cooperative efforts in firms, universities, government authorities among others. So, its application in this study is reasonably justified by Jensen and Meckling (1976). Moe (1984) also argued that the logic of principal agent relationships is applicable to other organizations because it typifies the general relationship between owners and managers with delegated decision-making authority.

More concretely, Ferris and Graddy (1998) who have used in their study of the new public management, concluded that agency theory contributes to their understanding of the existing structures in the sector. They also opined that the theory threw light on how the existing structures in the studied public sector could be improved. This led them to conclude that a judicious application of the agency theory can help in designing a public sector financial management system to ensure a balance between efficiency and accountability. Nyman, Nilsson and Rapp (2005) also applied the framework of principal agent theory in their study of public sector financial accountability by using to survey qualified audit reports in Sweden local authorities between 2002 and 2003.

This is consistent with Galmard's (2012) argument that, principal agent theory is a common and widely used paradigm for studying public accountability. Ijeoma and Nwufo (2015) agree with their position noting that public sector represents a principal-agent relationship in which the public officials acting as the agents with delegated and controlling custodian authority over the public resource under their charge. As agents who control the public sector resources, they periodically account to their principal for their use and stewardship of the principals' provided public resources and the extent to which the public's objectives have been accomplished.

This understanding of agency theory makes it a suitable model or framework for the study of financial accountability in the public sector which is a network of a fiduciary or agency relationships. In other words, it underscores the appropriateness of the usage of agency theory in this study to assess effects of AG's report on taxpayers, government and public purse managers entrenched behaviors in Ghana. This claim is largely underpinned by the fact that, public sector is a network of complex contractual relationships that could range from one public unit to another. For example, there are contractual relationships between central government and local governments, between central government and the ministries, between central government and other government agencies, between the taxpayers and central government among others.

However, this study focuses on the contractual relationship between the taxpayers on one hand and central government and the MDAs that are the frontline executors of government programs and policies on the other. In this contractual relationship, the taxpayers who are the principals and primary providers of the public financial resources, delegate the control and decision-making authority over the public sector resources to the government and the MDAs who are the agents and the controllers of the provided public resources with delegated authority to act on behalf of the principal. This assumption makes agency theory a natural framework for the study of the utility value of the AG's report in the context of public financial accountability.

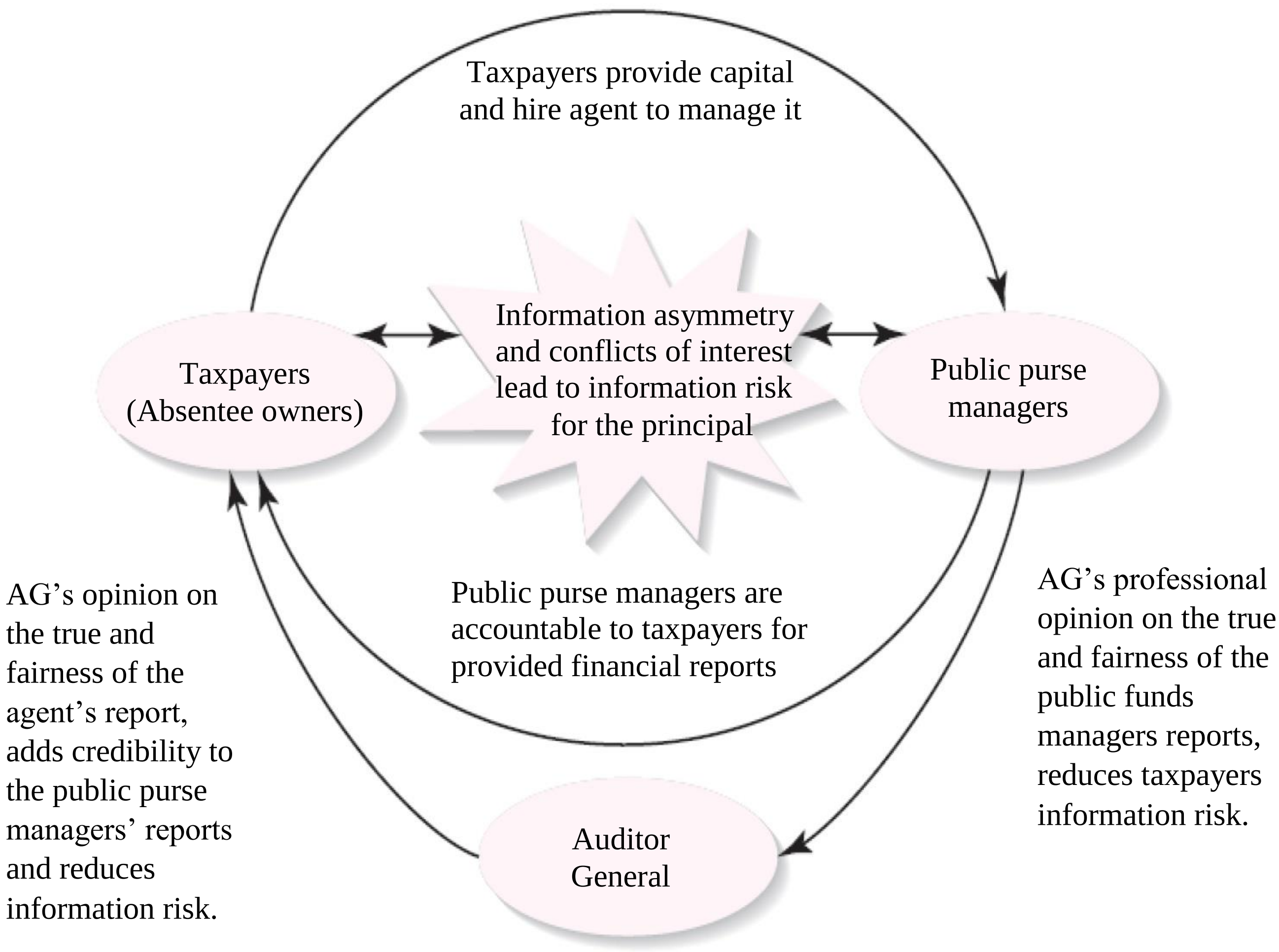
Since public sector entities relationships are shrouded in a network of fiduciary, trusteeship and agency relationships that are characterized by the problems of agency. For example, the control of public resources is separated from ownership and decision-making authority. Moreover, the relationship is characterized by incomplete information problems; goals divergence issues that are pregnant with conflicts of interest coupled with the fact that the parties operating in this framework are utility maximisers. Hence, public financial management relationships stand to benefit from the mitigating incentives and monitoring packages of the agency theory.

The usage of the principal agent theory in this study is further supported and even buttressed by Appau and Anku-Tsede (2015) situation of their study of the Ghanaian public sector financial accountability in the context of principal-agent relationship. They buttressed their action with the claim that accountability has traditionally been treated as a principal-agent relationship. A relationship in which the accountholder has a wide range potential remedies that range from grave sanctions like dismissals, termination of employment, etc. to lesser sanctions such as suspensions, reprimands among others. They also liken the sanctions of the accountholder in agency relationship to the rules and regulations that regulate the behavior of the Ghanaian public officials as they carry out their fiduciary duties.

If agency theory can facilitate the improvement of accountability mechanisms in the management of public funds to ensure quality delivery of value for money goods and services in a transparent, probity and accountable manner; therefore, it must be suitable for the testing the hypotheses of this study that center around, *effects of Auditor General's report on taxpayers, government and public purse managers entrenched behaviors in Ghana*.

The separation of control from ownership coupled with the goal conflicts between the principal and agent that is often exacerbated by the information asymmetry problems; resulting in the need and the demand for and supply of external audit and assurance on the credibility of management financial statements. This is illustrated in figure 2. 1 below. The figure illustrates the relationship between the resource providers (taxpayers) and the resources users, the management. The figure also captures how the separation of control from ownership brings about information asymmetry and conflicts of interest that can lead to information risk for the taxpayer. To forestall the potential information risks situation, the Office of the AG usually, reviews the agent annual financial statements and reports their findings to the Legislature for action.

Figure 2 1 Typical accountability relationship between a principal and an agent



Source: Messier, Glover, & Prawitt, 2008 and Ittonen, 2010.

2.2.5 Theories of lending credibility, inspire confidence, police officer and deterrence

As with agency theory, the theories of lending credibility, inspire confidence, police officer and deterrence were also applied in this study of effects of the AG's report on taxpayers, government and public purse managers entrenched behaviors in Ghana. They were used because the researcher believed they complement the agency theory in justifying the demand for and supply of the agent's annual report. For instance, Dye and Stapenhurst (1998) argued that financial audits, especially the issuance of a standard opinion adds credibility to the reported financial statements. Messier, Glover and Prawitt (2008) support this position stating that the auditor's verification and report adds credibility to the financial statements and thus, reduces the information risks.

This is consistent with the lending (increase) credibility theorists postulation that, the primary objective of external auditing is to verify management financial statements and issues reasonable assurance as to their reliability in terms of true and fairness; and compliance with established standard criteria (Ittenon, 2010). This is confirmed by Salehi's (2010) argument that the primary function of auditing is to: add credibility to the financial reports; enhance the principal's faith in his agent's stewardship and reduce the information asymmetry problems between the agent and his principal. Further evidence from Asare and Wright (2012) corroborate this position, because they observed that the objective of a standard (unmodified) audit report is to add credibility to management's financial disclosures and to facilitate informed decision making.

The increase credibility theory seems to lead naturally into the theory of inspired confidence or theory of rational expectations which argues that "the demand for audit service is the direct consequence of the participation of outside stakeholders in the" reporting entity's operations (Ittonen, 2010 and Salehi, 2010). The theory holds that outside stakeholders with interest in the reporting entity's operations, usually demand accountability from its management in return for their contribution. And since management reports might be biased and unreliable due to the problems of conflicts of interest; these outside stakeholders generally require an external auditor to verify and assure management financial statements as materially fraud free.

From this perspective, the inspire confidence theorists argue that inspire confidence theory captures both the demand and supply sides of audit services. They argue that the third parties demand for accountability in return for their financial resources necessarily leads to an independent auditor's verification and issuance of reasonable assurance. And since the agents know their reports will be verified by an independent external professional, they usually strive to prove their stewardship of the principals' resources creditably (Ittonen, 2010 and Salehi, 2010). Once the external auditor's report confirms the credibility status of management reports; the financial statements are objectively enhanced with power to inspire confidence in the user stakeholder groups.

However, it is arguable that the demand and supply sides of auditing is implied in the agency and lending credibility theories and not only to inspire confidence theory. This is because each demand for audit, whether from the stockholder or for tax purposes, triggers (leads to) a supply from the agent who relies on his principal trust and continue provision of the much-needed financial resources to function as the agent. Thus, the demand for and supply of audit services is also captured by the theories of agency and lending credibility.

Lastly, the police officer theory (Ittonen, 2010 and Salehi, 2010) views auditing in terms of policing. It argues that the auditor is responsible for searching, discovering and preventing fraud from occurring. This theory focuses on checking the arithmetical accuracy of the financial statements and on detecting and preventing fraud from occurring. According to Ittonen, (2010), this was the case in the early part of the 20th century. However, the main focus of auditing has shifted from policing to providing reasonable assurance on the true and fairness of financial reports and whether they conform with established criteria. Nevertheless, the detection and prevention of fraud are still hotly debated as some of the responsibilities of the auditor (Ittonen, 2010 and Salehi, 2010).

Arguably, the police officer theory could be viewed together with deterrence theory which basically, focuses on the use of threat of punishment to frighten criminals and potential criminals and prevent them from committing crimes. For example, Akers (1990) indicated that deterrence theory applies utilitarian philosophy to the study of crime assuming that human actions are based on rational decisions that are also informed by the probable consequences of those actions. So, if the rational analysis of the pain of legal punishment offsets the motivation for the crime; it deters criminal activity.

This is similar to Bhattacheriee (2012) observation that deterrence theory was used to explain deviant behavior. He attributed the general deterrence theory to two eighteenth century utilitarian philosophers, Cesare Beccara and Jeremy Bentham who used it to examine and explain why some people engage in deviant, antisocial or criminal behaviors. These utilitarian philosophers also used deterrence as a method for reducing deviant antisocial behaviors in society. The theory assumes that people are fundamentally rational; and that deviant behaviors are freely chosen based on rational cost-benefit analysis. Since people also naturally choose utility-maximizing behaviors over others; deviant choices that engender personal gain or pleasure can be controlled by increasing countermeasures (punishment) for such behaviors (Bhattacheriee, 2012).

Corroborating this conception of deterrence theory, Choi and Song (2018) noted that deterrence refers to both inhibiting a person being punished from committing a crime (specific); as well as preventing people from committing the crime they are contemplating (general). This is consistent with Schneider (2019) contention that, "deterrence is grounded on the idea that offender's decisions are based on a rational choice, taking into account expected payoffs of the criminal activity compared to legal income, personal tastes, and preferences, and the perceived likelihood of apprehension, conviction, and punishment."

It is obvious from this brief exposition on deterrence theory that, it crosses path with agency theory, lending credibility theory, inspire confidence theory and the police officer theory. For example, all these theories aim at preventing the agent from indulging in antisocial behaviors that may lead to deviation from the contractual terms. Whilst deterrence (and the police officer) theories concentrate on inhibiting criminals and preventing crime from occurring; agency, lending credibility and inspire confidence theories limit their attention to only the agent, and how to get the agent to act in accordance with the contractual terms in order to maximize the principal's utility. Thus, it can be concluded that all these theories concentrate on inhibiting and preventing potential antisocial, deviant and criminal behaviors from human society.

For instance, agency theory assumes that both parties an agency relationship (contract) are utility maximizers (Jensen & Meckling, 1976) operating in incomplete information situation because of the separation of ownership from control of the principal's resources. The theory also believes the principal and the agent are motivated solely by self-interest (Zahirul et al., 2010) and are boundedly rational and risk adverse (Bhattacheriee, 2012). Given these agency problems of separation of ownership from control of the principal's investments; goals incongruence and conflict of interests; information asymmetry issues and the superior information position of the agent, there is the need to be checked agent from deviating from the principal's goals.

Furthermore, deterrence theory assumption is also not very different from the positions of increase credibility and inspire confidence theories because the latter assume that the external verification and assurance of management's financial statements increases the credibility of the statements, and inspires the confidence of the user that the statements are free from fraud material error. Messier, Glover and Prawitt (2008); Ittenon (2010); Salehi (2010) and Asare and Wright (2012) argue that an external auditor verification and issuance of reasonable assurance on the reliability management financial statements in terms of true and fairness; and compliance with established standard criteria lends credibility to the reports. According to Ittenon (2010) and Salehi (2010), this should enhance the principal's faith in his agent's stewardship and reduce the information asymmetry problems between the agent and his principal and inspire the user groups confidence in the audited and assured management reports. One major similarity between these theories and deterrence theory is that, they all aim at achieving complance with the established standard criteria.

There are also striking similarities between the deterrence theory and the police officer theory since the ultimate objective of both theories is deter and prevent the occurrence of crime in (agency) situations. For example, whilst police officer theory sees auditing in terms policing with the responsibilities for searching, discovering and preventing fraud from occurring (Ittonen, 2010 and Salehi, 2010); deterrence theory focuses on maximizing negative sanctions to inhibit and deter people from committing crime (Choi & Song, 2018).

Viewed from a positive or utilitarian perspective, the threat and enforcement of punishment espoused by deterrence theory could be seen as a double-sided control tool, though negative, i.e. is aimed achieving maximum compliance. One the one hand, it checks the agent negative behavior. On the other breath, it serves as tool for motivating the agent to act in accordance with his principal's interest; and to desists from acting in opportunistic manner to maximize his interest. Consequently, external audit and assurance of management financial statements could be seen as mediators of the threat and punishment espoused by deterrence theory. Thus, the theory is useful in this theoretical framework.

All in all, the theories of public financial accountability, agency, lending credibility, inspire confidence, police officer and deterrence outlined above; have demonstrated that; the credibility of public financial accountability can greatly be enhanced by the audit and assurance of an external independent auditor. The reliability is further enhanced when the auditor attests to the true and fairness of the financial statements and their compliance with established criteria. Thus, if external monitoring is used appropriately in Ghana's public sector, it can motivate the Ghanaian public sector agents to act in the best interest of the Ghanaian public. This should subsequently, engender and facilitate the desirable transparency, probity, accountability and financial discipline in the management of Ghana's public funds.

2.3 Public sector auditing

2.3.1 Defining the concept auditing

Auditing has been defined severally. However, the numerous definitions seem to lean toward an agreement that; *auditing is a process of systematically accumulating and evaluating evidence associated with the auditee's books of accounts and records of its business transactions to determine whether the financial statements were properly presented; whether they present the true and fair view of the reporting entity's performance and state of affairs for the financial period under review and whether they comply with the established criteria*.

For example, Dye and Stapenhurst (1998), define auditing as “a function that serves accountability as it adds credibility to the assertions of the person or entity rendering account, and it provides valuable insights and information to the person or entity conferring the responsibility.” Messier, Glover and Prawitt (2008) view auditing as “a systematic process of objectively obtaining and evaluating evidence regarding assertions about economic actions and events to ascertain the degree of correspondence between those assertions and established criteria and communicating the results to interested users.” Similarly, Arens, Elder and Beasley (2012) define auditing as “the accumulation and evaluation of evidence about information to determine and report on the degree of correspondence between the information and established criteria.” Furthermore, Onuorah and Appah (2012); Knechel and Salterio (2017); and Karkacıer and Ertaş (2017) view auditing in terms of independent examination of an auditee’s accounting records and expression of an opinion on the truth and fairness and compliance with criteria.

2.3.2 Public sector financial auditing

Similar to the preceding definitions, INTOSAI 100 number 18 describes public sector auditing “as a systematic process of objectively obtaining and evaluating evidence to determine whether the information or actual conditions conform with established criteria.” The audit of public sector accounts is essential because it provides legislative and oversight bodies, those charged with governance of the public sector entities and the general taxpaying public with an information on the independent and objective assessments of the sector managers’ stewardship as well as performance of government policies, programs or operations (INTOSAI 100 NUMBER 18).

In other words, public sector Sinason’s (2000) public sector auditing is a monitoring technique for evaluating and reporting on management's financial assertions and the underlying accounting mechanisms used to make those conclusions. Santiso (2006) implied that public sector auditing oversees government finances; provides reasonable assurances on the reliability of government financial statements; verifies government's compliance with budget rules and financial regulations as well as the truthfulness of government financial information and communicates the audit findings through the audit reports (opinions).

This is consistent with IIA (2012) position that public sector auditing is a cornerstone of good governance that "provides unbiased, objective assessments of whether public resources are managed responsibly and effectively to achieve intended results that helps public sector entities to achieve accountability and integrity, improved operations and instill confidence among citizens and stakeholders."

From the exposition so far and in the context of Ghana; one may summarize public sector auditing as a process of systematically accumulating and evaluating evidence of public sector institution's books of accounts and records to provide assurance to the Parliament and the taxpayer that the sector agents are performing in accordance with the established criteria and in accordance with the value for money principles.

Public sector audit can be broadly categorized into three, attest (financial), compliance and performance audits (Dye & Stapenhurst, 1998 and INTOSAI 100 number 18). Financial audit attests to or verifies, the accuracy and fairness of the financial statements with the view of expressing an opinion as to whether a reliance can be placed on the sector's management disclosures (Dye & Stapenhurst, 1998). This type of public audit focuses on determining whether a public sector entity's financial information, evidence, records and reports have been presented with adequate transparency in accordance with the applicable standards (INTOSAI

100 number 18 and Dwiputrianti, 2011). Thus, the objective of public financial accountability is to push governments to be accountable in their decisions regarding the management of public funds from collection to spending and reporting (Dwiputrianti, 2011).

Compliance audit assesses whether a public sector entity's trusteeship, financial transactions and records are in all material aspects, compliance with the established criteria (Dye & Stapenhurst, 1998). In a word, compliance audits examine whether the collection of money and transactions (spending) were done in accordance with the laws and regulations, whether expenditures exceeded the authorized amounts, and whether they were incurred for the intended purpose (INTOSAI 100 number 18).

Lastly, performance audit concentrates on whether the interventions, programs and institutions are working in accordance with the value for money principles of economy, efficiency and effectiveness (3Es) and how they compare with the established suitable standard. This type of audit focuses on assessing the efficiency, effectiveness and economy with which public projects, programs and services have been delivered (Dye & Stapenhurst, 1998). In other words, performance auditing focuses on detecting any deviations from the standard with the view to recommending remedial solutions (INTOSAI 100 number 18).

2.3.3 Brief history of public sector auditing

Auditing has been an integral part of public sector accountability process for centuries. For instance, it has been used in ancient India since 300 years BC (Premchand, 1999); in Babylon and Mesopotamia as early as 3,000 BC (IIA, 2006); in the UK many hundreds of years (Bourn, 2007); in ancient Greece since 500 BC (Messier, Glover, & Prawitt, 2008); and in Ghana, the study case, since 1910 (Audit Service Act 584, 2000). As Jones and Pendleburt (2010) put it, auditing has been a key part of the public sector accountability from time immemorial.

According to Dye and Stapenhurst (1998) there are three models of Supreme Audit Institutions[2] (SAIs); the Napoleon model, the Westminster model and the Board system. World Bank (2001); Wang and Rakner (2005) and Santiso (2006) studies corroborate the existence of the Westminster or Anglo-Saxon or parliamentary model for auditing public accounts; the Board approaches to public sector audit; and the Napoleonic or court system approach to public sector audit. However, Bourn (2007) confirm the existence of only two approaches to auditing public sector accounts, the Common Law (Westminster) and Roman law (Napoleonic) traditions.

The Napoleonic model (Dye and Stapenhurst, 1998; World Bank, 2001; Wang and Rakner, 2005; Santiso, 2006; Bourn, 2007) also known as the cour des comptes (court of accounts) system is independent from the legislative and executive branches of governance and exercises both juridical and administrative authority. It is practiced in Latin Europe (Spain, Portugal, Italy, France, etc.), Turkey, Francophone African countries and most Latin American nations. The Westminster model (Ibid) uses the Office of the Auditor General, an independent body that reports its findings to the legislature, because the AG has no prosecutorial (legal) powers to punish offenders for their transgressions (Bourn, 2007) and deviations from the PFM regulatory framework. This model of public sector auditing is practiced by the Commonwealth jurisdiction, USA and Scandinavian nations. Lastly, the board system that is practiced in

[2] Supreme Audit Institutions are the bodies established by very nation states and tasked with the responsibilities for the regular audit of their public accounts in accordance with its established criteria. The work of the various national SAIs are regulated by the International Association of Supreme Audit Institutions (INTOSAI - ISSAI 100); the regulatory body of the SAIs to ensure that SAIs play their watchdog role over the public sector funds by providing objective information on their performance with the view to promoting transparency, probity, accountability and good governance.

Indonesia, Japan, Korea, Germany, Netherlands, Sweden among others; uses independent boards that are headed by chairpersons who report their findings to the parliament.

Regardless of the SAI tradition adopted, it is crucial that efforts are required to guarantee the independence, powers and mandate of the institution by enshrining them in the nation's constitution and operationalizing them in the financial accountability regulatory framework. This will protect the institution and enables it to operate without any restrictions or interference from anybody, authority or institution. In addition, it should be sufficiently resourced to hire competent employees. Lastly, the legitimacy of the national audit office, its mission and objectives should be understood and supported by all the stakeholders (Dye & Stapenhurst, 1998; INTOSAI - ISSAI 100 and IIA, 2012).

To this extent, one may conclude that a constitutionally and legally backed public financial management regulatory framework that guarantees the independence of the institution of the AG; and allows it to work as such, will facilitate the flourishing of the SAI in delivering on its mandate and executing its mission efficiently and effectively to enhance transparency, probity, accountability and financial discipline in the management of its public funds.

2.3.4 The relevance of audit in the public sector financial accountability

Audit has been proven to be a key player in public sector financial accountability which is a pillar of good governance in the sector. For example, Roberts and Pollitt (1994) case study on the British National Audit Office value for money study reveals that external audit of public sector management report has information content. Because the study result was instrumental in helping politicians and other officials to discharge their accountability functions. They add that, the study findings help to reduce the information gap between the preparers of the sector annual reports and the users of the reports.

Dye and Stapenhurst (1998) argue that eternal audit can help curb corruption and acts as a very potent deterrent to waste and abuse of public funds. They believe it can also restrain the tendency of corrupt public officials to divert public resources for private gain, and subsequently, reinforce the regulatory framework which when weak, fosters corruption. The authors further opine that public sector auditing can be used to reduce the arbitrariness in the applications of laws and rules; can contribute toward establishing pro-development laws; as well as help establish a predictable framework of government behavior.

Dye and Stapenhurst (1998) further maintain that the SAI acts as an independent watchdog of public interest and a linchpin of every nation's integrity system that plays a critical role in helping to promote transparency, probity, sound financial management and accountability in public institutions. As the watchdog over financial integrity, the SAI mediates the credibility of reported information as well as reports on the economy, efficiency and effectiveness with which government programs, policies and activities and their compliance with criteria.

Citing UN guidelines for effective financial management, CEPA (2005) maintains that public sector auditing is important because it "identifies and highlights instances where laws and regulations of public financial management have not been complied with; where financial systems need strengthening and where value for money has not been achieved." State auditing is crucial because it can be used internally as the first line of defense against misuse, embezzlement and corruption; and externally, to provide oversight function over public sector accountability. It is useful because it reports highlights weaknesses and make recommendations for remedying the irregularities in the management of Ghana's public funds (CEPA) and for planning for better future. Consequently, state auditing serves as a credible source of facts, figures and as basis for evaluating how the Ghanaian public funds are being managed; and how they inform the nation's future plans (CEPA, 2005). The Center further opines that audited public accounts are essential weapons in dealing with the stewardship of public receipts and expenditures.

Similarly, Nyman, Nilsson and Rapp (2005) use the framework of principal agent theory in a survey of qualified audit reports in Sweden local authorities between 2002 and 2003. The result of the survey shows that the theory facilitates understanding and structuring of the complex chain of accountability situations of the authorities and helps to identify weaknesses in the system.

Similarly, Santiso (2006) asserts that public sector auditing exercise oversight responsibilities over public finances and provides reasonable assurances on the reliability and truthfulness of public sector institutions' financial statements. Kayrak (2008) result reinforces this view indicating that, a SAI can prevent and deter corruption by promoting openness, improving transparency, accountability and good governance in the management of public recourse depending on its mandate, independence and its financial capabilities.

To a large extent, Monfardini and von Maravic (2009) support this position by claiming that public sector auditing is traditionally used as an indispensable instrument to maintain a grip on government activities and to provide information to administrators, elected officials and constituents on how public funds have been managed. Corroborating this position, Saito and McIntosh (2009) study on the economic value of auditing and its effectiveness in public school operations, indicates that auditing improves the efficiency with which public resources are used and reduces nonproductive use of public funds. They also argue that the audit of public sector reduces agency costs since it enhances the credibility of the sector's financial reports.

Similarly, Okaro and Okafor (2011) opine that public sector audit is an organ of public accountability that ensures value for money delivery of public goods and services; safeguards public resources; promotes public interest and serves as the basis for future actions. They however, lament that the Nigerian SAI inability to fulfil its accountability function because its independence is seriously curtailed and the federal accounting environment (cash basis) is not helping either.

Their position is affirmed by IIA (2012) argument that independent audit and the objective attestation on the sector reports is fundamental to public sector governance because it "supports the governance responsibilities of oversight, insight, and foresight" which are crucial in public sector governance. In its oversight function, the auditor examines public sector entities performance against established objectives and other criteria; and overarches in detecting and deterring corruption in the sector. The insights function of public sector audit presents the opinion of the external auditor on the management of public funds, performance, programs, policies, activities and operations to enhance stakeholder decision-making process. Meanwhile, the external auditor's foresight function "identifies trends and emerging challenges" and makes recommendations for improvements (IIA, 2012).

Hence, through the SAI's oversight, insight and foresight functions, it serves public interest by acting as a check on government through the information it provides on government entities management of public financial resources. Therefore, per its watchdog and linchpin function, a SAI plays an effective role in strengthening governance by empowering the public with information on how their scarce resources have been used (IIA, 2012).

Liu and Lin (2012) investigation on the role of government auditing in controlling corruption in China using Chinese provincial panel data from 1999 to 2008 indicates that audit can help local authorities to detect misbehavior and violations in the management of public funds and take remedial actions to rectify these problems. So, in exercising its oversight responsibilities, a SAI can be useful in preventing "misuse, fraud, abuse, and corruption of public funds and resources" as well as maintaining and improving public trust (Dwiputriantia, 2014).Similarly, Mzenzi and Gaspar (2015) content analysis study of external auditing and accountability in the Tanzania local government authorities; reveals that external auditing provides information which has the potential to enhance the accountability of local government authorities.

Ijeoma and Nwufo's (2015) support this view noting that public sector audit keeps the citizenry informed of the financial activities of government and how the public funds have been used to promote their interest. Ijeoma and Nwufo's findings also show some inefficiencies in the Nigerian public sector inhibits the efficient functioning of the AG. Their findings show that there exists strong evidence that inaction on audit queries; non-functional PAC; constitutional limitation; light punitive sanctions on codified offences; dependence of the AG on executive; late presentation of Accountant-General's report; lack of prosecuting authority all have significant relationship with performance of the audit function in Nigeria. This is consistent with Hay and Cordery's (2016) view that agency theory assumpes that auditing is a valuable service that helps to reduce agency costs in the agency relationships.

Consequently, external auditing of public sector accounts can be a powerful tool in promoting a transparent, open and accountable public sector governance system and public interest. This can potently prevent waste, abuse and combat fraud, embezzlement and corruption in the sector (Dye & Stapenhurst, 1998). It can also inspire confidence among the sector stakeholders that their resources are being utilized with economy, efficiency and effectively to promote their interest. Such perception can affect government revenue mobilization efforts positively.

For example, Marcelo (2002) finding "proves that trust and perceptions of institutional performance are among the most consistent variables that explain commitment to comply" with tax obligations. This is corroborated by the findings from Picur and Riahi-Belkaoui (2006) study on the impact of bureaucracy, corruption and tax compliance that the variables bureaucracy and corruption impact on tax compliance negatively. Kirchler, Hoelzl and Wahl (2008) also highlight the need "to consider the power of the authority, the trust in authorities, and their dynamic interaction" as a necessary operational tool for increasing tax compliance among citizens. This is very important because according Torgler, et al. (2008); tax compliance is viewed by the taxpayer "as a price paid for government's positive actions."

Evidence from International Tax Compact (ITC) (2010) shows that among other factors affecting the mobilization of tax revenues; is the "lack of transparency and accountability in the use of public funds, contributes to public distrust both with respect to the tax system as well as the government." ITC holds that high level of corruption can affect tax revenue mobilization because when the "citizens cannot be certain whether their paid taxes are used to finance public goods and services, their willingness to pay suffers and it becomes more likely that they evade their tax liabilities." ITC further holds that the lack of the rule of law and weak commercial courts to protect the taxpayers' rights and safeguard them from arbitrariness reduces transparency and fosters distrust among citizens which can affect their willingness to finance the state through taxes. This can be counter balanced by an effective external independent audit of the sector.

Muehlbacher and Kirchler (2011) find that voluntary tax compliance is dependent primarily on the taxpayer's trust in the authority. Furthermore, the results from Kaplanoglou and Rapanos (2013) study on *Tax and trust: The fiscal crisis in Greece* show that the perceived fairness, high level of perceived corruption and lack of trust in the government and tax authorities affected the Greeks willingness to pay taxes. The authors argued that the unwillingness of Greeks to fulfill their tax obligations was linked to the low levels of perceived fairness; high level of perceived corruption; the apparent lack of trust in the Greeks national institutions, in their fellow citizens coupled with the lack of impartiality of the tax authority.

Furthermore, Helhel and Ahmed (2014) findings show that accountability, trust in the government, and the quality of public services are major challenges in tax[3] mobilization. Bătrâncea and Nichita (2014) result also shows that trust in the authorities' disposition to work honestly and to also enforce tax laws fairly to deter evasion and avoidance; engenders either voluntary or enforced compliance. Jimenez and Iyer (2016) confirm this by indicating that though tax compliance decisions are contingent on interrelated social factors, it is fully mediated by trust in the government. The findings from Nkundabanyanga et al. (2017) also

[3] Taxes are compulsory levies imposed by governments on the citizens and residents of a country to raise revenue to help provide the society with needed public services. They are necessary in the life of nations and states as far as the provision of public goods and services are concerned. Thus, governments expect citizens to comply and fulfill their obligations. Unfortunately, not everybody accepts the legitimacy of the tax system and comply voluntarily (Kirchler, Hoelzl, and Wahl, 2008).

show that government effectiveness, transparent tax system and accountability influence tax compliance behavior in Uganda.

Similarly, Baum et al (2017) findings show that "corruption is negatively associated with overall tax revenue, and most of its components." Moreover, Ullah, Khan and Sharif (2018) study on the *Impact of tax fairness system on individual compliance behaviors in Pakistan*, reveals that perception that government does not fairly utilize tax revenue for the overall development of the Pakistanis society, and the unfairness of the tax regime affects respondents tax compliance negatively.

In spite of the overwhelming evidence that tax compliance behavior is dependent largely on trust and accountability, there are also evidence that tax compliance can predicate on other factors. For instance, evidence from Abdul-Razak and Adafula (2013) study shows that the level of government accountability and transparency has no significant influence in taxpaying behaviors in Ghana. This is an indication that there are probably other factors influencing tax compliance behavior in Ghana. nevertheless, the finding is similar to Pereira and Tibúrcio Silva (2019) results. These authors studied the influence of internal and external rewards on people's behavior regarding tax evasion practices in Brazil; and found that tax compliance behavior is contingent on the internal rewards of the individual taxpayer rather than on external rewards (Pereira and Tibúrcio Silva, 2019). External rewards as explained by the authors, are the factors or attitudes that stimulate or incite tax compliance behavior, whilst internal rewards are inner factors or attitudes that stimulate the individual taxpayers compliance behavior (Pereira and Tibúrcio Silva, 2019).

Despite these exceptions, it has been abundantly demonstrated that audit plays a major role in ensuring government accountability to the citizenry because it provides assurance on the appropriateness with which public funds are managed. By reporting the appropriateness with which government is managing public funds, public sector auditing is indirectly and directly compelling public purse managers to be financially discipline, transparent and accountable in their management of public funds. A disciplined, transparent and accountable public sector can influence tax compliance as demonstrated above. Therefore, the audit of public sector accounts can contribute toward improving the availability of public resources, protecting public resources, preventing financial malfeasance, embezzlement and corruption as well as inspiring and improving public trust and confidence in the credibility of their funds managers reports.

2.3.5 Audit report

Irrespective of the sector, private or public; an audit report (auditor’s opinion) is the auditor’s expression of his satisfaction (dissatisfaction) with the accounts he has examined in terms of true and fairness and compliance with established criteria (Gray & Manson, 2005). In other words, it is the outcome (product) of the audit process in which the auditor communicates his findings to the user of the report (Messier, Glover, & Prawitt, 2008; Salehi, 2010). Jones and Pendlebury, (2010) refer to it as the final product of the auditors’ examination of the financial statement in which the auditor details his findings including the true and fair presentation of actual performance, financial position of the auditee and compliance with the established criteria. Vitezić and Vuko (2010) agree with this position noting that an audit opinion “is the most important means of communicating to interested parties a conclusion about the reliability of a company’s financial statements.”

Therefore, it is fair to suggest that the audit opinion is the commonest and highest level of assurance that an independent auditor issues after evaluating the financial statements of an entity. Nevertheless, it provides only reasonable (not absolute) assurance that the verified management disclosures are free from material misstatements (Vitezić & Vuko, 2010). Its coverage usually includes matters of facts and opinions. The matters of facts generally relate to facts about the bookkeeping, records of financial transactions and reconciliation of the records with bank statements. However, the matters of opinions deal with the judgments of the preparers on annual aggregations, measurements and valuation of revenues, expenses, assets, liabilities and cash flows.

2.3.6 Types of audit report

There are four types of audit reports: standard (unqualified or unmodified), qualified, adverse and disclaimer of report that an auditor may issue depending on his findings (INTOSAI, 18; Dye & Stapenhurst, 1998; Whittington & Pany, 2004; Messier, Glover & Prawitt, 2008; Vitezić & Vuko, 2010; and Arens, Elder & Beasley, 2012). An auditor expresses a standard opinion if he is satisfied that the financial statements under examination are presented fairly in all material respects and in accordance with established criteria; that he was unimpeded in the performance of his duty; and that no unusual risks exist that cannot be predicted or taken care of (INTOSAI, 18; Dye & Stapenhurst, 1998; Whittington & Pany 2004; Messier, Glover & Prawitt, 2008; Vitezić & Vuko, 2010).

A standard opinion may also be expressed with explanations in circumstances where the firm has changed accounting principles; when there are substantial doubts of the firm's ability to continue as a going concern; or when the auditor discovers deviations from established criteria that are neither material nor pervasive (Whittington & Pany, 2004; Vitezić & Vuko, 2010 and Arens, Elder & Beasley (2012).

However, if the deviations from established criteria are matters that can affect the auditor's opinion; he issues either a modified opinion, an adverse opinion or a disclaimer of opinion depending on the matters and the level of materiality of their effects on the quality of the reported financial statements examined (Vitezić & Vuko, 2010). For example, if an auditor believes that overall the "financial statements are fairly presented, but the scope of the audit has been materially restricted, or applicable accounting standards were not followed in preparing the financial statements" (Arens, Elder & Beasley, 2012); he issues a qualified (modified) opinion.

Similarly, an adverse report may be issued where the auditor concludes from the sufficient and appropriate evidence, he has gathered that the deviations or misstatements in the financial statements are either individually or in aggregate material and pervasive (INTOSAI 100 number 18). A disclaimer of opinion may also be expressed if the auditor was unable to obtain sufficient and appropriate audit evidence; if the financial statements are materially misstated; if the accounting principles were violated; if the scope of the audit was compromised; or when the underlying systems were inadequate to support the preparation of financial statements (INTOSAI 100 number18 and Dye & Stapenhurst, 1998).

2.3.7 The role of audit report in user's economic decision

Audit reports have been proven to influence users financial judgments and decisions. For example, the results of many market studies on the usefulness of audit report (Firth, 1978; Ameen et al., 1994; Sandra & Whittington, 2008 and Lin, Lui & Wang, 2009) indicate the ability of audit reports to affect stock prices and influence investors decisions. Similarly, the results of experimental studies (Gul, 1987; Lin, Tang & Xiao, 2003; Taffler, Lu & Kausar, 2004; Parsons, 2007; Kitching, 2009; Rose, Norman & Rose, 2010; Asare & Wright, 2012; Li, McDowell & Hu, 2012; Cao & Zhang, 2012 and Waniak-Michalak & Zarzycka, 2015) also reveal that audit report affects users' financial judgments and decisions. The experimental studies of Coran, Monroe and Woodliff (2009) and Pflugrath, Roebuck and Simnett (2011) on voluntary provision of non-financial assurance also confirm the relevancy of audited information in the user's economic judgments and decisions.

Findings from studies on the public sector also prove that audit report has information content. For example, Wang and Rakner (2005) study on the accountability function of SAIs in Malawi, Uganda and Tanzania "indicate that SAIs reports can be relied on to identify instances of financial mismanagement, but within limits." Similarly, CEPA (2005) study of the AG's reports led to its claims that "throughout the 1990s, … Ghana's public expenditure management system deteriorated and needed improvements." Citing the AG's reports to buttress its claim, CEPA opined that, the AG's reports on the audited public accounts of Ghana paint a disturbing picture of persistent non-compliance with laws, regulations and other irregularities dating back to reports covering the 1990s. This the Center claims led to the implementation of the Public Financial Management Reform Program (PUFMARP) to help improve upon the management of Ghana's public funds (CEPA, 2005).

Unfortunately, it is sad to note that the implantation PUFMARP has not significantly improved on the situation, since financial indiscipline with wanton mismanagement, embezzlement and outright corruption persist in the management of Ghana's public funds. For instance, the financial impact of the annual mismanagement, embezzlement and corruption reported by the

AG, from 2000 to 2018 alone, amounts to GH₵14,396,801,174 (Computed from published AG's reports, Ghana Audit Service).

The information content of the AG's report is also supported by Rahaman (2009) study that used the AG's report as the primary source for archival information; concluded that financial auditing is the preferred and dominant weapon for fighting public sector fraud and corruption. This implies there are other minor weapons of fighting fraud and corruption in the Ghanaian public sector. He further opined that financial audits are instrumental aspects of the accountability relationship between the governors and the governed, a process that enhances the reasons for the state.

Furthermore, the Public Accounts Committee (PAC), a committee of the Ghanaian Parliament with oversight responsibilities over the nation's public purse have been demonstrating their acknowledgement of the utility value of the AG's report through the public verifications of the officials indicted by the AG. The AG's reports have been the vehicles through which PAC exercises its oversight responsibilities over the management of Ghanaian public funds. For instance, PAC has been inviting public officials who have been indicted by the AG to appear before it and answer questions relating their incrimination by the AG.

The Committee sittings on such issues are usually aired live on Ghana Television. Unfortunately, PAC work does not seem to be having any significant impact because it does not appear to go beyond mere questioning the officials because the public hardly hears of PAC taking immediate result oriented concrete action against indicted public officials. It seems the most the Committee has done is to advise indicted public officials to take audit queries seriously whist encouraging the AG to compel the auditee to response to his audit queries by invoking the powers provided him under Section 29 of the Audit Service Act, 2000 (PAC report, 2010). They also recommended that matters of financial misappropriations that have been referred to the police for action should be taken over by the Attorney General (PAC report, 2010).

Section 29(1) of the Audit Service Act 584, 2000 directs the AG to issue audit observations to Controller and Accountant General (CAG) or management to be responded to within 30 days. To check against nonresponses to the AG's queries; Section 29(2) empowers the AG to directs the withholding of the emoluments and allowances of public officers who fail or refuse to response to the AG's audit observations within the stipulated 30 days period as long as the officer fails to comply. Thus, it seems the PAC encouragement of the AG to invoke Section 29(2) of the Audit Service Act 584; merely sought to check or at least reduce the nonresponse behavior of public officers to the AG's audit observations.

Nevertheless, the work of the PAC is necessary and can contribute toward instilling financial discipline in the management of Ghana's public funds because the Committee's objectives of ensuring compliance with established criteria; ensuring the ratification of breaches of financial discipline; the implementation of the specific recommendations of the AG are gradually and slowly being achieved. For example, PAC 2010 report on the AG report on the Public Accounts of Ghana (MDAs) for the year ended December 31, 2006; shows that the management of MDAs had taken steps to implement some of the AG's recommendations since the publication of the AG's report (PAC report, 2010). The report further stated that the MDAs claims of implementation of the AG's recommendations were verified through responses submitted by the MDA with the assistance of the AG.

Ghana Integrity Initiative (GII), Ghana chapter of Transparency International, a not-for-profit organization; also acknowledge the ability of the AG's report to influence taxpayers judgments and decisions. It did so by using the AG's reports of 2009 to 2011 to launch a sensitization program dubbed "Show me the money." This campaign was aimed drawing the Ghanaian taxpaying public attention to some of the findings of the AG's report that had not yet been acted upon by the appropriate authorities. Based on the AG's findings and recommendations, GII also collaborated with the Internal Audit Agency and organized capacity building workshop for all the internal auditors of the MDAs in Accra with the view of promoting behavioral change and curbing corruption (Ghana Integrity Initiative Report, 2014).

Other evidence from Pimpong (2015) findings show that the AG's report has information content in Ghana. Similarly, Scot (2017) uses the AG's report to identify "a trend of financial malpractices including outright thefts, embezzlements, misappropriation and misapplication of various funds including both internally and externally generated funds" in the Metropolitan, Municipal and District Assemblies (MMDAs) from 1997 to 2014. Furthermore, Asiedu and Deffor (2017) study recalls a loss of US$60 million through violations of the procurement laws, financial irregularities, administrative lapses, corruption; and another loss of US$246,744.24 due to unhealthy cash management, tax irregularities among others from the 2011 AG report that Ghana.

The Minister of Finance statement that the implantation of 53 recommendations of the PAC whose work is based on the AG's report; let to the recovery of GH₵96,352,254.00 to the State (2019 Budget statement, 403, 2019); also attests to relevance of the AG's report in the management of Ghana's public funds. Similarly, Banda (2019), a Zambian analyst also proved that the AG's report has utility value in its users judgments and decisions. Incensed by the revelations in the Zambian AG's 2017 report of huge amounts of unaccounted-for funds, irregular payments, wasteful expenditures, violations of procurement procedures, overpayments and misappropriations of public funds; Banda (2019) challenged the stakeholders to work collaboratively and ably to address the issues of financial indiscipline in the management of the Zambian public funds.

The entrenched recurring corrupt practices in the management of Ghana's public resources is an indictment on Ghana's integrity and on her preparedness to fight corruption and promote financial discipline and accountability in managing her public funds. The indictment presents Ghana as engaging in propagandist and mere lip-service exercise to use Appau and Anku-Tsede's (2015) words. Such a propagandist and lip-service approach to the fight against corruption in the public sector, can achieve absolutely nothing but bends on burdening the poor taxpayer with additional expenditures since every apparent effort aims at fighting corruption whether successful or failed must still be paid from the taxpayers' scarce financial resources.

In light the above outlined theoretical foundation and the raised concerns, this study seeks to test the following research hypotheses:

Ho1: The AG's report has no significant effects on the perceived practice of transparency, probity and accountability in the management of Ghana's public funds.

Ha1: The AG's report has significant effects on the perceived practice of transparency, probity and accountability in the management of Ghana's public funds.

Ho2: The AG's report has no significant effect on the perceived promotion of financial discipline in the management of Ghana's public funds

Ha2: The AG's report has significant effect on the perceived promotion of financial discipline in the management of Ghana's public funds

Ho3: The AG's report has no significant effect on the perceived quality of public fund managers' reports in Ghana.

Ha3: The AG's report has significant effect on the perceived quality of public fund managers' reports in Ghana.

Ho4: The AG's report has no significant effect on the taxpayer disposition to voluntarily fulfill his tax obligation in Ghana.

Ha4: The AG's report has significant effect on the taxpayer disposition to voluntarily fulfill his tax obligation in Ghana.

Ho5: The AG's report has no significant effect on the taxpayer willingness to forgive and allow a corrupt public official who has been indicted by the AG for misappropriating public funds to remain at post.

Ha5: The AG's report has significant effect on the taxpayer willingness to forgive and allow a corrupt public official who has been indicted by the AG for misappropriating public funds to remain at post.

CHAPTER THREE

THE PFM REGULATORY FRAMEWORK OF GHANA

3.0 Introduction

This chapter presents the context of the study in three subsections. The first section presents the profile of Ghana, the study country briefly outlining some relevant background information of Ghana. The next section deals with Ghana's public financial management regulatory framework with focus on the purpose of a PFM regulatory framework, and the regulatory requirements for the audit of the public accounts of Ghana by the Auditor General. The final section of the chapter relates the evidence from the literature of how Ghana's public funds are being managed.

3.1 Brief profile of Ghana

Ghana (the Black Star of Africa) is a West African country situated on the Gulf of Guinea (Atlantic Ocean) to the south and Burkina Faso to the north. It is sandwiched between La Côte d'Ivoire to the west and Togo to the east. It covers a total area of 238,537 square kilometres and is divided into 16 regions and 110 districts for administrative purposes. It lies between latitudes 4° and 12°N and longitudes 4°W and 2°E. Its industrial city, Tema is located on longitude 0º (Greenwich Meridian), and on latitude 5º N of the Equator. So, Ghana is the closest country "to the centre of the world where the Equator and Greenwich Meridian meet at coordinate (0, 0)" (Sakyi, 2011) because Ghana is only about 555km north of the centre of the world which occurs at coordinates (0, 0) in the Atlantic Ocean.

The name Ghana is derived from the medieval Empire of Ghana which collapsed in the 13th century. It is believed that the ancestors of the people of modern Ghana migrated from the ancient Empire of Ghana.

Ghana gained independence from Great Britain its colonizer on March 6, 1957 under the able leadership of Osagyefo Dr Kwame Nkrumah who was its first president. It was the first black nation in sub-Saharan African to gain independence from colonial rule. It became a republic on July 1, 1960. However, not long after becoming a republic, Ghana suffered a long period of military dictatorship until republicanism was restored on January 7, 1993 with the December 7, 1992 elections based on the 1992 Constitution. It is a unitary constitutional democratic nation led by an elected president. It is now considered as one of the most thriving democracies on the African continent and often referred to as an island of peace in a very volatile region.

Ghana is a land of great cultural diversity with different cultural festivals celebrated for different reasons at different times by the different ethnic and or religious groups. It is also endowed with great tourists attractions across the country including the Cakun Park, the Elemina Castle that housed the slaves before they were forcefully taken out from Africa to the new world; the Mole Park in the Savanah Region that is a haven to many wild animals in their natural habitat; and many other interesting sites.

It has an estimated population size of about 28 million inhabitants distributed among many different ethnic, linguistic and religious groups. Many Ghanaian languages are spoken in the country. However, English is the official language and the language of government business. Ghana is notoriously religious; and according to the 2010 census, 71.2% of the population of Ghana are Christians, 17.6% Muslims; 5.2% traditionalists; 5.3% are not affiliated to any religious group and the last group of 0.8% representing other (GSS, 2013).

The nation is blessed with many natural resources of great economic value including gold, diamond, bauxite, manganese, shea-trees, timber, silver, salt, oil among others. Nevertheless, its economy is predominately agriculture based with the sector employing about 60% of the workforce and contributing about 45% of the gross domestic product (GDP). It also depends on exporting unprocessed economic materials including god, timber, manganese, diamond, bauxite, and other products such as: cocoa beans as the second largest cocoa producer, horticultural products, handicrafts with little processed and manufactured goods. In spite its natural wealth, its GDP for the year 2018 was (US dollars) $51.82 billion and $47.02 billion in 2017 as compared with Nigeria's record of $397.47 billion for 2018 and $376.36 billion for 2017. South Africa also bagged $376.68 billion and $349.30 billion in 2018 and 2017 respectively as compared to Ghana (Kneoma Corporation US, 2018).

Figure 3.1 below is the map of Ghana with her flag and her code arms immediately underneath the illustrated map. The figure presents the nation's geographic location showing it sandwiched between the Gulf of Guinea (Atlantic Ocean) to the south and Burkina Faso to the north; as well as La Côte d'Ivcoire to the west and Togo to the east as related above. It also shows the national capital, Accra on the coast and some of its regional capitals all over the country. It has great water bodies including the largest human made lake on the Volta river which runs through the entire length of the country with two sources in the Upper East and West Regions and empties into the Atlantic Ocean in the south.

Figure 3.1 Map of Ghana

Source: (GSS, Ghana factsheet http://statsghana.gov.gh/docs/countrypdf_gh.pdf)

The of Flag of Ghana

The Code of Arms

3.2 Public financial management regulatory framework of Ghana

3.2.1 Public financial management framework

A regulatory framework refers to a set of laws, rules and regulations that a group of people uses to protect human lives and property, maintain order and peace, guide and promote the efficient functioning of all human activities including the management of private and public financial resources. Consequently, a public financial management regulatory framework is a set of laws, rules, regulations, standards, procedures, among others that guides, regulates and ensures efficient financial management of the public funds of any given group. In most cases, it is the articulated constitutional and legal instruments established to guide and promote transparency, probity, accountability and financial discipline in the management of a group's public funds from mobilization through distribution, utilization to accounting and reporting to the relevant stakeholders.

This is consistent with Akotia (1996) refers to a public financial management regulatory framework as the constitutional provisions and legislative enactments that govern public financial administration. He argues that; the provisions for the financial administration in The Gambian Constitution and the Act of Finance and Audit constitute the regulatory framework for the management of the Gambian consolidated fund.

Similarly, Herbert's (2007) position supports this perspective that, a regulatory framework for the management of public money is a set of laws, rules and regulations. He notes that "the legal authority and regulatory framework for the management of public money in Trinidad and Tobago primarily resides in two critical legislative instruments (the constitution and the financial management legislation, the Exchequer and Audit Act, 1959 together with its subsidiary legislation, the Financial Regulations 1965 and the Financial Instructions 1965)."

Iyoha and Oyerinde (2009) corroborate this position by holding that a regulatory framework for managing the public finances of the Federal Republic of Nigerian consists of its 1999 Constitution, the Finance (Control and Management) Act, 1990 as amended, the Audit Act 1956 as amended, financial regulations and circulars. .

Furthermore, Zinyama (2013) agrees with this view by stating that a legal and regulatory framework is the "legislation that governs the management and control of public funds." this is consistent with Ekpo's (2016) position that a public regulatory framework for a financial management system comprises of regulations, rules and procedures for the purpose of promoting financial discipline, ensuring optimal allocation of resources and judicious use of scarce resources in a manner that is consistent with the strategic priorities of government. Nkwagu, Uguru and Nkwede (2016) definition of public financial management regulatory framework also supports this understanding. They refer to a public regulatory framework as the laws and regulations that guide the relevant authorities, preparers and auditors in the performance of their require public duties as players in the management of public funds.

This overview of a PFM regulatory framework shows that a PFM system for the management of public resources of any nation has a constitutional and legal backing that makes it binding on all the actors in the PFM chain. The constitutional and legal force behind the PFM regulatory framework is meant to ensure that public funds are managed with transparency, probity, accountability and with financial discipline. It is also meant to sanction breaches against the PFM system in accordance with the constitutional and legal prescriptions contained in the PFM regulatory framework governing the management of the particular public fund.

3.2.2 Functions of a public financial management regulatory framework

It is obvious from the above sketch on the PFM regulatory framework that the primary objective of a PFM regulatory framework is to instil financial discipline in the management of public funds from resource mobilization through allocation, monitoring and controlling expenditure to accounting and reporting on them. This objective overarches in ensuring value for money delivery of quality public services and works, promoting openness, transparency, probity and accountability. The attainment of these objectives of the PFM regulatory framework are usually assessed through the verification of all public accounts by an independent SAI whose findings are reported to the appropriate relevant stakeholder groups for actions.

This is consistence with Sahgal and Chakrapani (2000) view that the inbuilt controls of the PFM regulatory framework and performance systems to check compliance with rules, regulations, procedures and the established budgeting system guide and check the entire financial management process. This position is corroborated by Herbert's (2007) view that, a public sector regulatory framework sets the parameters for control of public funds; emphasizes principles of fiscal discipline, prudent management and reporting on public expenditure that is monitored and scrutinized by established state audit institutions such as Office of the AG and PAC.

The Chartered Institute of Public Finance and Accountancy (CIPFA) the professional body for people in public finance and accountancy summary of the benefits of a PFM regulatory framework suggests that; it "drives the performance of the public sector through the effective and efficient use of public money" (CIPFA, 2010). This is supported by Graham's (2011) view that public financial management framework is an important tool that helps the public sector to take care of its money in a systematic, efficient, transparent and legitimate way using its three cornerstones of resource mobilization and allocation; controlled expenditure; and accountability to prevent abuse and create incentives for the delivery of quality goods and services to the public with economy, efficiency and effectiveness.

In a word, an efficient, effective and robust public financial management regulatory framework helps to safeguard and protect public financial resources from unauthorize removals as well as check abuse and corruption. It promotes financial discipline, transparency, probity and accountability in the management of the public purse. It is used as the standard for measuring the performance of the managers of the public purse since it contains the objectives, laws, rules, regulations, standards, policies, etc. that guide and regulate how public funds are raise, allocated, expended, recorded, accounted for and reported on. These are usually used to compare with the actual performance and state of affairs of the reporting public entity. So, a well-functioning PFM regulatory framework can inspire trust in the taxpayers and the general public that government is managing their finances in a manner that promotes their interest and wellbeing (IFAC, 2012).

As Ekpo (2016) notes, a public sector financial management regulatory framework serves as a guide for the conduct of government business, because it provides a common standard for the acquisition, allocation; for the accounting and reporting for the utilization of allocated public funds for stated objectives. He contests that such a uniform standard is “necessary to ensure probity and transparency in the control and management of public expenditure” which can help protect public resources and promote the desire transparency and accountability in the use of scarce public funds with efficiency, effectiveness and economy.

3.2.3 Public financial regulatory framework of Ghana

The regulatory framework for the management of Ghana's public financial resources comprises the relevant provisions in Chapter 13 of the 1992 Constitution; the Public Financial Management Act 921, 2016 which replaced Financial Administrative Act 2003; the Audit Service Act 584, 2000; the Internal Audit Agency Act 659, 2003; the Public Procurement (Amendment) Act 2016. Other supplementary and complimentary Acts include, the Petroleum Management (Amendment) Act 893, 2016; and the Fiscal Responsibility Act 982, 2018.

The constitutional provision and these laws all seek to guide, regulate and protect Ghana's public funds from abuse, embezzlement and corruption as well as promote transparency, probity, accountability and financial discipline. However, given the scope of this study, only chapter 13 of the 1992 Constitution, PFM Act 921, 2016; Audit Service Act 548, 2000 and Internal Audit Agency Act 659, 2003 are considered relevant for the purpose. Consequently, the rest are beyond the scope of this study and subsequently not discussed in this research work.

These laws are supplemented by the Financial Administration Regulations (FAR) of 2004; Audit Service Regulations of 2011; Internal Audit Regulations of 2011; and the International Public Sector Accounting Standards (IPSASs) that were adopted in November 2014 as a "set of rules to be used by public sector entities in Ghana in the preparation of financial statements" (AG report, 2015).

The position of this study that Ghana's PFM regulatory framework comprises of the constitutional provisions and acts of parliament is corroborated by Akotia (1996) who maintained earlier that, the main laws governing the public financial management of Ghana consist of the Constitution, Financial Management Decree and Regulations as well as the Audit Service Decree.

In addition to these constitutional provisions and acts of parliament, the PFM regulatory framework quest for financial discipline, transparency, probity and accountability in the management of Ghana's public purse is facilitated by the institutions of the AG; PAC; the Financial Courts that were created by the Financial Administrative Act (FAA) 654, 2003; EOCO; SFO; the Office of the Special Prosecutor (OSP) whose mandate is to investigate and prosecute cases and allegations of corruption and other criminal wrongdoing and violations of the Public Procurement (Amendment) Act 914, 2016 as well as cases implicating political officeholders (Tornyi & Emmanuel, 2018); and Ministry of Justice and Department of Attorney General whose work are all aim and directed towards enhancing and reinforcing the workability of the PFM regulatory framework in order to achieve the stipulated noble objectives of regulatory framework.

3.2.4 The constitutional provisions on public financial accountability

Ghana made her intention for an efficient, effective, economy, transparent and accountable management of her public resources very clear in chapter 13 of the 1992 Constitution. This is in keeping with her declaration and affirmation in the Constitution to a commitment for freedom, justice and accountability. This chapter of the Constitution on finance provides the general constitutional framework for the raising, controlling, expending, accounting for and reporting on Ghana's management of her public funds. It provides that taxes shall only be raised or waved with the approval of Parliament (Article 174.1-3). It also specifies and requires that all the public funds of Ghana be lodged in the Consolidated Fund, the Contingency Fund and any other fund that may be established by the authority of an Act of Parliament.

Furthermore, the chapter directs "all revenues or other moneys raised or received for the purposes of, or on behalf of the Government; and any other moneys raised or received in trust for, or on behalf of the Government" to be paid into the Consolidated Fund (Article 176.1). The proceeds of loans which can only be contracted with the authorization of Parliament (Article 181.3) are also required to be lodged in the Consolidated Fund or in any other fund approved for that purpose (Article 181.4b).

As the Constitution commands all public funds to be lodged in the consolidated fund or in a designated fund, so does forbids the withdrawal of any moneys from the Consolidated Fund except when it is for the purpose of meeting an expenditure that is charged on the fund by the constitution or by the authority of an act of the Parliament of the Republic; or is authorize by the Appropriation Act; or supplementary estimates approved by Parliament (Article 178); or by an Act of Parliament enacted under article 179 of the Constitution; or by rules or regulations made under an Act of Parliament in respect of trust moneys paid into the Consolidated Fund. In short, Articles 178-180 permits the withdrawal of monies from the Consolidated Fund for public expenditures if they have been captured in the annual estimates (budget) in accordance with Article 179; and have been duly authorized by an act of parliament; or for the payment or repayment of a loan (Article 181.6a).

These stipulations of the Constitution on how to manage Ghana's public monies are similar to the controls that are usually used to control or protect cash in organizations. Thus, these constitutional provisions are directed at ensuring checks and balances in the management of Ghana's public funds in order to protect the raised or received public funds from unauthorized removal, embezzlement and corruption. It also ensures that the raised public funds of the nation are secured, available and to be utilized for only legitimate and authorized expenditures for the benefits of the Ghanaian taxpayers.

3.2.5 Acts of parliament on public financial management

In keeping with the spirit of the chapter 13 of the 1992 Constitution and Ghana's commitment to the ideals of transparency, probity, accountability and financial discipline, the Parliament enacted Public Financial Management Act 921, 2016 to replace FAA Act 654, 2003. The Act seeks "*to regulate the financial management of the public sector within a macroeconomic and fiscal framework; to define responsibilities of persons entrusted with the management and control of public funds, assets, liabilities and resources; to ensure that public funds are sustainable and consistent with the level of public debt; to provide for accounting and audit of public funds and to provide for related matters*" (PFM Act 921, 2016).

In short, the PFM Act 921 (2016) reinforces and operationalizes the constitutional provisions of chapter 13. In addition, it identifies the principal officers of the Ghanaian PFM as the: Minister of Finance, Chief Director, Controller and Accountant-General, Principal Account Holders, Principal Spending Officers and any other public officer the Minister of Finance may designate. After identifying the principal actors in the management of Ghana's public purse, the Act tasks them to "discharge their respective responsibilities and exercise their powers in accordance with this Act and the Regulations."

The PFM Act 921 (2016) identification of different persons to different management roles and responsibilities within the PFM system is consistent with the general practice and rule of segregation of duties in efficiently operated organizations. This is usually used as a control mechanism to check people, to protect assets, to guard against waste, unauthorized and fraudulent usage of the protected asset. So, the PFM Act 921 gesture is a laudable efficient management control tool aimed at protecting the Ghanaian public purse from fraudsters and corruption.

3.2.6 The responsibilities of the principal actors

PFM Act 921 Section 4 tasks the Minister of Finance with the responsibilities "… for the policy and strategic matters related to the efficient operations of the (Ghanaian) public financial management system … subject to policy guidance from Cabinet." The Minister responsibilities include preparing and laying before Parliament the annual and supplementary budget estimates[4] for approval; the implementation of the approved budget as well as monitoring and assessing it in the light of government fiscal policy. Other responsibilities are the issuance of a policy framework for bank and cash transactions in order to protect the public liquid assets; and the formulation of directives and instructions to facilitate an effective and efficient financial management of the Ghanaian public assets, public debts, transparently and accountably.

[4] Budget estimates is a document detailing the process of how the state intends to mobilize, distribute, expend, coordinate and control its public financial resources.

Section 5.1a; empowers the Minister to request for reports and or information from covered entities[5] or persons receiving public funds to ascertain the justification for the funds and or whether the funds have been applied in accordance with the Act. The Minister is also charged to establish structures that he deems necessary for the efficient and effective implementation of the Act (Section 5.1b). He is empowered and tasked to surcharge people for causing financial loss through administrative procedure or court action (Section 97).

The Chief Director, one of the principal actors, is charged with the responsibilities of advising "…the Minister on economic, budgetary, and financial matters and on matters related to the implementation of this Act; coordinate the preparation of the fiscal document, budget estimates and appropriation bill." The Chief Director is also responsible for coordinating the promotion and enforcement of transparent, efficient and effective management of public revenue, expenditure and the assets and liabilities; monitoring the performance of the public financial management system; and preparing reports to that effect within one month after the end of each quarter on the implementation of the annual budget and submitting it to the Minister (PFM Act 921, 2016 Section 6).

The Principal Spending Officer of a covered entity is required by the Act to ensure the "regularity and proper use of money appropriated in that covered entity; authorize commitments for the covered entity within the ceiling set by the Minister under Section 25; manage the resources received, held or disposed of by or on account of the covered entity."

[5] According to PFM Act 921 (2016), ***covered entities*** refer to the Executive, Legislature and Judiciary; constitutional bodies; MDAs and local government authorities; the public service; autonomous agencies; and statutory bodies.

The Act requires the Principal Spending Officer to establish effective system of risk management, internal control and internal audit (PFM Act 921, 2016 Section 7).

The Controller and Accountant-General (CAG) who is appointed by the President in accordance with article 195 of the 1992 Constitution, is the Chief Accounting Officer of the Government. As the Chief Accounting Officer, he is the chief advisor to the Minister of Finance and government on matters relating to accountancy (PFM Act 921, 2016 Section 8.1). As part of his responsibilities as the chief accounting officer, the CAG is responsible for the custody, safety and integrity of the Ghanaian public funds; for the issuance of general instructions to the principal spending officer in accordance with this Act; developing efficient accounting systems for the public sector; keeping records, preparing and publishing financial reports in accordance with this Act (PFM Act 921, 2016 Section 8.4).

3.2.7 Annual reporting

The Act requires the Principal Spending Officer through the Principal Accounts Holder, to prepare and submit quarterly (by 15th of the month following each quarter) and annual (within two months after the end of the year) financial statements to the CAG. With the reports from Principal Spending Officers, the CAG also prepares and submits quarterly reports to the Minister of Finance at the end of the month following the quarter. Copies of the Principal Spending Officer annual reports indicating any actions taken concerning the recommendations from Parliament based on the Auditor General's report of the previous year, are to be submitted to the Auditor General; who within six months into the year examines and audits the public accounts of Ghana and reports his findings to the Parliament (Constitution article 18; PFM Act 921, 2016, section 84 and Audit Service Act, Act 584, 2000).

3.3 The place of audit in Ghana's PFM regulatory framework

The PFM system of Ghana has two layers of audit, internal and external. The internal audits of covered entities are performed by the Internal Audit Units (IAUs) that are supervised by the Internal Audit Agency which was established by the Internal Audit Agency Act 658, 2003 (IAA). The IAA is responsible for setting standards and procedures for the conduct of internal audit activities; coordinating; facilitating; monitoring and supervising the internal audit activities of covered entities to facilitate the quality of internal audit services within these entities (IAA Act 658, 2003).

The IAU in consultation of the Principal Spending Officer and in accordance with the IAA guidelines, prepares an audit work plan for the year covering appraisal and reporting on: the soundness of the system of controls; compliance with controls and operating systems; budget planning, implementation and compliance with national goals and objectives; development of initiatives, procurement of goods, services and works; value for money on expenditure; follow up on agreed audit recommendations and required corrective actions; systems of revenue collections and accountability and the proper and timely use of the public financial information systems. Copies of the IAU audit work plan as well as quarterly reports on its execution are given to Principal Spending Officer, the Audit Committee and the Internal Audit Agency (PFM Act 921, 2016, Section 83.6 & 7).

The IAU reports suspicions of fraud or misuse of public funds to the Principal Spending Officer; but if the suspected case of wrong doing is in relation to the Principal Spending Officer, the unit reports to the Director General of the Internal Audit Agency who shall in consultation with the Chairperson of the Audit Committee initiates investigations into the suspected fraud or misuse of public funds (PFM Act 921, 2016, Section 83.9 & 10) .

Section 30 of the Audit Service Act 584, 2000 and PFM Act 921 Section 86 stipulate the establishment of Audit Committees to enforce the recommendations of IAUs, Parliament decisions on the AG report, and the AG's management letter. The Committee is also responsible for the preparation of annual statements showing the stages of implementation of the IAU recommendations, Parliament decisions on AG's report and recommendations and any remedial actions taken to avoid the recurrence of fraud or misapplication of public funds in the future. The Act requires the endorsement of the Audit Committee report by the sector Minister who shall thereafter forward it to the Minister of Finance, Parliament, Office of the President and the AG within six months after the end of each year (Audit Service Act 584, 2000, Section 30.1-4 and PFM Act 921, 2016, Section 88.2c).

3.3.1 External auditing

The external audit of the public accounts of Ghana is conducted by the Ghana Audit Service. The Service dates back to 1910 when the colonial government established it as Audit Department under the headship of a Director. In the 1950s it became Auditor-General Department which was upgraded by the 1969 Constitution to Audit Service headed by an Auditor General to increase the degree of independence (Ghana Audit Service). This status is retained by the 1992 Constitution in Articles 187 – 189; Audit Service Act 584, 2000; Audit Service website, 2018).

The Audit Service has a vision "to become a world class Supreme Audit Institution, delivering professional, excellent and cost-effective auditing services." The vision is supported by its mission to "promote good governance, transparency, accountability and probity in Ghana's public financial management system by auditing to recognized international standards and reporting our audit results and recommendations to Parliament" (Ghana Audit Service, website).

The Audit Service is headed by the Auditor General and superintended (governed) by the Audit Service Board that is chaired by the President's appointee (Audit Service Act 584, 2000, Section 3.2a). The Board is tasked (Audit Service Act 584, 2000, Section 4.1) to:

a. *Determine the structure and technical expertise required for the efficient performance of the functions of the Service;*
b. *Ensure that the auditing activities of the Audit Service as spelt out in this Act are carried out in accordance with best international practices;*
c. *Appoint officers and other employees of the Service other than the Auditor-General; and*
d. *Determine the terms and conditions of service of officers and other employees of the Service other than the Auditor-General.*

In the light of the vision and mission of the Service, the Auditor General executes his constitutional duty of auditing the public accounts of Ghana. Articles 187 - 189 of the 1992 Constitution; Audit Service Act, Act 584, 2000 and PFM Act 921 Section 84 state clearly that the public accounts of Ghana shall be examined and audited by the Auditor General who shall submit his findings to the Legislature for action. The Auditor General is appointed by the President of the Republic of Ghana in consultation with the Council of State (Audit Service Act, Act 584, Section 10.1). Nevertheless, he is independent to prevent any undue interference form the executive. The Act implied this by indicating that the AG in the performance of his functions under the Audit Service Act or any other law; shall not be subject to the direction or control of any person or authority (Audit Service Act 584, Section 18.1a).

Other matters related to the independence of the AG (Audit Service Act 584, Section 18b) are his powers to disallow any item of expenditure that is contrary to law and surcharge the disallowed expenditure amount upon the person who caused it (Audit Service Act 584, Section 17). He can also surcharge any sum which has not been duly recorded in the accounts upon the person responsible. Similarly, he is also empowered to sanction audit officers for inappropriate behaviors (Audit Service Act 584, Sections 33 & 34). Also, Section 10.4 of the Audit Service Act 584 supports the independence of the AG because it indicates that, once appointed, the AG remains in office until retirement age of 60 years. In spite of the independence of the AG, he may be removed from office if he is found to be incompetent or unable to carry out his responsibilities as a result of infirmity of body or mind. The removal process shall be initiated by the Chief Justice and supported by a resolution voted on by at least two-thirds of all of the Judicial Council.

3.3.2 The functions of the AG

The functions of the Auditor General according to Audit Act 584, 2000 Section 13 are to examine the public accounts of Ghana and report whether in his opinion:

a. *Proper records and accounts of the sector's transactions have been kept;*
b. *The rules and procedures applicable are sufficient to secure an effective check on the assessment, collection and proper allocation of the revenue as well as safeguard and control public property;*
c. *All public monies due have been fully and properly accounted for;*
d. *Appropriated funds have been expended for the purposes for which they were appropriated, and the expenditures have been made as authorized; and*

e. *Programs and activities have been undertaken with due regard to economy, efficiency and effectiveness in relation to the resources utilized and the results achieved.*

The audit and report on the AG's findings are expected to help instill financial discipline; improves transparency, probity and accountability in the sector. Further, the AG's report is also intended to be used as a control tool to safeguard public properties against loss, misuse and damage; prevents fraud, waste and abuse; promotes best practices and assists in the achievement of good governance (Ghana Audit Service, 2018).

Figure 3.2 below illustrates the agency or fiduciary relationships among the various actors in the management of the Ghanaian public funds. The figure shows that the Ghanaian taxpaying public supplies financial resources to their public sector, to be used to provide public goods and services. The taxpayers supply of the resources to their public sector goes with a demand to their agents to account on how the public resources were raised and expended. The prepared public purse managers' reports are verified by the AG, who submits his findings to the Parliament. Parliament crosschecks with public officials who have been indicted by the AG. It also helps to enforce the AG's findings and recommendations according to the PFM regulatory framework.

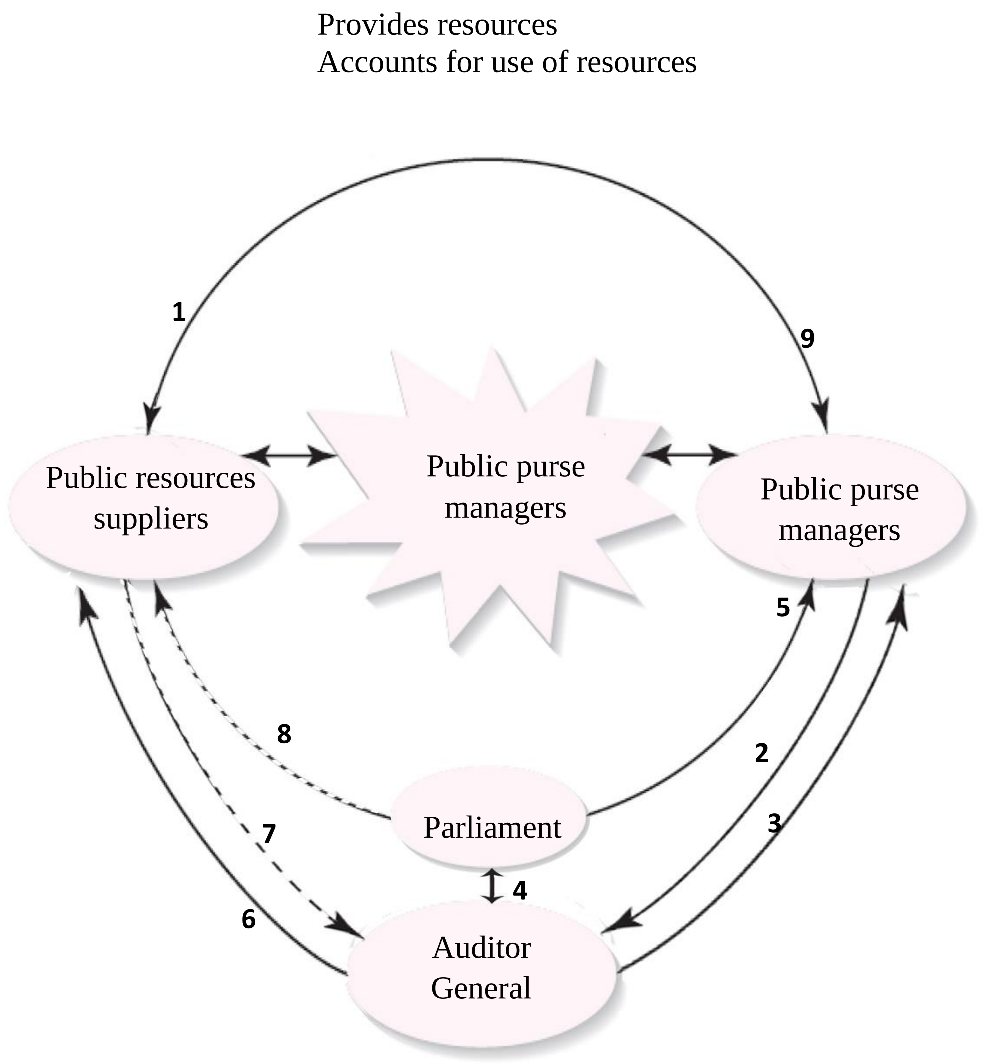
The figure illustrates how Parliament plays a crucial role in the accountability of Ghana's public funds. It shows that Parliament exercises parliamentary oversight and control over the management of public funds of Ghana using the AG's report and recommendations as the steppingstones. The figure shows that PAC that examines the AG's annual report and recommendations together with the corresponding audited public entity's accounts in detail, probing into instances of deviant behaviors such as infractions, irregularities, wastes, fraud and corruption in the management of Ghana's public funds. It is implied from the figure that PAC summons officials of public entities that received adverse reports from the AG to appear before it and explain their deviant conduct and behavior. PAC after examining the AG's report, recommendations and the public accounts in details, reports back to Parliament, its findings and recommendations for implementation with the view to improving transparency, probity accountability and discipline in the management of Ghana's public funds.

The foregone explanation is consistent with the objectives of PAC (Report of PAC, 2010), which include ensuring that:

1. MDAs' deviations from and breaches of financial rules, regulations and practices, as noted by the AG are rectified.
2. The various MDAs have instituted adequate measures to strengthen the internal controls which the AG identified to be weak in order to safeguard and protect the public purse from unauthorized usage and removal, and
3. The specific recommendations of the AG have been implemented by the respective Audit Report Implementation Committees.

Consequently, figure 3.1 underscores the critical role that the AG, the verifier of Ghana's public accounts, is playing in mediating transparency, probity, financial discipline and accountability in the management of Ghana's public purse. This role is so crucial that it has the potential to affect the availability public of funds, the quality of delivered public goods and services, the job retention of a public official indicted by the AG for corruption, as well as the economic advancement and development of the nation. Therefore, it should be taken seriously by all the national stakeholders.

Figure 3.2 AG's oversight and foresight role in public sector financial accountability



Key to figure:

1. Resource providers supply financial resources to public funds managers
2. Public purse managers submit financial statement to the AG for verification
3. AG communication and recommendations to public purse managers
4. AG submit findings to Parliament for action
5. Parliament publicly interrogates indicted public purse managers, which is indirectly available to the public (8)
6. AG reports to the public by submitting copies of reports to public university libraries
7. Public (media, researchers) obtain clarification or general information from AG
9. Public purse managers account for use of provided resources via AG and Parliament

3.3.3 Evidence of the actual management of Ghana's public funds

The preceding section outlined extensively the efforts being made by Ghana to instill financial discipline, promote transparency, probity and accountability in the management of her public financial resources. It is abundantly clear from the above exposé that the PFM provisions for guidance and control in the decisions and actions of managers of Ghana's public purse in the discharge of their duties and responsibilities are directed towards ensuring that the desired objectives of the PFM are achieved.

Unfortunately, the reality on the ground is different. Successive Auditors General since the returned to constitutional rule in 1993; have consistently highlighted entrenched recurring infractions on financial discipline, internal control weaknesses and other irregularities covering seven broad areas such as: cash, tax, payroll, debts, contract, rent and stores or procurement that have been impacting negatively on the nation's finances. A summary of the financial losses to Ghana arising from the entrenched corrupt practices in the management her public funds are presented in Table 3.1 below.

Table 3.1 Summary of the financial irregularities from 2000 - 2018

Year	GH₵
2018	5,196,043,400
2017	892,396,375
2016	2,165,542,375
2015	505,179,135
2014	252,786,587
2013	477,708,456
2012	395,718,552
2011	119,488,756
2010	173,174,541

2009	2,749,897,118
2008	496,459,472
2007	348,580,148
2006	279,770,000
2005	257,400,100
2004	26,991,360
2003	24,344,000
2002	14,368,000
2001	2,944,300
2000	18,008,500
Total	14,396,801,174

Table 3 1

Source: Extracted from the AG's reports from 2000 to 2018, Ghana Audit Service.

Table 3.1 shows how much of Ghana's public funds that could have been used to improve on the quality of the goods and services she provided, or could have been used to provide additional or other goods or services to the citizenry, but that ended up in the pockets of some selfish public officials. These entrenched wanton embezzlements and corruption in the Ghanaian public sector make any reasonable objective observer wonders whether Ghana's PFM regulatory at least is weak, or broken or unworkable, or simply unenforced?

Figure 3.2 is a clear demonstration of how the entrenched and recurring corrupt practices in the management of Ghana's public funds are hindering Ghana's developmental efforts. It obvious that, the staggering illegal diversions of public funds are hindering Ghana's attempts to provide quality public goods and services while ensuring value for money expenditures. Above all, they can greatly affect the nations efforts at managing her financial resources with transparency and probity, with discipline and accountability. Duffuor (Ghanaian Chronicle August 25, 2011) captures this concern when he cited Hans Corell, a UN Counsel's view that corruption is a poison that affects all nations. However, its negative effects on developing nations are grave, because it is a major obstacle to their advancement and economic development. The most worrying negative effect of corruption on developing countries is that, it destroys their efforts to establish the rule of law, discourages potential investments and frustrates the hopes of lifting the living standards of the poor (Ghanaian Chronicle August 25, 2011).

For instance, the AG's revelation in his 2008 and 2009 reports that a gargantuan amount of GH₵2.7 billion was lost to the state; made Dr Duffuor, the then Minister of Finance to lament that "The wanton spate of corruption, abuse and other financial malfeasance in Ghana's public service institutions is eating up Ghana's economy" (Ghanaian Chronicle, August 25, 2011). He regretted that the nation lost such a whopping amount of GH₵2.7 billion due to lapses, irregularities and errors in the financial management of her MDAs for the period 2008 and 2009 as contained in the AG's report for the year ended December 31, 2009. He lamented that such huge amount could have been used by the state "to finance the ongoing Achimota-Ofankor road, or could have been used to put up health and educational facilities in the deprived areas of the country" (Ghanaian Chronicle, August 25, 2011).

The entrenched recurring financial malfeasances caused the AG to lament in his 2011 and 2013 reports that the cataloguing of financial irregularities by the MDAs in his annual report had become a ritual that seemed to have no effect since the affected MDAs were not addressing the basic problems of lack of monitoring and supervision, noncompliance with PFM regulatory framework. He expressed his dissatisfaction with some Chief Executives and other officials responsible for the management of public resources (Ghana Audit Service, 2011 and Ghana Audit Service, 2013).

The negative effects of the ineffective controls on Ghana's public funds was also captured by PEFA final report (2013). The report held that the large deviation from the originally approved budget and actual outturns for the 2011 fiscal year, was largely due to the ineffective establishment of control and commitment control. The report opines that fiscal discipline is weak and remains a substantial concern since it undermines cash management, expenditure and commitment controls and these weaknesses have repercussions on the quality of service delivery in the country because the "noncompliance with the internal control systems most probably impacts upon service delivery through potential waste of resources" (PEFA Final Report, 2013). Based on these findings, the report held that Ghana's PFM system (regulatory framework) is performing at an average standard (PEFA Final Report, 2013) which should be a source of worry to all Ghanaians.

The magnitude of the evidence of the entrenched corruption in the management of Ghana's public funds is so gargantuan that, it has assumed a very worrying dimension because of its huge negative consequences on the general economy of Ghana. The entrenched nature of the disturbing trend of recurring financial malfeasance makes corruption appear so elusive among the Ghanaian public and their governments that; Appau and Anku-Tsede (2015) conclude that it is difficult to find a practical antidote to bury or curb it, apart from holding workshops to discuss it. In the authors view, this attitude emboldens corruption to assume the posture of a norm.

Further evidence of the impunity with corruption is plaquing the Ghanaian public purse, include Pimpong (2015) confirmation of the AG revelations of the huge loss of over two billion Ghana Cedis (GH₵2,000,000,000) through mismanagement and institutional weaknesses in the MDAs between 2005 and 2015. Translating these corruption figures in terms of the nation's GDP; Agyeman, a former Auditor General of Ghana; in a talk delivered at the 36th Annual

Management Week Celebration of the University of Ghana, Business School, Accra on April 15, 2015; noted that financial irregularities and embezzlements by public officials as reported in the AG annual reports are estimated to be about 8% of GDP (Agyeman, 2015).

Corroborating Pinpong's findings; Scot (2017) identified from the AG's reports of 1997 to 2014; "a trend of financial malpractices including outright thefts, embezzlements, misappropriation and misapplication of various funds including both internally and externally generated funds" in the Metropolitan, Municipal and District Assemblies (MMDAs). Asiedu and Deffor (2017) study recalled a loss of US$60 million through violations of the procurement laws, financial irregularities, administrative lapses, corruption; and US$246,744.24 due to unhealthy cash management, tax irregularities among others from the 2011 AG report that Ghana. Similarly, Honorable James Klutse Avedzi, the chairman of the PAC lamented that Ghana had loss a huge GH₵505 million in 2015 alone through unearned salaries to staff of MDAs (Ghanaweb, November 3, 2017).

These concerns are consistent with OccupyGhana worry that Ghana had incurred a total loss of GH₵2,448,968,912.29 between 2003 and 2014 per the AG reports. This caused the group to pray the Supreme Court in 2015 to order the AG to surcharge persons who had caused those financial infractions (Ghanaweb, November 3, 2017). In June 2017, the Supreme Court granted their prayer and ordered the AG to retrieve the looted cash (Ibid). The AG response to the Supreme Court order; has yielded a recovery of GH₵67,315,0066.12 so far (Ghana Audit Service, 2018).

Moreover, another evidence of the mismanagement of Ghana's public purse is underscored by AG's petition to the Ghana Police to expedite the investigation and prosecution of 10 of the 14

MDA officials who were alleged to have perpetuated corruption between 2013 and 2017 that he handed over to them. The other 4 officials were already being prosecuted at the law court (Ghanaweb, January 8, 2019).

Referring to Dr Duffuor statement in 2011 GH₵2.7 billion could have been used to build major roads like Achimota-Ofankor in Accra on the Accra – Kumasi road(Ghanaian Chronicle August 25, 2011); then GH₵2.2 billion in 216 could have been used to support either the massive health or educational infrastructure that the then government had embarked upon. Similarly, the loss of the staggering GH₵5.2 billion to Ghana in 2018 could have been used to improve upon the quality of the government's key policy program, the free comprehensive Senior High School (SHS) education policy. At the inception of this key policy program in 2017, the government allocated a total amount of GH₵400 million to it (PWC, 2017) as compared to GH₵892,396,375 (Ghana Audit Service, 2017) that the country loss in 2017 through the mismanagement, financial malfeasance, embezzlements and corruption costs the nation in the management of her public funds.

Furthermore, the staggering GH₵5,196,043,400 that was illegally siphoned from the public pursed through the mismanagement, embezzlements and corruption far outweighed the meagre the GH₵1,682,641,924 that was allocated to the free SHS in the 2018 national budget, (2019 Budget statement, 2019). Obviously, Ghana could have done more and better in the educational and other sectors if this whopping loss of GH₵5,196,043,400 were channeled into productive uses for the Ghanaian taxpayers' benefit. At least it could have been used to complete the uncomplete senior high infrastructural blocks left behind by the previous government to help accommodate the large number of free SHS enrolled students. This would have helped the nation to avoid the shift or double track system that it is currently being operated at the risks of watering down the merits of the free SHS program being implemented.

Comparing what GH₵2.7 billion could have done in 2011 to GH₵14,396,801,174 the sum total of the entrenched corrupt practices in the management of Ghana's public funds, it is unimaginable how far this whopping figure could have taken Ghana in terms of economic development. This staggering amount GH₵14,396,801,174 represents the accumulated impact of the losses from 2000 to 2018, and the lost opportunities to Ghana for preferring corruption to the enforcement of her PFM regulatory framework, the AG's recommendations and accountability. It is obvious from this staggering evidence that Ghana needs to take drastic measures to regularize the situation to ensure that her scarce financial resources are managed transparently in accordance with the principles of economy, efficiency and effectiveness with discipline and in an accountable manner in accordance with her PFM regulatory framework laws.

It is clear from the above exposed evidence that, the festering negative practices of financial malfeasance, embezzlement and corruption in the Ghanaian public sector are hampering her economic and developmental efforts. It is also clear that they are not showing any signs of abating, which cane probably be attributed to accountability deficits in the sector. The apparent public financial accountability deficit in the country is largely blameable on several factors including low work ethical standards in the country, political and ethnic cronyism, weak systems of internal controls, and the biggest contributor to the accountability deficit in the country, is leadership failures that culminates in institutional oversight deficits.

In spite of the mountain of evidence of embezzlements and corruption in the Ghanaian public sector, neither the governments, nor the Ministry of Justice and Department of Attorney

General, nor the anticorruption institutions that have legal mandates to pursue corruption related cases, nor the Ghanaian people are seen taking concrete and result oriented practicable actions against the public sector corruption. Similarly, the Auditors General have characteristically failed to invoke their punitive powers to disallow and surcharge corrupt public officials to stop the recurrence of this menace. However, it must be noted that, the current Auditor General, Mr Daniel Domelevo in the last three years, started exercising these powers to disallow and surcharge persons who have caused financial loss to the nation. His exercise of such powers; has so far yielded positive results as it led to the recovery of GH₵67,315,0066.12 from disallowances and surcharges to the persons who caused them (Ghana Audit Service, 2018).

Furthermore, there are evidence that GH₵96,352,254.00 embezzled by public officials were recovered through the instrumentality of the AG’s report via PAC recommendations (2019 Budget statement, 403, 2019). The Minister of Finance testified to the recovery of this amount noting that, 53 recommendations of the PAC that were implemented in line with the National Anti-Corruption Action Plan, resulted in the recovery of that huge amount to the state (2019 Budget statement, 403, 2019).

Unfortunately, the AG’s attempts in exercising of his powers to disallow and surcharge are being seriously thwarted and undermined. Some highly ranked government officials who have been indicted by the AG for causing the nation to lose funds through unlawful incurrence of unlawful expenditures, are busily using some ill-informed taxpayers to frustrate the AG and forced him to cancel the disallowance and surcharge against the indicted government officials. Meanwhile they are oblivious to the fact that the disallowances and surcharges were duly and legally executed in accordance with the PFM regulatory framework.

For example, relying on Article 187 subsection 7b – bi of the 1992 Constitution that empowers the AG to disallow any item of expenditure which is contrary to law and surcharge the amount of the expenditure disallowed on the person responsible for incurring or authorizing the disallowed expenditure (The 1992 Constitution, Article 187 Subsection 7 b and bi); the AG disallowed and surcharged the Senior Minster for ordering the payment of $1 million US dollars to a private firm, Kroll and Associates for no work done. Similarly, he disallowed and surcharged the GETFund Secretariat (Ghana Audit Service, 2019) and the GETFund abusers for breaching the laws.

In responding to the disallowance and surcharge, the Senior Minister sued the AG in the law court. As the back-and-forth between the AG and Osafo-Marfo arose to the fore, the Economic and Organized Crimes Organization (EOCO), an anticorruption government entity, decided to lunch a full-scale investigation into alleged procurement breaches by the Audit Service (Nettey, 2019) instead of investigating the former. EOCO move was probably a calculated attempt to silence the AG. At least a cross-section of Ghanaians held this perception (Nyaaba, 2019).

These and similar threats of attacks probably prompted the Danish Ambassador, Tove Degnbol to express her worry over the attacks on the reputation of the Auditor General and the Special Prosecutor (Nettey, 2019) for doing their work. In another move perceived to be directed at supporting the AG in the duel between him and Osafo-Marfo, OccupyGhana a civil society group maintained that, under the 1992 Constitution, the AG cannot mysteriously disappear, cannot be shut up, arrested or lose his job for conducting his constitutionally mandated task (The Independent, 12 December 2019).

Just as the Senior Minister and his team of sympathizers are fighting the AG for indicting him, so are the abusers of the GETFund scholarship busy attacking the AG. For instance, Gary Nimmako Marfo the lawyer for Kennedy Osei Nyarko, Member of Parliament for Akim Swedru who has been implicated in the GETFund scholarships scandal describes the AG's report as unprofessional and porous (General News, 26 February 2020). As the attacks on the AG's reputation rises, Martin Amidu, the Special Prosecutor feels obliged to charge politicians to stop intimidating and attacking the AG over his professional work (Bimpeh, 25 February 2020).

In conclusion, this sketch has so far demonstrated that public financial management regulatory framework is a critical and an indispensable in the accountable management of public funds. The PFM system is crucial because it serves as a guide, director, regulator, standard for evaluation performance and for sanctioning breaches of the PFM laws with the view of promoting transparency, probity, financial discipline and accountability in the management of public funds. The management of public purse in accordance with these principles can greatly affect the availability of funds and other resources in the sector. This explains why public sectors all over are striving to be disciplined, transparent and accountable to at least their primary resource providers. Ghana's effort in this regard is demonstrated in her PFM regulatory framework which appears to be robust enough. At least, Pimpong (2017) confirms that Ghana has a good and detailed constitutional-legal framework for the management of its public financial resources. This claim is tenable because Ghana's PFM regulatory framework is similar to the regulatory frameworks that are working efficiently. For instance, the UK's regulatory framework (Bourn, 2007); New Zealand' regulatory framework (Scott, 2003); Tobago and Trinidadian's regulatory framework (Herbert, 2007); South African's regulatory framework (Van der Nest, Thornhill & de Jager, 2008) among others.

Despite PEFA assertion that Ghana's PFM system is performing at an average standard (PEFA Final Report, 2013); the overwhelming similarities between the PFM regulatory frameworks of Ghana on one hand and the UK, New Zealand, Tobago and Trinidad and South Africa on the other, leaves an objective observer no option than to conclude that Ghana's regulatory framework is encompassing and robust enough. And it can be useful in regulating the management of her public sector within the macroeconomic and fiscal framework. Therefore, Ghana's current PFM system should be facilitating financial discipline, promoting transparency, probity and accountability in the management of her public sector financial resources. However, the reality of average performance (PEFA Final Report, 2013); as evidenced from the AG's annual reports; is a clarion call for immediate enforcement of the PFM and the AG's audit recommendations.

CHAPTER FOUR

THE RESEARCH DESIGN AND METHODOLOGY

4.0 Introduction

This chapter on the research design and methodology presents the design of the study. A research design is a framework for conducting the research and finding solutions to the research problems. It is a comprehensive plan for the conduct, the collection and analysis of data with the view of answering the research questions and or testing hypotheses. According to Jonker and Pennink (2010), a research design is a set of assumptions, considerations and contextualized guidelines that connect theoretical notions and elements to dedicated strategies of inquiry that are supported by methods and techniques for collecting and analyzing empirical data.

The coverage of this chapter includes a brief outline of the philosophical underpinnings of research to provide a context and then zeroes in on mainstream philosophical paradigm as the most suitable paradigm for this study to facilitate the testing of the research hypotheses. Under the guidance of the mainstream paradigmatic design, the study considers experimental and Delphi studies as appropriate research methodologies that are consistent with the mainstream philosophical paradigmic design. The chapter also touch on the study populations and samples; before concluding with archival and questionnaire as the prefer instruments (methods) for the collection of data; and ANOVA, PSM, mdian, IQR and Kendall's W as the prefer tools for the analysis of the collected data.

4.1 Philosophical underpinnings of the research methodology

4.1.1 Scoping the research paradigm

A research paradigm refers to the basic meta-theoretical assumptions that serves as the frame of reference and *modus operandi* that emphasizes the commonality of perspective with which a group of theorists approach a social reality (Burrel & Morgan, 1979). It "… is a way of examining social phenomena from which particular understandings of these phenomena can be gained and explanations attempted" (Saunders, Lewis & Thornhill, 2009). For Jonker & Pennink (2010), it is a coherent set of assumptions, premises and self-evident facts that are shared by a group of professionals on a specific domain of reality, or how to conduct a research (Jonker & Pennink, 2010). In other words, it is a mental frame of reference or belief systems that a researcher uses to organize his reasonings and observations about reality (Bhattacherjee (2012).

A research paradigm articulates a researcher's philosophical position that underpins his methodological choices (Greener, 2008 and Scotland, 2012) and prefer methods for data collection and analysis. This is consistent with Guba and Lincoln (1994) and Kivunja and Kuyini (2017) view that a research paradigm is a researcher's worldview or set of shared beliefs or school of thought that informs a researcher's interpretation of the research data; and his choices of research methods, methodologies, ontological and epistemologies. This underscores its Greek roots for pattern that signifies *a philosophical way of thinking* (Kivunja & Kuyini, 2017).

Consequently, a research paradigm is the conceptual presentation of the philosophical framework that determines the appropriate methodological approach and the suitable methods to be used for the collection and analysis of the appropriate research data. Thus, it is the researcher's basic guide to the choice of the appropriate methodology ad methods for the conduct of a research work.

4.1.2 Research philosophies of ontology and epistemology

Ontology is derived from the Greek word *ontos*, which means debate about being. It is a philosophical discipline that focuses on the nature of being, existence or reality and basic categories of things that exist and their relations (Kivunja & Kuyini, 2017). Ontology is concerned with the nature of reality (Hopper & Powell, 1985 and Guba & Lincoln, 1994) and how reality can be studied from what is revealed as true. It refers to human assumptions about the very nature of the world, essence and reality (Burrell & Morgan, 1979; Cohen, Manion & Morrison, 2007 and Bhattacherjee, 2012).

There are two broad views of ontology, realism and relativism (Cohen, Manion & Morrison, 2007; Saunders, Lewis & Thornhill, 2009; Lopes, 2014; Ragab & Arisha, 2017). According to these authors, realism (objectivism, functionalism, positivism) assumes that (social) reality exists externally and independently of the social actor's knowledge of its existence and is driven by natural laws that are also independent of the human knower and are objectively verifiable. Contrary to realism, the above authors content that relativism (nominalism, subjectivism, interpretivism) believes in the existence of multiple social realities (phenomena) that can be interpreted and constructed through the interactions of the social actors. So, for relativism, truth is a creation of the mind, but it evolves and changes and may be used or transferred to similar contexts.

Epistemology, from the Greek *episteme*, which means theory of knowledge, focuses on the nature of knowledge (Hopper & Powell, 1985; Kivunja & Kuyini, 2017). It is the study of the nature of the relationship between the human subject and what can be known (Guba & Lincoln, 1994 and Makombe, 2017). Hence, it is concerned with the very bases of knowledge, its nature, how it can be acquired (learned) and communicated (Cohen, Manion & Morrison, 2007); or what constitutes acceptable knowledge in any given field of study (Saunders, Lewis & Thornhill, 2009).

The ontological beliefs of a researcher dictate his epistemological approach to the research which tends to influence the methodology, the methods and techniques to adopt for the conduct of the research (Peixinho & Coelho, 2005; Cohen, Manion & Morrison, 2007). For example, a realist researcher who believes that reality exists independently of the human knower adopts an *etic* (objective) epistemology and may use experiments, surveys, quantitative and deductive approach in conducting research. On the contrary, a relativist researcher who believes in multiple realities, uses an *emic* (subjective) epistemology, gets involved in the process of collecting data through in-depth interviews in order to have a better experience and appreciation of the reality he will eventually construct using largely qualitative data in an inductive approach (Masztalerz, 2013).

Other research philosophies that can influence the choice of research paradigm, but that are not discussed in this study include emancipatory, post-positivism, post-modernism, pragmatism (Guba & Lincoln, 1994; Saunders, Lewis & Thornhill, 2009; Walliman, 2011; Wahyuni, 2012; Lopes, 2014). This research merely outlines briefly the three commonly used paradigms in accounting research: mainstream (positivism), interpretivism and *'criticalism'* (Chua, 1986; Peixinho & Coelho, 2005; McKerchar, 2008; Ismail & Zainuddin, 2013; Lopes, 2014). Therefore, it is not an exhaustive study of research paradigms.

Table 4.1 The three commonly used accounting research paradigms

	Mainstream	**Interpretivism**	**Criticalism**
Ontology	Objective and external empirical reality (utility maximization)	Reality is emergent, subjectively created and objectified by the social actors	Reality is objective and characterized by different ideologies and conflicts that must be resolved
Epistemological assumptions	Objectivity, realism, functionalism	Subjectivity, relativism, social regulation, mental constructivism	Objectivity/subjectivity and radical change
Methodology	Quantitative, Survey, experimental, explanatory	Qualitative, exploratory, descriptive, case studies,	Qualitative, experimental, explanatory, Critical analysis, descriptive case studies
Predictive power	Predictive	Non-predictive	Non-predictive
Methods of data collection	Databases, questionnaires	Interviews, questionnaires, observations, content analysis	Observations, and content analysis
Sampling	Done frequently	Not always applicable	Never or not applicable
Findings generalization	Generalizable	Usually not generalizable	Not generalizable
Business boundaries of research	Financial and public accounting, corporate governance, etc.	Management and public accounting, auditing and internal controls, etc.	Management accounting and control, performance analysis, pricing, etc.

Source: Adapted from Chua, 1986; Lopes, 2014; Masztalerz, 2013

This tabular illustration of the widely used paradigms in accounting research serves only as a guide for the determination of a suitable research paradigm for the conduct of research.

4.1.3 Interpretivists paradigm

The interpretivists (constructivists, naturalists, humanistic, idealists, etc.) paradigm (Chua, 1986; Peixinho & Coelho, 2005; Ismail & Zainuddin, 2013; Shah & Al-Bargi, 2013; Lopes, 2014 and Makombe, 2017) which is characterized by relativists' ontology; posits that reality is mentally interpreted and constructed by the social actors through social interactions. It uses subjective and transactional epistemology to interpret and construct social reality from the individual historical and cultural contexts using qualitative research methodologies such as: case study, grounded theory, historical and documentary research, ethnography, etc. The major limitations of this paradigm are that it is time consuming, expensive and its results are subjective interpretation of participants' views that are contextual and non-generalizable.

4.1.4 Critical theory paradigm

The critical theory paradigm (Chua, 1986; Peixinho & Coelho, 2005; Ismail & Zainuddin, 2013; Shah & Al-Bargi, 2013; Lopes, 2014 and Makombe, 2017) espouses human freedom and emaciation from all forms of oppression, manipulation and injustice. It focuses on exposing issues of social injustices for redress, improvement and empowerment of the marginalized and powerless to change their social, political and cultural settings. It uses historical realism as its ontological stance because it holds that reality is shaped by historical, social, political, cultural, ethnic and gender values. This leads it to a transactionalists and subjectivists epistemology that real world phenomena are associated with societal knowledge.

Hence, critical theory uses ideological critique, dialogical, dialectical and transformative methodologies to interrogate values and assumptions in order to expose hegemony and injustice for redress. Generally, it prefers qualitative, quantitative, mixed (triangulation) methods, in-depth interviews (Shah & Al-Bargi, 2013; Makombe, 2017). The paradigm is criticized for pursuing an ideological agenda and for lack of clear guidelines on how to achieve social justice (Shah & Al-Bargi, 2013).

It is obvious from this brief exposition that, both interpretists' and criticalists' paradigms that use the subjective experience of the researcher to achieve their respective goals of understanding the phenomenon of study are not suitable for the study of an objective reality, the entrenched recurring financial indiscipline in the management of Ghana's public funds. Thus, the study's preference for the mainstream research paradigm.

4.1.5 Mainstream (positivists) paradigm

The positivists paradigm (Chua, 1986; Peixinho & Coelho, 2005; Cohen, Manion & Morrison, 2007; Ismail & Zainuddin, 2013; Shah & Al-Bargi, 2013; Lopes, 2014 and Makombe, 2017) assumes a realist ontological position that reality exists externally, objectively and independently of the human researcher's knowledge of its existence and is knowable through quantitative methodologies. Such ontological position leads to a dualist and objectivist epistemological position that research is best conducted from an objective and non-participatory detached position.

This aligns with the paradigm preference for methodologies and methods that focus on verifying and explaining cause-effect relationships among the phenomena (variables) of study. Other methodologies that align with the mainstream paradigmic philosophical design include quantitative, experimental and non-experimental related studies. The paradigm also prefers to use representative sample data to test the posited questions and hypotheses to justify the generalization of its results and repeatability of the research. However, it is criticized for being too deterministic, mechanistic and parochial in its treatment of human beings as passive and unable to interpret the social world he is studying.

Despite these shortcomings of the mainstream philosophical paradigm design, this researcher believes its objective approach to the study of social phenomena makes it naturally more suitable for the study of the entrenched recurring financial indiscipline and malfeasance in the management of Ghana's public funds. This negative phenomenon that has been occurring in the Ghanaian public funds since 1993 independently and externally of the researcher's knowledge. Therefore, it is an external and objective social reality occurring in the management of Ghana's public purse. Above all, this phenomenon can be objectively verified from the financial records, invoices, receipts and the AG's reports among others.

This claim is consistent with mainstream ontological realism belief in the existence of an empirical, objective reality that is external and independent of the human knower's knowledge of its existence which can be studied objectively (Chua, 1986). Peixinho and Coelho (2005) contention that a "functionalist (positivist) paradigm assumes society has a concrete existence and follows a certain order." This is aligned with McKerchar (2008) contents that positivism is adopted by researchers, who seek objectivity in their explanations of social reality.

Furthermore, Hallebone and Priest (2009) argued that, studies that are interested in the relationships of variables are appropriate for a positivist paradigm. Bismana (2010) and de Villiers and Fouché (2015) concur that positivism is a highly objectivist belief in the existence of a common (single) reality that assumes that anything that can be perceived through the senses is real and exists externally and independently of human subject. Thus, the adoption of mainstream paradigm for this study is deemed reasonably justified.

Moreover, the general objective of this study seeks to assess effects of the AG's report on taxpayers, government and public purse managers entrenched behaviors in Ghana. So, basically, this study is a study of the relationships among the variables of interest. This also justifies this adoption of mainstream philosophical paradigm to enable the researcher studies any cause-effect relations between the variables of interest.

4.2 Research methodology

Methodology is etymologically rooted in the Greek word *methodos* (*meta hodos*)[6] which means the way (route). It is an outline of how to systematically solve the research problem (Kothari, 2004). Saunders, Lewis and Thornhill (2009) refer to methodology as the approach of how research is conducted including the theoretical and philosophical assumptions underpinning the research and their implications for the methods adopted for the research. In faithfulness to its etymological roots, Jonker and Pennink (2010) define methodology as the route of how to conduct a research using a set of techniques or methods and principles that are based on theories. Similarly, Wahyuni (2012) views it as a domain, a map, a model or a theoretical and ideological foundation that is used for the conduct of a research within a particular research paradigm. Kivunja and Kuyini (2017) concur that a methodology is a broad term signifying the research design, methods, approaches and procedures that are used to conduct research
In a word,

Given the understanding that research methodology is the approach that a researcher uses to conduct research within a particular theoretical and philosophical paradigm; and given that the philosophical paradigm adopted in this study is mainstream paradigmic design; the researcher

[6] Jonker and Pennink, 2010

adopted experimental and Delphi studies. The adoption of these methodologies, experimental and Delphi helped the researcher assessed effects of the AG's report on taxpayers, government and public purse managers entrenched behaviors in Ghana from two perspectives. Firstly, from the perspective of the ordinary taxpayer, represented by MBA students in Accounting and Finance; and secondly, from the perspective of experts represented by people who are involved in decision making in the public, private, academia and not-for-profit sectors. More importantly, this approach is consistent with Skulmoski, Hartman and Krahn (2007) recommendation that the use of a Delphi methodology for a PhD thesis should be reinforced with interviews, surveys, etc.

4.2.1 Experimental and Delphi studies

The experimental and Delphi research methodologies were used in this study basically for three simple reasons. Firstly, these methodologies were useful in pursuing the general objective of the study that seeks to assess the effects of the AG's report on taxpayers, government and public purse managers entrenched behaviors in Ghana. Assessing effects of the AG's report on taxpayers, government and public purse managers entrenched behaviors required some testing for the cause in the cause-effect relationships which these methodologies were able to do. Secondly, prior literature considered these two methodologies as mainstream philosophical methodologies and thirdly, their usage in this study is supported by prior literature.

For instance, literature claims that experimental study is a mainstream methodology (Chua, 1986; Scotland, 2012; Masztalerz, 2013; Lopes, 2014; de Villiers and Fouché,2015). These authors maintain that mainstream paradigm studies generally prefer quantitative research, experimental, survey, explanatory studies among others that use secondary data from databases and primary data from questionnaires or surveys. Thus, the use of experimental study in a mainstream philosophical paradigm study is supported by prior literature.

Another reason for the application of the experimental approach in this study is mainly due to its ability to explain the cause-effect relationships among the study variables because it speaks to the core focus of this study. The thesis assumes that the AG's annual report exerts causal effects on taxpayers' taxpaying decisions, on government taxing decisions and taxpayers willingness to forgive an indicted corrupt public official his corrupt offences and let him remain at post. Based on this assumption, the study focuses on assessing effects of the independent variable which is the AG's annual report on taxing and taxpaying decisions, and its effects on the taxpayer's decision on the job retention of corrupt public purse managers.

Furthermore, experimental methodology allows for the manipulation of the independent variable, it can be useful in manipulating the independent variable of this study (AG's report) to determine whether it has any effect on the dependent variables, taxing, taxpaying and job retention of corrupt public official decisions in Ghana. Prior literature corroborates this view because it is replete with evidence acknowledging the ability of an experimental researcher to manipulate the independent variable in order to determine its effects on the dependent variable (Lin, Tang and Xiao, 2003; Kothari, 2004; Saunders, Lewis & Thornhill, 2009; Kumar, 2011 and Pandey & Pandey, 2015). So, the adoption of an experimental study in this research, should enable the researcher to manipulate the AG's annual report to determine whether it has any utility value in taxing decisions, taxpaying decisions and in the taxpayer willingness to forgive a corrupt public purse manager so that he can remain at post.

Moreover, it is believed that experimental studies are relatively more productive than the other approaches since the required data is usually obtained at the completion of the experiment. For example, Lin, Tang and Xiao (2003) opined that an experimental study eliminates the delays and non-return rates that are generally associated with other research methodologies. Similarly, Bhattacherjee (2012) implied that it checks maturation and mortality. So, the adoption of this methodology facilitated the easy gathering of the needed research data for this study.

More importantly, the use of an experimental approach to study the information content of the AG's report is strongly supported by prior studies. Many prior studies have used it to study the utility value of audit report in the private sector. For instance, Lin, Tang and Xiao (2003) use experimental study on 215 Executive Master of Business Administration (EMBA) students in China to determine the utility value of qualified audit report in investing and lending decisions. Their results show that qualified audit report has negative effects on credit and loan decisions; but had no significant effects in investment decisions.

Similarly, Elliott et al. (2007) maintain that MBA students who have completed their core MBA courses and are enrolled or have completed a financial statement analysis course, are a good proxy for nonprofessional investors. Hirst, Koonce and Venkataraman (2007) corroborate this perception by arguing that "any knowledge, abilities, and or experience above and beyond those possessed by an MBA participant will not affect (the study) results."

Moreover, Rose, Norman and Rose (2010) use of MBA students as proxy to examine perceptions of investment risk associated with material control weakness pervasiveness and disclosure details; reveals that investors adjust their investment risk assessments in response to material weakness disclosures. This position is tenable especially when it is considered against

Li, McDowell & Hu (2012) usage of 102 undergraduate students in the US in an experiment to study effects of financial efficiency and choice to restrict contributions on individual donations.

Furthermore, Asare and Wright (2012) experimental study on investors, auditors and lenders understanding of the message conveyed by standard audit report on financial statements also use MBA students in accounting major as surrogates for average investors. Their finding reveals that, overall clean audit report has information content; since it "is important in investing and lending decisions as well as for assessing whether financial statements are free from material fraud."

Also,

As with experimental study, there is a large body of evidence from prior studies that Delphi technique which is largely quantitative is consistent with the positivist paradigm that is adopted in this study. Hanafin (2004) acknowledges this fact by arguing that the objectivists position of the Delphi technique, is supported by its usage of quantitative approach to gather data and the application of a single statistical measure of consensus among the panelists is a positivists approach. Nevertheless, it must be noted that, Hanafin (2004) also acknowledges that, given the flexibility and usability of Delphi study under different research paradigms; it is difficult to draw conclusions about the philosophical assumptions underpinning Delphi methodology.

Another reason why the Delphi technique is suitable for this study is its characteristics use of judgments. In Okoli and Pawlowski's (2004) opinion, Delphi methodology is used primarily because of the need to use judgmental information. This is consistent with Miller's (2006) claim as cited by Hsu and Sandford (2007), that Delphi study generally focuses on addressing what could or what should rather than on the what is concerns of surveys. This will require the judgmental information which the methodology seeks to satisfy through the panelists' opinions. The focus of the Delphi technique or approach can be useful in explaining the recurring financial malpractice, corruption and mismanagement of the Ghanaian public purse that this study seeks to understand.

More concretely, Skulmoski, Hartman and Krahn (2007) imply that it is a positivist methodology because they hold that it is typically, a quantitative technique, but can also be used qualitatively which is interpretivist. These researchers argue that the technique can be used in both quantitative and qualitative studies.

Other factors that also make the Delphi methodology appealing include the fact that, there are no readily available quantitative data on the recurring mismanagement and embezzlement of Ghana's public funds that the research can fall on. Also, the available information on this issue is insufficient. Apart from the AG's reports, a scanty researched articles and media reports, there are hardly literature on this phenomenon in Ghana.

Moreover, the geographic location of the panelists who live and work in different parts of the country and some of them are constantly travelling in and out the country. This makes it difficult to hold a face-to-face meeting with the panelists. Besides, these issues, there is also the need to check the dominant personality effect and group-think effect which are common in focus group discussions. This is consistent with Okoli and Pawlowski (2004) view that the non-response in Delphi surveys, is typically very low because most researchers usually, personally obtained assurances of participation prior to the study. Kozak and Iefremova's (2014) confirm this noting that, the non-availability of quantitative data, insufficient information, geographic distance, etc. are some of the conditions for using Delphi study. It is also attractive because the low level of non-response among the panelists.

The other reason for adopting Delphi study is that literature judges it to be a stronger methodology for a rigorous interrogation of the research participants. For example, Okoli and Pawlowski (2004) argue that Delphi methodology is a stronger methodology for a rigorous query of the research panelists. This assumption could have led them to the conclusion that the multiple iterations, the controlled feedback, and the response revisions of the Delphi approach usually leads to richer research data than other approaches.

4.2.2 Experimental study

An experimental research studies the effect of an independent variable on the dependent variable in a cause-effect relationship situation. Experimental studies generally, seek to determine the effect of a stimulation or change in the independent variable on the dependent variable among an experimental sample. This usually done through controlling the dependent variable and manipulating the independent variable; or by testing a hypothesis to determine the effect of the cause in a cause-effect relationship between the two variables (Kothari, 2004; Cohen, Manion & Morrison, 2007; Saunders, Lewis & Thornhill, 2009; Pandey & Pandey, 2015).

An experimental study may be conducted either in a laboratory or in a field setting (Bhattacherjee, 2012). Irrespective of whether an experimental study is carried out in a laboratory or in a field setting, it may be designed either as a true experiment or a quasi-experiment (Bhattacherjee, 2012). An experimental study may also be designed to be conducted on a single group. Nevertheless, they tend to be designed for at least, two or multi groups including, the experimental (manipulated or treated) group which usually introduced to some novel condition or special treatment in addition to the usual conditions that the control (nontreatment) group is generally exposed to. These designs range from a pretest-posttest with experimental testing on one group through variations of two groups tests such as: posttest-only control group design; a pretest-posttest control experimental testing, etc. to factorial designs (Sekaran, 2003 and Bhattacherjee, 2012).

4.2.2.1 Experimental treatment

An experimental treatment or stimulus or manipulation as it is sometimes designated refers to an introduced planned intervention that represents the explanatory variable to the experimental (treatment). The treatment (intervention) is usually introduced to the treatment group between the pretest and posttest measurements of the response variable. In other words, an experimental treatment simply refers to the special or extra condition or task that only the experimental group is usually exposed to in between the pretest and posttest measures. According to Bhattcheriee (2012), an experimental treatment is a unique feature of experimental studies that helps to control for the cause in cause-effect relationships that is being studied. The success of a stimulus on the experimental group in an experiment is determined by any favorable rating of the treatment group as compared to the control group. As Bhattcheriee (2012) notes, “The treatment may be considered successful if subjects in the treatment group rate more favorably on outcome variables than control subjects.”

4.2.2.2 Pretest posttest control experiment

A pretest posttest control experimental design is an experimental study in which two measurements of the dependable variable are taken. The first measurement is taken prior to the introduction of an experimental stimulus to the treatment group, and the second measurement taken after the completion of the simulation on the treatment group. The purpose of taking the two measurements is to determine whether the independent variable has any effect on the dependable variable.

In a pretest-posttest controlled experiment (Saunders, Lewis & Thornhill, 2009; Babbie, 2011 and Bhattacherjee, 2012), the participants who are randomly selected are also randomly assigned to both the experimental and controlled groups. Whilst random selection relates to sampling, which is discussed below under sampling subsection, random assignment is a process of randomly assigning the study participants to both control and experimental groups. The random assignment of the study subjects seeks to ensure that the two groups are exactly similar (Saunders, Lewis & Thornhill, 2009 and Bhattacherjee, 2012) in all aspects relevant to the study other than the exposition to the experimental treatment.

The pretest-posttest control experimental design according to Sekaran (2003) and Cohen, Manion and Morrison (2007) and especially Bhattacherjee (2012) can be represented in a notation format as in Table 4.2 below.

Table 4.2 Pretest posttest control experimental treatment design

Random assignment	**Pretest**	**Treatment**	**Posttest**	
R	**O_1**	**X**	**O_2**	**Treatment group**
R	**O_3**		**O_4**	**Control group**

Source: Adopted form Bhattacherjee (2012), p. 85.

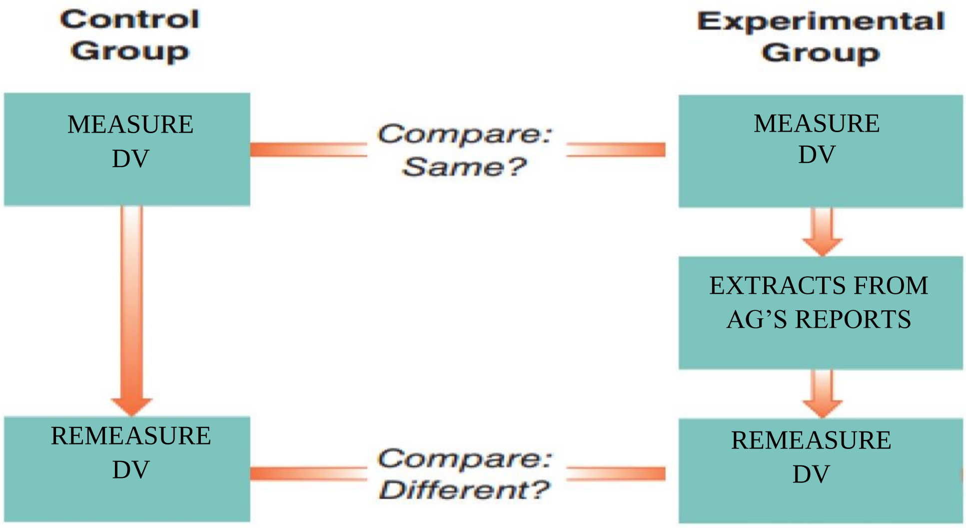
Table 4.2 in a very simple but powerful manner, summarized the experimental tasks of measurements (O) and treatment (X) in a pretest posttest control experimental study. The letter R in table, stands for the random assignment of the experimental participants to the two groups. Cohen, Manion and Morrison (2007) explain the standardize notation as follows:

- *R* represents random assignment of participants to the groups,
- *X* stands for the treatment administered to the manipulated group, and
- *O* represents pretest or posttest observations of the dependent variable.

It is noteworthy adding that, O_1 and O_3 represent the pretest measurements whilst O_2 and O_4 stand for the posttest measurements.

Babbie (2011) diagrammatic illustration (figure 4.1) of the experimental tasks and stimulation in a pretest posttest control experimental design is similar to Sekaran (2003); Cohen, Manion and Morrison (2007) and Bhattacherjee (2012) tabular illustration shown above. The figure captures the two measurements and the stimulation (extracts from the 2017 and 2018 AG's reports) of the treatment group in between the pretest and posttest measurements.

Figure 4.1 Alternative pretest posttest control experimental treatment design



Source: Adopted from Babbie, 2011, p. 249.

Note DV stands for dependent variable

To determine the causal effect of an intervention on the treatment group in a pretest posttest control experimental study; Cohen, Manion and Morrison (2007) proposed the subtraction of:

- pretest score from the posttest score of the treatment group to yield score 1.
- pretest score from the posttest score of the control group to yield score 2, and
- score 2 from score 1.

which they expressed as follows (*O2 - RO1*) – (*O4 – RO3*). Bhattacherjee (2012) calculation of the causal effect of the pretest posttest control experimental study corroborates Cohen, Manion and Morrison (2007) formula. He states that, "The effect (E) of the experimental manipulation in the pretest posttest design is measured as the difference in the posttest and the pretest scores between the experimental and control groups: E = (O2 – O1) – (O4 – O3)."

Weighting the merits of this objective of the pretest posttest control experimental study over others; this researcher opted for a pretest posttest control experimental study largely for four reasons. Firstly, because literature (Saunders, Lewis and Thornhill, 2009) holds that, it allows for the measurement of the dependent variable for both groups before and after the manipulation of the independent variable. This also allows for a comparison of the results of the two groups to determine whether the stimulus (independent variable) has any effect on the dependent variable.

Secondly, the design provides the means for conducting within group measurements as well as between groups measurements (Sekaran, 2003; Bhattacherjee, 2012). The within group and between group measurements design enabled the researcher to assess the information content of the AG's report in government taxing decisions, voluntary taxpaying decisions and its effects on the taxpayers' willingness to forgive a public official who has been found to have embezzled public funds to remain at post

Thirdly, pretest posttest control experimental designs are interested in measuring the effect of a single independent variable on the dependent variable in the cause-effect relationship. The measurement of the effect of a single explanatory variable on the response variable is the general objective of this study because it seeks to assess effects of the AG's report on taxing decisions, taxpaying decisions and taxpayers willingness to forgive indicted corrupt public purse manager and allow him to remain at post decisions. According to Bhattacherjee (2012), the pretest posttest control experimental design is ideal for testing the effects of a single independent variable on the dependent variable.

Fourthly, literature argues that the pretest posttest control experimental design controls for the threats of internal validity (Cohen, Manion and Morrison, 2007) especially of maturation, testing and regression because these threats can influence both the control and experimental groups in a similar manner (Bhattacherjee, 2012). The author further added that, the random assignment of the experimental subjects to both groups handles selection threat.

By and large, it is clear that if a pretest posttest control and experimental design can be used to explain any cause effect relationship between an independent variable and a dependable variable; it can be useful in this study too. Because this study seeks to assess the cause-effect relationship between the AG's annual report on one hand, and the quality of public managers reports, voluntary taxpaying decisions and taxpayers willingness to allow a public official who has been found by the AG to have misappropriated public funds to remain at post on the other hand.

4.2.2.3 The experimental task

An experimental task refers to the activity (work) that the experimental subjects carry out in an experiment. Experimental tasks often comprise of questionnaire usually on the dependent variable under study that all the participants fill out. The experimental materials that made up the tasks of this experiment were a set of questionnaires consisting of 19 items and a stimulus (extract from the 2017 and 208 AG's reports) that centered on the utility value of the AG's report.

The experiment task itself consisted of three activities including a pretest measurement of the dependent variable of both control and experimental groups; an administration of the treatment (the extract from the 2017 and 2018 AG's annual reports) which represents the independent variable to only the experimental group; and lastly, a posttest measurement of the dependent variable of both groups. The measurements of the dependable variable consisted of a set of 19 questions that sought to measure the utility value of the AG's report which is attached in Appendix 1 and the treatment guide in appendix 2.

The content of the treatment that the experimental group was exposed to include:

- mandate of the AG,
- objectives of the AG audit of Ghana's public accounts,
- scope of the AG's audit,
- expected benefits of the AG's audit to Ghanaians,
- criteria the AG uses to validate the public accounts before auditing them, and
- AG's opinion and recommendations of 2017 and 2018.

This piece of information was given only to the experimental participants after the pretest measurement was taken and before the posttest measurement. After they had read through this information sheet, all the participants (control and experimental groups) were given the same study items as in the first measurement to answer.

4.2.3 Delphi study

4.2.3.1 Evolution of Delphi as a research methodology

Delphi technique as a research methodology is sometimes refer to as an experiment (Dalkey & Helmer, 1962); or as a method, technique, study, survey, process, procedure, approach, polling, exercise (Hanafin, 2004; Davidson, 2013; Habibi, Sarafrazi & Izadyar, 2014). In this study, it is used as a methodology. This usage is consistent with Dalkey and Helmer (1962) reference of it. Dalkey and Helmer who are widely referred to as the originators of the Delphi research study; treated it as a methodology because they described their application of the technique in the study that forecast enemies attacks on US industrial target during the cold war era, as an experiment. Hanafin (2004) also considered it as a methodology since he described it as a research approach that iterates usually in two to three rounds for the purpose of gaining consensus among the panelists.

Delphi methodology originated from project Delphi of RAND Corporation (Dalkey & Helmer, 1962) a California based think tank that used it in the early 1950s. It was used to forecast enemies (Soviet) attack on US industrial targets during the cold war (Worrell, Di Gangi, & Bush, 2013 and Kozak & Iefremovaz, 2015). The term Delphi was taken after the ancient Greek oracle Delphi that was believed could foretell future occurrences. Similar to the ancient Greece oracle Delphi, the Delphi methodology was designed and used to forecast solutions of future problems (Davidson, 2013).

Though Green (2014) agrees with this position that the most notable use of Delphi technique occurred in Rand Corporation study conducted by Dalkey and Helmer in 1963; he also contents that, the technique existed in the academia thirty years earlier in the 1930s when Cyphert used it in Ohio State University to develop a criteria for evaluating faculty in Ohio State. However, it seems there is no evidence to support Green's claim of the existence of Delphi method prior to its usage in California by Rand Corporation.

4.2.3.2 Definition of the term Delphi research methodology

"Delphi technique is a method of eliciting and refining group judgments" (Dalkey, 1969) on an issue. Linstone and Turoff (eds) (2002) defined Delphi technique "as a method for structuring a group communication process so that the process is effective in allowing a group of individuals, as a whole, to deal with a complex problem." For Hanafin (2004), "The Delphi technique is a research approach used to gain consensus through a series of rounds of questionnaire surveys, usually two or three, where information and results are (fed back) to panel members between each round."

Skulmoski, Hartman and Krahn (2007) corroborate this view by holding that, a Delphi study "is an iterative process to collect and distill the anonymous judgments of experts using a series of data collection and analysis techniques interspersed with feedback." As Davidson (2013) puts it, Delphi method is a process of a series of rounds of questioning and data gathering and aggregation from a preselected panel of experts for a predetermined purpose. It is a structured group communication process that uses a group of experts who iterate anonymously in series of rounds controlled by a facilitator with the aim of producing a detailed critical examination and discussion (Green, 2014) on a topic. In other words, "Delphi is a method to exploratively examine a complex problem through a group of experts" (Strasser, 2016).

4.2.3.3 Features of Delphi study

The Delphi study is characterized by three main features including, anonymity, controlled feedback and statistical group response (Dalkey, 1969). von der Gacht (2012) includes iteration as another feature of the Delphi study. The anonymity feature of the study ensures that the members of the panel of experts remain unknown to one another throughout the study because it is considered crucial for guarding against the likely effects of personal influences, dominating effects and group think on the panelists judgments.

This characteristic (anonymity) facilitates the independent thought of the panel of experts because it is helpful in the gradual formation of a considered opinion (Dalkey, 1969). It also allows the panel members to freely alter or modify their earlier opinions based on feedback from the panel without feeling discomfort, or fear of losing credibility before the panel.

Therefore, the anonymity feature is very useful in soliciting the opinions of group members since it guides against the hasty agreement with perceived acceptable or predisposed position and defensive tendencies of the group members because they tend to close their minds to novel ideas, which is a typical characteristic of other group approaches (Dalkey, 1969).

As von der Gracht (2012) puts it, the anonymity eliminates specious persuasion and reduces the dominant panelists effect because of the absence of socio-psychological pressures. This feature also deals with the unwillingness of participants to change their publicly expressed opinion since respondents will not suffer from fear of losing their respect. He further holds that anonymity in surveys usually leads to higher response rates since participants feel more comfortable giving estimates on uncertain issues in an anonymous form.

Furthermore, controlled feedback and iteration which is another characteristic of Delphi study reduces the noise in the process (Dalkey, 1969). By reducing the noise, it focuses on providing the panelists with feedback on the quality of decisions and the level of consensus reached to ensure that the panelists have a structured debate on the merits of the alternatives (Worrell, Di Gangi, & Bush, 2012). Hence, the feature is useful in helping the panelists to focus on the issue under consideration. It means that the feature can greatly influence the quality of the group discussion.

This feature ability to influence the quality of the panelists discussion, is re-enforced by the controlled rounds of iteration. Because each iteration offers every panel member the opportunity to systematically examine his judgments to ensure he has not overlooked anything or has not been influenced by any misconceptions, and whenever possible, to make corrections (Dalkey, 1969). Worrell, Di Gangi and Bush (2012) support this position by holding that several controlled rounds of iteration offer each panelists the opportunity to reflect on his opinions, reviews as well as evaluates opinions of other panelists and use them to shape and or reinforce his opinion.

Though von der Gracht (2012) treats iteration as a separate feature it seems it is an integral part of the controlled feedback. Nevertheless, it is a process through which the Delphi facilitator sends the summarized judgments of the panelists back to them, which serves as basic information for the following round. If feedback and the round specific information are taken separately and not taken together, iteration could be treated as a standalone feature of Delphi studies. In such situations, Gracht (2012) position will be tenable.

Kozak and Iefremovaz (2015) had suggested structured questioning as a feature of Delphi study. They argued that it is used to help keep the panel of experts focus on the study and control the decision-making process. As true as this statement is, it is even more obvious that, structured questioning is an integral part of the controlled feedback and iteration feature of the study. Therefore, it cannot be a standalone feature of Delphi studies.

Also, the use of group statistical response further enforces the technique's ability to reduce any potential pressure from other panelists to conform. So, the statistical response used in the feedback to panelists, ensures that the individual panelists' opinions are represented in the final result of the study (Dalkey, 1969).

Other patrons of Delphi study argue that the purposive non-statistical sample rather than statistically representative sample, is another feature of the Delphi technique; because of the technique position that a purposive non-representative sample of a panel of experts is more apt to arrive at the right decision just as a representative sample of nonexperts (Worrell, Di Gangi, & Bush, 2013).

In a word, it is worth noting that these features are so interrelated that it is difficult to determine which one is a feature and not just another name for the same feature. However, it seems a good combination of these features, anonymity, iteration of the refine structured Delphi survey questions, the statistical response of the panel, and controlled feedback can greatly improve the quality of any group discussion and contribute to increasing consensus and even stability. Consequently, they should be taken seriously by any Delphi facilitator who desires stability and or consensus among the study panel.

4.2.3.4 Types of Delphi study

Although Delphi study was first used for forecasting (classical Delphi), there are other types of Delphi studies including policy (*discensus*), decision Delphi, and different types of modified Delphi studies. However, some Delphi researchers talk about only three types of Delphi study. According to Hanafin (2004), classical Delphi is "characterized by five features including anonymity, iteration, controlled feedback, statistical group response and stability in responses among those with expertise on a specific issue. Participants in this type of Delphi have expertise and give opinions to arrive at stability in their responses." The classical (conventional) Delphi which generally seeks to reach consensus among a panel of experts that can form the basis for accurate forecast and decisions (de Loë, Melnychuk, Murray & Plummer, 2016). Classical Delphi generally focuses on forecasting.

In his treatment of policy Delphi, von der Gracht (2012) holds that, policy Delphi is not significantly different from the classical Delphi procedure. However, policy Delphi usually correlates judgments of a panel of experts (with diverse backgrounds) on a specific policy issue. This technique usually focuses on dissent, bipolar distribution that takes into account all the conflicting viewpoints of the panel on a central policy issue. The reason is that, in policy Delphi studies, sufficient clarification and definition of the different judgments and viewpoints is usually used as the criterion for ending the process, rather than a certain level of consensus as is the case in classical Delphi studies (von der Graht, 2012). Nevertheless, it is possible to reach consensus in a policy Delphi even though that is generally not the objective of such studies (von der Gracht, 2012). von der Gracht (2012) position is supported by Davidson's (2013) view that policy Delphi is different from the other Delphi techniques for two basic reasons, because its panel of experts usually have different backgrounds and its overall objective does not generally focus on reaching consensus.

Similarly, de Loë, Melnychuk, Murray and Plummer (2016) maintain that unlike classical and decision Delphi, policy Delphi seeks to generate strong divergent views among the panel of experts to help in the formulation of policy. This makes policy Delphi almost diametrically opposed to classical Delphi because it seeks to generate the strongest opposing viewpoints on the issue under consideration by the panel of experts. Therefore, policy Delphi aims at generating ideas, uncovering and evaluating policy alternatives through the structured, critical collective debate among the anonymous experts. It has been used in numerous fields to explore complex and contentious issues including social policies (de Loë, Melnychuk, Murray & Plummer, 2016).

On the other hand, modified Delphi according to Davidson (2013), is a Delphi study that modifies the Delphi technique in almost every way. A typical example of modified Delphi involves having face-to-face interviews or focus group at least for the first round. Another common modified Delphi is the e-Delphi which simply replicates the classical Delphi process using emails or online surveys (Davidson, 2013).

Real time Delphi which is sometime referred to as consensus conference varies in structure and was developed to increase the efficiency of the process, accommodates experts availability and reduces the dropout rates in the process (Davidson, 2013).

Prior literature presents decision Delphi as a research methodology that is used to gather facts and ideas from a group of experts, to facilitate and enhance the quality of decisions on any issue of interest. Hanafin (2004) corroborates this view by holding that, a decision Delphi is a Delph study that is used for decision making on social developments. As Davidson (2014) puts it, decision Delphi is a research technique that focuses on bringing a group of decision makers together to make decisions about a future event or development. Kozak and Iefremovaz, (2015) also agree that decision Delphi focuses on the convergence of opinions of the panel of experts to facilitate joint decision making rather than for forecasting. Avella (2016) confirms this view by noting that decision Delphi is used to achieve better decisions. Strasser (2016) views decision Delphi as a decision tool or forum for providing background facts and ideas to enhance the quality of decisions. So, unlike classical and policy Delphi, decision Delphi focuses on collaborative decision making.

In addition to the other characteristics outlined above that are typical of all or most Delphi studies, decision Delphi participants are recruited based on their positions in the hierarchy of decision makers. It is perceived that positions of the panelists, will help structure the thinking of the group to enhance the attainment of consensus (Hanafin, 2004). Hanafin (2004) further hold that decision Delphi may also use quasi-anonymity where the panelists may be introduced to other panelists by name at the beginning of the survey, but their judgments are kept anonymous. Strasser (2016) corroborated the view that, decision Delphi panelists are recruited according their actual positions in the decision-making hierarchy in their organizations.

4.2.3.5 Strengths and limitations of the Delphi method

The merits of this technique include firstly, its ability to provide anonymity to participants, controlled feed that allows for modification of initial responses, and its ability to use variety of statistical tools (Hsu & Sandford, 2007). Firstly, the anonymity of the Delphi process protects the confidentiality of the respondents as well as reduces the influence of dominant participants and the negative effects of group think such as manipulation or coercion to conform with the dominant position (Hsu & Sandford, 2007). The greatest advantage of anonymity is its potential to encourage true opinions of panelists that are free of influences from other panelists.

Secondly, the technique reduces the pressure or need for all the panelists to be at one study place; because it makes provisions for a geographically dispersed group of experts to participate in the study and contribute to the issue under consideration. So, both facilitator and panelists are not under any pressure to be in one study area at the same time to carry out the study. Therefore, the financial burdens associated with travels and space are eliminated. Also, because Delphi study allows panelists time to complete the questionnaire at their leisure time, it reduces the time pressures and allows panelists to reflect on their responses. This can increase the quality of participants judgments (Hanafin, 2004).

Thirdly, the controlled feedback and the iteration process of the Delphi study reduces distortions of data and allows the panel of experts to reassess their initial judgments or responses in previous iterations and to modify them in the light of the responses of other experts on the panel (Hsu & Sandford, 2007). This has the potential to improve upon the quality of the conclusion to be reached by the panel.

Fourthly, Delphi study ability to use variety of statistical tools to analyze the opinions of experts allows for objective and impartial analysis and summation of the opinions of the panel of experts. This further minimizes the potential of group pressure for conformity since statistical analyses are the objective summary reports of the experts' opinions (Hsu & Sandford, 2007). Additionally, the inherent flexibility of the technique with regards to the use of qualitative and quantitative methods to analyze the responses of the panelists makes it a handy research tool for studies employing both types of research methodologies.

Fifthly, it has been argued that, policy Delphi study is able to effectively reveal options and alternatives; identify different and often conflicting viewpoints; isolate points of agreements and disagreements; clarify the arguments from the different panel members to help enrich policy decision making (de Loë, Melnychuk, Murray & Plummer, 2016). It can be used to proactively identify emergent and future issues for attention. So, policy Delphi can be a useful and suitable tool for inquiry into complex problem areas where there are multiple perspectives and solutions with no one clear normative solution (de Loë, Melnychuk, Murray & Plummer, 2016).

In spite of these advantages, Delphi method also suffers from some limitations. For instance, it can be time consuming conducting a Delphi study (Hanafin, 2004) because of the multiple iterations and feedbacks. The multiple iterations require time in-between iterations and feedbacks. This problem could easily escalate in situation of large number of items. Furthermore, the multiple rounds cause delay in the process and increases the potential of low response or even drop out of some experts. As a concrete example, the current study struggled with delays from some panelists that threatened to derail the thesis project deadline.

Hanafin (2004) further argues that anonymity can affect the credibility, reliability and validity of the results of Delphi studies. He holds that anonymity can lead to lack of (ethical) accountability among participants since the responses may not be traced to the individual respondents. He maintains that the focus on consensus among the panelists may also lead to the dilution of the best judgments since consensus is often characterized by sacrifices among the parties desiring consensus (Hanafin 2004).

The multiple iterations coupled with possible delays and dropouts of participants can directly contribute to the increasing high costs of Delphi research. [Though this current study conducted only two rounds, it suffered from delays and the eventual dropping out of two panelists. This affected the budget and the thesis conclusion timeline.] Moreover, the technique assumes that participants are equivalent in knowledge and experience (Hsu & Sandford, 2007) since it tends to treat the experts as such.

The policy version of Delphi studies has also been criticized for lacking standard format for conducting policy Delphi studies, bias selection of experts, oversimplification of structured inquiries into complex issues, ambiguous questionnaire design and the length of time required for the study (de Loë, Melnychuk, Murray & Plummer, 2016).

4.2.3.6 **Two round seeded decision Delphi**

The above outlined exposé of decision Delphi showed that, decision Delphi focuses on making quality and better decisions on issues of particular interest to a decision maker. This orientation of decision Delphi made it appeared more useful than the other types of Delphi for the collection of the collective judgments of the panel of experts on effects of the AG's report on taxpayers, government and public purse managers entrenched behaviors in Ghana. This researcher believes such collective opinions on the issue under consideration in this study will throw some lights on the entrenched financial malfeasance, embezzlement and corruption that have characterized the management of Ghana's public funds.

4.2.3.6.1 Justification for Decision Delphi

Given the focus and the potential of decision Delphi of making quality and better decision, this researcher assumes that a decision Delphi will be more useful in assessing the causal relationships in the complex financial and social problems surrounding the management of Ghana's public purse. This should also be useful in helping to unravel the factors underlying the entrenched causes of the recurring corruption in the Ghanaian public sector, this Delphi study is designed as a decision Delphi.

This assumption is consistent with Linstone and Turoff (2002) observation that Delphi studies literature contained evidence that decision Delphi had been used to study causal relationships in complex economic or social phenomena. In seeking to achieve the causal relationships in the complex problems of financial mismanagement, fraudulent practices, embezzlement and corruption in the management of Ghana's public purse, this decision Delph design also encompasses two other areas that Linstone and Turoff (2002) claimed decision Delphi studies had been applied, the gathering of current and historical data that are not accurately known or available; and the examination of the significance of historical events since no quality decision can be taken without recourse to how Ghana's public purse had been managed and how it has affected her economic efforts.

Moreover, the focus of decision Delphi on gathering facts and ideas about a phenomenon of interest is compatible with the general objective of this study. The general objective of this study seeks to assess effects of the AG's report on the entrenched taxing decisions, taxpaying decisions and taxpayers decisions on the job retention of a corrupt public official who had been indicted by the AG for embezzling public funds. The AG's reports have been highlighting an entrenched trend of misapplication, mismanagement, embezzlement and outright corruption being perpetuated in the management of Ghana's public funds. These corrupt practices are both social and policy issues that are affecting Ghana negatively.

Decision Delphi can also be more useful for verifying the objectives of this study given its focus on facts and ideas. The focus on facts will be useful in unravelling the culture of corruption that has bedeviled the management of Ghana's public funds, and the ideas about the problem contribute quality insight to help arrest the situation.

The entrenched recurring financial malfeasance, embezzlement and corruption in the management of Ghana's public funds is a complex social phenomenon that requires objective unraveling to uncover the facts and ideas about the possible causes of those corrupt and fraudulent practices that are so entrenched in the management of Ghana's public funds. With the insightful inputs from a decision Delphi, the study should be able to identify and uncover the factors inhibiting transparency, probity, financial discipline and accountability; as well as help uncover the factors influencing the entrenched recurring endemic financial mismanagement, financial malfeasance, embezzlement and corruption in the management of Ghana's public funds. So, decision Delphi was used in this study largely because of its potential uncover facts and ideas about the problem under consideration.

4.2.3.6.2 Justification for the two-round decision Delphi

As per the title of this subsection, this decision Delphi study is a two-round seeded study. The two rounds study is supported by Hanafin's (2004) position that the Delphi methodology is used to gain consensus through a series of rounds of questionnaire surveys, usually two or three. Similarly, Skulmoski, Hartman and Krahn (2007) assertion agrees with the two-round position. They hold that "While a three round Delphi is typical, single and double round Delphi studies have also been completed."

The two-round decision Delphi study is also consistent with Kozak and Iefremovaz's (2015) argument that a conventional Delphi study contains 2 – 4 rounds. It is also corroborated by De Loë, Melnychuk, Murray and Plummer (2016) systematic review of policy Delphi literature showed that as many as 21 policy Delphi used 2 rounds.

Two other factors that also supported the two rounds decision Delphi were cost involved and the time requirements. The overstretched study budget could only manage the two rounds and could not have covered anymore round. Besides, the thesis was timebound and it needed to be completed and submitted within the thesis timeline. Considering the time, it took to conduct the two rounds, it would have been impossible to meet the thesis submission deadline if more than rounds were to be conducted. It seems these concerns were foreseen by Hanafin (2004) when he suggested that a panel size may vary according to the topic covered, the nature of different viewpoints included, and the time and money available.

4.2.3.6.3 Seeded approach

The study used the seeded approach instead of brainstorming simply because of the immerse benefits the researcher derived from using materials from the AG's annual reports, the regulatory framework of Ghana's public financial management and general literature on the topic. The researcher used these prior literature materials to serve as a guide for interviews with the AG's office, with a group of 3 officers at the Ministry of Justice and Attorney General Department, a member of PAC and a worker in the Office of the Ministry of Finance and Controller and Accountant General.

Furthermore, the seeded approach adopted in this study is supported by Hsu and Sandford (2007) view that modified Delphi process uses questionnaire crafted from literature in the first round. It is also corroborated by Worrell, Di Gangi and Bush (2013) contention that a seeded approach is better than the brainstorming approach. Besides, this seeded round items provided room for brainstorming by encouraging the participants to suggest whatever issue they considered important for inclusion in the study. Worrell, Di Gangi and Bush (2013) argued that this approach is also acceptable.

4.2.3.6.4 The point of consensus or decision

Consensus as used in this study, is a point of convergence or agreement among the panel of experts on an issue that they have the expressed their opinions. To determine the points of agreement on the study items among the study panelists as objectively as possible, the researcher used descriptive and referential statistics. The descriptive statistics used are the median and the interquartile ranges (IQRs) and Kendall's coefficient (W) as the inferential statistics.

A median is the middle value of a set of data values that are arranged either in ascending or descending order. In a set of ranked odd data values, the middle value is the median, but in a set of ranked even data values, the average of the two middle values is the median. This is corroborated by Levine and Stephan (2005) view that, a median is "… the middle value in a set of data values for a variable when the data values have been ordered from lowest to highest value", or the average of the two middle values in a ranked data. This is consistent with Agresti and Finlay (2009) position that a median is the observation that falls in the middle of the ordered sample. In an odd sample size, the middle observation is the median, but the average of the middle observations in an eve sample size, is the median.

For example, in this study ranked 6-point scale of 0, 1, 2, 3, 4 and 5, there is no natural middle value. So, the median of this even set of data values is the average of the two middle vales which are 2 and 3. So, the median is 2.5. In other words, the median of any ranked set of data, splits the set of ranked data into two equal number parts (Levine & Stephan, 2005 and Agresti & Finlay, 2009). Therefore, it is not affected by outliers. This makes it a good alternative to the mean (Levine & Stephan, 2005).

An interquartile range (IQR) is the measure of difference the upper quarter and lower quarter of a set of ranked data. It is the measure of the spread or variation around the median. In other words, it is considered as a measure of where the bulk of the values in a set of data lies. This is supported by Agresti and Finlay (2009) observation that, an interquartile range refers to the difference between the upper and lower quartiles that is usually denoted as IQR3 – IQR1. The authors added that IQR value "describes the spread of the middle half of the observations." The definition is also corroborated by von de Gracht (2012) argument that an IQR is "the measure of dispersion for the median and consists of the middle 50% of the observations."

The appropriateness of the use of these descriptive statistical tools is supported by prior literature as the most accurate statistical tool for calculating consensus among panel of experts.

For instance, Murphy et al. (1998) had argued that the descriptive statistical tools of the median and the IQR are generally more robust than the mean and standard deviation. Hanafin (2004) also named median as one of the techniques widely used in Delphi studies. Furthermore, de Loë, Melnychuk, Murray and Plummer (2016) indicated that 11 out of the 63 Delphi studies they reviewed, used median to analyze their data.

Just as Murphy et al (1998) maintained that IQR are more robust than the other measure of central distribution tendencies, von der Gracht (2012); O'Donovan, Mihile and Leech (2015) noted that IQRs are widely used as objective rigorous statistical tools for measuring consensus in Delphi studies.

To substantiate his position, von der Gracht (2012) argued furthered that a group reaches consensus when the interquartile range (IQR) is not less than 2 units on a 10 unit scale; 2 or less for a 9 point scale; 1 or below on a 7 point Likert scale; 1 or less is suitable consensus indicator for 4 or 5 unit scales; and 0.00 (most agreement) to 3 (least agreement). Similarly, O'Donovan, Mihile and Leech (2015), maintain that, an IQR ≤ 2 is applicable for consensus for an 8 to 10-point Likert scale and IQR ≤ 1 for a 5-options Likert scale. von der Gracht (2012) had also cited Ray and Sahu (1990) position that an IQR of 1.0 is an indication of a higher degree of convergence among the Delphi Panelists.

Similarly, Schmidt (1997) opined that using Kendall W is a realistic way of determining whether consensus has been reached, increasing, and the relative strength of the agreement. Okoli and Pawlowski's (2004) raised the usability of Kendall coefficient of concordance W by arguing that, it is widely recognized as the best metric for measuring nonparametric ranking. Nevo and Chan (2007) also posited that the use of Kendall's (W) is more appropriate than other tools because it measures the strength of association among the ranking of items. “The coefficient of concordance allows for multiple judges (rather than two), a quality that makes it most suitable to test the inter-judge reliability.” Furthermore, Worrell, Di Gangi and Bush (2012) had also used Kendall’s W to determine agreement among the panel experts. Habibi, Sarafrazi and Izadyar (2014) maintain that Kendall’s coefficient of concordance (Kendall’s W) is an appropriate criterion for assessing consensus among study participants.

The points of convergence for the inferential statistical tool, Kendall’s W range from 0 to 1. A score of 1 on the Kendall’s W coefficient of concordance, is an indication of perfect consensus, and 0 signifies no consensus among the panelists (Okoli and Pawlowski (2004). This is consistent with Worrell, Di Gangi and Bush’s (2012) claim that the traditional ideal target of Kendall W measure of strong agreement among panelists is $W \geq 0.7$. The study’s position is further supported by Habibi, Sarafrazi and Izadyar (2014) view that Kendall’s coefficient of concordance ranges from 0 to 1 to indicate the degree of consensus reached by the panel. The authors argued that, $W \geq 0.7$ means there is strong consensus among the panelists; a $W = 0.5$ stands for moderate consensus whilst $W \leq 0.3$ represents weak consensus.

This study used six study items to solicit opinions from the panelists for the purpose of assessing effects of the AG’s report on taxpayers, government and public purse managers entrenched behaviors in Ghana. The first 5 items were a 6-point Likert scale items, and the last one was a 3-point Likert scale item. Given that a score of 1 or below on a 4 or 5; or on a 7-point Likert scale is suitable consensus indicator; the study 6-point scale falls within this range. So, with the 3 and 6-point scales, a median of 2 for the 3-point scale item, and 2.5 for the 6-point scale items were deemed appropriate for consensus among the panelists. An IQR of 1 or lower was also considered as a suitable and objective point for deciding consensus among the group of experts. Lastly, a Kendall's W coefficient of concordance values of 0 to 1 weas deemed an appropriate range for consensus among the panelists.

4.3 Target population and sample size determination

4.3.1 Target population

The study targets two sets of population, one set for the experimental study and the other for the Delphi study. Both studies target population who are knowledgeable in the working of the Ghanaian public sector and of the information content of the AG's annual report in the economic and financial decisions of its users. For example, the experimental study targets students on the Master of Accounting, Finance and Public Administration programs (MPhil, MCom, MRes, MSc, MA, MBA, MPA) who had matriculated as at 2018/2019 academic year. This means that the experimental study target population is second year masters students who are specializing in the relevant study area. The Delphi study targets people with this workable knowledge both of the management of public funds and of the utility value of the AG's report in the economic and financial decisions of its users.

Given this target group for the experimental study; the researcher obtained from the University of Ghana Business School 328 (421-93); from the University of Professional Studies (UPSA) 432; and from Ghana Institute of Management and Public Administration (GIMPA) 122 target matriculated masters students. He could not get the figures of masters students from Kwame Nkrumah University of Science and Technology (KNUST) and University of Cape Coast (UCC). All his efforts including official letters and reminders via visits, emails, telephone calls and WhatsApp messages all in the effort to get the figures from the KNUST Business School and the UCC proved futile.

Since KNUST and UCC were not cooperating, the researcher decided to work with the 882(328+432+122) as the study population. Unfortunately, the timing, clearance from supervisors to launch the experimental study and demand for ethical clearance; left the researcher with a study universe of 432 students on the MBA in Accounting and Finance program at UPSA. Even though the figure and permission were obtained from UG, her students could not be easily reached because they were on revision week preparing for the end of semester examinations. Similarly, GIMPA students were not used in this study because the university authorities demanded for an ethical clearance from UAM which was issued two months after the researcher applied for it. Unfortunately, it was rejected by GIMPA as unsatisfactory.

Consequently, the researcher used only the 432 the Master of Business Administration in Accounting and Finance students from the University of Professional Studies as the study population for the experimental study.

The rationale for choosing the second year MBA students over the entire MBA students stems from the fact that, they are more likely to have a better understanding of the workings of the Ghanaian public sector and more especially, of the utility value of the AG's report in taxing and taxpaying decisions on one hand; and on the other, its effects on the job retention of a public official who is reported by the AG to have misappropriated public funds. As suggested above under the justification for experimental studies (p.122); any knowledge, abilities and or experience over and above those possess by MBA students, especially those in the second year may not affect the study results (Hirst, Koonce & Venkataraman, 2007).

4.3.2 The study sample size

A sample is a sub-group; a part of the larger group; and samples are used whenever it is impossible, too expensive or time consuming to study the entire population (Saunders, Lewis & Thornhill, 2009). There are two broad types of sampling, probability, and nonprobability sampling. Under the former, each member of the universe has an equal chance of selection (Saunders, Lewis & Thornhill, 2009 and Kothari, 2011). However, in the latter, the probability of selection depends on the researcher (Saunders, Lewis & Thornhill, 2009 and Kothari, 2011). This study uses both random probability sampling for the experimental study and purposive sampling for the Delphi study three reasons.

Firstly, random sampling facilitates answering the research questions and the attainment of the research objectives that require estimating the statistical characteristics of the population. Secondly, it is often associated with survey and experimental studies (Saunders, Lewis & Thornhill, 2009). Lastly, this sampling technique has been used in experimental studies to evaluate the convergence in the understanding of a standard audit report among investors, lenders, and auditors in the USA (Asare & Wright, 2012). Above all, random sampling is used because it further facilitated the random assignment of the experimental subjects to the control and experimental groups.

4.3.3 The sample for the experimental study

Given that the number of the target population for the experimental study is 432 with the help of Research Advisors (2006) and Saunders, Lewis and Thornhill (2009) sample size for different population size at 95% confidence level; a sample size of at about 198 was deemed appropriate for this study. This sample size higher is higher than the 95 MBA students used by Maines and McDaniel (2000) to study *Effects of comprehensive-income characteristics on* *nonprofessional investors' judgments: the role of financial statement presentation format*. It finds further support from Saliful (2011), a clinical researcher position that a sample size larger than 30 but less than 500 is appropriate for most research. More importantly, it higher than the sample size of 154 that Asare and Wright (2012) used to study investor', auditors', and lenders' understanding of the message conveyed by standard audit report on financial statements.

4.3.4 The Delphi panel (sample) size

From the infinite target population, the study uses a sample size of twelve (12) experts who were purposively selected from the PAC of the Ghanaian Parliament 1, not-for-profit sector 2, public sector 2, academia 3, private sector 2, and retirement 2. These persons were selected to form the panel of expert solely because of their knowledge, understanding, expertise, specialized skills, techniques and above all their work related experience in; or of the management of the Ghanaian public sector; and of the mandate and contribution of the AG's work to the economy progression and national development of Ghana.

Ten of the twelve panel of experts used in this study are personally known to the researcher. The other two experts prioir to study were known only remotely because of the public offices they had held before, or are still holding. The panel was considered fairly representative of the stakeholders of the issue under consideration in this study. So, the researcher did not deem it necessary to use any tool like the knowledge resource nomination worksheet (KRNW) suggested by Okoli and Pawlowski's (2004), which sole purpose is to ensure fair representation of stakeholder groups on the panel.

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This panel size of 12 is consistent with Okoli and Pawlowski's (2004) position that Delphi literature recommends a panel size of 10 – 18 experts on a panel because a Delphi the panel size depends on the dynamics of the panel for arriving at a consensus rather than on statistical power. This study panel size is also supported by Skulmoski, Hartman and Krahn's (2007) view that a sample size of 4 to 171 is acceptable for a Delphi study. Similarly, Worrell, Di Gangi, and Bush (2012) hold that though many studies use between 10 and 30; a panel size as small as 4 is appropriate if the panelists can demonstrate deep understanding of the issues under consideration. The assembled panel of experts for this study, have the knowledge, expertise, experience to demonstrate deep understanding of the effects of the AG's report on taxpayers, government and public purse managers entrenched behaviors in the country.

Corroborating this study panel size, Kozaki and Iefremovaz's (2014) argue that a few to thousand experts depending on the research questions, is acceptable. This is consistent with revelation from De Loë, Melnychuk, Murray & Plummer (2016) systematic review of policy Delphi literature that, a panel size of 10 to 15 was originally considered appropriate for policy Delphi. Avella (2016) also opined that typical Delphi panels tend to fall within the range of 10 to hundred members.

4.4 Research methods

A research method refers to a range of approaches, techniques and procedures used in educational research to generate data to be used in a research as the basis for explanation, interpretation, inference and prediction (Cohen, Manion & Morrison, 2007). For Greener (2008), a research method refers to the specific activities such as questionnaires, interviews, focus group discussions, observations among others that a researcher uses to generate data. Jonker and Pennink (2010) describes it as a detailed outline of the specific techniques and steps to be taken in a certain stringent order during the conduct of a research to arrive at the intended destination. In short, it is a range of specific tools and techniques that are used for the collection and analysis of evidence to reach a reliable conclusion (Kothari, 2011 and Walliman, 2011). It refers to a set of specific practical procedures, tools and techniques that a researcher uses to gather and analyze data (Wahyuni, 2012).

The research methods used for the collection of the study data are archival documents and questionnaires. The data retrieved from the archival sources are secondary data and the ones collected from the research questionnaire are primary data. The secondary data on the mismanagement and various irregularities including cash, tax, payroll, contracts, procurement, rent and tax revenue figures were extracted from the AG's reports for the years of the study period. However, the primary data were derived from the experimental study participants responses to the research questionnaire and from the panel of experts on the Delphi study.

4.5 Variables of the study

The variables of the experimental study are the AG's reports on the public sector organizations; the taxpayer voluntary taxpaying decisions, government taxing decisions and the taxpayers willingness to forgive an indicted corrupt public purse manager and let him remain at post. The AG's report is the independent variable; whilst the taxpayer voluntary taxpaying decisions and their willingness to retain a public sector manager who has embezzled public funds constitute the dependent variables.

4.6 Research items (questionnaire)

A questionnaire (research items or instruments) generally refers to a list of questions on a topic or issue of interest to the questioner to be responded to by selected respondent(s). According to Cohen, Manion and Morrison (2007), a "questionnaire is a widely used and useful instrument for collecting survey information, providing structured, often numerical data being able to be administered without the presence of the researcher, and often being comparatively straightforward to analyze." Sanders, Lewis and Thornhill (2009) defined it as a general term for all the techniques of data collection in which each respondent is asked to respond to the same set of questions in a predetermined format and order. Pandey and Pandey (2015) view a questionnaire as a list of questions related to a topic that have been systematically compiled and submitted to a sample of a population to solicit information on the topic of interest.

Guided by above outline that a research questionnaire is a set of questions to be responded to by a selected group of respondents in either structured interviews, or over the telephone, or via internet, or in a printed format without the questioner being resent; two sets of questionnaire were compiled on and around the utility value of the AG's report in users' financial decisions. The 19 experimental study items were presented to the participants in printed format, whilst the 6 Delphi instruments were communicated to the panelists via emails.

4.6.1 The development of the research questionnaire

The development of the questionnaire for both the experimental and Delphi studies were guided by the stated objectives of the study; expected benefits of the AG's audit of Ghana's public accounts and AG's findings; as well as the PFM regulatory framework. Inputs from interview interactions with the Offices of the AG; Ministry of Finance/Controller and Accountant General; Ministry of Justice and Attorney General Department; and a member of PAC were also incorporated into the development of the research items. The interviews were limited to this class of Ghanaians for two basic reasons. Firstly, because of their vast experience and or knowledge in the management of Ghana's public funds; and secondly, due to their understanding of the objectives, mandate and working of the AG and the related purpose of the audit of Ghana's public accounts.

The responses of the interviewees were used to draft a set questionnaire that were reviewed by the AG, three PhD students, a PhD holder in economics education who has extensive experience in university curriculum development, university level programs management, teaching and research and the two supervisors of this thesis. The comments and recommendations of all of them were incorporated in the items that were pilot tested; except one suggestion from the AG. The AG had suggested that an item on the AG's mandate be included, but that particular suggestion was not taken because the researcher thought it was outside of the scope of the current study.

The pilot testing was done to identify and rectify any potential problems in order to finetune the study instruments before using them in this study. The pilot test was conducted with 19 persons. Whilst 11 of the pilot test participants were selected purposefully, the rest were brought into the study via the snowball technique. The 19 of them were used in the pilot study due to their educational background, knowledge, expertise and work experience. The use of 19 participants in the pilot test is supported by Hanafin (2004) who used 10 participants to pilot test his questionnaires in two rounds before implementing a Delphi study.

The educational distribution of the 19 pilot test participants are, 15% of them hold PhD degrees in Accounting; 12% are PhD students in Accounting, Economics and Finance; 63% of them hold masters' degrees in Accounting and or Finance and 9% are first degree holders in Banking. The PhD holders, PhD students and most of the masters holders are either fulltime or part time university lecturers. So, they were judged to have a reasonable knowledgeable to understand the purpose and working of the AG and the reasons of auditing Ghana's public accounts.

Therefore, the preparation of the research items that were used in both the experimental and Delphi studies, went through three stages of preparation. The first stage, the interview stage, used the recurring concerns raised in the AG's annual reports, the objectives and expected benefits of the audit Ghana's public accounts as inputs for the interview with the office of the AG; CAG, Ministry of Justice and Attorney General office; and with the member of the PAC. The second stage used the responses from the interviews as inputs for the first set of questionnaires that were reviewed that were reviewed. The third stage updated the reviewed questionnaire for piloting. The responses from the pilot test participants helped to clean and fine-tuned the items that were used in both the Delphi and experimental studies to collect the data analyzed herewith below.

The instruments for the experimental study were 19 in total whilst the Delphi questionnaire contained six (6) items. The 19 items of the experimental study were in a 4-point Likert scale format covering five broad areas related to the management of public funds in Ghana. These questions were preceded by a section on the demographic information of the experimental participants. The 5 areas the 19 experimental study solicited the opinions of experimental subjects were:

- perceived effects of PFM laws on the quality of public sector institutions' financial reports.
- perception of corruption the Ghanaian public sector.
- perception of the AG's mandate, independence, and credibility.
- perceived effects the Ag's report on the quality of public fund managers' financial reports, and
- perceived effects of the AG's report on taxpayers' economic decisions and on policy.

A four-point Likert scale items was considered appropriate and adopted for this study because it eliminated the “no idea” easy tendency of respondents to sit on the fence by preferring no commitment. As Greener (2008) puts it, a 4-point Likert scale items forces respondents to commit themselves to either the positive or negative side rather encouraging a central tendency as in the case of a five-unit scale items where respondents find it easier to give mid-point replies than the extreme.

Similarly, the 6 items of the Delphi study covered the PFM regulatory framework, the management of Ghana’s public funds and the AG’s mandate and report were grouped under five sections. These questions were preceded by a brief information on the constitutional and legal requirements for the audit of Ghana’s public accounts by the Auditor General; and the demographic characteristics of the experts (participants).

The subsection on the perceptions of the attributes of the PFM and the rationality of public spending contains two items. The knowledge of the institution of the AG Office, its activities, credibility of its report was captured by one instrument. The subsection on the perceive influence of AG’s report on public reporting, in taxpaying decisions and on taxpayers willingness to forgive a public official who has been found by the AG to have embezzled pubic funds and allow him to remain at post, covers two questions; whilst the comparison of usefulness of the PFM laws and AG’s report in checking financial embezzlements and corruption in the Ghanaian public institutions has a question. The last item solicits two things. The first asks participants to suggest other tools that governments use to fight corruption in the management of Ghana’s public purse, and the second solicits issues that may be relevant for the improvement of this study, but that are not captured in the study instruments.

4.7 The research data

Data is defined by Tsetsekos (1993) as the actual observations that a researcher collects from an investigation or survey. Agretti and Finlay (2009) view data as a collective term or name given to a set of gathered characteristics of interest. Data may be classified either as qualitative or quantitative; and or primary or secondary. Whilst qualitative (categorical) data can be sorted into categories on the basis of qualitative attributes, quantitative data are basically numerical (Tsetsekos, 1993). The secondary data are data that were collected for a different purpose by another person whereas primary data are data collected by a researcher to answer his or her research questions and objectives.

This study uses largely quantitative and primary data that were collected via the experimental and Delphi studies questionnaires.

4.8.1 Experimental data

The experimental study data were collected using the pretest-posttest control experimental design. The rationale for using this design is provided above, but as a quick recall, it is considered appropriate because it allows the researcher to conduct within groups measurements and between groups measurements (Sekaran, 2003; Bhattacherjee, 2012). The within group and between group measurements design enabled the researcher to assess the utility value of the AG's report in voluntary taxpaying decisions and its effects on the taxpayers' willingness to forgive a public official who has been found to have embezzled public funds to remain at post.

4.8.1.1 The analysis of variance (ANOVA)

To assess the within group and between group differences, the analysis of variance (ANOVA) was used to compare the groups scores in order to study within and between groups interactions which this study is interested in. As Bhattacherjee (2012) puts it, the random assignment of participants to both groups in the ANOVA is used to check for any difference between the control and experimental measurements of the effects of the independent variable. According to him, the ANOVA design also checks several threats to internal validity including maturation, testing and regression that can influence both groups in a similar manner. He further argued that the random assignment of participants to both groups in the ANOVA design, controlled for the selection bias (threat) as well as mortality threat because all the experimental data were collected in a three 45-minute experiments.

In the first experiment of 45 minutes, 60 set of questionnaires were filled, 80 in the second and 70 in the last experiment. In all, 210 set of questionnaires were administered and retrieved in the three successive experiments. Unfortunately, out of this number, only 188 of the filled questionnaires were useable because 22 pieces of the administered and retrieved questionnaires had plenty relevant missing data relating to the third, fourth and fifth objectives of this study; and thus considered unusable. So, all the experimental data used in this study were collected during the timed studies with zero participant dropout rate.

A justification for using ANOVA in this study is further corroborated by Lin, Tang and Xiao (2003) who used this very statistical tool in their experimental study that sought to determine the utility value of qualified audit report in investing and lending decisions in China.

The ANOVA focuses on the differences between the pretest and posttest measurements of both the control and experimental groups; and then a comparison of the differences of the two differences to determine if the independent variable has any effects on the dependent variable. The ANOVA analysis is similar to Bhattacherjee (2012) standard notation for determining the causal effect of a treatment of the experimental group in a pretest posttest study that measures as the difference in the scores of the two test (measures), designated as $E = (O2 – O1) – (O4 – O3)$.

Since the analysis of variance does not account for other factors such as demographic features of the respondents, a propensity score marching (PSM) test that can account for such factors; was also used to check the robustness of both the descriptive statistics and the ANOVA results of the effects of the AG's report on the quality of public sector institutions' reports, voluntary taxpaying decisions and taxpayers' willingness to allow a public official who has been found by the AG to have misappropriated public funds to remain at post.

4.8.1.2 Propensity score marching

According to Caliendo and Kopeinig (2005) propensity score marching has become a popular approach in estimating causal treatment effects. They claim it is particularly useful especially in situations where there exists a treatment group and nontreatment group. Similarly, Gakhar, Kaur and Kapur (2010) usage of PSM in their quasi-experimental study further strengthens its adoption in this study. Moreover, Zgang, Wang and Zhang (2014) used PSM statistical tool to analyze their quasi-experimental study in order to determine the effect of public reporting of medicine use information on rational drug use in China. Shipman, Swanquist and Whited (2016) discussed the popularity and usefulness of PSM in accounting research.

4.8.2 The data from the Delphi study

The first-round data from the Delphi study were collected from a single panel of 12 experts using seeded items in the first round of a two-round policy Delphi study. The seeded round items focused on the utility value of the PFM regulatory framework and the AG's annual report as far as the management of Ghana's public purse is concerned. Suggestions from the seeded round that took care of brainstorming concerns of Delphi studies, were factored into the second-round items for the panelists to select the top 5 and rank them according to the 0 to 5 Likert scale used in the instrument.

The data from round two were collected from a combined package that included the feedback to the panelists for the round one judgments, the round specific items which were the round one set of items but it included the panelists suggested tools for the fight against corruption in the Ghanaian public sector. Two out of the 10 panelists did not return their responses after two long months of waiting filled with many reminders via emails, telephone calls that were never responded to and WhatsApp messages.

4.8.2.1 Tools of data analysis

The collected data from the two rounds Delphi process were analyzed using median, IQRs and Kendall coefficient of concordance (W). As noted above, whereas descriptive statistics of median and IQRs were used to measure degree of consensus among the panelists, Kendall's coefficient of concordance (W) inferential statistics was used to check the level of the significance of the agreement among the participants.

Since the Delphi instruments were ranked on a 6-point Likert scale, an IQR of 1.0 or lower was deemed a suitable indicator of convergence among the panelists. Because according to von der

Gracht (2012); O'Donovan, Mihile and Leech (2015); an IQR of 1.0 or lower for a 7-point Likert scale; or 4 to 5-unit scale is an indicator of a suitable consensus. von der Gracht (2012) also added that 0.00 (most agreement) to 3 (least agreement). With the 6-point Likert scale ranking values ranging from 0 to 5, a median of 2.5 was assigned as the point of convergence among the group of experts.

On the use of Kendall's W, Schmidt (1997) noted that using Kendall W is a realistic way of determining whether consensus has been reached, increasing, and the relative strength of the agreement. Okoli and Pawlowski's (2004) argued that, Kendall W is widely recognized as the best metric for measuring nonparametric ranking. Similarly, Nevo and Chan (2007) considered the use of Kendall's (W) as more appropriate than other tools because it measures the strength of association among the ranking of items. Furthermore, whilst Worrell, Di Gangi and Bush (2012) usage of Kendall's W to determine agreement among the panel experts also support its application in this study; Habibi, Sarafrazi and Izadyar (2014) maintain that Kendall's coefficient of concordance (Kendall's W) is an appropriate criterion for assessing consensus among study participants.

The consensus points for a Kendall's coefficient of concordance W values range from 0.0 to 1.0 indicating the degree of consensus reached by the panel. A $W = 1$ represents perfect convergence; $W \geq 0.7$ stands for strong consensus; $W = 0.5$ indicates moderate consensus and $W \leq 0.3$ for weak consensus (Okoli & Pawlowski, 2004; von der Gracht, 2012; Worrell, Di Gangi & Bush, 2012; Habibi, Sarafrazi & Izadyar, 2014).

CHAPTER FIVE

PRESENTATION AND DISCUSSION OF FINDINGS

5.0 Introduction

The current chapter presents and discusses the research findings according to the two data sets collected (experimental and Delphi data) for the purpose of assessing effects of the AG's report on taxpayers, government and public purse managers entrenched behaviors in Ghana. The first part of the chapter relates and discusses the findings from the experimental study under three subsections, descriptive statistics, analysis of variance (ANOVA) and propensity score marching (PSM) tests.

The second section covering the findings from the Delphi study that were derived using descriptive statistics of median, IQR and Kandell coefficient of concordance (W). As with ANOVA and PSM in the experimental stud, the Kandell coefficient of concordance focuses on effects of the AG's annual report on the quality of public purse managers' financial statements; taxpayers' voluntary taxpaying decisions and their willingness to allow an indicted corrupt public purse manager keep his job.

5.1 The findings from the experimental study

The findings from the experimental study as briefly stated above, are presented and discussed using descriptive statistics, ANOVA and PSM. The descriptive subsection follows.

5.1.0 Descriptive statistics results

The descriptive statistics subsection covers three issues that can affect the management of Ghana's public funds either positively or negatively. The first issue focuses on the participants' perceptions of the effects of the PFM laws on the quality of public sector institutions' financial statements. The second deals with the participants perception of the level of corruption in the management of the Ghanaian public purse and governments commitment at fighting it. Lastly, the third issue dwells on the participants' understanding and knowledge of the AG's mandate, independence, credibility and content of the AG's report.

5.1.1 Perceived effects of PFM laws on the quality of public institutions' financial reports

The descriptive statistics from the pre-test and post-test measurements of the control group show that all the participants (100%) agree (a mean of 3 out of a 4-point Likert scale) that PFM regulatory framework can promote the principles of transparency, probity and accountability in the management of public funds in the country. Since three is the mean point of agreement in the is study, therefore, a mean of 3 out of a scale a 4-point Likert scale agreement means that the PFM can promote transparency, probity, accountability. However, the mean of the posttest measurements of the participants perception of the effects of the PFM on transparency, probity and accountability drops slightly by (-0.04). The details are contained in Table 5.1 below. The change in the two means mean that some participants changed some of their responses in the posttest.

Similarly, the means (3) for both measurements both of the participants perception on whether the PFM regulatory framework is instilling financial discipline in the management of Ghana's public purse show a unanimous agreement among the participants that the PFM regulatory framework is capable of instilling discipline in the management of Ghana's public funds. As with the measurement on transparency, probity and accountability, the posttest measurement of the effects of PFM on financial discipline is slightly lower (-0.11) than the pretest mean as shown in Table 5.1 below. The slight drops in both means could mean either the participants were over zealot in the pretest measurement or overly cautious in the posttest, were more aware of what was being measured.

Though the participants agreed that the PFM laws can affect the quality of public sector managers' financial reports, they unanimously disagreed that the laws are being enforced. Because both means of the pretest and posttest measurements of the participants perception of the enforcement of the PFM are 2, which lower than 3, the mean point of agreement. The posttest mean rose a little higher that the pretest mean by 0.03. See Table 5.1 below.

Table 5.1 Perceived effects of FM laws on the quality of public entities' financial reports

Control:	**pretest measurement**				**posttest Measurement**			
Test Variables	Min	Max	Mean	Std. Dev	Min	Max	Mean	Std. Dev
Transparency, probity and accountability	1	4	2.9468	0.94319	1	4	2.9043	0.95116
Financial discipline	1	4	2.9681	0.92110	1	4	2.8617	0.93442
Enforcement	1	4	2.2766	1.04114	1	4	2.3085	1.03723

N = 94

Source: Field study, December 2019

The results of the experimental group are similar to the measurements of the control group. The results show a 100% agreement (a mean of 3) among the experimental group participants that the PFM laws can influence the quality of public sector institutions' financial statements positively. This is because the participants believe the PFM laws can promote transparency, probity, accountability as well as instill financial discipline in the management of Ghana's public funds. However, unlike in the case of the control group means, the mean of the posttest measurements of the experimental participants perception of the effects of the PFM on transparency, probity and accountability increases slightly by (0.15).

The measurements of the experimental group perception of the influence of the PFM on financial discipline in the management of public funds in Ghana also show that the participants unanimously agreed (3) that the PFM regulatory framework can instill financial discipline in the public sector. But the posttest measurement mean is (0.13) slightly higher than the pretest mean as illustrated in Table 5.2 below.

The results of the measurement of the experimental participants perception on enforcement of the PFM laws mirror the control group results. They also unanimously disagree (2) that the PFM laws are being enforced. This is illustrated in table 5.2 below. But a comparison of the pretest and posttest means reveals that the posttest mean is (0.11) higher than the pretest mean. This can be computed from Table 5.2 below.

Table 5. 2 Perceived effects of PFM laws on the quality of public entities' financial reports

	Experimental pretest measurement				**Control posttest Measurement**			
Test Variables	Mini	Maxi	Mean	Std. Dev	Mini	Maxi	Mean	Std. Dev
Transparency, Probity and Accountability	1	4	2.6915	0.98403	1	4	2.8404	0.99788

Financial Discipline	1	4	2.7340	0.88203	1	4	2.8617	0.93442
Enforcement	1	4	2.2128	0.97133	1	4	2.3191	1.04945

N = 94

Source: Field study, December 2019

5.1.2 Comparison of the change between the control and experimental groups

A comparison of the means of the two groups on transparency, probity and accountability show that overall, there was a change in the two measurements. However, the change in the experimental group measurement 0.11 (0.15 - -0.04) is higher than the change in the control group. This difference between them can probably be attributed to the experimental stimulus that was introduced to the experimental group. Similarly, the means difference between the two groups on financial discipline 0.2 (0.13 - - 0.11) is also higher than the pretest mean measure. This also suggest that the experimental stimulus could have been responsible for that slightly higher mean results of the group. The mean differences on the enforcement 0.08 (0.11 – 0.03) can similarly, be attributed to the influence of the stimulus that introduced to the explanatory group.

Given these descriptive statistics results, one can conveniently conclude that, the experimental stimulus that was introduced only to the experimental group is largely responsible for the higher change in the group's posttest measurement than the control group posttest measurement.

The positions of both the control and experimental groups that the PFM laws can promote transparency, probity and accountability in the management of the Ghanaians public purse, are consistent with Herbert's (2007) view that, a public sector regulatory framework sets the parameters for the control of public funds; emphasizes principles of fiscal discipline, prudent management, public expenditure monitoring and scrutiny by the Office of the AG and the public Accounts Committee of Parliament. It is also consistent with Graham's (2011) agreement that, PFM system is an important tool for managing public funds in a systematic, efficient, transparent and legitimate way to prevent abuse and create incentives for quality services to the public.

These results are further corroborated by Ekpo's (2016) claim that public sector financial management regulatory framework provides a common standard that serves as a guide for the conduct of government business, which ensures control, probity, transparency, accountability, efficiency and economy in the use of scarce public funds.

Also, both groups unanimous objection that the PFM laws are enforced is supported by the AG lamentations in his 2011 and 2013 annual reports of noncompliance with the PFM laws. The AG lamented in the 2011 and 2013 reports that the cataloguing of financial irregularities by the MDAs in his annual report had become a ritual that seemed to have no effect because the affected MDAs were not addressing the basic problems of lack of monitoring and supervision, noncompliance with PFM regulatory framework meant to provide effective financial management of public resources (Ghana Audit Service, 2011 and Ghana Audit Service, 2013). In the 2012 annual report, the AG also regretted that the MDAs were still not taking effective action to address the basic problems of lack of monitoring and supervision, non-adherence and outright disregard for established legislation. These limitations lend support to the participants stand on nonenforcement.

Furthermore, the AG petition to the Ghana Police Service to expedite the investigation and prosecution of 10 of the 14 MDA officials alleged to have perpetuated corruption between 2013 and 2017 (Ghanaweb, January 8, 2019) also supports the study participants' view that Ghana's PFM laws that are capable of promoting transparency, probity, accountability and financial discipline are not enforced. These results are corroborated by CEPA (2005) earlier claim that "throughout the 1990s, … Ghana's public expenditure management system deteriorated and needed improvements." A deteriorated PFM regulatory framework is a framework that can either enforced or simply unenforceable.

5.1.3 Perception of corruption in the public sector and the commitment to fight it

The measurements (pre-test and post-test) of the control participants' perception of corruption in the Ghanaian public sector show a 100% agreement (a mean of 3 out of 4) among the participants that corruption is high in the Ghanaian public sector. As with the measurements on the perceived effects of the PFM laws on the quality of public institutions' financial statements, there are also changes in the in the posttest measurement of the participants perception of corruption in the management of Ghana's public funds. The posttest mean is (-0.04) lower than the pretest mean. See Table 5.3 below.

The same Table 5.3 also show that the participants under both measurements, unanimously expressed their fear (agreed) that corruption in the Ghanaian public sector can go undetected. However, the mean of the posttest measurement is 0.04 higher than the pretest mean.

The measurements of the control participants perception that the Ghanaian governments are committed to fighting corruption in the public sector, show that all the participants (100%)

disagree (2 out of a 4-point Likert scale) that the governments are committed to fighting the corruption canker as presented in Table 5.3 below. These results also reveal that the posttest mean is -0.06 lower than the pretest mean. These results are similar to the participants fear (disagreement) that the Ghanaian governments are using the AG's reports to fight corruption in the public sector. Though al the participants expressed their disagreement that governments are using the AG's report to fight public sector corruption, the posttest mean is 0.04 higher than the pretest mean. Similarly, the group disagreed that the governments are using other tools other than the AG's reports to fight public sector corruption. The group mean differences also showed that the posttest mean is -0.13 lower than the pretest mean.

Table 5.3 Perception of corruption in the public sector, control group

Control:	**pretest measurement**				**posttest measurement**			
Test Variables	Min	Max	Mean	Std. Dev	Min	Max	Mean	Std. Dev
Corruption is high in public sector	1	4	3.3511	0.87630	1	4	3.3085	.92779
Corruption goes undetected	1	4	2.7021	0.94845	1	4	2.7447	1.01533
Government are committed to fighting corruption	1	4	2.3617	0.97110	1	4	2.2979	.98188
Government using AG's report to fight corruption	1	4	2.3404	0.95662	1	4	2.3830	.94022
Other tools are used to fight corruption	1	4	2.3936	0.93000	1	4	2.2660	.90608

N = 94

Source: Field study, December 2019

As with the control group, the experimental group's perception of corruption in the management of public funds in this nation showed a mean of 3, which means that public sector corruption is high. See Table 5.4 bellow. However, unlike the control group's posttest mean, the explanatory group posttest mean is 0.06 higher than its pretest mean. While the group also unanimously (a mean of 3) expressed their fear that corruption in the Ghanaian public sector can go undetected; its posttest mean is 0.04 higher than the mean of its pretest measurement.

As shown in the same Table 5.4 below, all the participants disagreed (a mean of 2 on a-point Likert scale) that the Ghanaian governments are committed to fighting corruption in the public sector. Although the pretest and posttest means of disagreement are about 3, the pretest mean is 0.04 lower than the posttest mean. Similarly, though the pretest and posttest means, about 2 underscored a disagreement among the participants that governments are using the AG's reports to fight public sector corruption; the posttest mean is slightly lower than the pretest mean. On whether the governments are using other tools other than the AG's reports to fight public sector corruption, the means of both measurements, about 2 means that the Ghanaian governments are not using public sector corruption. A comparison of the two means showed that, the posttest mean is 0.04 lower than the pretest mean.

A comparison of the perception of corruption in the public sector control group mean to the experimental group mean shows that the experimental group mean is 0.01 (0.06 - - 0.04) higher than the control group mean. Though the results also show that there is hardly any difference between the two groups on whether public sector corruption can go undetected; other revelations contained in the results include firstly, that the mean of the experimental group is

0.01 (0.04 - - 0.06) higher than the mean of the control group. Secondly, the control group's mean is 0.08 higher than the experimental group's mean. Lastly, the explanatory group's mean is -0.03 lower than the control group's mean. The comparisons were computed from Table 5.4 below.

To the extent that nothing explains the differences in the means between these two groups, this researcher believes the differences can only be accounted for and attributed to the experimental stimulus. However, the stimulus did not seem to have any effect on the detection of public sector corruption.

Table 5.4 Perception of corruption in the public sector, experimental group

	Experimental pre-test measurement				**Experimental post-test Measurement**			
Test Variables	Min	Max	Mean	Std. Dev	Min	Max	Mean	Std. Dev
Corruption is high in public sector	1	4	3.3511	.90051	1	4	3.4149	.78164
Corruption goes undetected	1	4	2.5532	.94604	1	4	2.5957	1.00877
Government are committed to fighting corruption	1	4	2.1809	.92705	1	4	2.2234	.91762
Government using AG's report to fight corruption	1	4	2.2553	.98304	1	4	2.2128	.91431

Other tools are used to fight corruption	1	4	2.2128	2.2128	1	4	2.1702	.92327

N = 94

Source: Field study, December 2019

The 100% agreement among the respondents that corruption is high in the country's public sector is consistent with the overwhelming evidence of entrenched recurring financial malfeasances, embezzlement and corruption in the management of the public purse in Ghana (Ghana Audit Service, 2018; Ghana Audit Service, 2017; Ghana Audit Service, 2016, …. Ghana Audit Service, 2000). Another evidence supporting this finding is the CDD's (2000) findings that corruption is high in Ghana. The CDD's findings show that as high as 75% of the Ghanaian population argued that corruption was a serious problem. An overwhelming 82% of the 75% who held that corruption was a serious; also claimed that corruption was more prevalent in government than it was in the preceding three years. These literatures corroborate the experimental participants perception.

The 100% disagreement among all the 188 participants that governments are committed to fighting corruption is consistent with their perception that the PFM laws are unenforced in spite of their conviction that the PFM regulatory framework can affect the quality of public sector institutions financial performance and reporting positively. So, the participants disagreement that the Ghanaian governments are committed to fighting corruption in the management of her public purse seems logical because, if the governments were truly committed to fighting the canker, they would have ensured that the PFM laws are strictly enforced. They would have marshalled all the state's special human resources such as the Ghana Police Service and the anticorruption institutions including the Economic and Organized Crime Organization

(EOCO), Serious Fraud Office, the Office of the Auditor General, the Ministry Justice and Attorney General Department and the newly created Office of the Special Prosecutor to strictly enforce the PFM regulatory framework.

Unfortunately, the findings reflect the reality on the ground. Though the nations' antic-corruption bodies are available to the governments to use to enforce the PFM laws, they keep behaving as though nothing is at stake. They behave as if it does not matter that the laws governing and regulating the management of the nation's public funds are not being enforced. At best, successive governments have engaged in rhetoric and lip service gymnastics about fighting corruption in the Ghanaian public sector. They had even declared zero tolerance for corruption; promised transparent and accountable governance; vowed to keep corruption out of their governance including enacting laws and creating anticorruption office such as OSP. Yet, these were mere rhetoric and lip service posturing, because these very governments whilst pretending through these overtures to be readying themselves to fight corruption; were at the same time seriously demonstrating gestures, attitudes and behaviors of noncommitment towards the fight against corruption in the management of Ghana's public purse. To say the, least their capacity for deceit and pretense is very nauseating.

For instance, President Kufuor inaction and comment that corruption started from the day of Adam (Appau & Anku-Tsede, 2015) is a clear indication of a lack of commitment and unwavering determination to fight corruption. Azeem (2009) also alleged that President Atta-Mills was showing signs of unwillingness to deal with public sector corruption, also testify to the claim of governments noncommitment to the fight against corruption. Similarly, Presidents Mahama noncommitment to deal with the high-profile corrupt cases in his administration (Pulse, December 14, 2016); and Akufo-Addo (Gyamfi, February 6, 2020) clearing culprits of high-profile corruption case in his government; are all indications of the lack of political will power and unwavering commitment and determination by the Ghanaian political leadership to fight corruption in the nation's public sector.

Apart from the fact that the findings reflect the reality of the lack of Ghana's political will power to enforce the PFM regulatory framework which can be instrumental in the fight against public sector corruption; it also confirms what is often said, that, "No matter how good and forceful a law is, if it is unenforced, by itself, it can do nothing to achieve its intended objectives." Thus, no matter how encompassing the Ghanaian PFM regulatory framework is, it is powerless and will not, and cannot by itself promote transparency, probity, accountability and instils financial discipline until it is strictly enforced by the powers that be without fear or favor.

5.1.4 Perception of the AG's mandate, independence and credibility

The participants under both measurements (pre and post) of the control group show (a mean of 3 out of 4) that they understand the AG's mandate and activities. They also believe the AG is objective in the performance of his duty. They further indicate that they are knowledgeable of the content of the AG's report. See Table 5.5.

Table 5.5 Perception of AG's mandate, independence and credibility, control group

Control:	**pretest measurement**				**posttest measurement**			
Test Variables	**Min**	**Max**	**Mean**	**Std. Dev**	**Min**	**Max**	**Mean**	**Std. Dev**
Understanding of AG's	1	4	2.8830 2.8830	.74569 .82770	1	4	2.8298	0.82486

mandate and activities								
Objectivity of AG in performing his duty	1	4	2.6915	.86791	1	4	2.8830	0.86579
Knowledge of content of AG's report	1	4	2.2128	.97133	1	4	2.6383	0.91406
N = 94								

Source: Field study, December 2019.

Similarly, the experimental group participants indicate their agreement (3 out of 4) that they understand the AG's mandate and activities; that the AG is objective in the performance of his duty; and lastly, that their knowledge of the content of the AG's report is high (3 out of a scale of 4) as shown in Table 5.6.

Table 5.6 Perception of AG's mandate, independence and credibility, experimental group

	Experimental pre-test measurement				**Experimental post-test Measurement**			
Test Variables	**Min**	**Max**	**Mean**	**Std. Dev**	**Min**	**Max**	**Mean**	**Std. Dev**
Understanding of AG's mandate and activities	1	4	2.8830 2.8830	.74569 .82770	1	4	2.8298	0.82486

Objectivity of AG in performing his duty	1	4	2.6915	.86791	1	4	2.8830	0.86579
Knowledge of content of AG's report	1	4	2.2128	0.97133	1	4	2.6383	0.91406

N = 94

Source: Field study

The participants claim was probably informed by the level of their education and their experience. The statistics of their educational level show that majority of them, about 62% and 61% of the control group and the experimental group respectively have at least working knowledge in accounting as presented in Table 5.6 below. The results show that majority of the respondents are either accountants, account officers or auditors. This show that, at least more than 60% of the participants have the requisite knowledge to read and understand the AG' report and the attendant effects it can exert in taxing and taxpaying decisions as well as in the job retention of a corruption public official decisions in the country.

As revealed by both Table 5.5 and Table 5.6, there is no difference in the participants' perception of the AG's mandate, independence and credibility. This could probably be attribute to the shared educational background and work experience of the respondents. Apart from the fact that they are all MBA student studying Accounting and Finance, their work experience comprising accountants, auditors, bankers, managers, educators, others as showed in Table 5.7 below, underscored an overarching background to support the difference-free position on their perception of the AG's mandate, independence and credibility.

The revealed impressive educational background and work experience of the experimental subjects show that they have they abilities and capacity to understand the experiment and to provide reasonable and useful responses to the items. These final year MBA participants' ability and capacity to participate meaningfully in the study, is corroborated by Elliott et al. (2007) claim that MBA students who have completed their core MBA courses and are enrolled or have completed a financial statement analysis course, are a good proxy for nonprofessional investors. It is further supported by Hirst, Koonce and Venkataraman's (2007) argument that "any knowledge, abilities, and or experience above and beyond those possessed by an MBA participant will not affect (the study) results." Similarly, the participants level of education, knowledge, abilities and experience reflecting what they can do in the study, is consistent with Hirst, Koonce and Venkataraman (2007) declaration that MBA students have the knowledge, abilities and experience to participate in such studies.

Table 5.7 Participants educational background and work experience

Control group		**Frequency**	**Percentage**	**Valid Percentage**	**Cumulative Percentage**
Valid	Accountant / auditor	57	60.6	62	62
	Banker	17	18.1	18.5	80.4
	Educator	2	2.1	2.2	82.6
	Manager	3	3.2	3.3	85.9
	Other	13	13.8	14.1	100
	Total	92	97.9	100	
Missing	System	2	2.1		
Total		94	100		
Experimental group					
Valid	Accountant / auditor	52	55.3	60.5	60.5
	Banker	15	16	17.4	77.9

	Educator	3	3.2	3.5	81.4
	Manager	2	2.1	2.3	83.7
	Other	14	14.9	16.3	100
	Total	86	91.5	100	
Missing	System	8	8.5		
Total		94	100		

Source: Field study, December 2019.

5.1.5 ANOVA results

5.1.5.1 Perceived effects of AG's report on the quality of public fund managers' report

Though the receding descriptive statistics section demonstrated that the experimental stimulus probably accounted for the wider changes in the means of the experimental group; yet it failed to account for the effects of the independent variable on the dependent variable. Thus, the usage of ANOVA in this section of the chapter since it can useful in assessing the effects of the AG's report on the economic decisions and actions of taxpayers, government and public purse managers in Ghana. Because of the utility value of ANOVA in the assessment of the effects of the AG's report on taxpayers, government and public purse managers entrenched behaviors in Ghana; it certainly can be useful in testing the five research hypotheses, answering the five research questions and meeting the corresponding five research objectives.

As noted above, the ANOVA technique uses the within groups and between groups differences to assess the causal effects of the explanatory variable on the response variable in the relationship. The formula for the analysis of the groups differences as indicated above and captured in Table 5.8 below is E = (O2 – O1) – (O4 – O3). So, using a 95% confidence interval and a 5% margin of error, the ANOVA result of F-statistic of 1.536 and p-value of .205 ($F = 1.536$; $p > .205$) as indicated in Table 5.8 below. The Table shows that even though the AG's report is capable of promoting transparency, probity and accountability in the management of Ghana's public funds, it does not exert enough influence. Because the result show that the effects of the AG's report on transparency, probity and accountability in the management of Ghana's public purse is not statistically significant at a 5% margin of error. To a large extent, the ANOVA result confirms the descriptive statistics, but qualifies the degree of the influence of the AG's report in promoting transparency, probity and accountability in the Ghanaian public sector.

Table 5.8 ANOVA test of perceived effects of AG's report on the quality of public fund managers' report and taxpayers' financial decisions

Test Variable	F-statistic	Probability value
Transparency, probity and accountability	1.536	.205
Financial discipline	.124	.946
Assessment of Performance	.354	.786
Voluntary tax compliance	2.117	.098
Forgive corrupt public official	**.345**	**.793**

Source: Field study, December 2019.

The ANOVA result is inconsistent with prior literature position that auditing can promote transparency, probity and accountability. For example, Dye and Stapenhurst (1998) claimed that a SAI acts as an independent watchdog for public interest and a linchpin of every nation's integrity system that is critical in promoting transparency, probity, sound financial management and accountability in public institutions. Similarly, Kayrak (2008) held that a SAI can use their work to prevent and deter corruption by promoting openness, improving transparency, accountability and good governance in the management of public recourse depending on its mandate, independence and financial capabilities.

The finding shows that the AG's report has no statistically significant effects on the perceived practice of transparency, probity and accountability in the management of Ghana's public funds. Arguably, this finding is supported by the entrenched and recurring mismanagement, financial malfeasance, embezzlement and corruption in the Ghanaian public sector leading to losses of huge funds to the state. For instance, in 2008 and 2009 the AG revealed that a gargantuan amount of GH₵2.7 billion was lost to the state. Similarly, Pimpong (2015) revealed that between 2005 and 2015, Ghana loss over two billion Ghana Cedis (GH₵2,000,000,000). This study calculation of the losses to Ghana from 2000 to 2018 shows that the nation loss about over fourteen billion Ghana cedis (14,396,801,174). This figure was computed from the annual extracts from the AG's reports from 2000 to 2018 that are available at the Ghana Audit Service. This overwhelming evidence of long history of mismanagement, malfeasance, embezzlement and corruption that are always discovered by the AG and revealed in his report, yet the canker continues. So, it is not surprising that the experimental subjects concluded that the AG's report does not exert great influence in the promotion of transparency, probity and accountability in the management of Ghana's public funds.

This leads to the acceptance of the study null hypothesis that the AG's report has no significant effects on the perceived practice of transparency, probity ad accountability in the management of Ghana's public funds. It is also obvious from the positive affirmation of the null hypothesis and the discussions of this result so far that, the research objective one that seeks to examine the effects of the AG's report on the perceived transparency, probity, accountability in the management of Ghana's public funds has been met. Similarly, the result has also answered research question one on how significant the AG's report is in influencing the perceived practice of transparency, probity and accountability in the management of Ghana's public funds. the result position is that the AG's report influence on the practice of transparency, probity and accountability in the Ghanaian public sector is not statistically significant.

Similarly, the finding $f = .124$; $p > .946$ shows that the experimental subjects perceived that the AG's report has no statistically significant effects in instilling financial discipline in the management of Ghana's public purse. This ANOVA result also qualifies the descriptive statistics position by holding that the level of influence of the AG's report in instilling financial discipline is not statistically significant. Even though the finding is not statistically significant, it seems to reflect the reality on the ground as demonstrated in the entrenched recurring corrupt practices that have bedeviled the management of Ghana's public funds.

The finding is supported by CEPA (2005) claimed the AG's reports throughout the 1990s revealed a broken public expenditure management system that it accommodated persistent non-compliance with the PFM laws, regulations and other irregularities. The breakdown in Ghana's public expenditure management system, according to the Center, led to the implementation of the Public Financial Management Reform Program (PUFMARP) to help improve upon the management of Ghana's public funds.

The staggering evidence covering the 2000 period so far, also support this finding. The available evidence shows that there is no single AG's report from 2000 that; the AG had not indicted some public purse managers for misappropriation, embezzlement or corruption. In 2018 alone, the AG reported that Ghana loss a whopping GHC5,196,081,899.94 through weaknesses and irregularities caused by the actions and inactions of some public sector managers (Ghana Audit Service, 2019). The AG's reported loss to Ghana for 2017 stood at GHC892,396,375.19 (Ghana Audit Service, 2017); and GHC2,165,542,375.14 in 2016 (Ghana Audit Service, 2016). Such entrenched yearly recurring huge financial losses to the nation, could have influenced the participants perception of the utility value of the AG's report negatively as indicated in the study results.

Consistent with the finding that there is no financial discipline in the management of the nation's scarce public funds; the 2017 AG's report revealed that four ministries, including Ministry of Sanitation, Office of the government Machinery (with its allied Ministries), Ministry of Information and Ministry of Fisheries did not submit financial reports as required by the law for auditing (Ghana Audit Service, 2018). The AG's 2018 report also indicated that the Ministry of Water Resources and Sanitation again failed to present its 2018 financial statements as required by the law (Ghana Audit Service, 2019) to be verified by the AG. These failures to comply with PFM regulatory framework requirements, smack of financial indiscipline.

Moreover, the AG lamentation on the floor of Parliament in 2011 (Ghana Audit Service, 2011); and 2013 (Ghana Audit Service, 2013) of the non-implementation of his annual recommendations to address the basic problems of lack of monitoring, supervision and nonadherence to PFM legislation put in place to provide effective financial management of public resources; buttresses the lack of financial discipline in the management of Ghana's public funds. the finding is further supported by Scot (2017) identification of a seventeen yearlong (1997 to 2014) trend of financial malpractices including outright misappropriation, misapplication, thefts and embezzlements of public funds at the various MMDAs.

Another example that corroborates the study finding that the AG's report does not greatly influence the practice of financial discipline in the nation's public sector management is the PEFA final report's (2013) claim that Ghana's financial discipline is weak. The report added that the weak fiscal discipline in the management of Ghana's public funds is a substantial concern since it tends to undermine cash management, expenditure and commitment controls that have repercussions on the quality of service delivery in the country because the "noncompliance with the internal control systems most probably impacts upon service delivery through potential waste of resources" (PEFA Final Report, 2013). These findings let PEFA to conclude that Ghana's PFM system (regulatory framework) is performing at an average standard (PEFA Final Report, 2013).

A similar finding by Ijeoma and Nwufo (2015) that some inefficiencies in the Nigerian public sector inhibits the efficient functioning of the AG, non-implementation of audit queries; non-functional PAC; constitutional limitation; light punitive sanctions on codified offences; dependence of the AG on executive among other issues have significant relationship with performance of the audit function in Nigeria.

This result implies that the expected objectives of the audit of Ghana's public accounts which are usually stated in all of the AG's reports (Ghana Audit Service, 2019) including:

- reporting on whether proper records, books of accounts and accounts were kept.
- all public monies due were fully accounted for.
- the rules and procedures applied were sufficient to ensure an effective check on the assessment, collection and proper allocation revenue.
- monies were expended for the purpose for which they were appropriated, and the expenditures made as authorized, and

- programs and activities were undertaken with due regard to economy, efficiency and effectiveness in relation to the resources utilized and results achieved.

The implication of this finding is that, the noble dreams of using auditing of the nation's public accounts to promote transiency, probity, accountability, financial discipline, prevent fraud, waste and abuse, safeguard against loss, misuse and damage to public properties, promote best practices and achieve good governance are not being met.

Consequently, it is obvious from the presentation and discussions of the study's results so far, that the null hypothesis two that the AG's report has no significant effect on perceived promotion of financial discipline in the management of Ghana's public funds is affirmed and the alternative rejected. By showing that the AG's report is not statistically significant in instilling financial discipline in the management of Ghana's public funds; it means that, research objective two that seeks to examine the effects of the AG's report on perceived financial discipline in the management of Ghana's public funds has been met. Similarly, the result has also answered research question two that the AG's report is statistically significant in instilling financial discipline in the management of Ghana's public funds.

Furthermore, the results $f = 0.0254$; $p = 0.786$ on Table 5.8 above at a 5% margin of error shows that the AG's report has no statistically significant influence on the perceived quality of public sector managers' annual report. This finding also contradicts prior literature position that public audits is useful in contributing to the promotion and practice of financial discipline in the management of public funds. For instance, the UN's position as cited by CEPA (2005) argues that public auditing identifies and highlights instances of noncompliance with the laws and regulations of PFM and makes recommendations for remedying weaknesses in financial systems and irregularities to help strengthen the public financial management system.

The result is also contrary to OccupyGhana, a pressure group view of the AG's report. The group believes the AG's report has utility value. That was why it used the revelations from the AG's reports from 2003 to 2014 as evidence of the huge loss of GH¢2,448,968,912.29 to pray the Supreme Court in 2015 to compel the AG to surcharge persons who have caused those financial infractions (Ghanaweb, November 3, 2017). Due to the compelling nature of their submitted evidence, the Supreme Court in June 2017, granted their prayer and ordered the AG to retrieve the looted cash (Ibid). The AG response to the Supreme Court order yielded a recovery of GHS67,315,0066.12 as at December 2018 (Ghana Audit Service, 2018).

The participants conviction that the PFM regulatory framework is not being enforced, probably influenced their perception that it can promote transparency, probity, accountability and financial discipline in the management of Ghana's public funds. The nonenforcement of the PFM laws, AG's recommendations and their perception that the Ghanaian governments are not committed to fighting the corruption canker suggest that there is a disconnection between theory and practice, between the PFM laws and its enforcement. The existence of such a gap in the management chain of the nation's public purse can potentially fuel the high-level corruption that have characterized the management of Ghana's public funds.

Any disconnection between the PFM regulatory framework and enforcement; creates a credibility gap and a problem between the government and the taxpayer. Such credibility gaps; according to Alexander Danny (HM Treasury, 2015); can have serious consequences on a government ability to raise tax revenues because no government with credibility issues can raise the funds it needs from taxpayers, charge payers or borrowers.

To the extent that this result is not statistically significant means that; the AG's report cannot greatly influence the quality of public fund managers' report. This leads to an acceptance of null hypothesis that the AG's report has no significant effects on the perceived quality of public funds managers' annual report in Ghana. By extension, the result has answered research question three that seeks to assess the statistical significance of the AG's report influence on the perceived quality of public fund managers, financial statements. Since the findings show that, the AG's report has no statistically significant influence on the perceived quality of public purse managers' financial reports; it also meets research objective three that seeks to analyze the influence of the AG's report on perceived quality of public funds managers' report.

5.1.5.2 Perceived effects of AG's report on taxpayers' economic decisions

As with the results discussed above, so are the findings on the perceived effects of the AG's report on taxpayers' economic decisions and actions. The result $f = 2.117$; $p = 0.098$ at 5% margin of error is not statistically significant enough to inspire voluntary fulfilment of taxpayers' tax obligations to the state as shown in Table 5.8 above. It seems the participants positions on the nonenforcement of the PFM laws, the high level of corruption in the Ghanaian public sector and their perception that governments are uncommitted to fight the corruption in the public sector; could have influenced this result since they are interrelated issues.

If the participants perceptions on the nonenforcement of the PFM laws, the high level of corruption in the Ghanaian public sector and the noncommitted and unwilling governments to fight the corruption in the public sector; influenced their decisions on voluntary fulfillment of their tax obligation; then it would seem this result is consistent with prior literature. For instance, Picur and Riahi-Belkaoui (2006) findings show that corruption impacts tax compliance negatively. Also, Torgler, et al. (2008) hold that the taxpayer views tax compliance as a price paid for government's positive actions. Evidence from ITC (2010) also reveals that the lack of transparency and accountability in the use of public funds can affect the mobilization of tax revenues.

Even if the interrelatedness of the high level of public sector corruption, noncompliance with the PFM laws, the noncommitment of governments to fighting corruption were taken out of the equation; prior literature will still support the finding because evidence from Abdul-Razak and Adafula (2013) revealed that the level of government accountability and transparency has no significant influence in taxpaying behaviors in Ghana.

This behavior is probably being influenced by the fact that most tax revenues are forcefully collected by middle agents either as employers, or at the points of sales and purchases. This is because there is hardly voluntary tax compliance since most Ghanaian taxpayers hardly declare their income for tax purposes. This result probably points to Pereira and Tibúrcio Silva's (2019) view that taxpayers compliance behaviors are also contingent on other factors rather than external factors. Pereira and Tibúrcio Silva (2019) findings show that tax compliance behavior in Brazil is contingent on the internal rewards of the individual taxpayer rather than on external rewards.

From the evidence of this finding on voluntary tax compliance, the study accepts null hypothesis four that, the AG's report has no significant effect on the taxpayers' disposition to voluntarily fulfil their tax obligation in Ghana. By implication, the result has also addressed objective four and research question four that the AG's report has no significant influence in voluntary taxpaying disposition in Ghana.

Lastly, the ANOVA results (f-statistic .345 and p-value of .793) which is also not statistically significant at 95% confidence interval and 5% margin of error; show that the participants are indifferent as to their willingness to forgive and allow a public official who has been indicted by the AG for embezzling public funds to remain at post. The participants indifferent posture regarding taking a firm decision on corrupt public official job continuation is pathetic and regrettable, because such attitudes and behaviors can only embolden corrupt public officials and promote the already entrenched widespread corrupt practices in the management of the scarce public resources.

However, their posture could have been influenced by the spillover effect from their perception that there is lack of commitment and willingness from governments to the fight of corruption; there is lack of transparency, probity, accountability and financial discipline in the management of public funds as a result of the non-enforcement of the PFM regulatory framework. The nonenforcement of the PFM laws and AG's recommendation could have influenced a discerning respondent to adopt the indifferent position of these participants; since the discerning respondent weightless and insignificant suggestions are nothing compared with the unenforced laws of the land.

Unfortunately, the participants silence, and indifference show that, like their governments, they are not willing to take actions to arrest the entrenched culture of impunity, lawlessness, financial malfeasance, embezzlement and corruption in the public sector. Their posture will only end up encouraging and promoting this rotten deviant, antisocial and criminal behavior in the management Ghana's public resources. Because, deterrence theory asserts that deviant, antisocial and criminal behaviors are freely chosen based on rational cost-benefit analysis (Bhattacheriee, 2012). The theory contents that people are fundamentally rational and naturally tend to choose utility-maximizing behaviors over others. Hence, if a deviant choice engenders personal gain or pleasure; the person planning it will deviate and commit the crime (Bhattacheriee, 2012). However, these antisocial and criminal behaviors can be controlled by simply increasing countermeasures such as punishment for such deviations from the required principles, regulations, standards and laws in order to deter criminals as well inhibits people from such behaviors (Akers, 1990; Bhattacheriee, 2012 and Choi & Song, 2018).

5.1.5.3 The propensity score marching (PSM) result

To test the robustness of the descriptive and especially the ANOVA results, the researcher used a PSM statistical tool since it can control for other factors such as age, educational and income levels of the experimental participants. This could not be done in the descriptive statistics and ANOVA. The PSM results are mixed. The results for the tests on hypotheses 1 to 3 indicate that the AG's report has no statistical significance in promoting transparency, probity, accountability, financial discipline in the management of the public purse and on the perceived quality of public purse managers' annual disclosures.

For instance, the PSM results of -0.1959 for transparency, probity and accountability whilst 0.0369 for financial discipline and -01.886 for performance measurement of public institutions as show in Table 5.9 below; all show that the AG's report is not statistically significant enough to promote transparency, probity and accountability; instils financial discipline in the management of Ghana's public funds and in influencing performance evaluation of the public sector managers. This finding contradicts Sinason (2000) assertions that public sector auditing affects the perceived quality of public funds managers' disclosures because he views public sector audit as a monitoring technique for evaluating and reporting on management's financial assertions and the underlying accounting mechanisms used to make those conclusions.

Similarly, these results are inconsistent with Rahaman's (2009) conclusion that financial auditing is the preferred and dominant weapon for fighting public sector fraud and corruption in Ghana. The author further opines that financial audits are an instrumental aspect of the accountability relationship between the governors and the governed, a process that enhances the reasons for the state.

These findings also contrary to Ghana Integrity Initiative's (Ghana Integrity Initiative Report, 2014) understanding of the effects of the AG's report. The Initiative believe that the AG's report had information content, that was why it used the AG's reports of 2009 to 2011 in its *show me the money* sensitization program to draw the Ghanaian taxpayers attention on the non-implementation of some of the findings of the AG's reports by the appropriate authorities.

Nevertheless, the findings led to the acceptance of null hypotheses 1, 2 and 3 that the AG's report has no significant effects on the perceived:

- practice of transparency, probity and accountability in the management of Ghana's public funds,
- promotion of financial discipline in the management of Ghana's public funds, and
- quality of public fund managers' report in Ghana.

However, the results from taxpayers voluntary fulfillment of their tax obligations and their willingness to forgive an indicted corrupt public official for embezzling public funds, show that the AG's report has significant effects. The results on these issues 0.2769 and -1.2887 respectively, show that the AG's annual report is able to significantly affect voluntary tax compliance decisions and the taxpayers decision on the job retention of a corrupt public official indicted in the AG's report for corruption.

Nevertheless, the findings are consistent with evidence from Marcelo's (2002) argument "…that trust and perceptions of institutional performance are among the most consistent variables that explain (taxpayers) commitment to comply." They are also supported by Muehlbacher and Kirchler (2011) results that voluntary tax compliance is dependent primarily on the taxpayer's trust in the authority. The findings are also consistent with Nkundabanyanga et al. (2017) view that government effectiveness, transparent tax system and accountability influence tax compliance behavior in Uganda.

Since these findings show that the AG's report plays a statistically significant role in influencing voluntary tax compliance decisions and actions; and in the taxpayers' unwillingness to forgive corrupt public official who has been found by the AG to have embezzled public funds keep his job; the study will reject the fourth and fifth null hypotheses 4 and 5. These hypotheses center on how significant the AG's report is in influencing taxpayers' voluntary tax compliance in Ghana and on taxpayers' forgiveness and willingness decision on the job retention of a public official who has been indicted by the AG for misappropriating public funds. Needless to say, that the findings have addressed the fourth and fifth research objectives and their corresponding questions on voluntary tax compliance and participants willingness to forgive corrupt pubic official whose corrupt practices have been exposed by the AG and allow him to remain in office.

Therefore, the study rejects null hypothesis 4 that the AG's report has no significant effect on the taxpayer disposition to voluntarily fulfill his tax obligation in Ghana. Similarly, the study rejects the null hypothesis 5 that the AG's report has no significant effect on the taxpayer willingness to forgive and allow a corrupt public official who has been indicted by the AG for misappropriating public funds to remain at post.

Table 5.8 Estimated results: PSM

	Dependent variable				
	Transparency, probity and accountability	**Financial discipline**	**Assessment of Performance**	**Voluntary tax compliance**	**Willingness to forgive corrupt public officials**
Experimental versus Control group	-0.1959 (0.1313)	0.0369 (0.1324)	-0.1886 (0.177)	0.2769** (0.1308)	-0.2887** (0.1354)
Observations	165	165	165	165	165

Source: Field study, December 2019

5.2 Findings from the Delphi study

The data from the Delphi study were collected in two rounds. The first-round data were collected from 122 panelists from January 2020 to February 2020 whilst the second-round data were gathered from 10 panelists from April 2020 to May 2020. As with the experimental study, the Delphi study data were analyzed using descriptive and inferential statistics. The descriptive statics used the median and IQRs to determine consensus level; whilst the inferential statistics used Kendall's coefficient of concordance (W) for the convergence level determination. The analysis were guided by the decision or consensus criteria established above that a median of 2 for the 3-point scale item and 2.5 for the 6-unit scale items; an IQR of 1 or lower for all the

6 study items; and Kendall's W scores of 0 to 1 as applicable points for consensus among the panelists.

The descriptive statistics subsection concentrated on measuring the participants perceptions on three of the 6 items. The first measured participants perceptions of the effects of the PFM laws on the quality of management of Ghana's public funds. The second measurement covered the panelists perceptions of Ghana's public spending; and thirdly, the panelists perceptions of the objectivity and professionalism of the AG, the credibility of the AG's report and the level of confidence it inspires. The inferential statistics dealt with participants perceptions of effects of the AG's report in taxpayers financial decision making; and lastly, a comparison of the usefulness of the AG's report and the PFM laws.

5.2.1 Findings from round I

With the help of the convergence criteria, the median for the first-round the 10 ranking items of the 3-point Delphi question 6; scored a median of 2 or 3. Similarly, 22 of the 30 of the 6-point ranking Delphi questions 1 to 5; scored a median of 2.5 or higher. So, per the median criterion, 32 of the 40 ranking items had reached consensus. The IQR results also showed that, whilst the ten 3-point ranking items scored an IQRs of 0.00 to 1; ten of the thirty (10 of the 30) six-point ranking questions scored 0.75 to 1. Though 10 of the 30 of the 6-point ranking items did not achieve consensus; it is worth noting that, the item on the usefulness of AG's report in punishing misappropriation of public funds scored an IQR of 0.00 a sign of perfect agreement among the panelists. This means that panelists unanimously agreed that the AG's report is a useful tool for punishing acts of misappropriation, embezzlement and corruption in the management of Ghana's public funds.

However, the results of the inferential test, the Kendall's W scores were significantly different from the descriptive statistics summary of the median and the IQRs. The Kendall's W results showed that only questions 4, 5 and 6a had attained minimal agreements among the panelists. The Kendall rank means for these items 4, 5 and 6a were $W \geq 0.202$; $W \geq 0.221$ and $W \geq 0.196$ respectively. Though they fall within the consensus criteria of this study; such results are considered indicators of very weak consensus in prior literature.

For instance, prior literature holds that even though 0 to 1 is an indication of agreement among the panelists, $W = 1$ is an indication of perfect consensus, and 0 signifies no consensus among the panelists (Okoli & Pawlowski (2004). Similarly, Worrell, Di Gangi and Bush's (2012) claim that the traditional ideal target Kendall W measure for a strong agreement among panelists is $W \geq 0.7$. This is further supported by Habibi, Sarafrazi and Izadyar (2014) view that whereas Kendall's coefficient of concordance ranging from 0 to 1 are indications of degrees of consensus reached by the panel; scores of $W \geq 0.7$ is an indication of strong consensus among the panelists; $W = 0.5$ standing for moderate consensus whilst $W \leq 0.3$ represents weak consensus (Okoli & Pawlowski, 2004; Worrell, Di Gangi & Bush, 2012 and Habibi, Sarafrazi & Izadyar, 2014).

Though the descriptive statistics results from the first round were relatively good in terms of reaching consensus, and though 3 of the 6 items had also reached weak consensus by Kendall W standard, they had not adequately addressed the research objectives. This necessitated the need for re-ranking of the study items, especially given the fact that they are first-round results. This position is consistent with Okoli and Pawlowski (2004) suggestion that when the W is less than 0.7, the items should be resent to the panelists to be re-ranked.

In addition to the 6 items for re-ranking, the 19 tools that the panelists suggested for consideration in the fight against corruption in the Ghanaian public sector were included and grouped under section F. The panellists were asked to select any five of them, and rank their selected 5 tools according to the scale 0 to 5 with 0 representing very negative; 1 representing a negative tool; 2 representing an improving tool; 3 referring to good tool; 4 meaning a very good tool, and 5 reflecting an excellent tool in fight against corruption in the Ghanaian public sector. The participants were also asked to provide justification for their selected tools as well as suggest how they can be implemented to help enhance the AG's work, make the AG's report more useful in the fight against corruption in the management of the Ghanaian public funds.

The Round II items, which were the Round I items were arranged in a manner that showed each panelist's their individual responses for the first round along with the entire panel quartile one results, the group median and the group quartile three scores. This arrangement was intended to help the panellists compare their judgments with the group's judgment before re-ranking the items for the second time. Since the first round did not make provisions for justification of their opinions, this round encouraged the group members to provide rationale for their responses.

5.2.2 Findings from Round II

5.2.2.1 Descriptive results

The Round II descriptive results that are presented below in Table 5.11 show that Round II IQRs are the same as the Round I IQRs results. However, Round II median figure rose by only one ranking item to 33: leaving 7 ranking items with no consensus instead of the 8 in the first round. Whereas the Round I result showed that the panelists agreed on 32 out of the 40 ranking items, the Round II results shows an agreement of 33 out of the 40 ranking items. The Round

II IQRs record of 22 convergence among the panelist is a great improvement from the 10 in the previous round.

The ranking item on the usefulness of AG's report in punishing misappropriation of public funds scored an IQR of 0.00 in both rounds. This score means that there was perfect agreement among the panelists that the AG's report was a useful tool for punishing acts of misappropriation, embezzlement and corruption in the management of Ghana's public funds. This is supported by von der Gracht (2012) position that a 0.00 means most agreement and that an IQR of 3 stands for the least agreement.

For example, the Round II results on Table 5.11 below showing a median of 3 and an IQR of 1 is an indication that the panelist believe Ghana's public funds are managed with transparency. A median of 2.5 and an IQR of 1 also show that the funds are managed with probity. With a median of 3 and an IQR of 1, the panelist agreed that Ghana's public funds are managed with financial discipline. The group's opinion on the management of Ghana's public funds with accountability improved marginally from round median of 2.5 to 3; but the IQR = 1.25 was higher than consensus point of the study. Therefore, the panelists disagreed that Ghana's public funds are managed accountably. Similarly, though the median of 3, showed the panelists agreement that the management of Ghana's public funds is credible; the IQR = 1.25 indicted a disagreement on the item.

Table 5.2.2.111 Descriptive statistics of the Delphi study Round II items

Research item	Median	IQR	IQ1	IQ3
Funds are managed with transparency	3.00	1.00	2.00	3.00
Funds are managed with probity	2.50	1.00	2.00	3.00
Funds are managed with accountability	3.00	1.25	2.00	3.25
Funds are managed with Financial discipline	3.00	1.00	2.00	3.00

Funds are managed with creditability	2.75	1.25	2.00	3.25
Public spending is:				
• within budget	2.00	1.25	1.75	3.00
• objective need base	2.50	1.00	2.00	3.00
• rational and non-politically partisan	1.00	1.25	1.00	2.25
• wasteful	2.00	1.25	1.00	2.25
• according to value for money	2.00	0.50	1.75	2.25
AG is objective and professional in his work	3.50	1.00	3.00	4.00
Credibility of AG's report	4.00	1.00	3.00	4.00
Level of confidence of AG's report inspire	3.00	2.00	2.00	4.00
AG's report:				
• fosters transparency	3.00	1.25	2.00	3.25
• fosters probity	3.00	1.63	2.38	4.00
• fosters accountability	3.00	2.00	2.00	4.00
• instils financial discipline	3.00	2.00	2.00	4.00
• helps deliver value for money services	3.00	0.88	2.38	3.25
• protects public funds	4.00	1.63	2.38	4.00
• prevents waste, fraud and corruption	3.00	2.00	2.00	4.00
• helps recover stolen public funds	2.50	1.25	1.75	3.00
• fosters credibility	3.00	1.25	2.00	3.25
AG's report is an objective tool for assessing:				
• performance	3.00	0.25	2.75	3.00
• voluntary tax compliance	2.00	0.25	1.75	2.00
• fiscal deficit	3.00	2.00	1.00	3.00
• and fighting corruption	2.50	1.25	2.00	3.25
• job retention of corrupt official	2.00	1.00	2.00	3.00
• formulating, & planning policy	2.00	0.38	1.88	2.25
AG's report is useful for:				
• checking malfeasance	3.00	1.25	1.75	3.00
• promoting transparency, probity, accountability and financial discipline	2.00	0.25	2.00	2.25
• fighting corruption	3.00	1.00	2.00	3.00
• punishing misappropriation of funds	2.00	0.00	2.00	2.00
• accounting for all public monies	3.00	1.00	2.00	3.00
PFM laws are useful for:				
• checking financial malfeasance	2.00	1.00	2.00	3.00
• promoting transparency, probity, accountability and financial discipline	3.00	1.00	2.00	3.00
• fighting corruption	2.00	1.00	2.00	3.00
• punishing misappropriation of funds	2.50	1.00	2.00	3.00
• accounting for all public monies	2.00	0.25	2.00	2.25

Source field study: April 2020 to May 2020

Unlike the result on the management of Ghana's public funds, the finding on her public spending is mixed. Whilst the panelists agreed (median = 2.5 and IQR = 1) that Ghana's public spending is objective and responsive to public needs (need base) and not wasteful, because they disagreed median = 2; IQR 1.25 that it is wasteful; the result also show that though the nation's public spending is improving, median = 2; IQR = 1.25;the panelists disagreed that it is generally within her approved budget. Similarly, they also disagreed, median = 1 and IQR = 1.25 that Ghana's public spending is rational and nonpolitically partisan. This seem to contradict the panelists position that Ghana's public spending is objective and responsive to public needs, but Concluded that politically partisan spendings are generally targeted at meeting some public needs. The score, median = 2; IQR = 0.05 of public spending against the principles of value for money shows that it is improving.

The measurement of the objectivity and professionalism of the AG, the credibility of the AG's report and the level of confidence it inspires indicates an agreement among the panelists, median 3.5; IQR = 1 that, the AG is objective and professional in performing his work. They also agreed (median = 4 and IQR = 1) that the AG's report is very credible. Similarly, the median = 3 shows that there is agreement among the panelists that the level of confidence the AG's report inspire is very high; the IQR = 2 shows that the level of confidence the AG's report inspire is improving (see Table 5.11 above).

In terms of the influence of the AG's report, the panel agreed, median = 3; IQR = 0.88 that it is influencing the delivery of value for money goods and services. This is similar to the panel claim that Ghana's public sending in terms of value for money (median = 2; IQR = 0.05) is improving.

However, they did not converge in their judgments as far as fostering probity, credibility, transparency, instilling financial discipline, promoting accountability, protecting public funds, preventing waste, fraud and corruption and on recovering stolen public fund. The medians ranged from 2.5 to 4 were good, however, the IQRs 1.25 to 2.00, which according to this study criteria and prior literature are signs of no consensus among the panelists on those issues. For example, Gracht (2012); O'Donovan, Mihile and Leech (2015) held that an IQR of 1.0 or lower for a 7-point Likert scale; or 4 to 5-unit scale are indicators of suitable consensus.

The medians of 2.5 to 3 in Table 5.11 above, show that, the AG's report is an objective tool for assessing public sector institutions performance, for managing fiscal deficits and for fighting corruption. However, the IQRs of 2.00 for fight corruption and IQR = 1.25 for managing fiscal deficits, are indications of disagreement among the panelists that the AG's report is an objective tool for fighting public corruption and for managing the nation's fiscal deficits. The panel also agreed (means of 2) that the use of the AG's report as an objective tool for assessing voluntary tax compliance; job retention of corrupt official; and formulating and planning policies is improving. Similarly, the IQRs of 0.25, 0.038 and 1 are indications that the group had reached consensus that the AG's report is an objective for assessing voluntary tax compliance; job retention of corrupt official; as well as formulating and planning policies.

On the usefulness of the AG's report, the medians (2 – 3) on a 3-point scale ranking items show that, the group agreed that the AG's report is useful in checking financial malfeasance; in promoting transparency, probity, accountability, in instilling financial discipline; in fighting corruption; in punishing misappropriation of public funds as well as in ensuring all public monies are accounted for. Similarly, the panelists converged (IQRs 0.00 to1) on the usefulness of the AG's report; except that they disagreed IQR = 1.25 that is useful in checking financial malfeasance. The panel disagreement on the utility value of the AG's report in checking financial malfeasance is supported by the evidence of staggering embezzlement of public funds. For example, the AG's reports revealed the misappropriation of GH₵5,196,043,400 in 2018 (Ghana Audit Service, 2018); GH₵892,396,375 in 2017 (Ghana Audit Service, 2018) and GH₵2,165,542,375 in 2016 (Ghana Audit Service, 2018). This alone justifies the panelists disagreement that the AG's report is useful in checking financial malfeasance in the country.

The results of the usefulness of the PFM laws are similar to those on the usefulness of the AG's report (see Table 5.11). As the medians of 2 – 3 and IQRs of 0.25 – 1.00 on a 3-point ranking scale items showed, the group agreed that the PFM laws are useful in checking financial malfeasance; promoting transparency, probity, accountability, financial discipline; in fighting public sector corruption; in punishing misappropriation of public funds and in ensuring all public monies are accounted for.

5.2.2.2 Inferential statistics results

Just as there were slight improvements in the Round II descriptive statistics, so were the inferential statistics. For example, the results of both rounds showed that 3 questions attained some level of agreement among the panelists. Round I result showed that questions 4 with score of $W \geq 0.202$; question 5 with score $W \geq 0.221$ and question 6a with a score of $W \geq 0.196$ had attained weak consensus among the panelists, because Okoli and Pawlowski (2004); Worrell, Di Gangi and Bush (2012); Habibi, Sarafrazi and Izadyar (2014) maintained that $W \leq 0.3$ represents weak consensus. In Round II, the panel did not agree on question 4 as in Round I. However, they agreed on questions 2, 5, 6a and 6b. The level of consensus on these questions also rose slightly higher than the levels of agreements on questions 4, 5 and 6a in the first round.

For instance, Table 5.12 below shows that the participants reached an agreement W = 0.3; p = 0.018; which literature considers scores of W lower than 3 as weak consensus. For instance, Nevo and Chan (2007); Habibi, Sarafrazi and Izadyar (2014) suggested that a $W \leq 0.3$ represents weak consensus. In spite of the low level of the consensus, the W improved by as much as 0.2 from the previous round score of W = 0.1; p = 0.5. More importantly, this round result is also statistically significant.

Table 5.12 Kendall Test of Agreement Among Delphi Participants

Test variable	Kendall's W	Chi-square	P-value	Conclusion
Public funds management	.051	2.024	.731	No agreement
Public spending management	.298	11.912	.018	Weak agreement
Objectivity and level of confidence of AG's report	.200	4.000	.135	No agreement
Influence of AG's report	.117	9.385	.311	No agreement
AG's report as an objective tool	.277	13.855	.017	Weak agreement
Usefulness of AG's report	.267	10.667	.031	Weak agreement
Usefulness of AG's report	.238	9.500	.050	Weak agreement

Source: Field study April 2020 to May 2020

This score means that Ghana's public spending is within budget; is objective and responsive to public needs; is rational and nonpolitically partisan; and is in accordance with value for money. This is consistent with Saito and McIntosh (2009) results that auditing improves the efficiency with which public resources are used, reduces nonproductive use of public funds and agency costs as well as enhances the credibility of the sector's financial reports. As Okaro and Okafor (2011) put it, public sector audit is an act of public accountability that ensures value for money delivery of public goods and services; safeguards public resources; promotes public interest and serves as the basis for future actions. This is also corroborated by Ijeoma and Nwufo's

(2015) view that public sector audit keeps the citizenry informed of the financial activities of government and how the public funds have been used to promote their interest. In other words, public sector audits can be useful in identifying instances of financial mismanagement, prevent waste and protect public funds (Banda, 2019).

The result also shows that Ghana's public spending is wasteful, which is consistent with the two-decade long revelations by the AG of wasteful spending, abuses and embezzlements of the Ghanaian public financial resources. For example, the (Centre for Policy Analysis, 2005) implied this when it claimed that the AG's annual reports consistently highlight the recurring blatant disregard of the PFM laws by some public officials resulting in substantial financial losses to the country. Duffuor, actually concluded that the entrenched canker of abuses, wastes, fraudulent and corrupt practices in the Ghanaian public sector are attributable to low ethics in business and public administration, general lack of coordination between personnel and account sections within the same organization (Ghanaian Chronicle, August 25, 2011). This is confirmed by PEFA final report (2013) revelation that Ghana's public spending in 2011 suffered from large deviations from the approved budget; indicating, the country's public spending may be wasteful and not always within budget.

Evidence of the numerous high-profile corruption scandals under the various presidents including GYEEDA, SADA, etc. (Pulse, December 14, 2016); Ameri-Mytelinous, PDS, NDA, BOST 5 million liters of contaminated fuel that were illegally sold to unlicensed businesses and proceeds misappropriated, PPA, etc. (Gyamfi, February 6, 2020) among others, are practical and concrete examples of the waste of Ghana's public financial resources.

According to panelists, wasteful public spending that often violate the principles of value for money, occur for two main reasons. Firstly, because of the use of cash basis of accounting, which makes it difficult for MDAs to spend within their budgets. Wasteful or overspending often occurs due to the weak methodologies (cash basis of accounting and lack of budgetary control supervisions) employed for the execution of the budget. So, wasteful spending is not always about budget discipline. Secondly, popular government policies that are often not well targeted, tend to shift public spending towards consumption at the expense of development or investment expenditures.

The results W = 0.3; p = 0.017 in Table 5.12 above also show that the group agreed that the AG's report is an objective tool for assessing public sector performance; job retention of corrupt public official; voluntary fulfillment of tax obligations and for policy evaluation and planning; in the fight against corruption in the Ghanaian public sector; and in managing the fiscal deficit levels in Ghana. Compared with the first-round result W = 0.221; p = 0.021; this round scores also improved slightly. However, it seems the panel agreement, though weak, on all these 6 items; is reflective of the efforts of the AG in the fight against public sector corruption that are yielding positive results. As already referred to in this study, the AG's fight against public sector corruption has led to the recovery GH₵67,315,0066.12 from disallowances and surcharges to the persons who caused them (Ghana Audit Service, 2018).

The AG recent issuance of disallowances and surcharges against some public officials who have caused the incurrence of some unlawful expenditures and financial loss to the state are being fought against through the media, unfortunately EOCO, an anticorruption public institution and the law courts. The AG disallowed and surcharged the Senior Minster for ordering the payment of $1 million US dollars to a private firm, Kroll and Associates for no work done. Similarly, he disallowed and surcharged the GETFund Secretariat (Ghana Audit Service, 2019) and the GETFund abusers for breaching the laws. In both cases verbal threats and attacks have been directed at the AG to the extent that the Danish Ambassador, Tove Degnbol had to express worry over the attacks on the reputation of the Auditor General and the Special Prosecutor for doing their work (Nettey, 2019).

This finding has implications of the available of public funds in the country. Though the level of consensus is weak, it means that if Ghana cleans up her public financial management process, steps up to the fight against public sector corruption, her public purse could also improve positively and significantly. This is consistent with Kirchler, Hoelzl and Wahl (2008) claim that the dynamic interactions of the power of the authority and trust in the authorities is a necessary operational tool for increasing tax compliance among citizens.

This is further corroborated by Liu and Lin (2012) findings that audit can help public authorities to detect misbehavior and violations in the management of public funds and take remedial actions to rectify these problems. Likewise, the result is consistent with Helhel and Ahmed (2014) finding that, accountability, trust in the government, and the quality of public services are major challenges in tax mobilization. There are further corroborations from Bătrâncea and Nichita (2014) finding that trust in the authorities’ disposition to work honestly; to also enforce tax laws fairly to deter evasion and avoidance; engenders either voluntary or enforced compliance. Jimenez and Iyer (2016) confirm this by indicating that though tax compliance decisions are contingent on interrelated social factors, it is fully mediated by trust in the government.

Similarly, the findings are supported by Baum et al (2017) results that "corruption is negatively associated with overall tax revenue, and most of its components"; and Ullah, Khan and Sharif (2018) revelations that the public perception that government does not fairly utilize tax revenue for the overall development of the Pakistanis society, and the unfairness of the tax regime affects respondents tax compliance negatively.

Since the finding are statistically significant that the AG's report is an objective tool for assessing public sector performance; job retention of corrupt public official; voluntary fulfillment of tax obligations; policy evaluation and planning; the fight against public sector corruption; and in managing the levels of fiscal deficit in Ghana; it would lead to the rejection of the null hypotheses 3, 4 and 5 that assumed that the AG's report has no effect on the:

- perceived quality of public fund managers' report in Ghana,
- taxpayers disposition to voluntarily fulfill their tax obligations in Ghana, and
- taxpayers willingness to forgive and allow a corrupt public official who has been indicted by the AG for misappropriating public funds to remain at post.

Subsequently, the finding has also addressed objectives 3, 4 and 5 and their corresponding research questions positively.

Similarly, the result $W = 0.30$ and $p = 0.03$ on the usefulness of the AG's report in checking financial malfeasance; ensuring that all public monies are accounted for; in fighting corruption in the public sector, in promoting transparency, probity, and financial discipline and in punishing misappropriation of public of public funds are indications of convergence among the panelists. Though the level of consensus is low, it is also slightly higher than the first-round results of $W = 0.2$; $p = 0.05$ level of convergence. As with the findings on Ghana's public spending and the objectivity of the AG's report, this result is also significant. It means that the

AG's report is useful in checking financial malfeasance; ensuring that all public monies are accounted for; in fighting public sector corruption; in promoting transparency, probity, financial discipline; and in punishing misappropriations of public funds in Ghana.

This is consistent with prior literature position that auditing can promote transparency, probity and accountability. For instance, Monfardini and von Maravic (2009) assert that public sector auditing is traditionally used as an indispensable instrument to maintain a grip on government activities and to provide information to administrators, elected officials and constituents on how public funds have been managed. IIA (2012) corroborates this position by asserting that audit plays a key role in public sector accountability since it acts as a pillar of good governance in the sector, contributes towards protecting public resources, preventing misappropriations, embezzlements and corruption in the management of public funds. Similarly, Mzenzi and Gaspar (2015) finding reveals that external auditing provides information which has the potential to enhance the accountability of Tanzanian local government authorities.

This finding on the utility value of the AG's report, which is significant, has also addressed the research objectives one and two and their corresponding research questions positively that the AG's report exerts some effects on the perceived practice of transparency, probity and accountability in the management of Ghana's public funds as we as on the perceived financial discipline in the management of Ghana's public funds. The positive realization of the first and second research objectives and questions; also leads to the rejection of null hypotheses one and two that the AG's report has no significant effects on the:

- perceived practice of transparency, probity and accountability in the management of Ghana's public funds, and
- perceived promotion of financial discipline in the management of Ghana's public funds.

Since the objectives of the study have been met positively at least per the Delphi study findings, it is fair to conclude that, the AG's report influences voluntary compliance of tax obligations in Ghana, which has consequences for government taxing decisions and even in the decisions on job retention of corrupt public officials in the country.

5.2.3 Experimental results versus the Delphi results

The purpose of this subsection is just to highlight the two results (experimental and Delphi) of the study; and not necessarily to compare them. The reason is that the researcher believes it will be unfair to compare the opinions of experts who have vast knowledge, understanding, expertise, skills, techniques and experience on the research topic; to the opinions of amateurs though they are also reasonably knowledgeable and experienced on the issue of interest in this study.

By and large, the experimental results are mixed; its ANOVA results showed that the AG's report is not statistically significant, but it acknowledged that the enforcement of the PFM regulatory framework and the AG's recommendations can promote transparency, probity, accountability and financial discipline in the management of Ghana's public funds. Similarly, the PSM results showed that the AG's report is not statistically significant to promote transparency, probity and accountability, financial discipline and influence performance evaluation of the public sector managers. However, the PSM findings reveal that the AG's annual report can significantly influence voluntary tax compliance and taxpayers' decisions on the job retention of an indicted corrupt public official for embezzling public funds.

Similar to the PSM findings on voluntary tax compliance and taxpayers' decision of the job retention of an indicted public official; the overall results of the Delphi study show that the AG's report is statistically significant to influence the:

- perceived practice of transparency, probity and accountability in the management of Ghana's public funds.
- perceived financial discipline in the management of Ghana's public funds.
- perceived quality of public fund managers' report in Ghana.
- taxpayer disposition to voluntarily pay tax in Ghana.
- taxpayers' willingness to forgive and retain an indicted public official for misappropriation and embezzlement of public funds.

Though the Delphi panel size was not statistically representative, the vast knowledge, understanding, expertise, skills, techniques and experience of its panelists as far as the work of the AG, the objectivity and professionalism of the AG, the credibility of the AG's report, the level of confidence the AG's report inspires; and the general management of Ghana's public funds are concerned; the panelists judgments may be more opt than the opinions of the experimental subjects. Nevertheless, the disparity between the two findings necessarily calls for further research on the effects of the AG's report on users financial and economic decisions in Ghana.

CHAPTER SIX

SUMMARY OF KEY FINDINGS, CONCLUSION AND RECOMMENDATIONS

6.0 Introduction

This chapter draws the curtain on the thesis and is presented in three mini subsections. The first mini subsection summarizes the key findings of the study. The second mini subsection follows with the conclusion to the study drawing along the limitations to the study and a suggestion for further studies. The last part offers some recommendations for consideration to help regularize the entrenched corrupt practices in the management of Ghana's public funds.

6.1 Summary of key findings

The thesis efforts at assessing effects of the AG's report on taxpayers, government and public purse managers entrenched behaviors in Ghana yielded some interesting results. The ANOVA results were not statistically significant. Nevertheless, they show that the enforcement of the PFM regulatory framework can promote transparency, probity, accountability and financial discipline in the management of Ghana's public funds. The results further show that the AG's report is not significant, but it can also promote transparency, probity, accountability and financial discipline in the management of Ghana's public purse.

Similarly, the PSM results also show that the AG's report is not statistically significant enough to promote transparency, probity and accountability; instils financial discipline in the management of Ghana's public funds and influence performance evaluation of the public sector managers. However, contrary to the ANOVA results, the PSM findings reveal that the AG's annual report is statistically significant in influencing voluntary tax compliance and in taxpayers' decisions on the job retention of an indicted corrupt public official for embezzling public funds.

Furthermore, the overall findings from the Delphi study show that the AG's report has utility value because the results are statistically significant. The Delphi results show that the AG's report can significantly influence the:

- perceived practice of transparency, probity and accountability in the management of Ghana's public funds,
- perceived financial discipline in the management of Ghana's public funds,
- perceived quality of public fund managers' report in Ghana,
- taxpayer disposition to voluntarily pay tax in Ghana, and
- taxpayers' willingness to forgive and retain a public official who has been indicted by the AG for misappropriation and embezzlement of public funds.

The implications of these findings are that the AG's report can directly influence government taxing policies and the availability of tax revenues for public programs and activities. For instance, if the taxpayers perceive that their government is using their tax revenues with transparency, probity, financial discipline and accountability to provide public goods and services efficiently, effectively and with economy; they may be inspire to voluntarily fulfil their tax obligations to the nation. However, if they believe that the government cannot be trusted with public funds; then it can affect their tax compliance and subsequently, the availability of tax revues negatively. This should serve as a clarion call on the government to as a matter of urgency, deal transparently with all the outstanding issues of fraud, embezzlement and corruption in her management of public funds on this nation in order to improve upon the annual struggling tax revenues.

6.2 Conclusion

The thesis sets out to assess effects of the AG's report on taxpayers, government and public purse managers entrenched behaviors in Ghana and it has demonstrated that an ethically enabling environment facilitated by the enforcement of the PFM laws can take Ghana far. An ethically disciplined environment supported by a rigorous enforcement of the PFM regulatory framework can effectively promote transparency, probity, accountability, financial discipline, prevent waste and fraud as well as check corruption in the management of Ghana's public funds. Such an ethically enabling environment is a necessary factor in enhancing the work of the AG, whose work, as the results show can greatly contribute to the ethically enabling environment by fostering the principles of transparency, probity, accountability and financial discipline. It can also affect the delivery of quality public goods and services and ensure value for money expenditures in the management of Ghana's public financial resources.

The overall findings show that the AG's report has information content and can significantly promote transparency, probity, accountability, financial discipline, or affect the quality of public institutions' financial statements is unfortunate. Nevertheless, the ANOVA and PSM results uncovered a disconnect, a gap between the PFM regulatory framework and practice. It shows the PFM regulatory which has the potential to promote transparency, probity, accountability, financial discipline, and even affect the availability tax revenues; is not enforced. Thus, the study calls for the immediate enforcement of the framework and the AG's recommendations to arrest the recurring entrenched culture of mismanagement, malfeasance, embezzlement and corruption in the public sector.

More importantly, the study underscores the fact that the AG's annual report can significantly influence voluntary tax compliance and affects the taxpayers' decisions on the job retention of an indicted corrupt public official. Therefore, the enforcement of the PFM laws and especially the AG's recommendations can significantly affect the availability especially of tax revenues to the government. The ability of the AG's report to influence the job retention of a public who has been indicted by the AG for corruption and allow him to remain at post can also affect the availability of public funds; the application of the funds; the quality of public goods and services. The simple reason that, if public purse managers are conscious that the AG revelation of any malfeasance can affect their retention negatively; they will act positively to avoid incurring the displeasure of the taxpayer.

In a word, an ethically enabling environment facilitated by the wholesome enforcement of the PFM regulatory framework and the implementation of the AG's recommendations can significantly transform the management of Ghana's public funds. It will lead to transparency, probity, financial discipline, accountability, protection of public resources, prevention of waste and fraud. This will directly contribute to the availability of public funds, the improvement of the quality of public services and goods; and increase the economy, efficiency, and effectiveness with which the Ghanaian public funds are managed.

6.3 Limitations

In terms of limitation, the research secondary data covers only nineteen years. Also, the study primary data were collected from two different samples from two sets of population with specialized knowledge, understanding, expertise, skills, techniques and work experience in accounting, finance, public administration, legislation, industry, and humanitarianism. The experimental data form MBA (Accounting and Finance) students were collected in two days during different lecture times and under time pressure, because both lecturers and students sacrificed about a third of their lecturer time, i.e. 45 minutes to be used for the completion of the experiment. The time pressure could have affected the participants responses to the research instrument.

Also, responses from the second the third data collections in the two-day period, were probably influenced. For example, if the respondents had any interaction with the participants from the first section during break times in-between lectures. The pretest posttest control experimental design probably affected the collected data because participants who could recall some of their answers in the pretest measurement, simply repeated them in the posttest measurement. The presence of any such factors in addition to the preceding ones, could have biased the study results.

6.4 Further studies

Given the above challenges of the study, further studies using different experimental design or other research design is needed to assess effects of the AG's report on taxpayers' economic decisions in Ghana. A further study on the utility of the AG's report could also be done using a cross-section of Ghanaians in a sample or targeting public sector institutions that have been indicted by the AG in the past, or the Office of the Ministry of Finance and CAG since they are the principal managers of Ghana's public purse, or the Ministry of Justice and Attorney General Department since it is responsible for prosecuting indicted corrupt public officials, or PAC since they exercise the oversight control over the Ghanaian public funds using the AG's report as their input. Other variables could also be added to these variables of this study. A Delphi could still be conducted but with a large sample size and may be with more iterations to check the reliability of these findings.

6.5 Recommendations

The nonenforcement (or late or delay enforcement) of the PFM regulatory framework and non-implementation of the AG's recommendations are perceived to be the major causes of the entrenched chronic mismanagement, malfeasance, misappropriation, embezzlement and corruption in the management of Ghana's public purse. Therefore, the study strongly recommends that Ghana simply and strictly enforce the PFM laws and implement the AG's recommendations to the letter without any fear or favour. This could deter public officials from indulging in the entrenched culture of corrupt practices that have bedevilled the management of the nation's public funds. The strict enforcement of the PFM laws and the implementation of the AG's recommendations can directly affect the observance and practice of transparency, probity, accountability, and financial discipline in the management chain of the PFM. It can affect the delivery of quality public goods and services with economy, efficiency, and effectiveness. The accumulated impact these efforts can lead to the improvement of the living conditions of the people.

Enforcing the PFM regulatory framework and implanting the AG's recommendations without further delay includes dealing swiftly, severely, and publicly with all violations against the PFM regulatory framework to the spirit of the letter. This also requires beefing up the numbers of the staff at the Office of the AG; the Ministry of Justice and Attorney General Department; using the Economic and Organized Crimes Unit; the Special Prosecutor's Office and the established Commercial Courts to activate the legal system that will ensure prompt prosecution of corrupt public officials and swift recovery of all embezzled public funds with higher interests. This could deter others from indulging in these entrenched corruption practices bedevilling the country's public sector.

Furthermore, Ghana should extend the restriction of the exercise of discretionary powers that are currently being enforced on procurement of public goods, works and services to other parts of her public sector that are involved in the management of public funds. This can check or at least help to minimize the entrenched abuses that are facilitating the fraudulent practices and embezzlement of public funds and contribute to financial discipline.

In addition to the restriction on the use of discretionary powers, the nation should consider automating her public financial management chain. This may also help to reduce the human factor and the unauthorized interventions. It may also check the delays in doing government business, encourages efficiencies, effectiveness, and economy in the usage of public funds and reduces financial malfeasance, embezzlement, and corruption in the system.

To enhance the effectiveness and efficiencies of the automation, the country should adopt and implement smart technologies that can detect fraud before it is committed. Such technologies will enhance and improve the rigor of the automated public sector. This will effectively and efficiently protect the public purse, prevent waste, and eliminate or at least reduce corruption in the Ghanaian public sector.

An enforcement of the asset declaration law should be extended to include all public officials with responsibilities over the custody, usage and reporting on public funds. The declaration of assets should be done publicly before the assumption of office and just before the departure from office. The declarations should be done before an independent Officer of the Attorney General Department and be jointly cross-checked by the AG and the Special Prosecutor whose reports should made available to the Ghanaian general public. Together with asset declaration law, the whistle blowers' law and the right to information law should also be promoted so that people can use the protection cover provided by the law to report fraudulent and corrupt practices in the sector.

Lastly, Ghana should review the system of internal controls in all her public sector institutions. The review should incorporate the promotion of ethics and accountability to ensure that the nation's public sector entities are effective and efficient, are stringently supervised, monitored and controlled to ensure strict compliance with all the laws in the PFM value chain. Ghana should also ensure that well qualified persons are placed in the internal audit units that should report directly to the audit committees, the internal audit agency, and the AG. This will empower the internal auditors and re-enforces their independence and go a long way to improve upon the quality of their work and reports because they will no long be subject to manipulations by management.

If these measures are well implemented, they could serve as disincentive to public officials to engage in financial malpractices and embezzlement; and ensure efficient delivery of social services. They could also go a long way to help prevent waste, protect the national resources, promote transparency, probity, accountability, and financial discipline in the use of scarce public funds. This could also inspire trust in the citizenry as well as affect their voluntary tax compliance efforts positively.

6.6 Contribution to literature

This study contributes to existing literature in three ways. Firstly, it extends literature by assessing effects of the AG's report on three dependent variables, taxpayers, government and public purse managers the entrenched behaviors in the context of a developing country, Ghana. It seems the study of effects of the AG's report on the three primary actors in the economy who can affect the availability of public funds; especially in the context of a developing economy has not been done. Therefore, the study has contributed to prior literature in this regard. By carrying out this study through experimental study and especially, Delphi study which has not been used to study effects of the AG's report in any context, the study also extends the literature methodically. Lastly, the study has extended the literature theoretically because of its application of the deterrence theory which has not been previously used to study effects of the AG's report in the literature.

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APPENDIX I

THE DELPHI STUDY ITEMS

The Delphi study questionnaire consisted of a brief constitutional and legal requirement for the audit of Ghana's public accounts by the Auditor General, followed by some demographics information and finally by seven items that are subcategorized into three subheadings: public sector management characteristics (two items), knowledge of the institution of the AG's Office and report (one item) and the relationship between the AG and PFM (four items).

INTRODUCTION

The 1992 Constitution Article 187 clause 2; Audit Service Act 584, 2000 Section 11(1) and the Public Financial Management (PFM) Act 921, 2016 Section 84 mandate the Auditor General (AG) to audit all the public accounts of Ghana and to report on their reliability and compliance with established criteria to the Parliament of Ghana for action. Since 1993 the AG's reports have highlighted a trend of the same deficiencies in the management of Ghana's public funds leading to annual losses of millions of Ghana Cedis. This is raising concerns on whether the audit of Ghana's public accounts benefit the taxpayer at all; and whether the expenditure associated with the such audits is worth it.

SECTION A: PERSONAL CHARACTERISTICS OF THE PARTICIPANTS

This information will not be made public or used for any other purpose except for this academic project.

- Gender: Male ( )   Female ( )
- Age of respondent at his his/her last birthday: <20 years ( ); 20-50 years ( ); 51 years and above ( )
- Highest educational or professional qualification, indicate ……………………….
- Profession or occupation, indicate ……………………………………………..
- Current position / rank, indicate ………………………………………………..
- Length of time on current position / rank 1-5 years ( ) 6-10 years ( ), more than 10 years ( ).
- Income range per month Less than GHS 1,000 ( ); GHS1,000-GHS5,000 ( ); More than GHS5,100 ( ).

SECTION B: PUBLIC SECTOR MANAGEMENT (PSM) CHARACTERISTICS

Rank the attributes of Ghana's public funds management under questions 1 and 2 as follows: 0 = Very negative; 1 = Negative; 2 = Improving; 3 = Good, 4 = Very good; 5 = Excellent.

1. How would you rank the manner with which Ghana's public funds are managed?
   - With transparency ……………..
   - With probity …………………..
   - With accountability ……………

- With financial discipline ………
- With credibility ………………..

2. How would you rate Ghana's public spending?
   - Within the budget ……………………………………
   - Objective and responsive to the needs ……………….
   - Rational and nonpolitical partisan ……………………
   - Wasteful ………………………………………………
   - According to value for money ……………………….

SECTION C: KNOWLDEGE OF THE INSTITUTION OF THE AG OFFICE/REPORT

Rank your responses according to the following scale: 0 = Very low; 1= Low; 2 = Improving; 3 = Good; 4 = Very good; 5= Excellent.

3. How would you rate and describe the AG Office/Report
   - Your knowledge of the content of the AG's report ………………………….
   - Ghanaian public understanding of the mandate and activities of the AG ……...
   - The objectivity and professionalism with which the AG performs his duty …...
   - The level of credibility/confidence of the AG's report ………………………...

SECTION D: RELATIONSHIP BETWEEN AG'S REPORT AND PFM

Rank questions 3 and 4 as follow: 0 = Very bad; 1= Poor; 2 = Improving, 3 = Good; 4 = Very good; 5 = Excellent.

4. How influential is the AG's report in?
   - fostering transparency ………………………………
   - fostering probity ……………………………………
   - fostering accountability ……………………………
   - fostering credibility …………………………………
   - fostering financial discipline ……………………….
   - delivering value for money goods and services …….
   - protecting public funds …………………………….
   - preventing waste, fraud, and corruption ……………..
   - the recovery of stolen public funds ………………….

5. The AG's report is an objective tool for
   - assessing public sector performance ………………….
   - voluntary fulfilment of tax obligations ……………….
   - managing Ghana's fiscal deficits level ……………….
   - policy evaluation, formulation and planning …………
   - fighting corruption in the Ghanaian public sector …….
   - assessing the job retention of corrupt public official ..…….

Perceived usefulness of the Public Financial Management (PFM) laws and AG's report.
Rank the perceived usefulness of PFM laws and AGs report according to the following scale: 1 = Not useful; 2 = Useful; 3 = Very useful.

6. Compare the usefulness of both the PFM laws and AG's report in:

	PFM laws	AG's report
checking financial malfeasance		
promoting transparency, probity, accountability and financial discipline		
the fight against corruption in the Ghanaian public sector		
punishing misappropriating public funds		
ensuring that all public monies are accounted for		

7. List other tools that the governments of Ghana use to fight corruption:

Note, do please suggest any issue that may be relevant for the improvement of this study, but that is not captured in the above questionnaires.

APPENDIX II

EXPERIMENTAL STUDY QUESTIONNAIRE

November 18, 2019

Dear Respondent,

Questionnaire for a PhD thesis

My name is Ekpaa Maalo, a PhD student at the Universidad Autonoma de Madrid (UAM), Spain. I am currently working on my doctoral thesis on the topic: *Effects of the Auditor General's (AG) report on taxpayers, government and public purse managers entrenched behaviors in Ghana*. To collect data for the completion of this thesis, I have designed the set of questions below to collect the required data from respondents. Your answers would be used solely for academic purposes and I will personally burn them afterwards. So, your anonymity is assured.

This set of questions is not a test of what is being done right or wrong by the AG's Office. It only seeks to solicit your honest opinion on the utility value of the AG's report in Ghana, and your opinions are neither right nor wrong. Therefore, your responses are neither wrong nor right, but they will contribute towards assessing the effects of the AG's report on the entrenched behaviors of taxpayers, government and public purse managers in Ghana. Every response counts. Consequently, I would be very grateful if you would kindly and voluntarily answer the following questions by writing your responses in the spaces provided or where necessary, ticking in the spaces corresponding to your best choices. It may take no more than 10 minutes to fill out the questionnaire.

Thank you very much for your time and responses.

Sincerely yours,

Ekpaa Maalo,
The Researcher
(PhD Student at UAM)

Email: mekpaa@yahoo.com
Cell: +233 20 807 9800

A. Demographic characteristics of the participants

This information will not be made public or used for any other purpose except for this academic project.

- Gender: Male ( ) Female ( )
- Age of respondent at his his/her last birthday: Less than 20 years ( ) 20-29 years ( ) 30-39 years ( ) 40-49 years ( ) 50 years and above ( )
- Highest educational or professional qualification, indicate ..…………………………..
- Profession or occupation, indicate ………………………………………………….
- Current position / rank, indicate …………………………………………………..
- Length of time on current position / rank 0-5 years ( ) 6-10 years ( ) 11-15 years ( ) 16 -20 years ( ) 20 years and above ( )
- Income range per month: less than GHS1,000 ( ) GHS1,000 – GHS5,000 ( ) GHS5,100 – GHS10,000 ( ) GHS10,100 – GHS15,000 ( ) GHS15,100 and above

Instruction: Please, for sections B, C, D, E and F; tick in the spaces corresponding to your best response scale beside each statement or question.

B. Perceived effects of laws on the quality of public sector institutions' financial reports

Response scale: 1 = Strongly disagree; 2 = Disagree; 3 = Agree; and 4 = Strongly agree

Indicate your level of agreement or disagreement with the statement that the laws regulating the management of the Ghanaian public funds are:

		1	2	3	4
1	promoting the principles of transparency, probity and accountability in the management of Ghana's public funds				
2	useful in instilling financial discipline.				
3	are strictly enforced.				

C. Perception of corruption in the public sector

Response scale: 1 = Strongly disagree; 2 = Disagree; 3 = Agree; and 4 = Strongly agree

Indicate your level of agreement or disagreement with the:

		1	2	3	4
4	perception that corruption is high in the Ghanaian public sector.				
5	statement that corruption in the Ghanaian public sector goes undetected.				
6	view that governments are committed to fighting corruption in the public sector.				

7	view that governments are using the AG's report to fight corruption in the Ghanaian public sector.				
8	claim that governments are fighting corruption in the public sector using other tools.				

D. Perception of AG's mandate, independence and credibility
Response scale: 1 = Very low; 2 = Low; 3 = High; and 4 = Very high

How would you rate or describe the:

		1	2	3	4
9	level of your understanding of the mandate and activities of the AG?				
10	objectivity of the AG in the performance of his duty?				
11	level of your knowledge of the content of the AG's report?				

E. Perceived effects of AG's report on the quality of public fund managers' report
Response scale: 1 = Strongly disagree; 2 = Disagree; 3 = Agree; and 4 = Strongly agree

Indicate your agreement or disagreement with the statement that the AG's report:

		1	2	3	4
12	promotes the principles of transparency, probity and accountability in the management of Ghana's public funds.				
13	helps foster financial discipline in the management of Ghana's public funds.				
14	is useful in the recovery of stolen public funds.				

Response scale: 1 = Very low; 2 = Low; 3 = High; and 4 = Very high

		1	2	3	4
15	What type of confidence would the AG dissatisfaction that a public sector institution has misused public funds, inspire in the public?				

Response scale: 1 = Not very objective; 2 =Not objective; 3 = Objective; and 4 = Very objective

		1	2	3	4
16	The AG's report is an objective tool for assessing public sector performance.				

F. Perceived effects of AG's report on taxpayer's decision and policy
Response scale: 1 = Highly negative; 2 = Negative; 3 = Positive; and 4 = Highly positive

		1	2	3	4
17	How would the AG's revelation that public funds have been spent judiciously, influence voluntary fulfilment of tax compliance?				

Response scale: 1 = Not very willing; 2 = Not willing; 3 = Willing; and 4 = Very willing

		1	2	3	4
18	To what extent does the AG disclosure that a public official has misappropriated public funds influence your willingness to allow that official to continue to stay at post (in office)?				

Response scale: 1 = Strongly disagree; 2 = Disagree; 3 = Agree; and 4 = Strongly agree

		1	2	3	4
19	Rate your level of agreement or disagreement with the statement that the AG's report serves as basis for policy evaluation, formulation and planning.				

Note, do please suggest any issue that may be relevant for the improvement of this study, but that is not captured in the above questionnaire.

....
....
....

Table 5.9 Tukey's post-hock analysis of perceived effects of AG's report on the quality of public managers' report and taxpayers' financial decisions

Transparency, probity and accountability	**Mean Difference**	**p-value**
Control Post-test versus Control Pre-test	.07447	-.2287
Experimental Post-test versus Experimental Pre-test	-.01064	-.3138
Experimental Post-test versus Control Post-test	-.21277	.270
Financial discipline		
Control Post-test versus Control Pre-test	-.06383	.949
Experimental Post-test versus Experimental Pre-test	.03191	.993
Experimental Post-test versus Control Post-test	-.01064	1.000
Assessment of Performance		
Control Post-test versus Control Pre-test	.03191	.994
Experimental Post-test versus Experimental Pre-test	-.04255	.985
Experimental Post-test versus Control Post-test	-.11702	.768
Voluntary fulfilment of tax obligations		
Control Post-test versus Control Pre-test	.13830	.943

Experimental Post-test versus Experimental Pre-test	-.25532	.729
Experimental Post-test versus Control Post-test	.19149	.865
Job retention of corrupt public officials		
Control Post-test versus Control Pre-test	-.11702	.969
Experimental Post-test versus Experimental Pre-test	.23404	.801
Experimental Post-test versus Control Post-test	.15957	.926

Source: Field study, December 2019.

Table 5.9 Descriptive Statistics of the Delphi Study Items

PFM Features and Rationality of Public Spending	Median	Interquartile Range
Funds are managed with transparency	2.5000	1.75
Funds are managed with probity	2.5000	1.00
Funds are managed with accountability	2.5000	1.75
Funds are managed with Financial discipline	3.0000	1.00
Funds are managed with creditability	2.0000	1.75
Public spending is within budget	2.5000	1.00
Public spending is objective need base	2.5000	1.00
Public spending is rational and non-politically partisan	1.5000	2.00
Public spending is wasteful	2.0000	1.75
Public spending is according to value for money	2.0000	.75
Knowledge of the Institution of the AG Office and Report		
Understand mandate and activities of AG	4.0000	1.75
Knowledge of content of AG's report	4.0000	.75
AG is objective and professional in performing his work	4.0000	1.00
Credibility of AG's report	4.0000	1.00
Level of Confidence of AG's Report Inspire	3.5000	1.75
Perceived Influence of The AG's Report		
AG's Report Fosters Transparency	3.0000	2.00
AG's Report Fosters Probity	3.0000	1.50
AG's Report Fosters Accountability	4.0000	1.50
AG's Report Instils Financial Discipline	3.0000	1.75
AG's Report is helping to deliver value for money services	3.0000	2.00
AG's Report is Protecting Public Funds	4.0000	1.75
AG's Report is Preventing Waste, Fraud and Corruption	3.0000	1.75
AG's Report is Helping to Recover Stolen Public Funds	2.0000	1.75
AG's Report is Fostering Credibility	3.0000	2.00
AG's Report is an objective Tool for Assessing Performance	3.0000	2.00
AG's Report is an Objective Tool for Assessing Voluntary Tax Compliance	2.0000	1.75
AG's Report is an Objective Tool for Managing Fiscal Deficit	2.0000	1.00
AG's Report is an Objective Tool for Fighting Corruption	3.0000	1.75

AG's Report is an Objective Tool for Assessing Job Retention Corrupt Official	2.0000	1.50
AG's Report is an Objective Tool for Policy Evaluation, Formulation and Planning	2.5000	1.00
Comparison of the Usefulness of AG's Report and PFM		
AG's Report is Useful in checking financial malfeasance	2.5000	1.00
AG's Report is Useful in Promoting Transparency, Probity, Accountability and Financial Discipline	3.0000	1.00
AG's Report is Useful for Fighting Corruption	3.0000	1.00
AG's Report is Useful for Punishing Misappropriation of Public Funds	2.0000	.00
AG's Report is Useful in Ensuring that all Public Monies are Accounted for	2.0000	1.00
PFM Laws Check Financial Malfeasance	2.0000	1.00
PFM Laws Promotes Transparency, Probity, Accountability and Financial Discipline	3.0000	1.00
PFM Laws are Useful f in Fighting Corruption	2.0000	.75
PFM Laws are Useful in Punishing Misappropriation of Public Funds	2.0000	1.00
PFM Laws Ensures that all Public Monies are Accounted for	2.0000	1.00

Source: Field study January to February 2020

PFM Features and Rationality of Public Spending	**Quartile 1**	**Median**	**Quartile 3**	**Interquartile Range**
Funds are managed with transparency	2.0000	2.5000	3.7500	1.75
Funds are managed with probity	2.0000	2.5000	3.0000	1.00
Funds are managed with accountability	2.0000	2.5000	3.7500	1.75
Funds are managed with Financial discipline	2.0000	3.0000	3.0000	1.00
Funds are managed with creditability	2.0000	2.0000	3.7500	1.75
Public spending is within budget	1.2500	2.5000	3.0000	1.00
Public spending is objective need base	2.0000	2.5000	3.0000	1.00
Public spending is rational and non-politically partisan	1.0000	1.5000	3.0000	2.00
Public spending is wasteful	1.2500	2.0000	3.0000	1.75
Public spending is according to value for money	2.0000	2.0000	2.7500	.75
Knowledge of the Institution of the AG Office and Report				
Understand mandate and activities of AG	3.0000	4.0000	4.7500	1.75
Knowledge of content of AG's report	3.2500	4.0000	4.0000	.75
AG is objective and professional in performing his work	3.0000	4.0000	4.0000	1.00

Credibility of AG's report	3.0000	4.0000	4.0000	1.00
Level of Confidence of AG's Report Inspire	2.2500	3.5000	4.0000	1.75
Perceived Influence of The AG's Report				
AG's Report Fosters Transparency	2.0000	3.0000	4.0000	2.00
AG's Report Fosters Probity	2.2500	3.0000	3.7500	1.50
AG's Report Fosters Accountability	2.5000	4.0000	4.0000	1.50
AG's Report Instils Financial Discipline	2.2500	3.0000	4.0000	1.75
AG's Report is helping to deliver value for money services	2.0000	3.0000	4.0000	2.00
AG's Report is Protecting Public Funds	2.2500	4.0000	4.0000	1.75
AG's Report is Preventing Waste, Fraud and Corruption	2.0000	3.0000	3.7500	1.75
AG's Report is Helping to Recover Stolen Public Funds	1.2500	2.0000	3.0000	1.75
AG's Report is Fostering Credibility	2.0000	3.0000	4.0000	2.00
AG's Report is an objective Tool for Assessing Performance	2.0000	3.0000	4.0000	2.00
AG's Report is an Objective Tool for Assessing Voluntary Tax Compliance	1.2500	2.0000	3.0000	1.75
AG's Report is an Objective Tool for Managing Fiscal Deficit	2.0000	2.0000	3.0000	1.00
AG's Report is an Objective Tool for Fighting Corruption	2.0000	3.0000	3.7500	1.75
AG's Report is an Objective Tool for Assessing Job Retention Corrupt Official	1.2500	2.0000	2.7500	1.50
AG's Report is an Objective Tool for Policy Evaluation, Formulation and Planning	2.0000	2.5000	3.0000	1.00
Comparison of the Usefulness of AG's Report and PFM				
AG's Report is Useful in checking financial malfeasance	2.0000	2.5000	3.0000	1.00
AG's Report is Useful in Promoting Transparency, Probity, Accountability and Financial Discipline	2.0000	3.0000	3.0000	1.00
AG's Report is Useful for Fighting Corruption	2.0000	3.0000	3.0000	1.00
AG's Report is Useful for Punishing Misappropriation of Public Funds	2.0000	2.0000	2.0000	.00
AG's Report is Useful in Ensuring that all Public Monies are Accounted for	20000	2.0000	30000	1.00
PFM Laws Check Financial Malfeasance	2.0000	2.0000	3.0000	1.00

PFM Laws Promotes Transparency, Probity, Accountability and Financial Discipline	2.0000	3.0000	3.0000	1.00
PFM Laws are Useful f in Fighting Corruption	2.0000	2.0000	2.7500	.75
PFM Laws are Useful in Punishing Misappropriation of Public Funds	2.0000	2.0000	3.0000	1.00
PFM Laws Ensures that all Public Monies are Accounted for	2.0000	2.0000	3.0000	1.00