

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY
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DEPARTMENT OF ACCOUNTING AND FINANCE**

**ASSESSMENT OF THE KNOWLEDGE OF EXTERNAL AUDITOR'S
RESPONSIBILITIES: EVIDENCE FROM SELECTED MUNICIPAL AND
DISTRICT ASSEMBLIES IN THE ASHANTI REGION**

BY

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A thesis submitted to the Department of Accounting and Finance,
KNUST School of Business, Kumasi
in partial fulfilment of the requirements for the award degree of
MASTER OF SCIENCE IN ACCOUNTING AND FINANCE.

NOVEMBER, 2023

DECLARATION

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person nor material which to a substantial extent has been accepted for the award of any other degree or diploma at Kwame Nkrumah University of Science and Technology, Kumasi or any other educational institution, except where due acknowledgement is made in the thesis.

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DEDICATION

This Thesis is Dedicated to the Little boy Isaac, who I pushed down with my car, in a rush to write an Accounting Theory Exam. An Encounter with you and the experience on that faithful day taught me to approach situations in a more careful, sensible and realistic way. I wish you well and safe.

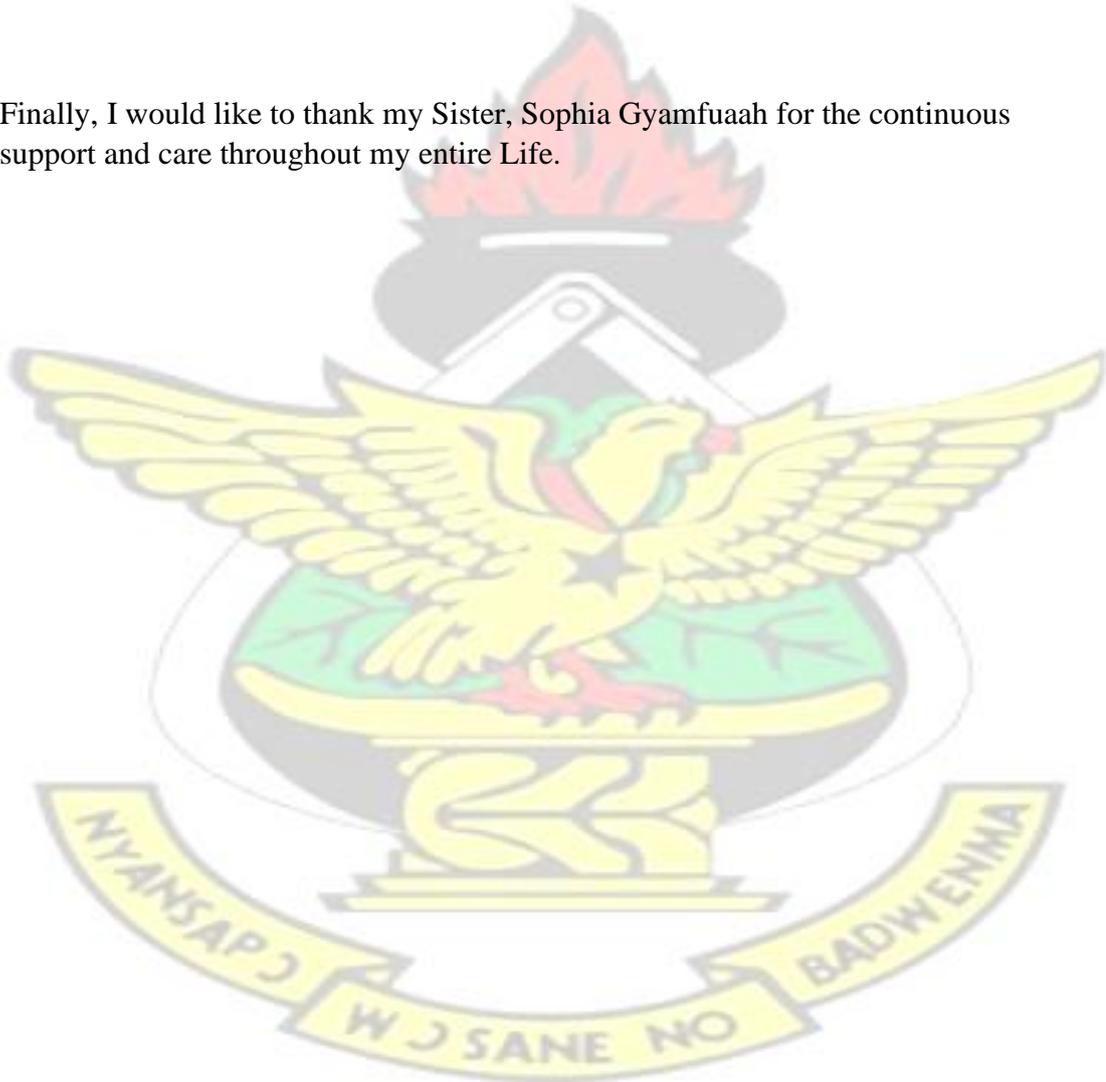


ACKNOWLEDGEMENT

I would like to acknowledge and give thanks to my Supervisor, Godfred Aawaar Phd. who made this project work possible. His guidance and advice carried me through all the stages of my writing.

I would also like to acknowledge and give thanks to the friends and Learning partners I encountered in pursuance of this Masters Degree. You were all amazing.

Finally, I would like to thank my Sister, Sophia Gyamfuaah for the continuous support and care throughout my entire Life.



ABSTRACT

The focus of this study is to examine the level of Knowledge of officers about the responsibility of the external auditors in the MMDAs in the Ashanti Region of Ghana. This research was conducted using a descriptive research design. The study also employed a quantitative approach. The study employed simple random sampling for selecting 62 auditors in 43 MMDAs in the Ashanti Region of Ghana. A structured questionnaire guide was used as the primary data-gathering tool. SPSS was used to analyse the data. The result reveals that the respondents exhibit high ratings in areas such as cost reduction, enhancing organisational performance, engaging stakeholders, ensuring quality assurance, identifying management shortcomings, promoting staff effectiveness, maintaining a favourable public image, and proposing improved management strategies. The statistical analysis reveals that, on average, external auditors exhibit a moderate to high level of expertise in terms of their understanding of the duties associated with validating data reliability, validating data credibility, comparing financial and non-financial information, comparing budgets, and relying on auditing guides and international accounting standards. Based on the survey results, it can be observed that a significant proportion of the respondents possess dedicated personnel who are responsible for determining and calculating navigation age indicators. Furthermore, there are directors overseeing the process of data collection and analysis. It is also noteworthy that there are well-defined roles and responsibilities within the organisation, facilitating efficient operations. Additionally, the respondents reported having convenient access to documents from the Accountancy Department. Furthermore, the respondents provided information regarding the existence of internal documents utilised for data collection purposes, as well as the criteria employed for selecting navigation indicators.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The public's expectation of accountability from all levels of public personnel is growing. This came about as a result of more people throughout the world embracing democratic traditions and ideas. Due to its contributions to accountability, performance, and the fight against corruption (Asiedu and Deffor, 2017), Public Sector Auditing (PSA) has received greater respect from the Ghanaian government and other public sector management actors.

Making public servants accountable first seems like a good idea. In order to operationalise the concept of public servant responsibility, a number of issues must be discussed and policy recommendations made. However, Christie (2018) mentioned that both the government and the parties that have a stake in its operations and initiatives are aware that effective accountability is essential to the accomplishment of both goals. Government initiatives to improve the standard of living frequently fail when there is an insufficient account of the limited resources. As a result, the Audit Service Act, of 2000 (Act 584) created the Ghana Audit Service to guarantee effective accountability among institutions under the supervision of the government.

In the controversy over the question of accountability in local government operations and programs, the Ghanaian Auditor-General (AG) office has taken a prestigious role. Given that the AG's office is a state agency that acts with a high degree of independence from the executive branch, it might hardly be any different.

Consequently, the government of Ghana, lawmakers, donor agencies, and the overall public have all given public sector auditing in Ghana a lot of attention. The AG department is constantly provided with several financial resources and budgetary allocations to carry out its duties successfully. However, every year in his yearly reports, the AG has called attention to inconsistencies in the use of public funds.

Others view the AG's office as a symptom of corrupt actions of governments' constitutional procedures, despite the fact that it considers itself to be an essential part of efforts to enhance accountability in the public sector. The fundamental problem is that different people view the efficiency and competence of the AG via various prisms. Despite the particular duties and authority granted to the AG by Article 187(2) of Ghana's 1992 Constitution and later revisions that strengthened the law giving the AG the right to impose a surcharge on expenditures they considered improper, this problem persists.

This has created a controversy about the role that an external auditor should play in ensuring adequate accountability, especially given that the external audit's main objective is to provide credibility to financial reporting. Although their mandates made it clear what they were responsible for, how each stakeholder views the role varies. The general public's and industry participants' perceptions of the extent of information regarding the duties of external auditors have been misled. The AG system is designed to meet both internal and external requirements for thorough monitoring of financial management, accountability, and spending in government entities. Internal audit's responsibilities include identifying and assessing transactional

risks, limiting spending to authorised levels, and ensuring that governance procedures are carefully adhered to in order to maximise the effectiveness of public spending. Regardless of how an organisation operates, internal audits have become a standard component. The purpose of audits is to help management and/or those in charge of governance's operational actions. Applying a methodical and disciplined approach, these duties are accomplished by assessing and enhancing the efficiency of the organisation's risk management, control, and governance systems (Ganghof 2018).

Because of the aforementioned, the IA functions have gained respect from several practitioners of strong corporate governance practices in the local government system as one of the most effective elements of any system of internal controls. Because of this, the internal audit function's performance must meet stakeholder expectations for it to be relevant Adafula, Asare, Atuilik, and Adafula (2019). A surprising number of studies (Ganghof 2018; Fabrini 2017; Gustavson and Sundstrom 2018) have shown how poorly internal audits perform in local government structures relative to their responsibilities.

Some studies, including those by Adafula, Asare, Atuilik, and Adafula 2019; Jachi and Yona in 2019; and Cumbe and Inácio in 2018, held the opinion that internal auditing is merely an additional operational expense that duplicates everything an external auditor would have done at no additional cost in the absence of internal auditing. These justified the requirement for experimentally ascertaining the extent of knowledge regarding the role of external auditors in local government institutions.

Existing work on public sector accountability and auditing and their connections to external auditing standards, such as that by Anand and Sossin (2018), Hyndman and McConville (2018), and, Abidin and Singaravelloo (2018), suggests that this area of study is growing. However, there is not much of this research in Ghana. Therefore, utilising a sample of Municipal and District Assemblies in the Ashanti Region of Ghana, this study evaluates the degree of awareness of external auditors' obligations as they relate to accountability under Ghanaian local governance structures.

According to the literature that is currently available, Ghanaian studies have solely concentrated on the efficiency of internal audits, contract management, cash management, revenue management, procurement management, and expenditure management. The duty of the external auditor, however, continued to broaden as the years went by.

1.2 Statement of the Problem

This study is predicated on the idea that most research on financial management efficiency and accountability in Ghana's local government structures focuses on internal audit duties. The local level of the Ghanaian economy is reached via development through the Local Government system. The decentralisation plan which ensures that developments are spurred from the numerous Municipal and District Assemblies was recently implemented by the Local Government Structures. These suggest that local initiatives are planned and carried out locally with little influence from the federal authority.

These initiatives are the responsibility of the different departments within the assembly. Following the repeated allegations of financial misappropriation and poor value for money in the financial dealings of the various MMDAs, several state agencies and civil societies are questioning the value of internal and external audits in ensuring value for money and more importantly, in promoting development by allocating the limited resources to successful ventures. For instance, according to the Auditor General's Reports, the majority of MMDAs are unable to adhere to the Financial Management Regulation, the Public Procurement Act, and other legislative requirements.

They have been appearing before the Public Account Committee after receiving annual citations for procurement violations. The 2019 Auditor-General Report reveals 758 MMDAs with GH23m breaches. The most frequent infractions committed by MMDAs, according to the report, include uncompetitive procurement, awarding contracts without valid documentation, purchasing items not listed in the procurement plan, purchasing supplies that have been paid for but not yet received, and unaccounted revenues. Admittedly, these are the very violations internal audits are supposed to catch, therefore the more these violations are mentioned in the external audit report, the stronger the argument is made for getting rid of the internal audit system which is seen as a waste of scarce resources and redundancy.

Recently, there has been a massive discussion on the need for audits to minimise the misuse of limited resources. Unfortunately, all study efforts are focused on comprehending the functions and dimensions of internal audits. For instance, early

research examined the expectation gap and shift of influence on audits but they were internally audit-focused (Ruhke and Schmidt 2014). Adafula, Asare, Atuilik, and Adafula, (2019) examined Ghanaians' perceptions of internal audits' performance expectations, while Tetteh, Agyenim-Boateng, and Susuawu, (2021) focused on how internal audits might help bring about financial changes in the public sector.

The research by Maama and Marimuthu (2020) is among the few studies that examined the function of external auditing in Ghana's local governance structure while concentrating primarily on the results of the auditor general's yearly reports. Despite playing a crucial role in guaranteeing honesty and accountability in the financial transactions of state businesses, the importance of the external auditor's responsibilities in the MMDAs in Ghana has been disregarded in all of the referenced studies. There appears to be a sizable body of unlearned, untapped, and uninvestigated information around the MMDAs that must be seen through academic and professional perspectives, especially in light of the work done on auditing duties and the degree of understanding of stakeholders.

The MMDAs' distinctiveness tells a story, and the researcher believes that the results and suggestions will fill in any gaps in our knowledge of external auditors' responsibilities at that level of local governance. Therefore, the purpose of this work is to ascertain how many civil servants in Ghana's Ashanti Region understand the role of external auditors in MMDAs. The foundation for this investigation is laid forth in the following parts.

1.3 Objectives of the Study

The focus of this study is to examine the level of Knowledge of officers about the responsibility of the external auditors in the MMDAs in the Ashanti Region of Ghana.

Specifically, the study focuses on the following areas;

- i. To explore the level of knowledge of internal auditors' responsibilities at the MMDAs.
- ii. To investigate the level of knowledge of external auditors' responsibilities in the MMDAs.
- iii. To explore the nature and trend of external audit queries in the MMDAs.

1.4 Research Questions

The under-listed research questions were framed based on the objective highlight;

- i. What is known about internal audit responsibilities at the MMDA level?
- ii. Is there enough knowledge of the responsibilities of the external auditors in the MMDAs?
- iii. What is the trend and nature of external audit queries in the MMDAs?

1.5 Significance of the Study

This work is significant from both an academic and a policy or practical standpoint. From a scholarly standpoint, there are not many studies that look at the responsibilities in practices of external auditors as they relate to the MMDAs. The presence of the internal auditors at the MMDAs level makes it difficult to even admit the relevance of an external auditor except in the event of the discovery of grand misappropriation. This research will serve as additional knowledge on the indicator,

igniting more debate and adding to the body of information on the patterns of implementation of the responsibilities of auditing within the local government framework.

This study will assist the MMDAs, the key local government structure for the dissemination of developing policy initiatives that support a strict adherence to the auditing act to reduce fraud, the perception of corruption, and wastage. Also, the Auditor General Authority's attention will be awakened to the level of knowledge and the perception of the players of the various MMDAs on the external auditor's responsibilities.

1.6 Scope of the Study

Understanding the obligations in the practices of external auditors at the MMDAs is the conceptual focus of the study. When it comes to looking at transactions that have been conducted both internally and externally over time, internal and external audits are different from one another. The understanding of the obligations sets boundaries for this study.

Geographically, the study concentrated on a few MMDAs in Ghana's Ashanti region. The priority was given to divisions including accounts and administration, social development, works, and engineering.

1.7 Summary of Methodology

The study will employ a survey design to examine the level of Knowledge of officers about the responsibility of the external auditors in the MMDAs in the Ashanti Region of Ghana. The target population of the study includes Auditors in the chosen MMDAs. A questionnaire will be used in gathering primary data. The survey instrument will be personally administered by the researcher to the respondents. A sample of 150 civil respondents will be sampled for this study. The study instrument was pretested before data collection to ensure that the concept and language were used appropriately. Data collection took place over the course of three weeks. Coding and data entry into SPSS will be used to analyse the data that has been obtained.

1.8 Limitations of the Study

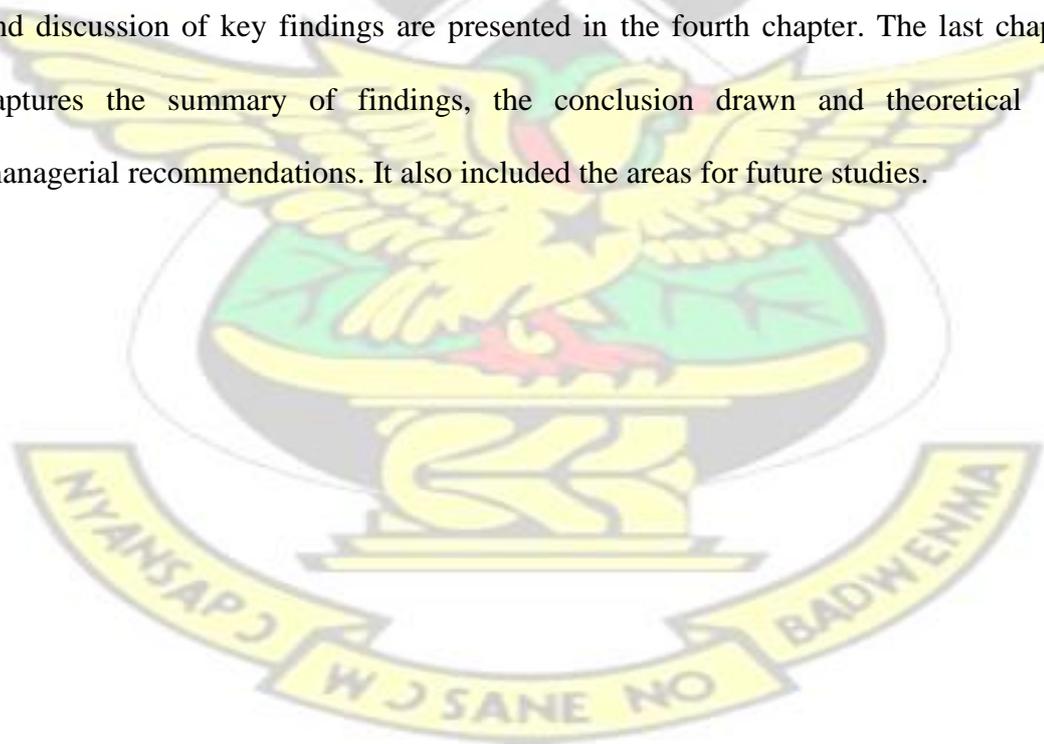
First and foremost, the findings could not be generalised to cover all MMDAs in regions and their country despite the uniqueness of each assembly. MMDAs are mandated to operate within a particular framework that allows for commonality in assessment. However, resource allocation and availability to each MMDA are different and therefore programme designs also but the accountability requirement is similar.

The use of a purely quantitative research approach limits the findings to the confines of an objective construct without access to the in-depth knowledge of civil servants on the responsibilities of external auditors. Again, considering the civil servants are workers of the say assemblies there is the likelihood of bias in their submissions about

the assemblies, therefore, the study took precautions to ensure confidentiality granting respondents the freedom to express themselves without coercion.

1.9 Organisation of the Study

The current study is presented in five main chapters. The first chapter presents a detailed background of the study, the actual problem necessitating the study and the objectives that hold the study's relevance. It also touches on the boundaries that guide the study. The second chapter presents a review of all available but relevant literature about the key elements of the study. In the third chapter, the methodology of the study is presented. It includes the research design, the data gathering and the management procedure alongside the analytical tools deployed in data analysis. The data analysis and discussion of key findings are presented in the fourth chapter. The last chapter captures the summary of findings, the conclusion drawn and theoretical and managerial recommendations. It also included the areas for future studies.



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents a review of related studies on the topic “assessment of the knowledge of external auditor’s responsibilities”. The chapter is organized in five (5) main sections. Section 2.1 presents a review of the conceptual literature, and covers concepts including audit, auditing and internal auditing, internal audit responsibilities at the MMDA level, external auditor’s responsibilities, and trend and nature of external audit queries in the MMDAs. Section 2.2 discusses the overview of MMDAs in the Ashanti Region and Section 2.3 discusses the theoretical literature and covers the Institutional Theory.

2.1 Conceptual Literature Review

This section gives further definitions for the study variables and evaluates how they will be used in the study. The variables included internal audit responsibilities, Concept of Audit, Auditing and Internal Auditing, External auditor’s responsibilities and Trends and nature of external audit queries in the MMDAs.

2.1.1 Concept of Audit, Auditing and Internal Auditing

The primary driver of the need for internal auditing is the requirement for an independent method of confirmation to lower theft, document mistakes, and asset theft in both for-profit and nonprofit organisations. Almost as far back in history as accounting is the genesis of auditing. Every time society advanced to the point that one man needed to be partially trusted with somebody else's property, it became clear

that there should be some sort of safeguard against the former's loyalty (Chedrawi and Howayeck,2018, quoted in Roekhudin, 2018). According to historians, established companies and governments in the Near East were the first to establish official record-keeping systems to relieve their worries about properly recording earnings and expenditures and levying taxes. Whether a company is an investor or not, regardless of its size or legal structure, an audit is the independent review of its financial statements or related financial statements to provide an opinion on them (Danso, Kong, Akomeah, and Afriyie, 2020). A qualified person or organisation is appointed to conduct an audit which is a procedure in which the records and financial statements of a business are independently examined in sufficient detail to allow the auditor to express an opinion on the accuracy and fairness of the financial statements. Mwanza and Kaira (2022) define auditing as the process through which the auditor verifies accounting data, evaluates the dependability and accuracy of the accounting report, and offers a report on the truthfulness and equity of the income statements.

Therefore, the auditor's view which is based on the auditing, information gathered, conveys his professional opinion on the financial statement. The underlying documents, inputs, account balances, primary entry books, operating income, income statement, income statement, directors and management report, and minutes of director and existing shareholders are all income reports. According to the Institute of Internal Auditors, internal auditing is an objective, unbiased certification and advising activity designed to improve an organisation's operational effectiveness (Babonyire, Nicholas, and Williams, 2019). To help a company achieve its objectives, it offers a systematic, disciplined approach to evaluating and improving the effectiveness of

managing risk, controlling, and building a system. Instead of concentrating on tracking cash payments over time as it did previously, this definition tries to show the breadth and extent of internal audit activity inside an institution. All business operations are covered by modern internal audits. Because of this, the procedures and systems used by the accounting and finance departments are no longer the only ones that fall within the purview of internal audit. There hasn't been much study on the advantages and significance of this function, despite the growing attention paid to internal audits. Studies that demonstrate the importance of the internal audit function have employed an agency cost paradigm (Mihret and Grant, 2017; Eulerich and Eulerich, 2020).

2.1.2 Internal Audit Responsibilities at the MMDA Level

According to the internal audit manual IAA (2006) developed for MMDAs, the primary objective of the internal audit department in the Assembly is to assist management in effectively performing their tasks. To perform this function, the Internal Audit Unit should create a three-year strategic plan, talk about it with management, and then submit it for evaluation and approval to the Audit, Risk and Improvement Committee. Make a yearly audit plan, and then submit it for review by management. Implement the annual audit plan per the agreed-upon schedule, taking into consideration any specialised tasks or projects that the Financial Statement Stages Of the process or Assembly Management may have requested. Maintain a qualified audit staff that satisfies the Assembly's standards for knowledge, expertise, experience, and professional qualifications. Keep up with current innovations and pertinent best practices that have an impact on their job and the Assembly's operations. Respond to the Assembly's evolving requirements, work for ongoing

improvement, and conduct their operations with honesty. Report the findings of the audit operations to management. Investigate any serious alleged fraudulent activity occurring inside the Assembly and report the findings to management. Daniel, Hussein, Karim, and Nicholas (2021) stipulate that the internal audit unit of MMDAs must have a head of the internal audit unit and staff to carry out the audit functions of the Assembly. The responsibility for maintaining a staff team that possesses the knowledge, skills, and standards necessary for the achievement of Internal Audit's objectives falls on the Head of the Internal Audit Unit. This same manager of internal audit is primarily entrusted with making sure that employees have the requisite professional knowledge, instruction, and experience in addition to developing opportunities to assist employees continued professional progress.

2.1.3 External Auditor's Responsibilities

The International Standard on Auditing (ISA 250), Consideration of Laws and Regulations in an Audit of Financial Statements (Kassem and Higson, 2016), and SAS 54, Illegal Acts by Clients (Jaber, 2021), for example, the requirement that external auditors taking into account the detailed statutes and regulations when conducting the audit of financial statements. This clarifies the external auditor's responsibility concerning unlawful acts. The auditor is required to obtain sufficient, dependable audit evidence about compliance with laws that are widely accepted to directly affect the evaluation of material amounts and accounting reports (Kassem and Higson, 2016). The auditor has the same obligation to find and disclose false statements stemming from illegal actions that have a direct and significant impact on the amounts reported in the financial statements as they have for misstatements brought on by mistake or fraud, according to Mohammed and Waheeb (2022). The

auditor believes that rules and regulations that are commonly acknowledged by auditors affect financial statement numbers in a direct and meaningful way (Jaber, 2021; Jakubowska-Gawlik, Kolanowski, Murali, and Trafialek, 2022).

However, neither of the criteria specifically addressed the duties of the external auditors concerning misconduct or misconduct itself. Furthermore, SAS 54 failed to address whether corruption concerns may have an impact on the income statements directly or indirectly (Agyemang et al., 2020). It was also unclear how external auditors would ascertain if the illegal activity had an explicit or implicit impact on financial accounting. ISA 250 provided some identifiers for non-compliance with laws and rules that external auditors need to carefully consider, including situations where low-bid awards are often preceded by shifted orders or modifications that substantially increase payouts to the supplier, unforeseen or unexplained variation in receivables, debts, and instances where reduced bid awards are made. Bribery red flags were cited by Ikbal, Irwansyah, Paminto, Ulfah, and Darma (2020) in a book titled *Benchmarks of Fraud*. This indicates that, even though it was not expressly specified in the audit standards, the norm impliedly required external auditors to consider and deal with corporate criminal issues if they have a significant impact on profitability results. The lack of information on external auditors' responsibilities concerning organisational fraud may lead them to forego their duty to look for significant corruption that might have an impact on the financial reports since it was not specifically specified in audit standards. There is a chance that audits will be held more accountable and subject to more lawsuits. It could also result in uneven adherence to the audit guidelines' standards for illegal activity. The outcomes might

be terrible, not just because the audit function erodes the trust of investors but also in terms of the audit businesses' potential to compete in the industry due to their tarnished reputation (Alharasis, Prokofieva, Alqatamin, and Clark, 2020).

2.1.4 Trend and Nature of External Audit Queries in the MMDAs

The public demands complete responsibility from those chosen to control and administer public funds and resources (Machinjike and Bonga, 2021; Goshunovaa and Kirpikovb, 2016). According to Ntim, and Boahen (2016), other authorities, elected members, executives, and ministers of public resources are also required to account for the assets in their charge. Public sector auditing is anticipated to play a crucial role in this line of transparency. This is true since auditing enhances transparency, both externally via elected representatives who give the funds and externally through recipients, taxpayers, and the general public, (Hay and Cordery, 2022; Yang and Northcott, 2019).

In the public sector, residents are the owners and public employees are the agents (Blair, 2018). Auditing is at the heart of transparency. The contribution of auditing to public sector transparency is documented in current research. Rosa and Morote (2016), for instance, noted that external audits have produced efficient transparency in Spain. According to a different study by Kristin et al. (2015), external auditing has a favourable impact on transparency in Europe. This demonstrates how important external auditing is to upholding transparency in the financial domain.

Maama and Marimuthu (2020) also participate in Norway's assurance program. The authors discovered that editing helps with transparency by looking at audit reports. Gustavson and Sundstrom (2018) investigated the effect of quality audits on government sector transparency across 100 nations in a similar study. The researchers showed that high-quality auditing increases public sector transparency and, in the end, lowers fraud. This supports the notion that auditing may support the efficient operation of the government sector. In addition, Tumwebaze et al. (2018) looked at how auditing helped 92 public governmental enterprises in Uganda be more accountable. The authors demonstrated that auditing is a great indicator of public sector transparency using a linear forecasting method. The favourable impact of auditing on public sector accountability is supported by other African literary trends. Akisik et al. (2022) looked into the role auditors play in ensuring public sector transparency in Nigeria. The researchers noted that Nigeria has poor transparency as a result of a poor auditing system after using data to analyse five years' worth of the Auditor General's financial statements.

This illustrates how a thorough audit may result in an efficient government sector. In Nigeria, the impact of government-sector auditing on government-sector transparency was evaluated by Ezirim et al. in 2017. Results from Ezirim et al. (2017) revealed a favourable relationship between transparency and auditing. Accordingly, it would seem that auditing is essential for preserving transparency in the public sector. According to research done in Uganda by Bananuka et al. (2017), auditing makes a major contribution to government sector transparency. Cumbe and Inácio (2018) investigated how external auditing affects the Public Fund of the Mozambique

Institute of Statistics' transparency using a case study methodology. According to Cumbe and Inácio's (2018) findings, auditing and transparency have a favourable and substantial link. This study suggests that efficient and impartial external auditing can assist the government sector in effectively discharging its transparency. The effect of the independent audit role on transparency in the Zimbabwean public sector was evaluated by Jachi and Yona (2019). The authors demonstrated that auditing is highly linked with transparency and responsibility in the Zimbabwean government sector using a moderate questionnaire and regression analysis. According to the conclusion of this study, auditing is a useful technique for achieving transparency in the government sector. The results of earlier research suggest that external auditing is a good tool for carrying out the responsibility for transparency in the public sector. Ghana has pursued ambitious measures to restructure the government sector over the past 20 years.

Initiatives aiming at enhancing national democratic leadership and enhancing public sector accountability are included in these projects. Although there have been major advances, obstacles still exist, according to Maama and Marimuthu (2020). Ghana is an example of several African nations when it comes to monitoring and controlling the financial operations of the public sector (Fabrini et al., 2017). This is due to Ghana's democratic stability since 1992, which has caused its institutions to steadily get stronger. Additionally, Ghana has a representative democratic government structure with a distinct executive, parliamentary, and arms of government (Fabrini et al., 2017). As a result, there is a level of sovereignty for the key organisations that support effective transparency in the financial sector. According to Ganghof (2018),

the country's accountability system is hampered by government involvement and overrides of institutions and rules. These procedures address some of the issues with governance and transparency and have an impact on the organisational environment in which the Public Account Committee of Parliament and the Ghana Audit Service function. (Ganghof, 2008).

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2.2 Overview of MMDAs in the Ashanti Region

Ghana is a representative democratic constitutional republic. 14.1 The executive president is directly elected for a maximum of two four-year terms by universal adult suffrage with a 50% vote. The first-past-the-post system elects 275 MPs from single-seat constituencies for four-year terms through universal suffrage. Presidents nominate the Council of Ministers, which parliament approves. Hereditary House of Chiefs advises. The Council of State, 25 eminent persons, advises the president. One of these 25 must have been chief justice, chief of defence, staff inspector-general of police, and president of the national House of Chiefs. The president appoints 11 members, and an electoral college of two nominated councillors from each district in each of the 10 regions indirectly elects one more representative member. The Ashanti Region is in central Ghana between longitudes 0.150 E and 2.250 W and latitudes 5.500 N and 7.460 S. It borders Bono East, Western, Eastern, and Central Regions.

The Region has 43 Metropolitan, Municipal, and District Assemblies (MMDAs). There is one Metropolis, eighteen Municipalities, and twenty-four Districts. Thirty-six MMDAs receive water from Audit Service Ashanti Region. The most populated region in Ghana is Ashanti, with 4,780,380 people (GSS, 2010 Population and

Housing census), 19.3% of the national population. The 36 MMDAs' 2019 population.

2.3 Theoretical Literature Review

This study responds to an assessment of the knowledge of external auditor's responsibilities evidence from selected municipalities, and districts using principles from institutional theory. The institutional theory, namely coercive isomorphism and normative isomorphism can be utilised to explain audit processes (Hay and Cordery, 2018). This implies that isomorphic pressures fuelled worldwide audit growth. Nonetheless, the structures of public audits and SAIs are fundamentally different (Mattei et al., 2021). As a consequence, the study intends to investigate the knowledge of external auditors' responsibilities from auditors' viewpoints, assuming a theoretical framework that may explain the change and, therefore the use of the institutional theory.

2.3.1 Institutional Theory

The institutional theory emphasises how existing management frameworks are affected by shifting institutional environments (Tetteh et al., 2021). It is acknowledged that the institutional theory is a crucial theoretical lens for examining government sector transparency and governance reforms in developing economies (Hay and Cordery, 2021). In addition, organisations like SAI in Ghana need to have a social mandate, which may be obtained by meeting societal expectations (Boxenbaum and Jonsson, 2017, p. 2). Organisations, nevertheless, could take initiative and counteract institutional pressures; it is argued (Oliver, 1991; Moussa et al., 2022).

Therefore, it is impossible to predict how any organisational characteristics will turn out.

2.4 Empirical Literature Review

Maama and Marimuthu (2021) carried out studies that looked into the role of external auditors in the evaluation framework of the Ghanaian local governmental system. The research evaluated the financial reports of Ghana's metropolitan, municipal, and district assemblies (MMDAs) using a qualitative analysis. Based on the study, Ghanaian audit efforts were mostly concentrated on the efficacy of internal controls, cash flow management, procurements, expense management, development of finances, accounts payable, and contract administration. The study's findings showed that the MMDAs often and repeatedly requested audit information on cash, retail, purchasing, contracts, and tax matters. The audit suggestions are developed in response to certain audit queries about various financial and operational difficulties. According to the report, transparency in the MMDAs hasn't been much impacted by external audits in Ghana. Future research should widen the definition of external auditing to include effectiveness audits.

Sulub et al . (2020) study looked at how auditors' willingness to depend on audit committees' work was affected by quality differences among audit committees. A total of 107 audit seniors from throughout the nation were included in the sample. The results demonstrate that auditors pay attention to quality differences within audit committees and that individual auditor variability significantly influences auditor

judgments. Future research opportunities are highlighted, along with implications for audit practice.

To find out what the general people thought about the board and audit committee in the Sekondi Metropolis Takoradi, Fulop et al. (2019) conducted a study. It used a qualitative research design. 210 respondents in total were chosen from different the public. Data collection involved using a questionnaire. The data were examined using SPSS 22.0, Statistical Package for Service Solutions. Frequency, tables, and charts were used to examine the data, and a correlation analysis was done to ascertain the relationship between the discrepancy and public perception. Most of the populace considers that an auditor's responsibility involves spotting errors and fraud as well as revealing crimes and irregularities in an income statement. It is advised that the tasks of external auditors be specifically articulated through training so that the community has a clear understanding of their roles.

To better understand how public sector auditors might respond to organisational politics to conduct a performance audit of SDG execution in Ghana, Tetteh et al. (2022) conducted research. For the study, 12 senior and middle management auditors from Ghana's Supreme Audit Institution participated in moderate interviews (SAI). The results demonstrate that organisational pressure was placed on Ghana's audit of Development cooperation by the International Organisation of Supreme Audit Institutions, the government, auditees, political executives, and the Audit Service Board. Finally, quantitative methods should be used in future studies on Development

cooperation and transparency to evaluate the significance of organisational practices and tactical reactions to SDG audits.

2.4.1 Level of knowledge of Internal auditors' Responsibilities at the MMDAs

Agbodzie (2019) conducted a study to evaluate how well internal auditing in semi-sector organisations prevents widespread fraudulent activity. To collect data, a purposive sample technique was adopted, and 70 respondents were selected from ten CHAG establishments in Ghana's Brong-Ahafo Region. Data were gathered via interviews and closed-ended questionnaires. The study's conclusions indicate that internal auditors in healthcare facilities typically obtained 80% coverage on topics related to organisational standards in medical institutions. The report recommends setting up internal auditors to assist in the internal review of their responsibilities.

Kukuiah (2019) performed research to investigate the elements that impact internal audit effectiveness in Ghana's public sector. 130 internal auditors in the study area were given questionnaires using stratified random samples and purposeful sampling techniques. The parameters that affect the efficiency of internal audits were evaluated using structural equation modelling in the research. The study found that internally described characteristics in the public sector in the Central Region were significantly positively influenced by internal auditing, professionalism, and management framework.

2.4.2 Level of knowledge of External Auditors' Responsibilities in the MMDAs.

To comprehend how external auditors communicate with audit committee members better, Compennolle (2018) conducted research (ACs). 53 participants, including chief financial officers, internal and external auditors, chairs of audit committees, and representatives from 22 French companies were questioned. Results indicate that the creation of consistent and transparent perceptions largely takes place in the background, as a result of laborious coordination between chief financial officers and auditors. The analysis of the study should be expanded upon in future research by acknowledging that preparation work is an essential component of governance and should receive the same emphasis as public and private appointment time.

Quick and Henrizi (2019) conducted a study to investigate how varying amounts of environmental elements influence German external auditors' reliance judgments about the internal audit function. The study made use of an experimental layout. In terms of external auditors' confidence in the IAF, a strong internal control system in particular can make up for shortcomings in governance. Additionally, the kind of audit approach affects auditors' propensity to rely on the IAF, and the transaction's inherent risk amplifies the detrimental effect of customer service danger on the choice to depend.

Al-Sukker et al. (2018) looked at what variables influence how much the internal audit function (IAF) contributes to the work of external auditors (EA) in Jordanian-listed companies. The study uses a hybrid approach that combines multi-interviews with a questionnaire to collect data. The results indicated that internal audit function objectivity has the biggest impact on the external auditor's decision to rely on

independent audit work, possibly followed by internal audit function competence and internal audit function job performance, according to 35 completely randomised tests and nine interviews with senior external auditors and external audit managers. More research should be done to understand how to better align the needs of interested parties with those of internal and external auditors, especially in terms of credibility, participation, and dependency.

Larasati et al. (2019) examined the function of an audit failure in the relationship between the Risk Management Committee and audit fees. A total of 510 observations from 216 distinct firms that were listed on the Indonesia Stock Exchange between 2014 and 2016 were included in the study. This study employed least squares analysis to evaluate the hypotheses. The inclusion of the external superintendent as a member of the audit committee will, per the results, improve the relationship between the Risk Management Committee and the audit fee. The study's conclusions support the demand side of audit theory by showing how having a separate risk management committee and a more impartial superintendent on the audit committee would lead to a broader audit scope. Future research could analyse the deeper characteristics of risk assessment members of the committee in connection to financial or audit outcomes inside the firm such as their educational background, areas of specialty, etc.

2.4.3 The Nature and Trend of External Audit Queries in the MMDAs

Alareeni and Hamdan (2022) conducted a study using a company's financial statements as a case study and analysed them for the Covid-19 crisis period (2019) and the period within the Covid-19 crisis period (2020). They subsequently created a set of suggestions and gave them to the external auditors to help them carry out the audit process effectively. The study demonstrated that the management of the

organisation must appreciate and verify how financial accounts would be impacted by pandemics like COVID-19. Managers should attempt to predict probable economic and financial catastrophes as well as how they will impact their financial information in the future.

Taha et al. (2021) conducted a study to examine how interactions between external auditors and cloud experts affect the challenges of cloud auditing from the viewpoint of auditors from the Association of Certified Public Accountants of a developing nation. A quantitative study technique was used to evaluate the impact of collaboration between an external auditor and a cloud specialist on three key cloud auditing considerations: technology security, regulatory requirements, and tactical approach. Data were gathered through online and in-person surveys. A total of 201 correspondents, comprising 181 male and 20 female auditors were used to collect the study's data. The conceptual model of the study's posited hypotheses was put to the test using structural equation modelling. The results showed that employing IT specialists helps resolve strategic obstacles more than other sorts of challenges, such as technical protection and organisational standards. The influence of independent auditor expert interaction on cloud auditing difficulties from the viewpoint of auditors from the Association of Certified Public Accountants of a developing nation can be studied in the future using a large sample size to provide wide general evidence.

Al-ahdaland Hashim (2021) investigated how the performance of non-financial public limited companies listed on the National Stock Exchange 100 was impacted by the qualities of the audit committee and the external audit. 74 non-financial companies in

the Nifty, 100 were analysed using one-way random effect panel data regression from 2014 to 2019. In reaction to the 2013 Indian Companies Act and a study of the literature, the overall audit committee index and external audit index were created to measure the effect of the new Act on corporate financial performance. According to the study's conclusions, there isn't enough proof that audit committee characteristics improve the performance of the best-performing Indian non-financial listed businesses. Future research should examine further modifications made by the Act such as the function and impact of independent directors on company performance.

Gauthier and Brender (2021) investigated how auditors perceive the applicability of present audit procedures in light of the emerging usage of blockchain technology. The study used qualitative content analysis to review semi-structured interviews with auditors to see how current auditing standards align with the emergence of blockchain technology. The research reveals a rise in the need for information and technology audit procedures as well as a disparity in timing between the world of information technology's quick-paced change and regulators' slow adoption of brand-new or revised requirements. Future research may potentially go into deeper detail to examine the function of blockchains and other information technology auditing standards-related technologies.

Dagilien and Klovien (2019) investigated the organisational use of Big Data and Big Data Analytics in external audits. The contingency theory technique, a literature review, and 21 in-depth interviews with three separate groups of respondents are used by the authors to study the factors supporting the use of Big Data and Big Data

Analytics in external auditing. The results of the study suggest that external auditors should concentrate on procedures to satisfy legal requirements as well as to provide their clients with greater value. Big Data and Big Data Analytics may be one of the solutions. Future studies should include additional empirical evaluations of Big Data and Big Data Analytics, either already or possibly in use, using a comprehensive case study or a quantitative survey to gain a larger range of findings.

Akther and Xu (2021) researched to investigate the elements that boost audit trust and legitimacy. 254 institutional investors participated in a questionnaire survey that was used to collect data, which was subsequently analysed using partial least squares structural equation modelling (PLS-SEM). The results show that the relationship between perceived auditor independence, enhanced auditor interaction, and higher credibility is moderated by effective audit monitoring. A better reputation can result in more people believing an audit's worth. Future studies can compare regular and non-investor ratings or include non-professional investors.

Al-Hadramie et al. (2020) looked into how the audit committee's ethics and competence affected the company's choice to invest in Bahraini-listed companies. A self-administered questionnaire survey is used to quantitatively collect cross-sectional data. An overall total sample of 409 participants from 39 resource organisations is used. While correlation and linear regression analyses are used to assess the model and explain the connection between variables, qualitative analysis is used to determine subjective judgments.

It has been shown that the uniqueness and expertise of the audit committee have a significant and advantageous influence on investment decision-making. Future studies should use more quantitative assessments of the research variables such as a self-constructed index over a long period for the audit committee's independence and expertise, to eliminate the uniqueness and possible distortion of the investors' view of the audit committee.

Research by Miglani and Ahmed (2019) looked at the relationship between audit fees and gender diversity on audit committees among female directors. The study's authors use a total sample size of 200 listed Indian firms from 2011 to 2014 across four years. Ordinary least squares regression is used to investigate whether and how the proportion of female directors on audit committees affects the payment made to the external auditor in India. To address the self-selection bias, the authors use two distinct models developed using Heckman's (1976) method. The findings show a substantial beneficial relationship between the presence of a woman financial expert on the audit committee and tax avoidance after controlling for several firm-specific and governance characteristics as well as potential random effects.

Nehme et al. (2019) conducted a study to uncover variations in auditors' deviance when performance appraisals were expected. A survey consisting of statements from performance appraisal templates is delivered to auditors from the Top Four companies in the United Kingdom and Kuwait. The research shows how external auditors' performance reviews affect their conduct at work and that more seasoned auditors exhibit unhealthy behaviour than less seasoned auditors. It is advised that seminars

and training events on performance assessments be held, particularly on the phases that have a substantial link with dysfunctional behaviour, to reduce any potential unethical act performed by auditors to receive a favourable performance review. It is suggested that seminars and training sessions on performance evaluations be given, especially on the phases that have a strong correlation with dysfunctional behaviour, to reduce any potential unethical acts committed by auditors to earn a good performance rating. To assess potential changes in auditor conduct, the study recommends that future studies increase the sample size by including auditors from smaller, non-Top four audit companies.

Hegazy and Kamareldawla (2021) conducted a study to examine how external auditors accurately identify ISA 701 requirements for significant audit issues as opposed to ISA 706's emphasis on going concerned and 706's emphasis on matters or other things. A sample of external auditors from five worldwide audit firms, including two of the Big Four audit firms, received the questionnaires. The goal of the Z-test for two proportions is to ascertain if the explanation materials for the ISAs confused external auditors. The results show that some auditors may not be fully helped by the current ISA 701 explanations in their attempt to correctly identify all significant audit matters from among the numerous issues they come across during their audit.

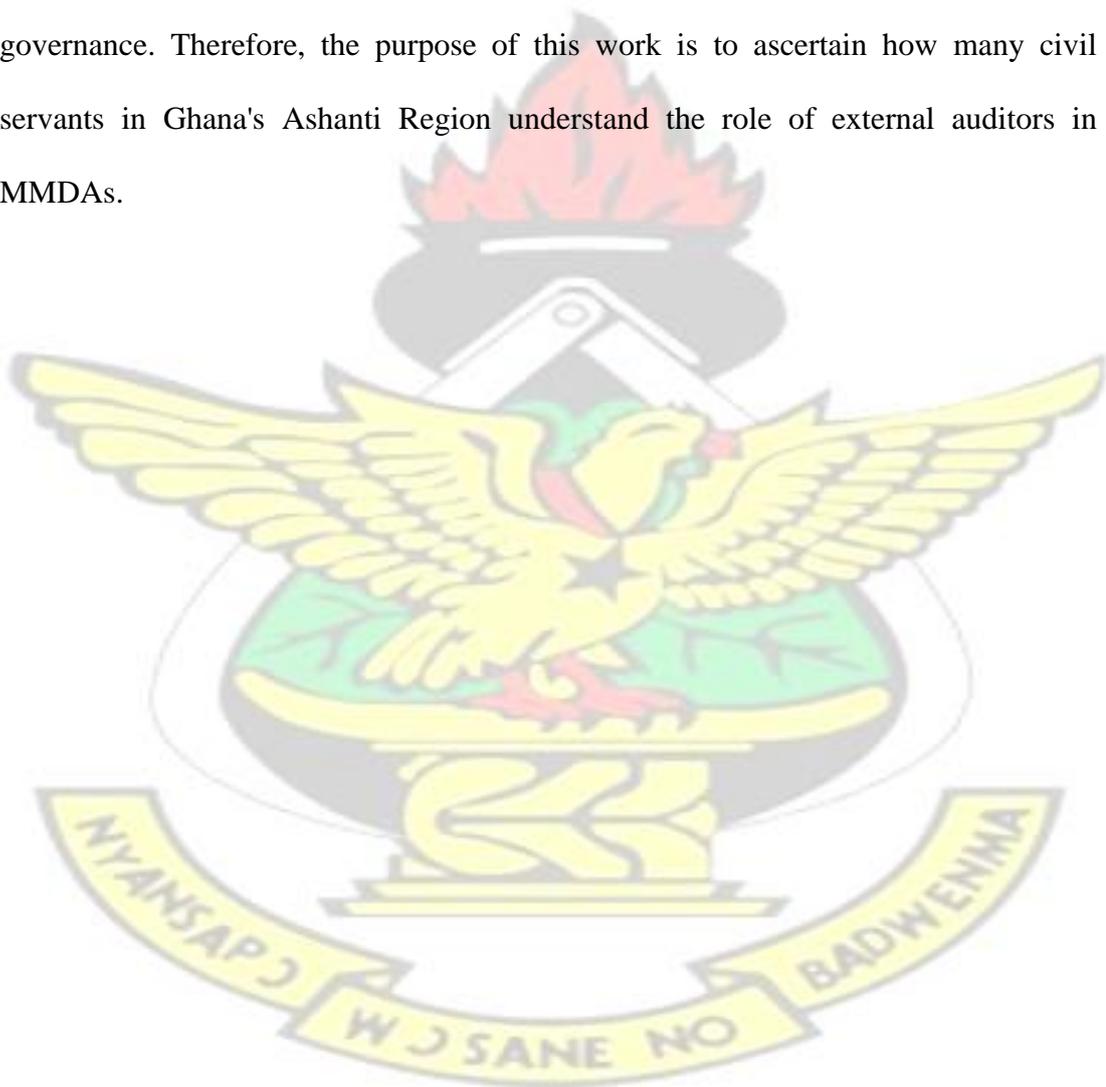
Nehme et al. (2020) investigated auditors' inappropriate behaviours in connection to performance assessments in a study. The study includes statements taken from performance assessment forms used by the UK's Big Four audit companies. The sample was assessed twice to emphasise differences in the impression of

dysfunctional audit conduct. Experienced auditors changed their attitude from when they were beginning to be more accepting of problematic auditing practices. Compared to novice female auditors, unskilled male auditors are more tolerant of problematic audit behaviour. Female respondents with more experience continue to be less receptive to dysfunctional audit conduct. The current study recommends that having a diverse pool of auditors doesn't enable equal access to the profession but makes it possible to create audit teams that are well-balanced and thereby reduce the likelihood of dysfunctional behaviour. Additionally, this study showed that experience significantly affects auditors' professional attitudes which may draw attention to the diversity of expertise within the audit team for certain audit tasks.

The research was conducted by Abuazza et al. (2019) to develop an auditing framework that would help businesses who are struggling with the current ISO 9001 quality audits complete their collective auditing of conformance, performance, risk management, and improvement. A conceptual audit framework was developed after conducting a literature review. A rudimentary audit framework was created after that. It includes inquiries that are based on the conceptual audit framework and connected to the grievances of the involved organisation. 11 internal audits, two review meetings, and three seminars were used to thoroughly assess and confirm this preliminary audit technique. The findings showed that to help organisations collectively audit their performance, risk management, and improvement, they must: switch from using International Organisation for Standardisation elements to using International Organisation for Standardisation principles in their audit approach; and incorporate the tools for ISO 9001 Principles into each phase of the audit.

2.5 Summary of Chapter

There appears to be a sizable body of unlearned, untapped, and uninvestigated information around the MMDAs that must be seen through academic and professional perspectives, especially in light of the work done on auditing duties and the degree of understanding of stakeholders. The MMDAs' distinctiveness tells a story, and the researcher believes that the results and suggestions will fill in any gaps in our knowledge of external auditors' responsibilities at that level of local governance. Therefore, the purpose of this work is to ascertain how many civil servants in Ghana's Ashanti Region understand the role of external auditors in MMDAs.



CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents specific information about the research procedures that were used to answer the research problem and achieve the goals of the study. As a consequence of this, Section 3.1 presents the research design. Section 3.2 presents the population of the study. Section 3.3 discusses the sample and sampling technique. Section 3.4 presents data and data collection and covers Variables Description, Measurement and Data Collection Instruments. Section 3.5 presents ethical consideration and Section 3.6 is the summary of the chapter.

3.1 Research Design

The research approach refers to the method through which a researcher collects data (Bleiker et al., 2019). Research can employ the deductive or inductive approach. Inductive reasoning is based on drawing conclusions or making widely accepted generalisations from a single occurrence or repeated combinations of events (Malhotra et al., 2003), Humans' interpretation of their social surroundings may be better understood by using an inductive research strategy whereas a deductive approach enables researchers to focus on establishing a cause-effect connection between variables without comprehending the context in which they are situated (Klakegg, 2016). Due to its suitability for the positivism and deductive paradigm, the study made use of deductive reasoning.

Qualitative and quantitative are the two other most used research approaches (Creamer, 2018; Rutberg and Bouikidis, 2018). Open-ended questions and small

sample numbers are key components of the qualitative research strategy (Rutberg and Bouikidis, 2018; Alsharari and Al-Shboul, 2019). By using closed-ended questions and large samples, the quantitative technique may be used to reveal relationships between variables (Rutberg and Bouikidis, 2018; Alsharari and Al-Shboul, 2019; Creamer, 2018).

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The study employed a quantitative approach which included both descriptive and inferential analyses, to achieve its goals. Because it enables the creation of information via the observation of phenomena or occurrences, the quantitative technique was used in the research because of its benefits (Allen, 2017). Moreover, the quantitative approach also conforms to the chosen objectivism and positivism paradigm.

The study's design is another key aspect of the research methodology. For researchers, the blueprint or road map for doing their study is known as a "research design" (Malhotra and Birks, 2006). The study design specifies the essential steps that the researcher must take to gather the necessary data to solve the research topic. The quantitative design, according to Saunders et al. (2009), generally divides research designs into three categories: descriptive, exploratory, and explanatory (Saunders et al., 2009; 2016).

This research was conducted using a descriptive research design since the primary objective of the study is to examine the level of knowledge of officers about the

responsibility of the external auditors in the MMDAs in the Ashanti Region of Ghana. It is the researcher's choice of strategy that is most significant (Saunders et al.,2009), but the approach must allow the researcher to answer the research issue, and question(s), and satisfy the study goals. Saunders et al. (2009) listed seven research methods that include: experimentation, action research, ethnography, archival research, grounded theory and survey and case study research. Yin (2018) claims there are a variety of research methods that may be used for every kind of study. However, in quantitative research, just three of these methodologies are regarded as the best possibilities which include experiments, surveys and case studies (Yin, 2018). The study employed the survey research strategy since the study intends to uncover the level of Knowledge of officers about the responsibility of the external auditors in the MMDAs in the Ashanti Region of Ghana over a short period.

3.2 Population of the Study

Etikan, Musa, and Alkassim (2016) defined population as the assortment of occurrences, individuals, or things that are the subject of an investigation. The target population of this study comprises all auditors in MMDAs in the Ashanti Region of Ghana.

3.3 Sample and Sampling Techniques

To choose research participants from the population, the study employed simple random sampling (Creswell and Creswell, 2017). To ensure that participants have an equal chance of selection, the random number method was used where each one of them will be given unique numbers and randomly selected using a computer program.

The MMDAs on the list will be included in the sample frame depending on the availability of Internal Auditors in the MMDAs. In all, a total of 86 auditors in 43 MMDAs are estimated for the study. The research sample size was calculated using Slovin's formula for determining sample size as shown below:

$$n = \frac{N}{1 + Ne^2}$$

Where:

n= sample size

N= the population (86)

e= the degree of freedom

It was calculated as:

$$n = \frac{86}{1 + 856(0.05)^2} = 61.5$$

Therefore, a minimum of 62 questionnaires were distributed by the researcher to provide a statistically significant outcome. Hence the sample size for the study was 62 auditors in 43 MMDAs.

3.4 Data and Data Collection

3.4.1 Variables Description and Measurement (Data and Variables)

Respondent characteristics included gender, age, educational qualification, position or role in the firm in Section A of the questionnaire. Information on the level of knowledge of internal auditors' responsibilities at the MMDAs, level of knowledge of external auditors' responsibilities in the MMDAs and trend of external audit queries in the MMDAs gathered in Section.

3.4.2 Data Collection Instruments

For data collection, a structured questionnaire was implemented. When more people reply to a questionnaire, the total cost is lower (Aithal and Aithal, 2020). In the questionnaire, closed-ended research questions were included, and respondents were asked to choose one answer from a given set of possibilities. This is necessary to provide the participants with an easy means of responding to the study questions. The procedure for gathering the data will be carried out digitally by the use of a link to google forms that will be linked to emails that will be delivered to respondents. In addition, the use of google forms will offer more convenient data collecting which ensures its success.

The participants were provided with an in-depth explanation of both the study's goal as well as the questionnaire. The respondents were given the assurance that their replies would be kept in the strictest confidence and that they would also profit from providing them. The researcher made the questions as short and clear as possible to increase the likelihood that the respondents would offer correct answers to the inquiries. As a direct consequence of this, there were no surveys that went ignored or were misplaced. The questionnaire might be finished in around 10 minutes. During the length of time that we were collecting data from them, which lasted for a total of two months, they also received regular reminders via email.

3.5 Validity and Reliability of Constructs/Variables

To ensure external validity, the participants were randomly selected to avoid selection bias. The selected participants were assured of the benefits of the study to the

organisation to ensure a minimum dropout rate. Both the content and the construct validity of this study were also ensured. The validity and reliability of a research study are two research criteria for consistency (Straus, 2017). An alpha coefficient of 0.70 is used as a cut-off point for assessing the internal consistency of the research item and scales to guarantee study reliability (Singh, 2017, Biasutti and Frate, 2017). To eliminate logical flaws and biases in the study, the researcher emphasises the validity and reliability of the results. This will be done by adopting all of the constructs and conducting a pilot study using ten employees from different MMDAs. To ensure consistency, first, all items or statements will be adopted from the extant literature. A five-scale Likert scale will be used with all of the items in the questionnaire. Again, as part of strategies to minimise bias in the dataset, respondents will be informed that the information they submit will be kept personal and private. Also, the researcher will provide definitions of the key constructs as used in the study, to guide respondents where the researcher will not be available to provide such an explanation.

3.6 Ethical Considerations

Ethical processes are vital to performing legitimate research and generating reliable data for analysis (Zikmund, et al., 2003). Researchers, according to Leedy and Ormrod (2010), are required to adhere to ethical norms such as secrecy, anonymity, and informed permission, as well as seek legal entry points for data gathering. Consequently, the tools for collecting data were devised with the greatest care to avoid violating any of the study's ethical standards (Zikmund et al., 2003). There were verbal and written assurances that data were kept secret, anonymity was maintained throughout the process, as well as replies would be used for academic purposes.

Before administering the device, the researcher explained the purpose of the study and asked for consent. Thus, the research was conducted with the permission of the Head of the MMDAs before the start of data collection through the issuance of an introductory letter sent by email.

3.7 Chapter Summary

The primary purpose of the research is to examine the level of knowledge of officers about the responsibility of the external auditors in the MMDAs in the Ashanti Region of Ghana. This chapter provided information about the research procedures that were used to answer the research problem and achieve the goals of the study. The chapter specifically offered information on research design and methodology, the study population, the sample size, the sampling method, the source of the data, the research instrumentation and the procedure for data collection, the validity and reliability, and the data analysis. The next chapter will provide an analysis of data gathered using the procedure discussed in this chapter.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.0 Introduction

This section of the research focuses on the analysis and interpretation of the results obtained from the study. Firstly, a detailed description of the variables used in the study, as well as the correlations between them, are presented. Subsequently, the findings are examined in line with existing literature and theoretical frameworks, and their implications are discussed.

4.1 Preliminary Analyses of Data

The section contains data on the response rate and responder characteristics. Sections 4.1.1 to 4.1.2 offer analysis and discussion of the original quality of the data study.

4.1.1 Response Rate

The amount or proportion of persons or organisations that offer a legitimate or useful answer to a survey, data-collecting endeavour, or any other kind of communication or inquiry is referred to as the response rate. A greater response rate is often preferred since it implies a higher degree of involvement and participation, which makes the data obtained more representative and credible. According to the table, 60 persons answered the 62 questionnaires issued, and their replies were deemed meaningful for the study, resulting in a high response rate of 96.8%.

Table 4. 1 Data Response Rate

Distributed	Collected	Percentage of Usable
Response	60	96.8
Non-Response	2	3.2
Total	62	100.0

Source: Field Survey (2023)

4.1.2 Respondent's Background

The table shows the distribution of responders by municipalities/districts. "Account officer" had the most replies (66.7%), followed by "Auditor" with 7 respondents (11.7%). There are 6-7 replies (10.0-11.7%) for the remaining employment opportunities ("Cashier" and "Finance officer"). In terms of municipalities/districts, each category has roughly the same number of respondents, ranging from 6 to 7, with percentages between 10.0% to 11.7%. The table presents the gender distribution of respondents. There are 33 female respondents (55.0%) and 27 male respondents (45.0%). The age distribution shows that there are 14 respondents (23.3%) in the age group of 18-30 years and 46 respondents (76.7%) in the age group of 31-40 years. The majority of respondents (55.0%) attended 1 auditing course, while smaller proportions attended 3 courses (11.7%), 5 courses (23.3%), and 8 courses (10.0%). The educational qualifications of respondents indicate that 14 respondents (23.3%) have a Bachelor's degree in accounting, 32 respondents (53.3%) have a Master's degree in accounting, and another 14 respondents (23.3%) have professional qualifications. The table shows the distribution of respondents based on the number of employees in their respective assemblies. The majority (33.3%) come from assemblies with 6-29 employees, followed by <6 employees (33.3%), 100+ employees (21.7%), and 30-59 employees (11.7%). The majority of respondents (68.3%) have 1-5 years of experience in their respective assemblies, while 31.7% have 6-10 years of experience.

Table 4. 2 Respondent's Background

Variables	Categories	Frequency	Percent
Name of Municipal/District	Bibiani Anhwiaso Bekwai	6	10.0
	Ejisu Municipal	6	10.0
	Ho municipal	7	11.7
	Juaben Municipal Assembly	6	10.0

	Kpando Municipal	7	11.7
	Sekyere East	7	11.7
	Sekyere Kumawu District Assembly	7	11.7
	Techiman Municipal	7	11.7
	Weija Gbawe	7	11.7
Title or Job Position in the Assembly:	Account officer	40	66.7
	Auditor	7	11.7
	Cashier	6	10.0
	Finance officer	7	11.7
	Female	33	55.0
Gender	Male	27	45.0
	18-30 years	14	23.3
Age (in years)	31-40 years	46	76.7
	1	33	55.0
Number of auditing courses attend.	3	7	11.7
	5	14	23.3
	8	6	10.0
	Bachelor's degree, accounting	14	23.3
Educational Qualification	Master's degree, accounting	32	53.3
	Professional qualifications	14	23.3
	<6 employees	20	33.3
Number of Employees	100+ employee	13	21.7
	30-59 employees	7	11.7
	6-29 employees	20	33.3
	Years of experience in this Assembly	1-5 years	41
6-10 years		19	31.7
Total		60	100.0

Source: Field Survey (2023)

4.2 Level of Knowledge of Internal Auditors' Responsibilities at the MMDAs

This section deploys the result of the first objective, which explores the level of knowledge of internal auditors' responsibilities at the MMDAs. The study used a descriptive approach to facilitate the perceptions of respondents on the level of knowledge of internal auditors' responsibilities. According to the result, assist in reducing expenses within operational processes scored (Mean = 5.45; standard deviation (sd)= 1.358). The organisation performance scored (Mean =5.45; sd=.946). The mean and deviation scores for the improvement process of stakeholder engagement stood at (mean= 5.55;sd= 1.199). Assist in the implementation of quality

assurance measures, with (Mean 5.88; sd=.739). Identifies the functional and operational areas in which management has not achieved desired outcomes, score (Mean=5.75; sd=.795). Ensures the effectiveness and extent to which the staff of internal audit meets its obligation, scored (Mean= 5.53; sd=1.049). The institution has a mean score (Mean=5.67; sd=1.217) for its public image. More effective methodologies for enhancing management (Mean = 5.85;sd=.880). Exhibits a high level of responsibility in the utilisation of public funds scored (Mean = 5.13; sd=1.855). The implementation of risk reduction strategies has been observed to have a positive impact on the financial performance of the assembly, leading to an increase in revenue (Mean = 5.35; sd = 1.494). The value of conformance with the repayment requirement stood at (Mean= 5.32; sd=1.081). In general, the internal auditors at the MMDAs exhibit a favourable perception regarding their levels of expertise in diverse areas of their duties. The majority of the statements have sample means greater than or equal to the population statistics of (Mean =5.54,sd=1.149) suggesting positive ratings and with moderate standard deviations. Specifically, they exhibit high ratings in areas such as cost reduction, enhancing organisational performance, engaging stakeholders, ensuring quality assurance, identifying management shortcomings, promoting staff effectiveness, maintaining a favourable public image, and proposing improved management strategies.

Table 4. 3 Level of Knowledge of Internal Auditors’ Responsibilities at the MMDAs

Statement	Minimum	Maximum	Mean	Std. Deviation
Demonstrates accountability in the use of public money	2	7	5.13	1.855
Help cut costs in operations	3	7	5.45	1.358
Improves organisation performance	4	7	5.45	.946
Reduces risk of losing funds thus revenue of the assembly increases	3	7	5.35	1.494
Improvement process of stakeholder engagement	3	7	5.55	1.199
Conformance with repaying requirements.	3	7	5.32	1.081
Help implement quality assurance.	5	7	5.88	.739
Identifies those functional and operational areas where management has failed to achieve results.	5	7	5.75	.795
Ensures effectiveness and extent to which staff of internal Audit meets its obligation.	4	7	5.53	1.049
Good public image of the institution.	3	7	5.67	1.217
Helps management of the assembly to meet their responsibilities within the environment.	3	7	5.50	1.172
Better strategies to improve management.	5	7	5.85	.880
Overall Mean			5.54	1.149

Source: Field Survey (2023)

4.3 Level of Knowledge of External Auditors’ Responsibilities at the MMDAs

This section deploys the result of the second objective, which investigates the level of knowledge of external auditors’ responsibilities in the MMDAs. The study used a

descriptive approach (mean and std. deviation) to facilitate the perceptions of respondents on the level of knowledge of external auditors' responsibilities. According to the result, the external auditor verifies the reliability of the data listed in the financial statements prior to publication, as indicated by a score of (Mean=6.02; sd=.792). The external auditor conducts an examination to validate the accuracy and reliability of the information presented in the financial statements prior to their submission to the intended recipients. The rating for this statement stood at (Mean= 5.72; sd=1.637). The external auditor is responsible for overseeing the process of publishing the financial statements, with a rating of (Mean=5.50;sd=1.652). The external auditor expresses a strong interest in conducting a comparison between manually prepared financial data and electronically published financial data, with a value of (Mean=5.52;sd=1.589). The external auditor adopts the financial statements prior to their publication on the company's website, as indicated by a score of (Mean=5.17;sd=1.679). The external auditor expresses a strong interest in regularly reviewing the published data on the company's website, with a rating of (Mean=4.22;sd=1.842).

The external auditor conducts an analysis of the statements and key accounts that have been provided by the management of the institution, with a value of (Mean=5.20; sd=1.549). The external auditor conducts a comparison of items across various periods and utilises ratios as a means to establish connections between the information. The calculated mean and deviation for this particular ratio stood at (Mean= 5.22; sd=1.748). The external auditor conducts a comparison of financial information with non-financial information within the company, yielding a value of (Mean=5.67;sd=.816). The external auditor conducts a comparison between the

estimated budgets and the actual balance sheet of the company. The value obtained from this comparison is (Mean=6.32; sd=.469). The external auditor utilises the auditing guide and international accounting standards as a reference point during the examination process, specifically when assessing the mean and deviation, which is reported as (Mean=6.25; sd=. In general, the statistical analysis reveals that the external auditors at the MMDAs exhibit a favourable perception regarding their proficiency in diverse facets of their duties. Several statements have sample means greater than or equal to the population mean of 5.53 and standard deviation of 1.188, suggesting positive ratings. The statistical analysis reveals that, on average, external auditors exhibit a moderate to high level of expertise in terms of their understanding of the duties associated with validating data reliability, validating data credibility, comparing financial and non-financial information, comparing budgets, and relying on auditing guides and international accounting standards.

Table 4. 4 Level of Knowledge of External Auditors’ Responsibilities at the MMDAs

Statement	Minimum	Maximum	Mean	Std. Deviation
The external auditor verifies the reliability of the data listed in the financial statements before publication	4	7	6.02	.792
The external auditor verifies the credibility of the data listed in the financial statements before submission to the beneficiaries.	1	7	5.72	1.637
The external auditor supervises the publication of the financial statements.	1	7	5.50	1.652
The external auditor is keen to compare manually prepared financial data with the financial data published electronically.	1	7	5.52	1.589

The external auditor adopts the financial statements before publishing them on the company's website.	1	7	5.17	1.679
The external auditor is keen to follow up on the published data on the company's website periodically.	1	6	4.22	1.842
The external auditor analyses the statements and key accounts provided by the institution's management.	1	6	5.20	1.549
The external auditor compares items in different periods and uses ratios to link information.	1	7	5.22	1.748
The external auditor compares financial information with non-financial information in the company	4	7	5.67	.816
The external auditor compares the estimated budgets with the actual balance sheet of the company	6	7	6.32	.469
The external auditor relies on the auditing guide and international accounting standards when checking	3	7	6.25	1.188
Overall Mean			5.53	1.360

Source: Field Survey (2023)

4.4 Nature and Trend of External Audit Queries in the MMDAs

This section deploys the result of the third objective, which, explores the nature and trend of external audit queries in the MMDAs. The study used a descriptive approach (frequency and percentage) to facilitate the perceptions of respondents on the nature and trend of external audit queries. According to the result, approximately 33.3% of the respondents indicated a lack of knowledge regarding the existence of specialised personnel responsible for determining and calculating navigation age indicators. 11.7% of the respondents reported a lack of specialised personnel for this purpose. 55.0% of the sample population reported the presence of dedicated personnel responsible for the determination and computation of navigation age indicators. Furthermore, it is worth noting that 21.7% of the participants expressed uncertainty regarding the presence of directors overseeing the process of data collection and analysis for navigation indicators. There is a shortage of directors managing these

operations, according to 11.7% of respondents. 66.7% of the sample population acknowledged the presence of directors in charge of managing the data collecting and analysis process for navigation indicators.

According to the statistics, 100.0% of respondents said that they had a clear awareness of their distinct tasks and duties. Furthermore, 10.0% of respondents are unsure regarding the accessibility of all papers from the Accountancy Department. 11.7% of the sample group said that access to these materials is difficult to get by. According to the data obtained, 78.3% of respondents verified the simple availability of all essential papers. Furthermore, 10.0% of respondents expressed doubt about the presence of internal documentation relevant to the collecting of data for navigation indicators. Ninety percent of respondents said they have internal documents for data collection. Furthermore, 10.0% of respondents indicated ambiguity about the presence of criteria for the selection of navigation indications. 11.7% of the respondents reported that there exists a lack of criteria for selection. The data indicates that 78.3% of the respondents have confirmed the existence of criteria for selecting navigation indicators.

Furthermore, it is observed that 10.0% of the respondents exhibit uncertainty regarding the selection of navigation indicators based on established objectives. 10.0% of the respondents have expressed that the selection of indicators is not based on objectives. 80.0% of the surveyed individuals have affirmed that the selection of indicators is carried out in accordance with predetermined objectives. 31.7% of the surveyed individuals exhibit uncertainty regarding the adherence of navigation indicators to sustainability requirements. 11.7% of the surveyed individuals reported

that the indicators in question do not adhere to sustainability requirements. The proportion of respondents who confirmed that indicators respect sustainability requirements is 56.7%. Additionally, it is worth noting that 31.7% of the respondents indicated a lack of awareness regarding the utilisation of a specialised information programme for information elaboration. 23.3% of the participants reported that they do not utilise a specialised information programme. 45.0% of the participants reported utilising a specialised information programme. Ultimately, 21.7% of participants are uncertain regarding the existence of guidelines pertaining to the provided information. 33.3% of the participants reported a lack of pointers regarding the information. The proportion of respondents who confirmed the presence of pointers about the information is 45.0%.

Based on the survey results, it can be observed that a significant proportion of the respondents possess dedicated personnel who are responsible for determining and calculating navigation age indicators. Furthermore, there are directors overseeing the process of data collection and analysis. It is also noteworthy that there are well-defined roles and responsibilities within the organisation, facilitating efficient operations. Additionally, the respondents reported having convenient access to documents from the Accountancy Department. Furthermore, the respondents provided information regarding the existence of internal documents utilised for data collection purposes, as well as the criteria employed for selecting navigation indicators.

Table 4. 5 Nature and Trend of External Audit Queries in the MMDAs

Statement	Categorie s	Frequenc y	Percen t
Are there specialised personnel to determine and calculate the navigation age indicators of the eco-dashboard?	Don't know	20	33.3
	No	7	11.7
	Yes	33	55.0
Are there directors of the Accountancy Department and Analysis Office supervising the collecting works, processing and analysis of the information necessary for the calculation of navigation indicators?	Don't know	13	21.7
	No	7	11.7
	Yes	40	66.7
Are your roles and responsibilities clear for you?"	Yes	60	100.0
Are all documents from the Accountancy Department easily available?"	Don't know	6	10.0
	No	7	11.7
	Yes	47	78.3
Are there intern documents of data collection, necessary for the determination and calculation of the navigation indicators?	Don't know	6	10.0
	Yes	54	90.0
Are there any criteria for the selection of the navigation indicators?	Don't know	6	10.0
	No	7	11.7
	Yes	47	78.3
Are the navigation indicators selected according to the objectives established by the institution's management?	Don't know	6	10.0
	No	6	10.0
	Yes	48	80.0
Are the navigation indicators respecting the sustainability requirements?	Don't know	19	31.7
	No	7	11.7
	Yes	34	56.7
Is the elaboration of the information made with a specialised information program?	Don't know	19	31.7
	No	14	23.3
	Yes	27	45.0
Are there any pointers about the information (calculation, analysis, mistakes and tendencies)?	Don't know	13	21.7
	No	20	33.3
	Yes	27	45.0
	Total	60	100.0

Source: Field Survey (2023)

4.5 Discussion of Findings

This section presents the analysis that compares the study's findings with the existing literature. The article thoroughly examines the level of Knowledge of officers about the responsibility of the external auditors in the MMDAs in the Ashanti Region of Ghana. Additionally, the study outlines the identified objectives based on the obtained findings.

4.5.1 Level of Knowledge of Internal Auditors' Responsibilities at the MMDAs

This section presents the findings of the first goal, which investigates the extent of understanding among internal auditors on their duties inside the Metropolitan, Municipal, and District Assemblies (MMDAs). The findings indicate that the participants demonstrate elevated scores in various domains, including cost reduction, enhancing organisational performance, engaging stakeholders, ensuring quality assurance, identifying management shortcomings, promoting staff effectiveness, maintaining a favourable public image, and proposing improved management strategies. Several scholarly studies have expressed the viewpoint that internal auditing can be perceived as a supplementary operational expenditure, duplicating the tasks performed by external auditors without any additional cost, as suggested by Adafula, Asare, Atuilik, and Adafula (2019), Jachi and Yona (2019), and Cumbe and Inácio (2018). In a research done by Shamki and Alhajri (2017), the primary objective was to evaluate the extent of internal auditors' understanding pertaining to their respective duties and responsibilities. The researchers conducted interviews with a representative sample of internal auditors from various industries and examined their responses to questions that assessed their expertise. The research revealed that a notable proportion of internal auditors had a limited comprehension of their responsibilities, particularly in domains like as risk assessment and fraud detection. In

a similar research, Rahayu et al. (2020) examined the impact of professional training and certification on the knowledge proficiency of internal auditors. The researchers conducted a comparative analysis between auditors who had relevant certificates, such as the Certified Internal Auditor (CIA), and those who lacked formal training. This evaluation was carried out using a standardised questionnaire.

Based on the findings, it was observed that certified internal auditors had a higher level of comprehension of their responsibilities compared to their non-certified counterparts. Arena and Jeppesen (2016) conducted a longitudinal study to examine the progression of internal auditors' knowledge over a period of time. The researchers conducted an assessment of auditors' knowledge at different stages of their professional tenure and found that knowledge generally increases with experience. However, they observed that knowledge levels may plateau or decline if auditors do not actively pursue ongoing professional development. The study conducted by Abdullatif and Kawuq (2015) aimed to investigate the level of comprehension among internal auditors on emerging risk areas and the corresponding responsibilities associated with them. The researchers conducted a study among internal auditors working in technology-driven industries. Based on the results, a significant part of auditors had insufficient understanding of the potential risks associated with emerging technologies, including cybersecurity threats and data privacy issues. This study highlights the need of continuous training in order to ensure that internal auditors remain knowledgeable and competent in addressing evolving risks and fulfilling their duties. The study conducted by Alsurayyi and Alsughayer (2021) examined the correlation between the level of knowledge possessed by internal auditors and the effectiveness of corporate governance practises. The researchers used a mixed-method methodology, using surveys and interviews with a range of participants including

internal auditors, audit committee members, and executives from various businesses. The findings indicated a positive correlation between the level of auditor expertise and the quality of corporate governance. Organisations that possess auditors with advanced skills are more inclined to possess efficient governance structures and established processes. In their study, Alzeban and Gwilliam (2014) investigated the impact of cultural factors on the level of knowledge among internal auditors on their responsibilities inside multinational corporations. The researchers performed cross-cultural questionnaires with internal auditors from multinational corporations' branches in several regions. Cultural variations impacted auditors' perspective and comprehension of their tasks and responsibilities, according to the findings. As a consequence, it was suggested that multinational firms adjust their training programmes to meet cultural variations and ensure a uniform understanding of internal audit obligations. Othman et al. (2015) also investigated the degree of expertise of public-sector internal auditors and its link to identifying and preventing financial mismanagement and corruption. They performed case studies and interviews with auditors from different government agencies. According to the research, internal auditors who have a thorough grasp of their roles are more efficient at detecting financial irregularities and incidents of corruption inside government entities. Ahmad (2015) evaluated the impact of organisational support and resources on internal auditor knowledge. The researchers polled auditors from various sizes of organisations to evaluate training availability, access to professional resources, and organisational commitment to internal audit duties. The results demonstrated a strong positive relationship between organisational support and auditors' knowledge levels, suggesting that firms investing in their internal audit teams tend to have better-informed auditors.

4.5.2 Level of Knowledge of External Auditors' Responsibilities at the MMDAs

This part presents the findings of the second goal, which examines the extent of awareness among external auditors on their roles in the MMDAs. The statistical analysis indicates that, on average, external auditors demonstrate a considerable level of proficiency in comprehending the responsibilities related to ensuring the dependability of data, verifying the credibility of data, evaluating financial and non-financial information, assessing budgets, and utilising auditing guides and international accounting standards. According to Mohammed and Waheeb (2022), the auditor bears a comparable responsibility to identify and disclose inaccurate statements resulting from unlawful activities that exert a direct and substantial influence on the figures presented in the financial statements, as they do for errors or fraudulent misrepresentations. According to Jaber (2021) and Jakubowska-Gawlik, Kolanowski, Murali, and Trafialek (2022), the auditor posits that universally recognised standards and laws pertaining to auditing have a significant and immediate influence on the numerical values shown in financial statements. In a study done by Al-Sukker (2018), a thorough examination was undertaken to assess the level of familiarity among external auditors from various accounting firms with regards to professional standards and regulatory obligations.

The findings of the research indicate that external auditors had a sufficient comprehension of fundamental duties. However, deficiencies in expertise were seen in intricate domains, such as the accounting treatment of specialist sectors and complicated financial instruments. The study done by Habib et al. (2019) aimed to examine the longitudinal changes in the levels of knowledge possessed by external

auditors over a period of time. The findings of the study revealed that although experience and exposure to a variety of engagements positively influenced competence, it was crucial for auditors to participate in ongoing professional development in order to stay updated on evolving laws and emerging risks. The study conducted by Ocak et al. (2022) aimed to assess the impact of ongoing professional development on the knowledge proficiency of external auditors. A noteworthy correlation was seen between the amount of time dedicated to professional education and the level of knowledge shown by auditors, as measured by questionnaires and performance evaluations. This finding underscores the need of ongoing training in order to maintain competence. The study conducted by Alzeban (2020) examined the relationship between the level of knowledge possessed by external auditors and the quality of audits performed. In order to evaluate the effectiveness of auditors' work, an assessment was conducted on audit files, client feedback, and audit outcomes. The study findings indicated a positive correlation between enhanced levels of auditor knowledge and increased audit quality as well as client satisfaction. In a recent study, Velte (2022) undertook cross-cultural research with the aim of investigating the proficiency of external auditors hailing from different countries and their impact on the quality of international audits. The researchers discovered differences in knowledge levels among auditors from various cultural backgrounds, emphasising the need for standardised training to provide a uniform understanding of audit obligations across borders. Oussii and Klibi (2020) evaluated the impact of audit firm size on external auditor expertise. The research included auditors from both big and small accounting firms and found that auditors at larger companies had a better degree of expertise owing to access to more comprehensive resources and exposure to difficult engagements. Morris (2014) investigated the influence of audit firm leadership and

assistance on the degree of expertise of external auditors. They polled auditors from various organisations and examined leadership styles, support systems, and professional development tools. The results revealed that auditors who worked under supportive and competent leadership had greater levels of knowledge and performed better on the job. GarciaBlandon and ArgilesBosch (2018) evaluated the impact of industry specialisation on the knowledge and audit quality of external auditors. They contrasted auditors with industry experience to generalist auditors. The research discovered that industry-specialised auditors had a better awareness of industry-specific concerns and laws, resulting in higher audit quality in those industries. Noordin et al. (2022) also investigated the impact of technology deployment on the expertise level of external auditors. They polled auditors from companies that used modern auditing tools and those that didn't. According to the findings, auditors at technologically savvy businesses had a superior understanding of data analytics and other technology-driven audit methods. Chen et al. (2023) studied the effect of professional scepticism on the degree of expertise of external auditors.

They polled auditors to measure their attitudes towards scepticism as well as their understanding of auditing standards and processes. The research discovered a positive relationship between auditor scepticism and knowledge, implying that auditors with a sceptical perspective are more comprehensive in their understanding and implementation of audit duties. Drogalas et al. (2021) evaluated the association between external auditors' degree of expertise and audit fees paid by audit companies. The researchers looked at audit engagements and pricing arrangements for various customers, as well as auditor expertise based on experience and professional

certifications. According to the report, auditors with better levels of expertise tend to demand more rates, which may represent the increased value they provide to the audit process. Daniels and Booker (2011) investigated the effect of auditor rotation on external auditor knowledge. They examined any changes in knowledge and performance by examining auditors before and after mandated rotation intervals. The findings suggested that auditor rotation might lead to a temporary decrease in knowledge, emphasising the importance of effective knowledge transfer and training during transition periods.

4.5.3 Nature and Trend of External Audit Queries in the MMDAs

This section presents the findings of the third goal, which examines the characteristics and patterns of external audit inquiries in the Metropolitan, Municipal, and District Assemblies (MMDAs). Based on the findings of the survey, it is evident that a notable number of the participants have designated staff members tasked with the responsibility of defining and calculating navigation age indicators. Moreover, the data collecting and processing process is supervised by directors. It is important to highlight that the organisation has clearly defined roles and duties, which contribute to the facilitation of effective operations. Furthermore, the participants said that they had quick accessibility to papers originating from the Accountancy Department. In addition, the participants shared details on the presence of internal papers used for the purpose of data collecting, as well as the criteria utilised for the selection of navigation indicators. Previous studies have investigated the attributes and trends associated with external audit inquiries.

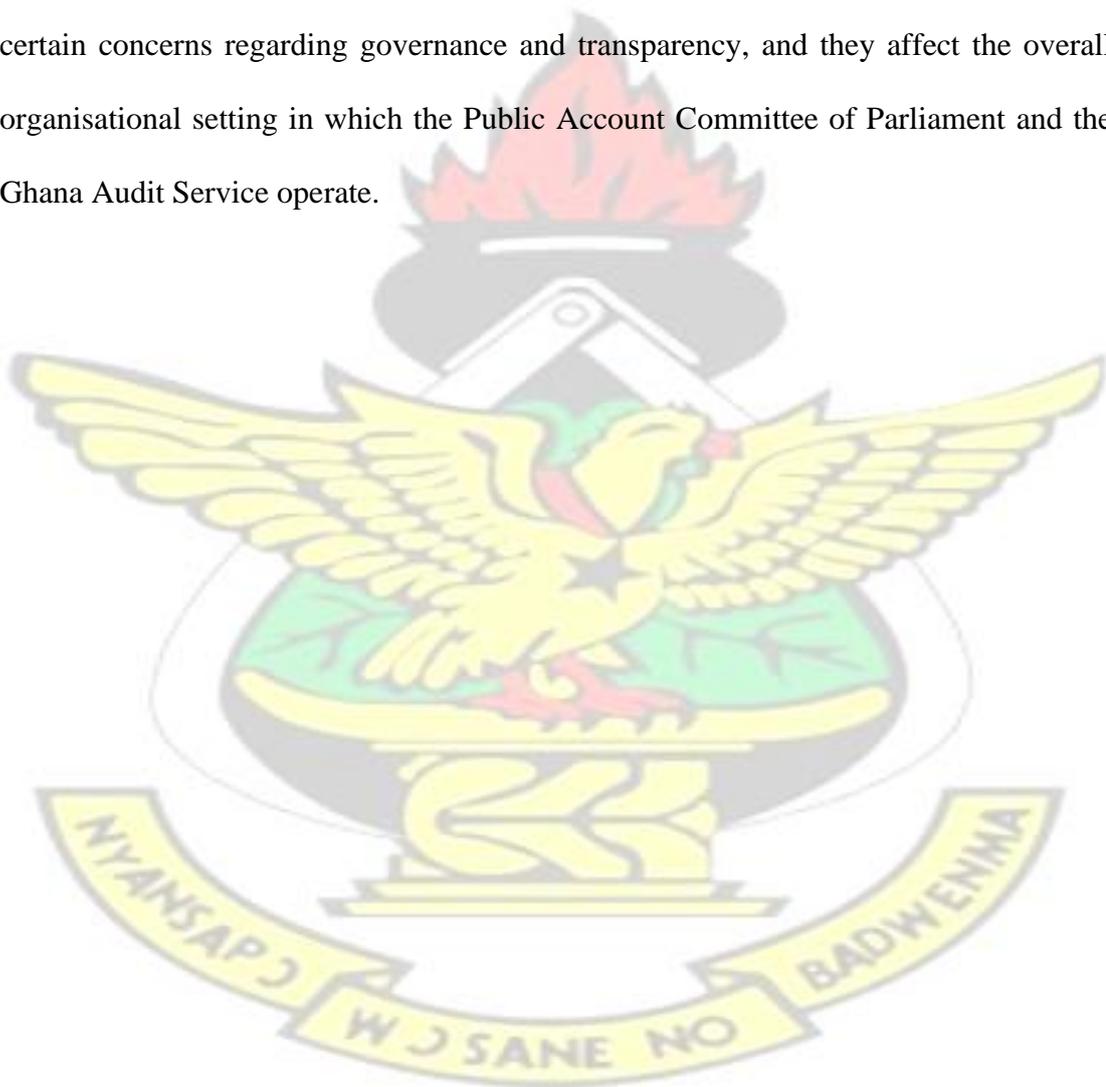
The assurance project in Norway include the involvement of Maama and Marimuthu (2020). Through an analysis of audit reports, the researchers discovered that the process of editing has a significant role in enhancing transparency. Gustavson and Sundstrom (2018) conducted a research that investigated the influence of quality audits on transparency within the government sector across a sample of 100 nations. The study conducted by the researchers provides evidence supporting a favourable association between high-quality auditing practises and enhanced transparency within the public sector. Consequently, this relationship leads to a decrease in fraudulent activities. This proposition implies that the practise of auditing has the ability to enhance the efficiency and efficacy of the public sector. Additionally, Tumwebaze et al. (2018) did a research that investigated the effects of auditing on the promotion of accountability across 92 public governmental firms in Uganda. The authors presented empirical findings using a linear forecasting approach to demonstrate the significant role of auditing in serving as an indicator of transparency within the public sector. Additional African literary tendencies provide evidence to corroborate the beneficial impact of auditing on accountability within the public sector.

Akisik et al. (2022) did a research that investigated the role of auditors in facilitating openness within the public sector of Nigeria. Upon conducting an analysis of financial statements over a period of five years as provided by the Auditor General, the researchers have found that the transparency of Nigeria is damaged as a result of an insufficient auditing system. This exemplifies the potential of doing a thorough audit to enhance operational effectiveness within the government sector. The study conducted by Ezirim et al. (2017) examines the impact of government-sector auditing

on government-sector transparency in Nigeria. In the research done by Ezirim et al. (2017), it was discovered that there exists a positive association between transparency and auditing. Hence, it can be inferred that the practise of auditing has significant importance in upholding openness in the public sector. According to a study conducted by Bananuka et al. (2017) in Uganda, auditing has been shown to have a significant impact in enhancing transparency within the government sector. In a case study, Cumbe and Inácio (2018) examined the impact of external audits on the transparency of the Public Fund of the Mozambique Institute of Statistics. According to Cumbe and Inácio (2018) study, there is a strong and favourable association between auditing and transparency. According to the findings of this research, the government sector may improve transparency by adopting efficient and fair external audits. Jachi and Yona (2019) investigated how the independent audit function affects openness in Zimbabwe's public sector. Using a modest questionnaire and regression analysis, the authors demonstrated a robust link between auditing and openness and responsibility in Zimbabwe's government sector.

According to the study's findings, auditing is an effective means of improving transparency in the government sector. Previous study results suggest that external auditing is an effective way to meet the requirement to enhance openness in the public sector. Over the past two decades, Ghana has implemented ambitious initiatives to reorganise its government sector. These projects include initiatives that aim to improve national democratic leadership and promote accountability in the public sector. Maama and Marimuthu (2020) suggest that despite significant progress, there are still challenges that need to be addressed. According to Fabrini et al. (2017), Ghana, like other African countries, demonstrates similar approaches to overseeing and managing the financial activities of the public sector. Ghana's institutions have

been steadily strengthening as a result of its democratic stability since 1992. Moreover, Ghana is governed by a representative democracy system that includes a separate executive branch, a parliamentary branch, and government agencies (Fabrini et al., 2017). Therefore, the key organisations that promote transparency in the financial sector have a certain degree of sovereignty. Ganghof (2018) argues that the country's accountability system is hindered by government interference and disregard for institutions and rules. According to Ganghof (2008), these procedures deal with certain concerns regarding governance and transparency, and they affect the overall organisational setting in which the Public Account Committee of Parliament and the Ghana Audit Service operate.



CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.0 Introduction

This thesis chapter concludes with a summary of the findings, conclusions, and recommendations. The research's suggestions and limitations are covered in the chapter. The chapter has four parts. The first part summarises the study's findings. It summarises the research. Second, the conclusion draws implications from the study's outcomes concerning its purpose. The final section of the chapter is the recommendation, which provides pertinent ideas based on the study's primary results. The last part is captured as a suggestion for future research direction

5.2 Summary of Findings

The study thoroughly examines the level of Knowledge of officers about the responsibility of the external auditors in the MMDAs in the Ashanti Region of Ghana. This research was conducted using a descriptive research design. The study also employed a quantitative approach. The study employed simple random sampling for selecting 62 auditors in 43 MMDAs in the Ashanti Region of Ghana. Additionally, the study summarises the identified objectives based on the obtained findings.

5.1.1 Level of Knowledge of Internal Auditors' Responsibilities at the MMDAs

This section deploys the result of the first objective, which explores the level of knowledge of internal auditors' responsibilities at the MMDAs. The result reveals that the respondents exhibit high ratings in areas such as cost reduction, enhancing organisational performance, engaging stakeholders, ensuring quality assurance, identifying management shortcomings, promoting staff effectiveness, maintaining a favourable public image, and proposing improved management strategies.

5.1.2 Level of Knowledge of External Auditors' Responsibilities at the MMDAs

This section deploys the result of the second objective, which investigates the level of knowledge of external auditors' responsibilities in the MMDAs. The statistical analysis reveals that, on average, external auditors exhibit a moderate to high level of expertise in terms of their understanding of the duties associated with validating data reliability, validating data credibility, comparing financial and non-financial information, comparing budgets, and relying on auditing guides and international accounting standards.

5.1.3 Nature and Trend of External Audit Queries in the MMDAs

This section deploys the result of the third objective, which, explores the nature and trend of external audit queries in the MMDAs. Based on the survey results, it can be observed that a significant proportion of the respondents possess dedicated personnel who are responsible for determining and calculating navigation age indicators. Furthermore, there are directors overseeing the process of data collection and analysis. It is also noteworthy that there are well-defined roles and responsibilities within the organisation, facilitating efficient operations. Additionally, the respondents reported having convenient access to documents from the Accountancy Department. Furthermore, the respondents provided information regarding the existence of internal documents utilised for data collection purposes, as well as the criteria employed for selecting navigation indicators.

5.2 Conclusion

The focus of this study is to examine the level of Knowledge of officers about the responsibility of the external auditors in the MMDAs in the Ashanti Region of Ghana.

This research was conducted using a descriptive research design. The study also employed a quantitative approach. The study employed simple random sampling for selecting 60 auditors in 43 MMDAs in the Ashanti Region of Ghana. A structured questionnaire guide was used as the primary data-gathering tool. SPSS was used to analyse the data. The result reveals that the respondents exhibit high ratings in areas such as cost reduction, enhancing organisational performance, engaging stakeholders, ensuring quality assurance, identifying management shortcomings, promoting staff effectiveness, maintaining a favourable public image, and proposing improved management strategies. The statistical analysis reveals that, on average, external auditors exhibit a moderate to high level of expertise in terms of their understanding of the duties associated with validating data reliability, validating data credibility, comparing financial and non-financial information, comparing budgets, and relying on auditing guides and international accounting standards.

Based on the survey results, it can be observed that a significant proportion of the respondents possess dedicated personnel who are responsible for determining and calculating navigation age indicators. Furthermore, there are directors overseeing the process of data collection and analysis. It is also noteworthy that there are well-defined roles and responsibilities within the organisation, facilitating efficient operations. Additionally, the respondents reported having convenient access to documents from the Accountancy Department. Furthermore, the respondents provided information regarding the existence of internal documents utilised for data collection purposes, as well as the criteria employed for selecting navigation indicators. This study, therefore, concludes that there is a moderately high level of knowledge regarding both internal and external auditor responsibilities in MMDAs.

5.3 Policy Implications and Recommendations

Since the statistical analysis indicates that external auditors exhibit a moderate to high level of expertise in certain areas, it is essential to maintain and enhance their knowledge and skills. Regulatory agencies and audit companies should prioritise frequent training and professional development opportunities for auditors in order to keep them up to speed on the newest auditing guidelines, and worldwide accounting standards, and develop best practices. The results show that the organisation has well-defined roles and responsibilities, which facilitates effective operations. Auditors should encourage cooperation and excellent communication across various departments and people engaged in data gathering and analysis to further enhance the audit process. This may result in a more simplified and thorough auditing strategy. External auditors are said to have received top marks for assessing data veracity and trustworthiness.

However, ongoing efforts should be made to improve data validation procedures, ensuring that auditing data is correct, full, and dependable. Regular assessments of data collection methods and validation procedures should be conducted to identify and address any potential weaknesses. The high ratings in comparing financial and non-financial information suggest that external auditors are already considering non-financial indicators in their audits. Policymakers and auditors should encourage the use of non-financial information to gain a more comprehensive understanding of an organisation's performance and risk factors. Given the high ratings in areas such as quality assurance and identifying management shortcomings, organisations should implement robust quality assurance mechanisms within their auditing processes. This can involve periodic peer reviews, internal audit quality assessments, and adherence

to internationally recognised auditing standards. The positive ratings in engaging stakeholders highlight the importance of effective communication with relevant parties.

Policymakers and auditors should focus on further improving stakeholder engagement to ensure that the audit process addresses stakeholders' concerns and provides meaningful insights for decision-making. Based on the respondents' reports, convenient access to documents from the Accountancy Department and the availability of internal documents for data collection purposes are essential facilitators of efficient operations. Policymakers should encourage organisations to maintain transparency in their documentation processes and ensure that auditors have easy access to relevant records. As a significant proportion of respondents possess dedicated personnel responsible for determining and calculating navigation age indicators, policymakers and organisations should conduct periodic reviews of these indicators to ensure their relevance and accuracy in assessing an organisation's performance and risk. Given that directors oversee the data collection and analysis process, policymakers should emphasise the importance of independent and objective oversight. Directors should be actively involved in ensuring the integrity of the audit process and promoting ethical practices within the organisation.

5.4 Limitations and Recommendations for Future Research

The study's sample size, focusing on selected municipal and district assemblies in the Ashanti Region, may limit the generalisability of the findings to the broader population of external auditors. To improve generalisability, future research could

consider a larger and more diverse sample that includes auditors from various regions or different types of organisations. The data collected for the study may be subject to response bias, as it relies on self-reported information from the respondents. External auditors might provide socially desirable responses, leading to potential overestimation of their knowledge level. Future research could incorporate more objective measures or include assessments conducted by independent third parties to validate the self-reported data. The study may lack a comparison group of internal auditors or other professionals involved in auditing processes. A comparison with internal auditors or auditors from different industries could offer insights into whether the knowledge level of external auditors differs significantly from other audit professionals. The study's cross-sectional design captures data at a single point in time, which may limit the ability to establish causal relationships between variables. Future research could consider longitudinal designs to observe changes in auditors' knowledge and expertise over time and assess the impact of different factors on their knowledge development. The study appears to heavily rely on quantitative data, which might not fully capture the nuances and in-depth insights related to auditors' knowledge and responsibilities. Incorporating qualitative research methods, such as interviews or focus groups, could provide a more comprehensive understanding of auditors' perspectives and experiences.

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APPENDIX : SURVEY QUESTIONNAIRE

My name is..... I am a student at Kwame Nkrumah University of Science and Technology School of Business, Department of Accounting and Finance. This survey instrument has been designed to enable me to carry out research on **“Knowledge of External Auditor’s Responsibilities”**. The purpose of the research is to provide an understanding of the responsibilities of external auditors and how they affect the performance of Municipal and District Assemblies using data from Ghana. Any information provided will ONLY be used for general information, and it will be treated as **HIGHLY CONFIDENTIAL**.

INSTRUCTIONS: Please kindly write in ink in the box that corresponds to the statement, which in your opinion is the most appropriate answer to the related question. For the following questions, kindly select by checking (✓) all that apply.

Name of Municipal/District:	Title or Job Position in the Assembly:
Gender: <input type="checkbox"/> Male <input type="checkbox"/> Female	Age (in years): _____
Number of auditing courses attended? _____	Educational Qualification: <input type="checkbox"/> High school academic studies <input type="checkbox"/> High school commercial studies <input type="checkbox"/> Two-year diploma after high school <input type="checkbox"/> Bachelor’s degree, not accounting <input type="checkbox"/> Bachelor’s degree, accounting <input type="checkbox"/> Master’s degree, accounting <input type="checkbox"/> Professional qualifications
Number of Employees <input type="checkbox"/> <6; <input type="checkbox"/> 6-29; <input type="checkbox"/> 30-59; <input type="checkbox"/> 60-99; <input type="checkbox"/> 100+	When was the assembly incorporated into the region? _____
Years of experience in this Assembly? _____	_____

Instructions: Indicate your opinion for the following statement by placing a checkmark (✓) in the right column under the 7-point Likert Scale.

	7-point Likert Scale						
	Strongly Disagree	Moderately Disagree	Disagree	Neither Agree nor Disagree	Agree	Moderately Agree	Strongly Agree
Internal Auditors Responsibilities							
Demonstrates accountability in the use of public money							
Help cut costs in operations							
Improves organization performance							
Reduces risk of losing funds thus revenue of the assembly increases							
Improvement process of stakeholder engagement							
Conformance with reporting requirement.							
Help implement quality assurance.							
Identifies those functional and operational areas where management has failed to achieve results.							
Helps management of the organization in its present and future growth.							
Provide advisory services to provide assurance to the management about operations.							
Ensures effectiveness and extent to which staff of internal Audit meets its							

obligation.							
Good public image of the institution.							
Helps management of the assembly to meet their responsibilities within the environment.							
Better strategies to improve management.							
External Auditor Responsibilities	Not at All	Very Small Extent	Small Extent	Moderate Extent	Considerable Extent	Great Extent	Very Great Extent
The external auditor verifies the reliability of the data listed in the financial statements before publication							
The external auditor verifies the credibility of the data listed in the financial statements before submission to the beneficiaries.							
The external auditor supervises the publication of the financial statements.							
The external auditor is keen to compare manually prepared financial data with the financial data published electronically.							
The external auditor adopts the financial statements before publishing them on the company's website.							
The external auditor is keen to follow up on the published data on the company's website periodically.							
The external auditor analyzes the statements and key accounts provided by the institution's management.							
The external auditor compares items in different periods and uses ratios to link information.							
The external auditor compares financial information with non-financial information in the company							
The external auditor compares the estimated budgets with the actual balance sheet of the company							
The external auditor relies on the auditing guide and international accounting standards when checking							
External Audit Queries	Yes		No			Don't know	
Are there specialised personnel to determine and calculate the navigation age indicators of the eco-dashboard?							
Are there directors of the Accountancy Department and Analysis Office supervising the collecting works, processing and analysis of the information							

necessary for the calculation of navigation indicators?			
Are your roles and responsibilities clear for you?			
Are all documents from the Accountancy Department easily available?			
Are there intern documents of data collection, necessary for the determination and calculation of the navigation indicators?			
Are there any criteria for the selection of the navigation indicators?			
Are the navigation indicators selected according to the objectives established by the institution's management?			
Are the navigation indicators respecting the sustainability requirements?			
Is the elaboration of the information made with a specialised information program?			
Are there any pointers about the information (calculation, analysis, mistakes and tendencies)?			

Thank you. Your participation is greatly appreciated.

