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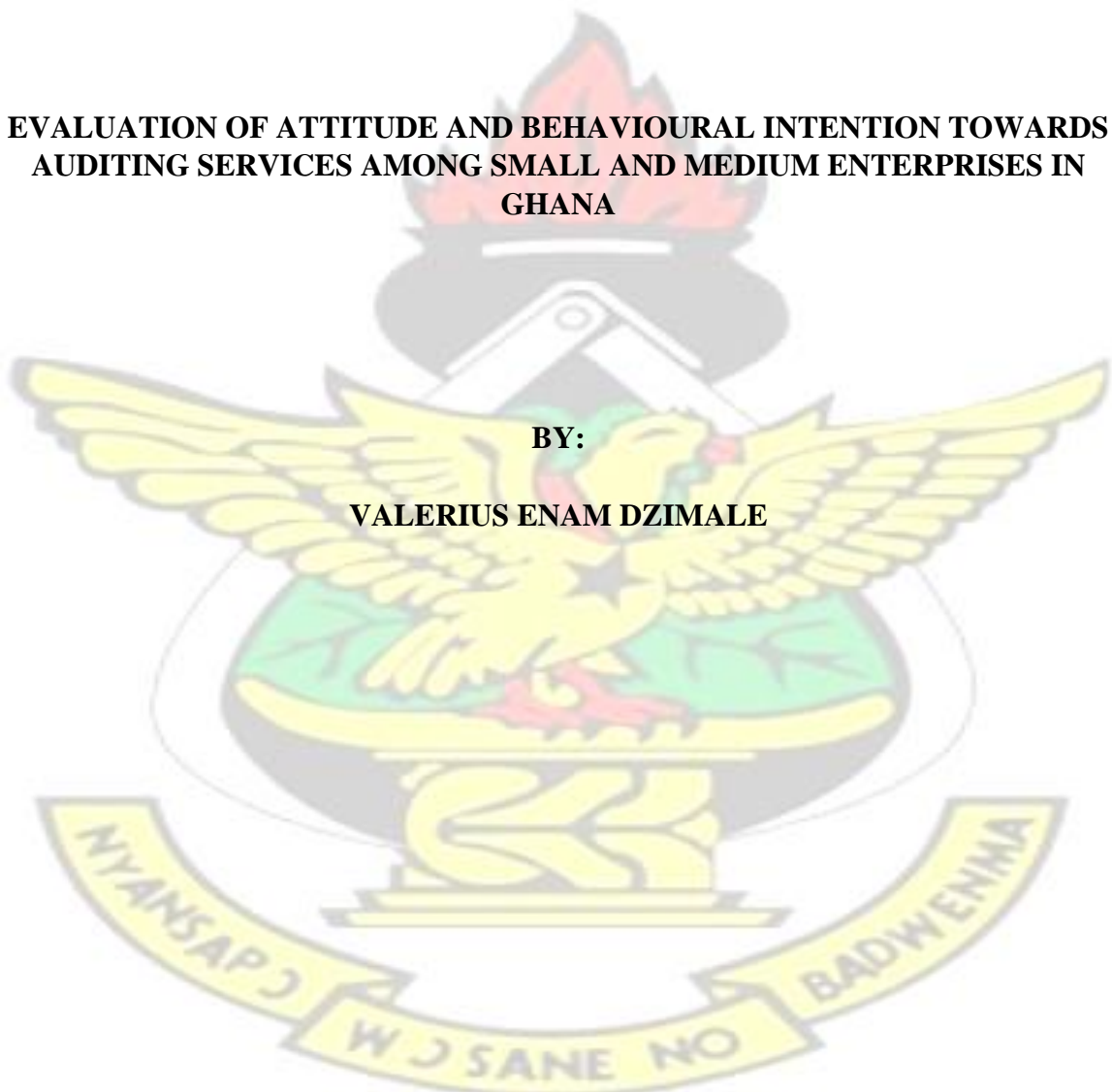
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**EVALUATION OF ATTITUDE AND BEHAVIOURAL INTENTION TOWARDS
AUDITING SERVICES AMONG SMALL AND MEDIUM ENTERPRISES IN
GHANA**

BY:

VALERIUS ENAM DZIMALE



DECEMBER, 2020

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GHANA**

KNUST

By

Valerius Enam Dzimale, BSc. Business Administration (Accounting and Finance)

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A thesis submitted to the Institute of Distance Learning, Kwame Nkrumah University of
Science and Technology in partial fulfillment of the requirements for the degree of

MASTER OF SCIENCE IN ACCOUNTING AND FINANCE

DECEMBER, 2020

DECLARATION

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

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ABSTRACT

This study explores the attitude and behavioural intention of SMEs towards auditing services in Ghana. Specifically, the study examines the influence of perceived benefits and perceived financial cost on the attitude and intention towards using auditing services as well as the influence of attitude towards using auditing services on the intention to use auditing services. Geographically, the research covered 238 SMEs within Ho Municipality in Volta Region. Primary data was collected using self-reported questionnaire. The hypotheses were tested using PLS-SEM procedure. It was found that the SMEs have high positive attitude towards auditing services. Aside, the results indicate a high positive behavioural intention of the SMEs towards auditing service. Further, the findings have proven perceived benefits positively influence SME's attitude and behavioural intentions towards the use of auditing services. Attitude also significantly predicts the intention to use auditing services positively. Similarly, it has been proven that the perceived financial cost negatively predicts the attitude and intention to use auditing services. It is therefore concluded that the SMEs in the Ho Municipality have favourable attitude and intentions towards the use of auditing services which are significantly influenced by perceived benefits and financial costs. Consequently, it was recommended that auditing experts including auditing service providers should comprehensively educate SME owners and managers on auditing services. Furthermore, auditing service providers should as a matter of urgency consider and regulate their consultancy fee for easy access to auditing services.

DEDICATION

To the Almighty God

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My first thanks go to the Almighty God for providing me with good health, mental alertness and inspiration.

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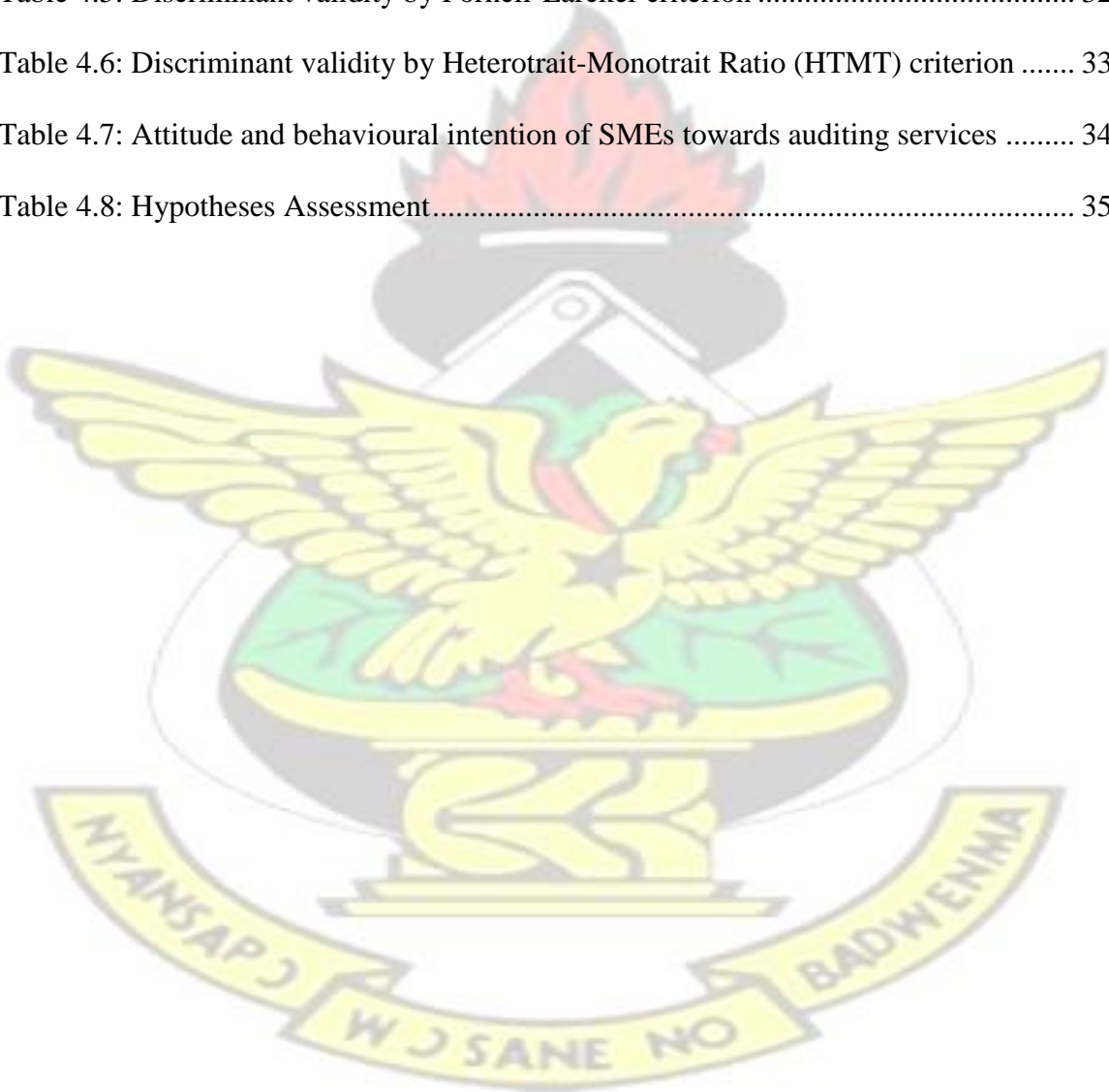
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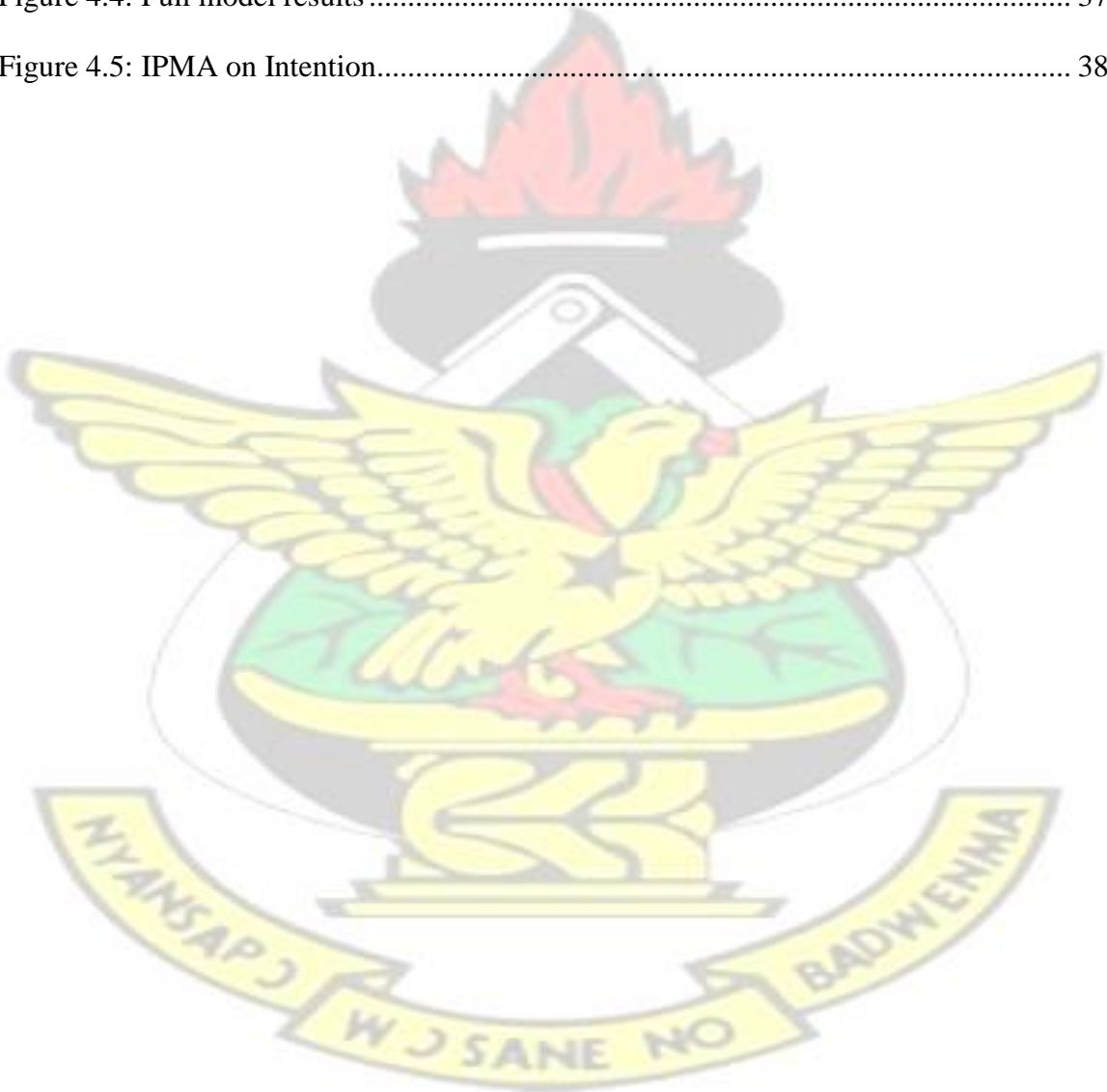
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LIST OF ABBREVIATIONS/ACRONYMS



ATT	–	Attitude
AVE	–	Average Variance Extracted
B2B	–	Business to Business
BI	–	Behavioural Intention
CI	–	Confidence Interval
DTI	–	Department of Trade and Industry
EFAA	–	European Federation of Accountants and Auditors
FAS	–	Forensic Accounting Services
GSS	–	Ghana Statistical Service
HTMT	–	Heterotrait-Monotrait Ratio
IPMA	–	Importance-Performance Matrix Analysis
KNUST	–	Kwame Nkrumah University of Science and Technology
MSMEs	–	Micro, Small and Medium Enterprises
NBSSI	–	National Board for Small Scale Industries
PB	–	Perceived Benefit
PFC	–	Perceived Financial Cost
SMEs	–	Small and Medium-Sized Enterprises
TPB	–	Theory of Planned Behaviour
UNCTAD	–	United Nations Conference on Trade and Development

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Small and medium-sized enterprises (SMEs) account for a greater percentage of all businesses in virtually every economy (Olufemi, 2019) and have a significant proportion of employment in every country, regardless of income level or region (Bijaoui, 2017). Global estimations of SMEs' contributions to gross domestic product (GDP) show that SMEs, including formal and informal companies, account for 60% to 70% (Ayyagari et al., 2003) and have always been part of the economy in various forms (Gay & Szostak, 2019).

In industrialised nations, SMEs make up more than 90% of all enterprises, employ about two-thirds of the labour force and generate almost half the added value of non-agricultural production (Harel & Kaufmann, 2016). For the African economy, the SME sector's share of employment opportunities is even more imperative (Akinyi, 2014). In Ghana, SMEs make up about 60% of the private sector economy. Therefore, by providing employment opportunities for the majority of workers and increasing access to the country's global market, SMEs have a significant impact on economic development and growth (Opoku, 2009). They are regularly designated as efficient and productive job creators, seeds of large corporations, and fuels that drive the national economy (Ackah & Vuvor, 2011).

Audits help improve the credibility of the information published in financial statements and instil confidence in the SME sector of the economy. However, decision makers tend

to focus on auditing large or publicly traded companies rather than SMEs (European Federation of Accountants and Auditors for SMEs (EFAA), 2019). Auditing is the collection and evaluation of information to ascertain and report on the level of equivalence between information and established standards (Arens et al., 2017). Auditing services are essential for the running or operation of SMEs in as much as financial and human resources are involved (Agbaje et al., 2017). Auditing plays the role of improving the rating of the financial statements since high rating reporting can lead to a reduction in information asymmetry problems between a firm and providers of financing (Olowookere & Inneh, 2016).

Although the long-term benefits of investing in procuring auditing services overshadow the high costs, organisations may still be reluctant to commit to expensive investments (Muthusamy, 2011). The reason is that cost-benefit weighting is not an easy task when comparing tangible costs to intangible benefits (William, 1952). Consequently, this study seeks to evaluate the attitude and behavioural intentions of SMEs towards auditing services in Ghana.

1.2 Statement of the Problem

According to De Bruyckere et al. (2017), poor financial control and poor management are major causes of SMEs failures. Auditing service is critical to the success of SMEs because they are part of the successive factors that can affect SMEs (Adeyemi et al., 2015; Agbaje et al., 2017). Auditing helps recognise limitations in the accounting system and allows auditors to propose improvements and protect or improve credit ratings (European

Federation of Accountants and Auditors for SMEs (EFAA), 2019), including advising strategic direction and operational running of the firm (De Bruyckere et al., 2017).

However, most SMEs often do not see the need for accounting and auditing services as they may not be bothered by the issue of information asymmetry. Aside, most SMEs owner/managers lack basic accounting and auditing knowledge and do not see any need to hire professional auditors (Adeyemi et al., 2015). The worst scenario is that, most SMEs do not feel under pressure to prepare audited financial statements because most SMEs are wholly financed by the owners and/or managers. Similarly, SMEs believe that engaging auditors to audit their accounts will amount to exposing their businesses to outsiders unnecessarily.

Studies have been conducted to either examine the influence of accounting and auditing services on SME performance (Agbaje et al., 2017; Kamyabi & Devi, 2011) or investigate use of accounting and auditing services in large companies (Muthusamy et al., 2010a). However, the attitude and behavioural intention of SMEs towards auditing services has received limited attention in the scholarly literature. Thus, accounting scholars appear to have neglected this very important issue of the attitude and behavioural intention of SMEs towards auditing services especially from the Ghanaian context. SMEs are not similar and grow differently (Bijaoui, 2017). As a result, the current study finds relevance in bridging this research gap by evaluating the attitude and behavioural intention towards auditing services among small and medium enterprises from the Ghanaian perspective.

1.3 Objectives of the Study

The main objective of this research is to evaluate the attitude and behavioural intention towards auditing services among small and medium enterprises in Ghana.

The specific objectives of this study are to:

- i. examine the attitude and behavioural intention of SMEs towards auditing services;
- ii. assess the influence of perceived benefits of auditing services on the attitude and intention towards auditing services among SMEs;
- iii. determine the influence of attitude towards using auditing services on the intention to use auditing services among SMEs; and
- iv. explore the influence of perceived financial cost of auditing services on the attitude and the intention to use auditing services among SMEs.

1.4 Research Questions

In order to achieve the objectives stated above, the study was guided by the following research questions:

- i. What are the attitude and behavioural intention of SMEs towards auditing services?
- ii. What is the influence of perceived benefits of auditing services on the attitude and intention towards auditing services among SMEs?
- iii. What is the influence of attitude towards using auditing services on the intention to use auditing services among SMEs?
- iv. What is the influence of perceived financial cost of auditing services on the attitude and the intention to use auditing services among SMEs?

1.5 Significance of the Study

This study would complement on-going scholarship in the area of attitude and behavioural intention towards auditing services. The attitude and behavioural intention to use auditing services among SMEs has not been comprehensively researched especially from the Ghanaian context. Theoretically, this study can serve as a reference for future scholars interested in the related field, in particular SME development.

Practically, this research will be beneficial to various SME stakeholders (i.e. professional bodies, management, government, auditing firms, etc.) on having a better understanding about the attitude and behavioural intention towards auditing services. It will also enable them to design practical methods and promotion strategies to raise awareness, approve auditing services and ultimately use them to improve SME operations. It is therefore of relevance to address the underutilisation of auditing services.

1.6 Scope of the Study

Contextually, the study explores the attitude and behavioural intention of SMEs towards auditing services in Ghana. Specifically, the study covered the attitude and behavioural intention of SMEs; the influence of perceived benefits of auditing services on the attitude and intention towards auditing services; the influence of attitude towards auditing services on the intention to use auditing services; and the influence of perceived financial cost of auditing services on the attitude and intention to use auditing services. Geographically, the research covered SMEs within Ho Municipality in the Volta Region.

1.7 Brief Methodology of the Study

The study adopted quantitative research approach using cross-sectional research design. For this study, the target population was the owners, managers, accountants and financial clerks of SMEs in Ho Municipality. Convenience sampling technique was used in selecting the respondents. Primary data was collected through self-administered questionnaire. Descriptive and inferential analyses were applied using SPSS version 25 and SmartPLS 3.3.2.

1.8 Organisation of the Study

The thesis is organised in five chapters; Chapter one contains the introduction and overview of the study. It includes the background of the study, research problem, research objectives, research questions, scope of the study, significance and a summary of the methodology applied in the research. The second chapter deals with the literature review. It covers theoretical and empirical studies as well as a conceptual framework. Chapter three highlighted the methodology and profile of study organisations. It justifies the chosen research approach and design. It also considered the population of the study, sampling technique and sample size, data collection method, research instrument, data analysis and organisational profile. The fourth chapter presented the results, analysis and discussions. Chapter Five summarized the major findings of the study and conclusions reached and made relevant recommendations based on the findings and conclusions.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter provides the conceptual, theoretical and empirical foundations for the entire study. Specifically, it looked at description of auditing and its relevance, description of small and medium enterprises and their relevance along with the theoretical foundation of the study. Besides, the chapter covered literature on the bearing of perceived benefits and financial cost on attitudes and intention to use and influence of attitude on intention to use. The chapter concluded with a conceptual framework.

2.2 Auditing Services

2.2.1 Defining Auditing

An audit involves searching, examining and verifying of accounting records that support financial statements (Whittington & Pany, 2016). Auditing is the collection and evaluation of data to determine and take into account the level of equivalence between the data and established criteria. Auditing should be done by an experienced, autonomous person (Arens et al., 2017).

Auditing services are most executed in the enterprises finance and accounting departments. Audit services are often complemented by financial advisory providers, accounting service providers, and tax service providers (Vladimirovna et al., 2019). Internal audit means a permanent investigation of the financial activity of the enterprise. An independent assessment performed on behalf of the entity's management. It consists of auditing

financial, accounting, and other transactions related to the entire service. Evaluation of accounts, reports, assets, capital, and results from a task and compliance perspective (Petraşcu & Tieanu, 2014).

2.2.2 Relevance of Auditing

The UK's Department of Trade and Industry (DTI) cited in Arfah Salleh et al. (2008) elucidates that an audit process is imperative because the purpose of the financial statements is to provide information about the company's financial position and performance. It not only reasonably guarantees a firm view of a company's finances, but also serves a wide range of purposes as a monitoring tool between owner-managers to support strategic business decisions (Kamarudin et al., 2012). Arfah Salleh et al. (2008) posit that the purpose of the audit is to provide shareholders with a guarantee of management of assets. Auditing services help ensure that the company's records accurately reflect your transaction. Audit services help companies prepare appropriate financial statements and communicate with banks, investors / shareholders, and other financial partners that they are in good financial condition (Vladimirovna et al., 2019).

2.3 Small and Medium-Sized Enterprises

2.3.1 Definitions of SMEs

There are varying definitions of SME (Musah et al., 2018; Mutoko, 2015; Nkuah et al., 2013; Nyanzu & Quaidoo, 2017; Peprah, 2016). While some define SMEs based on number of employees, size of business, others focus on capital assets, working capital, and turnover (Musah et al., 2018; Peprah, 2016). Nevertheless, the three generally used criteria

in various definitions are employee count, assets, and turnover (Accountacy Europe, 2018; Ntiamoah et al., 2014). For example, Muneer et al. (2017) defined an SME as an organisation that is not listed on the Stock Exchange and does not have employees of more than 500 for a manufacturing business and 50 employees for a trading or service organisation.

In Ghana, the most used definition of SMEs is the number of employees of the enterprise. The Ghana Statistical Service (GSS, 1987) defines small businesses as enterprises that employ less than 10 persons while those that employ more than 10 people are classified as medium and large-sized enterprises. Controversially, the GSS opposes itself in the national accounts describing enterprises with employees between 0-9 as small and medium enterprises (Avevor, 2016). Furthermore, using both fixed asset and number of employees' criteria, the National Board for Small Scale Industries (N.B.S.S.I) defines SMEs as having employees ranging from 10 to 150 and to have fixed assets of 10 million Ghana cedis. However, Osei, Baah-Nuakoh, Tutu and Sowa (1993) used an employment cut-off of 50 to define SMEs in Ghana. They disaggregated SMEs into four categories. Those that employ less than 6 people are classified as micro enterprises, those employing 6 to 9 termed as very small enterprises, those business having 10 to 29 employees classified as small enterprises while medium sized enterprises are those with more than 29 but less than 50 employees.

In this study, Osei et al.'s (1993) definition is employed. Thus, for this study, SMEs are enterprises that employ not more than 50 people. According to Nkuah et al. (2013), the

choice of this definition reflects the situation in Ghana and permits a broader inclusion of many firms in the study.

2.3.2 Development and Contributions of SMEs to Economic Development SMEs

The important role of SMEs in the economic development of developed and developing countries is increasingly recognised (Hobohm, 2001; Kruja, 2013; Muhammad et al., 2010). According to Hassan and Mohamed (2015), SMEs bring not only economic and social importance, but also the shrinking of the informal economy of each country, and are essential for the local, regional and international development.

Obi et al. (2018) empirically examined the contribution of SMEs to economic development in a transitional economy. Using a descriptive survey plan, 600 respondents (owners / managers of SMEs) from 60 SMEs in different parts of Nigeria participated in the study. The study focused on job creation, poverty reduction, and the strategic contribution of SMEs to the standard of living of the population. As a result, it became clear that there is a significant link between the activities of SMEs and the economic growth of developing countries. Furthermore, Hobohm (2001) identified three ways that SME can make a significant contribution to the development process. First, SMEs are labour-intensive and tend to lead to a fairer income distribution than large companies. Second, SMEs promote more efficient allocation of resources in developing countries. Third, SME supports the building of systematic capacity.

In Ghana, data available from the Registrars General shows that 90% of registered companies are micro and SMEs (Mensah, 2004; Prempeh, 2015). The majority of SMEs operate in the non-traditional export (NTE) sector (Prempeh, 2015). Ntiamoah et al. (2014) did an empirical research using the New Juaben Municipal Assembly as a case study to assess the impact of SMEs on Ghana's economic growth, and that SMEs are making a significant contribution to job creation, especially for people in poorly educated rural economies. In terms of income generation, research has shown that SMEs are an important catalyst in income generation and distribution. This means that SMEs play an important role in economic development, and Ghana is no exception (Prempeh, 2015).

2.4 Attitude towards Auditing in SMEs

Attitudes are the overall evaluation sentiment formed for accounting and audit services (Ameliawati & Setiyani, 2018; Coşkuner, 2016; Muthusamy, 2011). Historically, an auditing was often viewed as something immaterial or something that did not bring value to an SME (United Nations Conference on Trade and Development - UNCTAD, 2016).

According to Gahman and Ali (2015), SMEs are inadequately knowledgeable and understaffed to perform accounting functions in-house. The good news is that SMEs are increasingly understanding the importance of strong internal controls. They better consider the control environment, which is an integral part of the internal audit framework (United Nations Conference on Trade and Development - UNCTAD, 2016). Small businesses patronise audit services primarily because they want to get credit from banks. Bankers have

been shown to look for audited financial statements in their loan decisions (Gahman & Ali, 2015).

Based on empirical evidence, SME appreciates the business advice provided by external auditors in areas such as taxation and accounting (Carrera & Trombetta, 2018). In addition, SMEs believe that auditors can play a role in supporting administrative decisions and helping improve operational efficiency and effectiveness (Vladimirovna et al., 2019).

2.5 Theoretical Background

This study is grounded in the Theory of Planned Behaviour (TPB), which emerged from the theory of value of expectation in the field of social psychology. The TPB is based on the assumption that people always use the information they have before making a decision (Muthusamy et al., 2010b). This theory predicts the intent of an individual to participate in an action at a particular time and place (Ajzen, 1991). In addition, it theorizes that individual behaviours are determined by behaviours, attitudes towards behaviours, subjective norms, and perceived behavioural control (Ajzen, 1991). Ajzen and Fishbein (1975) point out that intent is the best predictor of behaviour, assuming that people make wise decisions.

TPB-based research into financial behaviour, like budget keeping, saving and positive financial behaviours, indeed show that attitude influences intention (Magendans et al., 2017). Based on TPB, it is posited that when a positive effect is formed, the intention for a particular behaviour surge. On the contrary, when a negative attitude arises, the behavioural

intention declines (Ameliawati & Setiyani, 2018; Coşkuner, 2016; Muthusamy, 2011). Consequently, this theory is applied in this study to examine the antecedents of intention to use auditing services.

2.6 Empirical Review

2.6.1 Influence of Perceived Benefits on Attitude and Intention to Use

Prior studies have revealed that perceived benefits of a system influence attitude and/or intention to use or adopt that system (Aung, 2020; Kasilingam, 2020). For instance, Quaddus and Hofmeyer (2007) investigated the factors influencing the adoption of business-to-business trading exchanges in a random sample of 1000 small businesses in Western Australia. The results confirmed that perceived benefits significantly affected the positive attitude towards B2B trading exchanges in small businesses. Likewise, attitude toward using chatbots for shopping was the most significantly influenced by perceived enjoyment (Kasilingam, 2020).

Further, Aji and Urumsah (2016) observed the factors that influence the intent of users of forensic accounting services (FAS). Data was collected from the internal auditors of National Banks in Yogyakarta. The findings revealed that the perceived benefits of deploying FAS influence the attitudes and intent of users deploying services within their organisation.

Moreover, Anh et al. (2011) scrutinised the advantages and adoption of Western business accounting practices in Vietnamese companies. Primary data was collected by distributing

surveys to medium and large companies, and the results showed that high perceived profits lead to higher deployment rates for services.

The above findings were supported by a study conducted by Ng et al. (2017). Ng et al. (2017) reported that the recognized benefits of using FAS had a positive impact on the intent to use FAS among Malaysian SMEs. Thus, this study has developed the following hypotheses:

Hypothesis 1a (H1a): Perceived benefit of auditing is positively related to attitude towards auditing services

Hypothesis 1b (H1b): Perceived benefit of auditing is positively related to intention to use auditing services

2.6.2 Influence of Attitude on Intention to Use

The theory of planned behaviour highlights the relevance of attitude as a predictor of intentions. This relationship between attitude and intention has been demonstrated in many studies (Aung, 2020; Kasilingam, 2020; Muthusamy et al., 2010a, 2010b; Quaddus & Hofmeyer, 2007; Schmiege et al., 2009). Specifically, Muthusamy et al. (2010a) explored the factors influencing intention to use FAS. This study used two-stage content analysis technique to analyse data collected from large Malaysian companies. It was revealed that attitude towards FAS influenced the intention to use FAS. Quaddus and Hofmeyer (2007) investigated the factors influencing the adoption of business-to-business trading exchanges in a random sample of 1000 small businesses in WA. As a result, it was confirmed that a

positive attitude toward B2B commerce leads to the intention to introduce B2B commerce to SMEs.

Similarly, Muthusamy et al. (2010b) and Schmiede et al. (2009) applied the TPB to examine the nexus between attitude and intentions. Muthusamy et al.'s (2010b) study revealed that attitude affects intention to use FAS in the discovery and inhibition of fraud by large Malaysian companies. Likewise, Schmiede et al. (2009) discovered that attitude and intentions are significantly related among undergraduate students.

Therefore, the following hypothesis is proposed:

Hypothesis 2 (H2): A positive attitude towards auditing services influences the intention to use auditing services among SMEs

2.6.3 Influence of Perceived Financial Cost on Attitude and Intention to Use

The perceived financial cost (PFC) is defined as the amount of money one would consider using a service or patronise a service (Tung & Chang, 2008). Perceived financial resources have been found to be an important precedent for the action goal of using the system (Mathieson et al., 2001). Luarn and Lin (2005) found that PFC adversely affect the behavioural use of mobile services. According to Olowookere and Inneh (2016), the cost of an audit may be a determining factor. This assertion was confirmed in a study by Ng et al. (2017) which revealed that the PFC of FAS negatively influenced the intention to use FAS among SMEs in Malaysia. Similarly, Muthusamy (2011) found financial cost as a significant factor that negatively affects the behavioural intention to practise FAS for the

discovery and inhibition of fraud by large Malaysian companies. So, the ensuing hypothesis is projected:

Hypothesis 3a (H3a): Perceived financial cost of auditing services will negatively influence the attitude towards auditing services among SMEs.

Hypothesis 3b (H3b): Perceived financial cost of auditing services will negatively influence the intention to use auditing services among SMEs.

2.7 Conclusion

In line with the empirical literature, a conceptual framework is developed. Figure 2.1 outlines the framework of the hypothesized relationships. From the framework, the intention to use auditing services is the main dependent or the outcome variable. As illustrated in the framework, perceived benefits of using auditing services predicts the attitude and intention towards auditing services. Similarly, perceived financial cost of using auditing services and attitude and intention towards auditing services predict the intention to use auditing services.

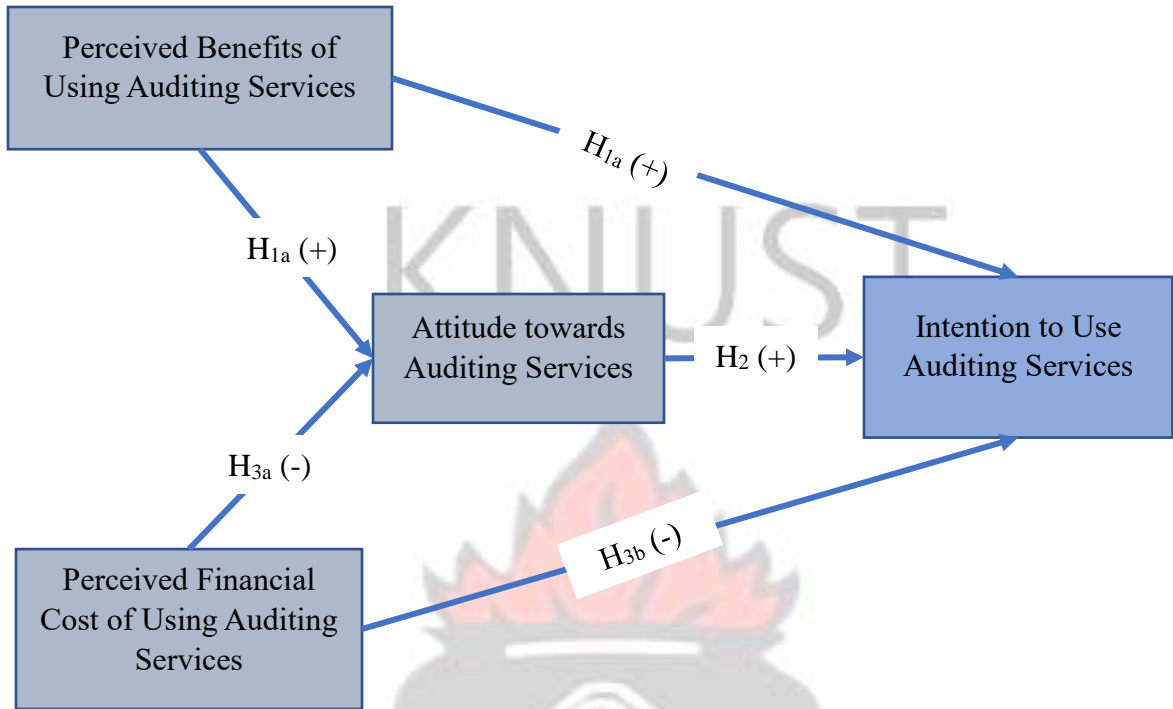


Figure 2.1: Conceptual framework developed by the researcher



CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter outlines the research approach and methodology adopted for the empirical investigation of the research questions. It covers the research approach and design, the study population, sampling techniques and sample size, data collection method and analysis, ethical consideration and the profile of the study area.

3.2 Research Approach and Design

In this study, there was application of a quantitative research method. Quantitative research is an approach for testing objective theories by examining the relations among variables (Creswell & Creswell, 2018). Statistical analysis is used because it is used for quantitative measurements (Adams et al., 2014). This approach is applied due to its ability to examine the links between variables that are measured numerically and analyzed employing a variety of statistical and graphical techniques (Saunders et al., 2016).

Moreover, the study followed a cross-sectional survey research design. According to Patten and Newhart (2018), a cross-sectional study is a snapshot of one moment in time. The survey provides a quantitative or numerical explanation of population trends, attitudes, or opinions by examining a sample of that population (Creswell & Creswell, 2018). Cross-sectional studies are quick and relatively simple (Salkind, 2010).

3.3 Population of the Study

Population is a collection of all the elements, such as people, objects, and events that need to be considered in a particular problem situation. This is the entire set of cases for which samples are taken (Efiong, 2013). Considering the purpose of the study, the target population for this study was the owners, managers, accountants and financial clerks of SMEs in Ho Municipality. Specific publication on the number of SMEs within the Ho Municipality was inaccessible to the researcher. Thus, the researcher's inability to estimate the population of the study.

3.4 Sampling Technique and Sample Size

Sampling is the process of selecting an appropriate number of items from a population and therefore examining the sample and understanding the properties to the population elements (Muthike, 2017). The convenient sampling method was used to recruit the research participants. This technique involves identifying participants based on their availability to the investigator (Hesse-Biber & Leavy, 2011). Here the researcher has to look for the best cases within the larger group that the researcher has access to (Leavy, 2017). The technique permits researchers to select subjects according to their access and willingness to be part of the research until the sample size is complete (Saunders et al., 2016).

A sample size of 280 was employed. As recommended by Roscoe (1975), a sample size of 30 to 500 is fitting for most studies such as this study. Thus, a sample size of 280 would be appropriate for this study.

3.5 Data Collection

In meeting the objectives of the study, the researcher employed data from both primary and secondary sources. Secondary data covered literatures such as existing academic journals, books, and other publications available. Primary data was collected from respondents by using questionnaires. The use of questionnaires is one of the most widely used research tool (Bosomtwe, 2015). In terms of cost, questionnaires are inexpensive to administer (Creswell, 2014; Saunders et al., 2016). Data collection via a self-administered questionnaire enables efficient collection of data from more respondents (Efiong, 2013).

The questionnaire was structured in two parts. Part one covered biographical information of the respondents and the organisational characteristics of the SMEs, which aided in describing the sample. The second part focused on the attitude and behavioural intention of SMEs towards auditing services, perceived benefits of using auditing services and perceived financial cost of auditing services. All constructs were measured using a self-report approach with a five-point Likert-type scale.

Attitude: A three (3)-item scale adapted from Muthusamy (2011) was used to measure the attitude of the SMEs towards the use of auditing services . Sample items are “*I think it is good to use auditing services for fraud detection and prevention*” and “*Overall, my attitude towards auditing services is positive*”. A six-point Likert scale (1 to 6) from “strongly disagree” to “strongly agree” was used for the items.

Behavioural intention(Efiong, 2013)(Efiong, 2013)(Efiong, 2013)(Efiong, 2013)(Efiong, 2013)(Efiong, 2013)(Efiong, 2013)(Efiong, 2013): To measure behavioural intention, a three-item scale by Efiong (2013) was deployed. A sample item is “*We intend to use auditing services in the near future in our establishment*”. A six-point Likert scale (1 to 6) from “strongly disagree” to “strongly agree” was used for the items.

Perceived benefits: A six (6)-item scale adapted from Muthusamy (2011) was used to measure the perceived benefits of using auditing services . Sample items are “*Using auditing services helps to deter fraud from happening*” and “*Auditing services helps in the recovery of cash and assets that have been stolen*”. A six-point Likert scale (1 to 6) from “strongly disagree” to “strongly agree” was used for the items.

Perceived financial cost: A three (3)-item scale adapted from Muthusamy (2011) was used to measure the perceived financial cost of using auditing services . A sample item is “*The cost of using auditing services would influence my firm’s decision to use auditing services*”. A six-point Likert scale (1 to 6) from “strongly disagree” to “strongly agree” was used for the items. (Muthusamy, 2011)

3.6 Data Analysis Technique

Primary data was populated, examined for missing values or unbound responses, and processed. The data was processed using SPSS version 25 and SmartPLS software. Both descriptive and inferential analyses were performed. The statistical analyses included

descriptive analysis (i.e. calculation of frequencies and percentages, mean and standard deviation scores), and structural equation modelling analyses.

The research model or framework (i.e. the conceptual framework) and its related hypotheses were assessed using PLS-SEM technique. According to Hair et al. (2019), PLS-SEM has “higher statistical power”, which is useful for studies like this one examining less developed or still evolving theories. Thus, the predictive power of PLS-SEM was considered appropriate to achieve the objectives of this study. In summary, PLS-SEM amplifies “the explained variance of all dependent variables” and supports predictive-focused targets (Henseler et al., 2009).

3.7 Validity and Reliability

In order to ensure that the instrument used in this current research can serve their rightful purposes, the content and face validity of the questionnaires were carefully examined by the supervisor of this thesis. All the necessary corrections in the items were made and declared valid by the supervisor. Construct validity were also ensured by employing accepted and validated measures. Statistical validity tests via measurement model assessment were conducted to determine the validity of the measures. Statistically, reliability and validity were assessed by using the Cronbach’s Alpha and Composite Reliability (CR) coefficients (>0.70), Average Variance Extracted (AVE) and Heterotrait-Monotrait (HTMT).

3.8 Ethical Considerations

The researcher took various measures to ensure that there was no risk to the respondents. Further, letter of introduction was taken from the Institute of Distance Learning, KNUST and with the letter, permission and consent of the management of the selected SMEs was sought. Also, respondents were entreated to complete the questionnaire anonymously. The researcher preserved confidentiality, respected respondents' privacy and kept the completed questionnaires secure.

3.9 Profile of Study Area

Ho Municipality was the study area for this research. The municipality, which is also the capital city of Volta Region, is situated between latitudes 6° 20" N and 6° 55" N and longitudes 0° 12'E and 0° 53'E. The Municipality imparts limits to Adaklu and Agotime-Ziope Districts toward the South, Ho West District toward the North and West and the Republic of Togo toward the East. Its aggregate land territory is 2,361 square kilometers subsequently 11.5 percent of the region's aggregate land area. It has a populace of 177,281. Thus, 8.4% of the region's aggregate populace (Population and Housing Census, 2010).

The Municipal economies are also branded by a substantial amount of SMEs. These SMEs are concentrated in the downtown area and making the municipality a commercial hub. There are different forms of work in the public and private sectors. The public sector hires 9% of the labour force, and the private sector engages the outstanding 91% (Ghana Statistical Service, 2014).

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CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter presents the results from the descriptive and inferential statistical analyses. The descriptive statistics cover the demographic profile of the respondents in addition to the background of the SMEs. Hereafter, the study examined the validity and reliability of the measures and hypotheses assessments.

4.2 Respondents' Profile

The profile of the respondents is reported in this section. The results are presented in two sections. The first section covers the personal characteristics of the respondents including gender, age, marital status, position and educational background. The second section covers the characteristics of the SMEs in terms of years of operation, number of employees and type of SME. The results are presented in Tables 4.1 and 4.2.

Table 4.1: Respondents' Profile

Profile		Frequency	%
Gender	Male	78	32.8%
	Female	160	67.2%
	Total	238	100.0%
Age	18-23 years	40	16.8%
	24-29 years	91	38.2%

	30-35 years	56	23.5%
	36-40 years	49	20.6%
	41 years and above	2	0.8%
	Total	238	100.0%
Marital status	Married	104	43.7%
	Single	134	56.3%
	Total	238	100.0%
Educational Background	No formal education	62	26.1%
	Basic/Primary	130	54.6%
	Secondary	21	8.8%
	Tertiary	25	10.5%
	Total	238	100.0%
Position	Owner	79	33.2%
	Manager	79	33.2%
	Owner and manager	80	33.6%
	Total	238	100.0%

Source: Field Data, 2020

As presented in Table 4.1, most SME operators (67.2%) were females while males represented 32.8%. This signifies the study sample was female dominated. Also, most of the SME operators (38.2%) were within 24 to 29 years age bracket, followed 30 to 35 years representing 23.5%, 36 to 40 years representing 20.6%. Analysis on the marital status reveals 43.7% of the respondents were married while 56.3% were single. Further, not all

the respondents had formal education in that 10.5% had tertiary education, 8.8% had secondary education, 54.6% reached basic level of education while 26.1% had no formal education.

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Table 4.2: Background of the SMEs

Profile	Frequency	%
Years of operating the SME	< 1 year	47 19.7%
	1-5 years	78 32.8%
	6-10 years	34 14.3%
	11-15 years	43 18.1%
	16-20 years	21 8.8%
	21 years and above	15 6.3%
	Total	238 100.0%
Number of employees	Less than 6 employees	152 63.9%
	6-9 employees	60 25.2%
	10-29 employees	22 9.2%
	30-50 employees	4 1.7%
	Total	238 100.0%
Type of SME	Retail trading	155 65.1%
	Catering/Bakery	59 24.8%
	Services	17 7.1%
	Real estate	7 2.9%
	Total	238 100.0%

Source: Field Data, 2020

In terms of the background of the SMEs, as presented in Table 4.2, most (32.8%) the respondents have been operating their SMEs for 1 to 5 years followed by 19.7% who have operating for less than a year. In summary, 47.5% had been operating their SMEs for more than 5 years. In addition, most (63.9%) of the participating firms have less than 6 employees (i.e. micro enterprises). The rest had 6 to 9 employees (25.2%; very small enterprise), 10 to 29 employees (9.2%; small enterprise) and 30 to 50 years (1.7%; medium sized enterprise). Lastly, 65.1% of the firms were retail SMEs, 24.8% were manufacturing SMEs, 7.1% were SMEs providing services and 2.9% were into real estate.

4.3 Reliability and Validity Analysis

This segment reports the indicator loadings and significance, construct reliability, and construct convergent and discriminant validities. The results are presented in the ensuing subsections.

Table 4.3: Loadings and their significance

Items	Loading	<i>t</i> -values	<i>p</i> -values
ATT1	0.977	127.124	0.000
ATT2	0.959	56.797	0.000
ATT3	0.913	21.500	0.000
BI1	0.871	32.666	0.000
BI2	0.878	20.948	0.000
BI3	0.853	23.149	0.000
PB1	0.768	20.538	0.000

PB2	0.751	12.557	0.000
PB3	0.764	16.923	0.000
PB4	0.783	16.589	0.000
PB5	0.776	19.280	0.000
PB6	0.910	26.665	0.000
PFC1	0.940	59.063	0.000
PFC2	0.981	188.014	0.000
PFC3	0.972	113.814	0.000

Source: Field Data, 2020

As depicted in Table 4.3, the results show all the indicators for ATT, BI, PB and PFC have significant loadings. That is the loadings are greater than 0.708, an indication of satisfactory indicator reliability (Hair et al., 2019).

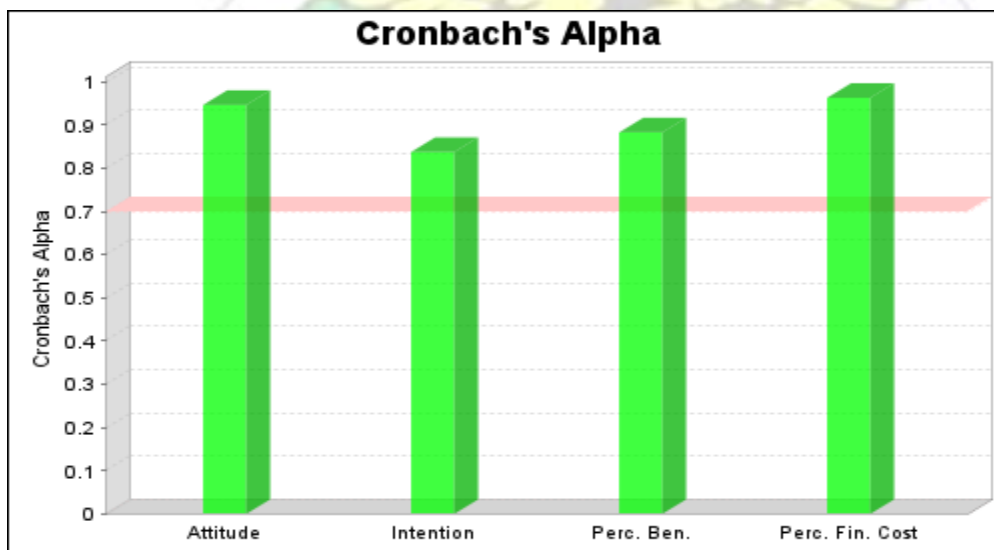


Figure 4.1: Figure depicting Cronbach' alpha

Source: Field Data, 2020

As represented in Figure 4.1, the bars passed the red line (0.70). Thus, the reliabilities (α) for all the four constructs are beyond the 0.70 threshold, indicating acceptable internal consistencies (Henseler et al., 2016).

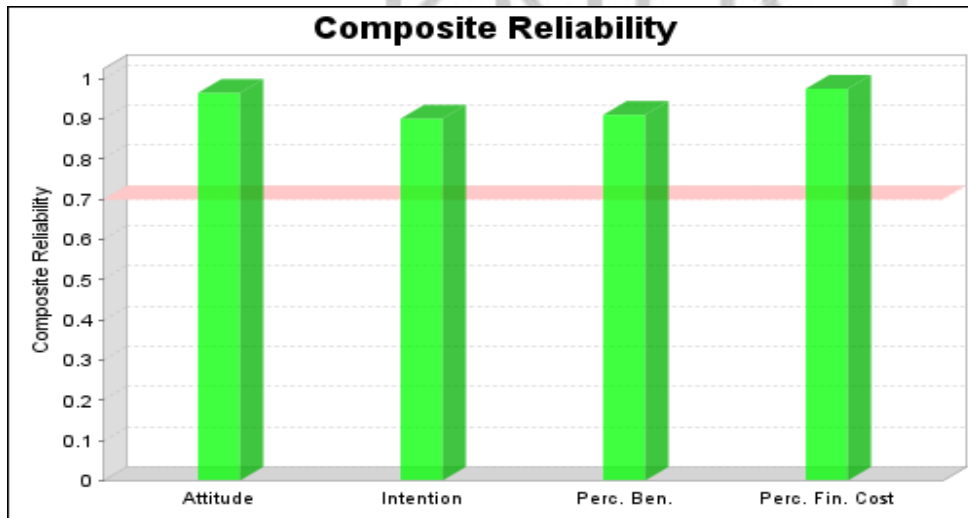


Figure 4.2: Figure depicting composite reliabilities

Source: Field Data, 2020

Similarly, as portrayed in Figure 4.2, the composite reliability bars are all beyond the red line (0.70). Therefore, the composite reliabilities for all the four constructs are beyond the 0.70 threshold, denoting satisfactory reliabilities (Henseler et al., 2016).

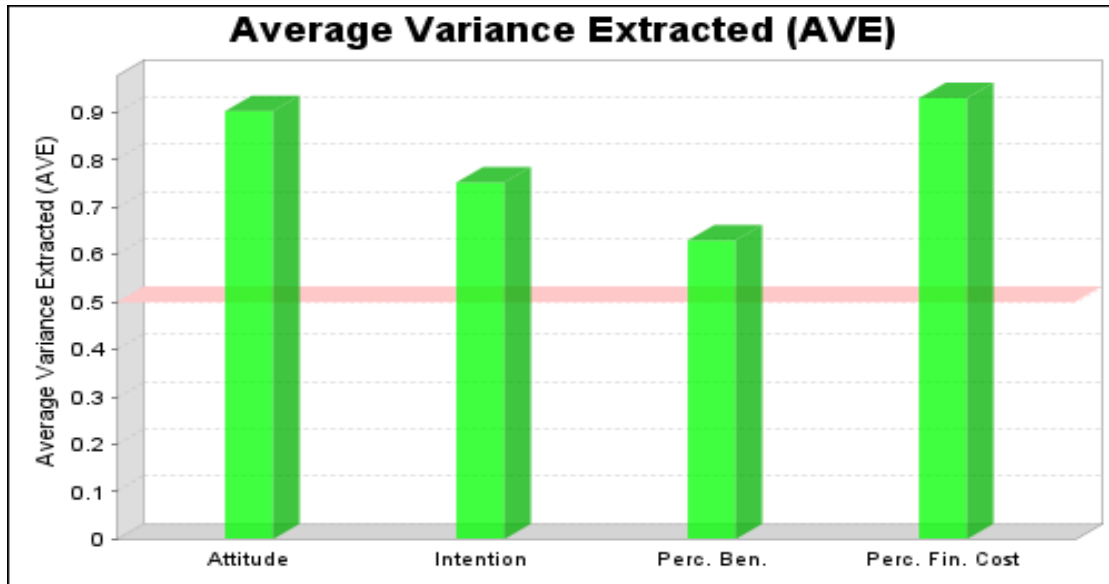


Figure 4.3: Figure depicting AVEs

Source: Field Data, 2020

As depicted in Figure 4.3, all the AVEs bars are all beyond the red line at 0.50. Thus, AVEs for all the four constructs are beyond the 0.50 threshold, denoting satisfactory convergent validity all the four constructs.

Table 4.4 presents the specific reliability coefficients and AVEs.

Table 4.4: Construct reliability and convergent validity

Constructs	Cronbach's Alpha (CA)	Composite Reliability (CR)	AVE
Attitude	0.946	0.965	0.903
Behavioural Intention	0.837	0.901	0.752
Perceived Benefit	0.882	0.910	0.630
Perceived Financial Cost	0.962	0.975	0.930

Source: Field Data, 2020

Specifically, the results in Table 4.4 revealed that attitude had CA of 0.946, composite reliability of 0.965 and AVE of 0.903. Behavioural intention recorded Cronbach’s alpha of 0.837, composite reliability of 0.901 and AVE of 0.752. Perceived benefit had CA of 0.882, composite reliability of 0.910 and AVE of 0.630. while perceived financial cost had CA of 0.962, composite reliability of 0.975 and AVE of 0.930. For each construct, the composite reliability is greater than the Cronbach’s alpha; a reason why scholars place premium on composite reliabilities in determining construct reliability. All these confirm that all the three constructs have good reliabilities (Henseler et al., 2016). These results suggest acceptable reliability and convergent validity of the constructs (Chin, 1998; Henseler et al., 2009).

Table 4.5: Discriminant validity by Fornell-Larcker condition

Construct	ATT	BI	PB	PFC
Attitude	0.950			
Behavioural Intention	0.559	0.867		
Perceived Benefit	0.573	0.577	0.794	
Perceived Financial Cost	-0.277	-0.364	-0.258	0.964

Source: Field Data, 2020

The values revealed in the Table 4.5 disclose the presence of discriminant validity among all constructs of the measurement model as the square root of all latent constructs is higher than their correlation with all the other latent constructs. The above criterion, consistent with the Fornell-Larcker criterion, is considered by researchers to be conservative in assessing discriminant validity (Fornell & Larcker, 1981).

Table 4.6: Discriminant validity by Heterotrait-Monotrait Ratio (HTMT) criterion

Construct	ATT	BI	PB
Attitude	-		
Behavioural Intention	0.607 (CI: 0.445, 0.767)	-	
Perceived Benefit	0.604 (CI: 0.446, 0.749)	0.654 (CI: 0.488, 0.821)	-
Perceived Financial Cost	0.293 (CI: 0.148, 0.460)	0.407 (CI: 0.214, 0.594)	0.269 (CI: 0.120, 0.455)

Source: Field Data, 2020

Table 4.6 reports the HTMT values for determining the discriminant validity of the constructs. To establish discriminant validity, guidelines suggest that the HTMT value should be less than 0.85 ($HTMT_{0.85}$) (Henseler et al., 2015). As discovered in Table 4.6, all the values were beneath the recommended maximum threshold of 0.850. This signifies the establishment of the discriminant validity of all concepts (Hair Jr. et al., 2017; Henseler et al., 2015; Sarstedt et al., 2019).

4.4 Attitude and behavioural intention of SMEs towards auditing services

The first objective of the study was to examine the attitude and behavioural intention of SMEs towards auditing services. Thus, the attitude and behavioural intentions were assessed on a 6-point scale. Table 4.7 shows the results.

Table 4.7: Attitude and behavioural intention of SMEs towards auditing services

Statements	Mean	Std. Deviation
Attitude		
ATT1-I think it is good to use auditing services for fraud detection and prevention.	5.09	0.981
ATT2-I believe that the benefits of auditing services outweigh the associated risks.	5.13	0.905
ATT3-Overall, my attitude towards auditing services is positive.	5.00	1.104
Overall ATT	5.07	0.946
Behavioural intention		
BII-We intend to use auditing services in the near future in our establishment.	5.28	0.512
BI2-Auditing services has come to stay, hence our establishment will soon acquire its services.	5.30	0.636
BI3-It will be possible for us to use auditing services.	5.23	0.624
Overall BI	5.27	0.514

Source: Field Data, 2020

As revealed in Table 4.7, most SMEs agreed that it is important to deploy auditing services for detecting and preventing fraud ($M = 5.09$; $SD = 0.981$) and that the benefits of auditing services overshadow the related risks ($M = 5.13$; $SD = 0.905$). Overall, most SMEs indicate their attitude towards auditing services is positive ($M = 5.00$; $SD = 1.104$). Summarily, the SMEs' attitude towards auditing services was positively high ($M = 5.07$; $SD = 0.946$).

Similarly, most SMEs intend to deploy auditing services in the near future ($M = 5.28$; $SD = 0.512$) and that the auditing services has come to stay hence they will soon deploy such service ($M = 5.30$; $SD = 0.636$). Also, most SMEs indicate the possibility to deploy auditing services ($M = 5.23$; $SD = 0.624$). Summarily, the SMEs' intention to use auditing services was positively high ($M = 5.27$; $SD = 0.514$).

4.5 Path Assessment for Hypotheses Testing

The five research hypotheses were examined in this section. The analysis was done based on the specific objectives of the study. The results from the analysis are presented in Table 4.8.

Table 4.8: Hypotheses Assessment

Path	β	Confidence Interval (CI)		t -value	p -value	R^2
		2.50%	97.50%			
Perc. Ben. → Attitude	0.530	0.369	0.643	7.840	0.000	0.328
Perc. Ben. → Intention	0.395	0.376	0.672	4.367	0.000	0.386
Attitude → Intention	0.282	0.084	0.461	2.964	0.003	0.322
Perc. Fin. Cost → Attitude	-0.143	-0.258	-0.051	2.712	0.007	0.080
Perc. Fin. Cost → Intention	-0.183	-0.379	-0.089	2.676	0.007	0.142

Source: Field Data, 2020

As presented in Table 4.8, it is evident that perceived benefits significantly account for 32.8% and 38.6% variation in attitude and intention towards auditing services, respectively. Further, the standardised path coefficient ($\beta = 0.530$; $CI [0.369, 0.643]$; $t = 7.840$; $p <$

0.001) indicates a strong positive link between perceived benefits and attitude towards auditing services; supporting hypothesis 1a. Also, the standardised path coefficient ($\beta = 0.395$; $CI [0.376, 0.672]$; $t = 4.367$; $p < 0.001$) signifies a strong positive nexus between perceived benefits and intention to use auditing services; supporting hypothesis 1b. These suggest that a one standardised unit increase in perceived benefits will result in 0.530 and 0.395 unit increase in attitude towards auditing services and intention to use auditing services, respectively.

Similarly, the standardised path coefficient ($\beta = 0.282$; $CI [0.084, 0.461]$; $t = 2.964$; $p < 0.01$) indicates a strong positive link between attitude towards auditing services and intention to use auditing services. This suggests that a one standardised unit increase in attitude towards auditing services will result in 0.282 unit increase in intention to use auditing services. Further, attitude towards auditing services explains 32.2% variation in intention to use auditing services. Thus, supporting hypothesis H2.

Finally, perceived financial cost accounted for 8% and 14.2% of variation in attitude and intention to use auditing services, respectively. The standardised path coefficient ($\beta = -0.143$; $CI [-0.258, -0.051]$; $t = 2.712$; $p < 0.01$) shows a negative link between perceived financial cost and attitude towards auditing services; supporting hypothesis 3a. Likewise, the standardised path coefficient ($\beta = -0.183$; $CI [-0.379, -0.089]$; $t = 2.676$; $p < 0.01$) indicates a negative nexus between perceived financial cost and intention to use auditing services; supporting hypothesis 3b. These suggest that a one standardised unit increase in

perceived financial cost will result in 0.143 and 0.183 unit decrease in attitude and intention to use auditing services, respectively.

Further analysis as depicted in Figure 4.1 shows that both perceived benefits and perceived financial cost of auditing accounts for 34% variation in the attitude towards auditing. Also, perceived benefits, perceived financial cost and attitude collectively accounts for 46% of variance in the intention to use auditing services.

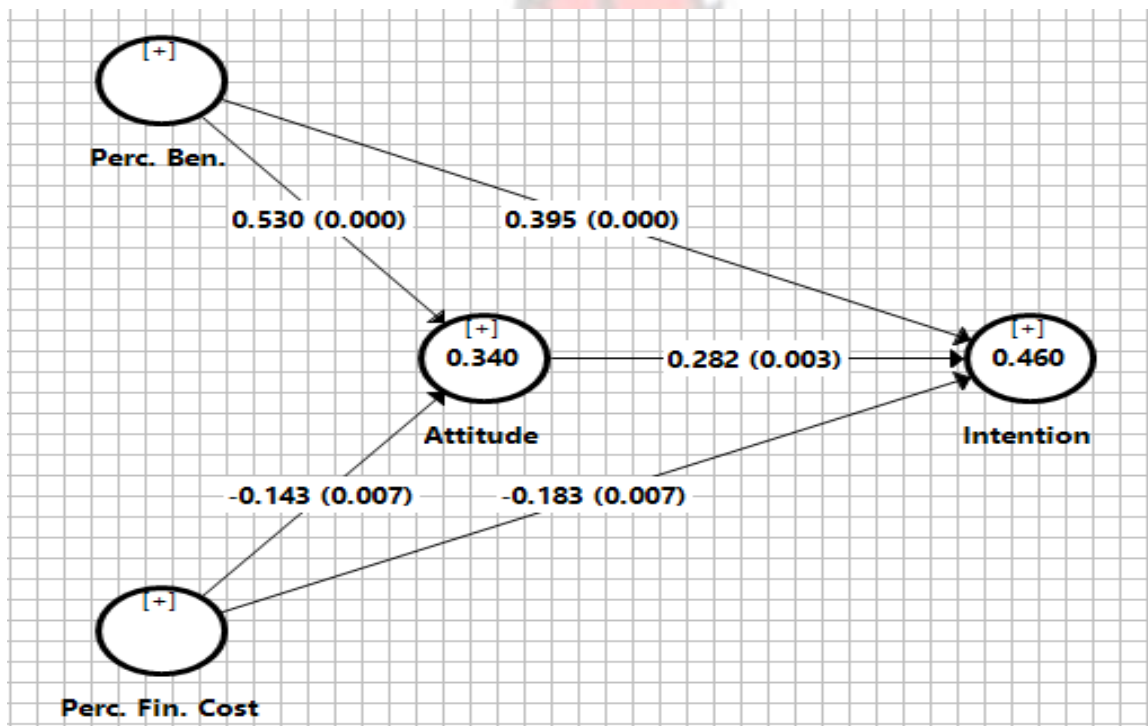


Figure 4.4: Full model results

Source: SmartPLS Output based on Field Data, 2020

Further investigation was carried out to analyse the performance of attitude, perceived benefits and perceived financial cost as predictors of the intention to use auditing services among the SMEs. Thus, this analysis considers the performance of attitude, perceived

benefits and PFC on a target construct, intention to use auditing services (Valaei & Jiroudi, 2016). Figure 4.5 shows the IPMA results.

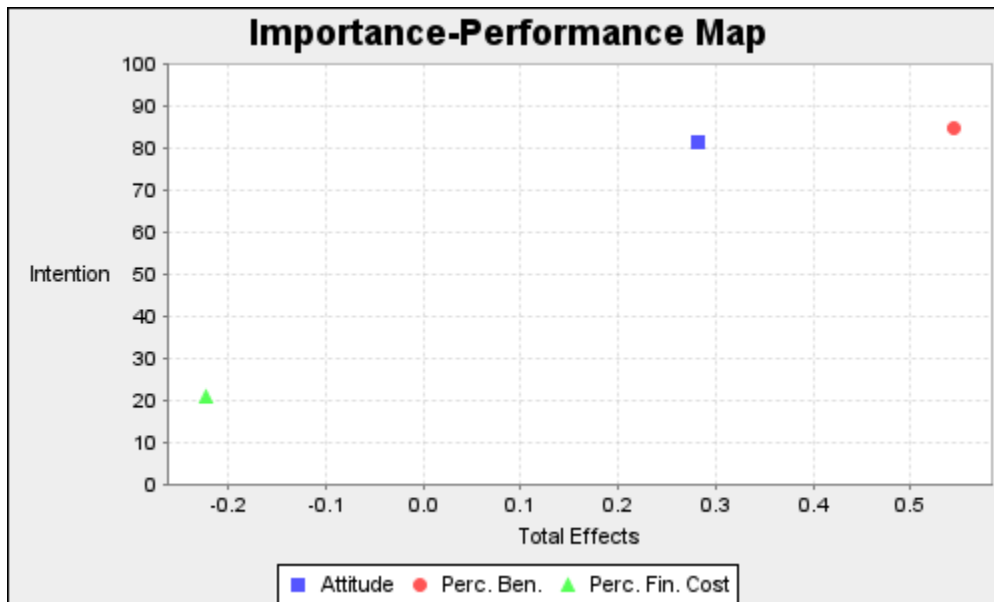


Figure 4.5: IPMA on Intention

Source: SmartPLS Output based on Field Data, 2020

Figure 4.5 schematically shows the IPMA results of intention to use auditing services target variable within which the perceived benefits have the highest importance (0.544), followed by attitude and perceived financial cost with total effects of 0.282 and -0.223, respectively. In addition, perceived benefits have the highest performance (84.768), followed by attitude and perceived financial cost with 81.660 and 20.734, respectively. The implication is that auditing service providers should focus on how to facilitate positive perceived benefits of auditing services among the SMEs.

4.6 Discussion of the Findings

4.6.1 Attitude and behavioural intention of SMEs towards auditing services

The SMEs emerged to have high positive attitude and behavioural intention towards auditing services. This finding confirms the literature that SMEs owners are becoming more aware of the significance of sound internal controls (Gahman & Ali, 2015). This suggests SMEs are taking more consideration about their control environment, which according to UNCTAD (2016), is the critical component of the internal audit frameworks. This high behavioural intention to use auditing services can be ascribed to banks' demand for audited financial statement regarding loan acquisition and other credit facilities for the SMEs (Gahman & Ali, 2015). Further explanations are that SMEs value the business advice provided by external auditors in areas such as taxation and accounting (Carrera & Trombetta, 2018). Also, SMEs believe auditors help improve operational efficiency and effectiveness (Vladimirovna et al., 2019).

4.6.2 Influence of Perceived Benefits on Attitude and Intention to Use

The results indicate that perceived benefits of auditing positively influence SME's attitude and intention to use auditing services. This supports hypothesis 1 which states that SMEs which more strongly believe that an auditing service offers benefits will be more likely to have a positive attitude and intentions toward auditing services. That is, the more beneficial the SMEs perceived auditing service, the more positive their attitude and intention towards the use of auditing services.

This outcome is consistent with the existing literature. For instance, Quaddus and Hofmeyer (2007) confirmed that perceived benefits significantly affected the positive attitude towards B2B trading exchanges in small businesses. Further, Aji and Urumsah (2016) observed that perceived benefits of using forensic accounting services (FAS) affect users' attitudes or intention to adopt FAS. Similarly, Anh et al. (2011) found that high levels of perceived benefits lead to a higher adoption rate of accounting practices in Vietnamese enterprises. Lastly, Ng et al. (2017) reported that the perceived benefits of deploying FAS positively influenced the intention to use FAS among Malaysian SMEs.

4.6.3 Influence of Attitude on Intention to Use

The hypothesis 2 proposes that a positive attitude towards auditing services may influence the intention to use auditing services among SMEs. The results confirmed this proposition in that attitude was found to influence the SME's intention to use auditing services significantly and positively. This implies that the attitude of SMEs is a substantial and positive influential factor of intention to use auditing services.

This finding is supported by the theory of planned behaviour which emphasises the relevance of attitude as a mediator to produce behavioural intentions. This attitude-intention nexus has been demonstrated in several scholarships (Muthusamy et al., 2010a, 2010b; Quaddus & Hofmeyer, 2007; Schmiege et al., 2009). Specifically, Muthusamy et al. (2010a) revealed that attitude towards FAS influenced the intention to use FAS in large Malaysian companies. Similarly, Muthusamy et al. (2010b) and Schmiege et al. (2009) applied the theory of planned behaviour and found a significant nexus between attitude and

intentions. This finding is supported by the TPB theory which indeed show that attitude influences intention (Magendans et al., 2017). According to TPB, when a positive effect is formed, the intention for a particular behaviour surge. On the contrary, when a negative attitude arises, the behavioural intention declines (Ameliawati & Setiyani, 2018; Coşkuner, 2016; Muthusamy, 2011).

4.6.4 Influence of Perceived Financial Cost on Attitude and Intention to Use

In confirming hypotheses 3, perceived financial cost was found to influence the SME's attitude and intention to use auditing services significantly and negatively. This implies that perceived financial cost emerges as a significant and negative precursor of SME's attitude and intention to use auditing services. Thus, the higher the perceived financial cost, the less the SME's intention to use auditing services as well as the more negative attitude towards auditing services.

The finding concurs with Olowookere and Inneh (2016) who opined that “the cost of an audit is a determining factor”. The finding also confirms the empirical literature. For instance, perceived financial resources were also found to be a significant antecedent of the behavioural intention to use a system (Mathieson et al., 2001). Luarn and Lin (2005) found that perceived financial cost had a negative effect on the behavioural intention to use mobile banking. These reports were confirmed in another study by Ng et al. (2017) which revealed that the PFC of FAS negatively influenced the attitude and intention to use FAS among SMEs in Malaysia. Similarly, Muthusamy (2011) found financial cost as a

significant that negatively affects the behavioural intention to practice FAS for the discovery and inhibition of fraud in Malaysian companies.

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CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

The key objective of this present study was to evaluate the attitude and behavioural intention towards auditing services among SMEs in Ghana. Thus, this concluding chapter of the thesis offers the summary of research findings in addition to conclusions, recommendations and future research directions.

5.2 Summary of Findings

5.2.1 Attitude and Behavioural Intention of SMES towards Auditing Services

Generally, it was found that the SMEs have high positive attitude towards auditing services. Aside, the results indicate a high positive behavioural intention of SMEs towards auditing service.

5.2.2 Influence of Perceived Benefits on Attitude and Intention to Use

The results reveal that perceived benefits positively influence SME's attitude and intention towards the use of auditing services, hence, supportive of hypothesis 1. That is, the more beneficial the SMEs perceived auditing service, the more positive their attitude and intention towards the use of auditing services.

5.2.3 Influence of Attitude on Intention to Use

Conforming to hypothesis 2, attitude was found to influence the SME's intention to use auditing services significantly and positively. In other words, the attitude of SMEs is a substantial and positive influential factor of intention to use auditing services.

5.2.4 Influence of Perceived Financial Cost on Attitude and Intention to Use

In support of hypotheses 3, perceived financial cost was found to influence the SME's attitude and intention to use auditing services significantly and negatively. Thus, perceived financial cost emerges as a significant and negative precursor of SME's attitude and intention to use auditing services in that the higher the perceived financial cost, the less the SME's intention to use auditing services and the more negative attitude towards auditing services.

5.3 Conclusion

This study explored the attitude and behavioural intention of SMEs towards auditing services in Ghana. Specifically, the study covered the attitude and behavioural intention of SMEs as well as the predictive role of perceived benefits and perceived financial cost of using auditing services on the attitude and the intention to use auditing services among SMEs within Ho Municipality in Volta Region. Generally, it was found that the SMEs have high positive attitude towards auditing services. Aside, the results indicate a high positive behavioural intention of the SMEs towards auditing service.

Further, the findings proved perceived benefits positively influence SME's attitude towards the use of auditing services. Similarly, it has been proven that the attitude and PFC predict the intention to use auditing services positively and negatively, respectively. It is therefore concluded that the SMEs in the Ho Municipality have favourable attitude and intentions towards the use of auditing services which are significantly influenced by perceived benefits and financial costs.

5.4 Recommendations

First, SMEs should relentlessly embrace and deploy auditing services. This call is necessitated by the benefits that auditing services including deterring of fraud from happening, recovery of stolen cash and assets, tightening of internal control processes and procedures in the SMEs and enhancing the image of the SMEs.

Besides, auditing experts including auditing service providers should comprehensively educate SME owners and managers on auditing services. This will at long run improve the perceptions of the SME owners and managers which will augment their attitude and intention to deploy auditing services.

Furthermore, auditing service providers should as a matter of urgency consider and regulate their consultancy fee for easy access to auditing services. This will help the SMEs to have the leverage in seeking for auditing service.

For future research directions, it might not be appropriate for this study to claim that the findings are valid to all SMEs in Ghana. Expanding the research to cover a more representative sample of the SMEs from various regions of Ghana may give a better ground for generalisation of the findings. Applying mixed method (both quantitative and qualitative research) will provide valuable understanding of the attitude and behavioural intention towards auditing services among SMEs in Ghana and the predictors thereof.



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APPENDIX - QUESTIONNAIRE

You are humbly invited to participate in this research study. Data from this research will be reported only as an academic information and enable the researcher to complete his research work being undertaken at the Institute of Distance Learning, Kwame Nkrumah University of Science and Technology. There are no risks associated with your participation, and your responses will remain confidential and anonymous. Please it takes about *15 minutes* to complete the questionnaire.

Thank you for your participation.

Section A: Biographical Information

When completing this questionnaire, please tick [] in the applicable box.

1. Gender:

(a) Male

(b) Female

2. Age:

(a) 18–23 yrs

(b) 24–29 yrs

(c) 30–35 yrs

(d) 36–40 yrs

(e) 41 yrs and above

3. Marital Status:

(a) Married

(b) Single

4. Position:

- (a) Owner []
- (b) Manager []
- (c) Owner- Manager []

5. Educational Background:

- (a) No formal education []
- (b) Basic/Primary []
- (c) Secondary []
- (d) Tertiary []

6. Years of operating the SME:

- (a) Less than 1 year []
- (b) 1-5 yrs []
- (c) 6-10 yrs []
- (d) 11-15 yrs []
- (e) 16-20 yrs []
- (f) 21 yrs & above []

7. Number of employees in the firm:

- (a) Less than 6 employees []
- (b) 6-9 employees []
- (c) 10-29 employees []
- (d) 30-50 employees []

8. Please, indicate the type of SME you are operating (e.g. manufacturing, service, restaurants, etc.) _____

Section B: Attitude (Muthusamy, 2011)

Indicate the extent to which you agree or disagree with each statement by checking the appropriate number from 1 to 6 using the following scale:

1 = Strongly Disagree; 2 = Disagree; 3 = Somewhat Disagree; 4 = Somewhat Agree; 5 = Agree; 6 = Strongly Agree

ATT1	I think it is good to use auditing services for fraud detection and prevention.	1	2	3	4	5	6
ATT2	I believe that the benefits of auditing services outweigh the associated risks.	1	2	3	4	5	6
ATT3	Overall, my attitude towards auditing services is positive.	1	2	3	4	5	6

Section C: Behavioural intention (Efiong, 2013)

Indicate the extent to which you agree or disagree with each statement by checking the appropriate number from 1 to 6 using the following scale:

1 = Strongly Disagree; 2 = Disagree; 3 = Somewhat Disagree; 4 = Somewhat Agree; 5 = Agree; 6 = Strongly Agree

Item	Statement	Response					
BI1	We intend to use auditing services in the near future in our establishment.	1	2	3	4	5	6

BI2	Auditing services has come to stay, hence our establishment will soon acquire its services.	1	2	3	4	5	6
BI3	It will be not possible for us to use auditing services (R)	1	2	3	4	5	6

Section D: Perceived benefits (Muthusamy, 2011)

Specify the extent to which you agree or disagree with each statement by checking the appropriate number from 1 to 6 using the following scale:

1 = Strongly Disagree; 2 = Disagree; 3 = Somewhat Disagree; 4 = Somewhat Agree; 5 = Agree; 6 = Strongly Agree

PB1	Using auditing services helps to deter fraud from happening.	1	2	3	4	5	6
PB2	Auditing services helps in the recovery of cash and assets that have been stolen.	1	2	3	4	5	6
PB3	Using auditing services enhances the image of my firm.	1	2	3	4	5	6
PB4	Auditing services identify and quantify damage due to fraud.	1	2	3	4	5	6
PB5	Auditing services gathers and presents evidence in a professional and concise manner.	1	2	3	4	5	6
PB6	Auditing helps to tighten internal control processes and procedures.	1	2	3	4	5	6

Section E: Perceived financial cost (Muthusamy, 2011)

Specify the extent to which you agree or disagree with each statement by checking the appropriate number from 1 to 6 using the following scale:

1 = Strongly Disagree; 2 = Disagree; 3 = Somewhat Disagree; 4 = Somewhat Agree; 5 = Agree; 6 = Strongly Agree

PFC1	The cost of using auditing services would influence my firm's decision to use auditing services.	1	2	3	4	5	6
PFC2	My firm cannot afford the cost of acquiring auditing services.	1	2	3	4	5	6
PFC3	Acquiring auditing services is expensive.	1	2	3	4	5	6

Thank you very much.

