CHRISTIAN SERVICE UNIVERSITY COLLEGE

SCHOOL OF BUSINESS

DEPARTMENT OF ACCOUNTING

ASSESSMENT OF PUBLIC SECTOR CORPORATE GOVERNANCE PRINCIPLES FOR ACCOUNTABILITY AND VALUE FOR MONEY: THE CASE OF KUMASI METROPOLITAN ASSEMBLY

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DECLARATION

We hereby declare that this submission is our own work towards the Bachelor of Business Administration and that, to the best of our knowledge, it contains no material previously published by another person or material which has been accepted for the award of any other degree of the University, except where due acknowledgment has been made in the text.

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SUPERVISOR'S DECLARATION

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ABSTRACT

Corporate governance has received significant public and regulators attention in today's global world and good corporate governance principles has been laid to ensure accountability and value for money in institutions. This study, therefore, assesses corporate governance principles within KMA for accountability and value for money. Descriptive research method was employed. Simple random sampling and census procedures were used to obtain data from 60 top and lower level management within KMA. Statistical tools used were mean and standard deviation. The study revealed that KMA highly applies the principles of corporate governance to ensure accountability but moderately applies the principles of value for money. Therefore, to ensure good corporate governance, governance structure, sufficient and appropriate resources and competent personnel.

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DEDICATION

This work is dedicated to our parents for taking the pain in educating us. We pray that the Most High God will continue to strengthen them to continually stand by us. May the good Lord give them more to do greater things.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

This research assesses a set of issues concerning corporate governance and accountability and value for in the public sector in Ghana. Public sectors' Corporate Governance concept has come to limelight and it is gaining more and more field both in specialized literature and in practice. In developing countries, corporate governance and control system have made the public sector ineffective. (Uddin and Hopper 2001, 2003; Rahaman and Lawrence, 2001a, b; Rahaman et al., 2004). Enormous public sector deficits in Ghana were a source of state financial crises and became identified as an obstruction to economic development, not least by external funding agencies such as the World Bank and the IMF (World Bank, 1995b). The latter have increasingly come to see economic liberalisation and structural adjustments as a solution.

Ghanaian governments, incited on by aid agencies, have adopted widespread programmes of public sector reforms. In part, this is a pragmatic reaction to the failures of public sector to perform their public interest role (World Bank, 1995a, b), a role interpreted as providing employment, reducing foreign exchange outflows through import substitution and generating tax revenues (Aharoni, 1986; Ramamurthi, 1987; Vickers and Yarrow, 1988; Adhikari and Kirkpatrick, 1990). It is believed that public sector reforms will necessarily lead to effective and efficient use of state resources. The policy advice is underpinned by prescriptions from development economics, especially neo-classical variants drawing on theories of agency, property rights and allocative efficiency, claiming that a reformed public sector would introduce better controls because it would be accountable to various independent bodies (Cook and Kirkpatrick,

1995) and serve the interests of the public by improving decision making, accountability and performance. However, such policies have been criticised for their failure to take account of local factors (Stiglitz, 2002).

The subject of corporate governance leapt into the global business limelight from relative obscurity after a string of collapses of high profile financial institutions. Enron, the Houston, Texas based energy giant and World.com the telecom behemoth, shocked the business world with both the scale and age of their unethical and illegal operations.

While corporate practices in the US companies came under attack, it appeared that the problem was far more widespread. Large and trusted companies from Parmalat in Italy to the multinational newspaper group Bollinger Inc., Adephia Communications Company, Global Crossing Limited and Tyco International Limited, revealed significant and deep-rooted problems in their corporate governance (La Porta et al., 1999). Donaldson (2003) noted that weak corporate governance issues in most cases do not only lead to poor firm performance and risky financing patterns, but also culminate into macroeconomic crises.

Although, prior studies have noted that good corporate governance is imperative for increasing investor confidence and market liquidity (Monks and Minow, 1996), for continuous and sustainable growth of an organisation, there is no alternative to effective corporate governance. It is, however, observed that organizations which are well-governed and more democratic tend to enjoy higher valuations, achieve higher profits, higher growth in sales, lower capital expenditures and less bankruptcy risks. Firms in this category pay out more cash in the form of dividend to their shareholders unlike poorly governed firms (Pike and Neale, 2006).

Corporate governance in Ghana has been gaining recognition in response to initiatives by some stakeholders in collaboration with the Commonwealth Association of Corporate Governance, to address corporate governance in Ghana. A study, conducted and launched by the Institute of Directors-Ghana (IoD-Ghana) in 2001, indicated that acceptance of good corporate governance practices by businesses in the country is increasing.

In spite of the above developments, and laws which support corporate governance in Ghana, formal corporate governance structures and institutions are relatively underdeveloped in the country particularly among public sector in Ghana. These laws include the Companies Code 1963 (Act 179), which provides for governance of all companies incorporated in Ghana; and the Securities Industry Law, 1993 (PNDCL 333) as amended by the Securities Industry (Amendment) Act 2000 (Act 590), which provides for governance of all stock exchanges, investment advisors, securities dealers, and collective investment schemes licensed by the Securities and Exchange Commission (SEC), among others.

While corporate governance and management deficits as well as a lack of accountability have led to many discussions in this area, corporate governance of public sector continues to be a major challenge in many countries (OECD, 2005; Whincop, 2005; Bernier, 2015; Papenfub, 2014; Bruton et al., 2015). There are continuing questions about which models, mechanisms, instruments and processes public sector boards could use to promote the effective, efficient and sustainable provision of public services (OECD, 2005; Florio and Fecher, 2011; Verhoest et al., 2012).

1.2 Statement of Problem

Many researchers have written a lot of literature where they focused on corporate governance and performance within the private enterprises, public enterprises and private and public enterprises. For example, Keasey and Wrght (1993) examined corporate accountability and governance. Also Hodges et al., 1996 studied concepts and issues concerning corporate governance in the public service in the United Kingdom. Matei and Dramasu (2015) did literature on corporate governance and public entities in Romania where they posited that corporate governance in the private sectors can be practice in the public sectors as well. Grossi and Papenfub, 2015 also researched on corporate governance accountability of state-owned enterprises. They posited that public service and budget cannot be realized effectively and efficient without powerful governance and management. In Ghana, Amoako and Goh, (2015) studied corporate governance practices of state owned enterprise in Ghana. Uddin and Tsamenyi researched on public sector reforms and public interest in Ghana. Appiah, Awunyo-Vitor and Awuah-Nyarko (2017) studied corporate governance and financial performance of listed banks. Only a few studies have been conducted so far on corporate governance and firm performance in Ghana (Abor, 2007; Kyereboah-Coleman, 2007; Kyereboah-Coleman and Biekpe, 2006; Abor and Biekpe, 2005). Little studies exist to assess corporate governance and accountability and value of money account within Kumasi Metropolitan Assembly office.

1.3 Research objective

The objective of the study is to assess public corporate governance and accountability and value of money account in Kumasi Metropolitan Assembly. Specifically, this research sought to:

1. Assess organisational structure and process that is practised within the Kumasi Metropolitan Assembly to ensure accountability.
2. Assess controls system within Kumasi Metropolitan Assembly
3. Assess whether Kumasi Metropolitan Assembly practise external reporting
4. Assess audit, accountability for resources and stewardship within Kumasi Metropolitan Assembly
5. Find if Kumasi Metropolitan Assembly engages in practices that ensure value for money.

1.4 Research question

The research was guided by the following questions:

1. To what extent is organisational structure and processes practiced within the Kumasi Metropolitan Assembly to ensure accountability?
2. To what extent are controls systems put in place at Kumasi Metropolitan Assembly to ensure accountability?
3. To what extent does Kumasi Metropolitan Assembly practise external reporting?
4. To what extent does Kumasi Metropolitan Assembly ensure stewardship and perform audit and account for resources?
5. What practices does Kumasi Metropolitan Assembly engages to ensure value for money?

1.5 Significance of the study

The findings of this research will benefit the government, public sector governing board, researchers and other stakeholders. To the government, it will help them to carefully policies and guidelines to ensure accountability and value for money within the public sector. It will also help public sector governing board to identify and adopt good corporate governance practices to ensure accountability and value for money. To researchers, it will contribute or serve as bases for further research and also as a valuable reference.

1.6 Limitation of the study

This research study has certain limitations, although great care was taken in obtaining precise and useful information. The research method applied has certain weaknesses that should be noted, especially when the conclusions drawn from the analysis of the data are considered (Zimund, 2000). Firstly, the research was analyzed using the quantitative analysis approach though the qualitative analysis could have used. Secondly, the study was based on examining the principles of accountability and value for money within the Kumasi Metropolitan Assembly and the respondents were required to answer some questions. These answers to the questions may not represent the true situation. Thirdly, the researcher encountered difficulties in collecting data as some of the respondents were not ready to accept the questionnaires. Lastly, the study was confined to Kumasi metropolitan Assembly and this would limit the generalisation of the findings to other districts, municipal and local assemblies and other public sectors as a whole.

However, the findings of this study may not differ much from other districts, municipal and local assemblies and other public sectors since all the assemblies and other public sectors draw their policies and procedures from the central government although they have local or internal policies and procedures.

1.7 Organisation of the Study

This research covers five (5) chapters. Chapter one deals with introduction and background to the study, statement of the problem, objectives of the study, research questions, significance of the study, limitation of the study and organisation of the study. Chapter two on the other dealt with the review of the related literature or other work depicting the opinions of other people. Chapter three dealt with methodology, research design, research population, sample and sampling procedure, research instrument, administration of instrument and data analysis procedure. Chapter four dealt with results of the study. Chapter five finally dealt with summary, conclusions, suggestions, recommendations and references.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter will cover a review of related literature from available sources of information on Kumasi Metropolitan Assembly and various subjects of the study. They will include materials gathered from libraries, textbooks, published and unpublished but printed.

2.1 Background of Kumasi Metropolitan Assembly

The Kumasi metropolis is centrally located in the Ashanti Region of Ghana. Its unique central position makes it accessible from all corners of the country. It is the second largest city the country and the administrative capital of Ashanti. It is a fast growing Metropolis with an estimated population of more than two million people and an annual growth rate of about 5.4%. The metropolis is about is about 254 kilometres; it is physical structure is basically circular with a central located commercial area. The city is divided into nine (9) sub-metros namely.

2.1.1 The Establishment of Kumasi Metropolitan Assembly

Kumasi became the capital city of the new Asante State built from a voluntary amalgamation of about a dozen city states. The Asanteman Traditional Council, the traditional governing authority of the old Asante Kingdom, was restored by the British Colonial Authority in 1935 and Kumasi became the seat of the Council though without political powers which were kept by the British Colonial Government with its seat in Accra (Adu-Boahen, 1971).

Kumasi Metropolitan Assembly (KMA) was established by Local Government Establishment Instrument (L.I 1434, 1988) to manage the metropolis. This L.I was over time amended to L.I 1614, 1995 and then L.I 1805, 2010. The Legislative Instrument 1614, 1995 defined the Metropolis to consist of the following Sub-Metropolitan District Councils; Bantama, Subin, Manhyia, Asokwa. Through L.I 1805, Oforikrom, Tafo-Pankrono, Nhyiaeso, Kwadaso, Suame, and Asawase were added bringing the number to ten.

These Councils have secretariats headed by Metropolitan Directors which manage their day-to-day business for effective co-ordination and harmonisation. Heads of the Sub-Metropolitan District Councils (SMDCs) have to refer major actions to the Metropolitan Co-ordinating Director. The SMDCs are further divided into 24 Town Councils and have a total of 419 Unit Committees.

2.1.2 Membership of the Metropolitan Assembly

The Kumasi Metropolitan Assembly is one of the twenty-seven administrative districts in the Ashanti Region. The Assembly is made up of made up of 87 members, out of which 60 are elected from the various electoral areas in the Metropolis, while the remaining 27 are appointed by the President in consultation with traditional authorities. A Metropolitan Chief Executive, who is also a member of the Assembly, is the Mayor of Kumasi and head of the Kumasi Metropolitan Assembly.

2.1.3 Political and administrative structure of KMA

The KMA has two main arms responsible for the political and management functions of the Metropolis. The political structure is defined by an 87-person assembly. Sixty (60) of the assembly members represent electoral constituencies, 27 serve as appointees of the president and the head (the Metropolitan Chief Executive) is nominated by the president but has to be approved by at least a two-thirds majority. The Mayor of the Metropolis has massive power of administering the metropolis and this is seen in the recent decongestion exercise in the metropolis.

The metropolis is further divided into nine sub-metropolitan districts, ostensibly to facilitate the decentralization system in Ghana. Beneath the level of the sub-metros are 24 town councils and 419 unit committees. These sub-district political/administrative structures constitute bodies of the metropolitan assemblies in Ghana and perform functions assigned to them by the instruments setting up the Assemblies or delegated to them by the Assemblies. Town councils are established for settlements with population between 5,000 and 15,000 but these are markedly different in size, sometimes exceeding 50,000 depending on the Metropolitan Assemblies. The town councils are essentially rallying points of local enthusiasm in support of the development objectives of the District Assembly (Ministry of Local Government and Rural Development 1996).

The unit committees form the base structure of the New Local Government System. A unit is normally a settlement or a group of settlements with a population of between 500-1000 in the rural areas and a higher population (1,500) for urban areas. Unit Committees being in close touch with the people, play the important roles in education, organization of communal labour, revenue raising and ensuring environmental cleanliness, registration of births and deaths, implementation and monitoring of self-help projects among others. The sub-metro structures therefore assist the metropolis in grass root planning or the bottom-up approach to planning within the decentralized system. There is therefore a linkage between the top (Metropolitan Assembly and the grass root (unit councils).

2.1.4 Departments in KMA

Quiet distinct from the political structure is a management structure comprising the eleven (11) decentralized departments responsible for operationalisation KMA policies. Among these are the:

1. Department of Education Youth and sports
2. Social welfare and community development
3. Works
4. Physical planning
5. Finance
6. Natural resource conservation
7. Central administration
8. Trade and industry
9. Disaster prevention
10. Health
11. Agriculture

2.2 Concept of Corporate Governance

Corporate governance enjoys agreed views in all circumstances and countries but has no universally established definition. Numerous researchers have viewed corporate governance from their own perspectives (Drobetz et al., 2004; Long et al., 2012a; Long et al., 2012b). Different definitions have been put forward by authors. The Code of Corporate Governance issued by Security and Exchange Commission (SEC) (2010) defines the subject as the rules, processes, or laws by which institutions are operated, regulated and governed. It is developed with the primary purpose of promoting a transparent and efficient system that will engender the rule of law and encourage division of responsibilities in a professional and objective manner. In Thailand, the National Corporate Governance Committee (NCGC) defined the term as a system having a corporate control structure combining strong leadership and operations monitoring. Its purpose is to establish a transparent working environment and enhance the company's competitiveness. The Organization for Economic Cooperation and Development (OECD) also defines corporate governance as the system by which business corporations are directed and controlled. The Asian Development Bank defined the concept as the manner in which authority is exercised in the management of a country's social and economic resources for development (Eng & Mak, 2003; Cheng, 2008; Cadbury, 2002). Corporate governance was described to be a way and manner in which the affairs of companies are conducted by those charged with that duty. In Nigeria, the governance of a limited liability company is the responsibility of its board of directors. Dozie (2003) believes that corporate governance is characterized by transparency, accountability, probity and the protection of stakeholders' rights. Oyediran (2003) further observes that corporate governance refers to the manner in which the power of a corporation is exercised in the management of its total portfolio of socio and economic resources with the aim of increasing shareholders' value and safeguarding the interest of other stakeholders in the context of its corporate mission.

Prowse (1998) posits that corporate governance refers to the rules, standards and organizations in an economy that govern the behavior of business owners, directors, and managers and define their duties and accountability to outside investors. Solomon

& Solomon (2004) view it as the mechanism of checks and balances, both internal and external to companies, which ensures that organizations discharge their accountability to stakeholders and act in a socially responsible manner. Monks and Minow (1996) opine that corporate governance is the relationship among various participants in understanding the direction and performance of business organizations. This concept can be perceived as structure and processes to direct and control corporations and to account for their operations (Neuberger & Lank, 1998). Another opinion put across by Sanda et al. (2005) sees corporate governance as the ways in which all parties interested in the wellbeing of the corporation try to ensure that managers and other parties take necessary approach to safeguard the interest of all investors. Iskander & Chamlou (2000) stated that corporate governance is important not only to attract long-term foreign capital, but more especially to broaden and deepen local capital markets by attracting local investors both individual and institutional. Nielsen (2000) reported that corporate governance is the system of rights, structures and control mechanisms recognized internally and externally for the management of a listed public limited liability company, with the aim of protecting the interests of stakeholders. Conclusively, what is evident from the various definitions reviewed is that corporate governance is the set of structures, processes, cultures and systems through which objectives are determined and companies are directed and controlled. Majority of the definitions are similar but presented in different ways.

2.2.1 Board-Related Issues

As a result of the relevant role board of director play in ensuring good corporate governance in corporate organisations, it is not all that astonishing to note that the 2010 SEC code of best practices focuses on the board as the main governance mechanism to ensuring effective corporate governance. Firstly, the code provides for a split of the roles of the Chief Executive Officer (CEO)/Managing director and that of the Board Chairperson of the same corporate organisation. Accordingly, Section i (14) of 2010 SEC code of best practices provides that preferably, the position of the Board Chairperson ought to be separated from that of the Chief Executive Officer of the corporate organisation unless there are particular explanations that go against such split or as perhaps will be in the situation of smaller firms where such separation will be economically imprudent as a result of the cost associated with such division.

In order to clarify the various roles of these topmost positions in a company, section i (18) 2010 SEC code of best practices provides that the chairperson ought to ensure that the board is in absolute control of the affairs of the corporate organisation and attentive to the responsibilities to equity holders, industry, and the legal and regulatory framework. Although the code does not clearly specify the role of the CEO, section i (16) provides that in the situation where there is a split of these two roles, their specific roles and responsibilities should be lucidly itemised.

Many corporate governance experts stress that it is crucial that the positions of the CEO/Managing director and the Board chairperson are split to ensure checks and balances. This approach is widely applied in the United Kingdom and other economies, particularly Commonwealth countries. Larcker and Tayan (2011) argue that corporate organisations that split up the roles of these two topmost positions stand the chance of benefiting. This is because, with this separation, corporate organisations can: unambiguously spell out the responsibilities of these two topmost positions; do away with conflicts in regards to CEO performance assessment, compensation packages for executives, recruitment of independent directors and long-term succession planning;

and gives the CEO enough time to concentrate utterly on the corporation's business strategies, operations and culture (Larcker & Tayan, 2011). Millstein and McAVoy (2003) advocate that the separation of the two positions with an independent director as chairperson is germane to position the board as an objective monitoring and controlling mechanism. Pease and McMillan (1993) also postulate that in order to ensure objectivity by avoiding concentration of power in the hands of one individual, there is the need to separate the roles of the board chairperson and the CEO. The combination of the roles of the chairperson and CEO will lead to a compromise (finding the middle ground) between them, but their separations will enrich the board's independence while monitoring the CEO. Berghe and Levrau (2004) support the argument that agency theory endorses this separation thus reducing the supremacy of management over the board.

Even though the concept of a non-duality structure has been discussed for decades, it is only in recent times that it received attention as a practice from many countries. For instance, most companies in the US such as Aon, intercontinental hotels, Tenet Healthcare and Walt Disney Company have non-executive chairpersons. The major arguments in favour of this idea stems from the assertion that separating the two positions and selecting a non-executive chairperson will heighten the capability of the board to monitor and control the actions of the CEO as well as to function independently. Also, with the split of these two positions, the board has a leader who is free from any interference that is considered to mar its solitary mandate to act effectively. This idea makes directors to feel more comfortable to act boldly to challenge the CEO on some decisions that are likely to affect the company. Furthermore, more often than not, capital providers prefer investing in companies with non-executive chairpersons, and because of that, companies that have this type of system attract a lot of investors. Countries such as Germany, Switzerland, Holland and the Scandinavian countries have these two positions (CEO and chairperson) separated by law.

2.1.2 Shareholder-Related Issues

It is imperative that shareholders of corporate organisations are properly informed about how their companies are faring in the global market. Accordingly, the 2010 SEC Code has addressed this issue in details by explicitly stating that boards of corporate organisations have to adopt and implement communication strategies that will enable their managers to clearly reveal and broadcast information in regards to the operation and administration of the corporation to all stockholders irrespective of their holdings (Ghana, 2010). But it is worth considering that in order for shareholders to know what exactly are happening in their corporate organisations, the quality of information corporate authority covey to them is extremely important. Consequently, the code has unequivocally provided some mechanisms that are required to be implemented by authorities of corporations. These include: communications and reports by the board to stockholders should be in simple language, logical and coherent with past annual reports; the information should be founded on the tenets of even-handedness, rapidity, significance and candidness; and annual reports backed with figures must strive to strike out a steadiness between the helpful and unhelpful facets of the operations of the company for the year under review (Ghana, 2010).

The involvement of other stakeholders in corporate affairs has become an important issue in modern corporations as well as in the current corporate governance debate. The

2010 SEC Code has adequately addressed the issue of the involvement of other stakeholders in corporate affairs. Section i (1.b, p. 12) of the code states that “the interests of other stakeholders are relevant as a derivative of the duty to shareholders”. In this period where seismic activities, global warming, climatic change, wars, terrorist activities and so on, have become the order of the day, matters pertaining to environmental and humanitarian challenges have become teething concerns for corporate organisations and governments alike. It is thus pleasant that the code has not overlooked these issues.

2.1.3 Audit-Related Matters

Countries across the globe have introduced mechanisms to enhance the independence of auditors and to make tighter their accountability to shareholders (OECD, 2004). It is gratifying to note that the 2010 SEC Code has made provisions for an independent external auditor to ensure “that the audit of the corporate body is conducted in accordance with the generally accepted standards of auditing required by the Institute of Chartered Accountants (Ghana) of its members”(Ghana, 2010). Also, the role of the external auditor has been overtly stated to include; he/she has to be the main supplier of a factual, impartial, efficient and valuable view on the financial declarations of the corporation; and he/she should adopt assiduousness, objectivity and independence in the discharge of his/her duties and responsibilities (Ghana, 2010).

The issue of external auditor’s independence has become a pressing concern to corporate governance experts across the globe. Most international best practices on corporate governance have addressed this issue. The OECD (2004) principle of corporate governance categorically states that: Provision of non-audit services by the external auditor to a company can significantly impair their independence and might involve them auditing their own work. To deal with the skewed incentives which may arise, a number of countries now call for disclosure of payments to external auditors for non-audit services. Examples of other provisions to underpin auditor independence include, a total ban or severe limitation on the nature of non-audit work which can be undertaken by an auditor for their audit client, mandatory rotation of auditors (either partners or in some cases the audit partnership), a temporary ban on the employment of an ex-auditor by the audited company and prohibiting auditors or their dependents from having a financial stake or management role in the companies they audit. Some countries take a more direct regulatory approach and limit the percentage of non-audit income that the auditor can receive from a particular client or limit the total percentage of auditor income that can come from one client.

2.3 Corporate governance principles

Corporate governance principles essentially involve balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community (https://nhyirapremiumuniversity.com/). At the centre of good corporate governance is the organisation's board, be it a for-profit or not-for-profit enterprise. The basic principles of corporate governance involve how the board should develop, take action and be held accountable.

2.3.1 Organisational Structure and Process

Control and ownership structure refers to the types and composition of shareholders in a corporation. In some countries such as most of Continental Europe, ownership is not necessarily equivalent to control due to the existence of e.g. dual-class shares, ownership pyramids, voting coalitions, proxy votes and clauses in the articles of association that confer additional voting rights to long-term shareholders. In the wake of good corporate governance principles, it is posited that organisations should be headed by an effective board, responsibilities and accountabilities within the organisation should be clearly identified, the board should comprise independent minded directors. It should include an appropriate combination of executive directors, independent directors and non-independent non-executive directors to prevent one individual or a small group of individuals from dominating the board's decision taking, the board should be of a size and level of diversity commensurate with the sophistication and scale of the organisation. Appropriate board committees may be formed to assist the board in the effective performance of its duties.

2.3.2 Internal and Risk control

Internal corporate governance controls monitor activities and then take corrective actions to accomplish organisational goals. Examples include:

Monitoring by the board of directors: The board of directors, with its legal authority to hire, fire and compensate top management, safeguards invested capital. Regular board meetings allow potential problems to be identified, discussed and avoided. Whilst non-executive directors are thought to be more independent, they may not always result in more effective corporate governance and may not increase performance. Different board structures are optimal for different firms. Moreover, the ability of the board to monitor the firm's executives is a function of its access to information. Executive directors possess superior knowledge of the decision-making process and therefore evaluate top management on the basis of the quality of its decisions that lead to financial performance outcomes, ex ante. It could be argued, therefore, that executive directors look beyond the financial criteria.

Internal control procedures and internal auditors: Internal control procedures are policies implemented by an entity's board of directors, audit committee, management, and other personnel to provide reasonable assurance of the entity achieving its objectives related to reliable financial reporting, operating efficiency, and compliance with laws and regulations. Internal auditors are personnel within an organization who test the design and implementation of the entity's internal control procedures and the reliability of its financial reporting.

Balance of Power: The simplest balance of power is very common; require that the President be a different person from the Treasurer. This application of separation of power is further developed in companies where separate divisions check and balance each other's actions. One group may propose company-wide administrative changes, another group review and can veto the changes, and a third group check that the interests of people (customers, shareholders, employees) outside the three groups are being met

The board has the responsible for risk governance and to ensure that the organisation develops and executes a comprehensive and robust system of risk management. Good corporate governance ensures the maintenance of a sound internal control system. The board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The board should maintain sound risk management and internal control systems.

2.3.3 External Reporting

The board should present a fair, balanced and understandable assessment of the organisation's financial, environmental, and social and governance position, performance and outlook in its annual report and on its website.

2.3.4 Stewardship, audit and Accountability of Resources

The board has a responsibility to establish formal and transparent arrangements for considering how they should apply the corporate reporting and risk management and internal control principles and for maintaining an appropriate relationship with the company's auditors. It is also the responsibility of the organisations to consider having an effective and independent internal audit function that has the respect, confidence and cooperation of both the board and the management. In order to ensure stewardship, audit and accountability of resources, the board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organisation's auditors. The audit committee of the board retains and manages the relationship with the outside auditor, oversees the company's annual financial statement audit and internal controls over financial reporting, and oversees the company's risk management and compliance programs.

2.3.5 Value for money

Value for money is usually explained in terms of the 3Es of economy, efficiency and effectiveness (Glynn, 1985; and Glynn and Murphy, 1996). Glynn (1985, p. 29) defines economy as 'acquiring resources of an appropriate quality for the minimum cost'. It is concerned with minimizing the cost of resources acquired or used, having regard to appropriate quality (Hyndman and Anderson, 1995; and Kloot, 1999). Efficiency is defined as ensuring that ‘maximum output is obtained from the resources devoted, or conversely, that a minimum level of resources is devoted to a given level of output’ (Glynn, 1985, p. 29). Effectiveness is defined as ‘ensuring that the output from any given activity is achieving the desired results’ (Glynn, 1985, p. 30). To evaluate effectiveness, one needs to establish the extent to which the desired goals of (public sector) projects are being achieved. This is not a very straightforward procedure because some (political, for example) goals may not be initially apparent.

2.4 The world of new public management

NPM has been variously characterised, but in essence it reflects a ‘marketised’ approach to the provision of government services embracing a philosophy of government being a facilitator (rather than direct or sole provider) of public services (Guthrie and Parker 1998; Glynn and Perkins 1997). It has tended to adopt private sector management practices including the pursuit of efficiency and effectiveness of service delivery, through the employment of quasi-markets in which the government pays for services but does not necessarily provide them and through the contracting out of services. Such structural changes have extended to include the establishment of quasi-autonomous non-governmental organisations (quangos), the privatisation of formerly publicly owned organisations, the corporatisation of public sector commercial entities, and the forming of partnerships or joint ventures between private and public sector organisations (Leeuw 1996; Glynn and Perkins 1997; Funnell and Cooper 1998). In this ‘new’ world, public sector management has been transformed from being administrators and custodians of resources to accountable managers empowered with greater delegated authority. Public sector organisations are classified into commercial and service forms, and the public and clients are redefined as customers (Parker nand Guthrie 1993; Guthrie and Parker 1998). Policy management and implementation; efficiency, effectiveness and quality; performance evaluation and explicit targets; outputs and outcomes, have all become the prime foci of NPM (Glynn and Perkins 1997; Dixon et al, 1998).

As part of these developments, formal rational management systems have assumed greater importance in the execution of NPM—formally specified objectives, strategic corporate plans, quantified performance targets and benchmarking, accrual accounting systems, performance incentive schemes and a greater recourse to financial 'bottom-line' measures of operating results (Guthrie and Parker 1998; Dixon et al 1998). NPM has thereby wrought a sea change in public sector mentality. Caution and conservatism are held out to be outdated preoccupations of public sector management, to be replaced by flexibility and initiative.

This has required of public sector managers a performance orientation and a proactive, anticipatory management approach. The greater decision-making authority and flexibility accorded to managers has been accompanied by a required results orientation (Dixon et al 1998; Funnell and Cooper 1998). Thus accountability for processes, equity and access have given way in large measure to accountability for outcomes, preferably measured in quantitative and particularly financial terms. Arguably service objectives and policy achievements rank below the measurement and evaluation of financial results of programs, 'full costs' and liabilities (Guthrie and Parker 1998). Such a change has induced significant structural, processual and cultural changes in public sector organisations-flatter organisation structures, leaner management teams, decentralised cost and profit centres-mostly borrowed concepts from the private sector (Dixon et al 1998; Cochrane 1993).

2.3.1 Corporate governance within Metropolitan, Municipal and District Assemblies

The decentralization of government power and authority to make decisions at Metropolitan, Municipal and District Assemblies levels makes government effective and at the same time creates the agency relationships and problems (Smoke, 2006). According to Centre for Democratic Development (CDD), Ghana (2000), the common agency problem in the public sector is corruption. Corruption and misappropriation of resources have adverse effect on socio economic and political growth in a country. According to Parker (2005a), corporate governance during the last century has gradually come into the spotlight and became a matter of great interest and debate. The effusion of corporate frauds and failure enhanced that interest while contemporaneously brought company directors, accounting profession into sharp focuses (Parker, 2007). Corruption has a high tendency to undermine efforts to improve standard of living. A study conducted by CDD, Ghana, in 2000 revealed that corruption is a major problem in both public and private sector with 86% of the households perceived corruption as a major problem in the public sector.

2.4 Theoretical review corporate governance

There are three broad theories to explain the concept of corporate governance. These are: agency theory; stewardship theory; and stakeholder theory. Agency theory is concerned with the conflicting interests of principals and agents. The theory demonstrates the fundamental conflict of interest between managers and owners. Agency theory, which originated from the paper of Berle and Means (1932), dwells on the separation between ownership and control in large corporations. Jensen and Meckling (1976) is one of the most widely-cited papers on agency theory, suggesting that the firm can be viewed as a nexus or network of contracts, implicit and explicit, among various parties or stakeholders, such as shareholders, bondholders, employees, and society at large.

2.4.1 Agency theory

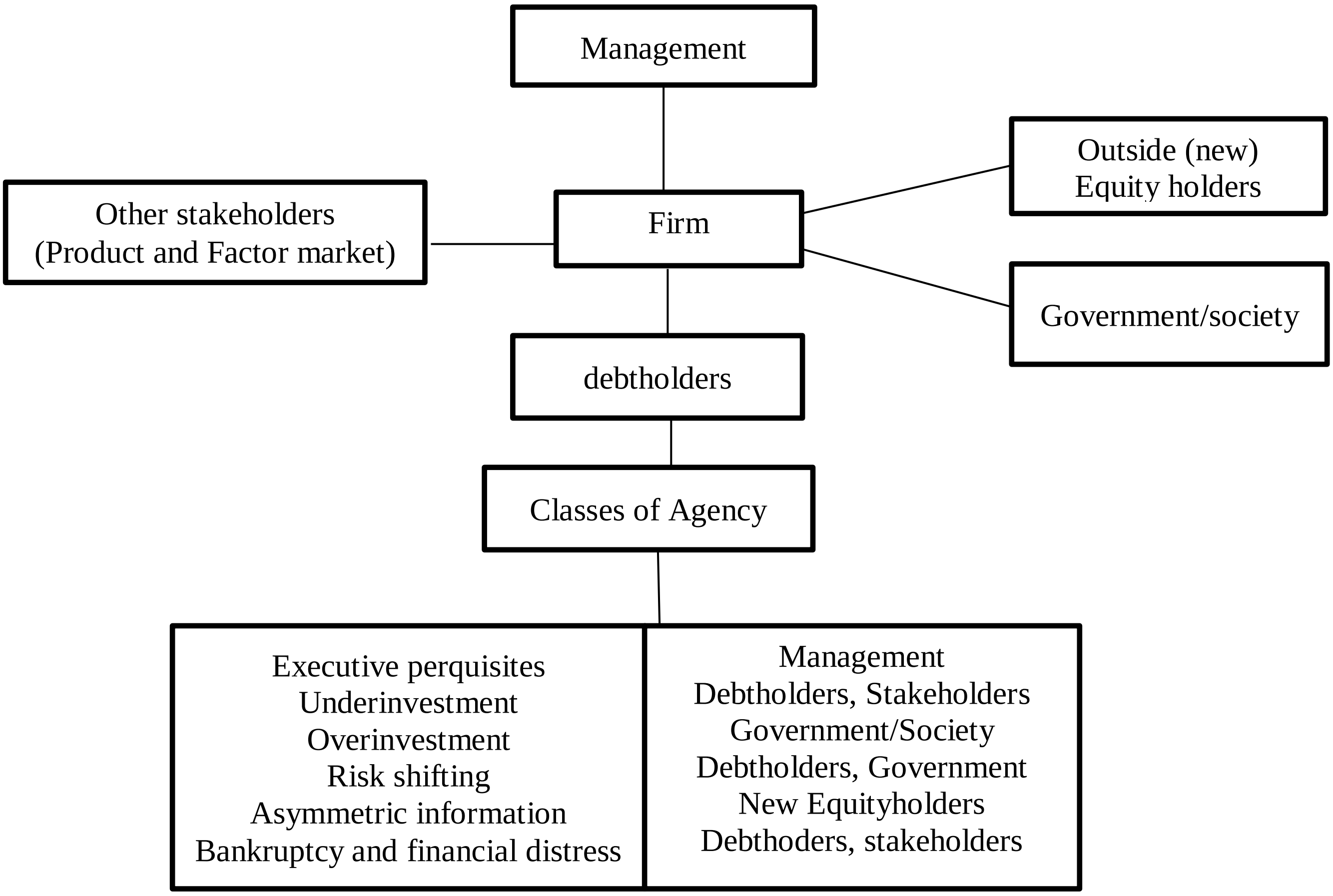
Agency problems arise when the interests of agents are not aligned with those of principals. Owners contract the managers to undertake the controlling tasks of a firm. In the quest to both seek to maximise their utility and self-interest, a conflict of interest arises. Managers having the effective control of the firm have the incentive to consume benefits at the expense of the owners. Jensen and Meckling (1976) define the costs caused by the divergence of interests between owners and managers as the agency cost consisting of the monitoring expenditures by the principal. Depending on the parties involved in conflicts, agency problems can be categorized as: managerial agency or managerialism (between stockholders and management); debt agency (between stockholders and bondholders); social agency (between private and public sectors); and political agency (between agents of the public sector and the rest of society or taxpayers) (Luo, 2006).

According to Jensen and Meckling (1976), shareholders are the residual claimants after other parties, and thus shareholders' rights are the weakest. The core of corporate governance is therefore mainly designing and putting in place disclosures, monitoring, oversight and corrective systems to protect and promote the interest of shareholders. The proponents of agency theory posit that corporate governance should lead to higher stock prices since effective management decreases agency costs. However, Gompers et al. (2003) showed that the evidence of a positive association between corporate governance and firm performance may have little to do with agency explanation.

2.4.2 Stewardship theory

Stewardship theory has been proposed as another pillar for corporate governance. The theory proposes that people are driven by different preferences and motivations and therefore any model of corporate governance must take this into account (Martynov, 2009). The humanistic assumptions of stewardship theory assume that managers are credible and trustworthy and attach significant value to their own personal reputations. It stresses that managers can be trusted to act in the interest of the organisation and will not try to expropriate wealth for themselves since their interests are already aligned with those of the principals. Thereby, the concept of opportunistic behaviour is not present within stewardship theory (Donaldson, 1990; Martynov, 2009; Davis et al., 1997). The market for managers with strong personal reputations serves as the primary mechanism to control behaviour, with more reputable managers being offered higher compensation packages. Figure 1 provides a visual representation of the network of contracts.

Figure 2. 1 The firm (corporation): a network of contracts



Source: John and Senbert (1998)

2.4.3 Stakeholder theory

The stakeholder model proposes that management must take into account multiple interests when making their decisions (Thomsen, 2008). Smith (2011) argues that the stakeholder model is a counter response to the agency model of shareholder primacy. Stakeholder theory argues that shareholders are generally disinterested in the management by agents of the firm and that shareholders should not be considered to be the only relevant form of capital. As such, directors are expected to act in the interest of the numerous capital providers. According to Jensen (2002), a firm implementing a stakeholder approach will be competitively handicapped as the need to balance numerous stakeholder interests allows for too much room for managerial discretion. Asher et al. (2005) provide a contrary view that the competitive disadvantage is derived from the dominant position of the shareholder model (agency logic), and not related to the managerial appropriation of perks. Jensen (2002) argues further that it is easy to maximise one dimension than more, and therefore the theory can, by definition, never work efficiently. Instead, value maximisation is the preferred goal for its positive influence on social welfare. The stakeholder theory has never been able to effectively influence society and provide an adequate framework for evaluating conflicting interests

2.5 Accountability

Accountability is a complex, abstract and elusive concept (Sinclair, 1995; and Robinson, 2002) which has been subjected to many uses and abuses. Patton (1992, p. 166) concurs, by stating that 'the precise meaning and implication of the concept of accountability are often left unclear'. Researchers mostly associate accountability with explaining and justifying behaviours. The UK based International Professional Institute of AccountAbility defines accountability in general terms of transparency and responsibility to stakeholders and compliance to laws, standards and codes of conduct: "To account for something is to explain or justify the acts, omissions, risks and dependencies for which one is responsible to people with a legitimate interest…" To discharge its accountability, an organisation will account for its acts, omissions, risks and dependencies. However, in addition to this accounting requirement of transparency, accountability also entails a broader obligation of responsiveness and compliance (AccountAbility, 1999, p. 18)

Two major perspectives of accountability are commonly used to explain to whom the accountor needs to provide an account to – the narrow agency theory perspective and the broader multi-stakeholder perspective. The narrow agency theory perspective on accountability is mostly concerned with the 'external' processes for defining and regulating the behaviour of the agent to foster congruence with the expectations of the principal(s) (Gray and Jenkins, 1993; Broadbent, Dietrich and Laughlin, 1996; and Gray, Dey, Owen, Evans and Zadek, 1997). It does not deal with the changing needs of the different interest groups even though it explores how and what forms of accountability the agent is willing to acknowledge, prioritize and discharge (Gray et al., 1997, p. 333). On the other hand, the broader multi-stakeholder perspective on accountability is based on dialogue with the relevant interest groups affected by a particular policy to reach compromise and meet their expectations (Day and Klein, 1987; Gray et al., 1997, p. 335; and Demirag, 2005). It presupposes transparency and equal power among all the interest groups.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0. Introduction

This chapter deals with the research procedures used in the collection and presentation of field data for the study. Methodology provides a sound foundation to a research regarding how the research is conducted. The validity and reliability as well as the generalization of the research findings are highly dependent on the research methodologies employed. This chapter deals with the research design, population, sampling procedure, data collection instrument, data collection procedures and the method used to analysis the data of the study.

3.1 Research Design

Research design is a general strategy or plan for conducting a research study. The description of the design indicates the basic structure and goals of the study. The study adopted the descriptive survey: this is where the researcher accumulates data from a large sample drawn from a given population and describes certain features of the sample as they are, at the time of the study.

3.2 Population and Sample Size

Frankel and Wallen (2000), states that the population is a group to which results of the study are intended to apply. The population of the study consisted of all top and lower management within Kumasi Metropolitan Assembly and its sub-metros. Sixty (60) members were from top and lower management was sampled for the study.

3.3 Sampling Procedure

Sampling is necessary because in dealing with a large number of respondents, there is the need to get a fair representation of the people since everybody in the study cannot be studied. However, the question about the right sample size in a research is one that is of prime importance (Sarantakos, 2007). The researcher used the Judgmental or Purposive sampling technique to sample the 60 respondents for the study. Judgmental or Purposive sampling targets key individuals who can give the information required for the study. When the desired population for the study is rare or very difficult to locate and recruit for a study, purposive sampling may be the only option (Patton, 2010).

3.4 Data Collection Instrument

Questionnaire was used as the tool for data collection. Questionnaires are an inexpensive way to gather data from a potentially large number of respondents. Often they are the only feasible way to reach a number of respondents large enough to allow the researcher statistically analyze the results of the study. A well-designed questionnaire that is used effectively can gather information on both the overall performance of the test system as well as information on specific components of the system. Amedahe (2012), defines questionnaire as consisting of a list of questions or statements relating to the aims of the study, hypothesis and the research questions to be verified and answered to which the respondents are required to answer by writing, ticking, marking or circling the response necessary. Emphasis was placed on the fact that the findings are primarily for academic purposes.

3.5 Data Collection Procedure

Primary data was used. Questionnaire was administered to collect the primary data from the various respondents in order to get more information from them. The design and contents of the questionnaire were based on the research questions and objectives. The questionnaire was administered personally by the researcher.

3.6 Data Processing and Analysis

Data obtained from the study was quantitatively analyzed using percentages to analysed the position information of the respondents. All the questions were grouped according to the issues raised in the research question. In this study the data that was gathered from the field of study was edited to ensure that the questionnaire had been properly completed and contained accurate information. The data was then coded and entered on the computer. The Statistical Package for the Social Science (SPSS) was used for data coding, entry and analysis. The data analysis and presentation was done by using relevant descriptive statistics such as tables, bar charts and pie chart.

CHAPTER FOUR

PRESENTATION OF FINDINGS AND ANALYSIS

4.0 Introduction

This chapter presents the findings from the data gathered for the study. It gives an analysis, and/or a discussion of the data collected. The data is analysed along the lines of the objectives of the study to include specific areas like assess organisational structure and process that is practised within the Kumasi Metropolitan Assembly to ensure accountability and assess controls system within Kumasi Metropolitan Assembly. Also other areas like assess whether Kumasi Metropolitan Assembly practise external reporting, assess audit, accountability for resources and stewardship within Kumasi Metropolitan Assembly and find if Kumasi Metropolitan Assembly engages in practices that ensure value for money.

4.1 Findings

The following subsections present the results as per the research objectives.

4.1.1 Research objectives: Analysis of principles that ensures accountability and value for money

This subsection presents the results of the analysis of principles which ensures accountability and value for money within Kumasi Metropolitan Assembly. Principles of accountability were grouped under organisational structure and process, risk controls, external reporting and stewardship, audit and accountability for resources whiles value for money was analyse with effectiveness, efficiency and economical. Organizational structure and process had seven (7) items, risk controls also had eight (8) items, external reporting had five (5) items, audit and accountability for resources had five (5) while value for money also had four items Descriptive statistics were used for the assessment. The mean and standard deviation (S.D.) of the principles were calculated to establish the respondents' assessment of the extent to which all the principles were practiced within KMA to ensure accountability and value for money. The scale used in the statements was strongly disagree, disagree, neutral, agree and strongly agree.

Table 4. 7 Descriptive Statistics for Organizational Structure and Process

		Min	**Max**	**Mean**	**Std. D.**
1.	Responsibilities and accountabilities has been clearly identified with KMA	2	5	4.17	0.96
2.	KMA has an effective board members	3	5	4.15	0.799
3.	There is an appropriate board committees	1	5	3.93	0.899
4.	The board has an adequate level of size	2	5	3.82	0.77
5.	There is an adequate level of diversity within the board	2	5	3.73	0.821
6.	The board includes appropriate combination of executive directors and non-executive directors	1	5	3.47	0.892
7.	The board comprises independent minded directors	1	5	2.65	1.162
	Average			**3.70**	**0.9004**

Source: Field survey, 2020

From the result in table 4.1, it is evident that responsibilities and accountability has been clearly defined with KMA as a public institution. It has the highest mean of 4.1700 and standard deviation of 0.96. The result also shows that KMA has effective board members, this evident with a mean of 4.15 and standard deviation of 0.899. With a mean of 3.93 and standard deviation of 0.899, the respondents agreed that KMA has appropriate board committees. Respondents also agreed that the board has an adequate level of size. It has a mean of 3.82 and a standard deviation of 0.77. Adequate level of diversity within the board has a mean of 3.73 and a standard deviation 0.821 this shows respondents agreement. The respondents also agreed that there is an appropriate combination of executive and non-executive directors. It had a mean of 3.47 and standard deviation of 0.892. The least mean of 2.65 and standard deviation of 1.162 was the board comprising of independent minded directors. This clearly shows that some people believe that the directors within KMA are not all that independent because some of the directors are politically infested. Overall the organizational structure and processes scored a mean of 3.70 and S.D. of 0.9004. This indicates that KMA is practicing organizational structure are processes to ensure accountability.

Table 4. 8 Descriptive statistics for risk control

		Min	**Max**	**Mean**	**Std. D.**
1.	KMA's workforce is effectively trained and managed so as to achieve results	2	5	4.07	0.972
2.	Transactions and other significant events are authorized and executed only by persons with authority	1	5	4.03	0.758
3.	Key duties and responsibilities are divided among people to reduce the risk of error or fraud	2	5	3.95	0.723
4.	Documentation of all transactions and other significant events are readily available for examination	1	5	3.78	1.136
5.	All transactions and other significant events are clearly documented	1	5	3.77	1.14

6.	Performance indicators are developed and monitored	2	5	3.65	0.709
7.	Access, Accountability and use of assets are assigned and maintained	1	5	3.55	0.928
8.	Managements compare actual performance to planned expected results and analyze differences	1	5	3.55	0.852
	Average			**3.794**	**0.9023**

Source: Field survey, 2020

Table 4.2 presents the mean and standard deviation from respondents' view on the extent to which risk control is practiced within KMA. KMA's workforce is effectively trained and managed so as to achieve results had the highest mean of 4.07 and standard deviation of 0.972, while Transactions and other significant events are authorized and executed only by persons with authority had a mean of 4.03 and standard deviation of 0.758. Key duties and responsibilities are divided among people to reduce the risk of error or fraud had a mean of 3.95 and standard deviation of 0.723. Also documentation of all transactions and other significant events are readily available for examination scored a mean of 3.78 and standard deviation of 1.136. Moreover, All transactions and other significant events are clearly documented had mean of 3.377 and standard deviation of 1.14. Performance indicators are developed and monitored had a mean of 3.65 and a standard deviation of 0.709. Respondents' also agreed that access, accountability and use of assets are assigned and maintained are practiced within KMA. It scored a mean of 3.55 and standard deviation of 0.928. Managements compare actual performance to planned expected results and analyze differences had a mean score of 3.55 and a standard deviation of 0.852. Generally the results show that control of risk, a principle of accountability, with an overall mean score of 3.794 and standard deviation of 0.9023 is the also practiced with KMA.

Table 4. 9 Descriptive statistics for external reporting

		Min	Max	Mean	Std. D.
1.	The board presents a fair, balanced and understandable assessment of the organisation's performance and outlook	1	5	3.63	0.863
2.	KMA outputs and financial performance to be achieved during the year are publicized	1	5	3.43	1.17
3.	KMA's website and annual reports contains its social and governance position	1	5	3.4	0.887
4.	KMA presents a fair, balanced and understandable assessment of its financial statement in its annual report and on its website.	1	5	3.2	1.102
5.	Environmental assessment of KMA is presented fairly and understandably in its annual report and on its website	1	5	3.2	0.898
	Average			**3.372**	**0.984**

Source: Field survey, 2020

The table 4.3 presents respondents' response on external reporting, a principle of accountability. From the table a mean score of 3.63 and standard deviation of 0.863 indicates that the board presents a fair, balanced and understandable assessment of the organisation's performance and outlook. In addition, with a mean score of 3.43 and standard deviation of 1.17, the respondent agreed that KMA outputs and financial performance to be achieved during the year are publicized. KMA's website and annual reports contains its social and governance position had a mean of 3.4 and standard deviation 0.887. Also KMA presents a fair, balanced and understandable assessment of its financial statement in its annual report and on its website had a mean of 3.2 and standard deviation 1.102 whiles environmental assessment of KMA is presented fairly and understandably in its annual report and on its website also had a mean score of 3.2 and a standard deviation 0.898. In the nutshell, with an average mean of 3.372 and a standard deviation of 0.984 indicates that KMA practices external reporting which is a principle of accountability.

Table 4. 10 Descriptive statistics for stewardship, audit and accountability for resources

		Min	Max	Mean	Std. D.
1.	KMA has effective and internal audit function	1	5	3.77	0.981
2.	There is formal and appropriate relationship with the organisation's auditors	2	5	3.63	0.843
3.	There is cooperation between internal audit function and both the board and the management	1	5	3.62	0.825
4.	There is an independent internal audit function within KMA	1	5	3.55	0.91
5.	KMA has a formal and transparent arrangements to appoint and maintain internal audit function	1	5	3.08	1.078
	Average			**3.53**	**0.9274**

Source: Field survey, 2020

Table 4.4 presents the mean and standard deviation from respondents' view on the extent to which KMA practises stewardship, audit and accountability for resources, principle of accountability, within KMA. KMA has effective and internal audit function had a mean of 3.77 and standard deviation of 0.981 which is an indication to respondents' agreement. Respondents also agreed that there is formal and appropriate relationship with the organisation's auditors it has a mean score of 3.63 and a standard deviation of 0.843. From the table, a mean score of 3.62 and standard deviation 0.825 also indicates there is cooperation between internal audit function and both the board and the management. There is an independent internal audit function within KMA had a mean score of 3.55 and a standard deviation 0.91 whiles KMA has formal and transparent arrangements to appoint and maintain internal audit function also had a mean 3.08 standard deviation of 1.078 which shows respondents agreement to these items. In general, stewardship, audit and accountability for resources had an average mean of 3.53 and a standard deviation of 0.9274 which clearly depicts respondents agreeing to fact that there is stewardship, audit and accountability for resources within KMA.

Table 4. 11 Descriptive statistics for value for money

		Min	**Max**	**Mean**	**Std. D.**
1.	The board and management consider proprammes and policies that will benefit both the present and future generations (equity)	1	5	3.18	1.2
2.	KMA do not spend more than their budgeted cost (economical)	1	5	3.08	1.43
3.	KMA ensures reduction of wastages and inefficient technologies in achieving policy outcomes (efficient)	1	5	2.8	1.054
4.	KMA always achieve targeted result (effective)	1	3	1.98	0.651
	Average			**2.76**	**1.0828**

Source: Field survey, 2020

Table 4.5 presents the mean and standard deviation from respondents' view on the extent to which KMA practises value for money within KMA. From the table, KMA board and management consider proprammes and policies that will benefit both the present and future generations. This item had a mean score of 3.18 and a standard deviation 1.2. With a mean of 3.08 and standard deviation of 1.43, the respondents also did not highly agree but agreed that KMA do not spend more than their budgeted cost. This was evident through their financial statement. From the table, KMA's ability to ensure reduction of wastages and inefficient technologies in achieving policy outcomes scored a mean of 2.8 which was a little above mid-point. This indicates that though people agree to the item but do not highly agree. KMA always achieve targeted result (effective) was the least mean score (1.98). This shows disagreement to the statement. From 2014 to 2019, KMA has not been able to achieve it target revenue. This is evident from the table below.

Table 4. 12 Budgeted versus Actual Revenue Performance (2014- 2019)

YEAR	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
	GH₵	GH₵	GH₵	GH₵	GH₵	GH₵
BUDGETED	20,644,499.90	25,418,194.00	29,586,267.00	35,668,900.00	23,721,161.14	25,596,000.00
ACTUAL	20,124,918.25	24,207,201.20	29,377,276.70	35,192,656.16	22,708,381.22	24,683,840.45
VARIANCE	519,581.65	1,210,992.80	208,990.30	476,243.84	1,012,779.92	912,159.55

Source: Field survey, 2020

The table 4.6 clearly shows that KMA has never realized its set revenue target. In the year 2014, the metropolitan budgeted for GH₵ 20,644,499.90 but was able to realized GH₵ 20,124,918.25 which is 97.48 percent of the budgeted revenue. Also KMA realized GH₵ 24,207201.20 out of its budgeted revenue of GH₵ 25,418,194.00. From the year 2016 to 2019, the metropolitan realized a variance of GH₵519,581.65, GH₵1,210,992.80, GH₵208,990.30, GH₵476,243.84, GH₵1,012,779.92, and GH₵912,159.55 respectively.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATION

5.1 Summary

This part is divided into two sections. The first section summarizes the process of the research, and the second presents summarized findings of the study.

5.1.1 Summary of Research Process

The study was undertaken to assess public sector corporate governance principles for accountability and value for money: The case of Kumasi Metropolitan Assembly The study was guided by the following research questions:

1. To what extent is organisational structure and processes practiced within the Kumasi Metropolitan Assembly to ensure accountability?
2. To what extent are controls systems put in place at Kumasi Metropolitan Assembly to ensure accountability?
3. To what extent does Kumasi Metropolitan Assembly practise external reporting?
4. To what extent does Kumasi Metropolitan Assembly ensures stewardship and perform audit and account for resources?
5. What practices does Kumasi Metropolitan Assembly engages to ensure value for money?

The descriptive survey was used as our research design. Questionnaire was used as the instrument for the data collection. In all, 80 questionnaires were distributed using purposive sampling and 60 were retrieved. Frequency distribution, percentages mean and standard deviation were the statistical methods employed to analyze the resulting data.

5.1.2 Summary of Key Findings

The following key findings were obtained after a thorough discussion of the results:

1. It was established that there is a high level of organizational structure and process within KMA to ensure accountability.
2. It was also established that there is high level of risk control practices within KMA in order to achieve accountability.
3. Moreover, to ensure accountability, it was established that KMA publicizes it financial and non-financial statement, environment assessment and annual budget on its website.
4. In addition, KMA highly ensures stewardship and perform audit and account for resources in order to promote accountability.
5. Lastly, it was established that KMA do not highly but moderately practise value for money. This do not help in strengthening accountability principles within KMA

5.2 Conclusion

The evidence from the study indicates that KMA as public sector institution engages in most of corporate governance principles, that is, organizational structure and process, risk control, external reporting, stewardship, audit and accountability of resource and value for money to ensure accountability and value for money. However, these principles are not highly practiced to ensure accountability and value for money. It was also revealed KMA is ineffective as the institution is unable to reach its set target for the past six (6) years.

5.3 Recommendation

Due to the findings obtained from the study, the following recommendations have been made basing on the objectives of the study.

Firstly, the study findings also affirm that corporate governance principles are moderately practiced KMA. In order to implement good corporate governance principle, managers need to know the need to instill good corporate governance principles to ensure accountability and value for money.

1. Good corporate governance principle needs to fully practised to assist in achieving broader economic objectives with respect to investor confidence, capital formation and allocation.
2. The quality of corporate governance affects the cost for corporations to access capital for growth and the confidence with which those that provide capital - directly or indirectly - can participate and share in their value-creation on fair and equitable terms.

Secondly, from the study it can be confirm that KMA is less effective in their activity specially in meeting their budget. Education and training is needed to educate its stakeholders to able to play their parts in order to for the institutions to achieve target

Thirdly, there is the need for the regulatory agency to continue enforcing and encouraging the public sector institution to adhere to the guidelines on corporate governance for public sectors. This can be ensured through enacting more rules and regulations thus ensuring that public sectors maintain confidence in stakeholders and the general public.

Lastly, Other studies has found that different types of ownership structure have similar concerns on implementing good corporate governance principles, the government and other regulatory agencies that they have to be more concerned over public sector with worse corporate governance practices.

5.4 Suggestions for Further Research

The study assessed public sector corporate governance principles for accountability and value for money: a case of Kumasi Metropolitan Assembly

- Further studies should look at the impact of corporate governance on the performance of public institutions
- The study dealt with few of the corporate governance principles future research could also look at the rest.

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