

Original Research

Assessing the Corporate Governance Framework of Local Governments in Ghana

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Abstract

International best practices require that corporate governance principles are introduced to guide institutions to operate in the best interest of stakeholders. Some local governments in Ghana have not been able to perform to improve the lot of the people despite the fact that corporate governance principles have been established in their systems. In an attempt to find the underlying reasons, this study assessed the corporate governance framework of four local governments in Ghana. The in-depth interview design was adopted and purposive sampling procedure was employed to select 25 key informants who provided primary data for the study. The informants were four Internal Auditors, four Co-ordinating Directors, four members of Audit Committees, three District Auditors, four Regulators from national level, and six members from District Planning Co-ordinating Unit of the Assemblies. Data collection methods were key informant interview and library search. Interview guide and document review guide were data collection instruments used. Pattern matching, comparison, content analysis, and interpretation were employed to analyse the data. The study revealed that the components of the corporate governance framework of the selected local governments were the same as that of the standard framework. However, there were lapses in their functioning. The recommendation is that the management bodies and officers responsible for the lapses in functioning of the components should be sanctioned.

Keywords: Assemblies, In-depth interview, Institutions, Principles, Standard framework.

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Introduction

Corporate governance has become topical in the 20th Century due to scandals and failures in organisations (Antwi et al., 2021). The Australian government's Corporate Law Economic Reform Programme (CLERP 9) reforms were put in place address the corporate failures in Australia. It was part of the government's drive to promote business, economic development and employment. In the United Kingdom (UK), some of the corporate failures were Coloroll, Polly Peck, Maxwell Communications Corporation, Bank of Credit and Commerce International, and Delorean Motor Company. The Enron, WorldCom, Adelphia Communications, Arthur Anderson, Global Crossing, and Tyco in the United States (US) were also hit with scandals. Other research works have emphasised the importance of internal governance mechanisms while studying factors related to other aspects which make reference to the principles of corporate governance. These principles, such as board structure, board function, executive properties of management, and the effect of compensation were set out by the organisation for economic co-operation and development (Guney et al., 2019).

The corporate governance framework provides the enabling environment for the governance and performance of public institutions (Bebchuk & Hirst, 2020) such as local governments to operate in the interest of the people. The people are the principal and local governments are the agents in the principal-agent relationship of the agency theory. The agency theory stipulates that the activities of the agents ought to be monitored to ensure that they align with the interests of the principal. In this regard, local governments are expected to perform to achieve the aspirations of the people. The framework requires that the right thing is done in local governments with respect to their development objectives. This engenders value for money in operations to provide the necessary foundation for providing improved services to benefit the people. In situations where the objectives of local governments are not pursued, the people become disenchanted and the central governments fail in their responsibilities toward the citizenry. Internal auditing provides assurance services to track and oversee operations in local governments to ensure that resources are mobilised and allocated in a judicious manner.

The statement of the problem is premised on four anecdotes. Firstly, the people complain of being needy and underprivileged. Secondly, they grumble that most of the development programmes and projects in the communities are not executed to expectation. Thirdly, whether or not the components of the corporate governance framework meet the requirement of the standard framework. Fourthly, no such study has been carried out in the selected local governments in the Central Region of Ghana. This paper, therefore, assessed the corporate governance framework of four local governments. The specific objectives were to:

1. Compare the mix of components of the corporate governance framework of the selected local governments with the standard framework,
2. Investigate the functioning of the components of the corporate governance framework of the selected local governments, and

3. Make recommendations for the purpose of improving corporate governance practices in local governments.

The paper is made up of six sections. Section one deals with the introduction; section two reviews literature; and section three presents research method. The results and discussion follow in section four while sections five and six cover conclusion and recommendation(s) respectively.

Literature Review

Corporate failures have necessitated the need to establish processes to improve governance practices in institutions. As a result, shareholders have begun to assess firms' long-term profitability and sustainability before investing (Marbun et al., 2020; Pratami et al., 2022; Sivaprasad & Mathew, 2021). The European Commission (EC) has committed to strengthen the role of internal auditing and Audit Committees in corporate governance in order to inject discipline in institutional processes (Eulerich et al., 2013). Corporate governance refers to the framework of rules and regulations by which businesses are governed and managed to strike a fair and equitable balance between the interests of a company's various constituencies, such as the shareholders, managers, clients, vendors, creditors, regulators, and citizens. It is used to describe the set of rules and regulations that govern and manage businesses. The corporate governance structure shows how the organisation's objectives are realised and how authority is distributed among the group's many components (Tambunan et al., 2022). Awareness of the structures and practices of corporate governance illuminates how organisations are led and managed (Casonato et al., 2019). Corporate governance has assumed a wider dimension by embracing social and environmental responsibilities of organisations. Investors, creditors and other stakeholders recognise the contribution of Environmental, Social, and Governance (ESG) to performance, long-term sustainability and profit determination (UN Global Compact and International Finance Corporation [IFC], 2009; Tambunan, 2022). Environmental, Social and Governance (ESG) scores are used to evaluate corporate social responsibility reports and the long-term survival of businesses. Sustainability is an organisation's capacity to provide for current and future generations without jeopardising its operations (Dzhengiz & Niesten, 2020; Hakimah et al., 2019; Pratama et al., 2020). An organisation's legitimacy and long-term success depend on its ability to meet shareholder expectations (Ashrafi et al., 2020).

Corporate governance elucidates the framework of accountability to users, stakeholders, and the wider community within which organisations take decisions, lead, and control their functions to achieve their objectives. It also provides other attributes of corporate governance such as robust systems and processes, effective leadership, high standards of behaviour, openness, honesty, and meeting the needs of service users and the public (Graham, 2019).

Cain and Jones (2019) note that there is no single model to good governance and no one-size-fits-all; hence each local government is required to work out an approach that enhances governance and monitor operations. Additionally, Graham (2019) indicates that the Local Government Association, the Chartered Institute of Public Finance and Accountancy, the Audit Commission, and the Society of Local Authority Chief

Executives in the UK published a paper on delivering good governance in local governments in 2007. The paper identified six principles which local governments are encouraged to demonstrate as follows:

1. focusing on the purpose of the authority, outcomes for the community, and creating and implementing a vision for the local area;
2. councilors and officers working together to achieve a common purpose with clearly defined functions and roles;
3. promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behavior;
4. taking informed and transparent decisions which are subject to effective scrutiny and managing risks;
5. developing the capacities and capabilities of councilors and officers to be effective; and
6. engaging with local people and other stakeholders to ensure robust public accountability.

The first principle expects a local government to exercise strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcomes for citizens and service users. This ensures that users receive a high quality of service whether directly, or in partnership, or by commissioning. The others are ensuring that the authority makes the best use of resources, and tax payers and service users receive value for money in their dealings with local governments. The second principle indicates being clear about executive and non-executive functions; scrutinizing the roles and responsibilities; establishing constructive working relationship between councilors and officers, and carrying out responsibilities of councilors and officers to a high standard. This ensures that relationships among the authority, partners, and the public are clear to everybody. The third principle admonishes councilors and officers to behave in ways that exemplify high standards of conduct and effective governance as well as to practise effective organisational values.

The fourth principle requires local government officers to be rigorous and transparent about how decisions are taken; and listening and acting on the outcome of constructive scrutiny. Having good quality information, advice and support would guarantee effective delivery of services. The fifth principle requires councilors and officers to have adequate knowledge, skills, experience and resources to perform their roles. Developing the capabilities of people with governance responsibilities and evaluating their performance as individuals and groups are the added issues. New talent for membership of the authority ought to be encouraged to safeguard the best use of individuals' competences and resources in balancing continuity and renewal. The sixth principle recognizes robust scrutiny function and engaging local people and all local institutional stakeholders; and developing constructive accountability relationships. This involves taking an active and planned approach to dialogue and accounting to the public to ensure value for money in

service delivery. The six principles have been adopted by the Oxfordshire County Council (Graham, 2019) and the Bromley County Council (London Borough of Bromley, 2019).

This paper adopts the six principles as the appropriate mix of components of the standard corporate governance framework of local governments in Ghana. The ‘standard’ qualifies the desired mix of components of an acceptable framework for which other corporate governance processes ought to be measured against. In Ghana, local governments are also known as Metropolitan, Municipal and District Assemblies (MMDAs) while councilors are referred to as Assembly members.

Graham (2019) notes that the elements of good corporate governance practices include controls designed to ensure that:

1. local government policies are implemented in practice;
2. high quality services are delivered efficiently and effectively;
3. governments’ values and ethical standards are met;
4. laws and regulations are complied with;
5. required procedures are adhered to;
6. financial statements and other published performance information are accurate and reliable; and
7. human, financial, environmental and other resources are managed efficiently and effectively.

The corporate governance structure is explicit on the rights and responsibilities of different stakeholders in an organisation; and that the decision-making procedures and processes are also clearly stated. It helps organisations to set and pursue objectives within a broad context of the market environment, social and regulatory protocols (OECD, 2004).

The board of directors oversees the corporate governance processes of organisations (Guney et al., 2019); and the OECD (2004) describe their responsibilities as:

1. being informed and acting ethically and in good faith, with due diligence and care in the best interest of the company and the shareholders;
2. reviewing and guiding corporate strategy, major plans of action, risk policy, capital plans, and annual budgets;
3. overseeing major acquisitions and divestitures;
4. selecting, compensating, monitoring and replacing key executives, and monitoring succession planning;

5. aligning key executive and board remuneration with the longer-term interests of the company and its shareholders;
6. ensuring a formal and transparent board member nomination and election process;
7. insisting on the integrity of the corporations accounting and financial reporting systems, including their independent audit;
8. establishing appropriate systems of internal control;
9. tracking the process of disclosure and communications; and
10. safeguarding the establishment of committees of the board and defining their mandate, composition and working procedures.

The fundamental principles of corporate governance hinge on accountability, transparency, probity and focus (Millichamp & Taylor, 2012); and that the effectiveness of internal auditing in the corporate governance process guarantees organisational success (Sarens & Abdolmohammadi, 2011; Vijayakumar & Nagaraja, 2012). The Audit Committee made up of experienced and knowledgeable personalities (Alkdai & Hanefah, 2012; Nimer et al, 2012; Owolabi & Dada, 2011; Quigley, 2012) is expected to have the competence to assist in directing corporate affairs (Unegbu & Kida, 2011).

According to Shah and Guild (2022), corporate governance aims to strike a balance between the interests of the company's various stakeholders. Its structure explains the processes that must be followed to achieve an organisation's goals. In addition to the distribution of rights and responsibilities among the many stakeholders, corporate governance is underlined by the following characteristics:

1. **Board Composition:** The board of directors are responsible for evaluating the company's management and ensuring that it protects the interests of all stakeholders (Furlotti & Mazza, 2020). The independent directors who are not part of the company's management should be made to form part of the board of directors together with the executive directors, who are part of the management (PeiZhi, & Ramzan, 2020).
2. **Board Size:** Businesses with smaller boards are typically more agile, as decisions can be made swiftly and effectively, while larger boards offer a broader range of skills and experience. The larger boards can be more challenging to manage due to the possibility of clashing ideas and perspectives.
3. **Audit Committee:** This is said to be a technical wing of the board of directors and are made up of knowledgeable persons who provide advice on varied issues.
4. **Ownership Structure:** Local government institutions are owned by the central government on behalf of the citizens.

The leadership of local governments is expected to demonstrate values including high sense of integrity, selflessness, empathy, ethical conduct and care in performing its duties. An environment of trust in local governments often wins the confidence of the people.

The level of satisfaction determines the extent of responsiveness and performance of local governments. Functional internal audit units provide independent appraisal of the adequacy of the system and the control frameworks to determine the extent to which organisations are achieving their objectives. Regular and effective management meetings improve local government processes for efficient delivery of services. Accountability breeds trust and duty bearers of local governments are required to be accountable for their actions and inactions. Where there is trust, the people become satisfied and hopeful in local governance. Moreover, community engagements enhance the willingness of local governments to be accessible and accountable to the people.

Transparency in transactions and processes in local governments reposes confidence in management bodies to bring about stability as there would be openness and the willingness to communicate at all times. The high integrity of officers of local governments limits irregularities and resources are utilised judiciously for development activities. The sustainable success of local governments over a long term is a key prerequisite for survival and engenders growth and development. The interest of the people to participate in governance would be keen and decision-making would bring about ownership of programmes and projects. Proper prioritisation would be achieved because there would be free flow of information.

Regular and effective Assembly meetings offer management bodies of local governments the opportunity to know situations in the communities, take informed decisions and map out solutions to problems. The Assembly members and local government officers would be expected to work selflessly to achieve the common objective of improving the living standard of the people.

Theoretical Review

Jensen and Meckling (1976) introduced the agency theory which provides the need for oversight in operations to achieve corporate objectives of protecting and meeting the interests of the owners. The owners normally contract other people as agents to manage their interests. The relationship between the owners and the agents is the crux of the agency theory (also known as principal-agent theory). The theory requires that the activities of the agent be monitored. The people (principal) through local government (agent) deserve to enjoy better living conditions.

Empirical review

The empirical review focuses on Kiamba (2008), Mbecke (2014), Chiweshe (2017), Adiputra, Utama and Rossieta (2018), and Amany (2019). Kiamba (2008) determined the relationship between financial performance of local authorities and their corporate governance characteristics in Kenya. The corporate governance practices studied included the frequency of meetings by the council, political composition of the council, the role of internal audit, the role of the audit committees, the effect of managerial practices, and the size of the council. The study applied a causal-comparative research design. The sample comprised 30 local authorities adjacent to the Greater Nairobi Region. The data consisted of both primary and secondary. Secondary data was obtained from the offices of the town clerks as well as the audited financial statements of the respective

local authorities. The primary data focused on sampled observations from 2002 to 2007 while a structured data sheet was used to collect secondary data. A multiple regression model of financial performance versus corporate governance characteristics was applied to examine the relationship between the variables. The study established that financial performance of local authorities was influenced by their political composition, the manner in which internal audits are conducted, and managerial approaches applied by the chief officers. This was also linked to failure by the councils to conduct regular assessment of their performance. In addition, there were poor coordination between the internal and external providers of assurance; and high staff turnover and transfers from within the top management of the councils.

Mbecke's (2014) study on corporate municipal governance for effective and efficient public service delivery in South Africa was a result of the poor service delivery, which had sparked numerous protests. It employed the critical research theory to describe the current service delivery crisis in local governments in South Africa. It revealed that a specific change of legislation and corporate governance guidelines were necessary to address the uniqueness of local governments.

An assessment of corporate governance in urban local authorities in Zimbabwe was carried out by Chiweshe (2017). Questionnaires and document review were used to collect primary data and secondary data respectively. The data were analysed using the statistical package for social sciences and excel spreadsheets. The finding showed that corporate governance principles such as responsiveness, accountability, fairness and transparency enhanced the operations of Mutare City Council.

The study of Adiputra et al. (2018) aimed at providing empirical evidence about the influence of the size of local government, the quality of local government financial statements, the level of local government response to the disclosure of financial information and the local political environment. The study sampled 34 regional governments (provinces) in Indonesia in 2016, using purposive sampling and multiple regression analysis. The results revealed that the quality of financial reporting through the audit opinion and political environment had a significant positive effect on the transparency of local governments while the size of the local government and local government response rate on the regulation do not affect the transparency of local governments. The study noted that the agency, legitimacy and institutional theories have a vital role in the underlying local government transparency practices.

Amanya (2019) set out to examine the effectiveness of corporate governance in enhancing performance of Mbarara District Local Government in Uganda. Based on a sample size of 80 and descriptive survey, the study found that there was transparency, honesty, integrity, citizen participation, accountability, public participation, openness and ethical conduct. It concluded that corporate governance has been executed in a proper way in Mbarara district local government. The recommendation emphasized the need for the local government put in place effective budgetary and internal controls for the purpose of reaping improvement in performance.

Methodology

This section covers study institutions, research design, sampling procedure and sample, data collection method and instruments, ethical considerations, and data processing and analysis.

Study Institutions

At the time of the study in 2018, there were 22 Metropolitan, Municipal and District Assemblies in the Central Region of Ghana. The number of metropolis, municipalities and districts were one, seven and fourteen respectively. The study was conducted in Cape Coast Metropolitan Assembly, Mfantseman Municipal Assembly, Abura-Asebu-Kwamankese District Assembly, and Hemang-Lower-Denkyira District Assembly in the Central Region of Ghana. The four local governments were selected purposively based on the number of types of Assemblies in the region; their closeness to the location of the researchers thereby minimising the related research expenses; and conducting further studies on the study institutions. Also, the local governments in Ghana have similar characteristics in many respects despite some differences.

Research Design

The interpretivism research philosophy was applied and the research designs were qualitative and exploratory. The designs were appropriate because the study involved the collection of non-numerical data.

Sampling Procedure and Sample

Purposive sampling procedure was employed to select 25 key informants who provided primary data. These informants were four Internal Auditors, four Co-ordinating Directors, four members of Audit Committees, three District Auditors, four Regulators from national level, and six members from District Planning Co-ordinating Unit (DPCU) of the Assemblies. Based on the recommendations of Creswell (1998) of five to 25 participants and that of Morse (1994) of at least six participants, the number of key informants was adequate for qualitative research. This is supported by Subedi (2021) that, in qualitative research, one to 20 or more participants can be selected with justification depending on the depth of the information required and the nature of the inquiry.

Data Collection Method and Instruments

Four research assistants were recruited and trained to collect data for the study. Key informant interview guide and document review guide were used to collect primary data and secondary data respectively. The secondary sources were the Auditor-General's reports and District Auditors' reports from 2014 to 2017 on the respective local governments, and other relevant documents on corporate governance. The three-month data collection exercise was conducted from July to September 2018.

Ethical Considerations

The respective Co-ordinating Directors of the selected MMDAs gave approval for the primary data collection. Also, verbal consent was obtained from the key informants before their participation in the interview; and they agreed for the interview to be tape-recorded. The research assistants indicated to the key informants that the interviews were for an academic purpose and their confidentiality, privacy and anonymity would be protected. The key informants were assured of the voluntary nature of the interviews and could withdraw at any time if they so wish.

Data Processing and Analysis

The data were processed manually to ensure that information from the original responses came out as the results. The tape-recorded interviews were transcribed and checked for corrections. The data were coded and categorized into the respective local governments and by the key informants. The data were approved to be used for the analysis and were finally stored on a computer and given file names. The pattern matching, comparison, content analysis and interpretation were used as the main tools for analysing the primary data while desk review was employed to analyse the secondary data. The analysis was done manually because the manual approach enabled meanings to be understood in their raw state.

Results and Discussion

The results and discussion in accordance with the specific objectives of the study are presented in this section.

Comparing the mix of components of the corporate governance framework of the local governments with the standard framework

Analysis of Local Governance Act 2016 (Act 936) revealed that all six components of the standard mix of corporate governance framework were present in the selected local governments as shown in Table 1.

Table 1. Standard mix of components of the corporate governance framework present in the selected local governments

No.	Standard Mix of Components	Present
1	Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area	√
2	Councilors and officers working together to achieve a common purpose with clearly defined functions and roles	√
3	Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour	√
4	Taking informed and transparent decisions which are subject to effective scrutiny and managing risks	√

No.	Standard Mix of Components	Present
5	Developing the capacity and capability of councilors and officers to be effective	√
6	Engaging with local people and other stakeholders to ensure robust public accountability	√

By conforming to the required mix of the standard components of the corporate governance framework, the selected local governments would have positive impact on their operations. In this case, local government objectives would be achieved for improved livelihoods of the people. The result agrees with that of Graham (2019) on the six principles adopted as the acceptable and desired mix of components of a standard corporate governance framework of local governments. The result is consistent with the principles of the agency theory, which encourage the need to ensure value for money in operations to seek the interest of the people.

Functioning of the components of corporate governance framework

This sub-section presents the findings and discussion relating to the operation of the six components of corporate governance framework in the selected local governments.

i. Focusing on the purpose of the authority and vision for the local areas

The study found that the management bodies did not cooperate with the internal auditors to monitor the operations of the selected local governments. In support of this, some key informants had this to say:

Management does not take internal auditors' reports seriously and are not able to correct irregularities captured in their reports (A District Auditor, July 26, 2018).

Management makes payments without pre-auditing (An Audit Committee Member, September 19, 2018).

Some of the Audit Committees do not protect the internal auditors in the course of performing their duties (A Regulator from national level, August 10, 2018).

In situations where management bodies failed to take internal auditors' reports seriously, irregularities reported on persisted for external auditors to capture in their reports which is an indictment to the local governments concerned. By making payments without submitting payment vouchers to the internal audit for pre-auditing, it is suggested that some interests were being hidden which could result in losses to the local governments. Where the Audit committees did not protect the internal auditors in the course of performing their duties, the oversight responsibilities of the internal auditors would not be exercised to expectation as they would feel intimidated. Operations would not be efficient. By not cooperating with the internal auditors to undertake their appraisal and monitoring functions suggest that management bodies did not focus on the purpose of the authority and vision for the local areas. The result confirms the report of Auditor-General (2017) that managerial ineffectiveness in previous reports had not changed. On the contrary, the result was not in line with the principles of the agency theory because

by not allowing the internal auditors to work to ensure efficient processes, the selected local governments frustrated the corporate governance processes.

ii. *Councilors and officers working together to achieve a common purpose*

The finding showed that the Assembly members and the officers worked together in sub-committees. For example, the membership of Works Sub-committee of Cape Coast Metropolitan Assembly is presented in Table 2. By working together indicates that they pursued a common purpose to achieve objectives of local governments. This would enhance healthy cooperation and foster unity among the rank and file. Decisions that would be made would be mutually agreed upon for consensus-building. The remaining selected Assemblies had similar membership of sub-committees based on the existing staff position and type of Assembly – be it municipal or district.

Table 2: Membership of Works Sub-committee of Cape Coast Metropolitan Assembly for 2014 - 2017

No.	Position	Designation
1.	Assembly Member	Government Appointee
2.	Assembly Member	Government Appointee
3.	Assembly Member	Government Appointee
4.	Assembly Member	Elected Member
5.	Assembly Member	Elected Member
6.	Assembly Member	Elected Member
7.	Assembly Member	Elected Member
8.	Assembly Member	Elected Member
9.	Quantity Surveyor	Cape Coast Metropolitan Assembly
10.	Waste Management Engineer	Cape Coast Metropolitan Assembly
11.	Planning Officer	Cape Coast Metropolitan Assembly
12.	Works Engineer	Cape Coast Metropolitan Assembly
13.	Building Inspector	Cape Coast Metropolitan Assembly
14.	Regional Engineer	Department of Urban Roads
15.	Metropolitan Lands Officer	Lands Commission
16.	Metropolitan Engineer	Ghana Water Company Limited
17.	Metropolitan Engineer	Electricity Company of Ghana
18.	Metropolitan Engineer	Public Works Department
19.	Metropolitan Planning Director	Town and Country Planning

The result is in agreement with Government of Ghana (2016) which stipulates that Assembly members and the other officers of local governments should be constituted into sub-committees to deliberate on issues of concern to the people. In such situations, diverse opinions on issues would be expressed for transparent decisions to engender quality outputs. It also agrees with the principles of agency theory that requires teamwork to monitor the execution of local government functions to benefit the people.

iii. *Promoting the values of good governance through high standards of conduct and behaviour*

It was established from the study that some management bodies intimidated and threatened internal auditors in the performance of their duties as pointed out by the following key informants.

We are discouraged to write reports because of intimidation by management (an Internal Auditor, August 10, 2018).

As for the internal auditors, they are being threatened by management day in and day out (A Regulator from national level, August 10, 2018).

By intimidating and threatening internal auditors, management bodies did not demonstrate the values of good corporate governance to uphold high standards of conduct and behaviour. Typical examples were when some internal auditors were threatened with transfers for insisting to verify supporting documents for certain transactions. They were subsequently transferred out of their posts because they refused to budge on their decisions. The decision-making process broke down because the internal auditors could not offer their opinions on the transactions. Apparently, the items procured for some of the communities were not to specification. In other situations, the items were not delivered to the communities. The services rendered to the communities were, therefore, poor. The irregularities persisted until the audit service personnel captured the incidents in their reports to the Auditor-General for onward transmission to the Public Accounts Committee of Parliament. The management bodies of those local governments were invited to appear before the Public Interest and Accountability Committee (PIAC) of Parliament of Ghana to answer. The finding is consistent with that of Dawuda (2010) that there was no management support in the operations of local governments. However, the result did not conform to the tenets of good corporate governance.

Taking informed and transparent decisions

The study showed that the selected local governments did not conduct Assembly meetings to deliberate on issues and take decisions as required by law. A key informant reported as follows:

The Committee gives notice of a meeting to management and we would be told to postpone the meeting because there is no sufficient money available for it. We are in September and we have held only one meeting; even though we are supposed to hold not less than three general assembly meetings in a year (An Audit Committee Member, September 22, 2018).

The inability of the local governments to hold regular general assembly meetings as required by law meant that decisions taken for running the selected local governments could not be transparent and well informed. Most of the services rendered to the communities were not to specification because the fora to discuss such issues were not created. Moreover, information flow to the communities was truncated as the people lived in suspense. The result was in contrast to the principles of the agency theory. This might imply that management bodies did not act in the interest of the people.

iv. Developing the capacity and capability of councilors and officers

It emerged from the analysis that capacity building requirements of Assembly members and officers including internal auditors were identified and training programmes were provided as reported as follows:

Internal auditors go for training just like other officers of the Assembly (An Audit Committee Member, September 7, 2018).

The development partners continue to provide funds for training of officers (A Regulator from national level, August 10, 2018).

Identifying the capacity building requirements and organising training programmes to improve the knowledge, skills and attitudes of Assembly members and officers indicate the willingness of management bodies to ensure that the main actors of local governments are adequately equipped to perform their respective jobs. The result is in line with the provision of Government of Ghana (2020) that, under the District Assemblies' Performance Assessment Tool (DPAT), local governments which do not meet the expectations of the assessment are given funds to develop their capacity. The result also conforms to the principles of the agency theory because effective workforce could deliver to expectation.

v. Engaging with local people and other stakeholders to ensure public accountability

The study revealed that the local people were not consulted in the provision of development projects to the communities as pointed out as follows:

Management continues to disregard the people when it comes to the provision of amenities in the communities (a DPCU Member, July 12, 2018).

Without involving the people in the provision of amenities, the desired programmes and projects needed by the communities could not be provided and public accountability would suffer. A situation was recorded where a school building project, which needed counterpart support by way of community labour, was abandoned in confusion in a community in the Cape Coast North Constituency because the community needed electricity supply rather than the school building. The people were disenchanted and got angry.

The result is in line with Bangase's (2018) observation that stakeholder involvement in plan preparation and implementation is low because the District Chief Executives and District Co-ordinating Directors often want things to be done based on promises made to the citizens during political campaigns. However, the result is inconsistent with the principles of the agency theory because by not involving the people, their needs could not be catered for.

Conclusion

The paper has provided evidence that the Local Governance (2016) Act 936 makes provision for required mix of components of the corporate governance framework that conform to the standard framework. The Assembly members and officers worked together in sub-committees to advance the course of the selected local governments. They

were trained to build and develop their capacities. However, there were lapses in the functioning of the components by the selected local governments. Some management bodies did not encourage the internal auditors to perform their functions by intimidating and threatening them. Such behaviour and practice did not promote values of good corporate governance. General assembly meetings were not held regularly to deliberate on issues of concern and to take collective, informed, and transparent decisions affecting the people. The local people were not consulted in the provision of development projects to the communities and resulted in poor public accountability.

Recommendations

The recommendations are:

1. The Ministry responsible for local governance should continue to ensure that the mix of the components of the corporate governance framework is of the desired standard. This could be done through series of workshops and reminders via memoranda.
2. The management bodies and officers responsible for the lapses in functioning of the components should be sanctioned in order to align their interests with that of the people.
3. The Assemblies should hold regular General Assembly meetings in accordance with provisions of Local Governance Act 2016 (Act 936), which stipulates that at least three meetings per year should be organised.
4. The Assembly members should consult the local people in the provision of development projects.
5. The management bodies should cooperate with internal auditors to monitor and advise on the operations of the Assemblies.

Limitation of the study and future research

In line with qualitative study, a large sample was not used and therefore, the findings could not be generalized beyond the four selected LGs. Generalizability in qualitative studies is focused on the researcher's analysis and understanding of circumstances but not the collection of representative data (Delmar, 2010). This paper suggests that future study may employ the mixed methods approach.

Author Contributions

The first author conceptualized the topic. All co-authors discussed and developed the concept note, reviewed related literature, developed the research method and data collection instruments. They supervised the field assistants to collect data. They also analysed the data. The first author drafted the paper while the second and third developed the paper. The first and third authors edited the paper for submission to the editor of this journal. Based on the rich experience, third author serves as the corresponding author.


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