THE REFORM MECHANISMS POLICY IN GHANA's PUBLIC FINANCIAL MANAGEMENT

Written by Isaac Ahinsah-Wobil

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DEDICATION

This dissertation is written in fulfillment of a doctorate degree and to celebrate Benjamin Ahinsah Wobil as we commemorate the fifth anniversary of his passing at the Korle-bu teaching hospital Accra, Ghana. In an eloquent tribute, Benjamin as the supplier chan expect of modern public procurement. He is a harden procurement and supply chan expert who champion most of government business through allocation, distribution, and stabilization as well as his analytically useful implementation of government policy for prudence public financial management, his hallmark which remain indelible speaks much. The desire to champion effective public financial management con not be shred but to give innovative attention to his cry, he detests corruption and always discussing reforms in public sector management and financial practice that can be bettered. This motivated me to move to the path of managing public funds and the act to introduce best reforms for the system we have as a country with much focus on governance. Am highly indebted to him and am grateful for having him as a father.

Ghana blessed with mineral resources but fundamentally one of the poor countries in sub-Sahara Africa. However, he reserves his laudatory remarks for the intellectual tradition, going back to time, in which he has chosen to place his contributions to public work. That tradition treats procurement as derived from moral philosophy and views government as an instrument that can be used to help establish the good society.

This thesis is dedicated to him for the service to the state of Ghana public financial management and the immense contribution in sharping my mind to focus on good governance, championing probity, honesty and accountability. The desire to research and to educate myself to the level appreciated for my voice to be hard in the area of public financial management and good governance. My biggest appreciation to him, he did not live to witness this beautify day but I know he will be very happy for where God has seen me to so far.

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ABSTRACT

Establishing fiscal stability, establishing laws, realigning revenues, and finding value for expenditure management are all part of public financial management (PFM) techniques that aim to make government more open and accountable for the benefit of the public. Because of ever-increasing government expenditure, inadequate revenue collection capability, and rising debt levels, Ghana has had a consistent propensity towards budget deficit since independence. Because of the process's high level of intricacy and technical nature, public monitoring and oversight are limited. Furthermore, there is a chance that parliament will fail to protest to a budget influenced by corruption and misallocations that have already been incorporated in the executive's draft budget. As a result, the purpose of this research is to look at the impact of effective financial management reforms on revenue mobilization and expenditure management. The survey design has been used to structure this investigation. Accounting officials and ministry of finance directors were the target audience for financial planning and budgeting activities, while the Internal Audit Agency was the target audience for internal control activities. For revenue mobilization and public financial control, the Ghana Revenue Authority and the Controller and Accountant General's department were also evaluated. Finally, for public finance procurement methods, the Public Procurement Agency was taken into consideration. As a result, the study's sample size will be restricted to the ministries' and agencies' headquarters. Probability and non-probability were both used in this investigation. In order to sample respondents, the study used simple random and purpose sampling procedures. As a result, 180 individuals took part in the research. According to the findings, Ghana's public finance procurement practices are effective in promoting good

governance. Furthermore, the study found that procurement policy factors like level of compliance with Public Procurement and Guideline for Disposing of Assets, procurement planning, country executive support, budgetary allocation, and preparation of procurement progress reports have a significant impact on country government performance. Financial planning also assists in determining the country government's financial objectives, policies, procedures, and initiatives. According to the findings, budgeting procedures in Ghana have a favorable impact on good governance. The study also found that public finance decision-making procedures are beneficial to citizens, and as a result, the government will use the findings to develop appropriate rules to control prudent public-fund management. As a result of the study, it was discovered that the government has a solid, transparent revenue and expenditure system that is less expensive to administer and can be deployed to many sections of the country, as well as a reduction in corruption and mismanagement. Despite the fact that revenue mobilization and excellent governance have a statistically significant beneficial association. There is also corporate governance guideline for public companies, with the goal of promoting responsibility, transparency, a performance-based approach, dedication, and integrity. In other words, the report advised that capacity be built to improve oversight functions and internally generated funds, among other things.

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LIST OF ABBREVIATIONS

ACCA	Association of Chartered Certified Accountants
BPEMS	Budget and Public Expenditure Management System
CEPS	Customs, Excise and Preventive Service
CIPFA	Chartered Institute of Public Finance and Accountancy
CIT	Corporate Income Tax
COFOG	Classification of Functions of Government
CSOs	Civil Society Organizations
DANIDA	Danish International Development Agency
ERP	Enterprise Resource Plan
FCCL	Fiscal Commitments and Contingent Liabilities
FM	Financial management
FPBP	Financial Planning and Budgeting Practices
GAAP	Generally Accepted Accounting Principles
GETFL	Ghana Education Trust Fund Levy
GDP	Gross Domestic Product
GIFMIS	Ghana Integrated Financial Management Information System
GoG	Government of Ghana
GNPA	Ghana National Procurement Agency
GRA	Ghana Revenue Authority
GSCL	Ghana Supply Company Limited
GTZ	Ghana Trade Zone
ICAG	The Institute of Chartered Accountants Ghana
ICP	Internal Control Practices

IFAC	International Federation of Accountants
IFMIS	Integrated Financial Management Information System
IGF	Internally Generated Funds
IIA	Institute of Internal Auditors
IRS	Internal Revenue Service
KPIs	Key Performance Information
M&E	Monitoring and Evaluation
MDA	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MOFEP	Ministry of Finance and Economic Planning
MMDAs	Metropolitan, Municipal and District Assemblies
MOF	Ministry of Finance
MOH	Ministry of Health
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
NHIL	National Health Insurance Levy
NPM	New Public Management
OECD	Organization for Economic Co-operation and Development
PPA	Public Procurement Act
PBB	Program Base Budget
PDF	Project Development Facility
PFM	Public Financial Management
PFPP	Public Finance Procurement Practices
PID	Public Investment Division
PIM	Public Investment Management
PIMS	Public Investment Management System
PIT	Personal Income Tax
PPP	Public-Private Partnerships
PPPAC	PPP Approval Committee

Public	Financial Management Reforms System (PFMRS)
PUFMARP	The Public Financial Management Reform Programme
RMP	Revenue Mobilization Practices
SIGA	State Interest and Governance Authority
SOEs	State Owned Enterprises
SPSS	Statistical Package for Social Scientist
SSNIT	Social Security and National Insurance Trust
STMTAP	Short- and Medium-Term Action Plans
UN	United Nations
VAT	Value Added Tax Service
VGF	Viability Gap Funding

CHAPTER ONE

INTRODUCTION

1.0 Background of the study

Regardless of residents' different ideas and value systems, governments must provide the circumstances for goods and services to be provided to them in an efficient and effective way. Different ideologies and concepts impact the direction of economic policies on how to best use the country's limited resources to ensure capacity and distribute prosperity among the citizenry's workforce. As a consequence, people influence the environment in which economic activity takes place. A substantial portion of a nation's development is determined by the efficiency, integrity, and effectiveness with which the state raises, manages, and expends its resources on achieving its goals (OECD, 2009). As a consequence, every development plan should emphasize the development of critical human and technological capabilities, as well as the improvement of the formal and informal norms and institutions that control these activities. More financial resources must be translated into tangible welfare programs and policies that support long-term development and poverty reduction in order for more financial resources to be translated into tangible welfare programs and policies that support long-term development and poverty reduction. Effective and efficient public finance management systems are required (Andjun, 2010).

Lawson (2015) defines public financial management (PFM) as "the collection of laws, regulations, procedures, and processes that sovereign countries (and sub-national governments) use to earn income, allocate public money, carry out public spending, account for money, and audit outcomes" (Lawson, 2015). Furthermore, Lawson (2015) states that a PFM must have the following goals: first, it must maintain aggregate fiscal discipline, which means that aggregate levels of tax collection and public spending must be consistent with fiscal deficit targets and do not result in unsustainable levels of public borrowing. A PFM framework should also guarantee that public resources are directed toward previously agreed-upon strategic objectives. To put it another way, allocative dependability has been achieved. Furthermore, the PFM system contributes to operational dependability, enabling you to get the most bang for your buck in terms of service delivery. Finally, the PFM system should be transparent, with open data and democratic checks and balances. The activities of a corporation that is responsible for collecting and effectively utilising the funds necessary for effective operation are referred to as public financial management reforms. The term "public financial management" refers to all aspects of a country's budget operation, both upstream and downstream. Strategic planning, medium-term spending frameworks, and yearly budgeting are examples of upstream responsibilities, while downstream operations include revenue management, procurement, internal control, accounting and financial statements, monitoring and evaluation, and auditing (Burger, 2008). PFM promotes centralized control, priority, accountability, and efficiency in the administration of public resources and service delivery, all of which are essential for achieving public policy goals for local community development. The Organization for Economic Cooperation and Development (OECD) issued a study in 2009 saying It is widely assumed to consist of a six-phase period beginning with policy creation and ending with external audits and evaluation. It includes a broader range of tasks than only financial management.

PFM is a six-phased systematic budgeting cycle that serves a greater purpose than just being a technical financial management tool (Lawson 2015). The budgeting cycle begins with policy formation, in which a diverse range of stakeholders, including the general public, research organizations, political parties, and the executive branch of government, provide guidance, feedback, and recommendations on which services and activities should be prioritized for implementation. Local communities are also encouraged to participate in policy formulation under a decentralized government in order to ensure that local needs are incorporated in the local government budget and to bridge policy development gaps. The second stage is budget development, in which policy goals are linked to available public financial resources for the next year and presented in monetary terms (Simson et al. 2011). The Ministry of Finance normally develops a Medium Term Expenditure Framework (MTEF) in which macroeconomic goals are defined to guide the budget formulation process, which is technically generated by expenditure agencies under the supervision of the Ministry of Finance. The MTEF establishes a relationship that permits policy agendas to drive yearly budget expenditures while also accommodating the reality of limited resources (World Bank 1998). In developing countries, where disconnects between policymaking, planning, and budgeting are still common, the usage of an MTEF is generally recognized and serves as an important component of good PFM (Houerou and Taliercio, 2002). The influence of the MTEF on local government budgeting procedures, on the other hand, is problematic. An MTEF might be seen as central government pressure on local governments to have a lower role in policy formation (Holmes and Evans 2003).

The primary purpose of the PFM system, according to Lawson (2015), is to maintain budgetary discipline. Fiscal discipline should guarantee that tax collection and government expenditures are in accordance with the budget deficit's objectives. It should ensure that no new government debt is issued. Second, the PFM system should guarantee that public resources are dispersed effectively, with a focus on allocating state resources in conformity with important state programs. Finally, this PFM framework should provide operational dependability, defined as attaining a price-quality ratio in service delivery. Finally, the PFM system should be free and open, with individuals in control of public funds required to participate, have authority, and be open. Several countries are now undertaking PFM reforms to satisfy financial management goals in the public sector. To appreciate the essence of these changes, the historical component of advances in the field of public finance was examined. According to Shang (2005), improving public financial management involves more than a theoretical exercise. Procurement must be considered as a crucial instrument for controlling government expenditures, guaranteeing transparency and accountability with public funds, examining government goals, and delivering services if public financial management is to improve. Procurement addresses shortcomings in financial management by demanding thorough planning, accounting, and auditing, as well as reporting, information sharing, and complaint resolution. Transparency and accountability, as well as cost and expense management, are essential. As a consequence, efficient Public Financial Management (PFM) systems are essential to optimize resource efficiency, achieve the greatest degree of transparency and accountability in government finances, and ensure long-term economic success. Tkachenko Tkachenko Tkachenko Tkach (Tkachenko, 2020). As a consequence, resource management at the person or organizational level should provide tangible results in the form of real commodities or services (Sirmon, Hitt & Ireland, 2007). This is evident in government service delivery, which benefits economic development, general living standards, poverty reduction, income distribution equality, and citizen well-being (Kusumasari, Alam & Siddiqui, 2010).

Tkachenko (2020) further said that improving the efficacy of public financial management will help in the creation of a trusting relationship between the government and the people, which is essential for the country's stability and progress. This collaboration will be bolstered and developed even further by effective accountability and transparency in the use of public funds. Countries with a strict, transparent, and accountable framework for public finance management, guided by principles of efficient and effective use of public capital, provide better services to citizens and promote macroeconomic stability, both of which are required for economic growth and poverty reduction. Significant adjustments should be done to address the shortcomings and ineffectiveness of public financial management systems and procedures in order to achieve long-term development and sustainability, a high degree of accountability and transparency, and good citizen service.

In other terms, the World Bank (2006) defines governance framework elements as voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, and corruption control. Government effectiveness, which includes the consistency, honesty, and devotion to public service necessary to successfully manage the government's operations, is one of the major characteristics that produces government responsibility to its legislative and people. As a consequence, attempts to establish a strong governance structure throughout the democratization process must include public sector management. Because investors would not invest in a nation that does not respect good governance, it is critical in the public sector (Tsheletsane and Fourie, 2016). Elements of good governance and adherence to governance principles must be acknowledged in the public sector, since their absence may ruin a country's economy and administrative structure. According to Siswana (2007), poor governance manifests itself when the appropriate structures and systems do not operate or do not exist. Good governance, on the other hand, may be discovered when such systems and systems function well. As a consequence, a strong public financial management system helps governments to make the greatest use of their resources in order to enhance the quality of life in society. Strong and effective public financial management is required for good governance (PFM). A PFM plan guarantees fiscal and macroeconomic stability, directs public resources to national objectives, promotes the successful execution of poverty reduction and economic development initiatives, and enables for accountability and monitoring of public funds. The pillars of public finance are public spending, public income, and, in particular, taxes. These three things give birth to the concepts of deficit, public debt, fiscal policy, and budgetary policy.

The worldwide financial crisis precipitated by the Corona virus epidemic has led in considerable advancements in financial regulation, with the realization that financial stability must be a goal of economic policy in order to achieve macroeconomic stability. The crisis highlighted the need of macroprudential policies, as well as microprudential regulation and oversight, as well as stable fiscal and monetary policy frameworks. Effective and long-term economic management requires a robust public finance management reform system (PFMRS). Many governments in various areas have undertaken a variety of changes in recent years to make fiscal policies more stable and sustainable over time, as well as to stress the impacts of policies and spending. Although not all PFMRS have been successful, the most majority have contributed to the promotion of public finance management in some form or another, especially in industrialized countries.

A transparent PFM framework enables the achievement of three desired fiscal and budgetary outcomes: (a) overall fiscal discipline – effective monitoring and risk management of total expenditures; (b) strategic resource allocation – planning and executing the budget in accordance with government priorities; and (c) strategic resource allocation – planning and executing the budget in accordance with government priorities.

PFM systems are expected to play an important role in the implementation of national and sectoral policies, as well as in the provision of more effective public services. As previously mentioned, successful service delivery necessitates the utilization of allocated funds to provide the greatest possible level of public services within available resources. While enhancing public services goes beyond PFM systems, different components of PFM systems, such as effective public procurement and public investment management, contribute to it. A well-functioning procurement system improves service delivery efficiency by ensuring that government purchases provide more value for money, while successful public investment management improves operational efficiency by supporting initiatives and services that provide cost-effective outputs and outcomes.

The public financial management system is one of the factors that contribute to the success of a government's spending programs. It is impacted by a number of social, political, and economic issues, as well as other contextual elements including leadership, transparency, and accountability, resource levels, and staff competence. A good financial management system produces crucial information for improved decision-making, better services, and more value for money if resources are handled and controlled openly and efficiently. It is widely acknowledged that efficient PFMRS is critical for achieving development objectives and reducing poverty. As a result, our study will help government agencies manage and spend state funds more effectively, while also increasing voter confidence in government institutions. This study will also assist the government in other areas, such as effective income production, transparent and predictable budget planning and execution, and donor and investor trust.

Furthermore, this research was driven by the realization that there is a knowledge vacuum regarding the link between PFM practices and good governance in Ghana. As a consequence, the research attempted to provide new insights on policy creation in public resource management and governance. The study's findings will be used to assist policymakers, analysts, government department heads, and the general public. Finally, the study's results are meant to provide a substantial addition to knowledge and to fill a vacuum in the literature on Ghana's PFM procedures and good governance.

1.1 Statement of the problem

The goal of financial management in the public sector is to manage finite resources effectively and efficiently in order to provide the outputs required to achieve desired outcomes that fulfill the country's expectations. Effective public financial management systems are required to improve resource efficiency, offer maximum transparency and accountability in government finances, and ensure long-term economic development (Mwangi, 2009). As a result, public institutions must offer openness, accountability, public participation in financial matters, equity in resource distribution, prudent resource use, fiscal openness, and responsible financial management (ROK, 2012). Furthermore, proper financial management necessitates that public institutions ensure that allocations are carried out entirely and accurately. Furthermore, administration, regulations, and careful monitoring are essential for guaranteeing that clients receive good value for money (OECD, 2011).

Governments in a number of countries, however, are under pressure to enhance public sector performance while simultaneously limiting expenditure growth. While concerns like as population aging and growing health-care and pension costs worsen budgetary challenges, voters want governments to be held more accountable for how taxpayers' money is used. Curristine and colleagues According to Reinikka and Svenson (2004), the management of government finances is still a substantial source of public resource leakage. African democracies are in an uneasy position in this regard due to a number of factors, including public finance as a political process, the parameters for open and orderly public finance management dispensation (spread across the three branches or spheres of government), the impact of revenue collection and expenditure on socioeconomic costs and benefits, and the complexity of public finance wit (Basheka & Phago, 2014).

Contrary to common assumption, governments, as representatives of the people who make up a state, often claim to have built institutions capable of handling public finances. However, these institutions in African countries are always to blame for an unacceptable amount of public resource leakage. This is often shown by the conclusions of auditors general, who have been critical of governments' handling of public funds. These audit findings were forthright about issues such as corruption and excessive spending practices, among others. Elected leaders who are meant to be caretakers of public resources, as well as their "co-conspirators," have also done a poor job. Furthermore, the administrators who are paid on a regular basis using public cash. Individuals and civil society groups who seemed to have compounded their indifference as a consequence of their governments' lack of confidence and trustworthiness would also be included on the list of persons to blame. Individuals in Ghana cannot hold political and elected officials responsible for how their taxes are spent.

Ghana's economy has been characterized by a continual budget deficit since independence, due to the government's ever-expanding expenditures, limited revenue generation capabilities, and growing debt levels (Pomeyie, 2001). This is due to the fact that government departments, generally led by the Ministry of Finance, are in charge of drafting the budget plan via a multi-step bargaining process involving numerous government agencies (Morgner and Chêne, 2014). As a consequence, funds are distributed based on predetermined political objectives and discussions at the government's "top." As a result, political and administrative decision-making ability is always accompanied by the capacity to govern and control financial distribution. When checks and balances are absent and policymaking is significantly influenced by lobbying and state capture, the possibility for corruption at the budget formulation stage increases. Because of the procedure's high level of complexity and technical nature, public monitoring and oversight are restricted. Furthermore, there is a chance that parliament would fail to object to corruption-motivated expenditures and misallocations already included in the executive's planned budget. In any case, corruption is linked to unrestrained lobbying, political corruption, and, in extreme cases, state control (Morgner and Chêne, 2014). In this context, this study will investigate the effects of effective financial management changes on income mobilization and expenditure management.

1.3 Objectives of the study

i. The aim of the study is to assess the public financial management reform mechanisms, its processes and implementation towards efficient governance in Ghana. Specifically, the study seeks to:

ii. Establish the impact of financial management systems on financial operation in the Ministry of Finance

iii. Determine internal control practices that contributes to good governance in Ghana.

iv. Determine revenue mobilization practices on public governance in Ghana

v. Identify the effect of public finance procurement practices on effective governance in Ghana.

vi. To investigate the effect of public financial governance practices on the performance of public institutions in Ghana.

vii. To examine factors that constraint of public financial management in Ghana.

1.4 Research Questions

i. The following research questions will serve as guidelines for the attainment of the stated objectives of the study. These include;

ii. What are the impacts of financial management systems on financial operation of the Ministry of Finance?

iii. What are the internal control practices that contributes to good governance in Ghana?

iv. What are the effects of revenue mobilization practices on governance in Ghana?

v. What are the effects of public finance procurement practices on effective governance in Ghana?

vi. What are the effects of public financial governance practices on the performance of public institutions in Ghana?

vii. What are the constraints to effective public financial management in Ghana? What are the constraints to effective public financial management in Ghana?

1.5 Significance of the study

Financial management is simply one of the aspects that contribute to the success of public spending programs. It coexists with other contextual factors such as leadership, transparency and accountability, resource availability and staff capabilities, and is impacted by a variety of facets of the social, political, and economic environment. Thus, if resources are handled and regulated clearly and efficiently, sound financial management produces critical information for improved decision-making, improved services, and improved value for money. It is well recognized that effective public financial management is critical to accomplishing development goals and poverty reduction. As a result, this research will assist government agencies in managing and spending state finances effectively and with integrity, as well as in instilling the required trust in state institutions among citizens. Additionally, this research will contribute to wider nation development by identifying mechanisms for effectively planning and implementing budget choices in a reliable and transparent manner, as well as by establishing confidence with donor agencies and key investors.

Additionally, the research was motivated by the observation that there is a knowledge vacuum on the relationship between public financial management reform techniques and good governance in Ghana. As a result, the research sought to add new aspects to policy development on public resource management and governance. If the study's results are made public, they might help policymakers, heads of government institutions, and the general public. Finally, the research is projected to considerably add to knowledge on public financial management reform processes and good governance in Ghana by filling in gaps in the extant literature.

1.6 Scope of Study

The purpose of this research is to determine the impact of financial planning, budget preparation and execution, internal control mechanisms, public finance procurement procedures, revenue mobilization procedures, and public financial governance practices to Ghana's successful governance. As a result, the research investigated five government departments and organizations that are accountable for these behaviors. Financial planning and budgeting methods were evaluated by the Ministry of Finance, while internal control processes were evaluated by the Internal Audit Agency and Audit Service. Additionally, the Ghana Revenue Authority and the Controller and Accountant General's Department were assessed for their practices in revenue mobilization and public financial control. Finally, the Public Procurement Agency's procurement processes for public financing were evaluated. As a result, the study's sample size will be confined to the headquarters of these ministries and organizations.

1.8 Organization of the study

This research is organized into five major sections: The background, explanation of the issue, aims, research question, scope, importance, overview of the methodology, and organization of the study are all included in Chapter One. Chapter 2 addresses the principles behind improvements to public financial management and what makes effective governance. Additionally, this chapter reviews results from many writers of books, journals, and other publications. Chapter 3 also discusses the study's methodology. It discusses the methodology and approaches used to conduct the research. It includes the study's design, population, sampling technique, and data gathering techniques. The findings are discussed in Chapter 4. It entails the use of tables and figures to illustrate and comprehend the data obtained from respondents (responses). Chapter 5 summarizes the primary results, draws conclusions from the results, and lastly offers suitable solutions as warranted.

CHAPTER TWO

2.0 REVIEW OF RELATED LITERATURE

2.1. Introduction

This chapter is devoted to the review of the available literature on the topic. The researcher tried to map out the arguments by the previous scholars and identified the gap in the literature. Several underpinning theories were employed in setting the basis for the study.

2.2. Theoretical Foundations

The study of public budgeting has grown significantly in recent years, both in breadth and substance. As a consequence of this development, a coherent theory or group of ideas is required to explain the field, its basic core that drives its progress, and its capacity for addressing real-world challenges. V.O. asserts that Key's renowned 1940 article "The Absence of a Budgetary Theory." Key tried to solve the issue of a lack of a theory for public budgeting by offering a microeconomic solution that would increase the government's allocative efficiency (Khan and Hildreth, 2002). He based his concept on the same reason that drove economists to search incessantly for a function that would increase society's welfare within the greater Paretian principle framework. As a consequence, the budget, as an administrative document, establishes the methods and means by which public services are provided, as well as the criteria for measuring and evaluating them (He, 2011). The budget acts as a communication tool for decision makers, aiding them in making informed choices about program and capital asset allocation while also encouraging stakeholder participation. Budgets are used by government leaders to interact with and engage people and taxpayers (Lapsley & Ros, 2015). Budget administration and communication capabilities are crucial for guaranteeing fiscal openness and accountability (Lu and Willoughby, 2015). Budgets, as a control procedure, have always been critical in controlling organizations; according to Ekholm and Wallin (2000), budgets serve as a roadmap for future activities and to establish a series of objectives to be accomplished and the means to accomplish those objectives. Budgets have always been critical in providing a roadmap for future activities and to establish a series of objectives to be accomplished and the means to accomplish those objectives. Additionally, Pintea et al. (2013) argue that precise planning is a critical component of the success of any economic activity.

Budgeting is crucial for successful governance due to the theoretical perspectives of new public management (NPM), allocative performance, transaction costs, primary agent, and procedures. According to Hamid (2013), effective resource management is critical for economic growth and development while also enhancing society's overall well-being, based on the NPM approach's pillars. The NPM system was created in response to faults in the conventional public administration paradigm, and it advocates for the integration of best practices from the private sector into the public sector in order to enhance service delivery (Goldfinch & Roberts, 2013). As a consequence of NPM, private sector financial management responsibilities such as cost benefit analysis, calculation, and comparison have been incorporated into budgeting (Van Dooren et al., 2015). Unlike the NPM technique, Avkiran (2001) argues that the allocative efficiency theory's primary objective is to maximize social well-being via efficient resource distribution. According to Kahkonen and Lanyi (2001), the optimal strategy to attain allocative quality is to budget for public services in accordance with local preferences. According to Robinson (2007), the allocative efficiency statement claims that increasing public engagement in the budgeting process would increase the efficacy of health, education, and other services. According to Kruk and Freedman (2008), public investment must be conceptually and allocatively successful in order to reflect societal objectives such as increased services or other socioeconomic benefits. Due to the fact that public budgeting procedures include a variety of stakeholders, the agency and transaction cost theories are equally relevant, offering agency and knowledge difficulties that must be addressed in order to prevent opportunistic behavior (Marino & Matsusaka, 2005). Paul and Leruth (2006) and Inkoom (2011) utilized the agency theory to elucidate issues in the financial management process. They noted that when public officials commit resources to initiatives that benefit them or their proxies after the funds are granted, it is up to parliament, the public, donors, and civil society to carry out their respective monitoring responsibilities.

2.2.1. Fiscal federalism Theory

Fiscal federalism is part of broader public finance discipline. This term was espoused by a German born American, Richard Musgrave in 1959. Fiscal federalism deals with the division of governmental functions and financial relations among levels of government. The theory of fiscal federalism assumes that a federal system of government can be efficient and effective at solving problems governments face today, such as just distribution of income, efficient and effective allocation of resources, and economic stability. Economic stability and just distribution of income is done by federal government because of its flexibility in dealing with these problems (Kapucu, 2007). Because states and localities are not equal in their income, federal government intervention is needed. Allocation of resources can be done effectively by states and local governments. This theory was applied to this study, because the revenue from taxation is what literally sustains the existence of the state, providing the funding for everything from social programmes to infrastructure investment (Martinez-Vázques & Smoke 2010). In pursuing economic and social development, governments typically undertake reforms to encourage private sector–led economic growth while simultaneously improving public sector efficiency and accountability. Many of these public sector reforms include elements of decentralization, a process of bringing public sector decisions closer to the people in order to empower local communities such that they can more actively participate in the prioritization, implementation and monitoring of government resources. In many countries, decentralization is pursued with the objective of encouraging more accountable and responsive governance, improving public service delivery efficiency and promoting a more equitable distribution of services and resources across the country. To be successful, decentralization reforms require a combination of accountability mechanisms, along with administrative/institutional capacities and clearly defined fiscal responsibilities and resources (Shah 1994; Bahl 1999; Litvak and others 1998; Boex and Yilmaz 2010).

- On the political side, governments need mechanisms that make them responsive and accountable to their citizenry; these include being concern to the political power structure (the ladder and efficiency of the electoral process, the nature of the party system) as well as to other non-electoral aspects of national participation and citizenry accountability.
- On the administrative side, governments need regulatory authority as well as organisation systems and human resource capacities effective for plan, budget, implement, and monitor and evaluate their public service delivery.
- On the fiscal side, governments must have a clear schedule of expenditure responsibilities; and some own revenue sources.

As part of its public reform strategies, the Government of Ghana decentralised some functionaries to the local authorities as a way of accelerating development at the local level. Decentralization of these functionaries has led to greater fiscal, administrative and political empowerment at the community level through a number of policy initiatives. As per Section 46 of the Local Government Act (462), local authorities were mandated to as part of fiscal decentralization raise local revenues, prepare and manage plans for their overall development. The theory of Fiscal federalism emphasizes on proper allocation of resources which the government of Ghana, this is done through decentralize system of collecting its revenue. The following are benefits of fiscal decentralization: regional and local differences can be taken into account; lower planning and administrative costs; competition among local governments' favors organizational and political innovations; and more efficient politics as citizens have more influence. There are several disadvantages of fiscal federalism as well: the lack of accountability of state and local governments to constituents; the lack of availability of qualified staff; the possibility for people to choose where to reside; a certain degree of independence of the local governments from the national government; and unavailability of infrastructure of public expenditure at the local level Fiscal federalism is part of a bigger public financing structure. The word was invented by Richard Musgrave, an American of German heritage in 1959. Fiscal federalism refers to the separation of government activities and financial interactions between government levels. Fiscal federalism is founded on the premise that a federal form of government can solve modern challenges, such as equitable distribution of income, effective allocation of resources and economic stability. Because of its flexibility in resolving these problems, the Federal Government is accountable for economic stability and fair distribution (Kapucu, 2007). Because states and municipalities do not have the same amount of jurisdiction, federal involvement is needed. States and municipal governments are able to effectively allocate resources. In this search, this notion has been selected, as tax revenue maintains the state solvent, financing everything from social programs to infrastructure projects (Martinez-Vázques & Smoke 2010). Governments tend to seek changes to increase economic growth driven by the private sector, while at the same time enhancing public sector efficiency and responsibility for economic and social progress. Many of these reforms to the public sector entail decentralization, the process of moving public sector choices closer to the public to enable local communities to engage in priority setting, execution and monitoring of government resources more actively. Many nations desire decentralization to develop a responsible and responsive administration, to enhance efficiency in the delivery of public services and to promote a fairer allocation of services and resources throughout the nation. Decentralization changes must incorporate various accountability mechanisms, administrative and/or institutional capacity and clearly defined budget commitments and resources to be successful (Shah 1994; Bahl 1999; Litvak and others 1998; Boex and Yilmaz 2010).

- In the political sphere the government needs mechanisms which will allow it to respond to, and account for, its citizens, including an examination of the political power structure (leader and efficiency of the electoral process, the nature of the party system) as well as of the non-electoral aspects of the national participation and accountability of the citizens.
- Governments require regulatory authority, organizational procedures and human resources to plan, budget, execute, monitor and assess the delivery of public services.
- On the budgetary side, governments need a well-defined expenditure timeline and some revenue self-sufficiency.

As part of its public reform attempts to stimulate local development, Ghana's government assigned various functions to local governments. Decentralization of these tasks has led to enhanced community financial, administrative and political empowerment via a range of policy approaches. Section 46 of the Law on Local Government (462) obliged local governments in the context of fiscal decentralization to create local finances, establish and monitor policies for their overall growth. Fiscal federalism pays the Ghanaian government a premium for the allocation of resources via the decentralized tax collection system. Tax decentralization has the following advantages: it enables regional and local difference to be considered; it lowers planning and administrative expenses; it promotes organizational and political innovation among local governments; and it leads to better policies as people acquire more authority. State and local governments cannot hold their people responsible; there is a dearth of competent workers; they have the option to choose where to reside; there is a degree of independence from the national government; and public spending infrastructure at local level is lacking. These are all fiscal federalism drawbacks.

2.2.2 Institutional Theory

Analyses of public finance procurement procedures were conducted using institutional theory. Thousands of years ago, the labor of theorists gave birth to institutional theory. Max Weber, an economist and social theorist, focused on how bureaucracy and institutions were starting to govern our society via his idea of the iron cage generated by excessive institutionalization. On the other side, the integrated perspective originated with Scott (1995), who noted, "The institution provides stability and purpose to a firm's social behavior." Institutional theory is concerned with the longer-term and more fundamental motivations of economic players' behavior. It examines how structures like as plans, norms, customs, and routines establish themselves as authoritative directions for social behavior and extends to explain economic interactions between multiple economic units of study. Institutional theory elucidates how these characteristics are generated, disseminated, adopted, and modified throughout time and geography, as well as how they degrade and go out of favor. This idea is relevant when it comes to the implementation of procurement laws, policy, and practice in organizations that employ public monies, notably in government institutions. Public procurement is responsible for ensuring regulatory compliance, prudent fiscal management, and third-party delivery of contracted goods and services (Russell and Meehan, 2014). Centralization of public procurement is a growing worldwide trend aimed at increasing efficiency (Albano and Sparro, 2010; Walker et al., 2013), and it entails some degree of collaboration amongst agencies. Collaborative procurement refers to two or more purchasing groups uniting their knowledge and purchasing power in order to increase buyer-side market leverage and/or provide extra efficiencies. Increased volumes, in conjunction with product reduction and standardization, result in commercial gains due to economies of scale (Joyce, 2006). Efficiencies in processes reduce duplication in bids and enhance supplier management (Trautmann, Bals and Hartmann, 2009). Through the development of buying expertise, information interchange between partners results in information economies (McCue and Pitzer, 2000). According to institutional theory, coercive state pressure would compel public agencies to engage in collaborative procurement. Unfortunately, collaboration is notoriously conflict-ridden and difficult to manage (Amirkhanyan, 2009). Redistributive equity, poverty alleviation, and development are often shared by the national and subnational levels of government in a federation. Many of the country's governmental services, targeted transfers, and development programs are managed by subnational administrations. Additionally, albeit to varying degrees, federations often employ redistributive tax-transfer programs in conjunction with the national government. The national government has ultimate responsibility for ensuring that redistributive equality and opportunity are administered consistently across the country. Even though subnational governments are tasked with the responsibility of executing critical initiatives for economic growth, opportunity, and poverty reduction, the federal government often shoulders a considerable budgetary burden.

2.3 Meaning of Public financial management

Frequently, obtaining budget support involves the usage of effective and dependable PFM solutions. Additionally, the effort to give debt relief to highly indebted poor countries (HIPC) focuses not just on fiscal reform but also on budget execution (Pretorius and Pretorius, 2008). Allen et al. (2004) defined PFM as all components of a country's budget process, both upstream (planning and programming) and downstream (execution, accounting, control, reporting, monitoring, and evaluation), including legal and organizational framework arrangements. CIPFA (2010) defines PFM as a strategy for planning, directing, and regulating financial resources with the objective of enabling and influencing the efficient and effective accomplishment of public service objectives. While this section's discussion of PFM literature focuses on central government, Fedelino and Smoke (2013) argue that the fundamental elements of PFM and the budgeting process are similar at all levels of government; thus, while this section's discussion of PFM literature focuses on central government, it is also applicable to local governments. Cahyono (2017) defines public financial management as the process of identifying potential revenues and expenditures, developing medium-term expenditure frameworks, attempting to connect budget and policymaking, developing budgets, managing cash and expenditures, and procuring public goods and services. Additionally, it comprises asset management, establishing an internal control and monitoring system, and establishing a financial accounting and reporting system. The construction of frameworks for government performance management and a competent external audit function, as well as the effective supervisory roles of the legislature and other bodies (Allen et al. 2004).

Public financial management is a critical component of economic policy execution because it affects the allocation and utilization of public resources through the budget and, more generally, fiscal policy. The donors thought that a well operating PFM system would guarantee that the funds freed via debt forgiveness were used effectively and transparently. A well operating PFM system, as assessed by a set of key metrics, will boost assistance utilization and overall budget performance, therefore contributing to macroeconomic stability and development. It would contribute to overall governance improvement by protecting public assets against expropriation and corruption. The purpose of government is to safeguard the well-being of its population.

Political authorities engage with non-state actors to shape power rules and the relationship between the state and people, civil society, and the private sector.

Ghana's government is examining methods and mechanisms for modernizing and strengthening public finance management on a gradual basis. For instance, the Integrated Financial Management Information System (IFMIS) has grown in popularity over the years as a means of increasing efficiency, effectiveness, accountability, transparency, data management security, and comprehensive financial reporting. While the scope and operation of an IFMIS differ per nation, it often denotes a huge, complex, and purposeful reform effort. The sheer size and complexity of an IFMIS provide significant obstacles and a slew of risks for the deployment process that extend far beyond the technical risk of failure and inadequate functionality. The introduction of an IFMIS may be considered as a substantial institutional transformation that affects the work processes and institutional structures that govern public finance management. Financial planning and budgeting practices, internal control practices, public finance procurement practices, revenue collection practices, and public financial governance practices are all components of good public financial management, according to Cheruiyot (2018). As a consequence, the research examined these options for improving public financial management in further detail.

2.4 Ghana Integrated Financial Management Information System (GIFMIS)

GIFMIS software is a very complicated information technology infrastructure development and business management platform for governments and organizations given by Oracle Corporation, a renowned software supplier headquartered in the United States (Kwakye, 2015). GIFMIS was introduced in 2010 to replace the 1999-2009 Budget and Public Expenditure Management System (BPEMS) project. Ghana initially used Oracle E-Business Suite R12, and on November 6, 2012, accountants and financial officers from decentralized organizations convened in Tamale to inform administrative staff at the Ghana education service about the GIFMIS implementation, which will eliminate manual financial transactions in the public sector. By streamlining and modernizing the government of Ghana's budgeting and public spending management, GIFMIS aims to improve public financial management performance, transparency, and accountability (GoG).

GIFMIS provides decision-makers with financial and non-financial data to enable them to carry out their management obligations. GIFMIS offers financial managers with reliable, clear, and timely budgetary data to help in decision-making (Rodin-Brown, 2008). By automating a country's accounting and budget management systems, the GIFMIS enables access to high-quality information at all phases of financial management, including financial statements and audits, budgeting, and treasury management.

GIFMIS makes use of Enterprise Resource Planning (ERP), an electronic platform comprised of a variety of components designed to streamline information exchange across nationalities and companies. It is now operational in 33 MDAs and 10 Regional Treasury Departments, indicating its effectiveness (News Ghana, 2014). The primary advantage of GIFMIS is that it may be used to identify and prevent fraud and corruption. Excessive payments, theft, and fraud may all be managed with the implementation of a well-designed GIFMIS (Chene, 2009). Electronic systems are included for detecting ghost names, complying with cash disbursement laws, tracking suspicious activity, automatically cross-referencing payroll, social security, SSNIT, bank codes, and account numbers for fraud and deviations from normal operations, as well as cross-referencing assets purchased to detect theft. Additionally, Ministries, Departments, and Agencies utilize the GIFMIS account receivable module to handle and monitor money received, which includes utilities, sales of products (all non-tax revenue), fees, and commissions (Kwakye, 2015). The module will produce invoices, record receipts, and take payments. At the end of February 2014, the Ghana Revenue Authority deployed the Revenue through Account Receivable module. The platform collects taxes from public agencies in accordance with the MDAs through Electronic Fund Transfer. GIFMIS ensures that students' money or fees are collected in a timely and trustworthy way. Educational institutions have arranged with their banks to accept fees paid by students through Electronic Fund Transfer to their institutions' accounts, which show in individual student ledgers, and to quickly clear the debt in proportion to the amount paid by the students (News Ghana 2014, Financial Act for Office Practice, 2015). According to Karanja and Nganga, IFMIS is more than an accounting system that is intended to function according to the information requirements and the environment in which it is implemented (2014). IFMIS assists management in monitoring performance, making policy choices, adhering to fiduciary duties, and preparing auditable financial statements (Hendriks, 2012). As a consequence, IFMIS refers to a computerized financial management system for a company. IFMIS refers to the automation of public financial management systems and processes in the context of public financial management. It comprises using an integrated framework to automate the process of developing, planning, and implementing public budgets, as well as accounting for and reporting on public financial data (Peterson, 2007). According to Karanja and Nganga (2014), developing and implementing IFMIS in public financial management is a necessity for effective budgetary resource management. The International Financial Management Information System (IFMIS) is a financial management tool that supports countries in regulating, managing, and planning their finances (budgeting). IFMIS is a computerized system that simplifies public financial reporting by consolidating key financial management functions, increasing data management efficiency and security, and streamlining data management.

2.5 Public financial management act of Ghana

The Public Financial Management Act, Act 921 of 2016, was passed in Ghana to regulate PFM. The Public Financial Management Act of 2016 establishes the obligations of those charged with financial management (FM) in the public sector. This is to ensure the effective and efficient management of state revenues, expenditures, assets, liabilities, government resources, the Consolidated Fund, and other public monies, as well as to provide for connected topics. Ghana had made some progress with PFM reforms in the previous two decades prior to the introduction of the PFM Act of 2016. Before 2016, a number of important PFM reform measures were implemented, including:

i. The Public Financial Management Reform Program from 1997 to 2003 (PUFMARP).

ii. The short-term and medium-term action plans (ST/MTAP) of the Ghanaian government (GoG) covering the years 2006 to 2009.

iii. The Budget and Public Expenditure Management System (BPEMS) was established from 2003 through 2007 and was incorporated in the 2010 Ghana Integrated Financial Management Information System (GIFMIS) project.

iv. The Ghana Revenue Authority (GRA) was established in 2009 by the combined three revenue agencies (IRS), Custody, Excise and Prevention Service (CEPS), and Ghana Value Added tax service. iv (VAT).

v. The functionality of the UN Classification of Governments (COFOG) in budget categories has been employed from 2011.

vi. New statistics on government financing (v.) (GFSM, 2001). A handbook compiling fiscal data on government economic and financial activity.

vii. The MTEF is a three year rolling budgetary plan which specifies medium-term expenditure objectives and budget constraints.

viii. Transformation from activity-based budgeting to program-based (GOG: Public Financial Management Reform Strategy, 2015-2018).

The Act establishes the powers and responsibilities of financial stewards (individual officeholders), as well as their particular responsibilities. It defines the important financial administration actors in the nation, as well as their duties, duties, and positions. This section outlines the Controller's and Accountant's respective roles. The General's The act establishes, among other things, the conditions for controlling and managing public money, the central mechanism for supervising public finances, the rules for collecting, holding, and disbursing funds, and the tax collection procedures. Additionally, it establishes budgetary control over the public finances, including income and expenditure, as well as receipts and payments, which reflect the circumstances surrounding appropriations. The government's expenditure is subject to yearly appropriation by the legislature. It empowers the Controller and Accountant-General to guarantee that payments made from appropriations are lawful. No payment is necessary unless mandated by law. Specific enactments may extend authorization for some payments, such as chargeable expenditures, and they establish rules for the administration and maintenance of government accounts, as well as the creation and reporting of final government accounts. It defines the requirements for culpability, the crimes and penalties that may be imposed, as well as the Financial Administration Tribunal's establishment. Public Sector Accounting was released in 2010 by the Institute of Chartered Accountants of Ghana (ICAG).

2.6 REVENUE MOBILISATION PRACTICES IN GHANA

2.6.1 The Concept of Revenue Mobilization

Taxation is perhaps the most significant source of income for governments and nations worldwide (Abdallah, 2006). One of the primary challenges that many developing nations, including Ghana, confront is generating sufficient domestic income (Botlhol, 2011). On the other hand, many of these nations have a glaring under-provision of public goods, substantial fiscal deficits, and an unhealthy dependence on foreign assistance.

Local government income is money collected and received by a District, Municipal, or Metropolitan Assembly (Ministry of Local Government and Rural Development, 2014). Numerous municipal assemblies' operations and functions are highly dependent on money. While governments, development partners, and other sources fund the assemblies, their capacity to generate money on their own is critical. As a consequence, it is critical to correctly account for all money due to Assemblies via a well-documented collection procedure.

Local governments in developing nations get money from two sources, according to Dick-Sagoe (2012): cash transferred from higher levels of government and money collected and maintained locally. Transfer payments are funds received from higher levels of government (national, regional, and/or state/provincial). Transfer payments are managed by law that regulates intergovernmental fiscal relationships. Typically, transfer payments are paid from a single source of money that is administered by the higher-level government (e.g. a national value added tax, income tax, or oil revenues). Transfer payments are not considered "own source income" since they are not directly controlled by the local government (Painter, 2000).

On the other side, the monies collected and held inside the community serve as a source of income for the local government. According to Fjeldstad & Semboja (2000) own source revenue accounts for a small (or very small) portion of a local government's overall revenue in developing countries.

Local governments impose a range of taxes, licenses, fees, and surcharges in this respect. On the other hand, the line between taxes, permits, penalties, and fees might become fuzzy in certain instances. Numerous levies are referred to as charges, despite the fact that they are really taxes, since no service is supplied directly to the payer.

2.6.2 Importance of Revenue Mobilisation

According to Gupta and Tareq (2008), revenue mobilization is crucial for African nations since it is the lifeblood of all state governance, including the provision of public goods and services, and the primary source of long-term financing for sustainable development. It may contribute to fiscal institution strengthening since steady and consistent income enables long-term fiscal planning, allocating resources to key sectors and transforming them into results. According to the United Nations Department of Economic and Social Affairs (2008), revenue mobilization, when combined with economic growth, provides an antidote to long-term reliance on aid, as well as increased ownership and policy flexibility to enact policies that reflect local development priorities.

When foreign assistance is phased out, rising local income not only frees up cash for high-priority expenditures, but also enables governments to stay on track with their policy goals. Between 2000 and 2006, Ghana, Malawi, Rwanda, Tanzania, and Uganda all succeeded in increasing domestic income mobilization to generate fiscal space, demonstrating that it is possible. Bulr and Hamann (2007) assert that higher domestic income will help governments in mitigating the negative implications of aid volatility and unpredictability, which may complicate fiscal management. Domestic revenue collection will help to bolster fiscal institutions. In fact, stable and predictable income makes medium-term fiscal planning simpler; the success of social spending is inextricably linked to the soundness of fiscal institutions (Gupta, Powell & Yang, 2006).

2.6.3 Types of Revenue Available to GOG

Governments rely on a wide variety of tax instruments for their revenue needs, including direct and indirect taxes, general and specific taxes, business and individual taxes, etc.

Natural Resources

Grants (Foreign aid) (Donor funding

Loans

2.6.3.1 Taxes

A tax is a compulsory charge imposed by the government on the income, consumption, and capital of its subjects through its agencies. These taxes are placed on personal income such as commercial profit, interest, or royalties in order to produce money (Bello, 2001).

In other words, taxes are a wide source of income unconnected to any particular service provided by local government. Local taxes vary according to nation, but they often include a property tax, as well as one or more business taxes and consumption taxes. These taxes may or may not be proportional to the value of the property, business, or economic activity (Abdallah, 2010). Governments use a range of levies and tax rates to accomplish developmental objectives. This is done to distribute the tax burden among individuals or groups of persons who participate in taxable activities, such as commerce, or to transfer resources between individuals or groups of persons (Aggrey, 2011). A country's tax system typically reflects its community beliefs or the ideals of those in power. To develop a taxation system, a nation must decide how the tax burden will be spread, who will pay taxes and at what rate, and how the funds collected will be spent. These choices reflect the sort of society that the people and/or government want to build in democratic countries where those responsible for developing the tax system are chosen by the populace. In nations where the public has little say over taxes, the system may reflect the political elite's views.

Types of Taxes

Direct Taxes

Direct Tax is designed to be paid by the persons or organizations it affects, with the impact and incidence happening on the same person or entity, such as Gift, Corporate, and Capital Gains Tax. Ghana is governed by the Ghana Revenue Authority.

Types of Direct Tax

Personal Income Tax (Pit)

Income taxes are usually seen as the most acceptable vital source of revenue in developing nations such as Ghana, and they continue to be the most effective means of obtaining above-subsistence wages (Tanzi and Zee, 2001). Ghana imposes an annual income tax on both citizens and nonresidents. Non-residents are required to pay taxes on income obtained in Ghana, whereas citizens are not required to pay taxes on income gained in Ghana. Revenue, whether earned or received in Ghana, is generally of Ghanaian origin.

Corporate Income Tax (CIT)

A well-known reason for corporate fees is the capacity to pay. Because businesses are unique legal entities and the great majority of them earn a substantial amount of money, they must show a considerable capacity to pay their taxes. In rising nations, the bulk of large taxpayers are clearly identifiable and taxable. Utilizing firms as agents to collect money from customers (sales tax), employee payroll, and personal income tax is profitable (dividend and withholding taxes)

Indirect Taxes

This is collected on a single individual with the intention that the levy will be passed to another. Individuals subject to the national health insurance tax, the Getfund levy, and the Value Added Tax have all felt the impact and frequency. VAT, the National Health Insurance Levy ('NHIL'), and the Ghana Education Trust Fund Levy ('GETFL') are all imposed in Ghana on taxable deliveries of goods and services made by a taxable person in the course of its taxable activity. A taxable activity is one that is carried out in Ghana or partly in Ghana by a person, whether for monetary benefit or not, and includes the delivery of goods or services to another person for consideration. With the exception of exempt items and services, the following are often subject to VAT, NHIL, and GETFL.:

• Supply of products and services produced in Ghana and

• Products and services imported.

Taxable supply by the taxable person making the supply;

• imported goods, by the importer,

• imported service by the recipient under specified circumstances;

• Provision for use in Ghana, telecommunication or e-commerce services by the supplier or its agent. The regular rate of VAT is 12.5%, the NHIL is 2.5% and the GETFL is 2.5%, with the exception of products regarded to be zero-rated or flat (for wholesalers and sellers of products) (PWC, 2019)

Internally generated fund

Ghana's 1992 Constitution permits local governments to generate cash independently in order to finance the country's development goals. Six fundamental sources are used in traditional accounting: prices, lands, taxes, permissions, and trade facilities. District Assemblies are the rating bodies for districts, and the Local Government Act of 1993 (Act 462) mandates them to determine and levy rates sufficient to pay a proportion of the DA's total budgeted spending for that fiscal year. Additionally, a DA may provide and collect an extra payment to refund previous year's costs, cover eventualities, or offset costs. There are two types of rates: general and specialized. The general rates are those set and charged by the DA for the whole district in order to foster overall development. The set rates apply to a particular area within the district for a particular project authorized by the area's district administrator. The basic rate, the property rate, and other special rates applicable to particular projects in the area are among the many rates. Adults who live within the DA's jurisdiction levy and compensate for base rates. On DA-administered landed assets, property rates are applied. This is a big cash stream for the DA. For compilation purposes, an income stream may be quickly forecasted and measured. The following monies are produced domestically in Ghana;

Fees

Local governments generate money via fees connected with certain services, such as registrations, licenses, and permits. Typically, they are levied per transaction, such as a flat fee for registering a home, marriage, or birth.

User charges

User fees are another source of income linked with particular services; however, unlike other fees, user fees are often related to the quantity of service utilized; for example, the amount of water used by a customer is related to the quantity of water utilized. In certain circumstances, user charges may vary according on client type; for example, rubbish collection charges may differ for residential, commercial, and industrial organizations (Alam & Koranteng, 2000).

Donor Support

The majority of district assemblies get funds for particular activities from development partners like as DANIDA, GTZ, and others. For instance, DANIDA supplied water and sanitation facilities to a number of areas in Greater Accra. The European Union, World Vision International, and other donor organizations with a presence in Upper Denkyira East have assisted the Municipal Assembly of Upper Denkyira East (Adu-Gyamfi, 2014).

Loans

A District Assembly may borrow or run a bank overdraft of up to twenty million dollars according to Article 88 of Act 462. (GH 2,000.00). Any expenditure in excess of this amount, however, needs the previous approval of the Minister of Local Government. In terms of expenditures, Act 462 provides that the Assembly may incur costs from its own funds or from the DACF only if the item is included in the Assembly's budget for the fiscal year in question (Owusu, 2012). Additionally, according to Article 89, funds may be invested in Ghana government treasury notes or in other assets authorized by the Assembly.

Grants

Grants are a significant source of revenue for subnational governments, supplementing other revenue streams such as direct and indirect taxation, as well as non-tax revenue (fees, rents, interest, etc.) (Bergvall, Charbit, Dirk-Jan, & Merk 2006). Subnational governments' fiscal autonomy, as a percentage of total subnational government revenue, varies significantly across OECD countries. Furthermore, no correlation appears to exist between fiscal autonomy and fiscal decentralisation (measured as the share of subnational government spending in total government spending).

Licenses

Licenses are provided depending on the economic activity of the area. The license enables the holder to engage in such activities within the district. Individuals are awarded business operating permits, construction permits, and similar permissions to enable them to do specified activities inside the district. It produces cash to help local governments meet their obligations (Yeboah & Johansson, 2010)

Table 2.2: Summary of internal revenue sources

Fess	Licenses	Taxes chargeable on the income of the following categories of self-employed persons	Miscellaneous
• Cattle ponds; • Conservancy; • Slaughter house; • Market dues; • Market stalls/stores; • Lorry park dues; • Advertisements; • Trading kiosks; •Restoration of conservancy service; • Graveyard receipt; • Bread bakers; • Chop bars; • Corn mills; and	• Dog licenses; • Hawkers; • Extension of hours; • Hotels and restaurants; • Beer and wine sellers; • Petroleum installation palm-wine sellers; • Akpeteshie distillers/sellers; • Herbalists; • Taxi cabs; • Lorry parks overseers;	Spare parts, dealers; • Chemical sellers; • Tailors and dressmakers; • Sandcrete blocks manufacturers; • Musical spinners; • Radio and television repairers; • Gold and silver smiths; • Drinking bar operators; • Professional photographers; • Chop bar keepers and cooked food sellers; • Butcher; • Refrigeration and air conditioning workshop owners; • Hairdressers;	Town Hall/Community centre receipts; • District hearse hiring; • Dislodging of latrines; • Hire of bulldozers/grader; • Collection of sand/grave/stone; • Slot machines; • Stool land revenue; and • Toilet receipts.

• Dressing stations.	• Tax drivers (driving licence); • Self-employed artisans; • Fishing tolls; and • Birth and deaths.	• Garage owners; • Video operators; • Cornmill owners; • Co-operative distillers; • Scrap dealers; • Livestock breeders and traders; • Traders; and • Liquor sellers.	

Source: MLGRD (2006)

2.7.4 Challenges Facing the Government in Revenue Mobilization

Particularly obvious is the contrast between international and local sources of income. Foreign assistance accounts for an average of 53% of GDP, compared to just 16% of tax income in developing countries (Botlhol, 2011).

Numerous assemblies have substantial administrative challenges, one of which is their inability to collect income owed to them. Thus, the reported-to-predicted income ratio varies significantly across councils and council districts (Fjeldstad & Semboja, 2000). The following factors contribute to the explanation of the wedge: Inadequate administrative capacity to enforce taxes;

i. Explicit and intentional tax evasion and resistance on the part of taxpayers;
ii. Corruption, including revenue embezzlement;
iii. Political pressure on local tax administrations to ease up on revenue collection;
iv. Negligence on the part of numerous government agencies and parastatals to pay taxes.

v. Negligence on the part of many government agencies and parastatals to pay taxes.

2.7.4.1. Poor administrative capacity

According to Levi (2008), many rural towns have fewer collectors than large market places. In such conditions, tax collectors are obliged to travel between market sites, making collection more erratic and harder to enforce. Given the complexity of the collection system, it is legitimate to say that local governments do not have enough tax collectors. Without a doubt, tax administration might be improved.

2.7.4.2 Resistance from taxpayers

According to Fjeldstad and Semboja (2000), taxes are typically seen as unfair, with taxpayers getting little in return for their efforts. Councils finance almost no development projects, and existing capacity are unable to provide promised services owing to a lack of operating and maintenance expenditures. The degradation and, in some cases, termination of public services heighten taxpayers' perceptions of exploitation as a consequence of an unequal relationship with the government, which increases tax resistance (Fjeldstad & Semboja, 2000).

While the majority of taxpayers are unable to estimate the precise value of the benefits they get from the government in return for taxes paid, one might argue that they have a basic understanding of their terms of trade with the government. In this context, it is acceptable to assume that taxpayers' behavior is influenced by their satisfaction or unhappiness with the conditions of government trade (Levi, 2008).

2.7.4.3. Corruption

According to Prud'homme, local administrations are rife with fiscal corruption (1992). It comes in a variety of forms and is determined by the kind of tax, the method of collection, and the location. Corruption at all levels of local government, from villages to council headquarters, is a problem.

The magnitudes of financial transactions seem to grow in lockstep with the administrative level of the council. While countless instances of collusion between taxpayers and collectors have been documented, the investigation suggests that the most prevalent kind of corruption involves tax collectors and administrators embezzling funds.

Three factors might have played a role in widespread tax income theft among local administrations (Prud'homme, 1992):

i. The low salaries provided to employees: Government workers get a pittance. According to Mans (1994), administrators and tax collectors must seek alternative sources of money in addition to their income since they are trying to make ends meet.

ii. The intricacy of the tax structure: The idiosyncrasies of the local government tax system may foster corruption. The income structure is very intricate and opaque. Each municipality has a variety of tax bases, sub-bases, and rates. Additionally, the revenue goal for tax collection does not always relate to fulfilling the budget, but rather to collecting enough cash to pay the payroll bill for the council.

iii. Inadequate controls: Migdal (1988) hypothesized that political systems under central pressure to attain certain development objectives are prone to self-accommodation. The most common kind of accommodation is to present false information about development progress to superiors who are unfamiliar with local realities. Thus, with no control, local authorities may utilize their financial discretion and the use of force for personal gain.

2.7.4.4. Political pressure on the local tax administration to relax on revenue collection

Political pressure is a serious impediment to tax collection in some municipalities (Semboja & Therkildsen, 1992). This problem arises when the majority of people detest taxation and council members seeking re-election refrain from advocating for higher taxes. Additionally, some councilors are opposed to increasing municipal taxes and levies due to their status as major landowners or company owners seeking to reduce their personal tax burden.

2.7.4.5. Lack of efficient tax education

A key concern in Ghana, according to Azubike (2009), is a lack of information and enlightenment among taxpayers, who are not adequately educated and informed on the country's varied tax regulations. As a result, tax illiteracy in Ghana is a significant hindrance to revenue collection.

2.7.5 The Link between Revenue Mobilization and Good Governance

Revenue is a key component of any government machinery because it allows it to work effectively and secures the continuation of government institutions and people. On the other hand, (Akpa, 2008; Bhatia, 2009) believes that tax is an obligatory charge that taxpayers must pay regardless of whether their services or goods provide a commensurate return. Thies (2010) and Salami (2011) agree with Akpa that taxes are governments' primary source of income, while Portillo and Block (2012) add that taxes are coercive in nature, compelling people to exchange their income for public goods or services. Adu-Gyamfi (2014) defined revenue mobilization broadly as the process of gathering, aggregating, and arranging financial contributions from all identifiable sources of income within an economic context. Planning/budgeting, revenue generation, expenditure/payment, financial/accounting reporting, auditing, and PFM regulatory process activities exist as a collection of interdependent factors that may impact one another and, as a consequence, service delivery (Scott 2016). Despite their emphasis on income generation, decentralized authorities generate little money internally, relying mainly on central government for financial resources. Given decentralized government units' low internal revenue raising capability, Bird and Slack (2010) said that efficient revenue mobilization strategies are an essential prerequisite for fiscal decentralization to succeed. As a consequence, autonomous units must have mechanisms for producing money that are acceptable to residents (Finch, 2015). Internal taxes and foreign payments are the two most important sources of revenue for African self-governing organizations. According to RTI International (2006), the approach for increasing resource mobilization is based on two key challenges. These are the strategies for detecting current and new prospective sources. This will include increasing revenues from internal sources by identifying specific sources, growing nominal rolls, upgrading rates, improving billing, improving collection efficiency, reducing arrears, and building a robust financial management system. Local governments must improve their financial management systems as part of their resource mobilization plan, focusing on the cost effectiveness of revenue collection, direct revenue administration expenditures, and overall economic costs, which include cost enforcement to taxpayers (Boschmann 2009; Fjeldstad 2006). Furthermore, tax collectors and councilors' responsibility must be reinforced in order to prevent losses caused by corruption and tax evasion (Boschmann, 2009 and Fjeldstad, 2006).

Furthermore, several research on taxation and economic growth have been undertaken in Ghana. According to Adu-Gyamfi (2014), assemblies in the Upper Denkyira East Municipality may aim to successfully mobilize revenues via public education about the necessity of tax payment, staff training, and the punishment of tax defaulters. Opoku et al. (2014) created revenue collection methods for the Abura-Asebu-Kwamankese District. House-to-house collection, public awareness and educational campaigns, capacity building for revenue supervisors and collectors, collecting equipment procurement, and networking with donors were among the strategies used. Puopiel et al. (2015) identified the use of mobile taskforces, public awareness through radio advertisements, the involvement of an IGF collection agency, training and incentives for revenue collectors, and adequate logistics as some of the strategies used by the assemblies in their study on mobilizing Internally Generated Funds (IGF) to finance development in Ghana's Northern Region.

However, as a result of decentralization, many African countries have had poor governance and service delivery. According to Ola and Tonwe (2005), a lack of financial resources continues to be a major impediment to the progress of devolution in a number of African countries. There have also been complications as a consequence of the devolution of tax collection and expenditure authority to lower levels of government (Fjeldstad & Heggstad, 2012). According to Fosu and Ashiagbor (2012), many devolved units are financially fragile and depend on financial transfers and help from the central government. Numerous devolved bodies have substantial financial issues in maintaining sustainable service delivery and combating poverty and inequality at the local level (Latema, 2013).

2.7.6 Summary

Ghana's situation is deductively comparable to that of other African nations. Revenue collection remains a prerequisite for implementing the Metropolitan, Municipal, and District Assemblies' (MMDAs) objectives and plans. Operations and functions of the assembly are strongly reliant on the availability and amount of income. While the federal government, development partners, and other sources may provide some money, it is vital for MMDAs to be self-sufficient. As a result, it is vital that all resources necessary for an assembly be correctly gathered, documented, managed, and accounted for. As is usual in other systems, MMDAs are funded by central government transfers, locally generated income, and bilateral and multilateral donor financing and technical assistance. However, the Common Fund of the District Assembly is the principal source of cash for financial empowerment. The basis for this financial system is that MMDAs must be financially self-sufficient in order to accomplish their assigned functions, as stated in PNDCL 207, the 1992 Constitution, and Act 462 of 1993.

2.8 PUBLIC FINANCE PROCUREMENT PRACTICES IN GHANA

2.8.1 Overview of Procurement in Ghana

Prior to the 2003 Public Procurement Act (Act 663), the Ghana National Procurement Agency (GNPA) and Ghana Supply Company Limited (GSCL) were the principal government entities responsible for acquiring all public goods (Verhage et al. 2002; Anvuur et al. 2006). These firms do not oversee procurement; rather, they conduct transactions on behalf of government agencies (Kotoka, 2012).

Due to the lack of a comprehensive legal framework and a central agency charged with coordinating procurement procedures, a growing number of sector ministries, notably the Ministry of Health (MOH), have implemented their own procurement systems. Additionally, for World Bank initiatives, the World Bank's Procurement Guidelines were followed (World Bank, 1995/1997). For public works, traditional procurement methods were used, with the Ministry of Water Resources, Works, and Housing imposing required supplier and contractor registration and category criteria. According to the World Bank (1996) and Eyiah and Cook (2003), the Ministry of Water Resources, Works, and Housing's contractor database was too broad and out of date, and the ministry's registration procedures - contractor lists and financial criteria - were not constantly rationalized (2003). The 2003 Procurement Act (ACT 663) required the application of new procurement patterns, restoring much-needed sobriety to the local procurement system, which had been tainted by fraudulent procurement practices and other malfeasance (Osei-Tutu et al., 2010). Public procurement in Ghana accounts for between 50% and 70% of national budgets (after personal emoluments), 14% of GDP, and 24% of imports. As a consequence, public procurement has an impact on the social and economic well-being of the area (World Bank, 2003a). Procurement is evolving from a clerical, non-strategic activity in the majority of developing economies into a strong socioeconomic unit capable of influencing choices and providing value (Knight et al., 2007). Developing nations have reformed their public procurement laws in a variety of ways. Apart from the legislation, these reforms had an effect on the public procurement process, processes, organizational structure, and staff.

2.8.2 Conceptualization of Procurement

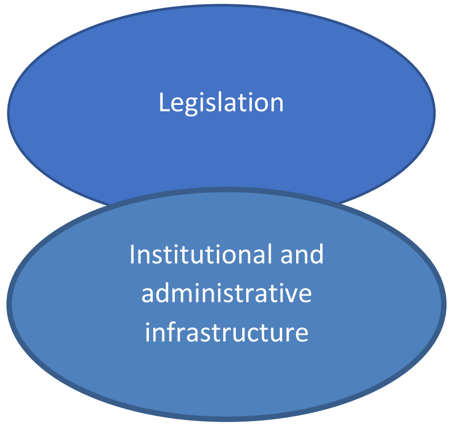
Procurement is the act of purchasing, renting, leasing, or otherwise acquiring goods, works, or services by a procuring entity using public funds on behalf of a government or public body's ministry, department, or regional administration. It encompasses all functions associated with the acquisition of goods, works, or services, including requirement specification, selection, and invoicing. '04 (PPA 2004). Thus, procurement refers to activities included in the purchase of products and services from third-party vendors. As a consequence, resource planning, supply chain management, negotiation, order placement, inbound transportation, reception, inspection storage and handling, as well as quality assurance, are all necessary. It comprises collaborating with suppliers on scheduling, supply continuity, risk management, and speculation, as well as performing research that results in new resource programs (Katimo, 2013).

The Public Procurement Act, 2003 (Act 663) in Ghana is a comprehensive policy aimed at removing barriers that government entities face while acquiring goods and services (Ameyaw et al., 2012). Additionally, Telgen et al. (2007) said that both the public and private sectors must obtain products, works, and services, and that in both cases, there are strong motives to seek the best deal available. As a consequence, procurement's primary objective is to aid manufacturing and rescaling businesses by providing timely procurement at the lowest overall cost possible. As such, it is a comprehensive process that starts with a sound procurement strategy, budget allocation, invitation to bid, bid review, contract award, contract administration, performance assessment, monitoring, auditing, and reporting.

2.8.3 Framework of Procurement

Any procuring organization, whether public or private, must operate under an explicit or implicit framework throughout the procurement process. This is crucial for a transparent, low-risk procurement process that is both accountable and well-managed (Organization for Economic Co-operation and Development, 2009). The graphic below depicts a typical procurement structure as defined by the Organization for Economic Co-operation and Development (OECD), consisting of five primary components:

- Legislation: encompasses the entire procurement cycle and all relevant parties, establishing an overarching framework within which to function.
- Institutional and administrative infrastructure: this imposes constraints on the procurement process's structure. To maintain propriety, staff functions should ideally be clearly segregated between financial and procurement authorities.
- Systems of review and redress are required to detect and address errors.
- Internal control systems that are independent are critical for enhancing integrity and detecting corruption or fraud.
- External auditing and oversight: provides the final independent examination performed by a top auditing institution



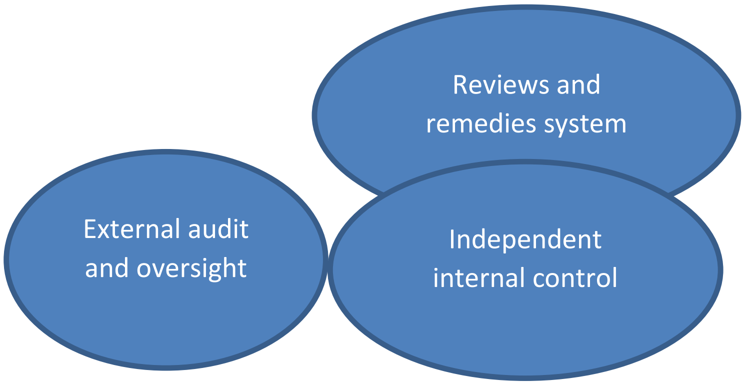


Figure 2.1: Framework for procurement (Source: Organization for Economic Cooperation and Development, 2009

2.8.4 THE PROCUREMENT CYCLE

The procurement cycle is a cyclical process that includes critical stages that occur during the acquisition of goods, works, and services, beginning with identifying a need and conducting a market survey and ending with the selection of a supplier, managing their performance, and evaluating learned lessons. The Chartered Institute of Purchasers and Suppliers is a professional organization for purchasers and suppliers (2014). As a result, the procurement cycle creates helpful reference points and the primary activities that occur during the procurement process, allowing for more effective monitoring and assessment. As shown by the procurement cycle, the Cycle emphasizes the whole supply chain, not just procurement (CIPS, 2014). The Public Procurement Act of 2003 describes a typical goods procurement cycle, which is outlined below (Act 663);

2.8.4.1 Planning

At this stage, the user agency establishes and defines the purchase needs. The approach establishes whether the product is made in-house or by a third party. Access to services, products, and works may be granted within an existing framework contract. Procurement planning is the process through which an organization decides what to buy, when to buy, and who to buy from (Lynch, 2012). Himmie (2010) describes it as a process in which procurement professionals create a schematic of the arrangement of what, which, when, and how purchases will be completed over a set period of time.

Lynch (2012) and Himmie (2010) emphasized that effective procurement planning is crucial to attaining buying goals for all procuring organizations.

1. A well-executed strategy is cost-effective in terms of both time and money. This is because planners can anticipate the duration of the procurement process and the award of contracts for certain needs.

2. An successful plan serves as a vehicle for an entity's goals to be accomplished. As a result, a procurement strategy may be developed for each requirement described in the procurement plan. This strategy comprises doing a market analysis and determining the most suitable mode of procurement in light of the need and conditions.

3. A good plan helps planners to evaluate if expectations are fair, especially those of inquiring organizations, which often want needs to be fulfilled on short notice and within a shorter timescale than the associated procurement process allowed.

4. An effective strategy ensures compliance with regulatory standards.

5. An successful strategy offers a framework within which procurement officials may carry out their functions and duties

2.8.4.2 Sourcing

Sourcing is the process through which a business locates prospective suppliers of products and services. It is a method of procuring in which the organization's business needs are balanced against supplier demand (Wallace & Xia, 2014). In Ghana, the public sector Act (Act 663, 2003) defines sourcing as the process of pre-qualifying prospective suppliers, developing and issuing tender papers, requests for quotes or proposals, assessing responses, and choosing a valid tender.

2.8.4.3 Contracting and Contract Management

After choosing product and service suppliers, the parties must execute a legally binding agreement defining their respective rights and duties. This is a vital step since it comprises negotiating contract terms and conditions and assuring compliance, as well as recording and agreeing on any modifications or revisions that may arise throughout the contract's implementation or execution. Contract management, as defined by IACCM (2011), is the systematic and efficient management of contract creation, execution, and analysis with the goal of maximizing financial and operational performance and limiting risk. A contract is created at this moment, and the parties sign a formal contract agreement including the previously agreed-upon terms and conditions. Contracting may take the form of a call off order inside an existing framework contract for simpler requisitions or a purchase order inside an existing framework contract for more complex requisitions (Public Procurement Authority, 2003). Contract management's objective is to ensure that both the client and supplier fulfill their contractual obligations. These tasks include facilitating faster supply, scheduling on-site exams, confirming comfort letters, planning for product reception and installation, assessing paperwork, and processing payments. Frequently, an engineer will conduct a technical review of job contracts. Contracts for consulting services usually require the client's company or customer to expressly participate as a beneficiary of training, expert advice, or reporting (Public Procurement Authority, 2003).

2.8.4.5 Storing

When items are not immediately needed, they must be stored and secured often to prevent injury. The item may be delicate and precious, and the prompt availability of a dependable storage system may be critical to an organization's operation. Due to the fact that certain items need special storage or have a limited shelf life, it is critical to manage stock levels effectively throughout the storage, care, and management processes (Public Procurement Authority, 2003).

2.8.4.6 Distribution

Customers must request delivery of products left in shops to their ultimate destination. Distribution is a time-consuming supply and distribution operation to a diverse network of merchants and end users across the nation. At times, it is necessary to accommodate a range of customer or client needs and transport things across dangerous areas with perilous infrastructure (Public Procurement Authority, 2003).

2.8.4.7 Evaluation

Controlling and ensuring the success of the purchase effort is critical for the acquisition process to run smoothly (Baah 2015). Notably, one must comprehend the scope of the merger processes in order to identify any faults or problems that arose and determine what steps may be made to prevent recurrence in the future. If required, the evaluation should involve a comprehensive audit of the whole purchase process (Public Procurement Authority, 2003).

2.8.4.8 Appeals and Complains

Part VII – Review – Section 78 of Act 663 establishes the procedures to be followed in the case of a complaint from a party who has suffered damage as a result of the procurement process. Any supplier, contractor, or consultant who argues that they have suffered, or are about to suffer, damage or harm as a consequence of the procurement entity's violation of a duty may seek review under this Part.

2.8.5 Objectives and Scope of Act 663 in Procurements for Ghana

The primary objectives of Act 663 are to standardize public procurement processes throughout the public sector, to promote prudent, economical, and efficient use of state resources, and to ensure that public procurement activities within the public sector are fair, transparent, and nondiscriminatory. The Act includes reference to public procurements, including those for commodities, works, and services, as well as contract management. Additionally, dispositions of public property and equipment are included, as are procurements financed with cash or loans acquired by the Ghanaian government, including foreign assistance money. Act 663, on the other hand, contains some exceptions and does not apply in certain circumstances, including the following:

- Where the Minister determines that alternative procedures are in the national interest
- Where a loan or funding agreement specifies alternative procedures but does not include store management and/or distribution (Source: Republic of Ghana Public Procurement Act, Act 663 cited by Ohene- Addae, 2012).

2.8.6 Major Obstacles to effective and efficient procurement practices in Ghana

Ghana's procurement rules, Act 663 (2003), were established and published by the republic of Ghana's parliament to promote fairness and transparency in public procurement and to guarantee that it is done in an equitable manner. This was the law's intent: to restore rationality and uniformity to public procurement operations by establishing bodies and standards to standardize the process. Since the Act's inception, various key contemporary procurement concepts have been included to address the rot and inconsistencies that have long plagued public procurement. However, implementing this well-intentioned act has run into a number of barriers that risk the object's health. Ameyaw, Mensah, and Osei-Tutu (2012) and Dagaba (2013) both identified a shortage of procurement professionals, a lack of interaction between procurement entities and the Public Procurement Authority (PPA), deliberate competition control, noncompliance with legal provisions, contract splitting into smaller lots, and a lack of clear emergency procurement procedures.

2.8.6.1 Lack of proper knowledge, skills and capacity

The single largest hindrance to procurement success has been identified as a skills and capabilities shortfall (Sheoraj 2007). As a result, a critical success factor for successfully executing procurement is enough capacity, as shown by functional procedures and appropriately trained and qualified employees. In some government and commercial businesses, the level of procurement personnel's skills and abilities falls well short of acceptable requirements (Ambe and Badenhorst-Weiss, 2012). McCarthy (2006) argued that actors' incompetence and experience in dealing with procurement procedures contributed to inadequate governance. As a consequence, there is insufficient competence development to bolster public sector personnel' human resource foundations (Boateng, 2008). As a consequence, it seemed since if the situation in the field of procurement management was worsening, as advanced expertise was necessary to support the apparently new national procurement legislation (Boateng 2008). According to Hardcastle (2007), workers are unable to attend coaching sessions offered by private consulting businesses due to a lack of budgetary funds for training and skill development.

2.8.6.2 Bureaucracy

The public sector's purchasing processes are very hierarchical in their decision-making. Government procurement processes often use insufficient methodologies and procedures, leading in significant cost and schedule overruns. This suggests that the government's budget is impacted by public sector bureaucratic actions. Weele's (2000) assertion is analogous to the World Bank's assertion that bureaucratic delays lead to excessive government spending.

2.8.6.3 Unethical behaviour

Senior officials may engage in unethical actions, such as twisting procurement officials' arms to ensure that their chosen bidders get the contract offer. Certain procurement authorities will violate their professional ethics to aid a certain contractor in getting the contract at any costs. Certain procurement agencies have a widespread unethical practice of disclosing bid information to their favoured bidders in order to aid them in quoting more favorable prices and therefore obtaining the contract. The activities of procurement authorities that breach professional ethics are often motivated by their desire to earn cash (Hardcastle, 2007)

2.8.6.4 Non-compliance with policies and regulations

Matthee (2006) defines non-compliance actions as the failure to employ a competitive strategy in both quotes and bids, as well as the incorrect use of the preference point system. Additionally, there is a shortage of qualified bid committee members, the employment of unqualified vendors, the rejection of bids on erroneous grounds, the use of an ineffective procurement method in terms of thresholds, validity period extensions, and the incorrect use of the selective bidding process (Ambe and Badenhorst-Weiss, 2011). As a result, contract management controls and procedures are insufficient, bid committee members are appointed inconsistently with policy criteria, and there is no motivation to deviate from procurement procedures.

2.8.6.5 Accountability, fraud and corruption

Additional faults in procurement management approaches include intransparency, fraud, and corruption (Hawking and Stein, 2004). Certain emerging economies are in dire difficulties, with low wages driving procurement officials to make corners in order to boost their remuneration packages. Without procedures like as Monitoring and Evaluation (M&E), such unethical conduct is promoted, resulting in significant compromises to the value for money concept. Under- and over-invoicing are frequent occurrences in the procurement operations of a range of governmental institutions (Matthew, 2005).

2.8.6.6 Inadequate planning and linkage of demand to budget

All administrative officials should support the planning ideals since planning is a critical component of strategic management. Regrettably, the bulk of procurement personnel in Ghana's public sector carry out procurement functions without enough preparation (Daft 2006). Prior to contract award, suitable preparations for assessing the supplier's capacity and capacities are not developed. Contracts for supply are often addressed at the national political level and shoved down the throats of district legislatures that may be unprepared to cope with such political contracts. Procurement authorities are not given enough time to implement the procurement system necessary to guarantee that procurement adheres to value for money requirements (Azeem, 2007). Unbudgeted items cannot be created since the majority of procurement processes are budget-related. As a consequence, crucial procurement goods often get unnoticed. District assemblies must support themselves organically via market tolls and taxes, which are not budgeted for. Recent growth in energy services has aggravated the problem, and the prospects of many businesses are expected to suffer as a consequence (Matthew, 2005).

2.8.6.7 Lack of training on the best procurement practices

Employees and officials participating in the procurement process should be taught and trained on good procurement processes, which should be handled by the undersigned institution/board. This should be done in combination with the organization's policy and practice for well-equipped procurement operations management (Damas, 2013). Additionally to this expertise, the officers in issue should build a culture of protocol compliance as a method of conducting procurement operations ethically.

2.8.6.8 Intervention influences in the procurement process

Manipulation in procurement processes by top management and other interested parties has been identified as one of the most common challenges faced by procurement professionals and experts in Ghana and many other African countries, not only in the private but also in the governmental sectors (Damas, 2013).

2.8.7 Public Finance Procurement Practices and Public Financial Management

Procurement and its administration are essential components of public-sector financial management and service delivery (Thai, 2009). Furthermore, effective and efficient public procurement processes are required to achieve the Millennium Development Goals (MDGs) and support long-term development. Numerous developing nations' procurement systems are woefully inadequate, resulting in the waste of precious resources. Dankyira (2014) asserts that successful and effective public procurement programs have a significant influence on the delivery of government services such as roads, hospitals, healthcare, sanitation, telecommunications, education, environmental protection, and human rights promotion. Certain public procurement systems in Ghana are undergoing reform to develop a high-performing public procurement system, acknowledging the vital role of public procurement in supporting a functional public sector and good governance. Furthermore, public procurement is a critical instrument for government since it is connected to the two pillars of good governance: enhanced public service delivery and value for money. According to Bawole and Adjei-Bamfo (2019), public procurement is the process through which government agencies buy goods and services from third parties. This area include the acquisition, rental, leasing, and leasing of materials, as well as the provision of construction services. Government procurement is seen as a kind of public economic activity owing to its bigger share of national spending (World Bank 2012). The majority of nations employ public procurement to achieve a number of objectives, including social and environmental benefits and the reduction of public sector corruption (Adjei-Bamfo and Maloreh-Nyamekye 2019). On the other hand, Parker and Hartley (1997) suggest that such wide outcomes risk ambiguity and an excessive use of discretion in public procurement methods. Dankyira (2014) evaluated the influence of the Public Procurement Act, 2003 (Act 663) on the public financial management of the Brong Ahafo Region's multi-purpose development agencies (MMDAs). The purpose of this research was to determine the impact of the Public Procurement Act (Act 663) on the financial management of MMDAs in the Brong Ahafo Region. We analyzed the elements that lead to procurement operations delays and the activities that need to be done to enhance procurement procedures. The research analyzed the data quantitatively. 50 procurement personnel from the Brong Ahafo Region's several MMDAs were recruited using a systematic sampling method. They were charged with the responsibility of completing a typical questionnaire. SPSS version 16 was used to perform the analysis of 48 of the 50 questions. The study's results indicate that the regulation has the impact of slowing down procurement activity in the area. Regardless, it has made a major contribution to the nation's effective management of government resources in the procurement of products, works, and services. Kahiri, Arasa, Ngugi, and Njeru (2014) investigated the effect of procurement legislation on the adoption of efficient procurement methods in Kenya's public tertiary training institutions. The study used a descriptive research method to investigate procurement professionals at Kenya's 40 state tertiary education institutes. To choose a sample of 160 respondents, a stratified random sampling methodology was utilized. The primary data collecting tool was a questionnaire that included both open-ended and closed-ended items and was formatted in both nominal and Likert-type scales. The study's findings indicate that procurement policy elements affecting the implementation of effective procurement practices in Kenya's tertiary public training institutions include a low level of compliance with procurement regulations, the use of ineffective procurement policies, a lack of top management support, the use of ineffective procurement procedures, and a strained relationship. Davis (2014) examined the procurement practices that impact the delivery of public sector services, with a particular emphasis on power supply, using Kenya Power as a case study. The research used socioeconomic and institutional principles as a framework. A stratified sampling strategy was utilized to choose 100 respondents as a representative sample from a target population of 160 workers. Additional analysis of the acquired data was conducted using SPSS and Excel software, as well as descriptive statistics. According to data, procurement regulations and processes are strict, causing 77.5 percent of procurement activities to fail. Additionally, 39.4 percent of respondents said that their procurement strategy did not include long-term cost of ownership considerations. Additionally, 59% said that their firm had a sustainable 55 procurement strategy, despite the fact that their firm may have a Green policy but its execution is restricted by corporate culture and financial constraints.

2.8.8 Summary

Ghana's government enacted the Public Procurement Act 2003 (Act No. 663) (the Act), which was later amended by the Public Procurement (Amendment) Act 2016 (Act914) (the Amendment Act), laying the groundwork for a standardized procurement system responsive to the country's decentralization and local industry development policies. It established the Public Procurement

Board as the principal entity in charge of policy coordination and ensuring the Public Procurement Authority's procurement is efficient and transparent (PPA). Procurement bodies with tender committees undertake procurement on behalf of government bodies, while tender review boards simultaneously approve the committees' contract award recommendations. The Act was passed as part of Ghana's Public Financial Administration Reforms and Good Governance initiative, which intended to improve the integrity and openness of government financial management and spending. The Act oversees the procurement of products, works, and services fully or mostly sponsored by public money, as well as the disposal of government property. The Act applies to all federal agencies, organizations, and institutions in which the government has a majority stake. However, two significant exceptions to the Act's execution apply. The first is the minister of finance's ability to order the employment of a certain procurement strategy when the minister deems that it is in the "public interest" to do so. If the minister so directs, the procurement process will be published in the Ghana Gazette. The second exception applies to purchases of items, works, and services funded via government loans or guarantees, or by assistance given under an international agreement outlining the procurement techniques to be employed. Procuring bodies are responsible for obtaining commodities, works, and services up to the requisite threshold values stipulated in the Act's schedules.

2.9 FINANCIAL PLANNING AND BUDGETING PRACTICES IN GHANA

Financial planning is the process through which an organization establishes its financial objectives, strategies, policies, objectives, and budgets. Long-term (strategic) financial plans serve as a guide for constructing short-term financial plans (operational). The near-term financial plans are projected to last between one and two years. Typically, long-term plans last between two and 10 years. This helps to mitigate uncertainty and risk, both of which may be detrimental to a business's success. This adds to the stability and profitability of a firm. A financial plan may take the shape of a budget, a strategy for spending and saving money in the private and governmental sectors, respectively.

2.9.1 Financial reporting and Analysis

Numerous components must be in place for financial reporting to be effective in a business. Critically, all organizational leaders should take on financial reporting obligations and recognize that financial responsibility is a hallmark of all leaders. Financial reports are the records and data that a business maintains in order to monitor and evaluate its earnings (or not). Financial reporting processes, in general, are described by Bostan (2000) as the measures required to establish the status of financial and accounting operations. Financial reporting approaches that are effective need the following:

Competent, dependable, and ethical personnel and volunteers;

Well-documented procedures;

Responsibilities assigned;

Appropriate authorisation procedures;

Financial reporting is, in general, a two-party transaction in which issuers of financial reports send them to users who depend on them to make sound financial decisions. Additionally, financial reporting and disclosure are potentially significant instruments for management to communicate the firm's performance and governance to external investors.

2.9.2 Importance of financial reporting

Financial reporting effectiveness is critical in assessing a country's success or failure. Thus, precise financial reporting helps the country to function at peak efficiency, therefore fulfilling its full potential (Kochan, 2009). In other words, there are several reasons to establish an effective financial reporting system. According to Kochan (2009), financial reporting ensures the following:

The capability of the government to quickly reduce expenditure is significantly boosted by concentrating efforts on areas of financial hardship (those most prone to overspending) while simultaneously instituting controls and adopting policies that restrict future expenditure;

More programs are provided for less money; and

Only high-value programs are initiated or sustained, resulting in immediate cost savings due to fewer authorized programs.Chye (2007) said that financial reporting is critical for an organization since a control deficiency might result in wasteful and unproductive company operations, jeopardizing the firm's capacity to produce profits consistently.

As with Kochan (2009), Approva (2011) emphasized the additional advantages of an organization focusing on a more systematic approach to financial reporting:Having standard processes available, portfolio adaptability is achievable;

- Mitigating the risk of financial reporting inaccuracies;
- Detecting, detecting, and mitigating cash leakage; and
- Ensuring policies and procedures are implemented cost efficiently.

Thus, some of the critical reasons financial reporting is critical include monitoring the success or failure of a firm, giving information for decision-making, acquiring bank financing or other sources of capital, budget preparation, and income tax preparation. Generally, the reasons that impact an organization's adoption of financial reporting include the following: to analyze the company's performance: Adaptation, survival, performance, and impact are continual goals for organizations. Financial reporting enables organizations to gather meaningful data about their performance, identify critical aspects that promote or hinder their fulfillment of goals, and position themselves in relation to rivals. Surprisingly, demand for such appraisals is increasing (Rojas, 2014).

2.9.3 Types of financial reporting practices

Numerous financial reporting strategies have been identified via research. According to Kaye (1999), financial reporting procedures may be classified into five categories: tax preparation, auditing, bookkeeping, software conversion, and forensic accounting. The following sections discuss many of Kaye's (1999) techniques:

2.9.3.1 Tax Preparation Practice:

This tax preparation business specializes in the preparation of individual, partnership, and corporation income tax returns. Accountants are often allocated tax returns based on their area of specialization in this line of work. A certified public accountant prepares or reviews all tax returns in conformity with gaap principles. The vast majority of tax practices generates and submits returns using tax filing software (Kaye, 1999).

2.9.3.2 Auditing Service:

Generally, auditing services concentrate on the review of financial statements and relevant documentation for businesses in order to determine if the accounts were produced in accordance with The Accounting Principles (GAAP). Numerous medium- and large-sized businesses use an independent auditing firm to undertake an annual review of their records. Independent auditors are necessary for publicly listed companies (Kaye, 1999).

2.9.3.3 Budget and Budgeting

Budgeting is a fundamental component of financial management in both the public and private sectors. Budgeting is a crucial aspect of public and private management; it is a familiar activity for many since it is employed in our daily lives as well as in businesses, government, and volunteer groups (Samuelsson et al., 2016). Budgeting is critical to the government's operation because it establishes spending guidelines. Thus, budgeting is a process that comprises planning, allocating resources, and organizing the operations of an organization. According to Luft and Shields (2003), the primary purpose of budgeting is to assist in planning; to coordinate activities; to communicate plans to various responsible managers; to increase motivation; to control activities by comparing actuals to budgets; to evaluate performance; and to demonstrate compliance with social norms. Furthermore, Kasozi-Mulindwa (2013) said that every budgeting method utilized by a public sector entity should be evaluated for its usefulness as a primary policy tool for accomplishing defined goals and objectives. This is because an efficient budgeting process considers the long term, establishes links to corporate goals, keeps budget choices focused on goals and outcomes, and supports good communication with stakeholders. Budgeting is a strategic activity, not a matter of balancing income and expenditures on a yearly basis (Isaboke and Kwasira, 2016). Budgeting and financial performance are terms that relate to a method of cost control using budgets. It is the process of comparing actual performance to budgeted performance to see if the budgeted performance corresponds to the actual performance. When deviations arise, the causes for the difference are identified, and corrective action is suggested to bring actual performance in line with plans (Kirira, 2013). To enhance efficiency, business 12's management team should guarantee that budgets for given projects are executed within the time and cost restrictions provided (Kimani 2014). Budgetary procedures and financial performance are fundamentally concerned with three goals: planning, coordination, and control. Budgeting is not a central government activity; it is a process that encompasses all levels of government, national and subnational, with varying mandates and degrees of autonomy.

Mutune (2014) described budgeting conceptually as a plan for the achievement of programs that contains the following: objectives and goals, a specified time period, an estimate of resources necessary, an estimate of resources available, and a comparison to one or more preceding periods. Additionally, Siyanbola (2013) said that a budget is a financial plan that analyzes prior financial experiences, specifies the current strategy, and projects it forward over a certain time period. Thus, the budget serves as the principal vehicle for translating an organization's policy objectives into concrete actions and results on the ground. Budgets are crucial policy documents in all countries (developed and developing), since they define economic and social goals and guide economic activity. Budgets are legal documents that permit taxation and the accumulation of public debt in the public sector. Budgets are a critical component of the majority of firms' operations, providing a variety of management functions (Sponem & Lambert, 2016), Effective end-to-end budget process design takes into account not just the expenditure levels necessary to sustain important social services, but also the modifications required under a variety of different income generating scenarios. Bourmistrov and Kaarbe (2013) observed that by decoupling budget functions (planning, forecasting, control, and evaluation), leaders were able to create stretch targets and improve strategic decision-making via the use of new forecasting methodologies. Allen (2004) describes effective budgeting as the following criteria when defining a future budgeting agenda for Senior Budget Officers (SBO) in EOCD countries:

The budget should create a budgetary situation that is solid and sustainable for the medium term and beyond.

The budget should make it easier for resources to be reallocated to more effective, higher-priority purposes. The budget should incentivize efficient spending units.

The budget should be transparent and sensitive to people' interests.

The budget (in conjunction with other financial management procedures) should provide accountability for public money expenditures. (2004) (Allen).

Budget processes at all levels of government should be coordinated, rational, and consistent. As a result, these budget concepts apply to all levels of government and should be efficiently applied. Furthermore, budgeting is not distinct from other aspects of government. Budgeting is an essential component of, and contributes to, the five pillars of contemporary public governance: integrity, transparency, participation, accountability, and a strategic approach to planning and attaining national goals. Budgeting is therefore an essential component of the trust architecture between governments and their populations (White, 2015).

2.9.4 Public Sector Budgeting in Ghana

Budget Preparation

According to ACCA Financial Management and Control (2006), the budget preparation process entails the following steps: Initially, communicating the details of the budget policy and budget guidelines, which take aggressive pricing policies, wage rate increases, and changes in productivity into account (Assey, 2014). The detect production limits, and hence the organization's performance. These are referred to as limiting limitations and may include a scarcity of labor or resources, a lack of demand, or an inability to manufacture. Additionally, the sales budget is created, which serves as the foundation for the majority of the other budgets. On the other hand, Ghana's government has abandoned "activity-based budgeting" in favor of a phased implementation of the PBB, both in terms of breadth and particular reform areas (Difoum, 2020). According to the Ministry of Finance (2020), the PBB establishes the budget's purpose within the Medium Term Expenditure Framework (MTEF) and acts as a benchmark for assessing the budget's success in reaching that purpose. Additionally, as part of the GIFMIS project, the Ministry adopted a new Budget Preparation and Management System (Oracle Hyperion) in 2015, replacing the Activate software formerly used to create MDA budgets. As a result, the Budget Module creates the financial data for the Budget Estimates. The new Budget Module, which interacts with Oracle Financials (GIFMIS), has contributed to an increase in the quality of budget information and a significant decrease in the time necessary to plan and implement budgets (Kwakye, 2015). Ghana's constitution requires the president to submit an annual budget for approval to parliament. The Ministry of Finance (MOF) develops the President's budget using the Medium Term Expenditure Framework (MTEF) (Gallager and Rozner, 2008). Budget preparation starts with a MOF notice in print media soliciting budget-related memoranda from interested individuals/civil society organizations (CSOs) for inclusion in the next fiscal year's budget. The macroeconomic framework is then updated in accordance with the National Development Plan (NDP), cabinet/executive directives, and other Government policy papers, as well as international agreements. MOF convenes a cross-sectoral conference of MDAs to examine cross-sectoral issues and coordinate efforts to remove operational and program duplication and overlap. By April, sectoral ceilings had been established based on the changing macroeconomic climate, changes in the direction of national policy, and the relative significance of the sectors. The Ministry of Finance then sends a circular letter to MDAs titled "Guidelines for Fiscal Year Budget Preparation" in April/May of each fiscal year. The circular summarizes the Government's fiscal year's primary goals.

Additionally, it looks at macroeconomic trends and the performance of the various sectors of the economy. Additionally, it establishes a schedule for budget hearings with each Ministry to ensure compliance with statutory fiscal cycle deadlines, most notably presentations to cabinet and Parliament, and it establishes projected macroeconomic objectives and indicative spending limits for MDA sectoral spending (Tanzi, 1993). MDAs then construct budgets in line with the circular letter's requirements. After that, the MOF consolidates all sector budgets into a single national budget document that serves as the foundation for the government's fiscal year budget recommendations. After these processes are completed, the budget is presented to parliament for approval. As a result, governments carry out their functions through the public administration apparatus, a subset of public administration concerned with how federal, state, and local governments organize, institutionalize, and manage their procedural, legal, regulatory, economic, human resource, and asset aspects in order to regulate, generate revenue, spend on procurement, and provide essential services such as defensible space (Baidoo, 2019).The government budget is a vital tool for enacting policy decisions that advance social, economic, and political objectives. Budgeting in government is governed by a plethora of laws, regulations, and administrative procedures.

Thus, the budget cycle or process is governed by law in terms of its structure, timing, procedures, and allocation of legal authorities and rights. Essentially, the MTEF was formed in response to pervasive problems with budget planning and administration in developing countries. Thus, the MTEF was created to address three critical issues with the budget planning process: fiscal discipline, allocation efficiency, and operational efficiency (Kiringai and Manda, 2002). The MTEF program has a number of significant challenges, including a variable funding stream, itemized input-based budgeting, an inadequate monitoring structure, and a lack of transparency and accountability (Khasiani, 2007). Budget planning is exclusively focused on the present fiscal year; little thought is given to future situations that might jeopardize budgetary sustainability; as a result, short-sighted policies are often unable to be maintained in the long term. On the other hand, a lack of planning leads in an inability to predict coming problems or recurrent consequences of capital expenditure.

According to Hofstede (2012), the major goal of budgeting is to direct the government toward achieving its goals and avoiding constraints via the exercise of control over activities, the avoidance of excessive resource use, and the improvement of management decisions. Thus, collaboration is crucial throughout the public sector's budget preparation process. Without coordination, some activities and expenses may be repeated, while incompatible or fragmented actions may be taken (Austin, 2011). According to Killick (2005), officials in Ghana have historically held information close to their chests and viewed those seeking it with suspicion. Historically, budget documents have been supplied on a 'need to know' basis. This explains why those in charge of the country's schools and hospitals are often uninformed of the financial resources available to them. Civil society organizations complain that MFEP executives are secretive and unresponsive. Due to a lack of needed information and opaque processes, the public is unaware of the budgeting system's flaws. Furthermore, the Finance Minister talks with informed individuals and organizations. While these dialogues are becoming more normal and expected, they have not yet been institutionalized. Additionally, they are concentrated almost entirely in Accra. District governments have minimal direct involvement, despite the fact that the federal government provides the bulk of their funding. Our nation continues to suffer from a 'democratic deficit.

Public Investment Management System (PIMS)

The PIMS acts as a single repository for all public infrastructure projects, independent of their funding source. Through the Public Investment Plan (PIP), the budget module, and the GIFMIS finance module, it distributes priority coded projects. The PIMS is a critical component of the Public Investment Management Policy (PIM) (Ministry of Finance, 2020).

PIMS improve the quality of public investment by integrating the National Medium-Term Development Strategy, the National Infrastructure and Sector Plans, and the National Budget. The system guarantees that efforts are properly evaluated, prioritized, and assessed. However, given our country's budget limits, executing large-scale capital infrastructure projects is a significant challenge. As a consequence, the government is actively exploring ways to use available resources to engage the private sector in the delivery of critical public infrastructure, particularly in the transportation and energy sectors of our economy (Gurara et al, 2018). The government has pursued this goal via a multi-pronged strategy targeted at improving the management and productivity of public investment. These include institutionalizing a legal and regulatory framework for guiding and enforcing PIM operations in Ghana; operationalizing a Public Investment Management System (PIMS); increasing private sector participation in investment projects through public-private partnerships (PPPs); and strengthening the governance of State Owned Enterprises (SOEs), all of which are necessary for delivering effective PIM operations.

Public Investment Program (PIP) Unit

The Public Investment Program Unit is charged with the responsibility of establishing and executing a comprehensive regulatory and policy framework for the administration of Ghana's public investment. Additionally, it provides guidance, templates, and a PIM handbook to assist MDAs' Project Management Units in guiding the pre-investment process and ensuring regulatory compliance. Additionally, the PIP maintains a comprehensive and reliable computerized database of public infrastructure projects (dubbed the Integrated Bank of Projects) to aid in the prioritizing and budgeting of projects. Additionally, it assists the PIP Working Committee by reviewing, analyzing, and reporting on project documentation, including pre- and feasibility studies, for their consideration and decision regarding the Minister's award of a seal of quality, as well as monitoring and reporting on the PIP and priority projects' implementation, as well as documenting lessons learned.

Public Private Partnership (PPP) Unit/

The PFA management is responsible for administering and monitoring the PID's portfolio of public investments. In this capacity, it serves as the PID's gatekeeper, developing and maintaining a database including all pertinent data and statistics on public investment.

The basic functions of the unit are as follows:

Establish a strong legislative and regulatory framework to support the creation, implementation, and supervision of PPP projects in a timely, efficient, and successful manner.

Provide technical assistance to public authorities via the publication of PPP manuals, guidelines, and templates to assist them in the conception, implementation, and assessment of PPP projects.

Review all PPP project material sent to the Ministry, including prefeasibility and feasibility studies, to verify that PPP projects fulfill the required quality standards of value for money, affordability, financial viability, bankability, and proper risk transfer.

Review the progress of PPP projects and ex-post assessment reports supplied by public authorities, and compile a quarterly aggregate PPP performance report including outcomes, difficulties, and lessons learned to drive policy refinement, PPP project design, and execution.

Review and suggest to the Project Development Facility (PDF) for consideration prospective PPP projects in need of financial support for project preparation and transaction consulting services in accordance with the PDF's requirements.

Collaborate with key stakeholders to strengthen human capacity within the public sector for the creation and execution of PPP projects, as well as to educate the Ghanaian private sector about the PPP process.

Assist the Technical Committee on Public-Private Partnership Fiscal Commitments and Contingent Liabilities (FCCL) in assessing, monitoring, and reporting on all fiscal risks associated with PPP projects, including Viability Gap Financing.

Serve as the secretary for the PPP Approval Committee (PPPAC), which is charged with evaluating and approving PPP projects, by keeping accurate records and following up on PPPAC decisions.

Coordination of the funding for the Viability Gap (VGF).

Public Entities and Assets Unit

Establish policies to enhance corporate governance in SOEs, joint venture companies, and other state-owned enterprises.

Establish rules for the effective management and regulation of state interests in SOEs and joint venture companies.

Liaise with the State Interest and Governance Authority (SIGA) to ensure that SOEs and JVCs are managed effectively.

Advise the Minister of Finance on crucial financial and procedural matters that may affect the State's interests and the efficient and effective use of national assets.

Develop policies for the efficient management, usage, and regulation of the state's non-financial assets.

2.9.5 The Budget Controls process

Budgeting is a comprehensive procedure that yields the greatest outcomes when a variety of variables are considered. Budgets undergo numerous stages before becoming a legally binding and economic tool (Baidoo, 2019). When generating the entity's yearly budget, the budgeting approach takes into consideration all programs, centers, and administrative divisions. It is a term that refers to the comprehensive collection of operations that must occur prior to the final generation of a document. The budget shows the revenue-to-spending ratio. When needs and resources are incompatible, budgeting entails making trade-offs. These instances demonstrate both the government's objectives and the inherent difficulties associated with deficit spending.

2.9.6 Budget Transparency

Budget openness has been a cornerstone of excellent administration in recent decades, and the drive for more fiscal openness has gained steam in recent years. Fiscal (or budgetary) transparency seems to have developed in the 1990s from corporate transparency, which Bushman, Pietroski, and Smith (2004) characterized as "the availability of firm-specific data to non-publicly traded enterprises." Additionally, fiscal transparency may be defined as the timely and systematic release of all necessary tax data (Baidoo, 2019). (Baidoo, 2019). Thus, budget transparency refers to the degree to which individuals may get information about and participate in government income, allocations, and spending. Budgets are crucial documents that detail how scarce resources are divided between conflicting agendas. Islam (2003) indicates that countries with more data flows have a higher level of quality governance. Kaufmann and Bellver (2005) assert that openness is associated with higher socioeconomic and human development indicators, greater competitiveness, and less corruption.

2.9.7 BUDGET MANUAL

According to Harper (1995), the different functional managers need budget formulation instructions and procedures. As a result, a budget handbook is required. Frimpong (2009) defines a budget handbook as "a well-organized compendium of instructions and key information that acts as a guide and reference for implementing a budget plan." According to Frimpong (2009), the budget handbook specifies what must be done, how it must be done, when it must be done, and in what form it must be done. Although creating a budget manual is time consuming and complicated, Frimpong (2009) claims that the work and time required to create the manual are justified by its long-term usage, propensity to crystallize all components of a budget plan, and documenting of methods. The purpose of the financial plan handbook is to create a financial plan sequence and a condensed procedure that will enable the following benefits to be offered after the execution of any agreed-upon changes. As a result, Kpedor (2012) advises that a budget handbook include the following objectives:

i. To reduce the span within which the budget is reorganised and finalised
ii. to provide clarity on the roles and responsibility of financial plan data providers
iii. To ensure that the financial plan presents the accurate image of our core occupation.
iv. to mirror the functioning method of the rising firm in the financial planning technique
v. to combine and appreciate all
vi. appreciating all comprehensive operational financial plans

vii. Evaluating and appreciating the whole financial budget to ensure that it satisfies the venture's aims, territorial technique, and group procedures.

viii. To define the mechanism for evaluating the financial plan

ix. To value the expenditure plan as a tool for monitoring intended execution

x. It is a method of teaching executives

xi. It serves as an official document that clarifies the powers and duties of each official person

xii. By title in relation to the formulation and implementation of the financial plan.

xiii. It assists CEOs in improving collaboration when inclusion in planning processes is enhanced.

2.9.8 FINANCIAL PLANNING, BUDGETING AND GOOD GOVERNANCE

Budgetary Planning and Financial Performance, as a component of the Budgeting system, involves long-range planning, strategic planning, and short-term planning. Additionally, it emphasizes the need of short-term budgeting in light of the current environment and physical, human, and financial resources of the company (Omolo, 2010). Governments function through the public administration apparatus, a discipline that studies how federal, state, and local governments organize, institutionalize, and manage their procedural, legal, regulatory, economic, human resource, and asset aspects in order to regulate, generate revenue, spend on procurement, and provide services such as defense and social welfare (Mhome, 2003). Public administration is fundamentally a management discipline. Without good governance, effective budgeting is impossible, since good governance is an essential condition for effective budgeting. Even better, prudent fiscal management improves the quality of governance. Thus, if a government professes a dedication to good governance, its budgeting process reveals the actual character of the government. For example, the primary characteristics of successful budgeting discussed in this article, including effectiveness, efficiency, openness, accountability, and discipline, are also components of good governance, which, when shown, may provide value to the public (United Nations, 2007; Kaufman and Kraay, 2008). While Andrew (2008) argues that each country's definition of "good governance" is unique, the connection between budget and governance cannot be disregarded. Government budget allocations must cover critical sectors that help the public welfare, rather than focusing expenditures only on areas that benefit political leaders—the three branches of government (Executive, Legislature and Judiciary)

Baidoo (2019) published a research titled Budgeting for Results: Ghana's Implementation of Program-Based Budgeting. Between 2014 and 2018, he conducted research on Ghana's adoption of the Programme Based Budgeting system. Four key issue areas were analyzed to see if the implementation of program-based budgeting (PBB) resulted in results-based budgeting. These include resource allocation that is smart, resource use that is efficient, and achievement of government goals. Additionally, the study emphasized the need of budgetary transparency and accountability. PBB ensured that resource distribution to MDAs was consistent with the yearly action plan, as well as the reliability of our Medium Term Indicative ceilings. PBB enables governments and MDAs to have more discretion in allocating and using resources. The findings suggested that adopting PBB increased the government's resource efficiency significantly and supported MDAs in completing projects and operations at the lowest possible cost, on time, and within budget. Additionally, PBB secured the financial viability of MDA-led initiatives and activities and established a framework for persuading MDAs to meet their obligations through Key Performance Indicators (KPIs). Additionally, it placed a higher premium on long-term objectives that resulted in results than ABB did. To guarantee budget openness and accountability, it was critical that PBB increased the quality of MDA-provided KPIs while also reflecting publicly available budget inputs. PBB has resulted in MDAs adhering to Budget reporting and monitoring criteria, as well as enhanced stakeholder participation in the Budget process. Apart from these advantages, the facts indicate that additional qualities should be connected with ABB's tenure, as it has aided in the achievement of government goals and the delivery of public services. Furthermore, Dania & Hanin (2014) demonstrated that Jordan is relatively new to the notion of planning in compared to other nations in their research on Jordan's efficient and strategic resource allocation for sustainable development. Additionally, they said that, despite the fact that planning in the country began in the 1950s, it continues to face resource allocation challenges, mandating equitable resource distribution. According to the research, a strong domestic agenda should assist in resource allocation, since it acts as a critical document for determining resource allocation priorities. This is because the capacity to anticipate and work on medium- and long-term development objectives from the start, in a tiered way that allows for continual assessment of success so far. Ghana's economy, according to this study, must strategically deploy resources to ensure that national interests are prioritized in order to achieve desired outcomes. Additionally, Cimpoeru (2015) conducted research on Budget Transparency as a factor in reducing corruption and boosting economic performance, stating that "more knowledge is always preferable than less knowledge." Thus, increasing fiscal openness will help in the monitoring of government operations by aiding in the battle against financial "tricks." This proves indisputably that governments, especially in Ghana, must review policies aimed at increasing openness and reducing corruption in order to sustain a flourishing economy.

Additionally, Pimpong and Laryea (2016) examined the effect of budgeting on the operation of Ghana's non-bank financial organizations. The study used a quantitative approach. Primary data were collected through questionnaires to ascertain the applicability of budgets as a financial management tool in non-bank financial firms. Throughout the inquiry, the models were created in a step-by-step fashion. Furthermore, regression analysis was utilized to determine the extent to which budgeting has an effect on company success. Budget coordination, the study's results indicate, has a statistically significant and relatively beneficial effect on company performance (Pimpong & Laryea, 2016).

Ngaruro (2013) examined the relationship between financial planning and financial performance of Kenyan public service organizations, focusing on commercially oriented public service organizations. The study established a correlation between focusing on the organization's objectives, allocating resources effectively, managing risk, and achieving financial success. The research concluded that management should direct the entire organization's operations toward achieving its 40 objectives by defining the path for completing the work, outlining the organization's course of action, eliminating unnecessary activities and prioritizing priorities, and facilitating the taking of the right decision at the right time. Finally, management must commit to effective risk management through an active process of regular risk assessments and a commitment to anticipating and influencing events prior to their occurrence, providing knowledge and information about anticipated events, informing and, where possible, improving the quality of decision making, and tracking identified financial risks.

2.9.9 Summary

Ghana's fiscal progress is predicated on the 1992 Constitution, which is the basic legislative document. For instance, Article 179 defines the framework for the national budget. Other financial administration-related legal instruments that existed before to and during the ratification of the Constitution were amended to form the Financial Administration Act (FAA) 2003 (Act 654) and the Financial Administration Regulations (FAR) 2003. Additionally, in the same time period, the

Ghana Audit Service Act 2000 (Act 584), the Internal Audit Agency Act 2003 (Act 658), and the Public Procurement Act 2003 were all authorized or revised (Act 663). The Constitution and these legislation, taken together, provide mechanisms for budget preparation and financial transparency. According to Ghana's national development plan framework, the public sector is seen to be corrupt due to a lack of openness and maybe even reduced responsibility for public employees. This must be addressed in order for the public sector to restore people' trust and credibility. However, one crucial precondition for tackling corruption in Ghana is the enhancement of institutional transparency and accountability. Ghana has taken a number of initiatives over the years to promote budget openness, including making some information and budget documents public.

2.10 INTERNAL CONTROLS PRACTICES

Internal controls are measures that an organization employs to assure the accomplishment of its objectives, goals, and missions (Brennan & Solomon, 2008). They are made up of policies and processes that safeguard an organization's assets, ensure accurate financial reporting, encourage compliance with applicable laws and regulations, and ensure effective and efficient operations. These systems include procedures for managing the organization's funds received and spent, preparing appropriate and timely financial reporting to board members and officers, conducting an annual audit of the organization's financial statements, and maintaining the organization's website (Onyango, 2014). Internal controls are safeguards that an organization employs to assure the accomplishment of its objectives, goals, and missions. They are a collection of rules and processes that an entity uses to ensure that its transactions are completed properly and that waste, theft, and misappropriation of the organization's resources are minimized. Internal controls are procedures that those responsible for governance, management, and other personnel develop and implement to provide reasonable assurance that an entity will meet its financial reporting, operational effectiveness and efficiency, and compliance with applicable laws and regulations (Mwindi, 2008). It is critical to emphasize that internal controls provide management and the board of directors of a corporation reasonable but not total confidence in the organization's ability to achieve its goals. “The inherent constraints of all internal control systems have an effect on achievement” (Hayes et al., 2005). Thus, internal controls are the mechanisms through which an organization ensures that its objectives, goals, and missions are accomplished (Ogneva et al, 2007). Internal controls are sometimes used to guard against waste, theft, and mismanagement of an organization's assets. Managers and boards of directors build internal control systems to achieve organizational goals such as trustworthy financial reporting and effective and efficient operations. Crockett, Davy (2011). Internal control systems that are properly planned and implemented are believed to result in increased financial reporting processes as well as an accurate report that bolsters an institution's management responsibility role (Doyle, et al. 2007). Internal control components such as the control environment, risk assessment, control activities, information and communication, and monitoring have remained operational tools that businesses use to accomplish a variety of organizational goals, the most important of which is revenue generation and/or survival (COSO1994). Cohen et al. (2000) stressed the control environment's importance in light of survey data indicating that management's leadership, dedication to integrity and ethical conduct, as well as their impact on employee conduct, continue to be the most critical components in successful control. When management adopts a pessimistic tone, the chance of fraudulent financial reporting rises, since the control environment starts with directors and management creating organizational norms, processes, and good governance (Rittenberg et al. 2005). Internal control systems are described as the rules and processes that a company uses to safeguard its assets and assure accurate financial reporting (Sulaiman et at, 2008). Internal control may give a fair degree of confidence, but not total confidence, that an organization's goals will be met. The firm will be able to run more effectively and efficiently by using an effective system (Sulaiman et al, 2008). Internal control is concerned with an organization's efficiency and effectiveness, the accuracy of its data, compliance with relevant laws, and the timeliness of financial reporting (Jokipii, 2009 and Changchit et al, 2001). A solid internal control system guarantees that the organization's administrators handle financial resources in a manner that protects the interests of donors and/or contributors (Sulaiman et al, 2008). Internal control structures are composed of rules and procedures that govern controls such as money and grant withdrawal requests, bank and cash transactions, purchases, payments, and monitoring, as well as evaluations and reporting. Thus, in order to run a successful business, it is essential to maintain an accurate financial record and an effective management control system.

2.10.1 Elements of Internal Controls

According to Adom-Frimpong (2019), internal controls are made up of five interconnected components that are used to develop internal control systems and measure their performance. Furthermore, it is important to note that these many components work together to form a robust combination of techniques/methods, rules and procedures, and processes that entities follow throughout their activities. The control environment, risk assessment, Control Activities, information and communications, and monitoring are all components of internal control. The table below summarizes them;

Control Environment

Every internal control system begins with the control environment. An internal control system is built on the basis of the control environment. It embodies management's general attitude and conduct toward controls' critical position in their company. Internal controls are more likely to be effective if management values them and conveys their significance to all levels of personnel.

It serves as the foundation for developing and implementing an appropriate and effective ICS within the entity, with the control environment aimed at achieving the entity's strategic objectives by making financial reports accessible to both external and internal stakeholders and ensuring that business activities are conducted more effectively to ensure compliance. Whittington and Pany (2006) define the concept as the aspect of internal control systems that ensures the appropriate mechanisms and systems are in place to achieve the internal control system's objectives while also contributing to the atmosphere and climate, both of which have an impact on the quality of internal control systems. COSO (2013) defines a control environment as having the following dimensions: board supervision, integrity and ethical standards, structure, authority and responsibility, human resource policies and procedures, and accountability. The control environment's function, according to Yurniwati and Rizaldi (2015); Amado and Niangua (2009), is to provide the foundation for the organization's internal control continuity and, more importantly, to prevent fraud.

Risk Assessment

Risk assessment is another component of an internal control system. Risk assessment, as defined by Sudsomboon and Ussahawanitchakit (2009), is the process of detecting and assessing material management risks linked with the preparation of financial statements. Internal control risk assessment cannot be overlooked, and Kaplan (2013) reaffirms this viewpoint by noting that risk assessment must be methodical and then integrated into the entity's processes and systems. On a daily basis, companies confront risks that are either controllable or uncontrolled, and according to Woolf (2013), risk assessments connected to internal control systems must be undertaken on a daily basis in order for entities to find and analyze controlled or uncontrolled hazards. Danger assessment is the process of identifying internal and external factors that block the fulfillment of goals and analyzing the potential risk and impact of a variety of variables (ICDF Internal Controls Handbook, 2003). Assessing an organization's control procedures may assist it in establishing, updating, and implementing suitable control procedures.

Internal Control Activities

Control duties include creating a complete control architecture and putting control procedures in place at all levels. This ensures that board and management instructions for approvals, authorization, certification, adjustment, reexamination, regular inventory, record verification, labor division, asset safety, projects, budgets, and comparisons to previous outcomes are followed. Clearly specified activities contribute to risk minimization and efficacy maximization. Internal control activities may be preventive, such as requiring supervisory permission, or investigative, such as reconciling reports. Excessive limitations should be avoided, since they may be just as harmful as excessive risk, resulting in more bureaucracy and decreased output. Edward (2011) described control activities as those rules, processes, and procedures that aid in the execution of management policies and directives, as well as steps to minimize or decrease business risks, all with the purpose of attaining the corporate entity's goals. Additionally, Schandl and Foster (2019) defined control activities as "any activity that assists the entity's management in reducing the risks inherent in the company in order to assure and support the organization's overall objectives and aims." Controlling activities occur at all organizational levels and might take the form of preventive or investigative controls. Control activities are another component of an internal control system.

Information and Communications

According to Asiligwa (2017), information systems provide data and reports that contain operational data as well as financial, non-financial, and compliance-related data that allows the running and control of company operations. This is also a component of internal control systems, and in the widest sense, it refers to the methods for detecting, documenting, and disseminating/exchanging data and information for the purpose of achieving objectives. This information system, which incorporates accounting software, helps the organization to make effective management and control decisions. As a consequence, information must be reliable in order to be valuable, and it must be distributed to those who need it. For example, managers must communicate their duties and responsibilities to direct reports, and employees must be able to communicate any problems to management. Internally and internationally, information must be communicated with individuals who are not employees of the organization, such as suppliers, receivers, and other relevant parties. Additionally, communication between and within the agency's many levels and functions must be maintained.

Monitoring

Monitoring is a wide word that refers to an internal control system function that assesses the quality of internal control systems or determines if internal control systems have been effective in reaching set objectives. After implementing internal controls, their effectiveness must be evaluated on a regular basis to ensure that they remain adequate and continue to function properly. Monitoring is a word that refers to the process of internal control system self-auditing. It comprises assessing the suitability of the control environment, the timeliness and accuracy of risk assessments, the appropriateness and accuracy of control actions, and the sufficiency of information and communication systems. Continuous monitoring is possible, as is monitoring on an as-needed basis.

2.10.2 Internal Control in Audit Process

Internal control system auditing is a vital phase in the audit process. It allows auditors to provide stakeholders with the greatest degree of trust possible in the production and reporting of financial statements. Audits of internal controls over financial reporting are undertaken simultaneously with audits of financial statements (Younas and Kassim, 2019). While conducting an audit of a firm, an external auditor performs many tasks. Internal control is more closely related to these stages than external control is. Auditors gather information about the customer and its environment, including internal controls, and perform audits using a variety of audit methodologies. Auditor undertake risk assessments and obtain more data in order to ascertain the probability of material misstatement. The auditor's responsibility is to get a thorough understanding of the business's environment and management structure, as well as to elicit sufficient information on management's attitude, action, and behavior in connection to the control environment. The auditors should be familiar with the client's risk assessment and response procedure. This assists auditors in identifying material misstatement risk. The settings of auditors should be examined on a regular basis for changes in organizational structure that might result in data manipulation. According to Saud and Marchand (2012), Internal auditing is an impartial, objective assurance and consulting activity that seeks to provide value and enhance the operations of a company. It assists a firm in achieving its goals by using a methodical, disciplined approach to examining and improving the efficacy of risk management, control, and governance systems. The Institute of Internal Auditing (2011) divides internal auditing into three domains: internal control, corporate governance, and risk management. Furthermore, the Institute of Internal Auditing (2009) emphasized the importance of internal auditors in risk management and providing consulting and assurance services to executives.

Objectives of internal control

Internal control objectives are desirable outcomes or circumstances for a certain event cycle that, when met, reduce the likelihood of waste, loss, illegal use, or misappropriation. As a result, numerous internal control goals were investigated.

a) Ensuring accuracy of information

Internal controls are critical to the organization's ability to offer accurate information to its stakeholders. A manager's primary responsibility is to guarantee that controls are operating correctly (Johnson and Kaven 2012). When creating internal controls, it is necessary to examine the accuracy of accounting information.

b) Improving the organization's operational efficiency Assuring operational efficiency enables a company to prevent resource waste and serves as a critical medium for completing tasks and achieving good performance. Internal control enables the establishment of performance criteria and avenues for the development of numerous functions that are aimed toward corporate goals. There are several strategies for ensuring operational efficiency. They include the processes of recruiting and choosing competent individuals, as well as education and training.

c) Compliance with laws and regulations

Internal controls are essential for ensuring that relevant laws and regulations are followed. Furthermore, this is to ensure that employees follow company policies and programs in order to achieve the organization's aims. Controls cannot be effective unless all members of the organization work together.

d) Safeguarding of assets

The goal is to guarantee that physical assets and information systems are appropriately managed and limited to authorized persons (Ndamenenu, 2011). Thus, assets are an organization's physical and intangible resources that are used in its day-to-day operations. These are the assets that the business owns and which are utilized to produce products and services as well as for administrative reasons. Assets must be safeguarded from abuse, theft, or misappropriation.

e) Prevention and detection of fraud

Controls are critical for detecting fraud that may occur during the entity's activities or via its financial statements. Fraud may arise when members of the entity employ improper methods. Transparency International's corruption index for Ghana's public sector (2013 Global Corruption Barometer) indicates that corruption is on the increase in the country's public sector.

To summarize, internal controls comprise a significant component of an entity's administrative operations in Ghana's public sector.

2.10.3 The link between internal control systems and Public financial management system

Internal control systems help to ensure that goals are reached. These goals include safeguarding assets, keeping detailed records required for accurate and fair reporting of company assets, providing accurate and reliable information, preparing financial reports in accordance with established criteria, promoting and improving operational efficiency, encouraging adherence to prescribed managerial policies, and complying with applicable laws and regulations (Romney & Steinbart, 2008). As a consequence, the powers of public officials and the general public are limited by the country's regulatory frameworks; no plan can be carried out correctly without the assistance of the regulatory framework, which defines the rules and regulations. However, it has been discovered on several occasions that these norms and norms are being bypassed in favor of extensive surveillance. As a result, the need to assess the efficiency and efficacy of public-sector activities in Ghana may provide new chances for creating a long-term internal control system. IFAC and CIPFA collaborated to develop a framework for improving the effectiveness of public sector governance (Agyapong, 2017). The framework guarantees that public sector organizations are well-managed by improving decision-making processes and making better use of current resources. An entity's strategic directions, operations, and accountability are determined by increasing stakeholder engagement, implementing rigorous oversight, and supervising the work of those charged with primary responsibilities, resulting in more targeted interventions and improved outcomes for the general public. As a result, internal control is critical to an organization's attempts to fulfill its goals and objectives, especially in the public sector (Agyapong, 2017). The public sector is made up of non-profit organizations, ministries, departments, and agencies tasked with fulfilling and providing for the country's residents' social needs—health, welfare, and education, to name a few..

2.11.1 EFFICIENT (GOOD) GOVERNANCE AND FINANCIAL PERFORMANCE

Governance is the method by which a government wields political power; governance is inextricably linked to the institutions and structures through which power is wielded; and governance comprises an assessment of all relevant public decision-making processes. The management of a country's affairs at all levels via the exercise of political, economic, and administrative power is referred to as governance. It is the complex network of procedures, procedures, and organizations that allows people and organizations to express their interests, resolve issues, and execute their legal rights and obligations... Governments are not the only entities involved in governance; the commercial sector and civil society are also involved. All three are essential for human growth to proceed. The state fosters a welcoming political and legal environment. The private sector is in charge of creating jobs and generating money. Furthermore, civil society encourages political and social participation through organizing individuals and organizations to engage in economic, social, and political activities. (From the United Nations Development Programme) (UNDP, 2003). The right application of governance ideas results in effective governance (accountability, efficiency, and transparency, for example). According to Agbude (2011), effective governance in the context of government includes the absence of violations of individuals' basic rights, the equal distribution of social goods, decentralized power sharing, the development of the rule of law, and prudent budget management. Effective governance is critical to ensuring that infrastructure is delivered in a timely and cost-effective way. This is due to the fact that competent administration first and foremost ensures that resource allocations are consistent with national developmental objectives and hence meet social expectations. Second, excellent governance encourages accountability, decreases corruption, and so minimizes resource waste caused by inefficiency. Finally, effective governance promotes economic and political stability while lessening the risks associated with big, lumpy infrastructure expenditures. As a result, key infrastructure funding resources from both the public and private sectors may be mobilized. However, governance is multifaceted, making it difficult to define and quantify (Ncube, and Mafusire, 2010). Governance is a human-made product that adds to the definition of the relationship and interaction between the state and society. Others have taken a similar stance, claiming that governance "entails shaping the framework within which individuals and (state) officials function and politics occurs." Rules have an impact on outcomes, emphasizing the importance of using them as the institutional framework for implementing democratic values. This position is congruent with that of public administration professionals, who recognize the need of modifying standards to meet the requirements of an increasingly complex social system. The

World Bank distinguishes between governance as an analytical framework and governance as an operational framework, with governance further subdivided into three components. To begin, there is the political system; to continue, there is the methods by which power is exercised in the management of a country's economic and social development resources; and to conclude, governments have the capability to conceive, devise, and execute policies and functions (Hyden G, et al.2010). Governance Indicators are defined by the World Bank as six global aspects. The following are a few examples:

1. Voice and accountability, which attempts to investigate "people's opinions of their capacity to select their government, as well as their freedoms of speech, association, and access to a free press" (Zagel, 2010)

2. Political stability and the lack of violence, with a particular emphasis on "testing public opinions of the possibility that the government will be destabilized or overthrown by unlawful or violent methods, including politically motivated violence and terrorism"; (Zagel, 2010)

3. Government effectiveness, with a focus on "measuring public service quality, civil service quality and independence from political limitations, policy creation and execution quality, and the government's adherence to such policies"; (Zagel, 2010)

4. Regulatory quality, with the objective of establishing "public views of the government's ability to develop and execute effective policies and regulations that enable and support private sector development"; (2010) (Zagel)

5. The rule of law "assesses agents' trust in and adherence to society's norms, including the quality of contract enforcement, property rights enforcement, law enforcement, the police, and the courts, as well as the possibility for crime and violence" (Zagel, 2010)

6. Corruption control aims to "confirm impressions of the amount to which public authority is used for private benefit, including both petty and grand corruption, as well as the 'capture' of the state by elites and corporate interests" (Zagel, 2010).

In today's global and liberal society, good governance is essential for managing public and development resources, decreasing absolute poverty, particularly in emerging nations, and promoting long-term development. Effective governance is the process through which stakeholders express their concerns, their suggestions are taken into consideration in decision-making, and decision-makers are held responsible (UNDP, 2007). These markers of good governance, such as information openness, stakeholder involvement, accountability, and the rule of law, are universally accepted as being properly implemented. Thus, markers of good governance include oriental consensus, accountability, involvement, transparency, rule of law compliance, responsiveness, effectiveness, and efficiency, as well as equality and inclusion. According to the Department for International Development, effective governance is based on three key elements (DFID, 2006):

1) State capability: the capacity to get things done, to create and successfully execute policies.

2) Accountability: a system of institutionalized links between various aspects that may contribute to responsiveness.

3) Responsiveness: when a government or other public authority acts on individuals' recognized needs and desires.

The idea of good governance encompasses a number of principles aimed at promoting social development. To begin, the idea includes a technical component that relates to the economic component of governance, namely the openness of government accounting, the efficacy of public resource management, and the stability of the regulatory framework for private-sector activity. The social component, on the other hand, requires building, expanding, and promoting democratic institutions and tolerance across society. Third, the political component concerns the legitimacy of the government, political responsibility, and respect for human rights and the rule of law. Minorities need a unique approach to good governance in terms of their relationships with key stakeholders when it comes to participation, equality, inclusion, and transparency, since their status in society is often precarious and inconsequential (Ayee, 1998).

2.12.1 PERFORMANCE INDICATORS OF GOOD GOVERNANCE (PERFORMANCE)

2.12.1.1 Gross Domestic Product (GDP)

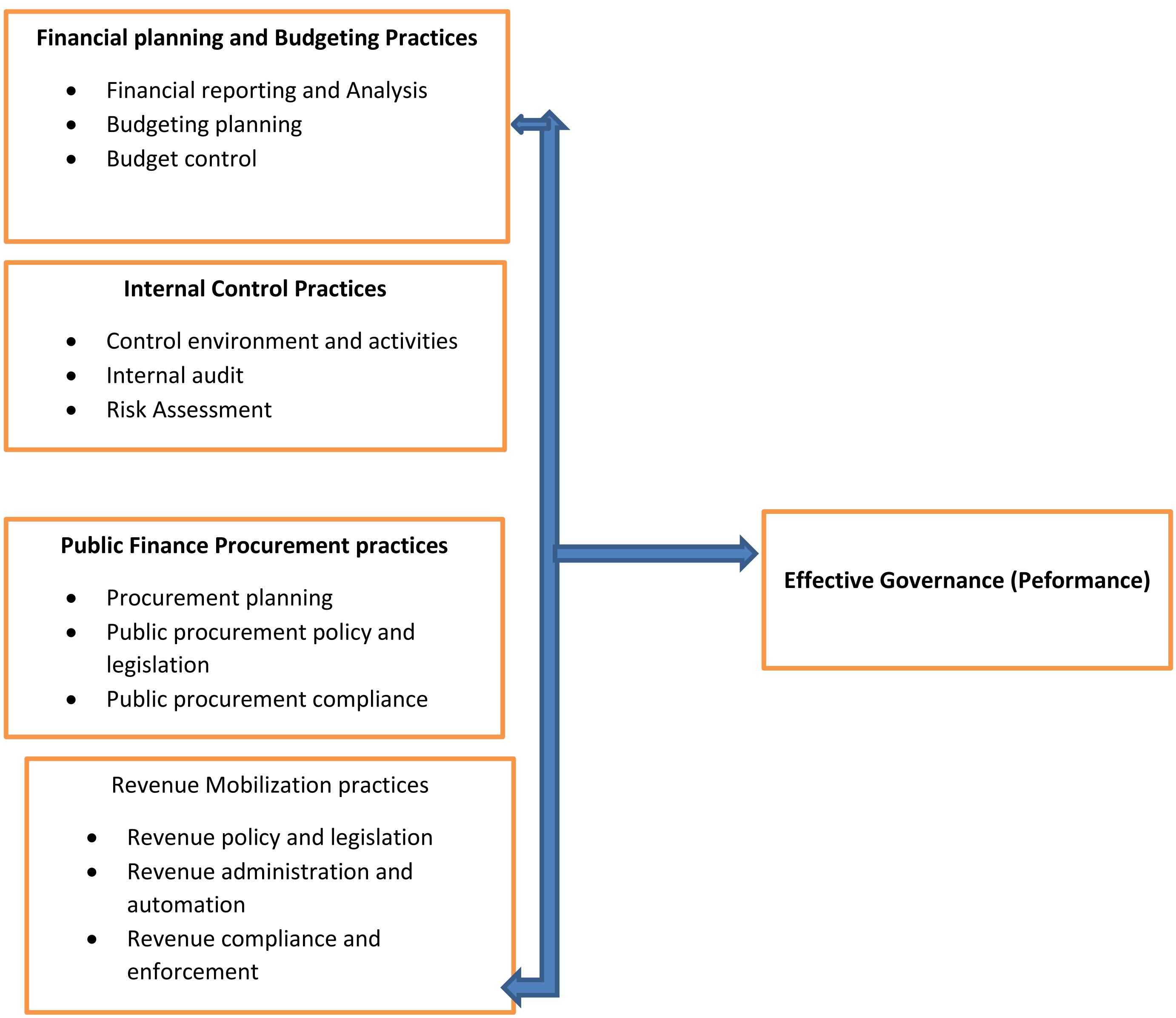
Policymakers use GDP to assess country performance and make crucial policy and regulatory decisions. These decisions have a direct impact on people's jobs, communities, and lives.

GDP is a frequently used economic metric since it is a proxy for an economy's entire economic activity. We use real gdp growth as a measure for macroeconomic circumstances in this study. Gross domestic product growth is the change in the GDP on a yearly basis. According to Bikker et al. (2002), economic growth and banking sector profitability are favorably related.

2.12.2 The inflation rate

Another macroeconomic component to consider is the percentage change in aggregate pricing levels, which may have an effect on both the cost and income of public institutions. Profitability is affected differently by inflation, depending on whether it is anticipated or unforeseen (Perry; 1992). By effectively projecting inflation, management may boost lending rates faster than operational expenses expand, so mitigating the impact of inflation on profitability. When unanticipated inflation develops, bank management is slow to adjust interest rates on bank loans, allowing the rate of increase in operating expenses to outpace the rate of growth in bank income, resulting in a negative impact on profitability.

2.13 CONCEPTUAL FRAMEWORK



Source: Adopted from Cheruiyot (2018)

A conceptual framework was developed in response to a comprehensive review of the literature on public financial management and governance, which included important theories and a series of empirical studies. It was conceived in the following manner: The dependent variable (DV) was the Ghanaian government's good governance (performance), which was influenced by the independent variables (IV), which included financial planning and budgeting practices (FPBP), internal control practices (ICP), public finance procurement practices (PFPP), and revenue mobilization practices (RMP). As seen on the next page, the model was operationalized via the use of a conceptual framework.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter discusses the methods used in the study. This chapter's key components are the study design, the study population, the variables to be assessed, the sample and sampling procedure, and the data sources. Additionally, this chapter discusses the statistical methods and tools that will be utilized to analyze the data acquired.

3.1 Research Philosophy

Pragmatism is a philosophical school of thought that advocates for experiential learning and knowledge construction via experience and enquiry (Bartle and Shields, 2008). It is an intriguing choice for public sector budgeting and financial management. In certain instances, government officials and the general public may lack shared standards, resulting in inefficient administration and policy formulation. The book examines and critiques a variety of mostly normative notions, including public finance, public financial management, and public budgeting. We do not want to minimize these significant contributions to practice; yet, they often fall short of adequately defining and describing the profession's techniques. While we think theory should lead practice, we think practice should also inform theory. I desire to develop the foundations for comprehending the structure and evolution of government budgeting and finance, as well as to assist practitioners confronted with complex circumstances requiring effective answers. The principles of public finance, budgeting, and financial management are introduced and applied using the works of Charles Sanders Peirce, John Dewey, William James, Oliver Wendell Holmes, Jr., and Jane Addams. Pragmatism is characterized by an emphasis on research and problem-solving. Theoretical frameworks are seen as mediators of conflict. Additionally, just as there are often several instruments used to solve a problem, there are several ideas that, like tools or maps, are evaluated based on their utility. This perspective makes sense for financial management because, like other managers, they are motivated by solving issues and cannot be restricted by academic principles when the elected officials and public they serve want a solution. The Pragmatic Maxim was fundamental to Peirce's early theory of pragmatism; it functioned as a guideline for explaining the meaning of hypotheses by their practical consequences, or implications for experience in particular situations. As a result, pragmatism was chosen as the research philosophy for the study in order to develop methodologies, methodologies, and processes that were suited for the study's unique problems and aims.

3.2 Research Approach

According to Denzin (2010), a study's paradigm is defined by its goal (qualitative, or quantitative or both). This study used a mixed-methods approach, combining qualitative and quantitative approaches to analyze the same occurrences. This is crucial because it takes a varied range of facts to develop an effective and efficient public financial management system that results in convergence and increased validity. Due to the fact that this study combines qualitative and quantitative approaches, its overall strength surpasses the strength of either qualitative or quantitative research (Creswell, 2009).

Creswell (2009) emphasizes in his discussion of the conceptual underpinnings of mixed methods research that mixed methods research entails the use of both qualitative and quantitative methodologies, as well as their integration within a study. Thus, a researcher undertaking a mixed-methodologies study acquires, analyzes, and synthesizes data and methods from both qualitative and quantitative sources.

This study will combine qualitative and quantitative methods, such as structured surveys and in-depth interviews. The selected institutions' employees would complete questionnaires, while management would conduct in-depth interviews. Quantitative approaches will be used to collect data on the public sector's financial management and performance measurements. Additionally, the unstructured interviews will elicit managerial viewpoints, opinions, and attitudes on public financial management.

Complementing the quantitative approach of the questionnaire with in-depth interviews may aid in the analysis of public financial management and its impact on the performance of elected governments. In other words, combining quantitative and qualitative research methods in this study is expected to minimize the risk of systematic bias associated with a particular method, ensure the consistency of findings obtained using multiple instruments, and provide sufficient richness and detail data to adequately explore the study.

Despite the advantages of the mixed strategy as described, its implementation involves a number of challenges. These hurdles include the need for significant data gathering, the time-consuming nature of analyzing both text and numeric data, and the researcher's need for knowledge of both qualitative and quantitative approaches. Despite these obstacles, the benefits of a mixed-methods approach exceed the drawbacks, necessitating the employment of a mixed-methods approach in this work (Tannor, 2014).

3.3 Research Design

Each research activity is specified methodologically by the study design. The success of any study is dependant upon the research approach used. Every part of the study's method is influenced by the design. According to Kothari (2005), research design is a way for methodically resolving a research topic. Thus, a research design ensures that the relevant data are acquired in a timely and cost-effective manner consistent with the research topic and subject (Philliber, Schwab, & Samsloss) (2011). The remainder of the approach's components are chosen in line with the given design (Tannor, 2014).

The majority of this study is grouped around the survey design. The descriptive methodology is critical because it facilitates comparison and contrast, as well as the identification of connections between variables (Agyedu et al., 2007). The descriptive design aided the researcher in gathering data, synthesizing it, presenting it, and interpreting it for the purpose of clarity.

According to Seifert and Hoffnung (2012), descriptive survey designs cannot be relied upon unless respondents are capable of successfully articulating their perspectives vocally and, in certain situations, in writing. Our weakness is irrelevant to this examination since the staff and management of the institutions under inquiry are capable of successfully communicating and even writing down their thoughts. Additionally, even if some customers are illiterate and unable of reading or comprehending the questionnaire's content, they would respond to the survey through a structured interview.

Thus, despite slight drawbacks, it is found that the descriptive survey approach is the best appropriate for this inquiry. To begin, it is utilized since the study's objective is to collect unique data on performance management in order to define a population that is too large for direct monitoring (Rubin & Babbie, 2001). Another reason, as Creswell (2002) notes, is that the descriptive survey design is capable of eliciting a significant quantity of information from a relatively small sample of individuals in a short period of time.

Thus, the survey design is judged to be the most appropriate for this study owing to its advantages of simplicity of design, rapid data collecting, and the capability of detecting demographic characteristics in a sample taken from that community.

3.4 Target Population

A population is a group of people, events, or objects that share certain characteristics and conform to a certain definition (Mugenda & Mugenda, 2003). According to Saunders (2003), the population is defined as the whole collection of occurrences from which a sample is collected. The word "target population" refers to the whole group of population components relevant to the investigation (Zikmund et al., 2013). As a consequence of this finding, the study examined five government agencies and organizations that are responsible for these actions. Financial planning and budgeting strategies were tested on accounting officials and directors from the Ministry of Finance, while internal control procedures were studied on the Internal Audit Agency. Additionally, the Ghana Revenue Authority and the Controller and Accountant General's Department were evaluated for their revenue mobilization and financial management methods. Finally, the Public Procurement Agency's public finance procurement methods were examined. As a consequence, the sample size for this research will be restricted to the headquarters of these ministries and organizations.

3.5 Sampling Technique and Sample Size

Tannor (2014) defines a sample plan as a detailed record of which measurements were taken when, on what material, how, and by whom. This indicates that the sampling method should be designed in such a manner that the collected data comprises a representative sample of the parameters of interest and answers all of the mentioned aims. This inquiry made use of non-probability sampling. A non-probability sampling strategy is one in which each item in the population has an unknown chance, or probability, of being chosen, which results in a greater influence. Both probability and irrationality were employed in this experiment. Respondents were sampled using simple random and deliberate sampling approaches. According to Boachie-Mensah and Seidu (2012), purposeful sampling helps researchers to choose participants who best fit the study's objectives. Thus, targeted sampling allows the study's crucial data to be gathered from more trustworthy sources.

This is because accounting officers and directors were recruited expressly for these roles in MDAs and MMDAs.

The sample consists of 200 people.

The following table depicts the division:

Table 3.1: Sample Size

Institution	Number
ministry of finance	40
Internal Audit Agency	40
Ghana revenue Authority	40
Controller and Accountant general’s department	40
Public Procurement Agency	40

Source: Field Data, 2020.

3.6 Data Collection

Data collecting is crucial in research, since the data will be used to help in the study's comprehension (Bernard, 2002). While doing this kind of research, it was very beneficial to consult many sources of data in order to have a thorough picture of the situation. This study used quantitative as well as qualitative data.

3.6.1 Sources of data

The types and sources of evidence used in a study may have an influence on the research's quality. As Yin highlighted, several types and categories of evidence are accessible and may be used in study (2003). The data for this study were acquired from both primary and secondary sources (multiple source of evidence).

Primary Data

Interview schedules and standardized questionnaires delivered directly to the study's unit of analysis are the primary data sources. While the primary data collection method was time demanding, It resulted in the acquisition of authentic data and information from the research population.

Secondary Data

On the other hand, secondary data were gathered via desk-based research, which included library examinations of books, journals, and the internet, as well as journal and publication searches. Secondary sources save time and money; they also contribute to the specificity of primary data collection by showing where gaps and weaknesses exist and what more information is necessary. On the other side, one downside of secondary data is that its accuracy is unknown and it may be out of date. This research, on the other hand, made a point of using only current data.

3.5.2 Instrumentation

Because the study used quantitative research methods to strengthen the validity and reliability of the findings, questionnaires were utilized to collect data critical to the study's aims. Quantitative data were gathered from workers using structured questionnaires. Because the study used quantitative research methods to strengthen the validity and reliability of the findings, questionnaires were utilized to collect data critical to the study's aims. Quantitative data were gathered from workers using structured questionnaires.

We used a questionnaire to acquire quantitative data from workers. The study used questionnaires rather than other instruments since they are an effective way to elicit a varied variety of data from a big number of persons or respondents. The sample size of employees in this example was sufficient to justify the use of a questionnaire to elicit statistically meaningful data on the influence of materials handling technologies on warehouse management in manufacturing enterprises.

According to Creswell (2002), polls contain a variety of flaws. The first is that they prohibit interrogation, probing, and clarification of offered replies. The second reason is that they preclude the collecting of further data from respondents. These limits are addressed by include open-ended questions and augmenting the questionnaire with management interviews, which enable respondents to clarify, debate, and elaborate.

To guarantee that the survey instruments included critical items that could be used to answer the research questions and goals, the questionnaire was divided into parts, each of which focused on a particular study aim. The first component gathers demographic information about the respondents. Age, gender, educational background, and years as a corporate subscriber are the major demographic variables. These demographic characteristics are critical in establishing their relevance to the research objectives and study materials.

3.5.3 Procedure for data collection

The questionnaire was distributed to workers through structured interviews. In this instance, data were acquired through an interviewer who reads the survey questionnaire's questions verbatim, rather than through a self-administered questionnaire. The structured interview was selected because some workers may be busy or may lack past experience doing research, which may impact respondents' understanding of the questionnaire's content and ability to react effectively to questions without an interviewer. Given the time and effort necessary to administer surveys and conduct interviews, the researcher employed five research assistants with data collection experience to assist with field work. To guarantee efficient fieldwork, the researcher taught the research assistants about the study's objective, the sampling technique, and the survey instruments' items.

3.7. Ethical consideration

Each research expedition or study must address ethical issues or concerns (McNamara, 1994). This is especially critical for studies involving human participants. Participants have a right to be informed about the study's purpose, how it will affect them, the risks and benefits of participation, and their freedom to withdraw at any time. As a result, the notion of voluntary participation was closely adhered to throughout the data collecting phase in order to protect the privacy and safety of participants.

Specifically, this study's technique included crucial ethical considerations like as permission and respondent anonymity. To get permission from the chosen participants, the researcher gave all pertinent information about the study, including its objectives and purpose, while protecting the participants' anonymity by withholding their names or other identifying information throughout the investigation. We included only pertinent facts that aided in the study's response to the study's queries.

3.8. Validity and reliability

Kombo and Tromp (2006) describe validity as an instrument's suitability, meaning, and use in relation to the study's findings. A measuring instrument is authentic if it precisely measures the amount for which it was designed and serves the intended function (Patten, 2004; Wallen & Fraenkel, 2001). Patten (2004) highlights that validity is a continuum and that the debate should be on the degree to which a test is valid, rather than on its validity or lack thereof. Patten (2004) asserts that no test tool is completely valid. The researcher must have confidence in the instrument's capacity to provide reliable results. These themes were included into the questionnaire and interview guide during the instrument's pre-testing. To determine the instruments' validity, the questionnaire was forwarded to the supervisor for review, since expert opinion is required for validity assessment.

Figure 3.2: Reality Coefficient

Cronbach's Alpha	Internal Consistency
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.8$	Good
$0.8 > \alpha \geq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionnaire
$0.6 > \alpha \geq 0.5$	Poor
$0.5 > \alpha$	Unacceptable

3.9 Research Models

Following the completion of the dependent investigative tests, regression analysis was used to determine if the independent factors accurately predicted the dependent variable from the research model. SPSS produced the R square, t-tests, F-tests, and Analysis of Variances (ANOVA) tests to determine the significance of the association between the variables under investigation and the amount to which the predictor variables explained the variance in the dependent variable. The p value methodology was used to assess the study hypotheses at the 95% confidence level using the regression analysis output generated by SPSS. If the computed p-value is less than the significance level (0.05), the null hypothesis should be rejected; if the computed p-value is larger than the significance level, the null hypothesis should not be discarded (0.05). The independent variables' significance was determined using the F test and p value techniques. The judgment stated that the null hypothesis that the influence of independent variable(s) was not significant was rejected if the calculated F value exceeded the critical F value or the P value was less than the critical value of 0.05.

The study had five objectives from which five research hypotheses were identified. The following simple regression model was used: $Y_{it} = \beta_0 + \beta_i X + \varepsilon_{it}$, …………………..(Model 1)

Where; i = 1, 2, 3, 4 and 5

$\beta 0$ is the intercept of variable Y

βi is the slope or gradient of the regression line which explains the manner in which Y relates with Xi

i ε It is the error term.

The dependent variable (Y) in this research was the government's performance (good governance), whereas the independent variables were public financial management techniques (Xi). Due to the study's five independent variables, each was modeled using a basic linear regression model. The findings of model 1 revealed whether or not each specific practice of public financial management had a substantial impact on Ghana's good governance.

Additionally, multiple linear regression analysis was utilized to determine the connection between the dependent variable and the independent factors.

Multiple regression equation used was as follows:

$$Y_{it} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon_{it}$$

Where; Y – Good governance (GG)

X1 - Financial Planning and Budgeting Practices

X2 - Internal Control Practices

X3 - Public Finance Procurement practices

X4 - Revenue Mobilization Practices

X5 - Public financial governance practices

β0, β1 , β2 , β3 , β4 and β5 are regression constants.

ε - Error term

Multi – col-linearity

Multicollinearity is a statistical term that refers to the strong correlation between two or more predictor variables in a multiple regression model (Corbin et al., 2014). Multicollinearity is an unfavorable scenario in which high connections exist between independent variables (Martz, 2013). Multicollinearity occurs when one or more explanatory factors are significantly connected, making it difficult to determine which one influences the dependent variable. Thus, prior to doing multiple regression analysis, a multicollinearity test would be conducted to ascertain the connection between the independent variables and import performance. This is because strongly correlated independent variables account for the same amount of variance in the dependent variable (import performance), and so their explanatory power and significance of their coefficients are shared.

Multico linearity is severe when all p-values of regression coefficients are negligible yet the overall model has a large F statistic. Therefore, if the correlation coefficient is larger than 0.70 or less than -0.70, the variables are said to have a multico linearity issue.

1.1 Hypotheses

The following hypotheses are further formulated in support of the research objectives:

H0: Financial planning and budgeting strategies have little impact on the success of Ghana's county administrations.

Ha: Financial planning and budgeting procedures have a major impact on county governments' performance in Ghana.

H10: Internal control practices have no significant influence on good governance in Ghana

H1a: Internal control practices have significant influence on good governance in Ghana

H2: Public finance procurement practices have no significant influence on good governance in Ghana

H2a: Public finance procurement practices has significant influence on good governance in Ghana

H3: Revenue mobilization practice have no significant influence on good governance in Ghana

H3a: Revenue mobilization practice have significant influence on good governance in Ghana

H4: Public financial governance practices have no significant influence on good governance in Ghana

H4a: Public financial governance practices have significant influence on good governance in Ghana

To test the hypotheses, coefficients of regression output will be tested at a five percent significance level. In this case, if the value of the p-value obtained is less than 0.05, then the null hypothesis is rejected.

In mathematical terms: if

P-value ≤ 0.05 => Reject H0 at 0.05

P-value > 0.05 => Do Not Reject H0 at 0.05

3.10 Data Analysis

Stata will be used to perform the panel regression analysis. All inferential statistical research will use a 95.0 percent confidence interval. As a result, statistical significance will be established at a level of 5% (= 0.05).

Prior to doing the regression analysis, descriptive data for the various variables will be provided, including mean, median, standard deviation, and kurtosis. These demonstrate the normality or distribution of the variables.

After that, a correlation analysis for the data will be constructed and shown. The first stage in regression analysis is to establish correlation between the independent and dependent variables; only then can the precise influence of the independent factors on the dependent variables be determined. Additionally, the correlation matrix will demonstrate the link between the dependent variables. Correlation between independent variables increases the probability of multicollinearity, which may affect regression results.

According to Andersson et al. (2014), regression analysis may reveal just relationships between variables, not the underlying causal mechanism. Nonetheless, regression is an effective technique for predicting and estimate in the future. The researcher quantified all variables using descriptive analysis, Correlation and regression analysis were used to evaluate quantitative data, whereas content analysis was used to evaluate qualitative data.

CHAPTER FOUR

RESULTS

4.0 Introduction

This chapter summarizes the findings of research undertaken to validate both the conceptual model and the research hypotheses. To begin, it gives information on the response rate, dependability, and validity of the study methods. Second, it discusses the respondents' backgrounds and conducts a descriptive analysis of the research variables. Finally, it explains the results of statistical analysis used to test the hypotheses and discusses the findings and conclusions drawn from them.

4.1 Demographic Characteristics of Respondents

Table 4.1: Gender of Respondent

Gender	frequency	percent (%)
Male	100	55.56
Female	80	44.44
Total	180	100.00

Source: Field Data, 2020.

According to Figure 4.1, more than half (55.56 percent) of respondents were mostly male. Thus, men replied to the research at a rate of 11.12 percent greater than females.

Table 4.2: Age of Respondents

Age	frequency	percent (%)
20-29 years	36	20.00
30-39 years	61	33.89
40-49 years	63	35.00
Above 50	20	11.11
Total	180	100.00

Source: Field Data, 2020.

According to Table 4.2, more than half (53.89 percent) of respondents were between the ages of 20 and 39, while the least reported age was over 50. (11.11 percent). Additionally, 35% (35%) of respondents were between the ages of 40 and 49. By and large, the responders are extremely young and may provide an additional source of revenue for the different institutions. Additionally, just a handful were older or nearing retirement age. As a result, it is essential to provide the essential chances for employee development and a succession plan.

Table 4.3: Educational Background of the Respondents

Educational Background	frequency	percent (%)

Diploma Certificate	10	5.56
First Degree	70	38.89
Second Degree	80	44.44
PhD	20	11.11
Total	180	100.0

Source: Field Data, 2020.

As per Table 4.3, the most common educational qualification among respondents is a second degree (79.3 percent), while the least common is a diploma/HND (5.56 percent). When the findings were aggregated, it was determined that over 90% (94.44 percent) of respondents had a university degree, while PhDs were not as frequent (11.11 percent). On average, respondents had a higher level of education, which might be because working in the public financial management sector needs a high degree of competence and competencies, necessitating some formal schooling. Additionally, this confirms that the respondents met the survey's eligibility requirements.

4.2 GOOD GOVERNANCE AND SERVICE DELIVERY

To establish good governance in Ghana, the research examined both financial and non-financial indicators of governance. In terms of financial success, objectives for locally obtained revenues were utilized. while non-financial performance, or government service delivery, was utilised.

Table 4.4 Factors of Good Governance

Statements	Yes		No	
	freq	%	freq	%

For the last four years, the government has consistently met its yearly local income objectives.	77	42.78	103	57.22
The government maintains a enough personnel to handle and collect its own revenues.	106	58.89	74	41.11
Government's own income streams are cost efficient and appropriately protected by a legislative framework.	130	72.22	50	27.78
The government has a debt collection arm that pursues taxpayers who have fallen behind on their tax/fee payments.	99	55.00	81	45.00
Revenue collection activities have been automated, resulting in higher revenues and less leakage.	105	58.33	75	41.67
The government has improved food security by increasing agricultural and livestock output, as well as by improving veterinary services.	122	67.78	58	32.22
The government offers healthcare services that are both inexpensive and accessible.	142	78.89	38	21.11
The government has increased access to education at the prep-primary and vocational levels via bursaries and other assistance programs.	150	83.33	30	16.67
The government have the competence to create and execute solid policies efficiently.	103	57.22	77	42.78

Source: Field Data, 2020.

According to Table 4.4, more than half of respondents (57.22 percent) feel the government has not reached annual local tax objectives regularly during the last four years. However, more than half of respondents (58.89 percent) said that the government has sufficient people to handle and collect its own income sources, and 72.22 percent said that the government's own income sources are economically viable and appropriately safeguarded by a legal framework. Additionally, 55.00 percent of respondents say the country's government has a collection agency that pursues taxpayers who have fallen behind on their taxes or fees. Additionally, 58.33% of respondents believed that automating revenue collecting operations increased collections and reduced leakage. Additionally, 67.78 percent of respondents stated that the government has bolstered food security by enhancing veterinary services and expanding agricultural and livestock output. This is due to the government's effort "Planting for Food and Crops." Additionally, 78.89 percent of respondents say that the United States provides inexpensive and accessible healthcare. Despite widespread access to basic health care, several districts, particularly in the region's rural regions, remain inaccessible (Ashiabor, Ofori-Asenso and Agyei-Frimpong, 2020). On the other side, 83.3 percent of respondents agreed that the nation has enhanced access to education at the pre-primary and vocational levels via bursaries and other assistance programs. This development is a result of Ghana's free senior high school education. Additionally, 83.33 percent of respondents said that the government has improved people' access to safe, accessible water and sewage services, and 57.22 percent said that the nation has a solid infrastructure that ensures safe and efficient transportation.

4.3 PUBLIC FINANCE PROCUREMENT PRACTICES ON EFFECTIVE GOVERNANCE IN GHANA.

For the purpose of the analysis Strongly agree and Agree shall be added whiles Disagree and Strongly disagree will also be added.

Table 4.5 Public Finance Procurement Practices (PFPP) in Ghana

Statements	SA %	A %	N %	D %	SD %	Mean	Std. Deviation
The government complies with current public procurement and disposal guidelines, as well as its legislation.	23.33	45.56	6.67	24.44	0.00	4.01	0.557
The government makes use of the e-procurement module to enhance financial performance.	11.11	43.33	7.78	34.44	2.22	4.22	0.612
The country's supply chain management system as a whole is efficient in terms of sourcing and paying for products, works, and services.	12.22	31.11	13.33	23.33	5.00	3.77	1.107

The procurement procedure in the nation is time-sensitive.	15.00	38.34	5.00	32.22	9.44	3.12	0.989
The government procurement process is founded on the principle of equal treatment of all bids.	17.78	33.33	10.00	27.78	8.89	3.36	0.704
There is a distinction between financial and procurement authorities.	23.33	40.00	7.78	24.44	3.33	3.98	0.845
There is a division of responsibilities between contracting people, those who receive products or services, and those who approve payments.	17.78	48.89	5.56	18.89	8.89	3.68	0.789
Ordinarily, requirements beyond a certain financial level are publicized in compliance with certain public procurement legislation.	30.00	43.33	13.33	12.22	1.11	4.12	0.602
Competition is a tool for the acquisition of goods and services.	18.89	32.22	6.67	34.44	6.67	3.69	0.734
Purchasing decisions are made on the basis of cost effectiveness.	21.11	50.00	5.56	22.22	1.11	4.20	0.644
All procurement transactions are conducted ethically and truthfully.	7.78	35.56	17.78	23.33	13.33	3.78	0.929
The advertised price and payment conditions are explicitly discussed in order to minimize non-delivery and partial deliveries that result in stock-outs.	18.89	47.78	7.78	20.00	5.56	3.88	0.762
We are obligated to develop purchase strategies in advance of consolidation in accordance with yearly budget projections.	31.11	45.56	5.56	14.44	3.33	4.16	0.547

Source: Field Data, 2020.

According to Table 4.5, 68.89 percent (MEAN =4.01, STANDARD DEVIATION =0.557) of respondents responded that public institutions adhere to current public procurement and Guidelines for Goods and Equipment Disposal policies and laws. Additionally, 54.44 percent of respondents (MEAN =4.22, STANDARD DEVIATION =0.612) said that their country's governments use an e-procurement module targeted at boosting financial performance. Additionally, fewer than half

(43.33 percent) of respondents believed (MEAN =3.77, STANDARD DEVIATION =1.107) that the government's entire supply chain management system is successful in procuring and paying for products, works, and services. Thus, more than half (56.67 percent) of respondents said that the government's entire supply chain management system is ineffective in sourcing and paying for products, works, and services. Additionally, 53.34 percent of respondents (MEAN =3.12, STANDARD DEVIATION =0.989) said that the country's procurement procedure is time-sensitive. Additionally, 51.11 percent (MEAN =3.36, STANDARD DEVIATION =0.704) of respondents said that the country's procurement process is based on the idea of equal treatment of all bids. Over sixty percent 63.33 percent (MEAN =3.98, STANDARD DEVIATION =0.845) of respondents said that finance and procurement authorities are distinct. Similarly, 66.67 percent (MEAN =3.68, STANDARD DEVIATION =0.789) of respondents noticed a division of responsibility between employees responsible for contracting, those responsible for receiving products or services, and those responsible for authorizing payments. Additionally, the majority 73.33 percent (MEAN =4.12, STANDARD DEVIATION =0.602) of respondents agreed that needs beyond a certain financial level are often published in compliance with specific public procurement legislation. 51.22 percent of respondents (MEAN =3.69, STANDARD DEVIATION =0.734) said that competition is employed to get products and services. Additionally, 71.11 percent (MEAN =4.20, STANDARD DEVIATION =0.644) of respondents said that purchase decisions are made on the basis of value for money. However, just a minority (43.44 percent, MEAN =3.57, STANDARD DEVIATION =0.833) of respondents said that all procurement transactions are conducted ethically and honestly. Thus, the majority of respondents observed that procurement transactions are often not conducted ethically or honestly, as required by the Public Procurement Act, 2003 (Act 663) as modified by the Public Procurement (Amendment) Act, 2016. (Act 914).

Additionally, 66.67 percent of respondents (MEAN =3.88, STANDARD DEVIATION =0.762) said that suppliers and consumers are informed and protected. Similarly, responses demonstrated that the advertised price and payment conditions are explicitly agreed in order to minimize non-delivery and partial deliveries that result in stock-outs. Finally, 76.67 percent (MEAN =4.16, STANDARD DEVIATION =0.547) of respondents said that they are expected to establish purchase strategies in advance of yearly budget projections for consolidation.

Table 4.6: Correlation results on Public finance procurement practices on Good Governance in Ghana

Variable		PFPP	Governance
PFPP	Pearson correlation	1	.610**
	Sig. (2 tailed)		0.000
	N	180	180

**. Correlation is significant at the 0.05 level (95% confidence level) (2-tailed).

Table 4.22 demonstrates a moderately significant positive correlation between Public Financial Procurement Practices (PFPP) and Good Governance in Ghana, with r (180) =0.610 and a 0.05 p-value indicating that a rise in PFPP resulted in an increase in Good Governance in Ghana.

Table 4.7: Correlation results on Public finance procurement practices on Good Governance in Ghana

Model 1: Summary

Model 1	R	R Square	Adjusted R Square	Std. Error of Estimates
	.420a	0.280	0.271	0.4188

a. Predictors: (Constant), Public finance procurement practices

Public finance procurement practices have no significant influence on the performance of country governments in Ghana. Hence, to evaluate this hypothesis, the model, Y_it= β_0+β_i X+ε_it, was fitted with PFPP as an independent variable. According to Table 4.7, the coefficient of determination, R Square, was 0.280, indicating that PFPP accounts for 28.0% of good governance in Ghana, with the remaining 72.0 percent explained by other variables. This conclusion corroborates the Public Procurement Authority's assertion that the Government of Ghana spends between 18.2 and 25.5 percent of the country's Gross Domestic Product (GDP) on products, services, and works that contribute to the successful delivery of services to the population each year.

Table 4.8 Public finance procurement practices on Good Governance in Ghana

ANOVA						
Model 1		Sum of Squares	df	Mean Square	F	Sig.
M3	Regression	24.959	1	24.959	134.527	.000a
	Residual	67.298	179	0.176		
	Total	92.256	180			

a. Predictors: (Constant), Public finance procurement practices

b. Dependent Variable: Good Governance

Table 4.8 portrays that the relationship between PFPP and good governance in Ghana in the model was significant ($F (1, 180) = 134.527$, $p<0.05$)

4.9 Regression Analysis on PFPP and Good Governance

Model 1		**Dependent Variable**		
		Good Governance		
Variable	**Sign**	**Coefficient**	**t-stat**	**p-value**
Constant	+	1.815	7.28	0.001
PFPP	+	0.542	10.71	0.000

On the other hand, β co-efficient for PFPP was significant (β =1.815, t=10.71) meaning that for every 1 unit increase in Public Financial Procurement Practices (PFPP) there was equivalent increase of good governance in Ghana.

Model $Y_{it} = \beta_0 + \beta_i X + \varepsilon_{it}$,

$$= 1.815 + 0.542X$$

In conclusion, the findings demonstrate that the PFPP has a substantial impact on the performance of county governments in Ghana, and hence reject the null hypothesis, H03.

4.3 FINANCIAL PLANNING AND BUDGETING PRACTICES IN GHANA

The following data provide an overview of financial planning and budgeting practices in Ghana. Strongly agree and Agree will be included in the analysis, while Disagree and Strongly disagree will also be included.

Table 4.10: Descriptive Statistics on Financial Planning and Budgeting Practices

Statements	N	SA %	A %	N %	D %	SD %	Mean	Std. Deviation
The Ghanaian government's principal planning document is the country's Integrated Development Plan.	1	18.89	47.78	7	5	25.56	4.33	0.546
The government takes public involvement into account when planning and budgeting.	2	25.00	46.667	3.889	25	3.889	4.51	0.670
The budget is executed in accordance with the Assembly's approval.	3	22.778	43.889	5.00	21.67	6.67	4.232	0.670
The county budget is executed in accordance with the Assembly's approval.	4	13.8	33.89	4.00	43.89	6.67	3.66	1.970
My department receives the funds that are budgeted. My department receives resources on schedule.	5	6.67	22.22	5.56	16.67	4.44	3.44	1.
Financial planning may be utilized to avert financial difficulties.	6	35.00	36.67	3.89	17.78	6.67	4.66	0.507

The country's plan contains a financial environment analysis, income and spending predictions, a debt and affordability analysis, and measures for reaching and maintaining financial balance.	7	20.00	50.56	3.889	21.67	5.56	4.26	0.630
The financial plan(s) includes/includes tools for determining financial wellness.	8	23.89	45.56	5	25	3.89	3.97	0.771
The government analyzes weekly and annual budget variances.	9	15.00	35.56	7.78	25.56	20	3.34	1.362

Source: Field Data, 2020.

According to Table 4.9, 66.67 percent (4.33, STANDARD DEVIATION =0.546) of respondents agreed that the government had established a five-year development plan for all areas. Additionally, the majority (71.67 percent) of respondents (MEAN =4.51, STANDARD DEVIATION =0.670) said that the government considers public engagement in the Planning and Budgeting Process. Additionally, 66.67 percent (MEAN =4.232, STANDARD DEVIATION =0.789) of respondents answered that the budget is executed in the manner in which the Assembly authorized it. However, just 28.89 percent of respondents (MEAN =3.66, STANDARD DEVIATION =1.990) agreed that their departments received what they budgeted. As a result, 20.55 percent (MEAN =3.44, STANDARD DEVIATION =1.126) of respondents noted that resources are not being sent to their departments on time. 71.67 percent (MEAN =4.66, STANDARD DEVIATION =0.507) of respondents agreed that financial planning may be utilized to avert financial difficulties. Additionally, 70.56 (M = 4.66, SD = 0.507). 69.45 percent (MEAN =4.26, STANDARD DEVIATION =0.630) of respondents said that the government's strategy contains a financial environment study, income and spending predictions, debt position and affordability analyses, and measures for reaching and maintaining financial balance. Additionally, 69.45 percent (MEAN =3.97, STANDARD DEVIATION =0.771) said that the financial plan(s) includes/includes monitoring systems to determine financial wellness. Additionally, more than half of respondents 50.56 percent (MEAN =3.34, STANDARD DEVIATION =1.362) said that the government undertakes monthly and annual budget variance analysis.

Table 4. 11: Correlation results on Financial Planning and Budgeting practices (FPBP) on Good Governance in Ghana

Variable		FPBP	Governance
PFPP	Pearson correlation	1	.501**
	Sig. (2 tailed)		0.000
	N	180	180

**. Correlation is significant at the 0.05 level (95% confidence level) (2-tailed).

Table 4.22 shows that there is a positive correlation between Financial Planning and Budgeting practices and Good governance in Ghana, r (180) =0.701, p-value < 0.05 denoting that an increase in FPBP leads to a positive increase in Good governance in Ghana.

Table 4.12: Model of Financial Planning and Budgeting Practices

Model 2: Summary				
Model 1	R	R Square	Adjusted R Square	Std. Error of Estimates
	.320a	0.210	0.196	0.55188

a. Predictors: (Constant), Public finance procurement practices

Hypothesis H3: Financial Planning and Budgeting practices have no significant influence on the good governance in Ghana. Therefore, to test this hypothesis, the model, $Y_{it} = \beta_0 + \beta_i X + \varepsilon_{it}$, was fitted with PFPP as an independent variable. Table 4.6 shows that the co-efficient of determination, R Square was 0.210 meaning that 21.0% of good governance in Ghana can be explained by Financial Planning and Budgeting Practices with the difference of 79.0% being described by other factors outside the model.

Table 4.13 Financial Planning and Budgeting Practices on Good Governance in Ghana

ANOVA

Model 1		Sum of Squares	df	Mean Square	F	Sig.
M3	Regression	13.959	1	13.959	60.434	.000a
	Residual	69.127	179	0.176		
	Total	83.086	180			

a. Predictors: (Constant), Public finance procurement practices

b. Dependent Variable: Good Governance

Table 4.7 portrays that the relationship between FPBP and good governance in Ghana and the model was significant ($F(1, 180) = 60.434$, $p<0.05$)

Table 4.14: Regression Model on FPGP and Good Governance

Model 1		**Dependent Variable**		
		Good Governance		
Variable	**Sign**	**Coefficient**	**t-stat**	**p-value**

Constant	+	2.613	9.12	0.000
FPBP	+	0.311	8.77	0.000

On the other hand, β co-efficient for FPBP was significant (β =1.815, t=10.71) meaning that for every 1 unit increase in FPBP there was equivalent 0.311 increase of good governance in Ghana.

Model $Y_{it} = \beta_0 + \beta_i X + \varepsilon_{it}$,

$= 2.613 + 0.311X$

In conclusion, the findings show that Financial Planning and Budgeting Practices have a large impact on governance in Ghana, hence rejecting the null hypothesis, H3.

4.4 PUBLIC FINANCIAL GOVERNANCE PRACTICES ON THE PERFORMANCE OF PUBLIC INSTITUTIONS IN GHANA.

Below is the descriptive statistics on Public Financial Governance Practices (PFGP) in Ghana. For the purpose of the analysis Strongly agree and Agree shall be added whiles Disagree and Strongly disagree will also be added.

Table 4.15: Descriptive Statistics on PFGP

Statements	N	SA	A	N	D	SD	Mean	Std. Deviation
The government strictly adheres to all applicable financial rules and regulations that regulate everyday activities.	1	33.89	35	10.56	7.78	16.67	4.34	0.925

Source: Field Data, 2020.

The government has a service charter that outlines explicitly the objectives for service delivery.	2	25.00	40.56	6.67	26.67	5	3.48	1.080
There is a possibility of conflict of interest between the National Assembly and the Executive.	3	25.56	52.78	5.56	13.89	3.889	4.42	0.959
Few executives possess financial knowledge and decision-making authority.	4	30.00	26.67	3.889	30.56	10.56	3.57	1.124
All MCAs are capable of identifying and comprehending the critical concerns raised in financial accounts and reports.	5	23.89	33.89	10.56	26.67	7.78	2.64	1.17
All financial information is provided in a way that facilitates decision-making and transparency.	6	16.67	36.67	5.56	25.56	18.89	3.86	0.775
All financial information is provided in a way that facilitates decision-making and transparency.	7	15.56	38.89	3.89	27.78	16.67	4.26	0.741
There is a formal code of conduct that defines the norms of behavior that all nation workers must subscribe to and follow.	8	30.00	43.89	5	20.56	5	4.04	0.721

There are many ways in which the actions of persons in positions of authority might jeopardize the county's goals and ideals.	9	38.89	36.67	5	20.56	2.78	3.75	0.952
The nation has put in place enough safeguards to guarantee that no employee is swayed by prejudice, bias, or conflict of interest.	10	15.56	33.89	7.78	28.89	17.78	3.51	1.032
The nation has put in place enough safeguards to guarantee that no employee is swayed by prejudice, bias, or conflict of interest.	11	16.67	36.67	2.78	26.67	20	3.86	0.909
Staff members are required to exemplify certain ideals by their actions and conduct.	12	22.78	55.56	3.89	17.78	3.89	4.23	0.637
The values are written and properly conveyed to all employees.	13	20.00	42.78	10	16.67	13.89	3.72	0.974
The government maintains a zero-tolerance stance for fraud and corruption.	14	30.00	43.89	5	20.56	3.89	3.45	0.997
Employees in the nation are aware of what to do if they suspect wrongdoing, fraud, or corruption.	15	16.67	40.56	21.67	21.67	2.78	3.70	1.061

According to Table 13, 68.89 percent (MEAN =4.34, STANDARD DEVIATION =0.925) of respondents said that their county government complies completely with all applicable financial rules and regulations that regulate everyday operations. Additionally, 65.56 percent (MEAN =3.48, STANDARD DEVIATION =1.080) said that the county government has a service charter that clearly defines service delivery objectives. Additionally, 78.34 respondents (MEAN =4.42, STANDARD DEVIATION =0.959) identified probable conflicts of interest between the local Assembly and Country Executives. Additionally, 56.67 percent (MEAN =3.57, STANDARD DEVIATION =1.124) of officers are equipped with financial knowledge and decision-making authority. On the other hand, 57.78 percent of respondents (MEAN =2.64, STANDARD DEVIATION =1.17) said that all MCAs are capable of identifying and comprehending critical concerns included in financial statements and financial reports. However, 53.34 percent of respondents (MEAN =3.86, STANDARD DEVIATION =0.775) answered that all financial information is printed in a manner that facilitates decision-making and public accountability. Additionally, 54.45 percent (MEAN =4.26, STANDARD DEVIATION =0.741) of respondents said that the county government engages the public in all of its policies. Additionally, 73.89 percent (MEAN =4.04, STANDARD DEVIATION =0.721) of respondents asserted the existence of a written code of conduct outlining the norms of behavior that all county government workers must subscribe to and adhere to. Additionally, 75.56 percent (MEAN =3.75, STANDARD DEVIATION =0.952) of respondents said that there are instances in which the conduct of people in positions of authority undermines the county governments' goals and ideals. Similarly, 49.45 percent of respondents (MEAN =3.51, STANDARD DEVIATION =1.032) felt that county governments had developed sufficient systems to guarantee that all personnel are free of prejudice, bias, and conflicts of interest. According to the study results, 53.34 percent (MEAN =3.86, STANDARD DEVIATION =0.909) of respondents said that the Government and/or CECM assume personal responsibility for their department's ethical standards. As a result, 78.34 percent (MEAN =4.23, STANDARD DEVIATION =0.637) of respondents answered that there are values that employees are required to display via their actions and conduct, while 62.78 percent (MEAN =3.72, STANDARD DEVIATION =0.974) reported that the values are recorded and successfully conveyed to all employees. Following that, 73.89 percent of respondents (MEAN =3.45, STANDARD DEVIATION =0.997) said that their governments had an anti-fraud and corruption strategy. Additionally, 57.23 percent (MEAN =3.70, STANDARD DEVIATION =1.061) of respondents said that county government personnel are aware of what to do in the event of suspicion of misbehavior, fraud, or corruption.

Table 4. 16: Correlation results on Public Financial Governance Practices (PFGP) on Good Governance in Ghana

Variable		PFGP	Governance
PFPP	Pearson correlation	1	.711**
	Sig. (2 tailed)		0.000
	N	180	180

**. Correlation is significant at the 0.05 level (95% confidence level) (2-tailed).

Table 4.22 shows that there is a strong positive correlation between Public Financial Governance Practices (PFGP) and Good governance in Ghana, r (180) =0.711, p-value < 0.05 denoting that an increase in PFGP led to a positive increase in Good governance in Ghana.

Table 4.16: Public Financial Governance Practices and Governance model summary

Model 1: Summary				
Model 1	R	R Square	Adjusted R Square	Std. Error of Estimates
	.320a	0.272	0.205	0.3633

a. Predictors: (Constant), Public financial governance practices

Hypothesis H4: Public finance governance practices have no significant influence on the good governance in Ghana. Therefore, to test this hypothesis, the model, $Y_{it} = \beta_0 + \beta_i X + \varepsilon_{it}$, was fitted with PFPP as an independent variable. Table 4.6 shows that the co-efficient of determination, R Square was 0.272 meaning that 27.2% of good governance in Ghana can be explained by PFPP with the difference of 72.8.0% being described by other factors outside the model.

Table 4.17: Regression Model on PFGP and Good Governance

Model 1		Dependent Variable		
		Good Governance		
Variable	Sign	Coefficient	t-stat	p-value
Constant	+	1.915	7.28	0.001
PFPP	+	0.441	10.01	0.000

On the other hand, β co-efficient for PFPP was significant (β =0.442, t=10.01) meaning that for every 1 unit increase in Public Financial Governance Practices (PFPP) there was equivalent increase of good governance in Ghana.

Model $Y_{it} = \beta_0 + \beta_i X + \varepsilon_{it}$,

$$= 1.916 + 0.441X$$

In conclusion, the findings confirm that PFGP has a significant impact on governance in Ghana, and hence reject the null hypothesis, H03.

4.5 REVENUE MOBILIZATION PRACTICES ON GOVERNANCE IN GHANA

Below is the descriptive statistics on Revenue mobilization practices in Ghana. For the purpose of the analysis Strongly agree and Agree shall be added whiles Disagree and Strongly disagree will also be added.

Table 4.18: Descriptive Statistics on Revenue Mobilization Practices in Ghana

Statements	N	SA %	A %	N %	D %	SD %	Mean	Std. Dev
There are efforts by the government to optimize own source revenues	1	19.1	33.6	1.8	9.1	36.4	3.22	1.086
Our revenue collection is automated	2	28.4	33.0	6.4	22.0	10.1	3.45	1.005
Revenue automation has increase performance	3	31.8	30.0	2.7	16.4	19.1	4.12	0.989
The revenue management system conforms with existing national and country policies	4	23.9	42.2	6.4	9.2	23.9	3.91	0.800

Source: Field Data, 2020.

	5	34.5	30.9	3.6	20.9	10.0	3.69	1.154
Our Finance Act is fully implemented	7	11.8	40.0	7.3	28.2	12.7	3.24	1.075
The raising of local revenues has not increased service delivery demands from residents	8	46.8	23.9	1.8	19.3	8.3	3.17	1.175
Our revenue administration is weak	9	14.7	23.9	5.5	22.0	33.9	3.13	0.999
We have sufficiently trained revenue staff	10	20.9	28.2	0.9	37.3	12.7	2.90	1.044
We have not had any disciplinary problem with our staff on revenue leakage	11	41.3	27.5	3.7	17.4	10.1	3.986	0.939
The country is legally and politically doing nothing to motivate the residents to fulfil their revenue obligations	12	39.1	25.5	0.9	20.0	14.5	3.546	0.879
There are so many revenue leakages involving our revenue collectors	13	20.9	36.4	3.6	9.1	30.0	3.07	1.10

According to Table 4.18, more than half (52.7 percent, MEAN =3.22, STANDARD DEVIATION =1.086) of respondents noticed that governments are attempting to maximize their income sources. Thus, starting 2012, local government organizations in Ghana have begun to employ information technology, such as point-of-sale systems, to collect rates. Additionally, more than sixty percent (61.00 percent) of respondents (MEAN =3.45, STANDARD DEVIATION = 1.005) said that revenue collection is automated. According to Gidisu (2012), automation of revenue collection has had a major influence on tax administration's efficiency. Additionally, 61.80 percent of respondents (MEAN =4.120, STANDARD DEVIATION =0.989) said that revenue automation improved performance. Additionally, 66.1 percent (MEAN =3.91, STANDARD DEVIATION =0.800) of respondents said that the revenue management system complies with current national and local rules, while 65.4 percent (MEAN =3.69, STANDARD DEVIATION =1.154) said that the country's Public Finance Act is properly implemented. As a result, Ghana established the Public Financial Management Act, Act 921 of 2016, to govern PFM. The 2016 Public Financial Management (PFM) Act establishes the obligations of those tasked with financial management (FM) in the public sector. Additionally, 51.8 percent (MEAN =3.24, STANDARD DEVIATION =1.075) of respondents said that municipal revenue increases have not kept pace with citizens' rising service delivery expectations, with 70.7 percent (MEAN =3.17, STANDARD DEVIATION =1.175) of respondents believing that revenue administration is ineffective. Nevertheless, just 38.9 percent (MEAN =3.13, STANDARD DEVIATION =0.999) of respondents thought that governments had an adequate number of educated tax officials. Additionally, half (50.0 percent (MEAN =2.90, STANDARD DEVIATION =1.044) of respondents said that we have disciplinary issues with our employees about income leaking. Additionally, 68.8 (MEAN =3.986, STANDARD DEVIATION =0.939) of respondents contested the notion that governments are doing little legally or politically to urge citizens to meet their financial commitments. Additionally, more than sixty percent (64.6 percent, MEAN =3.546, STANDARD DEVIATION =0.879) of respondents claimed that our revenue collectors are responsible for many income leakages. However, 57.3 percent (MEAN =3.07, STANDARD DEVIATION =1.10) of respondents said that governments had failed to establish innovative and sustainable revenue mobilization techniques since the implementation of point-of-sale systems in 2012.

Table 4.19: Correlation results on Revenue Mobilization Practices (RMP) on Good Governance in Ghana

Variable		RMP	Governance
PFPP	Pearson correlation	1	0.452**
	Sig. (2 tailed)		0.000
	N	180	180

**. Correlation is significant at the 0.05 level (95% confidence level) (2-tailed).

Table 4.22 established that there is linear relationship between Revenue Mobilization Practices (RMP) on Good Governance in Ghana, r (180) =0.452, p-value < 0.05 denoting that an increase in Revenue Mobilization Practices (RMP) led to a positive increase in Good governance in Ghana.

Table 4.20: Revenue Mobilization Practices (RMP) on Governance in Ghana model summary

Model 1: Summary				
Model 1	R	R Square	Adjusted R Square	Std. Error of Estimates
	.301a	0.181	0.171	0.3666

a. Predictors: (Constant), Revenue Mobilization Practices (RMP)

Hypothesis 3 : Revenue Mobilization Practices (RMP) have no significant influence on the good governance in Ghana. Therefore, to test this hypothesis, the model, $Y_{it} = \beta_0 + \beta_i X + \varepsilon_{it}$, was fitted with RMP as an independent variable. Table 4.6 shows that the co-efficient of determination, R Square was 0.181 meaning that 18.1% of good governance in Ghana can be explained by RMP with the difference of 82.9% being described by other factors outside the model.

Table 4.21: Regression on Revenue mobilization practices (RMP) and Governance

Model 1		Dependent Variable		
		Good Governance		
Variable	**Sign**	**Coefficient**	**t-stat**	**p-value**
Constant	+	2.221	10.283	0.000
RMP	+	0.190	6.96	0.000

Source: Field Data, 2020.

On the other hand, β co-efficient for RMP was significant (β =2.221, t=10.283) meaning that for every 1 unit increase in Revenue Mobilization Practice (RMP) there was equivalent increase of good governance in Ghana.

Model $Y_{it} = \beta_0 + \beta_i X + \varepsilon_{it}$,

= 2.221 +0.190X

In conclusion, the findings demonstrate that RMP has a considerable impact on the performance of Ghana's public institutions, and so reject the null hypothesis, H03.

4.6 INTERNAL CONTROL PRACTICES THAT CONTRIBUTE TO GOOD GOVERNANCE IN GHANA

The following table summarizes the practice of internal control in Ghana. Strongly agree and Agree will be included in the analysis, while Disagree and Strongly disagree will also be included.

Table 4.22: Descriptive Statistics on Internal Control Practices in Ghana

Statements	N	SA	A	N	D	SD	Mean	Std. Deviation
I am aware of the Audit Committee's existence.	1	28.1	61.4	0.0	6.1	4.4	4.66	0.079
Activities are carried out according to plan.	2	14.0	44.7	8.8	12.3	16.7	3.10	1.301
I have faith in the internal audit department.	3	16.8	31.9	14.2	15.0	15.9	3.07	0.889
Internal accounting is performed manually.	4	21.4	31.3	4.5	19.6	19.6	3.28	1.164
There are financial incentives for identifying and reporting control problems.	5	20.4	34.5	6.2	22.1	15.0	3.34	0.863
The audit team's roles and responsibilities are well defined (for bookkeeping, deposits, reporting and auditing)	6	22.8	39.5	3.5	16.7	14.9	3.33	0.816
Passwords, lockouts, and electronic access are used to manage access to	7	21.1	44.7	5.3	16.7	8.8	3.43	0.756

various components of an accounting system.								
There are comprehensive access monitoring features in place to discourage fraudulent access attempts. *	8	14.0	28.9	8.8	21.9	21.9	4.28	0.784
Physical audits of any physical object tracked in an accounting system, such as inventory, materials, and tools, are often performed.	9	29.5	38.4	5.4	14.3	11.6	4.87	0.839
To ensure uniformity in record keeping throughout time, the nation has standardized financial transaction papers such as invoices, internal materials requests, inventory receipts, and trip expenditure reports.	10	22.8	33.3	8.8	14.9	11.4	3.70	0.962
Accounting reconciliations are performed on an as-needed basis.	11	37.2	32.7	6.2	16.8	6.2	4.34	0.675
Certain managers/officers are needed to approve certain sorts of transactions.	12	33.0	40.2	2.7	13.4	10.7	4.13	0.721
Audit employees has a high level of honesty and ethical standards.	13	16.7	22.8	20.2	18.4	14.9	4.41	0.623
The governor participates in the audit efforts on a "hands-on" basis.	14	26.6	32.1	8.3	20.2	7.3	3.96	0.853

Source: Field Data, 2020.

According to Table 4.22, the vast majority 89.5%, (MEAN =4.66, STANDARD DEVIATION =0.079) of respondents are aware of the audit committee's existence. Over half of respondents

(58.70 percent, MEAN =3.10, STANDARD DEVIATION =1.301) agreed that activities are carried out according to plan. However, fewer than half (48.7%, MEAN =3.07, STANDARD DEVIATION =0.889) expressed trust in the internal audit team. This indicates that 51.3 percent of respondents lack trust in the internal audit team. Additionally, 52.7 percent of respondents (MEAN =3.28, STANDARD DEVIATION =1.164) said that their internal accounting system is manual. However, 54.9 percent of respondents (MEAN =3.34, STANDARD DEVIATION =0.863) said that there are no incentives to identify and disclose control problems. Additionally, 62.3 percent (MEAN =3.33, STANDARD DEVIATION =0.816) of respondents said that the audit team's functions and responsibilities are segregated (for bookkeeping, deposits, reporting and auditing). Additionally, 65.8% (MEAN =3.43, STANDARD DEVIATION =0.756). 85.5 percent (MEAN =4.28, STANDARD DEVIATION =0.784) of respondents said that passwords, lockouts, and electronic access are used to manage access to various components of an accounting system. While only 42.9 percent (MEAN =3.87, STANDARD DEVIATION =0.839) of respondents asserted that robust access tracking mechanisms exist to deter attempts at fraudulent access, 67.9 percent (MEAN =3.70, STANDARD DEVIATION =0.962) stated that physical audits of Physical asset audits of any physical assets monitored in the accounting system, such as inventories, materials, and tools, are undertaken on a regular basis. Additionally, 56.1 percent (Mean=4.34, Standard Deviation =0.675) of respondents said The country utilizes typical financial documents, such as invoices, internal stock requests, inventory receipts, and travel expense reports, throughout the business process. Additionally, 69.90 percent (Mean=4.13, Standard Deviation=0.721) of respondents reported they do periodic accounting reconciliations. However, 73.2 percent (Mean =4.06, Standard Deviation =0.784) of respondents said audit professionals have a high level of integrity and ethical standards, whereas 39.5 percent (Mean =4.41, Standard Deviation =0.623) said some kinds of transactions needed the authorization of officers. Apart from the Government's "hands-on" supervisory engagement in audit operations, 58.7 percent (Mean=3.96, Standard Deviation =0.853) of respondents said management people conveyed internal controls to accounting employees via regular interaction.

Table 4.23: Correlation results on Internal control practices on Good Governance in Ghana

Variable		ICP	Governance
PFPP	Pearson correlation	1	0.640**
	Sig. (2 tailed)		0.000
	N	180	180

**. Correlation is significant at the 0.05 level (95% confidence level) (2-tailed).

Table 4.22 established that there is linear relationship between Internal Control Practices (ICP) on Good Governance in Ghana, r (180) =0.640, p-value < 0.05 denoting that an increase in ICP led to a positive increase in Good governance in Ghana.

Table 4.24: Internal control practices on Governance in Ghana

Model 1: Summary				
Model 1	R	R Square	Adjusted R Square	Std. Error of Estimates
	.411a	0.341	0.252	0.3166

a. Predictors: (Constant), Internal Control practices

Hypothesis H5 : Internal Control practices have no significant influence on the good governance in Ghana. Therefore, to test this hypothesis, the model, $Y_{it} = \beta_0 + \beta_i X + \varepsilon_{it}$, was fitted with PFPP as an independent variable. Table 4.24 shows that the co-efficient of determination, R Square was 0.240 meaning that 34.1% of good governance in Ghana can be explained by PFPP with the difference of 65.9% being described by other factors outside the model.

Table 4.25: Regression on ICP and Good Governance in Ghana

Model 1		**Dependent Variable**		
		Good Governance		
Variable	**Sign**	**Coefficient**	**t-stat**	**p-value**
Constant	+	1.926	11.28	0.000
ICP	+	0.702	9.96	0.000

On the other hand, β co-efficient for PFPP was significant (β =1.926, t=11.28) meaning that for every 1 unit increase in Internal Control Practices (ICP) there was equivalent increase of good governance in Ghana.

Model $Y_{it} = \beta_0 + \beta_i X + \varepsilon_{it}$,

$= 1.926 + 0.702X$

In conclusion, the findings demonstrate that ICP has a considerable impact on the functioning of Ghana's public institutions, and hence reject the null hypothesis, H5.

CHAPTER FIVE

DICUSSION OF RESULTS

5.0 Introduction

This section discusses the findings in relation to the specified goals. Additionally, this section discusses Ghana's strong governance and service delivery standards.

5.1 Good Governance and Service Delivery

The capability of a country to collect sufficient resources has an effect on its ability to provide for the health and protection of its population, as well as on its capability to create and enhance representative democracy. Democracies are often founded on a social contract between governments and citizens about the collection and use of public funds. The inquiry showed that, despite having enough staff to manage and grow its own tax collections, the government has failed to meet annual local income objectives for the previous four years, despite having enough staff. Ghana's government maintains a debt collection unit that pursues taxpayers who have failed to pay taxes/fees or have delayed payment, and the unit is highly protected by law. On the other side, the GRA recognized citizen harassment, bullying, and abuse aimed at GRA personnel. As a result, tax collection processes were automated, increasing income while decreasing leakage. As a result, the

Ghana Revenue Authority's revenue collection powers and duties are defined in the Tax Administration Act, 2016, which substantiates this.

On the other hand, the government has improved food security by expanding veterinary services and boosting agricultural and animal production. This is due to the government's effort "Planting for Food and Crops." The country delivers safe and convenient healthcare. Despite extensive access to essential health care, several districts, particularly in the region's rural areas, lack access. Through bursaries and other support programs, the country has enhanced access to education at the prep-primary and vocational levels. Ghana's free senior secondary education has contributed to this transition. Everyone now has enhanced access to clean, reliable drinking water and sewage systems, and the county's infrastructure facilitates effective and efficient transportation.

5.2. Effect of public finance procurement practices on Good Governance in Ghana

The first objective was to ascertain the effect of public finance procurement procedures on Ghana's ability to govern effectively. Despite the null hypothesis that Public Finance Procurement practices have no significant influence on good governance in Ghana, the findings indicate a positive statistical relationship between the two variables, with Public Finance Procurement practices accounting for 28.0% of good governance practices in Ghana, deviating from the null hypothesis. As a consequence, many public finance procurement operations that have an influence on good governance are consistent with current public procurement practices and Guidelines for the Disposal of Goods and Equipment, as well as relevant regulations. Additionally, governments are using the e-procurement module in order to enhance financial performance. Additionally, the procurement process in the country is time-sensitive and is founded on the principle of equal treatment of all offers.

Additionally, the study discovered a division of authority between finance and procurement. Thus, the financial authority is owned by the Bank of Ghana, while the procurement authority is owned by the Public Procurement Authority. The Bank of Ghana is responsible for ensuring a stable financial system that promotes wealth creation, economic growth, and development in Ghana. Additionally, the Public Procurement Act, 2003 (Act 663) established the PPA as a regulatory body responsible with overseeing the law's effective implementation in Ghana.

Additionally, the study revealed a division of labor among personnel responsible for contracting, delivering items or services, and approving payments. Additionally, requirements that exceed a specified financial threshold are often notified in accordance with specific public procurement regulations. As a consequence, competition is a strategy for obtaining goods and services. Despite the fact that purchasing choices are made on the basis of cost-effectiveness. However, the investigation discovered that not all procurement deals are ethical and transparent. Thus, the majority of respondents noted that procurement transactions are often performed in an unethical or dishonest manner, contrary to the requirements of the Public Procurement Act, 2003 (Act 663) as amended by the Public Procurement (Amendment) Act, 2016. (Act 914). Additionally, the poll showed that throughout the procurement process, suppliers and customers are informed and protected. Similarly, the advertising price and payment terms are stated fully in order to reduce non-delivery and partial deliveries, which result in stock-outs. Additionally, institutions must prepare procurement plans in advance of consolidation that align with annual budget projections. Finally, the research determined that the government's overall supply chain management system is inefficient in terms of sourcing and paying for goods, services, and labor.

5.3 Effect of financial planning and budgeting practices on Good Governance in Ghana

The second purpose was to assess the effect of financial planning and budgeting processes (FPBP) on Ghana's good governance. As a result of this objective, it was anticipated that Financial Planning and Budgeting Practices would have no noticeable influence on Ghana's good governance. Despite this, the data revealed a statistically significant positive correlation between the two variables, with FPBP accounting for 21.0% of Ghana's good governance and other factors accounting for 79.0%. Several financial planning and budgeting acts have an effect on Ghana's good governance:

The government, the study states, has devised a five-year development plan for each sector. Additionally, the government incorporates public input into planning and budgeting procedures, and the budget is implemented in line with Assembly approval. As a consequence of civic involvement, inclusive governance is promoted, as is increased transparency and accountability. Additionally, it empowers people to have a voice in decisions that directly or indirectly affect their socioeconomic well-being. Similarly, it allows citizens and governmental authorities to collaborate on development objectives and exchange information.

Additionally, the study showed that the government's plan includes an examination of the financial environment, revenue and expenditure projections, debt position and affordability studies, and techniques for achieving and maintaining financial balance. Financial plan(s) include/include monitoring approaches that demonstrate financial health while also assisting in averting financial troubles. Additionally, the inquiry revealed that the government conducts monthly and yearly budget variance analyses. However, the study found that departments often do not get the cash they anticipated. As a consequence, resources are not distributed to appropriate departments on time.

5.4 Effect of Public financial governance practices on Good Governance in Ghana

The third objective was to ascertain the influence of public financial management practices on Ghana's good governance. Despite the study's hypothesis that public financial governance practices have no discernible effect on good governance in Ghana, the findings revealed a statistically significant positive relationship between the two variables, with PFGP accounting for 27.2% of good governance in Ghana, compared to 67.2 percent explained by other variables. Thus, effective governance procedures involve the government's comprehensive compliance with all relevant financial laws and laws that govern day-to-day operations. Additionally, the government maintains a service charter that details the government's service delivery goals. Furthermore, the investigation identified potential conflicts of interest between local lawmakers and regional leaders. This is because financial expertise and decision-making authority are concentrated in the hands of a limited number of executives. Additionally, the study demonstrated that all MCAs are competent of detecting and grasping key issues included in financial statements and reports. As a consequence, all financial data is printed in such a way that decision-making and public accountability are facilitated. Additionally, the study found that the government involves citizens in all of its endeavors. Additionally, a written code of conduct establishes the standards of behavior that all country government employees must adhere to and obey. Additionally, the study found situations when the behavior of individuals in positions of authority contradicts the governments' aims and objectives.

Additionally, governments have established appropriate measures to ensure that no employee in the public financial governance system is prejudiced, biased, or has a conflict of interest. Additionally, the Government holds each employee personally accountable for the ethical standards of his or her department. As a consequence, individuals are expected to represent certain values by their behaviors and behaviour, and these values are codified and effectively communicated to all workers. Following that, governments establish a plan to combat fraud and corruption. Additionally, employees of public organizations notify authorities of suspected misconduct, fraud, or corruption.

5.5 Effect of revenue mobilization practices on Good Governance in Ghana

The fourth objective was to determine the degree to which tax collecting tactics impair Ghana's ability to govern effectively. As a consequence of this objective, it was anticipated that revenue mobilization tactics would have a little impact on Ghana's good governance. Notably, the data indicate a positive statistically significant correlation between the two variables, with income mobilization tactics accounting for 18.1% of excellent governance and other factors accounting for 81.9%.

This is due to governments' desire to optimize their revenue sources. Thus, beginning in 2012, local government agencies in Ghana began collecting rates via the use of information technology, such as point-of-sale systems. Additionally, revenue collection automation has had a significant impact on the efficiency and performance of tax administration.

Additionally, the revenue management system adheres to all applicable federal, state, and municipal regulations. In 2016, the nation's Public Finance Act was fully implemented. As a consequence, Ghana enacted Act 921 of 2016, the Public Financial Management Act, to regulate public financial management. The 2016 Public Financial Management (PFM) Act specifies the responsibilities of persons in the public sector charged with financial management (FM). Additionally, the study revealed that municipal revenues have not kept pace with people' increased service delivery expectations as a consequence of weal revenue management. While respondents said that governments have an acceptable number of trained revenue professionals, the study discovered that these individuals have disciplinary problems with revenue leakage employees. As a consequence, many income leakages occur when our revenue collectors are involved. Additionally, the poll found that governments are employing legal and political incentives to encourage individuals to comply with their tax obligations. Additionally, with the deployment of point-of-sale systems in 2012, governments have not developed new and sustainable revenue collecting mechanisms.

5.2.2 Effect of Internal Control practices on Good Governance.

The fifth objective was to ascertain the effect of internal control procedures on Ghana's good governance. While the study's hypothesis was that internal control practices had no significant effect on good governance in Ghana, the output revealed a statistically significant positive relationship between the two variables, with internal control practices accounting for 24.0 percent of good governance, compared to 76.0 percent explained by other variables. Additionally, the study revealed that many components of an accounting system are protected against unauthorized access via the use of passwords, lockouts, and electronic access.

CHAPTER VI

SUMMARY, IMPLICATIONS AND RECOMMENDATIONS

Summary of findings

Ghana's public procurement practices are excellent in promoting good governance. Procurement policy considerations such as compliance with the Public Procurement Act and the Guideline for Asset Disposition, procurement planning, country executive support, budgetary allocation, and preparation of procurement progress reports, procurement records management processes, and the type of procurement methods used all have a significant impact on the country government's effectiveness.

Financial planning assists in developing goals, plans, policies, processes, and services for managing government financial operations. Budgeting initiatives in Ghana have a major favorable effect on good governance, according to research. Policymakers must have a firm grasp of the financial sector's complexities and how to act appropriately. On the other hand, forecasting processes benefited good governance, and so government treasury officers may profit from this research in developing effective public finance management rules. Governments profit from strong financial decision-making methods, and as a result, this study will aid in the formulation of appropriate legislation to regulate the sector.

Additionally, when county governments with a poor internal control system were compared to those with a strong internal control system, those with strong internal control systems outperformed those with a poor internal control system. Additionally, governments have remarked on the organization's high degree of integrity, ethical standards, risk management, control approaches, and monitoring procedures. While internal audit is a profession with expertise evaluating the most effective use of public financial resources and aiding in improving oversight and performance, the role of internal audit in improving the public financial management process has received little attention from government. Additionally, a convoluted and opaque county government tax structure is too expensive to maintain and fosters corruption and ineptitude. Despite the fact that attempts at revenue mobilization and good governance showed a statistically significant positive association.

Accountability, openness, a commitment to efficiency, and honesty are just a few of the corporate governance characteristics that apply to public entities. The goal of solid public financial governance is to increase transparency and conduct business in accordance with applicable ethical standards at the national and local levels. This is shown by effective internal and external financial reporting, as well as the explicit encouragement of public discussion on such financial reports. Corporate governance that is effective in the public sector requires public officials to have the requisite skills, aptitude, and dedication to carry out their responsibilities. Despite the statistically significant association between revenue mobilization tactics and effective governance, the convoluted and opaque county government revenue system is expensive to administer and encourages corruption and incompetence.

Implications

The study reveals that all actors engaged in budget design and implementation at all phases of country building should get frequent efficiency-focused training. Organizations from the civil society sector should be considered for participation in these activities. Their participation in the budgeting process would contribute to the fulfillment of revenue targets. These programs will also reveal any income collecting issues. Additionally, the study concludes that when redesigning country government revenue structures, a greater emphasis on cost-effective revenue collection is necessary, taking into account not only direct revenue administration costs, but also the overall costs to the local economy, including taxpayer enforcement costs. Country governments should work to increase their autonomy, hire more skilled employees, improve their reputation, and optimize their use of automated technologies. Additionally, country governments are required to run their operations in a private-sector-like manner, which includes competitive labor remuneration, high-quality personnel, and adoption of an anti-corruption code of conduct. Additionally, losses caused by corruption and evasion must be minimized. Obviously, better tax administration cannot make up for bad revenue planning. As a result, tax reform should come first, followed by revenue administration reform.

Recommendations

In light of the study's principal results, the following policy recommendations are made:

Strengthening Capacity to Improve Oversight Functions

To ensure efficient supervision, the study suggests that all workers be sufficiently educated and taught in order to provide them with the knowledge and skills essential to conduct successful financial management operations. These initiatives will improve the efficiency with which financial statements are read, resolutions are produced, and the ability for monitoring decision execution. Increased control would result in the reporting and prevention of fraud and corruption-related practices.

Improvement on Internally Generated Funds

Internal income generation by the government should be increased. This might be achieved by bringing in private collection firms to assist in collection. Most importantly, the country should diversify its revenue resources. Additional income streams include the creation of new markets in order to attract licenses and fees. Additionally, the government should use technology to improve the efficiency of tax collection. Additionally, the government should lobby for legislation that broadens the government's revenue base.

Public Institutions should adopt IFRS financial reporting standards

To facilitate effective and timely management decision-making, the government must ensure that all financial statements and reports issued by public enterprises are punctually provided. Additionally, the administration must engage the public or assembly members via stakeholder meetings in order to foster accountability and the effective and efficient use of public funds

Effective Implementation of Audit Reports

The government should take the execution of audit reports seriously. Regular public spending review meetings should be established in which sponsors, civil society groups, and the general public may engage in in-depth discussion of the country's expenditures. This will ensure that fiscal missteps made in one fiscal year are not repeated the next fiscal year. Additionally, countries should collaborate with law enforcement to hold elected officials accountable for public funds misappropriation.

Encourage Civic participation in Budgeting

Governments should establish policies and budgets that include a substantial component of public engagement and ownership. This may be accomplished via seminars and conferences that bring a varied collection of stakeholders together. Additionally, countries should make budgets and ideas available to the public. The public will have a better understanding of the country's commitments with the release of budget information.

The government's approach to governing should be all-inclusive.

The research suggests that governments' leadership be consistent with the provision of reliable and timely information on all economic and non-economic activities. Processes for public financial governance should prioritize decision-making structures and procedures, as well as controls and safeguards that foster transparency and effective governance. Additionally, political parties must have an inclusive stance toward government in order to participate in a comprehensive conversation that respects and defends the rights of all people.

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