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Challenges and Strategies for Strengthening the Link Between Public Audit and Industrial Policy in Ghana

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Abstract

This study explores the integration of public audit within Ghana's industrial policy framework, focusing on the challenges faced by the Ghana Audit Service (GAS) in influencing policy effectiveness and accountability. Drawing on governance and accountability theory, resource dependence theory, inter-organizational coordination theory, and policy feedback theory, the study examines the institutional, resource-based, and procedural factors that affect GAS's ability to drive policy improvement. A qualitative document analysis approach was employed, reviewing audit reports, policy documents, and legislative texts from 2013 to 2022. Key findings reveal that limited resources, a lack of standardized performance indicators, inadequate inter-agency coordination, and weak accountability mechanisms hinder GAS's capacity to impact policy outcomes effectively. To address these challenges, the study proposes strategies to enhance resource allocation for GAS, establish formalized coordination mechanisms, develop clear performance metrics, and implement robust accountability structures. These recommendations aim to create a responsive, transparent governance framework that enables GAS to support evidence-based policy adjustments. This research contributes to the literature on public audit and governance in emerging economies, underscoring the role of integrated audit-policy frameworks in fostering accountable, effective industrial policies.

Introduction

Industrial policy is a pivotal component of economic development strategies, especially in emerging economies where governments strive to foster growth, diversify economic activities, and address structural challenges such as poverty, unemployment, and income inequality. The role of industrial policy is relevant in today's globalized economy, where technological advancements and sustainability goals are reshaping traditional models of growth (Ashford & Hall, 2011). In most developing economies, industrial policy has long been recognized as a critical tool for economic transformation. In Ghana, industrial policy has played a significant role in shaping economic priorities, from early efforts focused on import substitution to recent initiatives targeting private sector-led growth, export diversification, and job creation. However, effective industrial policy requires more than strategic planning; it demands a robust framework that ensures transparency, accountability, and optimal resource utilization (Billon et al., 2021; Gisladottir et al.; Yanuardi et al.). This is where the role of public audit becomes critical. Public audit provides an essential mechanism for holding government agencies accountable, assessing policy performance, and identifying areas for improvement in policy implementation. The

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relationship between public audit and industrial policy is of particular significance in emerging economies like Ghana, where resource limitations and institutional constraints frequently impede policy effectiveness. Integrating audit insights into industrial policy formulation can enhance transparency and promote better decision-making, allowing policymakers to make informed adjustments that increase the likelihood of achieving intended policy outcomes. In Ghana, the connection between public audit findings and industrial policy innovation remains underdeveloped. The Ghana Audit Service (GAS), mandated to ensure responsible management of public resources, often conducts audits of various government programs, yet its recommendations are seldom incorporated into the strategic planning and execution of industrial policies. This disconnect limits the effectiveness of both the audit process and the policies intended to drive economic growth and transformation.

Despite the Ghana Audit Service's critical role in promoting accountability, significant barriers prevent effective integration of audit findings into Ghana's industrial policy processes. These challenges coupled with the lack of institutional frameworks that facilitate regular feedback loops means that policy adjustments based on audit recommendations are minimal, if they occur at all. This disconnect contributes to inefficiencies in resource allocation, misalignment between policy objectives and outcomes, and a lack of accountability, ultimately limiting the potential of Ghana's industrial policy framework to support sustainable development. Existing literature highlights the benefits of audit-based policy integration in enhancing policy effectiveness, yet little research has focused on how this integration could be applied to Ghana's context. This research addresses this gap by analyzing the challenges and opportunities for linking public audit systems with industrial policy in Ghana. By identifying key obstacles and proposing strategies to enhance audit-policy integration, this study contributes to a more comprehensive understanding of how public audit can be leveraged to strengthen policy outcomes in Ghana's industrial sector.

The main objective of this study is investigating the challenges facing the integration of public audit findings into industrial policy in Ghana and proposing strategies for strengthening this relationship. Specifically, the study aims to assess how audit insights can enhance the transparency, accountability, and effectiveness of industrial policy initiatives in Ghana. Specifically, the study

- I. analyzes the current challenges hindering the effective integration of public audit recommendations into Ghana's industrial policy framework.
- II. assesses the role of public audit in promoting accountability and efficiency within Ghana's industrial sector.
- III. examines successful international case studies on audit-policy integration, drawing lessons relevant to Ghana.
- IV. develops a strategic framework that can facilitate the effective incorporation of audit insights into industrial policy formulation and implementation in Ghana.

The central research question guiding this study is: What are the challenges and strategies for strengthening the link between public audit and industrial policy in Ghana?

This study is organized into six chapters, each addressing different aspects of the research topic. The first chapter introduces the background and significance of the study, elaborates on the problem statement, research gap, objectives, and research questions, and provides an overview

of the study's structure. This is followed by a review of relevant literature on public audit, industrial policy, and the role of audit-policy integration in emerging economies. This chapter further discusses the theoretical underpinnings and empirical findings related to the relationship between public audit and industrial policy. The third chapter details the research design, data sources, data collection methods, and analytical approaches used in the study. The fourth chapter presents an analysis of the specific challenges faced by Ghana in linking public audit and industrial policy. The fifth chapter outlines recommended strategies for strengthening the relationship between public audit and industrial policy in Ghana and incorporates insights from successful international case studies and provides a framework for implementing audit-based policy integration. The final chapter summarizes the main findings of the study, discusses their implications for policymakers and stakeholders, and suggests directions for future research.

Chapter 2:

Literature Review

Introduction

This section provides an overview of existing literature on public audit, industrial policy, and the integration of audit findings into policy frameworks. The literature review begins by examining existing perspectives on public audit and its role in governance, followed by an analysis of industrial policy innovation, particularly in emerging economies. It then discusses the benefits and challenges of integrating public audit into industrial policy, with a focus on the Ghanaian context. This review also explores global best practices in audit-policy integration, providing insights that may be relevant for addressing similar challenges in Ghana and concludes with the theoretical underpinnings of the study.

The Role of Public Audit in Governance

The role of public audit in governance is multifaceted, encompassing accountability, transparency, and the enhancement of good governance practices. According to Lazarescu (2019), public audits play an essential role in detecting inefficiencies, preventing misuse of public resources, and promoting transparency, which are foundational to accountable governance systems. Auditing serves as a critical mechanism for ensuring that public resources are managed effectively and ethically, thereby fostering trust between the government and its citizens. Defined by the International Organization of Supreme Audit Institutions (INTOSAI), public audit involves the independent examination of government activities to ensure efficient and effective use of public resources. According to ISSAI 100 (INTOSAI, 2019), public audits serve as mechanisms to scrutinize government operations, assess fiscal responsibility, and foster trust in public institutions. One of the primary functions of auditing in public governance is to uphold accountability. Supreme Audit Institutions (SAIs) are tasked with evaluating whether public sector agencies adhere to legal and ethical standards in their financial operations. They provide assurance that public funds are utilized appropriately, which is essential for maintaining public trust and ensuring that government actions align with the expectations of citizens (Cordery & Hay, 2018; Clark et al., 2007). The accountability framework established by audits allows for scrutiny of government performance, thereby enabling citizens to hold their representatives accountable for their actions (Aucoin & Heintzman, 2000). This accountability is further reinforced by the role of internal audits, which have been shown to positively correlate with good governance practices, as they help detect and prevent mismanagement of public funds;(Edoumiekumo et al., 2020).

Public audits contribute significantly to transparency in governance. By systematically reviewing financial records and operations, audits illuminate the processes by which public funds are allocated and spent. This transparency is crucial for reducing opportunities for corruption and misappropriation of funds, as it allows stakeholders to scrutinize government actions (David, 2017; Gustavson & Sundström, 2016). For instance, social audits empower citizens to engage in the oversight of public expenditures, thereby enhancing participatory governance (Varghese et al., 2019). The presence of robust auditing practices has been linked to lower levels of public sector corruption, suggesting that effective audits can lead to more ethical governance (Gustavson & Sundström, 2016). In addition to accountability and transparency, audits play a vital role in promoting good governance through the establishment of internal control systems. Audit committees, which are integral to both public and private sectors, are responsible for overseeing the integrity of financial reporting and compliance with regulations (Dzomira, 2020; Nest, 2008). The effectiveness of these committees is critical, as they ensure that governance structures are in place to mitigate risks associated with financial mismanagement (Asaolu et al., 2016). Furthermore, the quality of internal audits has been shown to enhance financial accountability within local governments, thereby contributing to the overall governance framework (Zeyn, 2018). Finally, the evolving landscape of public governance necessitates that audits adapt to new challenges, including the complexities introduced by public-private partnerships (PPPs). Auditing these arrangements is essential for ensuring that they meet public accountability standards, as they often involve intricate financial and operational relationships between the public and private sectors (Viana et al., 2022). By scrutinizing these partnerships, auditors can help ensure that public interests are safeguarded and that resources are used effectively.

Public audits have the capacity to influence policy by identifying gaps and recommending improvements in the design and implementation of government programs. The European Court of Auditors (ECA, 2017) asserts that public audits provide evidence-based insights that guide policymakers in enhancing the efficiency and accountability of public sector institutions. However, achieving effective integration of audit findings into policy processes depends on several factors, including institutional independence, resource availability, and the quality of audit recommendations (Karkovska & Vishka, 2021). Without robust structures to support the inclusion of audit feedback in policymaking, the potential of public audits to influence governance and improve policy outcomes is limited. The role of public audit in governance is critical for fostering accountability, transparency, and good governance. Through comprehensive auditing practices, public institutions can enhance their credibility, reduce corruption, and ensure that public resources are managed in a manner that aligns with the principles of democratic governance.

Industrial Policy in Emerging Economies

Industrial policy is an essential instrument used by governments to shape economic development, enhance competitiveness, and address market failures. Industrial policy plays a crucial role in emerging economies by facilitating structural transformation, enhancing competitiveness, and fostering innovation. According to Rodrik (2004), industrial policy refers to state-led interventions aimed at promoting specific industries and sectors with high growth potential. Scholars such as Chang and Andreoni (2020) argue that in the context of globalization, industrial policy must be dynamic and adaptable to foster technological innovation, economic diversification, and sustainable development. It serves as a strategic framework through which governments can direct resources, support specific sectors, and create an environment conducive

to economic growth. In emerging economies like Ghana, industrial policy has evolved from import substitution strategies to structural adjustments and, more recently, to private sector-led growth (Owoo & Page, 2017).

One of the primary benefits of industrial policy in emerging economies is its potential to stimulate innovation and technological advancement. By focusing on specific sectors, such as renewable energy or information technology, governments can create incentives for research and development, thereby fostering a culture of innovation (Atakhanova, 2020; Allan, 2024). For instance, the resurgence of industrial policymaking in response to global challenges, such as climate change, has led to increased investments in low-carbon industries, which are essential for sustainable economic growth (Allan, 2024). Moreover, industrial policy can enhance the competitiveness of domestic firms by providing them with the necessary support to navigate global supply chains and compete effectively against foreign competitors (Kenderdine, 2017).

The objectives of industrial policy often include job creation, poverty reduction, and economic diversification. However, emerging economies face several challenges in designing and implementing effective industrial policies, including limited financial resources, infrastructure gaps, and institutional inefficiencies (Andreoni & Chang, 2019). Industrial policy can help address these issues by promoting targeted investments in key industries, thereby catalyzing economic development and transitioning these economies from low to middle-income status (Bergliff & Cable (2018), Rodrik, 2004). Ghana's National Industrial Policy and the One District One Factory (1D1F) initiative aim to stimulate industrial growth and generate employment. Yet, these initiatives have encountered obstacles such as bureaucratic delays and limited access to resources, which undermine policy effectiveness (Mensah et al., 2020).

Integrating Public Audit into Industrial Policy: Benefits and Challenges

The integration of public audit findings into industrial policy frameworks is increasingly viewed as essential for improving policy outcomes and ensuring efficient resource allocation. Public audits can enhance accountability and transparency in the implementation of industrial policies. By systematically reviewing government expenditures and the effectiveness of policy interventions, audits can ensure that resources are allocated efficiently and that public funds are not misappropriated (Wade, 2010). This oversight can help build public trust in government initiatives and foster a more conducive environment for investment and economic growth. According to Vitomir et al. (2019), public audits provide valuable feedback that can enhance policy planning and execution by identifying inefficiencies, assessing risks, and recommending improvements. Audit-based insights can also serve as accountability mechanisms, ensuring that industrial policies are transparent and aligned with strategic goals. Baylis and Widt (2022) emphasize that audits validate policy effectiveness and promote good governance, which are critical for fostering public trust and confidence in government programs.

Despite its potential benefits, the integration of audit findings into policy frameworks remains challenging. In Ghana, the Ghana Audit Service conducts various audits of government programs, but there is limited evidence that these findings are systematically incorporated into policy processes. The complexity of industrial policies, which often involve multiple stakeholders and sectors, can make auditing processes cumbersome and resource-intensive (Juhász et al., 2022; Zoaka & Orman, 2020). Additionally, there may be resistance from government officials and industry stakeholders who perceive audits as a threat to their autonomy or as a hindrance to the rapid implementation of policies (Rozo & Maldonado, 2018). Furthermore, the effectiveness of audits depends on the capacity and expertise of auditing

institutions, which may be limited in emerging economies (Caseiro, 2014). According to Quampah et al. (2021), public audit institutions in Ghana often lack the resources, technology, and institutional support necessary to conduct comprehensive evaluations of industrial policies. Additionally, there are few established channels for coordinating between the Ghana Audit Service and industrial policy agencies, leading to gaps in information sharing and delayed policy adjustments (Appiah, 2016).

Ghana's Public Audit and Industrial Policy Context

Ghana's public audit and industrial policy context is shaped by a combination of historical developments, institutional frameworks, and contemporary challenges. The evolution of public auditing in Ghana has been significantly influenced by the country's commitment to enhancing accountability, transparency, and good governance in the public sector. The establishment of the Ghana Audit Service (GAS) under the Audit Service Act of 2000 (Act 584) has been pivotal in this regard, as it mandates the auditing of public accounts and ensures that public funds are managed effectively (Tetteh et al., 2022); Asiedu & Deffor, 2017). The GAS plays a critical role in promoting accountability by conducting audits that assess the efficiency and effectiveness of government operations, thereby contributing to the fight against corruption (Maama & Marimuthu, 2020). Despite the scope of its mandate, Ghana's audit system faces constraints that limit its ability to impact policy effectively. According to Bondinuba et al. (2016), issues such as limited funding, bureaucratic inefficiencies, and lack of autonomy constrain the Ghana Audit Service's effectiveness. In recent years, there has been a growing recognition of the importance of public sector auditing in achieving the Sustainable Development Goals (SDGs) in Ghana. Public auditors are increasingly tasked with evaluating the implementation of policies aimed at sustainable development, which requires them to possess the necessary skills and competencies (Tetteh et al., 2022). This shift reflects a broader trend towards integrating auditing practices into national development strategies, emphasizing the role of audits in enhancing public sector performance and accountability (Oppong et al., 2021).

On the industrial policy front, Ghana has historically pursued various strategies to stimulate economic growth and development. The country has implemented import-substitution industrialization policies since its independence in 1957, aiming to reduce dependency on foreign goods and promote local manufacturing (Faruq & Yi, 2010). However, despite these efforts, the manufacturing sector has faced challenges, including inefficiencies and stagnation in productivity (Faruq & Yi, 2010). Recent industrial policies have focused on promoting sectors such as textiles, agro-processing, and technology, with the government seeking to create a conducive environment for investment and innovation (Appiadu et al., 2022).

The lack of integration between audit recommendations and policy processes has contributed to policy inefficiencies, particularly in sectors requiring high resource allocation. The One District One Factory initiative, for example, was intended to decentralize industrial development but has faced challenges in monitoring and evaluating its implementation due to limited coordination with audit agencies (Etse & Asenso-Boakye, 2014). The absence of structured feedback mechanisms further exacerbates these challenges, limiting the extent to which audit recommendations can inform policy adjustments. The integration of public audit into industrial policy however presents both opportunities and challenges. On the one hand, effective auditing can enhance the accountability of industrial policies by ensuring that resources are allocated efficiently and that public funds are not misused (Agyemang et al., 2022). This oversight can help build public trust and encourage investment in targeted sectors. On the other hand, the

complexity of industrial policies, coupled with the limited capacity of auditing institutions, can hinder the effectiveness of audits in this context (Juhász et al., 2022). Additionally, there may be resistance from stakeholders who view audits as a bureaucratic obstacle to rapid policy implementation (Zoaka & Ornan, 2020).

International Best Practices in Audit-Policy Integration

The integration of audit practices into policy frameworks is increasingly recognized as a vital component of effective governance, especially in emerging economies. International best practices in audit-policy integration can be identified through various examples that demonstrate how auditing can enhance accountability, transparency, and the overall effectiveness of public policies. One prominent example of best practice is the endorsement of International Standards on Auditing (ISAs) by various countries, which facilitates a uniform approach to auditing across jurisdictions. This standardization is crucial for enhancing the credibility of financial reporting and fostering investor confidence in global markets (O'gli (2023), Duhovnik, 2011). The adoption of ISAs allows for a consistent application of auditing principles, which is particularly beneficial for emerging economies seeking to align their practices with international benchmarks. This harmonization not only improves audit quality but also supports the integration of audit findings into policy-making processes, ensuring that decisions are informed by reliable financial data.

Another best practice can be observed in the relationship between internal audit functions and good governance. Studies have shown that effective internal audits significantly contribute to the achievement of governance objectives by providing independent assessments of risk management, control processes, and compliance with regulations, (Asaolu et al., 2016). The internal audit function in Indonesia has been linked to improved governance outcomes, demonstrating how integrating audit practices into policy frameworks can enhance public sector accountability. This integration ensures that audits are not merely compliance exercises but are actively used to inform policy decisions and improve public service delivery. The role of audit committees in enhancing audit quality and governance is another example of best practice. Research indicates that diligent audit committees can significantly influence the quality of financial reporting and internal controls, thereby reinforcing the integrity of public policies (Al-Hajaya, 2019). In emerging economies, where regulatory frameworks may be less robust, the establishment of effective audit committees can serve as a critical mechanism for ensuring that audit findings are taken seriously and acted upon in the policy-making process (Al-Jalhma, 2022). Additionally, the integration of technology in auditing practices represents a forward-looking best practice.

The use of data analytics and digital tools in auditing can enhance the efficiency and effectiveness of audits, allowing for more comprehensive assessments of compliance and performance (Yariev, 2023). This technological integration can facilitate real-time monitoring of public expenditures and policy implementation, thereby enabling quicker responses to identified issues and fostering a culture of accountability (Yariev, 2023). Also, the emphasis on performance audits, particularly in the context of public sector governance, highlights another best practice. Performance audits assess the economy, efficiency, and effectiveness of government programs and policies, providing valuable insights that can inform future policy decisions (Liu, 2023). By focusing on outcomes rather than merely compliance, performance audits can drive improvements in public service delivery and ensure that resources are used effectively to achieve desired results.

Practically, Malaysia and South Korea have demonstrated successful integration of public audit into industrial policy, providing useful models for Ghana. Malaysia's Performance Management and Delivery Unit (PEMANDU) collaborates closely with the National Audit Department to assess the effectiveness of public programs, including industrial policy initiatives. This collaboration ensures that audit findings are systematically incorporated into policy adjustments, enhancing accountability and policy outcomes (Siddiquee & Xavier, 2020). By fostering inter-agency cooperation and prioritizing transparency, Malaysia has created an enabling environment for audit-policy integration, which has significantly contributed to its industrial development. South Korea also presents a case of effective audit-policy integration. The Korean Board of Audit and Inspection (BAI) works with industrial policy agencies to conduct joint audits, which help identify inefficiencies and recommend improvements in policy implementation. This coordinated approach has enabled South Korea to align audit findings with strategic industrial goals, fostering a culture of accountability and continuous improvement (Kim, 2017). Such international examples demonstrate the potential benefits of adopting formal mechanisms for audit-policy integration, including structured communication channels, feedback systems, and regular inter-agency consultations.

Theoretical Foundations

This study draws on four key theories namely governance and accountability theory, resource dependence theory, inter-organizational coordination theory, and policy feedback theory. Together, these theories provide a comprehensive framework for analyzing the institutional, resource-based, collaborative, and adaptive factors affecting the integration of public audit findings into Ghana's industrial policy framework.

Governance and accountability theory emphasize the importance of transparency and responsibility in public sector management. In the context of auditing industrial policy, this theory underscores the role of audits in promoting accountability among policymakers and implementing agencies (Tan & Ho, 2016). Public audit serves as a critical mechanism within this framework, promoting efficiency and accountability by monitoring government actions and resource usage. Scholars like Lazarescu (2019) highlighted that audits provide checks on government agencies, identifying areas for improvement and ensuring alignment with public interests. This theory suggests that a well-functioning audit system can increase transparency and trust, which are essential for achieving policy objectives. By providing independent assessments of policy implementation, audits can enhance the credibility of industrial policies and foster public trust (Elder et al., 2015). Furthermore, the findings from audits can inform governance structures by identifying areas where accountability mechanisms need to be strengthened (Bills et al., 2014). In the context of Ghana's industrial policy, governance and accountability theory underscores the role of GAS in promoting transparent resource allocation and effective policy implementation. The theory also emphasizes that without cohesive frameworks for incorporating audit insights into policy processes, accountability efforts may have limited impact. This theoretical perspective frames GAS's potential role in industrial policy reform, supporting this study's exploration of barriers to audit-policy integration and its proposed strategies for enhancing audit's influence on policy. Resource dependence theory, originally proposed by Pfeffer and Salancik (1978), explores how organizations rely on external resources to operate effectively. In the public sector, institutions like GAS depend on adequate financial, technological, and human resources to fulfill their mandates. This theory is relevant to GAS's role in industrial policy, as resource constraints such as limited funding, lack of technology, and insufficient staffing restrict the agency's capacity to conduct comprehensive

audits. Auditors play a critical role in assessing whether these resources are being utilized effectively and efficiently (Anuar et al., 2012).

Inter-organizational coordination theory focuses on the collaborative processes between different organizations involved in policy implementation. This theory, as described by Gittell and Weiss (2004), emphasizes that effective inter-agency coordination requires formal structures, clear communication channels, and mutual goals. In the context of public audit and industrial policy, this theory suggests that collaborative mechanisms between GAS and policy agencies are essential for aligning audit recommendations with policy adjustments. Effective coordination among various stakeholders such as government agencies, private sector entities, and civil society organizations is essential for ensuring that audits are comprehensive and address all relevant aspects of policy implementation (Andersson et al., 2017). Auditors can facilitate this coordination by providing insights into how different organizations can work together more effectively to achieve common goals. For instance, audits that identify gaps in collaboration can lead to the establishment of formal mechanisms for inter-agency cooperation, thereby enhancing the overall effectiveness of industrial policies (Malmborg & Strachan, 2023).

Policy feedback theory, which emphasizes the role of real-time data and performance insights in adaptive policymaking, is another key theoretical framework for this study. The theory posits that existing policies shape the political landscape and influence future policy decisions. The policy feedback theory suggests that policies should incorporate feedback mechanisms to allow for continuous improvement based on outcomes. Kuhlmann & Rip (2018) argue that policy adaptability is essential for responding to emerging challenges and for maintaining policy relevance over time. Successful audits of industrial policies can reinforce the legitimacy of these policies, leading to increased support from stakeholders and the public (Hacker & Pierson, 2019). Conversely, negative audit findings can undermine confidence in the policy, prompting calls for reform or abandonment. The feedback from audits can thus inform policymakers about the effectiveness of their initiatives and guide future policy adjustments (Sewerin et al., 2020).

Chapter 3:

Methodology

Introduction

This study employs a qualitative methodology centered on document analysis to investigate the challenges and strategies for integrating public audit findings into Ghana's industrial policy framework. Document analysis provides a rigorous, in-depth examination of existing records, policies, and audit reports, allowing for a comprehensive understanding of the institutional and operational factors that affect audit-policy integration. This approach aligns with the study's objectives, enabling a structured exploration of relevant documents to identify themes related to accountability, transparency, and policy effectiveness.

Research Design

A qualitative design based on document analysis was chosen for its capacity to offer detailed insights into the governance structures and audit processes within Ghana's public sector. By examining documents from the Ghana Audit Service (GAS), policy agencies, and legislative bodies, the study aims to reveal patterns and challenges that influence the link between public audit and industrial policy. This approach is well-suited for analyzing the embedded frameworks and mechanisms within institutional records that support or hinder audit-policy integration.

Data

This study relied on secondary data as its primary source, utilizing existing documents relevant to Ghana's public audit and industrial policy framework. Secondary data was selected to provide an in-depth understanding of institutional practices, challenges, and strategies, as captured in official audit reports, policy documents, legislative texts, and government publications from 2013 to 2022. These documents offer a comprehensive view of the Ghana Audit Service's (GAS) role, the operational dynamics within policy agencies, and the legal frameworks guiding audit-policy integration. Using secondary data enabled a detailed analysis of historical and current practices without the limitations posed by direct data collection, aligning with the study's objectives to evaluate systemic factors affecting audit-policy linkage. This approach supported a robust document analysis, allowing the study to explore patterns and insights within real-world policy and audit documentation.

Sources of Documents

The documents analyzed in this study includes annual and special audit reports from the Ghana Audit Service over a ten-year period that evaluate the performance, compliance, and effectiveness of industrial policy programs, particularly the One District One Factory (1D1F) initiative and other industrialization policies. Furthermore, government-issued policies and plans, such as the National Industrial Policy, relevant legislative acts (e.g., the Audit Service Act, Public Financial Management Act), and strategic frameworks that outline the goals, operational guidelines, and performance benchmarks for Ghana's industrial sector were also analyzed. The study also took into consideration documents such as budget reports, government performance evaluations, and accountability frameworks that provide insights into the fiscal management, resource allocation, and intended outcomes of industrial policies. Lastly, relevant laws, guidelines, and regulations governing public audits and industrial policy implementation which provides a foundational understanding of the legal mandates and structural constraints affecting audit-policy integration were also included in the study.

Document Selection

The document selection for this study is guided by a purposive sampling method, focusing on records that are directly relevant to the integration of public audit into industrial policy within the period from 2013 to 2022. This timeframe was chosen to capture recent developments in Ghana's public audit and industrial policy framework, including the implementation of significant initiatives like the One District One Factory (1D1F) program and key legislative reforms impacting public financial management and accountability. By analyzing documents from this specific period, the study ensures that the data reflects current practices, challenges, and potential solutions within the Ghana Audit Service (GAS) and policy agencies.

Only documents that directly address aspects of public audit, industrial policy, or the intersection of the two were included, ensuring that the data is relevant to the study's objectives. Priority was given to official documents from authoritative government sources, such as audit reports from GAS, policy documents from the Ministry of Trade and Industry, and regulatory texts like the Audit Service Act and Public Financial Management Act. This targeted selection enhances the reliability of the findings by focusing on high-quality sources that provide insights into the institutional and operational factors affecting audit-policy integration in Ghana's governance landscape.

Data Analysis

The data analysis in this study employs a thematic analysis approach, which is well-suited for identifying patterns and meanings within qualitative data. Through a systematic review of documents, this study explores the themes related to the integration of public audit findings into Ghana's industrial policy framework. The analysis is guided by the study's theoretical framework grounded in governance, accountability, and resource dependence theories which provides a structured lens for interpreting the findings.

The process began with an initial review and coding of all documents, carefully examining each text to identify recurring terms, phrases, and sections relevant to the study's objectives. During this initial phase, data were segmented into codes that captured core themes such as 'institutional barriers,' 'resource constraints,' 'performance metrics,' and 'accountability mechanisms.' This coding was done systematically to ensure consistency, with each segment of text assigned a code that reflected its thematic relevance. To support a rigorous analysis, coding was conducted using NVivo, a qualitative data analysis software that facilitated the organization and categorization of large amounts of data across multiple documents.

Once the initial coding was complete, a process of theme development and categorization was undertaken. Codes were grouped into broader themes based on their recurrence and relevance to the study's objectives. For example, codes related to budget constraints, lack of skilled personnel, and limited technological resources were organized under a broader theme of 'resource challenges,' while codes concerning inter-agency communication issues and delayed feedback loops were categorized under 'institutional barriers.' These themes reflect the key areas of concern highlighted in the literature and provide a coherent framework for understanding the challenges to audit-policy integration in Ghana's governance context.

The next phase involved interpretation and contextualization of themes within the theoretical framework. Each theme was examined through the lens of governance and accountability theory, resource dependence theory, and inter-organizational coordination theory to understand how these frameworks inform the challenges and potential solutions identified in the data. For example, the theme of 'accountability mechanisms' was analyzed in light of governance theory's emphasis on transparency, while the 'resource challenges' theme was explored through resource dependence theory, which underscores the importance of adequate resources for organizational effectiveness. This theoretical interpretation allowed for a more nuanced understanding of how these themes interact within Ghana's public audit and industrial policy environment.

Finally, triangulation was applied to ensure the credibility and validity of the findings. By cross-referencing themes across multiple documents such as comparing audit reports with policy guidelines and legislative texts, the study strengthened the reliability of the identified patterns. This triangulation approach ensured that the conclusions drawn from one document type were corroborated by evidence from other sources, enhancing the robustness of the analysis. Additionally, peer review was conducted on the coding and theme development stages to confirm the accuracy of categorization and to mitigate potential researcher bias.

Validity and Reliability

To ensure the credibility and dependability of the findings, this study implements multiple measures to enhance the validity and reliability of the data analysis process. The study employs triangulation by analyzing a range of document types, including audit reports, policy documents, legislative texts, and government publications. This approach allows for a cross-verification of

themes across different data sources, ensuring that the findings are supported by consistent evidence from multiple perspectives. Triangulation strengthens the study's conclusions by confirming that identified patterns and themes are not isolated to a single document or document type but are instead present across diverse sources, thereby increasing the robustness of the insights.

Furthermore, the thematic analysis follows a systematic coding process to improve accuracy and consistency. Each document was coded with rigor to ensure that themes accurately represent the recurring ideas within the data. To minimize potential researcher bias, an iterative coding review was conducted, revisiting initial codes to confirm their alignment with the study's objectives and theoretical framework. Additionally, the use of NVivo software provided a structured platform for organizing, categorizing, and re-evaluating codes, which further enhanced the reliability of the analysis by enabling precise management of large volumes of qualitative data.

Finally, peer review was incorporated as an external check on the coding and thematic development processes. The coded data and emergent themes were reviewed by a second researcher to confirm the relevance and accuracy of the categories and to identify any potential oversights. This peer validation serves as a quality assurance measure, ensuring that the study's findings are both comprehensive and aligned with academic standards for qualitative research. Together, these measures enhance the validity and reliability of the findings, supporting the study's goal of offering a credible and well-supported analysis of the challenges to audit-policy integration in Ghana.

Ethical Considerations

While this study relies solely on document analysis and does not involve human participants, several ethical considerations are addressed to maintain academic integrity and responsible data handling. First, all documents included in the analysis are either publicly accessible or officially sanctioned for research purposes, ensuring compliance with data access guidelines. This careful selection of documents respects confidentiality requirements associated with governmental and institutional records, preventing any unauthorized use of sensitive information.

In addition to responsible data access, proper citation and acknowledgment of all sources is a core ethical practice maintained throughout the study. Each document is carefully referenced, and information is presented within its original context to avoid misinterpretation or distortion of the data. This practice upholds the principles of academic integrity, ensuring that all sources are appropriately credited, and the data is represented accurately.

Moreover, data confidentiality is prioritized, particularly with regard to any sensitive information contained within government or audit documents. While these documents are primarily public, the analysis refrains from disclosing any potentially sensitive information that could compromise institutional privacy. In reporting the findings, the study provides only general insights, preserving the confidentiality of specific details within institutional records. This approach ensures that the research adheres to ethical standards while contributing valuable insights into the challenges and opportunities for strengthening audit-policy integration in Ghana's public sector.

Chapter 4:

Analysis of Challenges in Audit-Policy Integration in Ghana

Introduction

This chapter presents an in-depth analysis of the primary challenges hindering the integration of public audit findings into Ghana's industrial policy framework. This analysis addresses the study's first objective: to identify barriers that prevent effective audit-policy integration and assess the role of the Ghana Audit Service (GAS) in enhancing transparency and accountability within industrial policy. The findings are interpreted through the lens of governance, accountability, and resource dependence theories, linking them to key themes identified in the literature.

Institutional Barriers to Audit-Policy Coordination

The first set of challenges identified from the analysis relates to institutional barriers, which reflect limitations in inter-agency coordination and communication between GAS and industrial policy-making bodies. According to governance and accountability theory, well-structured coordination between institutions is essential to ensure effective monitoring and feedback within public policy processes (INTOSAI, 2019). The reviewed documents reveal a lack of formal mechanisms for integrating audit findings with policy development, which is critical for achieving the study's objective of fostering effective collaboration between GAS and industrial agencies. The document analysis indicates that there are few formalized channels for GAS to communicate audit findings to policy agencies responsible for implementing industrial initiatives like the One District One Factory (1D1F) program. This disconnect reflects a structural gap, where audit recommendations fail to inform policy adjustments, reducing the potential impact of public audit on policy effectiveness. This finding aligns with Lazarescu's (2019) argument that accountability mechanisms are only impactful when institutions are integrated through communication pathways that support feedback loops.

The analysis also reveals significant delays in the flow of information between the Ghana Audit Service (GAS) and industrial policy agencies, which poses a major challenge to timely policy adjustments based on critical audit insights. This delayed communication process means that by the time audit findings reach relevant policy agencies, the opportunity for immediate corrective action or real-time adjustments may have already passed. As a result, audit recommendations often fail to have their intended impact, as the lag between GAS's identification of issues and the agency's response time undermines the potential for agile policy modifications. For example, when audit reports identify resource misallocations or operational inefficiencies within industrial programs like the One District One Factory (1D1F) initiative, the lack of rapid information flow can prevent agencies from reallocating resources or adjusting strategies in time to achieve optimal policy outcomes. This communication challenge resonates strongly with Gittel and Weiss's (2004) inter-organizational coordination theory, which underscores the importance of streamlined processes and shared protocols for effective, real-time collaboration across institutions. According to this theory, effective coordination relies on clear, timely communication channels that allow organizations to respond promptly to external insights and feedback. However, in Ghana's current governance structure, the absence of well-defined protocols for transferring information between GAS and policy agencies limits the ability of these institutions to operate in sync. There is no standardized process for delivering audit findings swiftly, nor are there mechanisms for tracking whether recommendations have been

received, reviewed, or acted upon by policy agencies. This lack of formal communication pathways contributes to fragmented governance, where the policy agencies tasked with implementing industrial strategies may lack full visibility into relevant audit findings.

As a consequence, the absence of these streamlined processes and clear communication protocols hinders the responsiveness of Ghana's industrial policy framework. Policy agencies, lacking prompt access to audit data, are unable to adjust their programs dynamically, leading to policy stagnation and reduced effectiveness. This fragmentation ultimately weakens the entire policy cycle, as the intended function of audits as tools for continuous improvement and accountability is compromised. By failing to establish rapid information-sharing mechanisms, the system inadvertently fosters inefficiencies that undermine the intended agility and adaptability of Ghana's industrial policies. Addressing these coordination issues, therefore, is essential for fostering a governance environment in which GAS's audit findings can contribute meaningfully and immediately to policy enhancement, ensuring that Ghana's industrial policy remains responsive and aligned with its economic objectives.

Resource Constraints within the Ghana Audit Service

A significant challenge to effective audit-policy integration in Ghana is the constrained resources available to the Ghana Audit Service (GAS), a barrier that directly affects its capacity to conduct comprehensive and timely audits of industrial policy initiatives. Resource Dependence Theory, as proposed by Pfeffer and Salancik (1978), is highly relevant to this context, positing that organizations must secure adequate resources to maintain autonomy and fulfill their mandates effectively. In the case of GAS, limited financial, technological, and human resources impair its ability to provide the rigorous oversight necessary to influence Ghana's industrial policy outcomes meaningfully. This resource deficiency limits GAS's capacity to conduct the extensive audits required to support data-driven, evidence-based policy improvements.

A review of recent budget reports and government publications reveals that GAS operates under persistent financial constraints, which hinder its operational efficiency and scope. The financial resources allocated to GAS are often insufficient to cover the expenses associated with advanced auditing techniques, specialized staff recruitment, or training in emerging auditing methodologies. Such budgetary limitations restrict GAS's ability to conduct performance and forensic audits—both of which are crucial for evaluating the complex economic and structural dimensions of industrial policies like the One District One Factory (1D1F) program. Without adequate funding, GAS is compelled to narrow the scope of its audits, often prioritizing basic compliance checks over in-depth analyses that could uncover inefficiencies and recommend actionable improvements. The literature emphasizes that audit effectiveness is closely tied to resource availability (Quampah et al., 2021), and GAS's financial limitations reflect a systemic barrier that restricts its capacity to support transparent and accountable industrial policy.

Compounding these financial challenges is a significant shortage of skilled personnel within GAS. This shortage affects GAS's ability to perform specialized audits that require expertise in performance evaluation, risk management, and policy analysis. Document reviews indicate high staff turnover and limited professional development opportunities within GAS, resulting in a skills gap that reduces the effectiveness of its audits. According to Karkovska and Vishka (2021), high-quality audits require well-trained personnel capable of analyzing complex policy implementations and producing insights that can inform strategic decisions. However, GAS's limited training resources constrain the professional development of its workforce, weakening the agency's ability to provide comprehensive evaluations of industrial policies. This gap is

particularly evident in audits of initiatives like IDIF, where skilled analysis is required to assess program efficiency, economic impact, and regional development outcomes.

In addition to financial and human resource limitations, GAS faces technological constraints that further inhibit its ability to conduct thorough and timely audits. Advanced auditing software and data analytics tools are increasingly essential for modern auditing practices, allowing agencies to perform complex analyses and generate insights that would be difficult or time-consuming to produce manually. However, GAS's limited access to such technology restricts its auditing methods to traditional approaches, which may not be sufficient for evaluating the multi-faceted aspects of Ghana's industrial policy. Studies suggest that investment in technology can enhance the precision and efficiency of public audits (Baylis & Widt, 2022), yet GAS's constrained budget limits its ability to adopt these innovations. This lack of technological resources not only impedes GAS's operational efficiency but also reduces its capacity to engage in dynamic, real-time auditing that would support more adaptive and responsive policy adjustments.

Absence of Standardized Performance Indicators

A fundamental challenge to audit-policy integration within Ghana's industrial policy framework is the lack of clear, standardized performance indicators that allow GAS to objectively measure policy outcomes. Governance and accountability theory underscore the role of well-defined metrics in fostering transparent and objective policy assessments (Rodrik, 2004). Performance indicators provide benchmarks against which policies can be evaluated, allowing for an objective assessment of whether policies are achieving their intended impact. However, document analysis reveals that Ghana's industrial policies, including the National Industrial Policy and the IDIF program, lack specific performance metrics, making it difficult for GAS to assess their effectiveness rigorously.

An analysis of policy documents and GAS audit reports shows a notable misalignment between the goals set out in industrial policies and the criteria used by GAS in their evaluations. For example, while the IDIF program is intended to drive regional industrialization, increase employment, and stimulate economic diversification, there are no corresponding metrics to measure these outcomes. This lack of alignment limits GAS's ability to evaluate the program's impact comprehensively, as the agency is left without clear benchmarks for assessing success. This issue aligns with Vitomir et al. (2019), who assert that objective performance indicators are essential for aligning policy intentions with measurable outcomes, providing a basis for targeted recommendations that can drive policy improvement.

The absence of standardized metrics also complicates GAS's ability to monitor the long-term impact of industrial policies. Without specific benchmarks, audits tend to focus on process compliance rather than outcome evaluation, leading to audits that assess procedural adherence but fail to capture the broader social and economic effects of policy initiatives. Policy feedback theory emphasizes that adaptive policymaking relies on clear metrics to measure impact and facilitate continuous improvement (Pierson, 1993). However, Ghana's industrial policies lack such feedback mechanisms, which reduces GAS's ability to offer insights that can support adaptive policy modifications. Without objective indicators, policy agencies lack the data needed to refine their programs, weakening the potential for audit recommendations to inform real-time improvements and reduce inefficiencies in policy implementation.

The lack of standardized performance indicators not only undermines GAS's capacity to evaluate policy effectiveness but also weakens accountability structures within the industrial

policy framework. Clear performance metrics serve as accountability tools, allowing policymakers, audit agencies, and the public to track progress and hold relevant agencies responsible for achieving policy goals. As Lazarescu (2019) notes, accountability mechanisms are only effective when they are supported by transparent, measurable standards. The absence of such standards within Ghana's industrial policies creates a structural gap that reduces transparency and limits the ability of GAS and other stakeholders to advocate for evidence-based policy improvements.

Weak Accountability and Follow-Up Mechanisms

The limited presence of formal structures to ensure that policy agencies act on GAS recommendations represents a critical barrier to effective audit-policy integration. Accountability theory stresses that follow-up mechanisms are necessary to convert audit findings into meaningful actions that enhance policy outcomes (Baylis & Widt, 2022). The document analysis reveals that Ghana's industrial policy agencies are not formally required to report on their response to GAS's audit findings, resulting in weak accountability and limited impact of audits on policy improvement.

A review of audit reports and policy agency guidelines shows that there is no established protocol mandating policy agencies to implement or report back on GAS recommendations. This lack of enforcement undermines the role of audits as instruments of accountability, as it allows policy agencies to disregard audit findings without facing repercussions. This finding aligns with public accountability literature, which emphasizes the importance of enforceable follow-up structures in promoting compliance with audit insights (INTOSAI, 2019). Without mandatory progress tracking or reporting, audit recommendations are often sidelined, preventing GAS from contributing meaningfully to policy refinement and improvement.

The lack of public access to audit findings related to industrial policy initiatives also hampers accountability. When audit findings are not readily accessible to the public, civil society, and other stakeholders, there is reduced pressure on policy agencies to act on audit recommendations. Document analysis indicates that although some audit reports are made available, the findings related specifically to industrial policy programs like the 1D1F program remain largely undisclosed. This limited transparency diminishes the impact of audits, as citizens and advocacy groups lack the information needed to hold policymakers accountable. Governance literature emphasizes that public access to audit findings enhances transparency and reinforces public trust in governance systems (Lazarescu, 2019), suggesting that increasing the visibility of audit reports could strengthen accountability in Ghana's industrial policy framework.

The document analysis also reveals a lack of internal feedback loops between GAS and policy agencies, which further weakens the capacity for follow-up and accountability. Effective feedback mechanisms would allow GAS to track the implementation of its recommendations and evaluate whether these changes have resulted in improved policy outcomes. However, the absence of formalized channels for GAS to follow up on its recommendations creates a disconnect between audit findings and policy implementation. Pierson's (1993) policy feedback theory suggests that continuous feedback is critical for policy adaptation, as it enables policymakers to refine and adjust their strategies based on performance insights. In Ghana's case, the lack of feedback loops limits GAS's ability to monitor the long-term effectiveness of its recommendations, preventing a cycle of continuous improvement from taking root within the industrial policy framework.

Chapter 5:

Proposed Strategies for Enhancing Audit-Policy Linkage

Introduction

Building on the challenges identified in Chapter 4, this chapter outlines strategies to strengthen the integration of public audit and industrial policy in Ghana. These strategies are directly linked to the study's objectives and supported by governance, accountability, and inter-organizational coordination theories.

Enhancing Resource Allocation for the Ghana Audit Service

Addressing the resource constraints faced by the Ghana Audit Service (GAS) is essential for enabling the agency to conduct comprehensive audits that can influence policy reform. Resource Dependence Theory, as articulated by Pfeffer and Salancik (1978), highlights that organizations must secure adequate external resources to maintain autonomy and fulfill their mandates effectively. In line with this theory, providing GAS with sufficient financial, technological, and human resources is critical to bolstering its operational capacity and effectiveness in auditing industrial policies. A priority recommendation is for the government to increase budget allocations for GAS, specifically to fund specialized audits relevant to complex policy programs like the One District One Factory (1D1F) initiative. Expanding financial resources will allow GAS to enhance its audit scope, conduct in-depth performance assessments, and acquire advanced auditing technologies, which are increasingly essential in public sector auditing. According to Quampah et al. (2021), adequate budgetary support is foundational for conducting effective audits that can provide comprehensive, data-driven insights into government programs. By securing increased funding, GAS would be better positioned to evaluate industrial policy initiatives accurately and make targeted recommendations that drive policy improvements.

Alongside financial support, strengthening GAS's workforce through continuous training and development is vital. Document analysis reveals a need for auditors skilled in performance evaluation, risk assessment, and policy analysis to enhance GAS's ability to conduct specialized audits. Implementing regular training programs in advanced auditing techniques would address current skills gaps and ensure that GAS personnel are equipped to handle the technical demands of industrial policy evaluation. This aligns with Baylis and Widt's (2022) assertion that investment in human capital is essential for audit institutions to provide high-quality, actionable recommendations. By improving its human resource capabilities, GAS can improve the quality of its audits, enhancing its influence on policy outcomes.

Technological resources are increasingly crucial for efficient and effective auditing, allowing for the use of data analytics, automated systems, and electronic reporting to enhance the precision and speed of audits. Investing in technology would enable GAS to adopt digital audit tools that facilitate real-time assessments and comprehensive data analysis, thus supporting faster, more reliable auditing processes. Studies suggest that access to advanced auditing software can significantly improve audit effectiveness by providing accurate data insights that inform timely recommendations (Karkovska & Vishka, 2021). In sum, increasing GAS's resource base—financially, technologically, and in human capacity—will strengthen its role as an accountability mechanism, enhancing its ability to support data-driven decision-making within Ghana's industrial policy framework.

Establishing Formalized Inter-Agency Coordination Mechanisms

Effective audit-policy integration relies on robust inter-agency coordination mechanisms that enable clear communication and collaboration between GAS and policy agencies. According to inter-organizational coordination theory, successful collaboration requires formalized structures and clear communication channels to support shared objectives (Gittell & Weiss, 2004). Currently, a lack of structured coordination hinders the flow of information between GAS and industrial policy agencies, resulting in missed opportunities for timely policy adjustments based on audit insights. To address this gap, establishing joint planning committees involving representatives from GAS and key industrial policy agencies, such as the Ministry of Trade and Industry, could create a structured platform for ongoing dialogue and strategic alignment. These committees would provide a formal space for GAS and policy agencies to discuss audit findings, assess policy progress, and coordinate future planning efforts. This approach aligns with the literature on governance and accountability, which highlights that inter-agency coordination enhances transparency and alignment between audit insights and policy objectives (INTOSAI, 2019). Joint committees can also facilitate a culture of shared responsibility and improve accountability, as both parties actively participate in shaping policy adjustments informed by audit findings.

Establishing regular review sessions would further support the alignment of GAS's recommendations with policy agency actions. These sessions could be scheduled quarterly or biannually, allowing policy agencies to provide updates on their implementation of audit recommendations and discuss potential barriers to compliance. This structured feedback loop would ensure that audit findings are actively addressed, fostering real-time responsiveness in policy adjustments. Governance theory supports such feedback mechanisms as essential to maintaining accountability and adaptive policymaking (Rodrik, 2004). Regular reviews would help institutionalize a collaborative approach to audit-policy integration, ensuring that policy agencies respond promptly to GAS's recommendations. Another aspect of this strategy is the establishment of formal information-sharing protocols that specify timelines, data formats, and communication channels for sharing audit findings with policy agencies. Document analysis reveals that the current lack of structured communication channels between GAS and policy agencies delays the dissemination of audit findings, thereby limiting the potential for real-time policy corrections. Formalizing these protocols would enhance transparency and timeliness in the transfer of information, creating a system where audit findings are readily accessible to policy agencies, enabling faster, evidence-based adjustments.

Developing Standardized Performance Indicators for Industrial Policy

The absence of standardized performance indicators within Ghana's industrial policy framework is a critical gap that hinders GAS's ability to evaluate policy outcomes objectively. Governance and accountability theory emphasize that clear performance metrics are essential for assessing the impact of policies and ensuring accountability in public sector initiatives (Rodrik, 2004). Standardized indicators would allow GAS to measure policy success consistently and provide data-driven recommendations, supporting a more transparent and responsive policy framework.

To establish standardized indicators, GAS should work closely with policy agencies to co-develop metrics that reflect the goals of major industrial initiatives, such as job creation, regional development, and economic diversification. This collaboration would ensure that performance metrics align with both policy objectives and audit requirements, creating benchmarks that are meaningful and measurable. The literature on accountability emphasizes that objective metrics

enable more accurate assessments of policy effectiveness, which are crucial for transparent governance (Vitomir et al., 2019). By co-developing indicators with policy agencies, GAS can ensure that audits are relevant to policy goals, supporting actionable recommendations that promote policy refinement.

A comprehensive approach to performance measurement should include both outcome-based indicators, such as employment rates and regional economic growth, and process-based indicators, such as policy implementation timelines and resource efficiency. Outcome-based metrics would allow GAS to assess the broader impact of policies on Ghana's industrial development, while process-based metrics would help evaluate operational efficiency within policy programs. This dual approach aligns with policy feedback theory, which suggests that adaptive policymaking relies on comprehensive metrics to assess both program outcomes and procedural compliance (Pierson, 1993). Incorporating both types of indicators will enable GAS to provide nuanced assessments that capture the multifaceted nature of industrial policies.

Given the evolving nature of industrial policy objectives, performance indicators should be periodically reviewed and adjusted to remain relevant. Regular review sessions between GAS and policy agencies could help refine these indicators based on the latest policy developments and economic conditions, supporting a dynamic and adaptive policy framework. Governance theory supports this adaptability, asserting that performance measures should evolve in response to changing policy environments to maintain policy relevance and effectiveness (Lazarescu, 2019). By institutionalizing periodic adjustments to performance metrics, GAS can ensure that its audits remain relevant and effective over time, fostering continuous improvement within Ghana's industrial policy framework.

Implementing Robust Accountability and Follow-Up Mechanisms

A major barrier to effective audit-policy integration in Ghana is the lack of formal accountability structures to ensure that policy agencies act on GAS recommendations. Public accountability theory emphasizes that enforceable follow-up mechanisms are essential for converting audit findings into meaningful actions that enhance policy outcomes (INTOSAI, 2019). Establishing a robust system of accountability and follow-up would reinforce GAS's role as an oversight body, ensuring that its recommendations lead to tangible improvements in policy implementation. To improve follow-up on audit findings, policy agencies should be required to submit progress reports detailing their implementation of GAS's recommendations. These reports could be submitted on a quarterly basis, providing a systematic way for GAS to monitor compliance and evaluate the effectiveness of its recommendations. Mandatory reporting aligns with Baylis and Widt's (2022) assertion that enforceable accountability structures are necessary for public audits to achieve their oversight potential. Progress reports would create a continuous feedback loop that holds policy agencies accountable, encouraging them to address identified deficiencies in a timely manner.

Increasing the transparency of audit findings by making them accessible to the public would strengthen accountability and enable civil society to play an active role in monitoring policy compliance. Document analysis reveals that limited public access to audit findings diminishes pressure on policy agencies to act on recommendations, as there is minimal public scrutiny. Governance literature underscores that public access to audit data reinforces transparency, empowering citizens to hold government agencies accountable (Lazarescu, 2019). By publishing audit findings on government websites or public forums, GAS would enhance the visibility of its work, enabling citizens and advocacy groups to support policy compliance and demand

accountability. Finally, GAS should develop a formal feedback mechanism that allows for the continuous evaluation of policy outcomes based on audit insights. This feedback mechanism would enable GAS to assess whether its recommendations have contributed to policy improvements, facilitating a cycle of continuous improvement. Policy feedback theory suggests that continuous evaluation and adaptation are crucial for effective policy management (Pierson, 1993). By tracking the long-term impact of its recommendations, GAS can adjust its audit criteria

Chapter 6:

Conclusion and Policy Implications

Introduction

This study explored the challenges and strategies for strengthening the integration of public audit into industrial policy in Ghana, emphasizing the need for an aligned framework that promotes transparency, accountability, and resource efficiency. Drawing on governance and accountability theories, the study examined how public audit can improve policy outcomes when integrated into industrial policy processes. Through analysis of institutional barriers, resource constraints, accountability gaps, and structural challenges, this research highlighted the critical areas where intervention is needed to enhance the impact of public audit on industrial policy. The proposed strategies ranging from resource enhancement and inter-agency coordination to performance metric development and adoption of best practices are designed to address these challenges and support an effective audit-policy linkage. This concluding chapter summarizes the study's key findings, outlines the implications for policymakers, and provides recommendations for future research to build on the study's insights.

Summary of Key Findings

This study set out to explore the integration of public audit within Ghana's industrial policy framework, focusing on the challenges faced by the Ghana Audit Service (GAS) in influencing policy reform and accountability. By analyzing documents from 2013 to 2022, the study identified several barriers to effective audit-policy integration, aligning with governance and accountability theories that emphasize transparency, inter-agency collaboration, and resource dependence as fundamental for successful public oversight. The findings reveal that institutional barriers, resource limitations, absence of standardized performance indicators, and weak accountability mechanisms impede GAS's ability to support data-driven policy adjustments. The lack of formal inter-agency coordination mechanisms, as illustrated in Section 4.2, hinders timely information exchange between GAS and industrial policy agencies, resulting in missed opportunities for policy modifications based on audit findings. Additionally, GAS's constrained resources—particularly financial, human, and technological—limit the scope and frequency of its audits, reducing the depth of policy evaluations required for effective oversight.

The study also found that the absence of standardized performance metrics complicates GAS's ability to provide objective assessments of policy effectiveness. Without clear benchmarks, audits focus more on procedural compliance than on substantive policy outcomes, limiting GAS's potential to drive evidence-based policy improvements. Furthermore, the lack of formalized accountability and follow-up mechanisms has led to weak enforcement of audit recommendations, as policy agencies are not consistently held accountable for implementing GAS's recommendations. This gap in accountability structures undermines the impact of audits and diminishes the role of GAS as a driver of continuous improvement within Ghana's industrial

policy framework. These findings align with public accountability theory, which asserts that follow-up mechanisms are essential for translating audit insights into actionable improvements, underscoring the need for institutional reforms that strengthen audit-policy integration.

Policy Implications

The findings from this study have significant implications for policy formulation and public sector governance in Ghana. Enhancing GAS's role in industrial policy oversight is critical not only for improving policy outcomes but also for promoting transparency and public trust in government initiatives. First, the study underscores the necessity of adequate resource allocation for GAS. Providing sufficient budgetary support and professional development opportunities for auditors would enable GAS to conduct specialized, comprehensive audits that generate actionable insights. This aligns with resource dependence theory, which emphasizes that the effectiveness of an organization's operations is contingent upon its access to adequate resources. Ensuring that GAS has the necessary financial and human resources will enable it to fulfill its mandate and provide robust oversight of industrial policy programs like the IDIF.

Another important implication is the need for institutionalizing inter-agency coordination mechanisms to facilitate timely information sharing between GAS and policy agencies. The establishment of joint committees and formalized feedback protocols would ensure that audit findings are incorporated into the policy-making process, enabling real-time policy adjustments based on audit insights. This approach aligns with governance theory's emphasis on collaboration across government entities to achieve strategic policy outcomes. Additionally, the study's findings highlight the importance of developing standardized performance indicators for industrial policies. By co-designing metrics with policy agencies, GAS can establish benchmarks that align with policy goals, allowing for objective assessments of policy effectiveness. Finally, strengthening accountability mechanisms, including mandatory progress reporting and public disclosure of audit findings, would enhance transparency and ensure that policy agencies address identified inefficiencies. Implementing these measures would reinforce GAS's influence on policy, supporting a governance model that prioritizes accountability, transparency, and continuous improvement.

Recommendations for Future Research

While this study provides valuable insights into the integration of public audit within Ghana's industrial policy framework, it also opens avenues for future research to further advance knowledge in this area. One recommendation is to examine the potential of digital auditing tools in enhancing GAS's efficiency and precision. Future studies could investigate how incorporating data analytics, machine learning, and real-time reporting systems into GAS's auditing processes might improve the timeliness and impact of audit findings on policy. Additionally, exploring the role of civil society organizations (CSOs) in monitoring audit findings and advocating for policy compliance would be beneficial. CSOs can serve as an intermediary between the public and government, reinforcing the impact of audits on policy accountability. Research on the role of CSOs could provide insights into how public engagement can enhance the effectiveness of public audits.

Conclusion

This study contributes to the broader discourse on governance, accountability, and policy effectiveness by highlighting the challenges and proposing solutions for integrating public audit into Ghana's industrial policy framework. The findings underscore that while GAS has a critical

role in promoting transparency and accountability, it faces substantial challenges that limit its effectiveness, including resource constraints, inadequate performance metrics, and weak accountability structures. Addressing these issues through enhanced resources, formalized inter-agency coordination, standardized performance indicators, and strengthened accountability mechanisms would enable GAS to function as a more effective oversight body, supporting evidence-based policy adjustments and fostering continuous improvement in industrial policy.

The study's recommendations provide actionable strategies for policymakers, GAS, and relevant stakeholders to enhance the role of public audit in Ghana's governance framework. By adopting these measures, Ghana can ensure that its industrial policies are implemented transparently, efficiently, and with accountability, ultimately contributing to the nation's socio-economic development. This study also establishes a foundation for future research to explore innovative approaches to public audit and governance, reinforcing the importance of audit-policy integration for achieving effective and accountable public sector management in emerging economies. Through continued efforts to strengthen GAS's capacity and integrate its findings into policy processes, Ghana can move closer to realizing a governance model that prioritizes accountability, responsiveness, and public trust in government programs.

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