Financial Accountability in Decentralized Local Governance: A Systematic Review of Challenges, Institutional Drivers, And Reform Opportunities in Ghana's Metropolitan, Municipal and District Assemblies

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ABSTRACT

Financial accountability remains a fundamental requirement for effective decentralized governance, yet Ghana's Metropolitan, Municipal, and District Assemblies (MMDAs) continue to experience persistent financial management challenges despite extensive public sector reforms. This systematic review examined the institutional, political, and governance factors influencing financial accountability within Ghana's local government system. Following the PRISMA 2020 guidelines, literature published between 1997 and 2025 was identified from Scopus, Web of Science, Google Scholar, CrossRef, EBSCOhost, Emerald Insight, ScienceDirect, and ProQuest, and relevant grey literature sources. The search identified 391 records, but 20 studies met the inclusion criteria and were synthesized thematically. The review identified four interrelated determinants of financial accountability: institutional capacity, political interference, transparency and citizen participation, and oversight and regulatory enforcement. Assemblies with stronger administrative capacity, competent personnel, effective internal controls, and digital financial systems consistently demonstrated better compliance with financial regulations. Conversely, political interference weakened institutional independence and reduced adherence to audit recommendations. Evidence further showed that transparency, participatory governance, and independent oversight institutions strengthened fiscal discipline and public trust. The review concludes that sustainable financial accountability in Ghana's MMDAs requires integrated reforms that strengthen institutional capacity, reduce political interference, expand citizen participation, and empower oversight institutions through consistent enforcement and greater operational independence.

Keywords: Financial accountability, Decentralized local governance, Institutional capacity, Political interference, Citizen participation, Public financial management

INTRODUCTION

Financial accountability is a fundamental pillar of good governance, public financial management, and democratic decentralization. It ensures that public officials entrusted with state resources are answerable for their financial decisions and that public funds are managed efficiently, transparently, and in accordance with established legal and institutional frameworks (Brinkerhoff, 2004; Bovens, 2007). Within decentralized governance systems, financial accountability assumes even greater significance because local governments are directly responsible for translating national development priorities into responsive public services that address local needs. Consequently, strengthening accountability mechanisms at the local level has become an important policy objective for governments and development partners seeking to improve public sector performance and restore citizens' confidence in public institutions (World Bank, 2017; OECD, 2023).

Over the past three decades, decentralization has emerged as one of the most widely adopted governance reforms across developing countries. The underlying premise is that devolving political, administrative, and fiscal authority to subnational governments enhances efficiency, accountability, citizen participation, and service delivery (Rondinelli, 1981; Smoke, 2015). In Africa, decentralization reforms have been promoted as instruments for improving local democracy, reducing regional inequalities, and strengthening public financial

management. Nevertheless, empirical evidence suggests that the anticipated governance benefits have not always materialized because many local governments continue to experience institutional weaknesses, inadequate administrative capacity, political interference, weak oversight systems, and limited fiscal autonomy (Faguet, 2014; Smoke, 2015).

Ghana represents one of the most advanced decentralization systems in Sub-Saharan Africa. Since the introduction of the Local Government Law (PNDC Law 207) in 1988 and subsequent constitutional reforms under the 1992 Constitution, Metropolitan, Municipal and District Assemblies (MMDAs) have served as the primary institutions responsible for local governance, development planning, and public financial management. These assemblies are expected to mobilize local revenues, manage transfers such as the District Assemblies Common Fund (DACF), deliver essential public services, and promote participatory development through accountable and transparent financial management (Ayee, 2013; Crawford & Hartmann, 2008).

Despite these institutional reforms, financial accountability remains one of the most persistent governance challenges confronting Ghana's local governments. Annual reports of the Ghana Audit Service consistently reveal recurring financial irregularities involving procurement breaches, unsupported expenditures, revenue leakages, payroll anomalies, contract irregularities, abandoned projects, and persistent non-compliance with the Public Financial Management Act, 2016 (Act 921). These irregularities continue to undermine public confidence, weaken service delivery, and reduce the efficiency of public expenditure. Although some improvements have been reported in recent audit cycles, recurring weaknesses indicate that accountability challenges remain deeply embedded within the institutional architecture of local governance.

Existing scholarship attributes these challenges to several interrelated factors. First, inadequate institutional capacity—including shortages of qualified personnel, weak internal control systems, limited technological infrastructure, and insufficient professional training—reduces the ability of MMDAs to comply with financial regulations and implement effective audit recommendations (Ayee, 2019; Abilla-Buame, 2025). Second, political interference frequently compromises administrative independence by influencing budget allocation, procurement decisions, and enforcement of financial regulations, thereby weakening accountability mechanisms (OECD, 2024). Third, limited transparency and low citizen participation reduce public oversight of local financial management, while weak enforcement of audit recommendations diminishes the deterrent effect of oversight institutions such as the Auditor-General and the Internal Audit Agency (Bovens, 2007; OECD, 2023).

Although previous studies have examined individual dimensions of financial accountability in Ghana, much of the literature remains fragmented. Existing research tends to focus separately on internal auditing, public financial management reforms, decentralization, political influence, or citizen participation without providing an integrated synthesis of how these institutional, political, administrative, and participatory factors collectively shape financial accountability within MMDAs. Furthermore, recent governance reforms, digital financial management initiatives, and evolving accountability frameworks have generated new evidence that has not yet been systematically synthesized. Consequently, policymakers and practitioners lack a comprehensive evidence base capable of informing future reforms.

This study addresses that gap by conducting a systematic review of the literature on financial accountability within Ghana's Metropolitan, Municipal and District Assemblies. Following the PRISMA framework, the review synthesizes empirical and conceptual evidence to examine how institutional capacity, political interference, transparency and citizen participation, and oversight and regulatory enforcement influence accountability outcomes within Ghana's decentralized governance system. By integrating findings from academic and policy literature, the study provides a comprehensive understanding of the drivers of financial accountability and identifies opportunities for strengthening governance at the local level.

The study makes three important contributions to the literature. First, it consolidates fragmented evidence into an integrated analytical framework that explains financial accountability through institutional, political, and participatory governance perspectives. Second, it extends theoretical debates on decentralization and public financial management by demonstrating how multiple governance factors interact to influence accountability outcomes rather than operating independently. Finally, it provides evidence-based policy recommendations for strengthening institutional capacity, improving audit effectiveness, enhancing transparency, limiting political

interference, and promoting sustainable financial accountability within Ghana's decentralized local government system.

METHODOLOGY

2.1 Research Design

This study employed a **systematic literature review (SLR)** to synthesize existing empirical and conceptual evidence on financial accountability within Ghana's Metropolitan, Municipal and District Assemblies (MMDAs). A systematic review was considered appropriate because it provides a transparent, rigorous, and reproducible approach to identifying, evaluating, and synthesizing available evidence on a particular research problem (Tranfield, Denyer, & Smart, 2003; Snyder, 2019). Unlike traditional narrative reviews, systematic reviews minimize selection bias through predefined eligibility criteria and structured evidence synthesis.

The review followed the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA 2020) guidelines to ensure methodological transparency and enhance the credibility of the review process (Page et al., 2021). The PRISMA framework guided the identification, screening, eligibility assessment, and inclusion of studies throughout the review.

2.2 Search Strategy

A comprehensive literature search was conducted between January and September 2025 using multiple electronic databases to capture both peer-reviewed and grey literature relevant to local governance and financial accountability. The primary academic databases included Scopus, Web of Science, Google Scholar, CrossRef, EBSCOhost, Emerald Insight, ScienceDirect, and ProQuest. These databases were selected because they provide extensive coverage of governance, accounting, public administration, and development studies.

To complement academic publications, grey literature was retrieved from institutional repositories and policy organizations, including the Ghana Audit Service, Ministry of Local Government, Chieftaincy and Religious Affairs, Internal Audit Agency, World Bank, OECD, United Nations Development Programme (UNDP), and the African Development Bank. Including grey literature reduced publication bias and enabled the incorporation of current policy evidence and official reports. Searches were conducted using combinations of keywords connected with Boolean operators (AND, OR). The principal search string was: ("financial accountability" OR "public financial management" OR "financial governance") AND ("local government" OR "local governance" OR "decentralization") AND ("Metropolitan, Municipal and District Assemblies" OR "MMDAs" OR "district assemblies") AND ("Ghana"). Additional keywords included *internal audit*, *public expenditure*, *budget compliance*, *political interference*, *citizen participation*, *transparency*, *oversight*, *governance*, *audit recommendations*, and *public sector accountability*. Reference lists of eligible studies were also manually examined to identify additional relevant publications.

2.3 Eligibility Criteria

Studies were selected according to predefined inclusion and exclusion criteria. Studies were included if they: examined financial accountability, public financial management, auditing, decentralization, or local governance; focused on Ghana or countries with governance structures comparable to Ghana; were published between 1997 and 2025; were written in English; employed qualitative, quantitative, or mixed-methods research designs; and provided empirical findings or substantial conceptual discussion relevant to the review objectives. Studies were excluded if they: focused exclusively on central government institutions; lacked sufficient methodological information; were conference abstracts, opinion articles, editorials, or newspaper reports without empirical evidence; duplicated previously identified studies; and were unavailable in full text.

2.4 Study Selection

The study selection process followed the four PRISMA stages: identification, screening, eligibility, and inclusion. Initially, all retrieved records were exported into EndNote 21, where duplicate records were

automatically identified and removed. Titles and abstracts were subsequently screened independently against the eligibility criteria. Articles meeting the preliminary criteria proceeded to full-text assessment. During the full-text review, studies were evaluated for methodological quality and relevance to the review objectives. Only studies satisfying all eligibility requirements were retained for the final synthesis. The study selection process was documented using the PRISMA 2020 flow diagram.

2.5 Quality Assessment

To enhance methodological rigor, the quality of eligible studies was critically appraised before inclusion in the synthesis. Qualitative studies were assessed using the Critical Appraisal Skills Programme (CASP) checklist, while quantitative observational studies were evaluated using the Joanna Briggs Institute (JBI) Critical Appraisal Tools. Mixed-methods studies were assessed using the Mixed Methods Appraisal Tool (MMAT 2018). The appraisal considered clarity of research objectives, appropriateness of research design, sampling procedures, validity and reliability of data collection methods, analytical rigor, transparency of findings, and relevance to the review objectives. Studies demonstrating serious methodological weaknesses were excluded from the final synthesis.

2.6 Data Extraction

A standardized data extraction form was developed to ensure consistency across studies. Information extracted included author(s), year of publication, country or study setting, research objectives, research design, sample characteristics, analytical methods, principal findings, and implications for financial accountability. The extracted data were independently verified to ensure accuracy and consistency.

2.7 Data Synthesis

Given the diversity of research designs and outcome measures across the included studies, a thematic synthesis approach was adopted (Thomas & Harden, 2008). Quantitative meta-analysis was considered inappropriate because of substantial methodological heterogeneity. The synthesis involved three stages. First, findings from individual studies were coded line by line. Second, related codes were grouped into descriptive themes. Finally, broader analytical themes were developed to explain the factors influencing financial accountability within Ghana's decentralized governance system. Four overarching themes emerged: institutional capacity; political interference; transparency and citizen participation; and oversight and regulatory enforcement. These themes formed the analytical framework for interpreting the evidence and identifying policy implications.

2.8 Reliability and Validity

Several measures were adopted to enhance the credibility of the review. Multiple databases were searched to maximize literature coverage, predefined eligibility criteria minimized selection bias, standardized quality appraisal tools enhanced methodological consistency, and the PRISMA reporting framework improved transparency and reproducibility. Furthermore, triangulation of peer-reviewed studies and official institutional reports strengthened the validity of the findings by integrating both scholarly and policy perspectives.

2.9 Ethical Considerations

Ethical approval was not required because this study synthesized evidence from publicly available published literature and official documents without involving human participants or confidential data. Nevertheless, principles of academic integrity were maintained throughout the review by accurately citing all sources and adhering to accepted standards of systematic review reporting.

3. Theoretical Foundations and Key Themes

3.1 Theoretical Foundations of Financial Accountability in Decentralized Governance

Financial accountability refers to the obligation of public officials and institutions to account for the collection, allocation, management, and utilization of public resources in accordance with legal, ethical, and institutional

standards (Bovens, 2007). Within decentralized governance systems, accountability extends beyond financial reporting to include answerability, transparency, compliance with public financial management regulations, and responsiveness to citizens (Brinkerhoff, 2004). Consequently, financial accountability has become a central indicator of governance quality because it promotes prudent resource management, reduces opportunities for corruption, and strengthens public confidence in government institutions.

Several theoretical perspectives explain financial accountability within local governments. Institutional Theory suggests that organizational behaviour is shaped by formal rules, legal frameworks, and societal expectations (Scott, 2014). Under this perspective, MMDAs are expected to comply with constitutional provisions, the Public Financial Management Act (Act 921), procurement regulations, and auditing standards. However, weak institutional environments often constrain compliance, resulting in recurring financial irregularities despite the existence of comprehensive legal frameworks.

Resource Dependence Theory (Pfeffer & Salancik, 1978) provides another useful explanation by arguing that organizations depend on external actors for critical resources. Ghana's MMDAs rely heavily on transfers from central government, particularly the District Assemblies Common Fund (DACF), Internally Generated Funds (IGF), and donor-supported programmes. Such dependence may reduce local autonomy and expose financial decision-making to political influence, thereby affecting accountability.

The principles of New Public Management (Hood, 1991) further emphasize efficiency, performance measurement, transparency, and managerial accountability as mechanisms for improving public sector governance. These principles have significantly influenced Ghana's public financial management reforms, including digital financial reporting, performance-based budgeting, and strengthened internal audit systems. Collectively, these theoretical perspectives provide a comprehensive framework for understanding the institutional, political, and administrative factors influencing financial accountability within decentralized governance.

3.2 Institutional Capacity and Financial Accountability

Institutional capacity remains one of the strongest determinants of financial accountability within local governments. Institutional capacity encompasses the availability of qualified personnel, effective administrative structures, robust internal control systems, technological infrastructure, and adequate financial resources necessary for implementing public financial management reforms (Grindle, 1997). Local governments possessing stronger institutional capacity generally demonstrate higher compliance with financial regulations, improved audit performance, and more effective service delivery.

Studies across developing countries consistently report that shortages of skilled personnel, weak internal auditing systems, inadequate financial management information systems, and limited professional development undermine accountability within decentralized institutions (Smoke, 2015). In Ghana, similar challenges continue to affect many MMDAs despite numerous public sector reforms. Annual reports of the Ghana Audit Service repeatedly identify deficiencies in internal controls, delayed financial reporting, poor record management, procurement irregularities, and weak implementation of audit recommendations.

Recent evidence also highlights the importance of digital transformation in strengthening institutional accountability. The adoption of Integrated Financial Management Information Systems (IFMIS), electronic procurement platforms, and computerized audit systems has improved financial reporting and enhanced transparency in several developing countries. Nevertheless, technological innovations can only improve accountability when accompanied by adequate human resource capacity, organizational learning, and supportive institutional leadership. Consequently, institutional capacity should be viewed as a multidimensional construct comprising human, organizational, financial, and technological capabilities rather than merely the availability of financial resources.

In all, existing evidence suggests that strengthening institutional capacity remains a prerequisite for improving financial accountability in Ghana's decentralized governance system. Investments in professional training, digital

infrastructure, internal control systems, and administrative reforms are therefore expected to produce substantial improvements in financial management performance.

3.3 Political Interference and Local Government Accountability

Political interference represents one of the most persistent threats to financial accountability within decentralized governance systems. Although decentralization seeks to devolve administrative and fiscal authority to local governments, political actors frequently influence budgeting, procurement, recruitment, project selection, and audit processes for partisan or electoral purposes (Faguet, 2014). Such interference weakens institutional autonomy, compromises professional decision-making, and reduces compliance with public financial management regulations.

In Ghana, the appointment of Metropolitan, Municipal and District Chief Executives (MMDCEs), coupled with substantial dependence on central government transfers, creates institutional incentives for political influence over local financial decisions. Previous studies have shown that political patronage affects procurement practices, project implementation, and enforcement of audit recommendations, thereby reducing accountability and increasing opportunities for financial irregularities (Ayee, 2013; Crawford & Hartmann, 2008).

International evidence similarly demonstrates that political capture undermines transparency and weakens public financial management systems. OECD (2024) argues that while political participation is fundamental to democratic governance, inadequate regulation of lobbying, campaign financing, and political influence increases the risk of policy capture and fiscal mismanagement. Consequently, strengthening accountability requires not only technical financial reforms but also institutional safeguards that preserve the independence of auditors, finance officers, and oversight bodies from partisan interference. The literature therefore suggests that reducing political interference is essential for improving financial accountability and ensuring that financial decisions are guided by legal requirements and developmental priorities rather than political expediency.

3.4 Transparency, Citizen Participation and Oversight

Transparency and citizen participation are widely recognised as complementary mechanisms for strengthening accountability within decentralized governance. Transparency enables citizens to access credible information regarding budgets, expenditures, procurement, and audit findings, while citizen participation provides opportunities for communities to influence public decision-making and monitor the use of public resources (Fox, 2015).

Participatory budgeting, social accountability initiatives, public expenditure tracking, and community scorecards have been widely adopted across developing countries to improve local governance. Evidence indicates that these mechanisms increase public trust, reduce opportunities for corruption, improve service delivery, and strengthen compliance with financial regulations (World Bank, 2017).

Effective transparency, however, depends upon strong oversight institutions. In Ghana, the Auditor-General, Internal Audit Agency, Public Accounts Committee, and Office of the Special Prosecutor constitute important components of the accountability architecture. These institutions are responsible for auditing public accounts, investigating financial irregularities, enforcing compliance, and recommending corrective actions. Nevertheless, several studies report that limited institutional capacity, delays in implementing audit recommendations, and inconsistent sanctions reduce the effectiveness of these oversight mechanisms.

The literature therefore demonstrates that financial accountability cannot be achieved through auditing alone. Rather, accountability emerges through the interaction of institutional capacity, political neutrality, transparent financial reporting, active citizen engagement, and effective regulatory enforcement. This integrated perspective forms the conceptual foundation for the present systematic review and guides the interpretation of the empirical evidence presented in subsequent sections.

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RESULTS

4.1 Study Selection

The literature search identified 391 records, comprising 367 articles retrieved from electronic databases and 24 additional records identified through grey literature sources, including reports from the Ghana Audit Service, OECD, World Bank, and the United Nations Development Programme. After removing 89 duplicates, 302 unique records remained for title and abstract screening. Following this initial screening, 122 full-text studies were considered potentially eligible and subjected to full-text review.

Of the full-text articles assessed, 102 were excluded because they did not satisfy one or more inclusion criteria. Common reasons for exclusion included limited relevance to local government financial accountability, insufficient methodological detail, exclusive focus on central government institutions, or duplication of findings reported elsewhere. Consequently, 20 studies met all eligibility criteria and were included in the final qualitative synthesis as indicated in Figure 1.

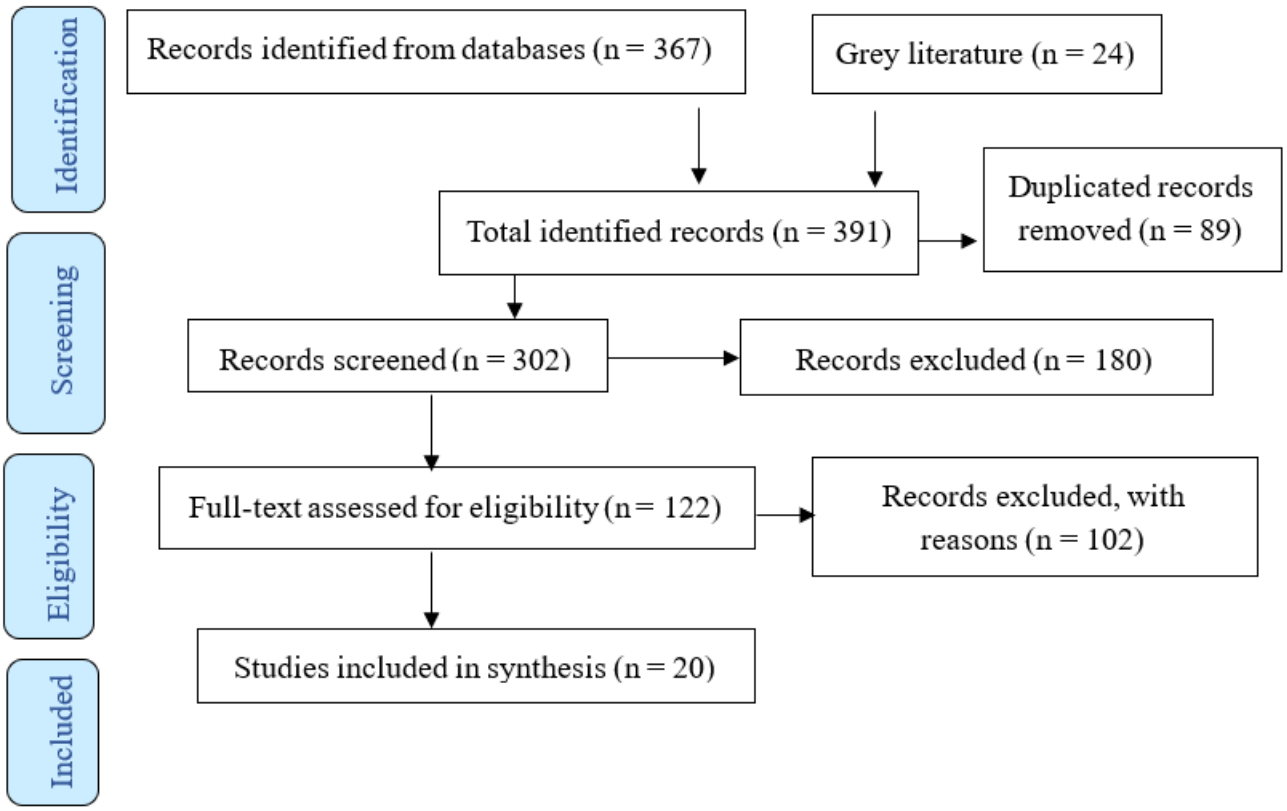


Figure 1: PRISMA Flow Diagram the Identification, Screening, and Selection Process of Included Studies

4.2 Characteristics of Included Studies

The included studies reflected considerable methodological diversity. Approximately 42% employed qualitative approaches, 35% used quantitative methods, while the remaining 23% adopted mixed-methods designs. Some of the studies focused on different institutions in Ghana, but others investigated comparable decentralization experiences in countries such as Kenya, Nigeria, Uganda, and South Africa.

Publication dates ranged from 1997 to 2025, indicating growing scholarly interest in decentralized financial governance during the past decade. The studies examined multiple dimensions of financial accountability, including public financial management, internal auditing, transparency, political influence, citizen participation, institutional reforms, and regulatory oversight. Table 1 presents the summaries of the included study characteristics.

Table 1: Summaries of Included Studies' Characteristics

Author(s)	Year	Country	Study Design	Main Focus	Principal Findings
Abilla-Buame	2025	Ghana	Qualitative	Institutional capacity	Human resource development improves accountability.
Birleanu et al.	2025	Romania	Case study	Digital governance	Digital systems enhance procurement transparency.
Bailey et al.	2023	Multi-country	Conceptual	Institutional capacity	Resource utilization determines governance effectiveness.
OECD	2024	International	Policy review	Political interference	Political influence weakens institutional independence.
Bankert	2020	USA	Experimental	Political behaviour	Partisanship affects objective decision-making.
OECD	2017	International	Policy analysis	Policy capture	Political capture undermines accountability.
Reuben	2004	Global	Conceptual	Citizen participation	Civic engagement strengthens accountability.
UN DESA	2009	Global	Policy review	Transparency	Participation improves governance outcomes.
World Bank	2003	Global	Policy report	Governance	Citizen engagement complements state accountability.
Teli & Menéndez-Blanco	2018	Europe	Qualitative	Participatory governance	Collaborative governance increases transparency.
Hackett	2002	USA	Theoretical	Regulatory enforcement	Credible sanctions encourage compliance.
Scott	2020	International	Regulatory analysis	Enforcement	Consistent enforcement promotes accountability.
Gunningham	2017	Australia	Theoretical	Regulation	Balanced enforcement improves compliance.
Bhadmus	2023	Nigeria	Legal analysis	Sanctions	Clear sanctions strengthen compliance.
Brinkerhoff	2004	International	Review	Accountability	Institutions require effective implementation.
Scott	2014	International	Theory	Institutional theory	Formal institutions shape organizational behaviour.
Smoke	2015	Developing countries	Review	Decentralization	Administrative capacity determines reform success.
Desai & Snavely	2007	Developing countries	Comparative	Capacity building	Local ownership improves sustainability.
Grindle	1997	Developing countries	Review	Governance	Capacity building drives public sector effectiveness.
Bovens	2007	Europe	Conceptual	Accountability	Accountability depends on answerability and enforcement.

Four dominant themes emerged from the thematic synthesis. These themes include institutional capacity, political interference, transparency and citizen participation, and oversight and regulatory enforcement. These themes constitute the analytical framework for presenting the findings.

4.3 Institutional Capacity as a Driver of Financial Accountability

The review consistently identified institutional capacity as the most influential determinant of financial accountability within Ghana's local governments. Across the reviewed studies, MMDAs possessing qualified accounting personnel, functional internal audit units, adequate logistics, and computerized financial management systems demonstrated substantially better compliance with public financial management regulations.

Conversely, weak institutional capacity was associated with delayed financial reporting, poor record management, procurement irregularities, inadequate implementation of audit recommendations, and ineffective internal controls. Several studies further indicated that insufficient investment in staff development limited the ability of finance officers and internal auditors to respond effectively to increasingly complex regulatory requirements.

Evidence also suggests that digital financial management systems have begun improving accountability through enhanced reporting accuracy, faster reconciliation processes, and greater transparency. However, technological reforms were found to be effective only when supported by competent personnel, continuous training, and organizational commitment to accountability.

Overall, the findings demonstrate that institutional capacity represents the foundation upon which effective financial accountability systems are built.

4.4 Political Interference and Administrative Autonomy

Political interference emerged as a recurring constraint on financial accountability across the reviewed literature. Numerous studies reported that political actors frequently influenced budget preparation, procurement decisions, project prioritization, and implementation of audit recommendations.

Such interference often weakened the independence of internal auditors and finance officers by creating pressure to accommodate political interests rather than statutory financial regulations. Several studies also highlighted that heavy dependence on central government transfers reduced the operational autonomy of local governments, thereby increasing vulnerability to political influence.

Nevertheless, the literature also identified examples where political leadership strengthened accountability by supporting transparency initiatives, respecting institutional independence, and enforcing financial regulations consistently. These findings indicate that political leadership can either facilitate or undermine accountability depending on the prevailing governance environment.

4.5 Transparency and Citizen Participation

Transparency and citizen participation were consistently associated with stronger financial accountability outcomes. Studies reported that public disclosure of budgets, procurement information, audit reports, and expenditure statements enhanced public scrutiny and increased the likelihood of compliance with financial regulations. Citizen participation, particularly through participatory budgeting, public hearings, community monitoring, and civil society engagement, improved oversight of local government finances and strengthened responsiveness to community priorities.

However, the review also revealed that participation remains uneven across Ghana's MMDAs. In many districts, limited public awareness, restricted access to financial information, and weak institutional arrangements continue to constrain meaningful citizen engagement. The evidence therefore suggests that transparency and participation function as complementary accountability mechanisms. Transparency provides access to information, while participation enables citizens to use that information to influence governance outcomes.

4.6 Oversight and Regulatory Enforcement

The review found that oversight institutions—including the Auditor-General, Internal Audit Agency, Public Accounts Committee, and anti-corruption agencies—play indispensable roles in promoting financial accountability. Most studies acknowledged that regular audits improve compliance by detecting financial irregularities and identifying weaknesses in internal control systems. Nevertheless, the effectiveness of these institutions depends heavily upon the timely implementation of audit recommendations and the consistent application of sanctions.

Several studies reported that repeated audit findings continue to recur because recommendations are inadequately enforced, disciplinary measures are delayed, and institutional capacity remains limited.

Consequently, oversight mechanisms often identify accountability failures without necessarily preventing their recurrence. The findings therefore suggest that strengthening enforcement capacity is equally as important as improving audit quality.

4.7 Integrated Synthesis of Findings

Across all included studies, financial accountability emerged as a multidimensional governance outcome shaped by the interaction of institutional, political, administrative, and social factors rather than any single determinant. Institutional capacity enhances the ability of local governments to comply with financial regulations; transparency and citizen participation increase public oversight; regulatory institutions provide external accountability; while political interference frequently constrains the effectiveness of these mechanisms.

The review demonstrates that improvements in one dimension reinforce progress in others. For example, stronger institutions facilitate better transparency, enhanced transparency promotes greater citizen participation, and effective oversight strengthens institutional compliance. Conversely, political interference can simultaneously weaken institutional performance, reduce transparency, undermine enforcement, and diminish public trust. In all, the evidence indicates that sustainable financial accountability within Ghana's Metropolitan, Municipal and District Assemblies requires an integrated governance approach that simultaneously strengthens institutional capacity, safeguards administrative independence, enhances public participation, and reinforces regulatory enforcement.

DISCUSSION

This systematic review examined the institutional, political, and governance factors influencing financial accountability within Ghana's Metropolitan, Municipal and District Assemblies (MMDAs). The synthesis demonstrates that financial accountability is shaped by a complex interaction of institutional capacity, political dynamics, transparency and citizen participation, and the effectiveness of oversight institutions. Rather than operating independently, these factors reinforce or weaken one another, thereby determining the extent to which decentralized governance achieves its intended objectives of transparency, efficiency, and responsible stewardship of public resources.

Institutional capacity emerged as a recurring theme in the literature review on financial accountability within Ghana's decentralized governance system. Assemblies equipped with competent personnel, effective internal control mechanisms, modern financial management systems, and adequate logistical support consistently demonstrated stronger compliance with financial regulations and audit requirements. These findings reinforce Institutional Theory (Scott, 2014), which argues that organizational effectiveness depends largely on the strength of formal structures, administrative routines, and regulatory compliance. The results are also consistent with Grindle (1997), who emphasizes that institutional capacity is fundamental to effective governance in developing countries, and Smoke (2015), who argues that decentralization reforms cannot succeed without corresponding investments in administrative capacity.

The review further demonstrates that institutional reforms alone are insufficient when organizations lack the human and technological resources required to implement them effectively. Although Ghana has introduced comprehensive public financial management reforms, including the Public Financial Management Act, 2016 (Act 921), persistent audit findings suggest that implementation challenges remain widespread across many MMDAs. This observation supports previous studies that distinguish between the existence of formal institutions and their actual effectiveness in practice (Brinkerhoff, 2004; Bovens, 2007). Consequently, strengthening financial accountability requires not only legislative reforms but also continuous investment in professional development, organizational learning, digital financial management systems, and institutional leadership.

A second major finding concerns the pervasive influence of political interference on local financial governance. The review shows that political influence frequently affects procurement decisions, budget implementation, project prioritization, and enforcement of audit recommendations. Such interference weakens institutional independence and undermines the objectivity of financial decision-making. These findings corroborate earlier studies on decentralization in Africa, which argue that local governments often remain politically dependent

despite formal decentralization policies (Crawford & Hartmann, 2008; Faguet, 2014). They also support Resource Dependence Theory (Pfeffer & Salancik, 1978), which explains how dependence on external political and financial resources constrains organizational autonomy and decision-making.

However, the review also reveals that political leadership does not inevitably undermine accountability. Where political actors respected institutional independence, supported transparency initiatives, and enforced financial regulations consistently, accountability outcomes improved considerably. This finding suggests that the challenge lies not in political participation itself but in the misuse of political authority. Therefore, governance reforms should focus on strengthening institutional safeguards that protect professional financial management from partisan influence while preserving democratic oversight.

Transparency and citizen participation emerged as equally important mechanisms for strengthening financial accountability. The evidence indicates that public disclosure of financial information, participatory budgeting, community monitoring, and civil society engagement significantly improve fiscal transparency and institutional responsiveness. These findings are consistent with Fox (2015), who argues that transparency becomes meaningful only when citizens possess both access to information and opportunities to hold public officials accountable. Similarly, the World Bank (2017) identifies social accountability as an essential complement to formal government oversight mechanisms.

Nevertheless, the review indicates that transparency alone is insufficient to guarantee accountability. Several studies reported that financial information is often disclosed without creating genuine opportunities for citizen participation or institutional responsiveness. This distinction reinforces contemporary accountability literature, which emphasizes that transparency should be viewed as a necessary but insufficient condition for accountability (Bovens, 2007). Sustainable accountability therefore requires institutional arrangements that transform information into meaningful public oversight and corrective action.

Another important contribution of this review concerns the role of oversight and regulatory enforcement institutions. The findings demonstrate that organizations such as the Auditor-General, Internal Audit Agency, and Public Accounts Committee remain indispensable components of Ghana's accountability architecture. Regular audits identify financial irregularities, strengthen internal controls, and promote compliance with statutory financial management requirements. However, recurring audit findings suggest that enforcement remains inconsistent across many local governments.

The persistence of similar financial irregularities across successive audit reports indicates that accountability challenges extend beyond technical auditing. Rather, they reflect weaknesses in enforcement capacity, delayed implementation of audit recommendations, inadequate sanctions, and limited institutional coordination. These findings are consistent with previous public financial management studies, which argue that effective accountability depends not only on identifying misconduct but also on ensuring credible enforcement and institutional learning (OECD, 2023).

Collectively, the findings support an integrated governance perspective in which institutional capacity, political neutrality, transparency, citizen participation, and regulatory oversight operate as mutually reinforcing components of financial accountability. Improvements in one component strengthen the effectiveness of others, whereas weaknesses in any single component reduce the overall performance of the accountability system. This systems perspective extends previous research by demonstrating that financial accountability should be understood as an interconnected governance process rather than a collection of isolated administrative mechanisms.

From a theoretical perspective, the review contributes to the literature by integrating Institutional Theory, Resource Dependence Theory, and New Public Management within a single analytical framework for understanding financial accountability in decentralized governance. Previous studies have often examined these perspectives independently. By synthesizing evidence across multiple governance dimensions, this review demonstrates how institutional structures, external political pressures, organizational resources, and participatory governance collectively shape accountability outcomes within local government.

The review also provides several important policy implications. First, strengthening institutional capacity should remain a national priority through continuous professional training, recruitment of qualified financial management personnel, and investment in digital public financial management systems. Second, reforms should enhance the operational independence of internal auditors and finance officers to minimize political interference in financial decision-making. Third, local governments should institutionalize participatory budgeting, proactive financial disclosure, and citizen monitoring mechanisms to improve transparency and public trust. Finally, oversight institutions require adequate financial resources, technical capacity, and statutory authority to ensure timely implementation of audit recommendations and consistent enforcement of sanctions.

Despite these contributions, several limitations should be acknowledged. The review included only English-language publications, potentially excluding relevant studies published in other languages. The methodological diversity of the included studies also limited opportunities for quantitative meta-analysis. Furthermore, variations in institutional capacity, political environments, and fiscal autonomy across Ghana's MMDAs may limit the generalizability of some findings. Nevertheless, the use of a systematic review methodology, adherence to the PRISMA 2020 guidelines, and inclusion of both peer-reviewed and grey literature enhance the credibility, transparency, and comprehensiveness of the review.

In all, the findings demonstrate that strengthening financial accountability within Ghana's decentralized governance system requires coordinated institutional reforms rather than isolated policy interventions. Sustainable improvements will depend upon strengthening administrative capacity, safeguarding institutional independence, promoting citizen engagement, and ensuring that oversight institutions possess the authority and resources necessary to enforce compliance. These reforms are essential for enhancing public trust, improving service delivery, and achieving the broader objectives of democratic decentralization and sustainable local development.

CONCLUSION

This systematic review synthesized the existing evidence on financial accountability within Ghana's Metropolitan, Municipal and District Assemblies (MMDAs) to examine the institutional, political, and governance factors influencing accountability under decentralized governance. Drawing on evidence from empirical and conceptual studies, the review demonstrates that financial accountability is not determined by a single institutional mechanism but rather emerges from the interaction of institutional capacity, political autonomy, transparency and citizen participation, and effective oversight and regulatory enforcement.

The review found that institutional capacity remains the cornerstone of effective financial accountability. MMDAs with competent personnel, effective internal control systems, robust financial management practices, and adequate technological infrastructure consistently exhibited stronger compliance with public financial management regulations and audit requirements. Conversely, inadequate human resources, weak administrative systems, and limited technological capabilities continue to undermine financial governance across many local authorities. These findings reaffirm that successful decentralization depends not only on devolving authority but also on building the institutional capabilities required to manage public resources responsibly.

Political interference also emerged as a significant constraint on accountability. Although decentralization is intended to strengthen local autonomy and democratic participation, political influence over financial decision-making, procurement processes, and implementation of audit recommendations frequently compromises institutional independence and weakens accountability. The review therefore suggests that strengthening local governance requires institutional safeguards that protect financial management processes from undue political influence while preserving legitimate democratic oversight.

The findings further demonstrate that transparency and citizen participation are indispensable components of accountable local governance. Public access to financial information, participatory budgeting, community monitoring, and civil society engagement enhance fiscal discipline by increasing public scrutiny and encouraging responsiveness among local authorities. However, transparency alone does not guarantee accountability. Effective accountability requires institutional mechanisms that enable citizens to transform financial information into meaningful oversight and influence over public decision-making.

The review also highlights the central role of oversight institutions, including the Auditor-General, Internal Audit Agency, and Public Accounts Committee. While these institutions remain essential for detecting financial irregularities and promoting compliance, recurring audit findings indicate that enforcement mechanisms require further strengthening. Timely implementation of audit recommendations, consistent sanctions for financial misconduct, and adequate institutional resourcing remain critical for sustaining improvements in financial accountability.

From a theoretical perspective, this review contributes to the literature by integrating Institutional Theory, Resource Dependence Theory, and New Public Management into a unified framework for understanding financial accountability in decentralized governance. Rather than examining institutional capacity, political influence, transparency, and oversight independently, the review demonstrates how these dimensions interact to shape accountability outcomes. This integrated perspective advances existing scholarship by offering a more comprehensive explanation of accountability within local government systems in developing countries.

The review also makes important practical contributions. The findings provide evidence that can guide policymakers, development partners, and local government administrators in designing reforms that strengthen public financial management. Priority should be given to continuous professional capacity development, digitalization of financial management systems, institutionalization of participatory budgeting, enhancement of fiscal transparency, protection of audit independence, and consistent enforcement of financial regulations. Collectively, these reforms have the potential to improve public confidence, enhance service delivery, and promote sustainable local development.

Despite these contributions, several limitations should be acknowledged. The review was restricted to English-language publications and relied primarily on qualitative synthesis because of methodological heterogeneity across the included studies. Furthermore, differences in governance structures and institutional contexts among Ghana's MMDAs may limit the generalizability of some findings. Nevertheless, adherence to the PRISMA 2020 reporting guidelines, systematic study selection procedures, and comprehensive thematic synthesis enhance the robustness and credibility of the review.

Future research should move beyond descriptive analyses by employing longitudinal and comparative research designs to examine how accountability reforms evolve over time. Comparative studies across African countries would provide valuable insights into contextual factors shaping decentralized governance, while mixed-methods research could deepen understanding of the behavioural, political, and institutional mechanisms underlying financial accountability. Future studies should also investigate the emerging role of digital governance technologies, artificial intelligence, open government data, and electronic public financial management systems in strengthening transparency, audit effectiveness, and citizen participation within local governments.

In conclusion, achieving sustainable financial accountability within Ghana's Metropolitan, Municipal and District Assemblies requires a holistic governance approach that simultaneously strengthens institutional capacity, safeguards administrative independence, promotes transparency and citizen engagement, and reinforces regulatory oversight. Only through the effective integration of these interconnected governance mechanisms can decentralized local governments fulfil their mandate of delivering accountable, transparent, and development-oriented public services that contribute to Ghana's long-term democratic and socio-economic development.

7. Practical and Policy Recommendations

Based on the literature review and synthesis, it is recommended that decentralized local government organizations should strengthen their capacity by investing in continuous professional development, recruitment of qualified finance officers, and digital financial management systems. Also, protect the independence of their internal audit units by reducing political interference in financial management and procurement decisions. They should equally enhance transparency through proactive publication of budgets, procurement data, and audit reports using accessible digital platforms, institutionalize citizen participation by expanding participatory budgeting, community monitoring, and social accountability initiatives, strengthen enforcement mechanisms by ensuring timely implementation of audit recommendations and applying sanctions consistently for financial

misconduct, improve inter-agency coordination among the Auditor-General, Internal Audit Agency, Public Accounts Committee, Office of the Special Prosecutor, and local assemblies to ensure follow-up on audit findings, and promote digital governance through integrated financial management information systems, e-procurement, and open-data initiatives to improve transparency and reduce opportunities for financial irregularities.

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