

Journal of **Accounting** (JACC)

**Regulatory Oversight and Audit Failures: A Study of Ghana's
Audit Quality Review Process**



**CARI
Journals**

Regulatory Oversight and Audit Failures: A Study of Ghana's Audit Quality Review Process

¹Samuel Antwi, ^{2*}Evans O. N. D. Ocansey 

^{1,2}Department of Accounting & Finance, Valley View University, Oyibi, Accra, Ghana

<https://orcid.org/0000-0002-5176-1809>



Accepted: 19th Sep, 2026, Received in Revised Form: 4th Sep, 2026, Published: 14th Oct, 2026

Abstract

Purpose: This study investigates the Ghanaian audit quality review process as both an institutional practice and a regulatory mechanism. Specifically, the study evaluates how oversight is operationalized, the extent to which it mitigates audit failures, and the institutional factors that shape its effectiveness.

Methods: This study uses exploratory qualitative research design, consistent with Logie and Maroun to examine the regulatory oversight and audit failures in Ghana's audit quality review process implemented through Act 1058. Data was sourced from Audit Quality Review reports published by Institute Chartered Accountants-Ghana (ICAG) for 2023 and 2024.

Findings: Study reveals that the dual role of ICAG as both custodian and disciplinary authority raises concerns of soft regulatory capture, where enforcement may prioritize visible infractions over systemic quality failures. The findings underscore the need for a shift from rule-based inspections to risk-based, capacity-building oversight. The findings further suggest that resource constraints, the potential for institutional decoupling, and possible regulatory capture associated with ICAG's dual role as professional body and regulator may limit enforcement effectiveness and hinder the development of a sustainable audit quality culture in Ghana.

Unique Contribution to Theory, Practice, and Policy: The study integrates institutional, legitimacy, and regulatory theories to explain the coexistence of improved formal compliance and persistent technical deficiencies in audit practice. It also provides evidence that highlights the need for risk-based reviews, stronger internal quality management systems, competency-based continuing professional development, and targeted technical support for audit firms. This study advocates greater autonomy and independence for audit quality monitoring, and a shift towards enforcement that evaluates the sufficiency of audit evidence, professional judgment, and actual audit performance rather than procedural compliance alone.

Keywords: *Regulatory Oversight, Audit Failures, Audit Quality, Professional Misconduct*

JEL Codes: *M42, M48, G38*

1. Introduction

The integrity of financial reporting relies significantly on the robustness of external audit quality, which serves as institutional mechanisms to ensure discipline of managerial decisions, serving as an element in fostering investor confidence and capital market trust (Ng, 2024; Mwangi, 2024; Al-Omush, 2025). Nevertheless, audit failures continue to persist globally, frequently exposing the limitations of regulatory oversight and the complicated relationship between audit independence, political-economic interests and institutional setup (Jiang & Ren, 2025; Gyimah & Owusu-Afriyie, 2025). Prominent corporate failures in both emerging and developed economies have refueled academic debates regarding the degree to which regulatory oversight regimes improve audit quality or simply replicate symbolic compliance with international norms (Patil et al., 2025).

Even though audit oversight has been extensively studied in advanced economies (Carson et al., 2025; Krishnan et al., 2025; Grenier et al., 2025), emerging markets present a distinctive, yet underexplored institutional context. Political interference, weak enforcement capacity, concentrated ownership structures, and blurred boundaries between regulators, and economic elites can fundamentally alter the effectiveness of audit quality review processes (Harber & Marx 2020; Owusu-Afriyie et al., 2024; Cezar et al., 2025). These institutional voids not only constrain regulators' ability to enforce compliance but also raise questions about whether oversight functions primarily as a mechanism of public accountability or as an instrument of legitimization. In developing economies, predominantly in Africa, the challenges are often aggravated by fragile regulatory frameworks and capacity constraints within oversight bodies, political interference leading to a higher propensity for audit failures (Ghattas et al., 2020; Monametsi & Agasha, 2020; Makanga et al., 2025).

Ghana, like many emerging markets, faces unique complexities in its regulatory landscape that can impact the effectiveness of its audit quality review processes (Owusu-Afriyie et al., 2024), hence offering a compelling case through which to interrogate these issues. The country has experienced a series of corporate failures including a general banking sector crisis, despite having formal regulatory frameworks intended to safeguard audit quality.

The persistence of these failures has activated debate over whether Ghana's Audit Quality Review (AQR) process effectively addresses the underlying risks of audit deficiencies or whether it reflects the broader institutional weaknesses characteristics of many developing economies.

This context offers fertile ground for examining how global audit oversight models are translated, adapted, and contested within environments marked by resource constraints, socio-political interference, regulatory fragmentation, and potential capture by vested interests. This emphasizes the importance of a well-structured audit quality review process to mitigate risks associated with financial irregularities and bolster economic transparency (Sawaya et al., 2025). To this end, this study investigates the Ghanaian audit quality review process as both an institutional practice and

a regulatory mechanism. Specifically, the study seeks to evaluate how oversight is operationalized, the extent to which it mitigates audit failures, and the institutional factors that shape its effectiveness?

By contextualizing Ghana's AQR process within broader debates on audit regulation, institutional theory, and regulatory capture, the study attempts to increase understanding of how oversight functions in formal institutions coexist with systemic governance deficiencies. As a result, it contributes not just to policy debates in emerging economies, but in three interrelated ways. First, it broadens institutional analyses of audit oversight by demonstrating how global regulatory templates often modeled on developed-economy frameworks such as the PCAOB are translated, adapted, and, at times, resisted in emerging-market contexts characterized by institutional voids, limited enforcement capacity, and systemic governance weaknesses. In doing so, the study contributes to a better understanding of how oversight mechanisms function not only as technical quality assurance tools, but also as symbolic devices of legitimacy in fragile regulatory settings. Second, the study contributes to arguments about regulatory capture by demonstrating how political-economic incentives and concentrated ownership structures influence the independence, authority, and efficacy of audit quality review processes. Finally, this study adds to critical audit research by highlighting the circumstances under which audit oversight might increase, rather than minimize, vulnerabilities in financial reporting systems. Rather than if monitoring improves audit quality, the study shows how institutional fragility and symbolic compliance can render regulatory systems ineffectual, raising broader concerns about the limits of governance improvements implemented in emerging economies.

2. Theoretical framework and Literature Review

2.1 Theoretical Framework

The study is grounded in three main theoretical perspectives; institutional, legitimacy and regulatory capture theories. Institutional theory posits that the organization's activities and behavior are influenced by the socio-cultural structures, practices and norms (Wooten & Hoffman, 2017). It emphasizes the separation of formal structures and actual activities, with compliance frequently serving symbolic rather than functional goals (Meyer and Rowan, 1977). Audit oversight regimes can be implemented to ensure international legitimacy, pleasing global standard setters, investors, and donors without significantly affecting domestic auditing standards. Suchman (1995) contends that organizations seek legitimacy by conforming to socially established norms and expectations. Even when enforcement ability is limited, audit oversight organizations in emerging economies may serve to signify compliance with global expectations (for example, PCAOB-style inspections). According to Stigler's (1971) theory of regulatory capture, regulators may prioritize the interests of powerful elites over the public interest. In Ghana, where political connections and concentrated ownership structures dominate corporate governance (Fulgence et al., 2024), oversight organizations may be compromised, reducing their independence and

enforcement authority. Together, these concepts give a perspective through which to analyze the Ghanaian example, not as an exception, but as an instructive setting for interrogating the worldwide audit regulatory initiative.

2.2 Audit Quality Review and Reforms

Financial Reporting quality is the cornerstone of public trust and socio-economic stability (Bwimba & Nkechi, 2024). In Ghana, establishment of some reforms and intensification of audit scrutiny is a response to audit failures evidenced by the financial sector clean up and some other corporate scandals (Waweru et al., 2025). All the reforms were aimed at instituting mechanisms to prevent these audit failures (Anaba et al., 2024). The Audit Quality Review (AQR) process established by Act 1058(2020) under the Institute of Chartered Accountants Ghana (ICAG) is central to this audit scrutiny process (ICAG, 2023). The main objectives of the AQR process are operationalized through the Accountancy Practice Review Committee (APRC) which is responsible for monitoring compliance with standards through conduct of inspections, reviewing the standard practice of registered firms, publication of infractions and recommend appropriate sanctions (ICAG, 2023). Globally, audit oversight has evolved from quality control and monitoring to quality management with the advent of the International Standards on Quality Management which requires accountancy firms to implement robust systems that will reduce audit risk to the barest minimum (Owusu-Afriyie, et al., 2024). Ghana's alignment with these standards is indispensable given international evidence of linking inspection regimes such FRC, PCAOB, to improve audit outcomes (Akininnyi, 2025).

2.3 Audit Oversight and Audit Quality Outcomes: Global and African Evidence

Audit Quality outcomes vary from one country to another due to differences in legal and regulatory frameworks, professional standards and other socio-cultural influences (Lee et al., 2019, Hung, 2023). In the United Kingdom, the Financial Reporting Council (FRC) and International Standards on Auditing (ISAs), prioritizes professional skepticism and transparency (Kelly & Larres, 2025). Globally, the Audit regulation is anchored on a network of institutions that establish technical guidance, monitoring structures, and principles to enhance the reliability of financial reporting (Akininnyi, 2025). International Auditing and Assurance Standards Board (IAASB), which issues the International Standards on Auditing (ISAs) that guide audit procedures across more than 130 jurisdictions (International Federation of Accountants, 2024). These standards seek to ensure consistency in audit execution, focusing on risk assessment, auditor judgment, evidence collection, and reporting (Maroun & de Ricquebourg, 2024).

The International Federation of Accountants (IFAC) complements the IAASB to support the development of high-quality ethical and educational standards for auditors globally (Krasodomska, 2021). However, from one jurisdiction to another, regulatory bodies have been established to champion audit oversight to ensure audit quality.

The Public Company Accounting Oversight Board (PCAOB) and the Generally Accepted Auditing Standards (GAAS) governs auditing practices in the United States, with strong emphasis on independence and strict adherence to Generally Accepted Accounting Principles (GAAP) (Dowling et al., 2018, Christensen et al., 2023). In Germany, the auditing practices is rooted in German Commercial Code (HGB) overseen by the Public Oversight Board (POB), placing prominence on proper auditing and legal compliance, although there has been a few audit quality and non-audit services concerns (Hohenfels & Quick, 2020).

The Financial Services Agency (FSA) in Japan regulates Japan's auditing system which integrates, internal controls and consensus-driven decision-making under the Japanese Generally Accepted Auditing Standards (JGAAS) and the Japanese Generally Accepted Accounting Principles (JGAAP) (Arai & Takeda, 2024). Under the guide of the Ministry of Finance (MOF) and the China Securities Regulatory Commission (CSRC), China regulates its auditing practices with and the Chinese Accounting Standards (CAS) and the Chinese Standards on Auditing (CSA) which rapidly evolved to align with international standards, focusing on ethics and quality. In Brazil, the Brazilian Securities Commission (BSC) and the Brazilian Generally Accepted Auditing Standards (BGAAS) stresses legal compliance and fraud detection with reforms aimed at enhancing accountability (Ratnatunga, 2021).

In Australia, audit practice has public oversight through governmental regulators-the Australian Securities and Investments Commission (ASIC) and Financial Reporting Council (Elshandidy et al., 2021). Finally, the European Union's directive to member countries in 2006 to implement the establishment of independent oversight of corporate auditing and consequential establishment of International Forum of Independent Audit Regulators (IFIAR) in the same year have forced several member countries to create national audit oversight authorities. These authorities are mandated "to serve the public interest", including investors, by enhancing audit quality globally.

Other independent auditor oversight boards include Canadian Public Accountability Board, Sri Lanka Accounting and Auditing Standards Monitoring Board (World Bank, 2019). In Africa, some of the audit oversight bodies include the Institute of Chartered Accountants Ghana (ICAG), Financial Reporting Council of Nigeria, Botswana Accountancy Oversight Authority, South African Independent Regulatory Board for Auditors, and the Mauritius Financial Reporting Council (World Bank, 2019). Since several countries in Africa are emerging economies, aligning audit oversight roles and regulations with developed economies and global benchmarks is the norm while accounting for the domestic institutional constraints (Akininnyi, 2025). There are positive impacts from audit oversight on audit quality but uneven from one jurisdiction to another (World Bank, 2023).

While some African countries have partial oversight frameworks but struggle with funding, political independence and technical capacity which blunt the effectiveness of oversight, others report that inspections are only effective when the regulators can follow up with enforcements,

guidance and training (IFAC, 2023). Studies such as Logie and Maroun, 2021 and Owusu-Afriyie et al., 2024 reported that governance structure, audit committee strength, documentation standards and regulatory activities are directly correlated with better reporting quality in samples from Ghana, south Africa, Nigeria and Tanzania. However, results vary with market development and firm size. Generally, several studies have shown that, in any jurisdiction where the oversight institution is under-resourced, inspections and other oversight responsibilities only become routine documentation of challenges, but no sustainable corrective changes can be effected (World Bank, 2019; Bawuah, 2024; Istianah & Akbar 2024; Akininnyi, 2025).

Notwithstanding all these commonalities in adopting international standards to ensure audit quality, cultural dimension like collectivism, power distance, type of national government, uncertainty avoidance, local legal and regulatory frameworks, significantly impacts auditors' judgment, behavior and how audit practices across the various jurisdictions are carried out (Eshky et al., 2025; Hope et al., 2025). Table 1 provides the elements of audit quality at the engagement and firm levels.

Table 1: Audit Quality Elements at the Engagement and Firm Levels

Level	Audit Quality Elements	Details
Firm Level	Engagement performance, monitoring and remediation, and human resources processes	Policies, processes, and procedures to deliver engagements timely, efficiently, and in compliance with auditing standards.
		Regular performance evaluations of team members, review of their engagement performance, and feedback to ensure correct and appropriate application of accounting and auditing standards.
		Engagement monitoring, including internal and external inspections, to assess audit quality and compliance with firm policies.
	Ethical leadership and "tone at the top" messaging	Emphasis on firm values based on independence, professional competence, and adherence to ethical standards.
		Senior management communicates the importance of ethical behavior and compliance with professional standards.
		Implementation of ethical decision-making training and clear disciplinary consequences for unethical conduct.
Engagement Level	Understanding the client and assessing audit risk	The auditor should obtain an understanding of the client and its environment, including internal control. Identification and assessment of the risks of material misstatement, whether due to fraud or error, at the financial statement and assertion levels.
	Designing the audit plan and	To respond to audit risk, the auditor should design and perform audit procedures based on risk assessment.

	determining materiality	The setting of overall and performance materiality levels appropriate to the engagement.
		The use of sampling, tests of details, and analytical procedures to obtain sufficient appropriate audit evidence to support audit opinion.
	Evaluating misstatements and concluding the audit	The auditor should evaluate identified misstatements and conclude whether they are material, individually or in aggregate.
		The auditor forms an opinion on whether the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.
		Evaluation and documentation of conclusions reached on the issues as represented and opinion in the prescribed format.

2.4 The Architecture of Ghana's Audit Quality Review and Act 1058 Implementation

Francis (2004) described audit quality to be a continuous scale, which makes its measurement difficult due to the level of subjectivity involved in the process. This is compounded by the opaqueness of the audit process and the fact that the outcome of an audit engagement is centered a single opinion on a set of financial statements (Unerman & O'Dwyer 2004). Ghana's audit quality is shaped by several country-specific factors (Agyei et al., 2022; Abubakari et al., 2025). In the first place are firm characteristics; small and medium-sized practices (SMPS) face resource constraints in implementing International Standard on Quality Management (ISQM 1) systems (International Federation of Accountants [IFAC], 2023).

Secondly, the sectorial risk; the sector in question determines the level of risk and the probability that audit quality may be compromised. For instance, financial institutions like banks are more prone to audit failures due to the complexities of inherent risk profiles (Citterio, 2024). Another factor is the governance structure of the auditee. Audit committee independence and meeting frequency reduces earnings management significantly (Cheung & Adelopo, 2022; Aboulela & Saleh, 2025). Finally, technology level or adoption are one key factor. audit automation and analytics improve audit quality however, cultural barriers and lack of training can effectively hinder technological integration in audit activities (Sewpersadh, 2025).

The ICAG Act 1058(2020) has established a significant transformation for the audit oversight framework in Ghana. The Act has made the ICAG is the primary regulatory body mandated to regulate the practice of accountancy in Ghana, certify auditors and prescribe professional standards and conduct qualifying examinations and approving training programs. In the stead of the repealed Chartered Accountants Act, 1963 (Act 170), the ICAG Act 1058 modernizes the regulatory and oversight architecture for accountancy practice, it aligns with intentional standards of best practices (ICAG, 2023). The Act establishes three main committees; Accountancy Practice Review (APRC), Public Accountancy Supervisory and Disciplinary to enforce standards and monitor compliance.

The Act requires all registered accountancy registered firms to obtain Professional Indemnity Insurance to cover liabilities relating to misconduct and negligence that may arise from offering services. This requirement is embedded as part of the annual renewal of practicing licenses, to strengthen risk management and accountability. In addition, the AQR process in Ghana has been embedded with some quality assurance activities undertaken by the ICAG (International Federation of Accountants [IFAC], 2023). ICAG has adopted ISQM 1 and 2 and the revised ISA 220, which emphasize proactive continuous monitoring of audit engagement, leadership responsibilities and proactive risk assessment, relevant ethical requirements, engagement performance and information technology.

However, there are a number of challenges that impede the implementation of these standards and international best practices, resource constraints is the first. ICAG's oversight committees often face financial and logistical challenges, which impedes the frequency and detailed inspections (IFAC, 2023). Bawuah (2024) opined that, audit committee effectiveness is constrained when oversight institutions lack adequate capacity and support. Another key challenge impeding robust regulatory oversight is compliance gaps. Although, the Companies Act, Act 992 of 2019 has provided mandatory rotation of auditors and provisions on conflict of interest, enforcement of this law has been inconsistent (Institute of Chartered Accountants Ghana [ICAG], 2022). Finally, limited follow-up on recommendations has been identified as one of the major challenges in Ghana's AQR process. The guidelines on audit recommendation implementation issued by the Ministry of Finance in 2023 showed that, a number of public institutions treat audit findings as routine documentation rather than actionable insights (MoFA, 2023). This undermines the corrective potential of the AQR process.

2.5 Contextual Drivers of Audit Deficiencies in Ghana

According to Abudu and Syed (2025) deficiencies in audits defined as the lack of competence in carrying out audits, documentation, or evaluative judgment, act as key risks to financial transparency, accountability, and governance. Ghana like almost African countries, this kind of deficiency has persisted despite a series of regulatory reforms, ranging from the enactment of Act 1058 to the adoption of international standards of auditing. Recent research by scholars (Anaba et al., 2024; Bawuah, 2024; Owusu-Afriyie et al., 2024; Gyimah and Owusu-Afriyie, 2025; Gyamerah et al., 2025; Ocansey, 2025) shows that this phenomenon is not an isolated phenomenon but a symptom of a multicentered relationship of institutional weaknesses, technology lags, human capacity shortfalls, poor audit work, and political intervention.

Institutional and regulatory failures remain a root cause of failures in audits (Dermarkar et al., 2025). It is evident that though the audit committees of Ghana organizationally strive to enhance supervision, their effectiveness is undermined by lacking regulation and poor enforcement mechanisms (Bawuah, 2024). The Institute of Chartered Accountants, Ghana (ICAG), through its Audit Quality Review (AQR) process instituted under Act 1058, has been criticized for mostly

following procedural standards instead of taking corrective action, with the identified gaps rarely resulting in meaningful remedial efforts. The condition is oftentimes attributed to lack of resources and poor inter-agency coordination.

The technology component further complicates the quality of audits. The arrival of the Fourth Industrial Revolution (4IR) has introduced advanced digital tools, including blockchain, artificial intelligence, and data analytics, into the global realm of audits. However, Ghanaian auditors experience significant gaps in digital abilities that hinder the effective deployment of these tools. Based on Mbizi et al. (2022), African accountants, including their Ghanaian colleagues, lack competencies to effectively take advantage of 4IR technologies, thus making audits prone to shortcomings and losing their credibility. To solve this problem, academics recommend the inclusion of information technology, data analytics, and business intelligence into professional training schemes. In addition to the limitations imposed by institutions and technology, shortcomings are also associated with the proficiency and ethical conduct of auditors. Several researchers demonstrate that inadequate professional judgment, insufficient skepticism, insufficient audit evidence, and violations of ethical norms are frequent challenges (Bajuri & Damagum, 2023; Abah-Marcus, 2022; Ocansey, 2025; Ocansey, 2026). In Ghana, findings from the disciplinary committee of ICAG indicate ongoing instances of non-adherence to auditing standards, frequently stemming from inadequate internal quality control systems and a lack of robust continuing professional development (CPD) programs for professionals in the field.

Political and institutional intervention intensifies these issues, therefore compromising the independence and integrity of audits. Lassou (2021) and Tawiah & Tawiah (2019) observe that political pressures regarding the selection of auditors and the extent of audits diminish the validity of results by audits. Such intervention often leads to biased reporting, stifling of significant results, and dilution of public trust in financial regulation.

Ultimately, the lack of effective stakeholder engagement and subsequent follow-up processes sustains existing inadequacies. According to the Ministry of Finance's 2023 implementation guidelines, numerous public institutions regard audit recommendations as mere administrative tasks instead of essential reforms. The absence of accountability and a sense of ownership in responding to audit findings exacerbates a cycle of recurrent deficiencies throughout various reporting periods.

The combined literature underscores that Ghana's audit shortcomings are not of a fundamentally technical origin but systemically rooted and driven by institutional fragility, limited exposure to technology, human capacity gaps, political motives, and weak follow-ups. To address these shortcomings, therefore, a multifaceted approach that interlaces regulation strengthening, digital transformation, continuing professional education, independence safeguards, and accountability mechanisms among the constituent elements is needed.

3. Methodology

3.1 Research Design

This study uses exploratory qualitative research design, consistent with Logie and Maroun (2021), to examine the regulatory oversight and audit failures in Ghana's audit quality review process implemented through Act 1058. The research design is appropriate given the limited availability of longitudinal inspection data especially after the adoption of the ISQM 1 and 2 and Revised ISA 220 in 2022 by Ghana. Additionally, the need to understand the professional, institutional and technical dimensions of audit quality from a regulatory oversight perspective.

3.2 Data Collection

AQR reports published by ICAG for 2023 and 2024, Published presentations and regulatory updates by ICAG and other supplementary documents from IFAC and Ministry of finance are evaluated to identify the inspection findings obtained from the ICAG. These documents provide anonymized summaries of audit failures/deficiencies identified during the inspections of registered audit firms and engagements. The Accountancy Practice Review Committee (APRC) reports are made of a general overview of the report pointing to the legal basis of their role, the number of audit firms assessed and the breakdown of the issues identified. The 2023 report comprises of 115 out 367 registered audit firms reviewed in the 2023 fiscal year. Sixty (60) firms were reviewed in the first to third quarters of 2023 and fifty-five (55) firms reviewed in the fourth quarter of 2023. In 2024 a total of 126 out of the 346 registered firms were reviewed by the QAM Department of the ICAG. Out of the one hundred and twenty-six (126) firms reviewed, ninety-three (93) firms were cited for infractions relating to non-adherence to specific standards, while twelve (12) firms were cited for various professional misconducts as provided the relevant provisions in the Act 1058. Figure 1 provides audit quality reviewed firms published in 2023 and 2024.



Fig 1: Number firms Review for Audit Quality

3.3 Data Aggregation and Coding

The findings from the various documents analyzed are represented using frequency counts and graphs to show correlations and patterns. The analysis is focused on three main areas, namely, the relationship between documentation quality and audit evidence, the impact of firm level controls and audit evidence, and prevalence of deficiencies by theme and severity. The study did not use any inferential statistics due to the exploratory scope of the study and the qualitative nature of the data. The inspection findings were coded in two main stages. This initial classification enabled the authors to distinguish between firm-level and engagement level deficiencies. The broad categorizations were Infractions and Professional Misconduct.

Table 2: Infraction Professional Misconducts Identified For 2023 And 2024

LEVEL	Description
Engagement Level	Accepting an appointment to render statutory audit services to any entity without first ascertaining whether the entity has complied with the requirements for the appointment of the auditor as prescribed by the relevant law.
	Audit Opinions not Signed in Accordance with ICAG Directive
	Expressing an audit opinion or report on financial statements, books of account or accounting record, or internal control system without sufficient evidence, or expressing an opinion on a matter in a professional capacity without obtaining sufficient information.
	Expressing an unmodified opinion on a financial statement which was not prepared in accordance with a financial reporting framework adopted by the Institute.
	Failing to disclose in a financial statement or otherwise a material fact known to that member, the disclosure of which is necessary to ensure that the financial statements are not misleading.
	Failure to Address the Risk of Fraud in Revenue Recognition as per ISA 240
	Inadequate disclosures in the financial statements to comply with reporting framework
	Inadequate documentation carried out on risk assessment procedures conducted at the planning stage.
	Inadequate Relevant Disclosures in the Financial Statements
Firm Level	Documented Business Continuity and Succession Plans
	Failing to meet the mandatory one hundred and twenty credit hours of continuous professional development requirement specified in Regulation 87 (g) of the Institute.
	Failing to observe prescribed standards or rules of the Institute in the course of public practice of accountancy or non-audit practice.
	Inadequate documentation of audit planning and completion
	Lack of evidence of attendance and proper monitoring of CPDs
	Multiple Accounting Frameworks Used in the Same Financial Statement
	No documented policy and/or evidence of implementation of ISQM 1 & 2
	No evidence of a letter of representation obtained before signing an audit opinion
	No evidence of cold and hot file reviews
	No Evidence of CPD Participation & Attendance

	No Evidence of Financial Statement Disclosure Checklist Completed
	No Evidence of Staff Training
	Non-compliance with IFRS 9 provisions and testing
	Non-compliance with some Sections of Local Laws and Regulations
	Non-Responses to Circularisation & No Evidence of Alternative Procedures

Table 2 shows the 2023 and 2024 infractions and professional misconducts grouped according to firm level and engagement levels. Audit quality requires auditors to exhibit appropriate values, ethics and attitudes; and be sufficiently knowledgeable, experienced, and skilled and have sufficient time allocated to them to perform the audit work (IAASB, 2014). At both the firm and engagement levels certain levels of professional and regulatory requirements must be fulfilled.

At the engagement level, the audit firm is responsible for ensuring the integrity of the audit and quality (IAASB, 2014). The engagement partner leads the team of auditors of the firm in upholding the highest ethical and professional standards (IAASB, 2014). This leadership is fundamental in building a culture of accountability, honesty, and excellence. Therefore, when the infractions and professional misconduct occur at the engagement level, it affects the audit quality (ICAG, 2023). Additionally, at the firm level, firms' culture plays an essential role in shaping the values, ethics, and attitudes of its partners and staff, directly influencing how responsibly they carry out their duties (IAASB, 2014). While audit firms operate as commercial entities, their culture must balance business objectives with public interest. A strong culture of audit quality is built on sound governance that sets the right "tone at the top," promotes independence, and rewards integrity and professionalism (IAASB, 2014). It discourages financial pressures that could compromise quality, support continuous learning and technical excellence, encourages open consultation on complex matters, and maintains rigorous systems for client acceptance and retention decisions.

Finally, the inspection findings shown in Table 2 above were grouped on a scale of low, medium and severe based on their gravity based on the researchers' judgement and guidance from the QAM department of ICAG. ICAG only classifies professional misconduct as a severe but there is subjectivity in classifying the rest of the findings into the various scales (low, medium and severe). There is no generally accepted criteria for ranking inspection findings (Logie & Maroun, 2021), however, Constance et al. (2025) found that different types of audit deficiencies predict future misstatements. This means audit deficiency findings of regulatory bodies do not have the same impact. Table 3 shows the categories of audit quality review findings based on severity.

Table 3: Categorisation of Audit Quality Review Findings Based on Severity

No.	Infraction Description/Professional Misconducts Identified for 2023	Scale
1	Lack of evidence of attendance and proper monitoring of CPDs	Low
2	Lack of evidence of staff training	Low
3	No evidence of financial statements disclosure checklist completed	Low
4	No documented policy and/or evidence of implementation of ISQM 1 & 2	Medium
5	Non-compliance with IFRS 9 provisions and testing	Medium
6	Non-responses to circularisations and lack of alternative procedures	Medium
7	Inadequate documentation of audit planning and completion	Medium
8	No evidence of a letter of representation obtained before signing an audit opinion	Medium
9	Inadequate disclosures in the financial statements to comply with reporting framework	Medium
10	No evidence of cold and hot file reviews	Severe
Professional Misconducts Identified 2023		
1	Accepting an appointment to render statutory audit services without verifying compliance with legal requirements for auditor appointment.	Severe
2	Expressing an audit opinion or report without sufficient evidence or information.	Severe
3	Failing to disclose a material fact necessary to ensure that the financial statement is not misleading.	Severe
Infraction Description/Professional Misconducts Identified FOR 2024		
1	Documented Business Continuity and Succession Plans	Low
2	Non-Responses to Circularisation & No Evidence of Alternative Procedures	Low
3	No Evidence of CPD Participation & Attendance	Low
4	No Evidence of Staff Training	Low
5	Inadequate Documentation of Audit Planning and Completion	Low
6	No Letter of Representation Obtained on/before Signing Audit Opinion	Low
7	Documentation of ISQM 1 & 2	Medium
8	Implementation of ISQM 1 & 2	Medium
9	No Evidence of Financial Statement Disclosure Checklist Completed	Medium
10	Inadequate Relevant Disclosures in the Financial Statements	Medium
11	Multiple Accounting Frameworks Used in the Same Financial Statement	Medium
12	Failure to Address the Risk of Fraud in Revenue Recognition as per ISA 240	Severe
13	Audit Opinions not Signed in Accordance with ICAG Directive	Severe
14	Non-compliance with some Sections of Local Laws and Regulations	Severe
Professional Misconducts Identified 2024		
1	Accepting an appointment to render statutory audit services to any entity without first ascertaining whether the entity has complied with the requirements for the appointment of the auditor as prescribed by the relevant law.	Severe

2	Expressing an audit opinion or report on financial statements, books of account or accounting record, or internal control system without sufficient evidence, or expressing an opinion on a matter in a professional capacity without obtaining sufficient information.	Severe
3	Failing to disclose in a financial statement or otherwise a material fact known to that member, the disclosure of which is necessary to ensure that the financial statements are not misleading.	Severe
4	Expressing an unmodified opinion on a financial statement which was not prepared in accordance with a financial reporting framework adopted by the Institute.	Severe
5	Failing to observe prescribed standards or rules of the Institute in the course of public practice of accountancy or non-audit practice.	Severe
6	Failing to meet the mandatory one hundred and twenty credit hours of continuous professional development requirement specified in Regulation 87 (g) of the Institute.	Severe
7	Inadequate documentation carried out on risk assessment procedures conducted at the planning stage.	Severe

A central principle in auditing standards is the requirement of obtaining sufficient appropriate audit evidence to support an opinion on a client's financial statements (IAASB, 2014). The reliability of the audit opinion is questioned when audit evidence is lacking (IAASB, 2014). This audit expectation gap is widened because of deficient performance rather than inconsistent expectations between practitioners and stakeholders (Porter et al. 2012). The same is true when an auditor breaches laws and regulations. weak culture of ethics at the firm and engagement level are probable to lead to increases in the occurrence of deficient (Logie and Maroun, 2021). Consequently, these indications point inspection findings of the regulator that significantly affect audit quality. Additionally, compared to those with medium or low impact, they are more likely to result in sanctions.

Audit quality can be impacted when an audit firm disregard established best practices or fails to apply its internal standards. The impact on audit quality is less certain deciding whether such processes should have been implemented frequently requires professional judgment (Shamsadini et al., 2025). Similarly, audit working papers do not meet professional standards when they are not detailed enough to enable another auditor to repeat a technique (IAASB, 2014). However, it might still be challenging to determine with certainty if the audit evidence gathered was sufficient and relevant in certain situations. As a result, these kinds of flaws are classified as having a medium effect on audit quality.

Low-severity findings, on the other hand, arise when there is little audit documentation, lack of evidence of attendance and proper monitoring of CPDS, lack of evidence of staff training, documented, business continuity and succession plans, non-responses to circularisation, amongst others but the work completed can still be assessed, and there is no obvious sign that the auditor did not gather enough proof. For example, even if the client's presentation or disclosure in the

financial statements is lacking, an auditor may have carefully examined important claims pertaining to measurement and recognition. The essential audit work supporting recognition and measurement would still give the auditor a reasonable foundation for their view, even though disclosure and presentation are still crucial components of financial reporting (IAASB, 2009e). Table 4 presents the infractions and professional misconducts with the scale and percentages identified in the audit quality review reports for 2023.

Table 4: Identified Infractions and Professional Misconducts with Scale and Percentages

No.	Infraction Description/Professional Misconducts Identified for 2023	Scale	Percentage of Total Firms Reviewed
1	Lack of evidence of attendance and proper monitoring of CPDs	Low	54%
2	Lack of evidence of staff training	Low	2%
3	No evidence of financial statements disclosure checklist completed	Low	23%
4	No documented policy and/or evidence of implementation of ISQM 1 & 2	Medium	37%
5	Non-compliance with IFRS 9 provisions and testing	Medium	34%
6	Non-responses to circularisations and lack of alternative procedures	Medium	46%
7	Inadequate documentation of audit planning and completion	Medium	44%
8	No evidence of a letter of representation obtained before signing an audit opinion	Medium	24%
9	Inadequate disclosures in the financial statements to comply with reporting framework	Medium	50%
10	No evidence of cold and hot file reviews	Severe	10%
Professional Misconducts Identified 2023			
1	Accepting an appointment to render statutory audit services without verifying compliance with legal requirements for auditor appointment.	Severe	0.9%
2	Expressing an audit opinion or report without sufficient evidence or information.	Severe	26.1%
3	Failing to disclose a material fact necessary to ensure that the financial statement is not misleading.	Severe	0.9%
Infraction Description/Professional Misconducts Identified For 2024			
1	Documented Business Continuity and Succession Plans	Low	60%
2	Non-Responses to Circularisation & No Evidence of Alternative Procedures	Low	73%
3	No Evidence of CPD Participation & Attendance	Low	51%
4	No Evidence of Staff Training	Low	17%

5	Inadequate Documentation of Audit Planning and Completion	Low	14%
6	No Letter of Representation Obtained on/before Signing Audit Opinion	Low	22%
7	Documentation of ISQM 1 & 2	Medium	37%
8	Implementation of ISQM 1 & 2	Medium	71%
9	No Evidence of Financial Statement Disclosure Checklist Completed	Medium	23%
10	Inadequate Relevant Disclosures in the Financial Statements	Medium	36%
11	Multiple Accounting Frameworks Used in the Same Financial Statement	Medium	12%
12	Failure to Address the Risk of Fraud in Revenue Recognition as per ISA 240	Severe	37%
13	Audit Opinions not Signed in Accordance with ICAG Directive	Severe	38%
14	Non-compliance with some Sections of Local Laws and Regulations	Severe	11%
1	Accepting an appointment to render statutory audit services to any entity without first ascertaining whether the entity has complied with the requirements for the appointment of the auditor as prescribed by the relevant law.	Severe	0.0%
2	Expressing an audit opinion or report on financial statements, books of account or accounting record, or internal control system without sufficient evidence, or expressing an opinion on a matter in a professional capacity without obtaining sufficient information.	Severe	8.0%
3	Failing to disclose in a financial statement or otherwise a material fact known to that member, the disclosure of which is necessary to ensure that the financial statements are not misleading.	Severe	0.0%
4	Expressing an unmodified opinion on a financial statement which was not prepared in accordance with a financial reporting framework adopted by the Institute.	Severe	0.8%
5	Failing to observe prescribed standards or rules of the Institute in the course of public practice of accountancy or non-audit practice.	Severe	8.0%
6	Failing to meet the mandatory one hundred and twenty credit hours of continuous professional development requirement specified in Regulation 87 (g) of the Institute.	Severe	2.0%
7	Inadequate documentation carried out on risk assessment procedures conducted at the planning stage.	Severe	2.0%

3.4 Ethical Considerations

All the data used for the study were obtained from the website and the Quality Assurance Monitoring Department of ICAG, which makes the information publicly available. All the necessary ethical approvals were obtained for all the data collected. No personal or specific firm information was disclosed or used for the study. The study adheres to ethical research standards and aims to support professional development and regulatory improvement.

4. Analysis and Discussion

4.1 Audit Quality and Regulatory Oversight

Audit quality and regulatory oversight is indispensable for public trust in financial reporting. In developing economies, where institutional structures are still consolidating, the regulator's ability to ensure audit quality becomes both a test professional credibility of and governance capacity. Ghana's audit oversight system, spearheaded by the Institute of Chartered Accountants, Ghana (ICAG) through the Accountancy Practice Review Committee (APRC). It provides a revealing case of how regulatory intervention interacts with professional norms, engagement and firm-level capacities, and broader institutional pressures.

This paper interpreted data from ICAG's Audit Quality Review (AQR) reports for 2023 and 2024, which has filed audit infractions and professional misconduct among firms in Table 4. The aim is to understand how regulatory oversight is operationalized, the extent to which it mitigates audit failures, and the institutional factors that shape its effectiveness anchored on institutional theory, legitimacy theory, and regulatory capture theory. the analysis situates Ghana's oversight practices within a broader debate about the evolution of audit quality in transitional economies. The years under review (2023 and 2024) had 346 registered audit firms but the ICAG through its APRC reviewed the activities of 115 and 126 representing 33% and 36% respectively. These point to oversight effectiveness is limited by lack of capacity to monitor every firm deeply.

Table 5: Categories and Key Observations in Audit Quality Review Reports

Category	2023 Key Observations	2024 Key Observations	Interpretive Trend
ISQM 1 & 2 Documentation & Implementation	54% of firms had no documented policy (2023)	Improved to 60–73% having documentation/implementation (2024)	Regulatory improvement evident; oversight intervention likely effective.
CPD and Staff Training	37% (CPD) and 34% (Training) non-compliance	22% (CPD) and 37% (Training)	Slight improvement in CPD compliance but training gaps persist, implying weak internal capacity systems.
Cold/Hot File Reviews	46% had no evidence of such reviews	— (Not specifically tracked in 2024)	Suggests limited peer-review culture; possibly improved but unmeasured in 2024.
Audit Planning & Documentation	44% inadequate documentation	71% inadequate documentation	Significant regression, suggesting oversight gaps or regulatory fatigue.
Financial Statement Disclosure	50% lacked disclosure checklist; 10% inadequate disclosures	36% lacked disclosure checklist; 37% inadequate disclosures	Partial progress on checklist use, but persistent disclosure quality issues.
Circularisation Procedures	23% lacked evidence of responses or alternatives	Reduced to 14%	Positive improvement—indicates better audit testing rigor.

The implementation of International Standards on Quality Management (ISQM 1 and 2) provides a useful proxy for understanding the operational strength of Ghana's oversight mechanisms. In 2023, more than half of the firms reviewed (54%) had no documented policies or evidence of ISQM implementation. A year later, 60% had documented such systems, and 73% had begun implementing them. These improvements suggest that ICAG's regulatory interventions are yielding tangible institutional responses.

Through the lens of institutional theory (DiMaggio & Powell, 1983; Scott, 2014), these patterns reflect both coercive and mimetic pressures. Firms adopt formalized systems to align with regulatory expectations and international norms. However, deeper inspection reveals that while formal compliance is improving, substantive audit quality remains uneven. For instance, in 2024, 71% of firms were still cited for inadequate documentation of audit planning and completion, compared to 44% in 2023. Similarly, 37% of firms lacked evidence of staff training, and 22% failed to demonstrate compliance with continuous professional development (CPD) requirements. As shown in figure 2 and 3 below the impact of regulatory oversight has not been significant as majority of the infractions have not seen any significant changes.

This pattern of improvement in form but stagnation in substance exemplifies institutional decoupling (Meyer & Rowan, 1977). Thus, firms produce policies to signal compliance while

actual audit practices remain unchanged. Oversight, therefore, has been operationalized effectively at the procedural level but less so in embedding a culture of sustained quality within audit practice.

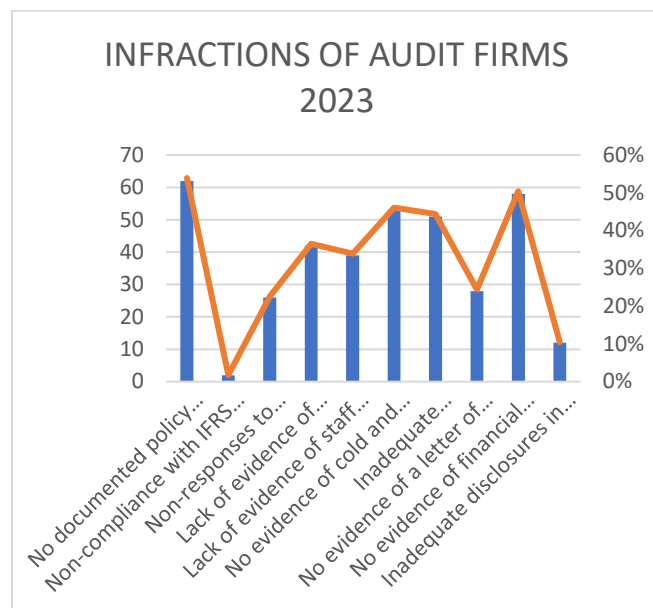


Figure 2: Infractionctions of Audit Firms 2023

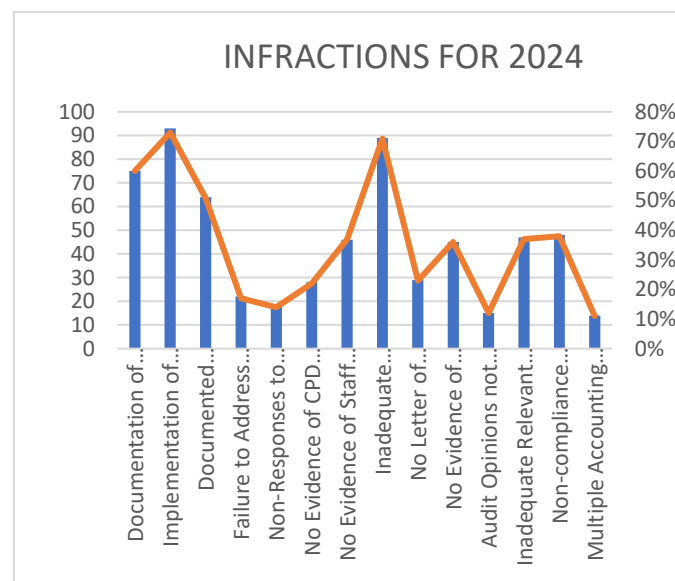


Figure 3: Infractionctions of Audit Firms 2024

Both figures 2 and 3 present the percentages of audit firms' infractions identified in 2023 and 2024.

Table 6: Mitigation of Audit Failures and Regulatory Oversight: Professional Misconducts (2023 vs. 2024)

Misconduct	2023	2024	Trend Interpretation
Expressing audit opinions without sufficient evidence	26%	8%	Strong decline suggests oversight and sanctions improved deterrence.
Non-disclosure of material facts	1%	0%	Minimal issue, likely due to fear of sanction or improved guidance.
Appointment without legal verification	1%	0%	Compliance improvement; greater legal awareness.
Failing to observe professional standards	0	8%	New emerging issue — may reflect expanded review criteria or broader scope.
CPD non-compliance	0	2%	Persistent training compliance issue.

Table 6 indicates that, in 2023, 26% of firms were found to have issued audit opinions without sufficient evidence; by 2024, this figure had dropped to 8%. One of the clearest markers of progress in Ghana's regulatory oversight is the sharp decline in professional misconducts. This

improvement suggests that regulatory reviews and disciplinary measures have begun to instill a culture of caution and accountability among auditors. Likewise, infractions related to non-response to client circularisations reduced from 23% to 14%, indicating improved audit testing procedures. Hitherto, this progress coexists with persistent weaknesses. Audit planning, risk documentation, and disclosure practices continue to exhibit widespread deficiencies. The 50% non-completion rate of financial statement disclosure checklists in 2023 reduced only marginally to 36% in 2024, while 37% of firms still failed to make adequate disclosures to comply with reporting frameworks.

From a legitimacy theory perspective (Suchman, 1995), this duality illustrates the distinction between symbolic and substantive legitimacy. Many firms respond to oversight pressures by adopting visible compliance behaviors documenting ISQM policies, attending CPDs but fail to internalize the professional ethos that underpins high-quality audits. In this sense, oversight has succeeded in reshaping the *appearance* of audit quality, but not necessarily its *essence*.

4.3 Institutional Resource Constraints and Capacity Dilemma

The effectiveness of regulatory oversight is also shaped by institutional and resource constraints. The 2024 review expanded its focus to include new infraction categories such as non-compliance with local laws (38%) and multiple accounting frameworks (11%), signaling an enhanced regulatory scope. However, the recurrence of familiar deficiencies particularly inadequate documentation and training suggests that the regulator's monitoring capacity remains stretched (Constance et al., 2025).

In developing countries regulatory systems are constrained often due to regulative fragility a condition where oversight institutions possess normative authority but limited operational depth (Scott 2014). ICAG's challenge lies in balancing its dual role as both a professional body and a regulator. This duality can dilute enforcement intensity, particularly when sanctions might destabilize smaller audit firms that constitute a significant segment of the Ghanaian market. This is similar to the findings of Logie and Maroun (2021), who noted that sustainable improvement of regulatory oversight depends on the regulator's capacity to enforce standards to address persistent deficiencies.

The persistent training gaps with over a third of firms lacking structured staff development reflect not only firm-level inertia but also systemic underinvestment in professional learning. The outcome is a technically uneven profession, where compliance is largely administrative and not underpinned by sufficient human capital. As Sawaya et al. (2025) noted that, sustainable audit quality is dependent not only on rules but on the expertise of the auditor. expertise of the auditor plays an essential role in ensuring compliance with ethical principles and accounting standards, thereby improving the quality of financial reporting.

4.4 Symbolic Compliance and the Performance of Legitimacy

A critical look at the data suggests that regulatory oversight process in Ghana functions as a performance of legitimacy as much as a mechanism of assurance. Audit firms appear to engage in symbolic compliance producing documentation, attending mandatory CPDs, and participating in review exercises in order to maintain professional visibility and regulatory acceptance. These actions reinforce their standing in the market but do not necessarily translate into improved audit judgment or technical depth. A slight improvement in CPD compliance but training gaps persist, 37% to 22% (CPD) implying weak internal capacity systems and 34% to 37% (Training) implying non-compliance.

Power's (2022) concept of the audit society aligns with this position because, the processes of monitoring and verification create rituals of accountability that may not enhance underlying performance. In Ghana, audit oversight has become both a signal of professionalism and a site of institutional negotiation (Owusu-Afriyie et al., 2024). While regulators derive legitimacy from conducting visible reviews, firms seek legitimacy through compliance even if substantive quality improvements remain limited (Tamrat & Teferra, 2024; Putri et al., 2025).

4.5 Regulatory Capture and the Limits of Enforcement

In Ghana, the ICAG operates as both the custodian of the profession and disciplinary authority (ICAG, 2017), which may cause a subtle softness in enforcing discipline. The persistence of certain infractions for instance, documentation implementation of ISQM 1 & 2 which are pivotal standards for audit practice grew from 54% to 60% despite repeated reviews raises the question of regulatory capture. According to Stigler (1971) and Dal Bó (2006), regulator capture occurs when due to social proximity or institutional dependency, become sympathetic to the interests of those they regulate.

Major ethical breaches (such as Failure to Address the Risk of Fraud in Revenue Recognition as per ISA 240, audit opinions not signed in accordance with ICAG directive, non-compliance with some sections of local laws and regulations and issuing opinions without evidence) are evidences of selective improvement pattern were observed. While technical quality issues such as disclosure, documentation, and training persist. Barr-Pulliam et al. (2024) noted that These points to the fact that regulatory energy may be concentrated on easily observable misconduct, while more resource-intensive quality reviews receive limited scrutiny. These findings entrench Logie and Maroun (2021), who argue that in many African contexts, regulatory bodies occupy an obstruse space between public accountability and professional advocacy, often resulting in "bounded enforcement" that privileges stability over rigor.

4.6 Key Finding

The audit oversight process reveals a quality paradox where regulatory interventions have increased compliance visibility but have not fully mitigated the fully systemic weakness in the

execution of audit in Ghana. On the other hand, the accountancy profession in Ghana shows growing procedural maturity, evidenced by improved ISQM implementation and tremendous reduction in professional misconducts and ethical breaches. Although, documentation and disclosure practices remain highly flawed, signaling that audit quality is yet to become an embedded institutional value.

Additionally, the Ghanaian audit oversight system spearheaded by ICAG reflects a hybrid institutional regime in transition. Legitimacy theory explains the symbolic nature of compliance, institutional theory explains the diffusion of formal standards and regulatory capture theory exposes the subtle constraints on enforcement effectiveness. Specifically, the following findings have been made from analysing the 2023 and 2024 APRC.

Substantive decline in severe professional misconducts in Ghana. Expressing audit opinions without sufficient evidence dropped from 26% in 2023 to 8% in 2024 pointing to effective deterrence through the oversight role placed by ICAG through the APRC.

Improved formal compliance with substantive weakness in audit quality. Implementation of ISQM 1 & 2 and documentation improved significantly between 2023 and 2024 (54% to 73%). But in 2024 of the total firms reviewed 71% still showed inadequate audit planning and documentation, pointing to a significant gap between actual audit execution and adoption of policy.

Possible signs of regulatory capture on the part of the ICAG for playing a dual role as both regulator and disciplinary authority. This may contribute to selective enforcement, skewed focus on visible ethical breaches while tolerating technical breaches and weaknesses

Audit firms are increasingly engaged in procedural requirements such as documentation ISQM, CPD attendance in order to maintain legitimacy, but these do not always translate into improved technical depth or professional audit judgement

Finally, technical deficiencies have remained persistent. For instance, staff training, disclosure lapses and incomplete financial statement check list remained prevalent in 2024.

5. Recommendations

Prior studies such as Owusu-Afriye et al, (2024) and Bawuah, (2024) all have evaluated the regulatory processes establishing that independent regulatory oversight has significant and positive impact on audit and financial reporting quality even in the contest of Ghana. However, none of the studies have dealt with the technical findings documented by ICAG during the inspection process and what these findings tell us about audit quality in Ghana. This paper addresses limitations of the previous studies by analysing the inspection report from ICAG 2023 and 2024. The study identifies specific technical issues applicable at both the engagement and audit firm levels. Therefore, the following specific recommendations are made.

The regulator-ICAG, should transition from just following set of legal and regulatory laws in their review process to risk-based oversight. Thus, emphasis should be placed on the evaluation of audit

evidence and professional judgement rather than mere procedures enshrined in the law. Possibly, strengthening the autonomy of QAM department to collaborate with other regulators such as Securities and Exchange Commission, Bank of Ghana, National Insurance Commission would also mitigate regulatory capture.

For firms, integrating ISQM systems into their daily audit procedures is necessary for audit firms to internalize quality. Peer benchmarking, technology-assisted audit documentation systems, and routine internal quality evaluations ought to be essential elements of business governance. In addition to enforcement, the regulator should offer developmental supervision, which includes technical assistance, coaching, and organize periodic training. In addition to attendance, mandatory CPD credits ought to be connected to observable competency growth.

Policy makers should encourage professional and academic collaborations to develop strong, relevant audit quality training curricula and matrices which synchronizes with international best practices and standards. Again, policy makers must ensure APRC and QAM department are independent and enjoy high level of autonomy through legislations.

For future research, the study recommends a comparative study of technical report findings of regulatory oversight bodies across Africa. This would help to identify the patterns of regulatory best practices and capture at the continental level.

References

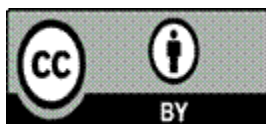
- Abouelela, O., Diab, A., & Saleh, S. (2025). The determinants of the relationship between auditor tenure and audit report lag: evidence from an emerging market. *Cogent Business & Management*, 12(1), 2444553.
- Abubakari, Z., Ayimpoya, R. N., & Namoo, S. (2025). Assessing the determinants and challenges of external auditors' reliance on internal audit work in Ghana. *African Journal of Empirical Research*, 6(2), 690-700.
- Abudu, D., & Syed, S. A. (2025). Companies in Ghana. *Big Data in Finance: Transforming the Financial Landscape: Volume 2*, 169, 115.
- Agyei, S. K., Obuobi, N. K., Isshaq, M. Z., Abeka, M. J., Gatsi, J. G., Boateng, E., & Amoah, E. K. (2022). Country-Level corporate governance and Foreign Portfolio Investments in Sub-Saharan Africa: The moderating role of institutional quality. *Cogent Economics & Finance*, 10(1), 2106636.
- Al-Omush, A., Almasarwah, A., & Al-Wreikat, A. (2025). Artificial intelligence in financial auditing: redefining accuracy and transparency in assurance services. *EDPACS*, 70(6), 1-20.
- Anaba, S., Kamil, R., & Opoku Appiah, K. (2024). Do Bank Governance Mechanisms and Financial Report Lag Affect Audit Quality? *Journal of African Business*, 1-20.

- Arai, K., & Takeda, K. (2024). Judging Audits: The Influence of Supreme Court Decisions on Audit Quality in Japan. *Available at SSRN 4999880*.
- Barr-Pulliam, D., Calvin, C. G., Eulerich, M., & Maghakyan, A. (2024). Audit evidence, technology, and judgement: A review of the literature in response to ED-500. *Journal of International Financial Management & Accounting*, 35(1), 36-67.
- Bawuah, I. (2024). Audit committee effectiveness, audit quality and earnings management: evidence from Ghana. *Cogent Business & Management*, 11(1), 2315318.
- Bwimba, M., & Nkechi I. E. (2024). Financial reporting practices and performance of public institutions in Rwanda. The case of Rwanda Social Security Board. *The Strategic Journal of Business & Change Management*, 11(1), 662-673.
- Carson, E., Lamoreaux, P., Simnett, R., Thürheimer, U., & Vanstraelen, A. (2025). Establishment of National Public Audit Oversight Boards: Descriptive Evidence and Implications for Audit Quality. *Journal of Accounting Research*.
- Cezar, R., Sun, Y., & Biyik, O. (2025). Do Voluntary Sustainability Standards Change Business Elites' Political Behavior? *Available at SSRN 5262465*.
- Cheung, K. Y., & Adelopo, I. (2022). Audit committee financial expertise, accrual, and real earnings management. *Journal of Corporate Accounting & Finance*, 33(3), 102-118.
- Citterio, A. (2024). Bank failure prediction models: Review and outlook. *Socio-Economic Planning Sciences*, 92, 101818.
- Constance, P., Lennox, C., & Li, C. (2025). PCAOB inspection deficiencies and future financial reporting quality: Do the types of deficiencies matter? *Contemporary Accounting Research*, 42(1), 121-152.
- Dermarkar, S., Samsonova-Taddei, A., & Gendron, Y. (2025). Mythmaking in audit regulation: the Canadian initiative on 'enhancing audit quality'. *Accounting and Business Research*, 55(3), 302-329.
- Dowling, C., Knechel, W. R., & Moroney, R. (2018). Public oversight of audit firms: The slippery slope of enforcing regulation. *Abacus*, 54(3), 353-380.
- Elshandidy, T., Eldaly, M. K., & Abdel-Kader, M. (2021). Independent oversight of the auditing profession: A review of the literature. *International Journal of Auditing*, 25(2), 373-407.
- Eshky, A., Alsudairi, D., & Basudan, D. (2025). Cultural influences on auditing: A narrative review of auditor judgment and decision-making. *Arab Journal for Scientific Publishing*, 8(77), 1-17.
- Fulgence, S., Boateng, A., & Kwabi, F. (2024, November). Ownership structure, corporate governance disclosure, and the moderating effect of CEO power: evidence from East Africa. In *Accounting Forum* (pp. 1-30). Routledge.
- Grenier, J. H., Robertson, J. C., Simon, C. A., & Vinson, J. M. (2025). PCAOB inspections and auditor liability. *Auditing: A Journal of Practice & Theory*, 44(2), 131-148.

- Gyamerah, S. A., Kamal-Deen, I., Asare, C., Sabutey, M., & Boiquaye, P. A. (2025). The impact of financial distress on earnings management: The moderating role of audit Quality. *Journal of African Business*, 1-20.
- Gyimah, P., & Owusu-Afriyie, R. (2025). Bank sustainability: Do corporate governance and internal audit quality matter? *World Development Sustainability*, 100222.
- Harber, M., & Marx, B. (2020). Audit quality and independence concerns in the South African audit industry: Contrasting views. *South African Journal of Accounting Research*, 34(1), 1-23, DOI: 10.1080/10291954.2019.166764
- Hohenfels, D., & Quick, R. (2020). Non-audit services and audit quality: evidence from Germany. *Review of Managerial Science*, 14(5), 959-1007.
- Hope, O. K., Wang, C., Wu, Y., & Zhang, M. (2025). Does convergence with international standards on auditing improve audit quality? *The Accounting Review*, 100(2), 189-218.
- Hung, P. H. (2023). The influence of cultural, legal and institutional factors on auditors' roles, responsibilities and perceptions of audit quality. *European Journal of Theoretical and Applied Sciences*, 1(5), 1131–1145. [https://doi.org/10.59324/ejtas.2023.1\(5\).99](https://doi.org/10.59324/ejtas.2023.1(5).99)
- Institute of Chartered Accountants Ghana (ICAG, 2024). *Accountancy practice review committee – Overview and 2023 highlights*.
- Institute of Chartered Accountants Ghana. (2022, November 9). *ICAG Regulators forum 2022: Presentation slides*. <https://www.icagh.com>
- International Federation of Accountants. (2023). *Ghana: Member profile*. IFAC. <https://www.ifac.org/about-ifac/membership/profile/ghana>
- International Federation of Accountants. (2024). *International standards: 2024 global adoption snapshot*. <https://www.ifac.org/>
- Jiang, H., & Ren, D. (2025). The Impact of Auditors' Host Country Risk Perception on MNEs' Earnings Manipulation: Evidence from China. *SAGE Open*, 15(3), 21582440251355897.
- Kelly, M., & Larres, P. (2025). Enhancing the auditor's mindset: a framework for nurturing professional skepticism. *Journal of Accounting Literature*, 47(1), 222-243.
- Krasodomska, J., Simnett, R., & Street, D. L. (2021). Extended external reporting assurance: Current practices and challenges. *Journal of International Financial Management & Accounting*, 32(1), 104-142.
- Krishnan, J., Li, M., Mehta, M. N., & Park, H. J. (2025). Consequences for culpable auditors. *Journal of Accounting Research*.
- Lee, H. S., Nagy, A. L., & Zimmerman, A. B. (2019). Audit partner assignments and audit quality in the United States. *The Accounting Review*, 94(2), 297-323.
- Logie, J., & Maroun, W. (2021). Evaluating audit quality using the results of inspection processes performed by an independent regulator. *Australian accounting review*, 31(2), 128-149.

- Makanga, C. N., Orobia, L. K., Kaawaase, T. K., Nabeta, I. N., Mindra, R. K., & Munene, J. C. (2025). Oversight mechanisms and public accountability in an emerging economy. *Cogent Business & Management*, 12(1), 2507216.
- Maroun, W., & de Ricquebourg, A. D. (2024). How auditors identify and report key audit matters- An organizational routines perspective. *The British Accounting Review*, 56(2), 101263.
- Monametsi, G. L. & Agasha, E. (2020). Audit quality and firm performance: Evidence from Botswana and Uganda. *J. Account. Fin. Audit. Stud.*, 6(4), 79-95. <https://doi.org/10.32602/jafas.2020.029>
- Mwangi, J. (2024). Effect of audit quality on earnings management practices. *American Journal of Accounting*, 6(1), 1-12.
- Ng, M. F. (2024). Strategies for achieving audit quality: The big 4 model. *Recoletos Multidisciplinary Research Journal*, 12(2), 27-42.
- Ocansey, E. O. N. D. (2025). Influence of skeptical mindset and skeptical attitude on auditor performance: The significant difference of auditor firm size. *African Journal of Accounting and Financial Research*, 8(4), 150-163. DOI: 10.52589/AJAFRGWVECF9K
- Ocansey, E. O. N. D. (2026). Influence of professional skepticism on audit evidence quality and audit report quality: Evidence from an emerging audit market. *African Journal of Accounting and Financial Research*, 9(1), 146-162. DOI: 10.52589/AJAFRETGGM5YF
- Owusu-Afriyie, R., Awunyo-Vitor, D., Gyimah, P., & Appiah, K. O. (2024). Monitoring and audit quality: Does quality standards compliance matter? *Cogent Business & Management*, 11, 1, 2416095. <https://doi.org/10.1080/23311975.2024.2416095>
- Patil, A., Mishra, B., Chockalingam, S., Misra, S., & Kvalvik, P. (2025). Securing financial systems through data sovereignty: a systematic review of approaches and regulations: A. Patil et al. *International Journal of Information Security*, 24(4), 159.
- Power, M. (2022). Theorizing the Economy of Traces: From Audit Society to Surveillance Capitalism. *Organization Theory*, 3(3). <https://doi.org/10.1177/26317877211052296> (Original work published 2022)
- Putri, I. G. A. M. A. D., Sari, K., Hasibuan, H. T., Ardiana, P. A., Yanthi, K. D. L., Pradnyani, N. W. A., & Sujana, N. W. K. J. P. (2025). Institutional dynamics and environmental disclosures: insights from Indonesia's energy sector. *Pacific Accounting Review*.
- Ratnatunga, J. (2021). The Impotence of Australia's Accounting Regulators. *Journal of Applied Management Accounting Research*, 19(2), 19-26.
- Sawaya, C., Al Maalouf, N. J., Hanoun, R., & Rakwi, M. (2025). Impact of auditor independence, expertise, and industry experience on financial reporting quality. *Asia Pacific Management Review*, 30(1), 100357.
- Scott, W.R. (2014). Institutions and organizations: Ideas, interests, and identities. <https://www.scirp.org/reference/referencespapers?referenceid=2451254>.

- Sewpersadh, N. S. (2025). Adaptive structural audit processes as shaped by emerging technologies. *International Journal of Accounting Information Systems*, 56, 100735.
- Shamsadini, K., Javanmard, H., & Morady, Z. (2025). Qualitative modeling of factors affecting auditor's judgment and decision-making. *Accounting Research Journal*, 38(1), 1-18.
- Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of management review*, 20(3), 571-610.
- Tamrat, W., & Teferra, D. (2024). Organisational legitimacy of private providers: Regulators' ratings and perspectives. *Higher Education*, 87(1), 201-219.
- Waweru, N., Rahaman, A. S., & Garriga Cots, E. (2025). Corruption networks and anti-corruption mechanisms: the case of Kenya. *Accounting, Auditing & Accountability Journal*.
- Wooten, M., & Hoffman, A. J. (2017). Organizational fields: Past, present and future. *The Sage handbook of organizational institutionalism*, 55-74.
- World Bank, (2019). Audit oversight to enhance trust and transparency in corporate financial statements: Challenges in developing countries. *World Bank*.
- World Bank. (2019). Strengthening supreme audit institutions: Challenges and opportunities in developing countries. *Washington, DC: World Bank Publications*.
<https://documents.worldbank.org>



2026 by the Authors. This Article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>)