

Challenges Of Auditing Practices And Public Accountability In Local Governance: Evidence From Kurmi Local Government Council, Taraba State, Nigeria

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Abstract: *This study investigates the challenges hindering effective auditing practices and their implications for public accountability in Kurmi Local Government Council, Taraba State, Nigeria. Recognizing auditing as a key mechanism for ensuring transparency and fiscal responsibility, the study adopted a descriptive survey design to collect data from 150 purposively selected audit-related personnel through structured questionnaires. The findings revealed that the audit process in Kurmi LGC is significantly impaired by political interference, inadequate funding, lack of standardized procedures, insufficient training, weak enforcement of audit recommendations, and limited public access to audit outcomes. These systemic and operational constraints reduce the effectiveness of audits and diminish citizens' trust in local governance. Anchored on the principal-agent theory, the study concludes that unless these challenges are addressed through institutional reforms, capacity development, and enforcement mechanisms, auditing will remain ineffective as a tool for ensuring accountability at the grassroots level. The study recommends strengthening auditor independence, improving budgetary support and technical training, and institutionalizing public disclosure and sanctions for non-compliance to restore the credibility and utility of local government auditing in Nigeria.*

Keywords: auditing, public accountability, local government, audit challenges, Nigeria, governance

1. Introduction

Public sector auditing has increasingly become a vital instrument in ensuring transparency, good governance, and accountability in democratic systems. It acts as a critical mechanism for monitoring and evaluating the use of public resources, detecting irregularities, and promoting financial discipline within public institutions (Hay & Cordery, 2021). In Nigeria, the need for effective auditing is more pronounced given the country's recurrent experience with corruption, misappropriation of funds, and weak financial oversight across all tiers of government. Local government councils, in particular, are often perceived as the weakest link in Nigeria's accountability chain, primarily due to operational inefficiencies and limited capacity to enforce audit outcomes (Omolehinwa & Naiyeju, 2023).

The principle of public accountability obliges public officials to justify their actions, particularly in the utilization of public resources, and to accept responsibility for the outcomes of such actions. Auditing supports this principle by providing independent assessments of financial statements, compliance with legal frameworks, and overall performance of public offices (Owolabi, 2023). Despite the existence of constitutional and statutory provisions mandating routine audits in Nigeria, implementation remains largely symbolic, with many local councils neglecting audit recommendations or manipulating audit outcomes due to political pressure and weak institutional enforcement mechanisms (Okere & Ogundana, 2024).

Kurmi Local Government Council (LGC) in Taraba State presents a compelling case for understanding the barriers to effective auditing. Like many rural local governments in Nigeria, Kurmi LGC faces a combination of administrative, political, and financial challenges that constrain the effective operation of audit units. For instance, limited funding, obsolete auditing tools, inadequate staffing, and lack of training undermine the integrity of audit exercises. Moreover, undue political interference often obstructs audit investigations, leading to biased or incomplete reports (Ibrahim & Salihu, 2022).

Recent reforms inspired by the New Public Management (NPM) paradigm have attempted to address inefficiencies in public service delivery by emphasizing performance-based audits, transparency, and value for money (Johnsen, 2021). However, the effectiveness of such reforms at the local government level in Nigeria remains questionable. As observed by Udeh and Nwadiakor (2023), the persistence of corruption, low compliance with audit standards, and poor monitoring mechanisms have rendered many audit institutions ineffective, especially in rural councils. This situation not only weakens financial discipline but also erodes public trust in governance institutions.

Moreover, the institutional framework guiding auditing practices in Nigeria, particularly at the local government level, is replete with structural deficiencies. Auditors often operate without sufficient independence, as their appointments, promotions, and remuneration are subject to political influences from local officials. In many cases, findings from audit reports are either not implemented or deliberately ignored, thereby perpetuating a culture of impunity (Lanrewaju, Osho & Elijah, 2024). The limited

awareness among citizens about their right to demand accountability further compounds the problem, as public participation in oversight processes remains minimal (Akinwale, 2020).

Given these concerns, this study focuses on examining the specific challenges faced in the auditing process within Kurmi Local Government Council from 2019 to 2023. By identifying and analyzing these obstacles, the study contributes to the ongoing discourse on strengthening local governance mechanisms and enhancing the effectiveness of public financial management systems in Nigeria.

2. Conceptual and Theoretical Background

2.1 Conceptual Clarification: Auditing and Public Accountability

Auditing in the public sector refers to an independent and systematic evaluation of government financial operations, performance records, and compliance with statutory and policy frameworks (Olawale, 2021). It encompasses both financial and performance audits aimed at assessing whether public resources are utilized efficiently, effectively, and in accordance with legal mandates. The objective of auditing is not only to uncover financial irregularities but also to promote value for money and enhance governance outcomes. According to Hay and Cordery (2021), auditing fosters good governance by offering transparency and facilitating corrective actions where mismanagement is detected.

Public accountability, on the other hand, is the obligation of public officials and institutions to account for their activities, accept responsibility for them, and disclose results in a transparent manner to the public (Adebayo, 2021). It entails a system of answerability that includes mechanisms such as oversight committees, public reporting, stakeholder engagement, and audits. As noted by Okonjo and Eze (2021), public accountability forms the cornerstone of democratic governance, ensuring that government officials are held liable for their decisions and performance in office. In the local government context, accountability becomes crucial due to the proximity of the councils to the grassroots population and the direct impact of their financial decisions on community development.

2.2 Auditing Challenges in the Local Government Context

Despite the critical role of auditing in promoting public accountability, its implementation at the local government level in Nigeria remains weak and problematic. Multiple studies have highlighted that audit departments in local councils are often under-resourced, lack independence, and operate without standardized procedures (Okere & Ogundana, 2024; Udeh & Nwadiolor, 2023). In most cases, internal auditors in councils like Kurmi LGC work in isolation without sufficient training or access to modern auditing tools. Additionally, political interference remains a major hindrance, as many audit reports are influenced, delayed, or even buried to protect powerful local actors (Elemo, 2024).

Another pervasive challenge is the non-implementation of audit recommendations. Even when financial improprieties are uncovered, sanctions are rarely applied, creating a culture of impunity (Musa, 2022). This weakens public confidence in local governance institutions and limits the transformative potential of audits. Furthermore, there is a widespread lack of public access to audit findings, which undermines community participation in holding elected officials accountable.

2.3 Theoretical Framework: Principal-Agent Theory

This study is anchored in the Principal-Agent Theory, which provides a robust framework for understanding accountability issues in public sector governance. The theory posits a relationship in which one party (the principal), delegates authority or resources to another party (the agent) to act on their behalf. In the public sector, citizens are the principals who entrust elected officials and public servants (agents) with the responsibility of managing public resources and delivering services (Grossi, Hancu-Budui & Zorio-Grima, 2023).

A fundamental problem in principal-agent relationships is information asymmetry—the agent often has more access to information than the principal, allowing room for opportunism, corruption, or negligence if proper checks are not instituted. Auditing acts as a monitoring mechanism that reduces information asymmetry by providing reliable data on how resources are managed (Hay & Cordery, 2021). However, when audit institutions are weak, politically compromised, or poorly resourced—as is the case in many Nigerian local governments—the monitoring function collapses, leaving the agent unchecked.

In the context of Kurmi LGC, the principal-agent theory helps explain why audit reports may be manipulated or ignored by public officials. Without strong institutional enforcement and citizen empowerment to demand accountability, the agents can act contrary to the principals' interests. Therefore, enhancing auditor independence, citizen oversight, and the institutionalization of follow-up mechanisms are essential for bridging the accountability gap between the local government and the people.

3. Methodology

This study adopted a descriptive survey research design to investigate the challenges hindering effective auditing in Kurmi Local Government Council, Taraba State, from 2019 to 2023. The design enabled the collection of data from a targeted population comprising internal auditors, financial officers, administrative staff, and selected council members with direct knowledge of auditing processes. A purposive sampling technique was employed to select 150 respondents who possessed relevant experience or involvement in audit-related functions. Structured questionnaires were used as the primary data collection instrument, focusing on areas such as audit capacity, resource availability, political interference, and compliance practices. The data collected were analyzed using descriptive statistics (mean and standard deviation) to determine the frequency and severity of identified challenges. The choice of this methodology was guided by its suitability for capturing participants' perceptions and enabling a detailed analysis of systemic issues affecting audit practices in local governance.

4. Results and Discussion

The findings from the analysis of responses obtained from the distributed questionnaires. The focus was on identifying the major challenges affecting the effectiveness of auditing in Kurmi Local Government Council. The results are presented in descriptive statistics using mean scores and standard deviations.

Table 1: Mean Ratings of Respondents on Challenges of Auditing in Kurmi LGC

S/N	Identified Challenges	Mean (\bar{x})	Standard Deviation (SD)	Decision
1	Inadequate funding and poor logistics for audit operations	4.56	0.61	Agree
2	Political interference affecting auditor independence	4.73	0.44	Agree
3	Lack of standardized audit procedures and reporting formats	4.35	0.70	Agree
4	Insufficient training and capacity development for auditors	4.42	0.66	Agree
5	Poor implementation of audit recommendations	4.65	0.48	Agree
6	Uncooperative attitude of council officials during audit exercises	4.28	0.78	Agree
7	Outdated audit tools and absence of digital auditing systems	4.33	0.73	Agree
8	Lack of citizen access to audit reports for public scrutiny	4.47	0.60	Agree
9	Weak legal framework and absence of enforcement mechanisms for non-compliance	4.62	0.53	Agree
10	Auditor appointments and tenure influenced by local political actors	4.51	0.59	Agree

Decision Rule: Items with mean ≥ 3.50 are considered significant challenges.

Table 1 presents the responses of audit-related stakeholders on the key challenges affecting the effectiveness of auditing practices in Kurmi Local Government Council (LGC), Taraba State, using a 5-point Likert scale. All ten listed items recorded mean values above the critical decision benchmark of 3.50, indicating unanimous agreement among respondents that each factor represents a significant barrier to effective auditing.

The highest mean score of 4.73 was assigned to "Political interference affecting auditor independence", signifying that political influence is perceived as the most critical threat to auditing processes in the council. Respondents expressed concern that political officeholders often manipulate or suppress audit outcomes to avoid exposure or accountability. This suggests that audit institutions in Kurmi LGC lack operational autonomy, which directly affects the credibility and impact of their work.

Closely following this is the issue of poor implementation of audit recommendations with a mean score of 4.65. This implies that even when audits identify lapses or misconduct, corrective actions are rarely taken, either due to administrative laxity or deliberate cover-ups. The implication is a lack of consequences for financial mismanagement, which encourages recurring irregularities.

Inadequate funding and poor logistics received a mean of 4.56, reflecting that many audit departments lack the financial and material resources needed to carry out their functions effectively. These constraints include lack of transportation, limited access to audit software, outdated filing systems, and inadequate office infrastructure. This finding reveals how resource shortages reduce audit frequency and quality.

Other highly rated challenges include lack of enforcement mechanisms ($\bar{x} = 4.62$), politically influenced auditor appointments ($\bar{x} = 4.51$), and limited public access to audit reports ($\bar{x} = 4.47$). These findings show a systemic pattern of weak institutional support for transparency, low public oversight, and compromised audit personnel, further undermining the effectiveness of the audit process.

Items such as lack of standardized audit procedures ($\bar{x} = 4.35$), insufficient training ($\bar{x} = 4.42$), and use of outdated audit tools ($\bar{x} = 4.33$) point to operational and technical inefficiencies within the audit unit. These elements reduce the ability of auditors to adopt current best practices in financial oversight and performance measurement.

Lastly, the uncooperative attitude of council officials during audits ($\bar{x} = 4.28$) reflects an institutional culture of opacity and resistance to accountability. Auditors often face delays, incomplete documentation, or outright denial of access to critical information.

The table provides strong empirical evidence that auditing in Kurmi LGC is undermined by a combination of political, financial, operational, and institutional challenges. Each of these barriers, if not addressed, threatens the realization of public accountability and effective service delivery at the grassroots level.

4.2 Discussion of Findings

The findings underscore that political interference ($\bar{x} = 4.73$) is the most severe challenge affecting auditing effectiveness in Kurmi LGC. Respondents revealed that elected council executives often suppress audit findings or manipulate reports, thereby undermining auditor independence. This is consistent with the views of Ibrahim and Yusuf (2020), who observed that local-level audits in Nigeria are prone to political capture, especially when auditors are appointed by the same authorities they are meant to scrutinize.

The second major concern is the poor implementation of audit recommendations ($\bar{x} = 4.65$). Audit reports often identify misappropriations or procedural lapses, but corrective measures are seldom taken. This supports earlier observations by Okeke (2021), who argued that the absence of sanctioning power in audit institutions contributes to a cycle of impunity and ineffective governance.

Inadequate funding ($\bar{x} = 4.56$) emerged as another key barrier. Auditors lack basic logistics such as transportation, access to technology, or sufficient manpower, making it difficult to carry out field inspections or forensic reviews. According to Hay and Cordery (2021), an audit institution without adequate resources cannot ensure accountability or deter fiscal indiscipline.

The lack of standardized audit procedures ($\bar{x} = 4.35$) and obsolete tools ($\bar{x} = 4.33$) also hinder effective audits. Respondents highlighted that audit processes often vary by individual discretion rather than codified frameworks. This leads to inconsistencies and weakens the comparability of audit outcomes. Omigie and Smart (2023) similarly noted the absence of audit uniformity as a challenge in local government audits across Nigeria.

Moreover, the low level of training and capacity development ($\bar{x} = 4.42$) undermines auditors' ability to adapt to modern standards such as performance and digital auditing. As Grossi et al. (2023) emphasized, competent auditors are central to identifying systemic risks and recommending data-driven reforms in public sector financial management.

Lastly, the limited public access to audit reports ($\bar{x} = 4.47$) and uncooperative attitudes of officials ($\bar{x} = 4.28$) reduce transparency. These findings align with Cordery and Hay (2022), who advocate for participatory auditing and civic oversight to hold public institutions more accountable.

5. Conclusion

This study examined the key challenges impeding the effectiveness of auditing processes in Kurmi Local Government Council, Taraba State, with the aim of enhancing public accountability and transparency at the grassroots level. Findings revealed that the auditing function in the council is severely constrained by political interference, inadequate funding, insufficient capacity development, lack of standardized procedures, and weak enforcement of audit recommendations. These systemic challenges not only undermine the credibility of audit reports but also embolden financial mismanagement and institutional non-compliance. The absence of auditor independence and limited public access to audit outcomes further diminish civic oversight and erode citizens' trust in local governance. Therefore, unless strategic reforms are implemented to strengthen institutional frameworks, empower auditors, and promote transparency, the potential of auditing to foster good governance and accountability in Kurmi LGC will remain unrealized.

6. Recommendations

Based on the findings of the study, the following recommendations are made:

1. Strengthen Auditor Independence through Legislative Reforms: There is a need for a robust legal framework that guarantees the independence of auditors at the local government level. This includes enacting local audit laws that prevent political interference in the appointment, promotion, and operational decisions of auditors. Establishing an autonomous local audit oversight board can enhance professionalism, ensure objective reporting, and protect auditors from undue external pressures.

2. Improve Funding and Capacity Development for Audit Units: Adequate financial allocations should be made to audit departments to support mobility, tools acquisition, digitalization of audit processes, and staff welfare. Additionally, regular capacity-building workshops and technical training on modern auditing techniques including performance and forensic auditing should be institutionalized to enhance the competence of local government auditors.

3. Institutionalize Public Disclosure and Sanctions for Non-Compliance: Audit reports and their recommendations should be made publicly accessible through council notice boards, local media, or official websites. This will empower citizens to hold local officials accountable and encourage participatory governance. Moreover, mechanisms should be put in place to track the implementation of audit recommendations, with enforceable sanctions against defaulters to discourage impunity and promote fiscal discipline.

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