



Moderating Role of (Shinkafi, S. A & Saidu, M. M. 2026) DOI: <https://doi.org/10.59479/jiaheri.v2i1.124>

Moderating Role of Good Governance on Audit Practices and Accountability in Zamfara State

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Abstract

This study explores the moderating role of good governance in the relationship between audit practices and accountability in Zamfara State, Nigeria. It examines how governance principles such as transparency, rule of law, participation, and institutional effectiveness enhance or weaken the influence of audit independence, compliance, accuracy, and credibility on public accountability. Using a survey of 300 auditors across ministries, departments, and agencies, data were analyzed through descriptive and regression methods. The ANOVA results in Table 4.1 revealed that good governance has no significant influence on audit independence and its impact on accountability in Zamfara State. The regression sum of squares was 405.321 compared to a residual sum of 113,307.679, resulting in an F-value of 0.531 with a significance level (p-value) of 0.588. The results revealed that good governance significantly enhances the effects of audit compliance with standards, transparency, and credibility reporting on accountability but has no significant moderating influence on audit independence and the accuracy of financial reporting. The study concludes that effective governance mechanisms are essential for improving audit performance and ensuring sustainable accountability in the public sector.

Keywords: Audit Practice, Accountability, Good Governance, Audit Independence

Introduction

In Africa, financial fraud is entrenched in weak institutional capacities, fragile legal enforcement, and inconsistent political will. Governance structures in many African states are hampered by inadequate auditing systems and lack the transparency required for effective public finance management. The African Development Bank (AfDB) estimates that financial fraud costs African economies approximately \$148 billion annually, a figure that represents a significant proportion of the continent's gross domestic product (AfDB, 2023). Such losses directly deter foreign direct investment (FDI), exacerbate economic stagnation, and hinder efforts toward poverty alleviation and infrastructural development. The challenge is further exacerbated by persistent political instability, which fosters an enabling environment for systemic fraud. In countries with volatile political climates, anti-corruption institutions often face coercion, reduced funding, and political interference, limiting their operational autonomy.

Financial fraud remains a pervasive global challenge and a significant impediment to sustainable development, effective governance, and public sector accountability. Across nations developed and developing alike financial fraud undermines institutional trust, erodes the social contract, and impairs economic performance. According to the Transparency International Financial Fraud Perceptions Index, systemic issues such as weak legal frameworks, fragile enforcement



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mechanisms, and insufficient whistleblower protections are among the most persistent enablers of fraud globally. As public services increasingly digitize, new forms of cyber fraud emerge, further complicating preventive and corrective efforts (Transparency International, 2022).

The global economic implications are profound. The World Economic Forum (2022) estimated that annual losses due to financial fraud amount to trillions of dollars, disrupting development initiatives, weakening public infrastructure, and diminishing trust in governance systems. Beyond monetary loss, the social impact is equally alarming: widespread fraud contributes to growing inequality, reduced access to essential services, and, ultimately, social unrest. These dynamics underscore the urgent need for rigorous governance frameworks and efficient accountability mechanisms to restore integrity to public financial management systems

Statement of the Problem

Despite various reforms aimed at promoting transparency, public accountability in Zamfara State remains weak. Audit reports often lack credibility and independence, while governance structures fail to enforce compliance or deter financial misconduct. This raises the question of whether the existing governance frameworks adequately moderate the relationship between audit practices and accountability. The absence of empirical evidence on this moderating effect forms the basis of this investigation.

Research Questions

1. What is the moderating role of good governance in the relationship between audit practices and accountability?
2. Which dimensions of good governance most effectively strengthen audit practices?
3. How does good governance influence transparency and credibility in public auditing?

Research Gap

Although several scholars have studied audit practices and accountability, few have explored the moderating role of good governance in this relationship. Most studies have focused on federal institutions, leaving a gap at the state level. This study bridges this gap by empirically analyzing how good governance interacts with audit practices to influence accountability outcomes in Zamfara State.

Significance of the Study

The study contributes to the literature on governance and accountability by demonstrating how governance quality enhances audit effectiveness. The results are useful to policymakers, oversight institutions, and auditors in formulating strategies to strengthen institutional transparency and public financial accountability.

Public sector audit is an independent assessment of financial statements and related operations of government entities to determine whether resources have been used efficiently, effectively, and in compliance with applicable laws and regulations." *INTOSAI. (2020). According to Chan, (2022):* "Public sector audit refers to the systematic examination and evaluation of government financial records, processes, and performance to ensure accountability and transparency in the use of public funds." (Alzahrani & Alghamdi 2021) stated that "Public sector audit encompasses a range of activities designed to assess the economy, efficiency, effectiveness,



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and compliance of public sector organizations with statutory and regulatory requirements.” A definition by Eniola, & Akintola, (2023) posit that “The public sector audit is a critical examination of public sector financial information to enhance fiscal transparency and accountability, focusing on ensuring that public officials are held accountable for the use of public resources.” Public auditing promotes good governance by ensuring that government expenditures are lawful, efficient, and aligned with intended objectives. According to Ahmed (2022), public sector audits are essential for identifying corruption risks, enforcing financial discipline, and informing evidence-based policy decisions.

Public accountability mechanisms empower citizens to demand transparency and uphold ethical conduct in government operations (Nwankwo & Akinyemi, 2023). Good governance, in turn, constitutes the broader institutional framework within which accountability practices are operationalized. It entails transparency, rule of law, participation, inclusiveness, and responsiveness.

A participatory approach to budgeting and public finance management, for instance, ensures that diverse stakeholder perspectives are reflected in decision-making (Umar, 2022). This strengthens audit relevance and responsiveness to community needs. Initiatives such as participatory budgeting and citizen scorecards enhance social accountability by enabling community monitoring of public service delivery and expenditures. Strengthening public audit and accountability requires targeted institutional reforms. The Office of the Auditor-General must be empowered with adequate legal backing, operational independence, and resources to fulfill its oversight mandate effectively (Okoronkwo & Ikpe, 2021). This includes capacity building for audit personnel, strengthening legislative oversight, and ensuring the timely implementation of audit recommendations.

The impact of public sector audit on enhancing accountability is significant and multifaceted. Public audits provide the necessary framework for transparency, foster trust in public institutions, and ensure that public funds are utilized effectively. Public sector audits increase transparency by providing stakeholders with independent assessments of public sector operations. Audit reports reveal how resources are managed, promoting openness in governmental financial practices (McGee, R., & Gaventa, J., 2021).

Recent Developments and Challenges (2020-Present)

In recent years, there have been concerted efforts to enhance the capacity of auditors and the overall auditing profession in Nigeria. The Office of the Auditor General of the Federation (OAuGF) has undertaken initiatives to improve reporting practices and audit methodologies (OAuGF, 2023). Furthermore, the establishment of the Nigerian Extractive Industries Transparency Initiative (NEITI) has increased scrutiny of public sector audits in the extractive sector, promoting transparency in revenues from oil and gas operations. However, challenges still persist, such as political interference, inadequate funding, and resource constraints, which undermine the independence and effectiveness of public sector audits. The lack of public awareness regarding the role of audits in promoting accountability also limits their impact.

The historical development of public sector audit in Nigeria illustrates a journey marked by legislative changes, institutional reforms, and evolving practices aimed at enhancing accountability and transparency. While significant progress has been made since independence, ongoing challenges remain. Strengthening the public audit function will be crucial for improving



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governance and public trust in governmental institutions going forward. This historical overview highlights the evolution of public sector audit in Nigeria, emphasizing key reforms.

Promoting Transparency

Public audits enhance transparency in government operations by providing independent assessments of financial statements and processes. As stated by Eniola and Akintola (2023: 28), “transparency in public sector finances promotes citizen trust and encourages participation in governance”. Audit reports serve as key instruments for informing the public about the financial health and management practices of government agencies.

Strengthening Governance and Policy Implementation

Public audits support effective governance and policy implementation by providing feedback on how public funds are managed and used. Eniola and Akintola (2023) suggest that “audit findings can inform policymakers about the effectiveness of their programs, allowing for necessary adjustments and improvements. This feedback loop is essential for creating responsive governance structures that meet the needs of citizens. For example, the Nigerian government has utilized audit reports to reassess its budgeting processes and reallocate resources to areas needing urgent attention. This adaptability enhances the effectiveness of public policies and fosters a more accountable governance system.

Jibiri and Abdullahi (2024) explored the relationship between corporate governance, audit independence, and accountability in their study titled Corporate Governance, Audit Independence, and Accountability: Perspectives from the Nigerian Public Sector. The objectives included analyzing how corporate governance influences audit independence and its repercussions for accountability in public institutions. A survey was conducted with 200 public sector auditors and managers, with data analyzed through correlation analysis techniques. The study established that effective corporate governance significantly promotes audit independence, which positively affects accountability measures in public institutions. The authors recommend periodic reviews of governance frameworks to ensure continuous improvement in audit independence and accountability in the public sector.

Research Methodology

The study employed a quantitative survey design. The target population comprised auditors working in ministries, departments, and agencies of Zamfara State. A total of 300 respondents were selected using multistage sampling. Structured questionnaires were used to collect primary data. The data were analyzed using descriptive statistics to summarize auditor perceptions and regression analysis to test the moderating effect of good governance on audit practices and accountability.

Research Design

This study utilizes a survey research design, which is ideal for gathering information from a large group of individuals regarding their perceptions and experiences. The survey design allows for the collection of quantitative data, which can be analyzed to identify trends and relationships. By employing structured questionnaires, the study seeks to evaluate the public sector audit practice and accountability in Nigeria moderating role of good governance in Zamfara state



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Area of Study

The research is conducted in Zamfara State. Zamfara State is a state in Northwestern Nigeria and its capital is Gusau. Until its creation on 1 October 1996, the state was part of Sokoto State. Zamfara is bounded by Sokoto State to the North, Niger and Kaduna States to the South, Kebbi State to the West, and Katsina State to the East. The occupation of the people of the state is primarily farming, hence, the nickname “Farming is our Pride”.

Population of the Study

The target population for this study consists of 750 auditors drawn from Ministries, departments and agencies in Zamfara State. To obtain a manageable and representative sample, 300 Auditors will be selected from eight government departments agencies and ministries using a multistage sampling technique. This sampling method allows for a systematic selection process that ensures various dimensions of the target population are adequately represented in the sample.

Sample size and Sampling Technique

A sample size of 300 respondents was selected for the study using the multistage sampling method as follows; Stratified Sampling, the 750 auditors are categorized based on specific criteria such as departments, ministries and agencies; Simple Random Sampling, within each stratum, the auditors were randomly selected to form a total sample size of 300

Table 3.1: Sampling Frame of Auditors in Zamfara State by Ministry, Department, and Agency

S/N	Ministry/Department/Agency	Auditors (N)	Proportion (%)	Sample Size (n)
1	Ministry of Finance	120	16.0%	48
2	Ministry of Education	100	13.3%	40
3	Ministry of Health	90	12.0%	36
4	Office of the Auditor-General	130	17.3%	52
5	Ministry of Works and Transport	85	11.3%	34
6	State Internal Revenue Service	95	12.7%	38
7	Ministry of Budget and Economic Planning	70	9.3%	28
8	Ministry of Local Government and Chieftaincy Affairs	60	8.0%	24
	Total	750	100%	300

Note: The population was grouped into 8 strata (ministries, departments, and agencies). Within each stratum, auditors were randomly selected to meet the proportional sample allocation; And The sample size of 300 was proportionally distributed based on each stratum’s share of the total auditor population.

Source: Zamfara State Ministries

Instrumentation



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Data was collected using a structured questionnaire designed to assess auditors' perceptions of public sector audit practice and accountability in Nigeria moderating role of good governance in Zamfara state. The questionnaire will consist of multiple-choice questions utilizing a five-point Likert scale:

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

Validity and Reliability of the Study

To ensure the validity of the study, the instrument undergoes a validation process involving expert reviews from my supervisor who assessed its content relevance and clarity. Feedback will be used to refine the questionnaire. Reliability was evaluated through a pilot study conducted with a small group of auditors similar to the study sample. The reliability coefficient was determined using Cronbach's alpha, with a threshold of 0.70 or above indicating acceptable reliability.

Method of Data Collection

Data was collected using both primary and secondary sources of data; The primary sources of data entail the design and administration of structured questionnaire aimed to elicit data for the study. The secondary sources of data consist of the review of related literatures publications, journals and articles.

Method of Data Analysis

Data collected was analyzed using descriptive statistics to answer the research questions, providing a summary of the responses regarding the expert views of auditors about public sector audit practice and accountability in Nigeria considering the moderating role of good governance in Zamfara State. Descriptive statistics such as means and standard deviations was calculated. For hypothesis testing, regression analysis was employed to assess the influence good governance on public sector audit practices and accountability in Zamfara State. A significance level of 0.05 was set to determine the statistical significance of the results.

Results and Discussion

Data Presentation and Analysis



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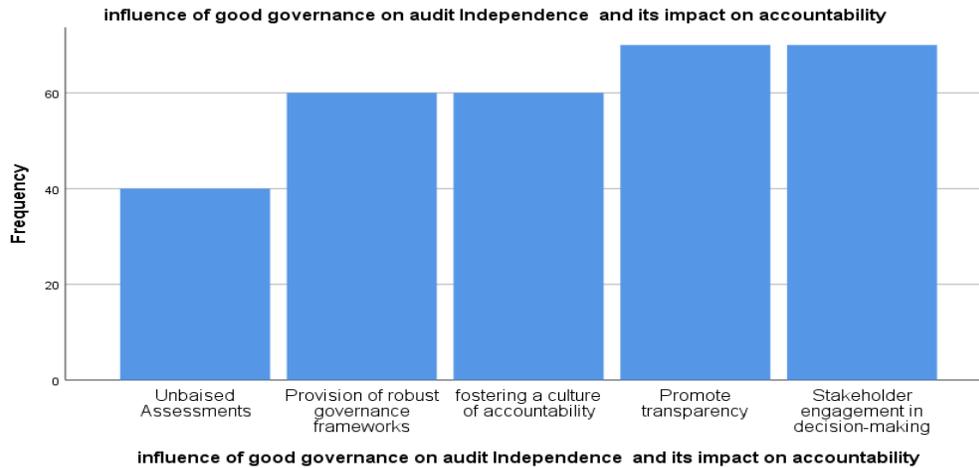


Fig 4.1: showing the influence of governance on audit of financial reports and its impact on accountability

The results presented in the table highlight the role of unbiased assessments, governance frameworks, accountability, transparency, and stakeholder engagement in strengthening audit practices and promoting accountability. Among the responses, “Promote transparency” and “Stakeholder engagement in decision-making” each recorded the highest frequency of 70 responses, representing 23.3% of the total. This shows that respondents strongly recognize the importance of openness and inclusiveness in ensuring credible and effective audit processes. Following this, both “Provision of robust governance frameworks” and “Fostering a culture of accountability” had equal frequencies of 60 (20.0%), suggesting that effective audit practice depends not only on procedural guidelines but also on cultural and institutional reinforcement. “Unbiased assessments,” while comparatively lower at 40 responses (13.3%), remains a critical factor, as impartial evaluations form the foundation for credibility and public trust. The mean score of 3.23 with a standard deviation of 1.36 further underscores moderate agreement with some variability in perceptions among respondents.



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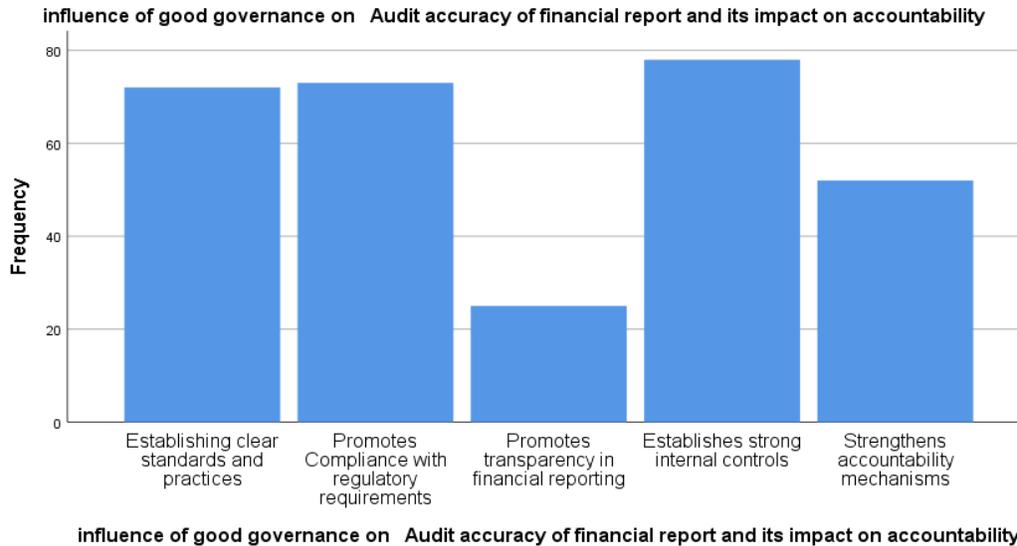


Fig. 4.2 showing the influence of governance on audit of financial reports and its impact on accountability

The data presented in the figures above highlights respondents’ perceptions of the key mechanisms through which public audits enhance accountability. The highest frequency was recorded for “Establishes strong internal controls,” with 78 responses (26.0%), suggesting that respondents strongly value the role of effective control systems in preventing irregularities, detecting fraud, and ensuring sound financial management. This was closely followed by “Promotes compliance with regulatory requirements,” which had 73 responses (24.3%), and “Establishing clear standards and practices” with 72 responses (24.0%). Both reflect the belief that audits are most effective when they are guided by well-defined rules, procedures, and adherence to established regulations. “Strengthens accountability mechanisms” was identified by 52 respondents (17.3%), indicating recognition of the broader governance role of audits beyond financial checks. The lowest, “Promotes transparency in financial reporting” at 25 responses (8.3%), suggests that while important, transparency may be considered a consequence of other audit mechanisms rather than a stand-alone driver.

calculated mean of 2.88 with a standard deviation of 1.47 suggests moderate agreement among respondents, with noticeable variation in how they prioritize these audit functions. The relatively higher spread indicates that while internal controls and compliance are widely acknowledged, there are differing views on the extent of their effectiveness across contexts. The dominance of internal controls and compliance reflects an emphasis on preventive and corrective measures to ensure accountability, aligning with established theories of corporate governance. Meanwhile, the moderate support for accountability mechanisms shows that respondents recognize the need for institutional checks but may perceive them as less direct than control measures. The lower score for transparency could imply that respondents view it as a byproduct of proper standards, compliance, and internal controls rather than an independent process. Overall, the findings stress that building strong control systems, regulatory compliance, and clear practices form the backbone of effective audits in strengthening accountability.



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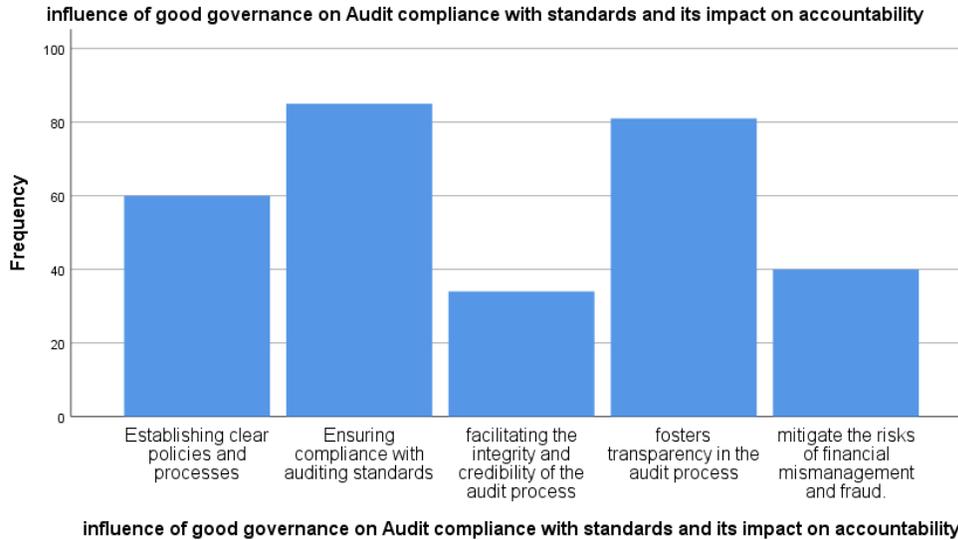


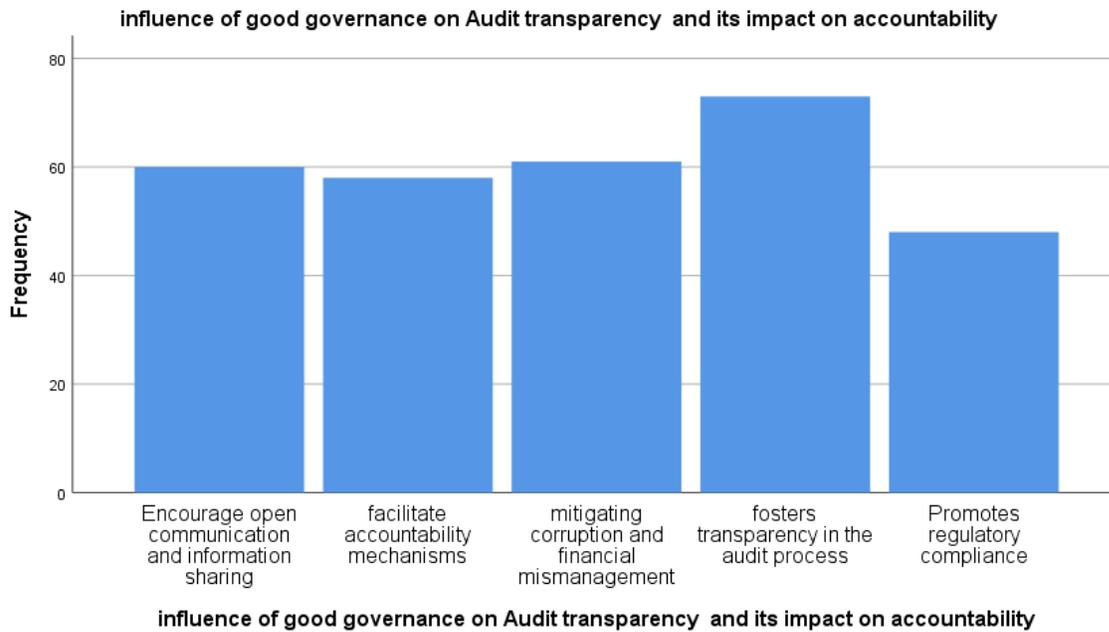
fig 4.3: Good governance and Audit compliance with standards

The findings in figure 4.3 provide useful insights into how respondents perceive the relationship between good governance and audit compliance with established standards. The highest frequency was recorded under “Ensuring compliance with auditing standards” with 85 responses (28.3%), followed closely by “Fosters transparency in the audit process” with 81 responses (27.0%). This result indicates that respondents strongly recognize adherence to audit standards and transparency as key pillars of good governance in ensuring accountability. “Establishing clear policies and processes” was also notable with 60 responses (20.0%), reflecting the importance of structured guidelines in directing audit practices. On the other hand, “Mitigating risks of financial mismanagement and fraud” and “Facilitating the integrity and credibility of the audit process” received 40 (13.3%) and 34 (11.3%) responses respectively, suggesting that while these factors are relevant, they are considered less immediate compared to compliance and transparency.

The mean score of 6.0 with a relatively high standard deviation of 3.14 suggests a strong but somewhat varied perception among respondents regarding the weight attached to governance in ensuring audit compliance. The variability indicates that although many respondents agree on the importance of compliance and transparency, opinions differ on the extent to which other elements, such as fraud prevention and credibility contribute to effective governance.



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The results in Table 4.4 reveal respondents' perceptions of how governance practices enhance audit transparency. Out of the 300 responses, the highest proportion (24.3%) agreed that *fostering transparency in the audit process* is one of the most important aspects of governance in driving audit effectiveness.

Table 4.1 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	405.321	2	202.661	.531	.588b
Residual	113307.679	297	381.507		
Total	113713.000	299			

Source: (SPSS Data Analysis; 2025)

The ANOVA results in Table 4.1 revealed that good governance has no significant influence on audit independence and its impact on accountability in Zamfara State. The regression sum of squares was 405.321 compared to a residual sum of 113,307.679, resulting in an F-value of 0.531 with a significance level (p-value) of 0.588. Since the p-value is greater than the 0.05 threshold, the results indicate that the relationship between good governance, audit independence, and accountability is statistically insignificant. This means that variations in audit independence and accountability do not significantly explain changes in good governance within the studied context. Essentially, the statistical test supports the null hypothesis (HO1), suggesting that, based on the available data, good governance is not strongly determined by these two predictors in Zamfara State.

Conclusion

Good Governance is characterized by principles such as transparency, accountability, rule of law, and effective participation. It aims to build a structured environment in which public sector entities operate effectively (United Nations Development Programme [UNDP], 2019).



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this study provides important insights into the relationship between good governance and public sector audit practices in Zamfara State. It highlights the critical role that certain dimensions of governance play in enhancing accountability within public sector auditing. While the findings indicate that good governance significantly influences audit compliance with standards, transparency, and audit credibility, it is essential to note that there appears to be a disconnect regarding governance's impact on audit independence and the accuracy of financial reporting. The study underscores the need for more targeted governance reforms that address the identified gaps in auditing practices. Given the significant relationship between governance dimensions and accountability in audit processes, there is a clear pathway for improvements that can lead to enhanced public trust and better governance outcomes in Zamfara State.

The study concluded that good governance has no significant influence on audit independence and its impact on accountability in Zamfara State. Good governance has no significant influence on the accuracy of financial reporting and its impact on accountability. Good governance significantly influences audit compliance with standards and its impact on accountability. Good governance significantly influences audit transparency and its impact on accountability. Good governance significantly influences audit credibility reporting and its impact on accountability

Recommendations

Based on the study's findings and conclusions, the following recommendations are proposed:

- i. Governance frameworks in Zamfara State should be strengthened through policy reforms that enhance audit independence and improve the accuracy of financial reporting.
- ii. Continuous training and capacity building programs should be implemented to equip auditors with up-to-date skills and align their practices with international standards.
- iii. Robust compliance monitoring systems should be established to ensure adherence to auditing standards and to enable timely corrective actions when necessary.
- iv. Transparency initiatives should be promoted by making audit reports and findings easily accessible to the public, thereby fostering trust and accountability in public financial management.

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