EFFECTS OF AUDIT PROCESS QUALITY AND MONITORING ON PUBLIC SECTOR ACCOUNTABILITY: EVIDENCE FROM SELECTED GOVERNMENT AGENCIES IN NIGERIA

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Abstract
This study examines the effects of audit process quality and monitoring on public sector accountability in Nigeria, with evidence drawn from selected government agencies. The study aims to evaluate how three key components, Audit Planning Procedures (APP), Audit Process Risk Management (APRM), and Audit Quality Review (AQR), influence financial, social, and administrative accountability within Nigeria's public sector. A survey research design was adopted, and data were collected from 276 auditors in the Office of the Auditor-General for the Federation (OAuGF) using a stratified random sampling technique. Analytical procedures employed Partial Least Squares Structural Equation Modelling (PLS-SEM) to assess both measurement and structural models. Findings revealed that all three components of audit process quality significantly enhance public sector accountability, jointly explaining 52.5% of its variance ($R^2 = 0.525$). Among them, Audit Process Risk Management ($\beta = 0.364$, $p < 0.01$) exerted the strongest influence, followed by Audit Quality Review ($\beta = 0.259$, $p < 0.01$) and Audit Planning Procedures ($\beta = 0.223$, $p < 0.01$). Disaggregated results showed that APRM and AQR most strongly affect financial accountability, while APP demonstrates the highest impact on administrative accountability. The study concludes that improving the quality of audit processes, through risk-based auditing, structured planning, and continuous quality review is essential for enhancing transparency and fiscal discipline in Nigeria's public institutions. The study recommended among others, that the Office of the Auditor-General of the Federation and State Auditors-General should develop and implement comprehensive risk assessment frameworks to identify high-risk areas within public institutions and allocate audit resources effectively.

Keywords: Audit process quality, audit process risk management, audit quality review, PLS-SEM, public sector accountability

1.0 Introduction

Accountability in public sector entities is universally recognized as a cornerstone of good governance, serving as a mechanism for ensuring transparency, prudent management of public resources, and the alignment of government actions with the public interest (Ofoegbu & Odo, 2021). Effective accountability frameworks foster public trust, curb corruption, and enhance the efficient allocation and utilization of resources (World Bank, 2019). Central to achieving accountability is the audit function an independent oversight mechanism that provides assurance on the proper management of public funds, detects irregularities, enforces compliance with financial regulations, and promotes transparency in public administration (Hay & Cordery, 2021). The audit process, encompassing stages such as planning, execution, quality review, and monitoring, plays a critical role in safeguarding financial integrity and promoting fiscal responsibility within public institutions.

In advanced economies such as the United States, the United Kingdom, and Canada, strong institutional frameworks, professional certification regimes, and the integration of digital technology in auditing have entrenched a culture of transparency and accountability (KPMG, 2020; OECD, 2021; Power, 2020). These countries emphasize continuous audit quality reviews, risk-based planning, and proactive monitoring mechanisms that ensure audits function as preventive rather than merely corrective tools against financial mismanagement (Smith & Jacobs, 2021). However, in developing nations like Nigeria, accountability in the public sector remains fragile despite several reform initiatives. Legislative and institutional frameworks such as the Fiscal Responsibility Act (2007), the Public Procurement Act (2007), the adoption of International Public Sector Accounting Standards (IPSAS), and the establishment of anti-corruption agencies including the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) have yielded limited outcomes (Transparency International, 2023).

Despite these reforms, accountability challenges persist. The Office of the Auditor-General for the Federation (OAuGF, 2022) reported that over ₦3.1 trillion in public funds were unaccounted for between 2019 and 2021, while Nigeria ranked 150th of 180 countries in the 2022 Corruption Perceptions Index (Transparency International, 2023). Reports by AFROSAI (2021) and PwC (2022) show that more than 60% of audit institutions in Nigeria still rely on manual systems, and fewer than 40% of auditors have been trained in modern audit technologies. These weaknesses contribute to delayed audits, poor enforcement of audit recommendations, and limited institutional capacity, undermining fiscal transparency and eroding public trust in governance systems. Consequently, the problem confronting Nigeria's public sector is not merely the existence of audit mechanisms but the inadequate quality of audit processes, particularly weak planning, insufficient risk management, and limited quality reviews that diminish their effectiveness in promoting accountability.

Recent scholarship and institutional reports highlight persistent inefficiencies. Evidence from AFROSAI (2021) indicates that public sector audits in Nigeria are often delayed, incomplete, and fall short of international best practices. Deloitte (2021) found that only 35% of public sector auditors in Nigeria are trained in modern auditing techniques, while over half of audit offices lack access to automated tools. The Independent Corrupt Practices Commission (ICPC, 2022) similarly reported that audit weaknesses and delayed follow-ups contributed to ₦1.8 trillion in financial irregularities between 2019 and 2022.

Given these persistent inefficiencies, this study seeks to evaluate the effects of audit process quality and monitoring on public sector accountability in Nigeria, focusing on selected government agencies. It specifically examines three dimensions of audit process quality, Audit Planning Procedures (APP), Audit Process Risk Management (APRM), and Audit Quality Review (AQR), and their influence on financial, social, and administrative accountability.

The study is justified by the urgent need to strengthen accountability mechanisms within Nigeria's public sector, where corruption, weak financial management, and poor institutional oversight continue to impede development and erode public trust (Transparency International, 2023). Existing reforms have not adequately addressed the deficiencies in audit quality and monitoring systems. While previous studies (e.g., Eneh & Eze, 2022; Adebayo et al., 2021) have examined the link between auditing and governance, few have empirically disaggregated audit process components or analyzed their differential effects on multiple accountability dimensions. The study's contribution lies in demonstrating how strengthening the audit processes can improve fiscal discipline, enhance transparency, and restore public confidence

in Nigeria's governance systems.Accordingly, the broad objective of this study is to evaluate the effect of audit process quality on the accountability of public sector entities in Nigeria. To achieve this overarching aim, the study specifically seeks to:

i. Investigate the effect of audit planning and processes (APP) on the accountability of public sector entities in Nigeria;
ii. Examine the effect of audit quality and reliability (AQR) on the accountability of public sector entities in Nigeria; and
iii. Assess the effect of audit process review and monitoring (APRM) on the accountability of public sector entities in Nigeria.

2.0 Literature Review

This literature review examines the relationship between audit process quality and public sector accountability, focusing on three critical dimensions: Audit Planning and Processes (APP)**,** Audit Quality and Reliability (AQR)**,** andAudit Process Review and Monitoring (APRM). These elements are widely recognized in governance literature as essential drivers of transparency, fiscal discipline, and effective service delivery in public institutions.
This section provides a comprehensive foundation for understanding how audit process quality influences accountability outcomes across financial, social, and administrative domains within Nigeria's public sector.

Conceptual Review

Concept of Public Sector Accountability

Public sector accountability refers to the responsibility of government agencies and public officials to explain and justify their actions, decisions, and the management of resources in delivering services to citizens (De Boer, 2023; Rosenbloom et al., 2022). It spans financial, administrative, and social dimensions, all of which aim to strengthen transparency, ethical conduct, and responsiveness in governance (Sari&Muslim, 2023; Birdayanthi et al., 2025). Historically rooted in bureaucratic oversight, accountability has evolved to incorporate legal, democratic, and performance-based approaches (Guerra, 2023; Parcerisa et al., 2023). Financial accountability focuses on proper management of public finances, requiring accurate reporting and adherence to financial regulations. In Nigeria, weaknesses in this area have contributed to resource mismanagement and public distrust, fuelling the demand for stronger regulatory enforcement (Ejalonibu, 2019; PPRAN, 2021).

Administrative accountability emphasizes lawful and efficient execution of duties, relying on internal supervision and external oversight mechanisms to monitor public servants' activities. This is crucial for addressing inefficiencies and curbing corruption within Nigerian government institutions (Mahmood, 2021). Social accountability, on the other hand, underscores citizen participation in holding public officials to account, often through tools like participatory budgeting and feedback platforms, which enhance service delivery and strengthen government–citizen relations (Fox, 2020; Okorie, 2021). However, in Nigeria, accountability efforts are hindered by political influence, fragile institutional systems, and bureaucratic bottlenecks (O'Donnell, 1998). Achieving stronger accountability therefore requires legal reforms, capacity development, and inclusive governance structures (Schillemans & Bovens, 2011; Ogunleye & Fagbemi, 2023).

Concept of Auditing System in the Public Sector

An auditing system is a structured framework designed to review an organization's financial records, operational activities, and compliance with regulations to promote transparency, accountability, and sound governance (Odetunde et al., 2021; Obasan& Kuola, 2025). It

comprises various forms of audits, including internal, external, compliance, and performance audits, that collectively help detect fraud, enhance efficiency, and ensure adherence to laws and professional standards (Messier et al., 2021). In public sector institutions, where proper stewardship of resources is crucial, auditing serves as an evaluative tool to identify inefficiencies, enforce discipline, and improve service delivery (Augustine, 2025; Sapkota, 2025). Technological advancements such as data analytics and artificial intelligence have strengthened audit systems by improving fraud detection and operational assessments (Elumilade et al., 2021). Nonetheless, challenges like weak auditor independence, regulatory capture, and systemic institutional weaknesses continue to undermine audit effectiveness in many developing nations, including Nigeria (Anvarovich, 2025). Key components, such as audit process quality, internal controls, and audit reporting, are critical for fostering public trust and ensuring accountability (Istianah & Akbar, 2024). When effectively implemented, auditing systems function as a vital governance instrument, safeguarding public resources, guiding policy reforms, and enhancing organizational performance (Bolaji, 2024).

Audit Process Quality

Audit process quality refers to the degree to which audits are planned, executed, and reviewed in line with professional standards to ensure accuracy, reliability, and transparency in financial reporting and governance. It encompasses audit planning, risk assessment, evidence gathering, and monitoring, with emphasis on auditor independence, technical expertise, and adherence to regulatory guidelines (IAASB, 2020). High-quality audits enhance stakeholder confidence, reduce financial misstatements, and strengthen accountability, making them vital in both private and public sectors (Ayogu, 2023; Akinsola, 2025). In Nigeria, weak audit processes contribute to financial mismanagement and poor governance, underscoring the importance of adopting audit planning and processes, audit quality and reliability, and audit process review and monitoring as key indicators (Ofoegbu & Odo, 2021). Continuous professional development, rigorous enforcement of standards, and robust monitoring mechanisms are essential to sustaining audit quality and improving transparency in public sector financial management (Nwachukwu & Ibrahim, 2023)**.**

Theoretical Framework

Agency Theory

This study is anchored in Agency Theory, first introduced by Jensen and Meckling (1976), which examines the relationship between principals, those who entrust resources, and agents, those tasked with managing them. The theory assumes that agents may act in their own self-interest, creating risks of mismanagement, fraud, or inefficiency, particularly in environments where information asymmetry exists (Eisenhardt, 1989; Shapiro, 2005). In the context of public sector auditing, Agency Theory provides a strong foundation for analyzing the accountability relationship between government entities (principals) and auditors (agents), highlighting the role of audits in reducing information gaps, enforcing compliance, and improving transparency (Duchin et al., 2010; He, 2008).

Within Nigeria's public sector, where corruption, political interference, and weak oversight often undermine governance, Agency Theory underscores the importance of strong regulatory frameworks, effective audit systems, and institutional reforms to safeguard public resources (Wahua et al., 2024; Hillman & Dalziel, 2003). Framing auditing as a key monitoring mechanism, the theory aligns with this study's focus on audit process quality, through planning and processes, quality and reliability, and review and monitoring, as essential tools for promoting accountability and ethical management. However, the theory's assumptions of self-interest and strict information asymmetry may oversimplify relationships where ethical and

professional values influence agent behavior, and it may not fully capture cultural or political dynamics unique to developing economies (Lan & Heracleous, 2010; Daily et al., 2003).

Empirical Studies

The relationship between audit process quality and public sector accountability has been widely examined in developed countries. In a study conducted in the United Kingdom, Smith and Taylor (2022) explored how the integration of advanced auditing software enhanced the efficiency and transparency of government audits. They found that the adoption of data analytics tools improved the detection of financial irregularities, leading to better accountability. However, the study was limited by its focus on local government entities, leaving the central government's audit processes relatively unexplored. This study addresses this limitation by emphasizing the need for comprehensive audit technologies in public sector auditing.

Similarly, Johnson et al. (2023) investigated audit process quality in Canada, focusing on the role of external audit firms in public sector accountability. The study employed a mixed-methods approach, combining quantitative analysis of audit compliance reports with qualitative interviews from key stakeholders in public financial management. The findings revealed that involving independent auditors led to increased compliance with financial regulations. One limitation was the exclusion of non-financial performance metrics in the evaluation of audit quality. This study however addresses this limitation by highlighting the importance of expanding audit criteria to cover both financial and operational aspects of public sector entities.

A study by Becker and Fischer (2024) in Germany evaluated the effect of audit documentation quality on accountability. The study employed a survey methodology, collecting data from auditors in public sector agencies across multiple regions in Germany. The researchers found that detailed and standardized documentation significantly reduced errors and fraud in public accounts. However, the limitation of the study is its reliance on self-reported data from auditors, which may introduce response bias. However, this research addresses this limitation by highlighting the importance of robust audit documentation for enhancing public sector accountability.

In developing countries, the audit process is often challenged by resource constraints and regulatory weaknesses. For example, a research conducted by Adewale and Okafor (2022) in Kenya explored how audit training initiatives improve the quality of the audit process. The research utilized a qualitative approach, featuring comprehensive interviews with auditing experts and government representatives. They found that continuous professional development for auditors led to improved audit outcomes and increased public trust. However, the limitation of the study is its reliance on qualitative data, which may not capture the full extent of the improvements. This study addresses this limitation by emphasizing on the importance of investing in auditor training to improve accountability.

A study conducted in Brazil by Silva and Pereira (2021) explored the impact of audit process transparency on public accountability. The study adopted a mixed-methods approach, combining content analysis of published audit reports with surveys of government officials and civil society representatives. The researchers found that publishing audit reports increased public awareness and trust in government institutions. However, the limitation of the study is the lack of enforcement mechanisms to act on audit findings, which undermines the potential impact of transparency. This study addresses this limitation by highlighting the need for transparent audit processes to promote accountability.

Additionally, a study by Rahman and Abdullah (2023) in Malaysia investigated the effect of audit process automation on public sector accountability. Using a panel data analysis of audit reports from various government agencies, the study found that automation improved audit efficiency and reduced the likelihood of fraud. However, a key limitation was the limited adoption of automation due to budget constraints. This study addresses this limitation by highlighting the need for increased government investment in audit technology.

Empirical studies in Nigeria have highlighted various challenges and opportunities in the audit process. A study by Eze and Olawale (2023) investigated the impact of audit process quality on financial accountability in state governments. The study employed a survey research design, collecting data from auditors and financial managers across several state government departments. They found that adherence to standardized audit procedures significantly improved financial reporting accuracy. However, the limitation of the study is the lack of access to comprehensive audit reports, which restricted the ability to validate some findings. This research addresses this limitation by suggesting the need for more transparent audit practices.

Similarly, Okafor and Uchenna (2022) examined the role of professional competencies in enhancing audit quality in public sector entities. The study adopted a quantitative approach, collecting data through structured questionnaires administered to auditors in various public sector agencies. The study found that auditors with advanced certifications were more likely to detect and report irregularities. However, the limitation of the study is its focus on financial audits, excluding performance audits, which may provide a broader view of organizational accountability. This study addresses this limitation by highlighting the importance of professional development for auditors.

In another study, Ibrahim and Yusuf (2024) explored the effect of audit committee effectiveness on accountability in federal agencies. The study employed a survey research design, collecting data from audit committee members and analyzing relevant financial records. The findings indicated that active and well-structured audit committees led to improved oversight and accountability. However, the limitation of the study is the reliance on self-reported data from audit committee members, which may introduce response bias. This research addreses this limitation by emphasizing the need for effective governance structures in public sector auditing.

Furthermore, Adebayo and Okonkwo (2023) investigated the effectiveness of government audit units in detecting and preventing financial mismanagement in Nigerian federal agencies. Using structured interviews and financial statement analysis, the study found that well-equipped audit units significantly reduced misappropriation of public funds. However, the limitation of the study was the lack of access to classified financial data, which restricted the depth of analysis. This study addresses this limitation by calling for greater transparency in audit processes.

Lastly, Bello and Adepoju (2023) assessed the impact of risk-based auditing on public sector accountability. The study employed a case study approach, examining audit processes in selected ministries and analyzing audit reports over a three-year period. They found that focusing audits on high-risk areas improved resource allocation and reduced financial mismanagement. However, the limitation of the study is the lack of a standardized framework for risk assessment, which affected the consistency of audit applications across different ministries. This study addresses this limitation by highlighting the importance of adopting risk-based audit approaches.

Gap Identified in the Literature

The empirical studies reviewed highlight that, although auditing systems and professional competencies are widely recognized as essential for strengthening public sector accountability, much of the existing research remains contextually constrained. A significant proportion of studies originates from developed economies such as Canada (Thompson & Baker, 2024), Germany (Johnson et al., 2023), Australia (Hoffman et al., 2023), and the European Union (Peterson & Wallace, 2022). While these studies offer valuable insights, their findings are less applicable to Nigeria, where accountability challenges are shaped by weak enforcement mechanisms, political interference, and institutional limitations. Even within Africa, research such as Chirwa and Banda (2022) remains narrow in scope, often confined to local governments or single-sector analyses, thereby limiting generalizability to Nigeria's wider public sector. Furthermore, previous research often focuses narrowly on financial accountability, neglecting administrative and social accountability dimensions that are vital in developing-country contexts.

From a methodological and geographical standpoint, existing literature also exhibits limitations. Many Nigerian studies rely on qualitative approaches, descriptive surveys, or case analyses (Afolabi & Adeyemi, 2023; Chukwuma & Bello, 2022), which, although insightful, restrict generalizability and limit causal interpretation. Moreover, research frequently depends on self-reported data, which may introduce response bias (Schmidt & Müller, 2023). To address these issues, this study adopts Partial Least Squares Structural Equation Modeling (PLS-SEM), which accommodates non-normal data distributions and enables robust testing of complex relationships (Peng & Lai, 2012; Ginanjar & Kassim, 2019). It also addresses geographical and sectoral gaps by analyzing Ministries, Departments, and Agencies (MDAs) across Nigeria's geopolitical zones.

3.0 Methodology

This study adopted a survey research design within a quantitative framework. The survey design was deemed appropriate because it allows for the systematic collection of data directly from auditors who possess first-hand knowledge of audit operations in Nigeria's public sector. The population of the study comprises of 886 professionalauditors drawnfrom the Office of the Auditor-General for the Federation (AuGF) in Nigeria, particularly those occupyingGrade Levels 10 to 17 who are directly responsible for examining financial and operational activities across Ministries, Departments, and Agencies (MDAs). A sample size of 276 respondents was determined using Taro Yamane's (1967) formula at a 5% margin of error to ensure statistical representativeness and reliability of results. Respondents were proportionally drawn from each grade level stratum to ensure balanced representation across various ranks and departments. Primary data was collected through a structured questionnaire.The formula is expressed as:

$$n = \frac{N}{1 + N(e)^2}$$

Validity and Reliability

The questionnaire was developed based on prior validated instruments adapted from Adeyemi and Olarewaju (2019), Ofoegbu and Odo (2021), and AFROSAI (2021). Content validity was established through expert review by two university professors in accounting and auditing, ensuring conceptual clarity and relevance to the Nigerian public sector context. A pilot test was conducted with 30 auditors not included in the final sample to assess the instrument's reliability. The internal consistency of constructs was measured using Cronbach's Alpha, with coefficients exceeding the acceptable threshold of 0.70 (Nunnally & Bernstein, 1994). The results confirmed satisfactory reliability and internal coherence among the measurement items.

Model Specification

This study adapts and extends the empirical model of Adeyemi and Olarewaju (2019), which examined the relationship between audit process quality (Audit Planning and Processes; Audit Quality and Reliability; and Audit Process Review and Monitoring) and financial accountability in the Nigerian public sector. Their original model is specified as:

$$ACC = \beta_0 + \beta_1 CE + \beta_2 CA + \beta_3 RA + \beta_4 IC + \beta_5 ME + \varepsilon \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \textit{(i)}$$

Where:

ACC = Financial Accountability (dependent variable)
CE = Control Environment (independent variable)
CA = Control Activities (independent variable)
RA = Risk Assessment (independent variable)
IC = Information and Communication (independent variable)
ME = Monitoring and Evaluation (independent variable)
β0 = Constant term
β1 – β5 = Coefficients of independent variables
ε = Error term

The study adapts and modifies the model of Adeyemi & Olarewaju (2019) by incorporating Audit Planning and Processes (APP), Audit Quality and Reliability (AQR), and Audit Process Review and Monitoring (APRM). In addition, a composite model of Public Sector Accountability (PSA) is introduced to capture the overall accountability framework before disaggregating into its three main dimensions.

The modified models are expressed as:

$$PSA = \beta_0 + \beta_1 APP + \beta_2 AQR + \beta_3 APRM + \mathcal{E} \ldots\ldots\ldots\ldots\ldots\ldots \textit{(ii)}$$
$$FA = \beta_0 + \beta_1 APP + \beta_2 AQR + \beta_3 APRM + \mathcal{E} \ldots\ldots\ldots\ldots\ldots\ldots \textit{(iii)}$$
$$SA = \beta_0 + \beta_1 APP + \beta_2 AQR + \beta_3 APRM + \mathcal{E} \ldots\ldots\ldots\ldots \textit{(iv)}$$
$$AA = \beta_0 + \beta_1 APP + \beta_2 AQR + \beta_3 APRM + \mathcal{E} \ldots\ldots\ldots\ldots \textit{(v)}$$

Where,

PSA = Public Sector Accountability

SA= Social Accountability
AA= Administrative Accountability
β_0= Constant term
APP = Audit Planning and Processes
AQR = Audit Quality and Reliability
APRM = Audit Process Review and Monitoring $\beta_{1\text{-}3}$= Coefficients $\mathcal{E}$ = error term

Model Estimation Techniques

This study utilizes Partial Least Squares Structural Equation Modelling (PLS-SEM) implemented via SmartPLS softwareto examine the relationships between constructs and test the proposed hypotheses. PLS-SEM, a second-generation multivariate analysis technique, is well-suited for exploratory and predictive studies, particularly those with relatively small sample sizes, complex model structures, or limited theoretical foundations (Hair et al., 2017; Henseler et al., 2014). Unlike covariance-based SEM, PLS-SEM emphasizes maximizing the explained variance of dependent variables and does not require data to follow a normal distribution. The modelling procedure includes specifying both the structural (inner) and measurement (outer) models, followed by evaluating reliability, validity, and the strength of path relationships. Key assessment metrics include the Coefficient of Determination (R^2), Predictive Relevance (Q^2), Path Coefficients, and Effect Size (f^2).

Pre-Model EstimationAnalysis (Measurement Model)

The study assessed the normality of variables using Skewness and Kurtosis to ensure conformity with multivariate regression assumptions (Hair et al., 2010). Joint skewness and kurtosis were examined to provide deeper insights into the distribution of individual variables. Variables were transformed by summing respondents' scores and computing a weighted mean average for analysis. To avoid distorted coefficients, the study considered multicollinearity, as high correlations among explanatory variables can affect regression accuracy (Hair et al., 2006). A pairwise correlation analysis was conducted to explore bivariate relationships between variables before model estimation.

Ethical Considerations

Ethical compliance was strictly observed throughout the study. Respondents participated voluntarily and were informed of their right to withdraw at any stage without penalty. An informed consent form was attached to the questionnaire, explaining the purpose of the study and assuring participants of confidentiality and anonymity. All data collected were used solely for academic purposes and stored securely in compliance with institutional research ethics standards.

4.0 Data Presentation, Analysis and Discussion Of Findings

Descriptive Result

The descriptive analysis results are illustrated through demographic visualizations, highlighting the socio-demographic characteristics of participants in the study. This analysis provides insight into the distribution of respondents, focusing on auditors with expertise in the operational activities of Ministries, Departments, and Agencies (MDAs) across Nigeria.

Table 1:
Demographic Characteristics of Respondents

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	231	85.2
	Female	40	14.8
	Total	**271**	**100.0**
Education Level	Graduate	119	43.9
	Post Graduate	152	56.1
	Total	**271**	**100.0**
Professional Qualification	ICAN	70	25.8
	ANAN	135	49.8
	CITN	40	14.8
	Other	26	9.6
	Total	**271**	**100.0**
Job Designation	Director of Audit	49	18.1
	Deputy Director, Audit	24	8.9
	Assistant Director, Audit	21	7.7
	Chief Auditor	102	37.6
	Chief Executive Auditor	11	4.1
	Assistant Chief Auditor	15	5.5
	Assistant Chief Executive Auditor	16	5.9
	Principal Auditor	17	6.3
	Principal Auditor	16	5.9
	Total	**271**	**100.0**
Duration of Service	Less than 5 years	81	29.9
	5-10 years	167	61.6
	11-15 years	17	6.3
	Over 15 years	6	2.2
	Total	**271**	**100.0**

Source: Field Survey, 2025.

The findings in Table 1 indicate a significant gender disparity within the Offices of the Auditor-General, with male respondents comprising 85.2% and females 14.8%. The workforce reflects a high level of educational attainment, as 56.1% of respondents possess postgraduate qualifications, while 43.9% hold undergraduate degrees. Professional affiliations reveal that nearly half (49.8%) of participants are members of ANAN, followed by 25.8% affiliated with ICAN, 14.8% with CITN, and 9.6% holding other certifications, underscoring ANAN and ICAN as the predominant professional bodies. Job designation analysis shows a strong concentration in senior positions, with Chief Auditors constituting the largest group (37.6%), alongside Directors, Deputy Directors, and Assistant Directors of Audit. Furthermore, experience levels suggest substantial expertise, with 61.6% having 5–10 years of service, 29.9% with fewer than 5 years, and 8.5% exceeding 10 years, reflecting a highly skilled auditing workforce with considerable exposure to government accountability processes.

Table 2:
Skewness and Kurtosis Joint Normality Test

Normality Test Variables	**Skewness Statistic**	**Kurtosis Statistic**
Financial Accountability	0.427	-0.694
Social Accountability	0.385	-0.521
Administrative Accountability	0.312	-0.782
Audit Process Quality	0.287	-0.763

Source: Authors' Computation, 2025.

Table 2 presents the skewness and kurtosis statistic score. With respect to the Skewness, all statistic values fall between +3 and -3, which is the accepted range for a variable to be normally distributed (Asika, 1991). That implies that all the variables are normally distributed and appropriate for further statistical analysis. Specifically, all variables display mild positive skewness (ranging from 0.287 to 0.427) and moderate negative kurtosis (ranging from -0.521 to -0.782), indicating that the data is slightly right-skewed with a distribution that is somewhat flatter than a normal curve.

Table 3:
Reliability and Convergent Validity of Constructs

Items	**Factor Loadings**	**Cronbach's alpha**	**Convergent Validity**
Audit Planning and Processes		0.814	0.548
APP 1=0.352	0.610		
APP 2=0.415			
APP 3=0.367			
APP 4=0.374			
APP 5=0.345			
Audit Quality and Reliability		0.785	0.517
AQR 1=0.362	0.619		
AQR 2=0.416			
AQR 3=0.353			
AQR 4=0.421			
AQR 5=0.388			
Audit Process Review and Monitoring		0.776	0.502
APRM 1=0.386	0.597		
APRM 2=0.368			
APRM 3=0.374			
APRM 4=0.381			
APRM 5=0.357			
Financial Accountability (FA)			
APSFA1 = 0.84	0.837	0.91	0.573
APSFA2 = 0.78			
APSFA3 = 0.82			
APSFA4 = 0.81			
APSFA5 = 0.83			
APSFA6 = 0.82			
APSFA7 = 0.84			
APSFA8 = 0.85			
Social Accountability (SA)			
APSSA1 = 0.85	0.805	0.89	0.547
APSSA2 = 0.80			
APSSA3 = 0.83			
APSSA4 = 0.78			
APSSA5 = 0.81			
APSSA6 = 0.82			
APSSA7 = 0.83			

APSSA8 = 0.80			
Administrative Accountability (AA)			
APSAA1 = 0.79	0.812	0.90	0.528
APSAA2 = 0.80			
APSAA3 = 0.84			
APSAA4 = 0.79			
APSAA5 = 0.82			
APSAA6 = 0.83			
APSAA7 = 0.86			
APSAA8 = 0.84			

Source: Author's Computation, 2025.

Explanatory Notes: APP1 to APP5 are questions on Audit Planning and Processes; AQR1 to AQR5 are questions on Audit Quality and Reliability; APRM1 to APRM5 are questions on Audit Process Review and Monitoring.

Table 3 presents the results of the reliability and convergent validity analysis for the constructs in the measurement model. The internal consistency reliability of the constructs was assessed using Cronbach's Alpha (CA). The Cronbach's Alpha values ranged from 0.502 (Audit Process Review and Monitoring) to 0.91 (Financial Accountability). While the constructs measuring Audit Planning and Processes (0.548)**,** Audit Quality and Reliability (0.517), and Audit Process Review and Monitoring (0.502)show moderate reliability, the accountability constructs, Financial Accountability (0.91)**,** Social Accountability (0.89), and Administrative Accountability (0.90), demonstrate strong internal consistency, all exceeding the recommended minimum threshold of 0.70 (Nunnally & Bernstein, 1994).

Similarly, convergent validity was evaluated using the Average Variance Extracted (AVE). The AVE values ranged from 0.528 **(**Administrative Accountability) to 0.573(Financial Accountability), which are above the minimum acceptable level of 0.50 (Fornell & Larcker, 1981). This implies that more than 50% of the variance in the indicators is explained by their respective latent constructs, confirming adequate convergent validity.

Table 4:
Discriminant Validity (Fornell-Larcker Criterion)

Construct	APP	APRM	AQR	FA	SA	AA
APP	0.781					
APRM	0.521	0.787				
AQR	0.498	0.536	0.773			
FA	0.442	0.477	0.491	0.781		
SA	0.419	0.460	0.452	0.588	0.804	
AA	0.402	0.447	0.468	0.502	0.577	0.768

Source: Authors' Computation, 2025 via SmartPLS software.

Table 4 presents the results of the discriminant validity test using the Fornell-Larcker criterion, which assesses the extent to which each construct is distinct from the others in the measurement model. According to Fornell and Larcker (1981), discriminant validity is achieved when the square root of the Average Variance Extracted (AVE), represented by the bolded diagonal values, is greater than the correlations between the construct and any other construct in the model. As shown in the table, the square root of AVE for all constructs, APP (0.781), APRM (0.787), AQR (0.773), FA (0.781), SA (0.804), and AA (0.768), exceeds their respective inter-construct correlations.

This finding confirms that each construct in the model is empirically distinct and measures a unique aspect of the study variables. For example, Audit Planning and Processes (APP) have its highest correlation with Audit Process Review and Monitoring (APRM) at 0.521, which is still lower than its square root of AVE (0.781), indicating minimal overlap. Similarly, Social Accountability (SA) shows the highest inter-construct correlation with Financial Accountability (FA) at 0.588, yet its AVE square root (0.804) remains higher, further confirming discriminant validity. Therefore, the results demonstrate that the constructs are well-defined, independent, and appropriately capture different dimensions of audit processes, quality, and accountability within the measurement model.

Table 5:
Discriminant Validity (HTMT Ratio)

Construct	APP	APRM	AQR	FA	SA	AA
APP	–					
APRM	0.624	–				
AQR	0.591	0.637	–			
FA	0.503	0.544	0.566	–		
SA	0.478	0.516	0.527	0.652	–	
AA	0.467	0.529	0.553	0.594	0.601	–

Source: Authors' Computation, 2025 via SmartPLS software.

Table 5 presents the results of discriminant validity assessment using the Heterotrait-Monotrait (HTMT) ratio of correlations, which is considered a more stringent and reliable criterion than the Fornell-Larcker method **(**Henseler, Ringle, & Sarstedt, 2015**)**. According to established guidelines, discriminant validity is achieved when HTMT values fall below the conservative threshold of 0.85 or the liberal threshold of 0.90. As shown in the table, all HTMT ratios among the constructs range from 0.467 to 0.652, which are well below the 0.85 benchmark. For example, the HTMT ratio between Audit Planning and Processes (APP) and Audit Process Review and Monitoring (APRM) is 0.624, between Financial Accountability (FA) andSocial Accountability (SA) is 0.652, and between Administrative Accountability (AA) and Audit Quality and Reliability(AQR) is 0.553, confirming adequate discriminant validity.

These results indicate that there is no problematic overlap among the constructs, meaning that each construct measures a distinct aspect of the research variables. The findings complement the earlier results obtained using the Fornell-Larcker criterion in Table 4.4, which also confirmed discriminant validity. Taken together, the HTMT and Fornell-Larcker results strengthen the robustness of the measurement model by demonstrating that the constructs related to audit planning, audit quality, process monitoring, and accountability dimensions (financial, social, and administrative) are empirically distinct. This validates the reliability of the study's measurement framework and ensures that subsequent structural model analyses are based on sound measurement properties.

Structural Model

Following the validation of the measurement model, the next step involves assessing the structural model to test the hypothesised relationships among the constructs. Structural model evaluation focuses on determining the significance and strength of

path coefficients, the explanatory power of the model (R^2), and the predictive relevance (Q^2) of the endogenous constructs (Hair et al., 2019).

Effect of Compliance Audit on Public Sector Accountability

This section presents the structural equation model examining the effects of legal compliance dimensions on Public Sector Accountability in Nigeria. It also evaluates the individual and collective contributions of three audit process quality constructs, Audit Planning and Processes (APP); Audit Quality and Reliability (AQR); and Audit Process Review and Monitoring (APRM) on Public Sector Accountability.

Table 6:
Effects of Audit Process Quality on Public Sector Accountability in Nigeria

Path Relationship	**Overall Public Sector Accountability (PSA)**			**Financial Accountability (FA)**		**Social Accountability (SA)**		**Administrative Accountability (AA)**	
	Coeff.	**p**	**f^2**	**Coeff.**	**p**	**Coeff.**	**p**	**Coeff.**	**p**
Audit Planning Procedures (APP)	0.223*	0.000	0.064	0.165*	0.005	0.179*	0.007	0.255*	0.000
Audit Performance & Risk Management (APRM)	0.364*	0.000	0.154	0.320*	0.000	0.379*	0.000	0.160*	0.020
Audit Quality Review (AQR)	0.259*	0.000	0.072	0.310*	0.000	0.047	0.490	0.229*	0.000
Model Diagnostics									
R-Square (R^2)	**0.525**								
Adjusted R-Square (Adj. R^2)	**0.520**								
Predictive Relevance (Q^2)	**0.503**								

Source: Authors' Computation, 2025 *statistically significant at $p \leq 0.05$

Table 6 presents the SEM results assessing the influence of audit process quality dimensions, Audit Performance and Risk Management (APRM), Audit Quality Review (AQR), and Audit Planning Procedures (APP), on components of Public Sector Accountability: Financial, Social, and Administrative Accountability. AQR shows a substantial positive influence (coefficient = 0.259, p = 0.000, f^2 = 0.072), driving improvements primarily in Financial (0.310) and Administrative Accountability (0.229), though its impact on Social Accountability is insignificant. APP demonstrates a balanced, statistically significant contribution across all dimensions (coefficient = 0.223, p = 0.000, f^2 = 0.064), with the greatest effect on Administrative Accountability (0.255), emphasizing the importance of comprehensive audit planning.

The model demonstrates strong explanatory power (R^2 = 0.525; Adjusted R^2 = 0.520) and high predictive relevance (Q^2 = 0.503), indicating that these dimensions collectively explain over 52% of the variance in accountability outcomes. APRM emerges as the strongest predictor (coefficient = 0.364, p = 0.000, f^2 = 0.154), with particularly significant effects on Social (0.379) and Financial Accountability (0.320), underscoring the centrality of performance monitoring and risk management in strengthening accountability structures.

Comparative analysis highlights that Financial Accountability is highly responsive to a combination of all three dimensions, Social Accountability is driven primarily by

APRM, and Administrative Accountability relies heavily on APP and AQR. These findings underscore the complementary roles of performance monitoring, quality review, and planning procedures in creating a robust accountability framework. Figures 1 – 4 visually depict these relationships, reinforcing the multidimensional influence of audit process quality on transparency and accountability in Nigeria's public sector.

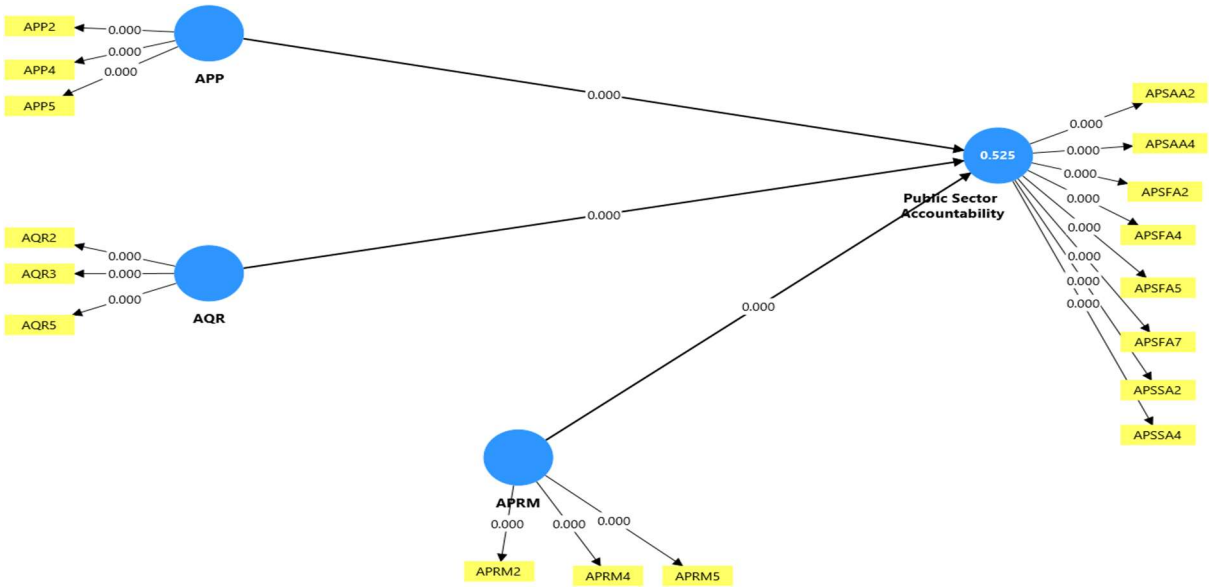


Figure 1: Visual Illustration of the Effect of Individual Audit Process Quality Dimensions on Public Sector Accountability in Nigeria.
Author's Computation, (2025)

Figure 1: Visual Illustration of the Effect of Individual Audit Process Quality Dimensions on Public Sector Accountability in Nigeria illustrates the impact of Audit Planning and Processes (APP), Audit Quality and Reliability (AQR), and Audit Process Review and Monitoring (APRM) on Public Sector Accountability (PSA). The structural model reveals that each dimension has a direct and positive relationship with PSA, highlighting that enhancement in audit processes contribute to improved accountability. With a coefficient of determination (R^2 = 0.525), the model indicates that these constructs collectively explain approximately 52.5% of the variance in public sector accountability, emphasizing the critical role of quality audit processes in promoting accountability within Nigeria's public sector.

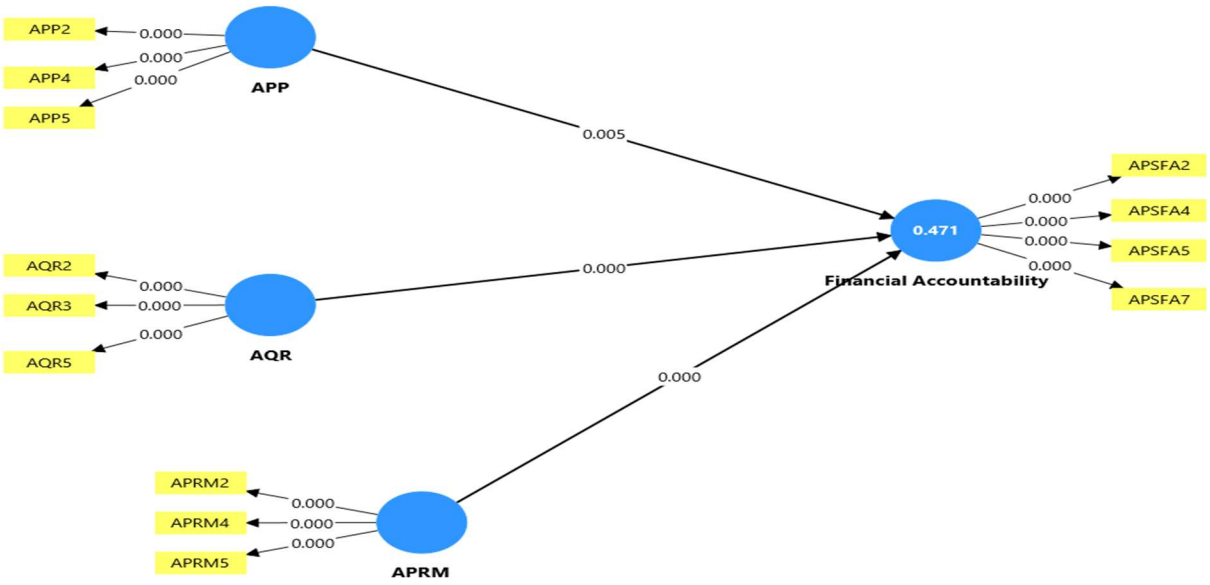


Figure 2: Visual Illustration of the Effect of Individual Audit Process Quality Dimensions on Financial Accountability in Nigeria.
Author's Computation, (2025)

Figure 2: Visual Illustration of the Effect of Individual Audit Process Quality Dimensions on Financial Accountability in Nigeria depicts the structural model evaluating the impact of Audit Planning and Processes (APP), Audit Quality and Reliability (AQR), and Audit Process Review and Monitoring (APRM) on Financial Accountability (FA). The diagram highlights direct and positive relationships between each audit dimension and FA, indicating that enhancements in these areas significantly contribute to improved financial accountability. With a coefficient of determination (R^2 = 0.471), the model reveals that these constructs together explain approximately 47.1% of the variance in financial accountability, emphasizing the critical role of effective audit processes in promoting financial integrity within Nigeria's public sector.

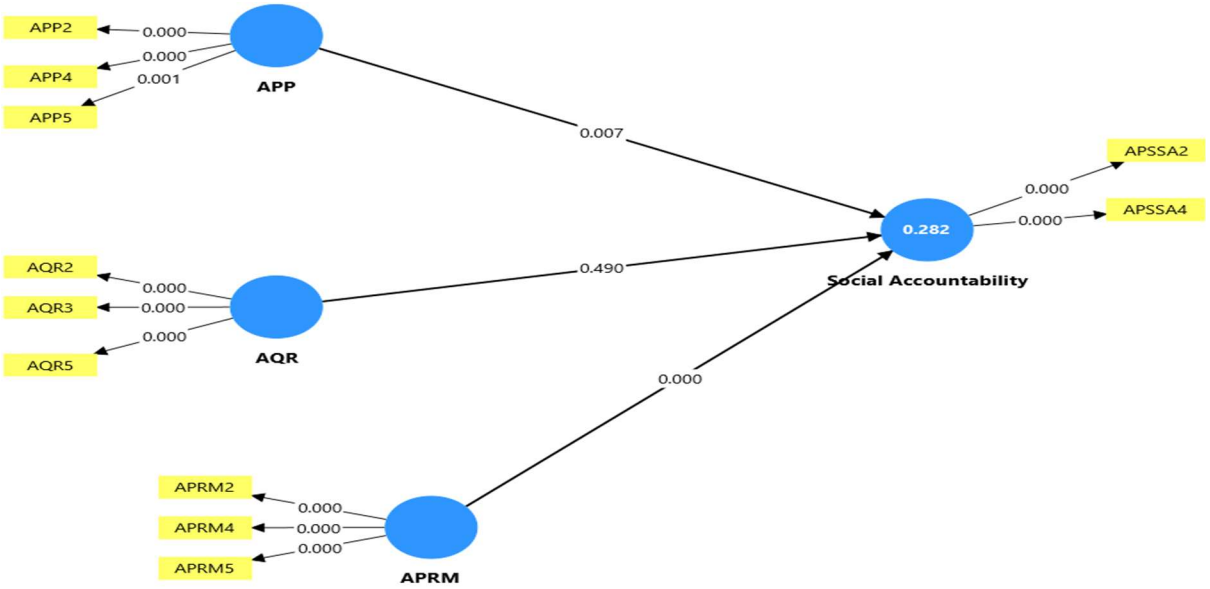


Figure 3: Visual Illustration of the Effect of Individual Audit Process Quality Dimensions on Social Accountability in Nigeria.
Author's Computation, (2025)

Figure 3: Visual Illustration of the Effect of Individual Audit Process Quality Dimensions on Social Accountability in Nigeria presents a structural model that examines the impact of Audit Planning and Processes (APP), Audit Quality and Reliability (AQR), and Audit Process Review and Monitoring (APRM) on Social Accountability (SA). The diagram reveals direct and positive relationships between each audit dimension and SA, suggesting that improvements in these areas contribute to enhanced social accountability. The model shows a coefficient of determination (R^2 = 0.282), indicating that these constructs collectively explain approximately 28.2% of the variance in social accountability, highlighting the importance of effective audit processes in fostering social integrity and responsiveness within Nigeria's public sector.

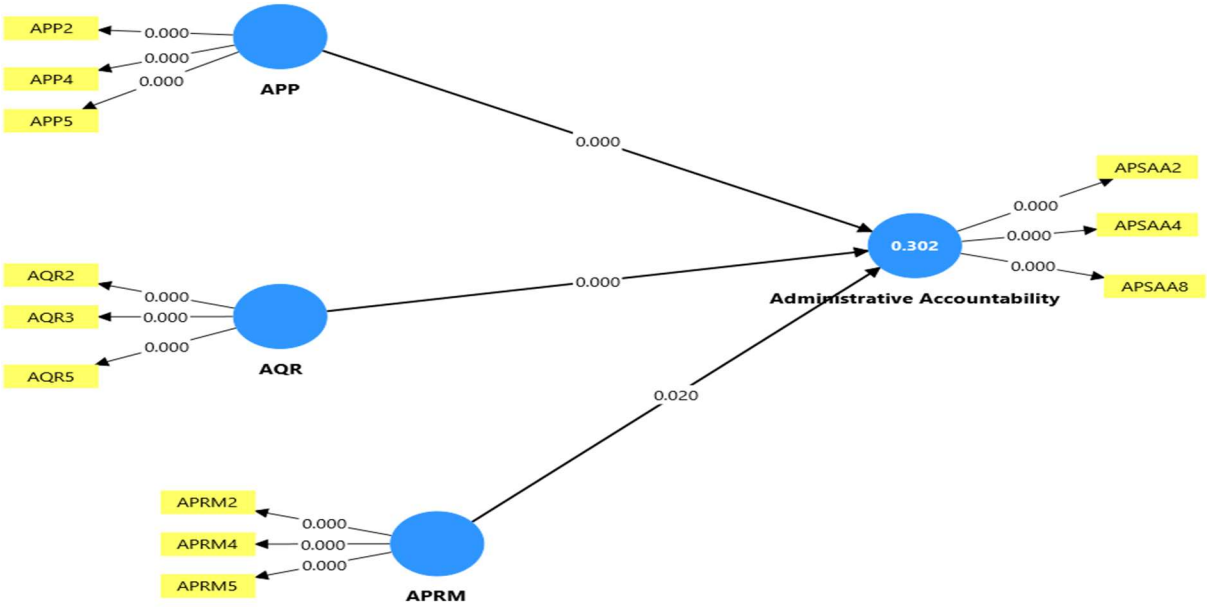


Figure 4: Visual Illustration of the Effect of Individual Audit Process Quality Dimensions on Administrative Accountability in Nigeria.
Author's Computation, (2025)

Figure 4: Visual Illustration of the Effect of Individual Audit Process Quality Dimensions on Administrative Accountability in Nigeria depicts a structural model that explores the influence of Audit Planning and Processes (APP), Audit Quality and Reliability (AQR), and Audit Process Review and Monitoring (APRM) on Administrative Accountability (AA). The diagram illustrates direct and positive relationships between each audit dimension and AA, indicating that advancements in these areas significantly enhance administrative accountability. With a coefficient of determination (R^2 = 0.302), the model reveals that these constructs collectively account for approximately 30.2% of the variance in administrative accountability, underscoring the vital role of effective audit processes in promoting transparency and responsibility within Nigeria's public sector.

Discussion of Findings

This study examined the effect of Audit Process Quality (APQ) on public sector accountability in Nigeria, focusing on three key components: Audit Planning Procedures (APP), Audit Process Risk Management (APRM), and Audit Quality Review (AQR). The results from the composite model reveal that all three dimensions of APQ have significant positive effects on overall accountability, jointly explaining 52.5% of its variance (R^2 = 0.525). Among these components, APRM emerged as the

strongest predictor ($\beta = 0.364$, $p < 0.001$), followed by AQR ($\beta = 0.259$, $p < 0.001$) and APP ($\beta = 0.223$, $p < 0.001$). The findings suggest that enhancing audit risk management, planning, and review processes plays a vital role in strengthening accountability mechanisms in Nigeria's public sector.

Across the three dimensions of accountability, the results demonstrate varied impacts. For financial accountability, APRM ($\beta = 0.320$) and AQR ($\beta = 0.310$) exert stronger effects than APP ($\beta = 0.165$), indicating that robust risk management and quality reviews are critical for improving transparency and ensuring compliance with financial regulations. Regarding social accountability, APRM ($\beta = 0.379$) and APP ($\beta = 0.179$) show significant positive influences, whereas AQR's effect is positive but not significant, suggesting that risk-based auditing and effective planning better address stakeholder expectations. In contrast, for administrative accountability, APP ($\beta = 0.255$) exerts the strongest effect, followed by AQR ($\beta = 0.229$) and APRM ($\beta = 0.160$), emphasizing the importance of structured planning in improving internal governance and regulatory compliance.

The results are consistent with international evidence. For example, Johnson et al. (2023) in Canada andSmith & Taylor (2022) in the UK reported that comprehensive audit processes improved compliance, transparency, and stakeholder trust. Similarly, Becker & Fischer (2024) in Germany and Kumar et al. (2023) in India found that risk-focused auditing reduced errors and improved reporting quality. Within Nigeria, the findings corroborate Eze & Olawale (2023), who demonstrated that standardized audit procedures enhance financial reporting accuracy, and Ibrahim & Yusuf (2024)**,** who showed that effective audit committees improve administrative oversight.However, this study contrasts with Adebayo & Okonkwo (2023)**,** who highlighted limited access to financial data as a barrier to effective audit processes. This discrepancy may arise from methodological differences or institutional reforms improving audit capacity in Nigeria's public sector.

The results of this study can be interpreted through the lens of Agency Theory (AT), which posits that public servants (agents) may pursue their own interests or political objectives that diverge from those of the state or citizens (principals) (Jensen & Meckling, 1976; Eisenhardt, 1989). Agency Theory highlights the challenges of information asymmetry and opportunistic behavior in public organizations, emphasizing the need for monitoring and control mechanisms to align agents' actions with principal objectives.Within this framework, auditing serves as a pivotal internal control mechanism that mitigates agency problems by reducing information asymmetry and limiting opportunistic behavior, thereby holding agents accountable (Jensen & Meckling, 1976; Eze & Olawale, 2023). The prominence of Audit Process Risk Management (APRM) in this study underscores the monitoring aspect of Agency Theory, as robust risk management activities help minimize agency costs associated with inefficient or wasteful use of public resources. Similarly, Audit Quality Review (AQR) and Audit Planning Procedures (APP) highlight the role of structured audit planning and quality assurance in reinforcing compliance, enhancing oversight, and reducing the likelihood of principal–agent conflicts within bureaucratic hierarchies (Ibrahim & Yusuf, 2024; Johnson et al., 2023). Collectively, these findings demonstrate that comprehensive audit processes operationalize the principles of Agency Theory by ensuring that public officials act in accordance with organizational policies, objectives, and the broader interests of the state and citizens.

5.0 Conclusion and Recommendations

This study examined the effect of Audit Process Quality (APQ) on public sector accountability in Nigeria, focusing on financial, administrative, and social dimensions. The findings revealed that all three components of APQ, Audit Planning Procedures (APP), Audit Process Risk Management (APRM), and Audit Quality Review (AQR), significantly enhance public sector accountability, jointly explaining 52.5% of the variance in accountability. Among these components, APRM exerted the strongest influence, followed by AQR and APP, highlighting the critical importance of comprehensive risk assessment and management practices in strengthening governance and transparency within Nigeria's public institutions.

Based on these findings, this study concludes that audit process quality is a crucial determinant of public sector accountability in Nigeria. The statistically significant coefficients of the APQ components confirm that well-structured and effectively implemented audit processes play a vital role in improving accountability outcomes. Notably, the dominant role of APRM demonstrates that risk-focused audit approaches are essential for enhancing financial, social, and administrative accountability, as they enable auditors to identify potential threats, ensure compliance, and safeguard public resources.

Furthermore, the strong influence of AQR underscores the importance of rigorous quality reviews to ensure audit integrity, while the significant contribution of APP highlights the role of effective planning in streamlining audit procedures and improving operational efficiency. Collectively, these findings emphasize that establishing robust and integrated audit frameworks, particularly those incorporating risk-based auditing, strategic planning, and quality control, remains fundamental to achieving transparency, stakeholder trust, and improved governance in Nigeria's public sector.The study recommends that:

i. Given the significant positive effect of Audit Process Risk Management (APRM) on public sector accountability, audit institutions should strengthen risk-based audit approaches across all tiers of government. Specifically, the Office of the Auditor-General of the Federation and State Auditors-General should develop and implement comprehensive risk assessment frameworks to identify high-risk areas within public institutions and allocate audit resources effectively. This proactive approach would ensure that critical financial and operational risks are addressed promptly, thereby enhancing transparency, compliance, and efficient resource utilization in the public sector.

ii. Given the significant contribution of Audit Quality Review (AQR), the Office of the Auditor-General and government audit oversight bodies, including the Financial Reporting Council of Nigeria, should establish independent quality assurance units responsible for periodically evaluating audit procedures and reports. This will ensure adherence to international auditing standards and promote consistency, accuracy, and reliability in audit outcomes. Regular peer reviews and performance appraisals should be introduced to assess auditors' compliance with ethical and professional standards.

iii. Finally since, Audit Planning Procedures (APP) significantly impact administrative accountability, internal audit departments within Ministries, Departments, and Agencies (MDAs), supported by the Office of the Auditor-General, should adopt

comprehensive, technology-supported audit planning systems. These systems should incorporate historical data, risk assessments, and performance indicators to enhance coordination and timeliness in audit execution. Early-stage planning should clearly define audit objectives, resource allocation, and timelines to ensure efficiency and consistency across all public sector entities.

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