East African Journal of Research and Innovation
Vol. 1 No. 3 (2026): July 2026 Issue
https://doi.org/10.64792/ytmf3n49
Original article

Audit quality and financial accountability among local governments in Buhweju District. A cross-sectional study.

Justus Musimenta*, Benjamin Musiita, Ogaba Ariyo
Directorate Of Graduate Studies, Research and Innovation, Bishop Stuart University

ABSTRACT
Background:
The study aimed to examine the relationship between audit quality and financial accountability among local governments in Buhweju District.

Methodology:
A cross-sectional survey design using quantitative methods was employed among 83 local governments in Buhweju District. A sample of 68 local governments and 95 respondents was selected using stratified, simple random, and purposive sampling. Primary data were collected using a self-administered, five-point Likert questionnaire. Content validity was confirmed by experts (CVI=0.857), while reliability was established using Cronbach's alpha. Data were processed and analysed in SPSS version 26 using Pearson correlation and regression analysis. Ethical approval and confidentiality were appropriately ensured.

Results:
Of the 68 local governments, 55 responded (80.9%), while 81 of 95 questionnaires were returned (85.0%). Respondents aged 40 years and above constituted 35.8% (n=29), followed by 36–40 years at 25.9% (n=21), 31–35 years at 23.5% (n=19), and 26–30 years at 14.8% (n=12). Among 55 local governments, 78.2% (n=43) had operated for 5–10 years and 21.8% (n=12) for less than 5 years. Audit quality significantly correlated with financial accountability (r=0.709, p<0.01), including independence (r=0.616), competence (r=0.692), and workload (r=0.489). Budget formulation (r=0.546), coordination (r=0.664), and implementation (r=0.678) correlated with financial accountability (p<0.01). Audit quality correlated with formulation (r=0.676), coordination (r=0.765), and implementation (r=0.670). Formulation correlated with coordination (r=0.666) and implementation (r=0.728), while coordination correlated with implementation (r=0.699), all p<0.01. Other significant correlations included independence with competence (r=0.730), workload (r=0.553), formulation (r=0.622), coordination (r=0.605), and implementation (r=0.691), all p<0.01. Competence correlated with workload (r=0.472), formulation (r=0.528), coordination (r=0.709), and implementation (r=0.528).

Conclusion:
Auditing quality is a significant predictor of financial accountability among local governments in Buhweju District.

Recommendation:
Buhweju District Local Government should strengthen the internal audit function by ensuring adequate staffing, funding, and operational independence.

Keywords: *Auditing quality, Financial accountability, Local governments, Audit independence, Auditor competence, Budget control.*
Submitted : *September 07, 2026* ***Accepted:*** *September 10, 2026* ***published:*** *September 14, 2026*
Corresponding author: *Justus Musimenta*
Email: ***musiimentajus@gmail.com***
Directorate of graduate studies, research and innovation, Bishop Stuart University.

BACKGROUND OF THE STUDY
Auditing quality is an important component of financial accountability in local governments because it provides an independent assessment of financial activities and helps ensure that public resources are managed transparently and responsibly. Auditing quality refers to the effectiveness and reliability of audits in revealing the true financial position and performance of public entities (Kaawaase et al., 2021). It encompasses auditor competence, independence, and the thoroughness of the audit process, which are essential for promoting transparency and holding local governments accountable for their financial management (Holili, 2023). High-quality audits also contribute to the reliability of financial reporting by ensuring that financial statements are accurate and trustworthy (Antipova, 2023). Reliable financial reports provide citizens and other stakeholders with information about how public funds are managed, thereby supporting financial accountability (Haustein et al., 2024).

Internal auditing is particularly important because it helps local governments identify weaknesses in internal controls, budget implementation, and expenditure management. Effective audits can detect financial irregularities and recommend corrective actions before problems become more serious (Kaawaase et al., 2021). Internal audits also provide continuous oversight and can serve as an early warning mechanism for financial mismanagement, fraud, and embezzlement (Secinaro et al., 2021; Nugrahanti, 2023). However, auditing quality may be affected by inadequate resources, limited professional capacity, inadequate training, and political interference (Kessy, 2020; Muktiadji et al., 2020). Such constraints may result in superficial audits or failure to implement audit recommendations, thereby weakening financial accountability (Phiri & Guven-Uslu, 2019).

External audits also contribute to financial accountability by providing an objective assessment of local government financial statements and financial practices. External auditors can enhance transparency by assessing whether public resources are used efficiently and in accordance with legal and financial requirements (Grossi et al., 2020). Transparent audit findings can enable citizens and oversight bodies to scrutinize the management of public resources (Fonseca et al., 2020). However, limited access to audit findings and weak engagement between citizens and local authorities can reduce the accountability benefits of auditing (Holili, 2023; Dewi, Azam, & Yusoff, 2019).

The study aimed to examine the relationship between audit quality and financial accountability among local governments in Buhweju District.

METHODOLOGY

Research design

A cross-sectional design was used to answer the research questions. A survey design comprising a quantitative data collection approach was also adopted. This is because Surveys allowed the collection of large amounts of data from a sizable population in a highly economical way. It allowed one to collect quantitative data, which was analysed quantitatively using inferential statistics.

Study population

The target population is the population to which a researcher wanted to generalise the results of the study. The study focused on 83 local governments in Buhweju District. The 83 local governments comprised the district headquarters, four town councils, ten sub-counties, and sixty-eight parishes/wards that operate within Buhweju District Local Government. The unit of analysis was the local government unit itself (i.e., the district headquarters, town councils, sub-counties, and parishes/wards), while the unit of inquiry was the individual key stakeholder within each unit charged with auditing, budgeting, or financial management responsibilities, namely the Chief Administrative Officer, LCV Chairperson, Resident District Commissioner, Heads of Department, Town Clerks, Mayors, Town Treasurers, Senior Assistant Secretary(SAS), Senior Accounts Assistants (SAA), and Parish Chiefs/Town Agents. Data obtained from these individual respondents were aggregated at the local government unit level for analysis.

Sample size determination

Using the sample size determination table by Krejcie and Morgan (1970), a sample size of 68 local governments was used.

Table 1: Sample size

LGs	LLGs	Proportionate percentage	Sample size	Number of respondents	Respondents	Sampling technique
District	1	1.2	1	14	CAO, LCV, RDC Heads of Department	Purposive
Town Council	4	4.8	3	9	Town Clerk, Mayor, Town Treasurer	Purposive
Sub-county	10	12	8	16	SAS, SAA	Purposive
Parishes/wards	68	82	56	56	Parish chiefs/Town Agents	Purposive
Total	83	100	68	95		

Sampling technique

The study employed a stratified sampling technique since the population had different characteristics. In addition, simple random sampling was also applied to each category to ensure that each local government had an equal chance to participate in the study. Finally, purposive sampling was employed to select the respondents since they were knowledgeable about the study subject.

Data sources and collection methods.

The data sources were primary. Primary data were collected from the field mainly using a self-administered questionnaire. The questionnaire was developed using items developed and tested by previous scholars. Those items were closed-ended and anchored on a 5 likert scale. Moreover, the Likert scale has scales that assist in converting the qualitative responses into quantitative values. The first part of the instrument aims at examining the demographic characteristics of the respondents. Other parts of the questionnaire consisted of the independent variable (auditing quality and budget control) and the dependent variable (financial accountability).

Validity and Reliability of the Instruments

Validity

Content validity was established using expert judgment. Three specialists independently rated each questionnaire item as "relevant" or "irrelevant" to the intended construct. The Content Validity Index (CVI) was computed as the proportion of items rated relevant by all experts. Of the 63 items, 54 were unanimously deemed relevant, yielding a CVI of 0.857. This exceeds the recommended threshold of 0.7, confirming that the instrument had acceptable content validity.

Reliability

Internal consistency was assessed using Cronbach's Alpha. Based on the main study sample, the overall audit quality scale (17 items) achieved $\alpha = 0.862$; budget control (15 items) $\alpha = 0.894$; and financial accountability (7 items) $\alpha = 0.877$. Sub-dimension alphas ranged from 0.648 (independence, acceptable) to 0.923 (competence, excellent). All values met or exceeded the 0.7 benchmark, demonstrating that the instrument was reliable for measuring the study variable.

Table 2: Validity and Reliability Results

Variable	CVI	Cronbach's alpha coefficient
Audit quality	0.857	0.862
Budget control	0.857	0.894
Financial accountability	0.857	0.877

Data Processing and Analysis

Data from the field were encoded, entered into SPSS version 26, edited, cleaned, and aggregated using Local government as a breaking variable. The cleaning process involved missing-value analysis, outlier testing, and normality checks. Missing values were first identified using SPSS frequency and pattern analyses; questionnaires with more than 10% missing responses were excluded, and remaining isolated missing values on continuous items were replaced using series mean imputation for values considered material to the analysis, while missing categorical responses were retained as system-missing so as not to distort category distributions. Univariate outliers were screened using standardized z-scores (±3.29) and, where identified, were verified against the original questionnaires and retained only when the values were legitimate rather than data-entry errors. Normality was examined through skewness and kurtosis, which fell within the acceptable range of ±2, and multicollinearity between the two predictor variables was screened using variance inflation factors (VIF), all of which were below the conventional threshold of 10. Reliability of the composite scales was confirmed using Cronbach's alpha (see Table 3.3), and no scale required item deletion. This was necessary given the nature of the research objectives. Data analysis techniques adopted included Pearson's correlation to test the associations between the study variables and regression analysis to determine the predictive power of the variables. At the bivariate level, audit quality and budget control as the independent variables were correlated with financial accountability as the dependent variable using Pearson's Correlation Coefficient.

Ethical Considerations

The researcher ensured that the privacy and confidentiality of the subjects' information were protected. Specifically, to ensure privacy, the subjects were informed upfront that their names were not required. To ensure confidentiality, the subjects were informed upfront that the information they gave was solely used for academic purposes and that data obtained on private matters would be treated in confidence. Furthermore, the researcher obtained an ethical approval letter from the BSU-REC.

RESULTS

Response Rate

Out of the 68 local governments that were targeted, 55 local governments responded, making a response rate of 80.9%. Out of the 95 questionnaires administered, 81 were successfully completed and returned, representing a response rate of 85%. This response rate was considered adequate for statistical analysis because it exceeded the minimum acceptable threshold for survey-based research. While this response rate falls below the anticipated 100%, it remains acceptable for a quantitative study of this nature. Mugenda and Mugenda (2003) indicate that a response rate of 50% is adequate for analysis and reporting, and Babbie

https://doi.org/10.64792/ytmf3n49

(2004) holds that response rates of 50% and above are acceptable.

Background Characteristics of Respondents

This section presents the socio-demographic profile of the 81 respondents who participated in the study, including their distribution across the local government tiers, gender, age, level of education, and length of service within Buhweju District Local Government (BDLG). These characteristics provide contextual information that aids in interpreting the study findings.

Demographic Characteristics of Respondents

Table 3: Demographic Characteristics of the Respondents

Category	Item	Frequency	Percent
Gender	Male	49	60.5
	Female	32	39.5
	Total	**81**	**100.0**
Age	26 – 30 years	12	14.8
	31 – 35 years	19	23.5
	36 – 40 years	21	25.9
	40 years and above	29	35.8
	Total	**81**	**100.0**
Level of education	Diploma	18	22.2
	Degree	42	51.9
	Postgraduate (Master's & above)	21	25.9
	Total	**81**	**100.0**
Length of service	1 – 3 years	17	21.0
	3 – 5 years	24	29.6
	Above 5 years	40	49.4
	Total	**81**	**100.0**

Source: Primary data (2026)

As presented in Table 3, male respondents constituted 60.5% (n = 49), while female respondents accounted for 39.5% (n = 32). This gender disparity reflects the broader pattern of male dominance in local government administrative and technical positions in Uganda.

With regard to age, Table 3 shows that 35.8% (n = 29) of the respondents were aged 40 years and above, 25.9% (n = 21) were aged 36–40 years, 23.5% (n = 19) were aged 31–35 years, and 14.8% (n = 12) were aged 26–30 years. This distribution implies that the workforce in Buhweju District Local Government is predominantly mature and experienced, which is consistent with the nature of local government employment, where seniority and experience are prerequisites for substantive roles. The predominance of experienced public servants strengthens the findings, as these respondents have direct knowledge of the financial management practices in the district.

In terms of education, the findings show that 51.9% (n = 42) of the respondents held a first degree, 25.9% (n = 21) held postgraduate qualifications (Master's degree and above), and 22.2% (n = 18) held a diploma. This educational profile is encouraging, as it indicates that the respondents were sufficiently equipped to understand the concepts of auditing quality, budget control, and financial accountability, and to provide informed responses. The relatively high educational level of local government staff also increases the credibility and reliability of the data collected.

With respect to length of service, 49.4% (n = 40) of the respondents had served for more than five years in Buhweju District Local Government, 29.6% (n = 24) had served for 3–5 years, and 21.0% (n = 17) had served for 1–3 years. The dominance of long-serving staff is significant, as it implies that the respondents had adequate exposure to the district's financial management systems, audit practices, and budgetary processes. Their institutional memory strengthens the validity of the responses, particularly regarding long-term observations about financial accountability trends.

https://doi.org/10.64792/ytmf3n49

Age of the local government

The age of local governments was distributed as indicated in Table 4

Table 4: Age of the local government

Item		Number of LGs	Percentage
Age of local government	Less than 5 years	12	21.8
	5 – 10 years	43	78.2
	Total	**55**	**100**

Table 4 shows the age of the local governments that formed the unit of analysis. Most of them, 78.2% (n = 43), had been in operation for 5–10 years, while 21.8% (n = 12) had operated for less than 5 years. This means that the majority of the local governments studied were fairly well established. The implication is that these local governments had operated long enough to put in place auditing and budgeting systems, so the responses on financial accountability reflect units with reasonably settled financial management practices rather than newly created ones.

Table 5: Pearson Correlation Matrix for Study Variables

Variables	1	2	3	4	5	6	7	8	9
Independence-1	1								
Competence-2	.730**	1							
Work load-3	.553**	.472**	1						
Audit Quality-4	.573**	.580**	.795**	1					
Budget formulation-5	.622**	.528**	.589**	.676**	1				
Budget Coordination-6	.605**	.709**	.462**	.765**	.666**	1			
Budget implementation-7	.691**	.528**	.521**	.670**	.728**	.699**	1		
Financial Accountability-9	.616**	.692**	.489**	**.709****	.546**	.664**	.678**	**.697****	1

**. Correlation is significant at the 0.01 level (2-tailed).

The results in Table 5 indicate a positive and statistically significant relationship between auditing quality and financial accountability among local governments in Buhweju District ($r = 0.709$, $p < 0.01$). This implies that improvements in auditing quality are associated with improvements in financial accountability. Specifically, independence ($r = 0.616$, $p < 0.01$), competence ($r = 0.692$, $p < 0.01$), and workload ($r = 0.489$, $p < 0.01$) each had a positive and statistically significant relationship with financial accountability.

DISCUSSION

From the findings presented in Table 5, it was established that there is a positive and significant relationship between auditing quality and financial accountability among local governments in Buhweju District. This implies that any positive change in auditing quality is associated with a positive change in financial accountability among local governments in Buhweju District. In other words, improvements in audit independence, auditor competence, and the management of audit workload result in improvements in financial accountability. The results further indicate that all the measures of auditing quality, namely independence, competence, and workload, have a positive and significant relationship with financial accountability, and that all the dimensions of financial accountability have a positive and significant relationship with auditing quality.

It can further be noted that a positive change in audit independence results in better financial accountability. This means that when auditors are able to carry out their duties free from undue influence, financial statements become more accurate and trustworthy, discrepancies and irregularities are more likely to be revealed, and the public and stakeholders gain greater insight into how government funds are managed, thereby improving financial accountability among local governments in Buhweju District. Similarly, a positive change in auditor competence, reflected in the skills, professional qualifications, and thoroughness of auditors, results in better financial accountability, since competent auditors are better placed to evaluate the adequacy of internal controls, detect mismanagement early, and recommend corrective action. It can also be concluded that effective management of audit workload improves financial accountability, since manageable workloads enable auditors to conduct thorough rather than superficial audits, strengthening oversight and the early detection of irregularities.

These findings are in line with Kaawaase et al. (2021), who established that audit quality, encompassing auditor competence, audit independence, and the thoroughness of the audit process, is essential for fostering transparency and holding local governments accountable for their financial management. The findings also agree with Antipova (2023), who observed that high audit quality provides an independent assessment that ensures local governments' financial statements are accurate and trustworthy, and with Haustein et al. (2024), who noted that the quality of financial reporting is intrinsically linked to financial accountability because it offers the public and stakeholders insight into how government funds are managed. The results further corroborate Knechel et al. (2020), who argued that effective audits are essential in evaluating the adequacy of internal controls that safeguard public funds, and Secinaro et al. (2021), who emphasised that internal audits maintain financial discipline through continuous oversight and the early detection of irregularities. The findings are equally consistent with Grossi et al. (2020) and Manaf, Mohamed, and Harvey (2023), who demonstrated that external audits provide an unbiased and objective review of financial statements that enhances the transparency and accountability of local governments, and with Fonseca et al. (2020), who showed that transparent financial reports resulting from rigorous auditing enable citizens to hold local governments accountable for their use of public funds.

Conclusion

Auditing quality is a significant predictor of financial accountability among local governments in Buhweju District, as confirmed by both the correlation and regression results. This implies that financial accountability will improve if there is an improvement in audit independence, auditor competence, and the management of audit workload, thereby resulting in a positive change in financial accountability among local governments in Buhweju District.

Recommendation

Buhweju District Local Government should strengthen the internal audit function by ensuring adequate staffing, funding, and operational independence.

The district should provide continuous professional training and development for internal audit staff to enhance their competence.

The district should ensure that audit workloads are appropriately managed to allow thorough and timely audits.

The district should strengthen mechanisms for communicating audit findings to management and council and ensure timely implementation of audit recommendations.

The Internal Auditor General's Office should safeguard the independence and competence of internal auditors assigned to local governments.

Acknowledgement

The completion of this dissertation would not have been possible without the invaluable support, guidance, and encouragement of many individuals and institutions. I wish to express my deepest gratitude to all who contributed to this academic journey.

First and foremost, I thank Almighty God for His unending grace, good health, wisdom, and strength that sustained me throughout this research.

I extend my sincere and profound gratitude to my supervisors, Dr Benjamin Musiita and Mr Ogaba Ariyo, for their meticulous guidance, constructive criticism, patience, and unwavering support. Their scholarly insights and dedication greatly shaped this work from conception to completion.

My heartfelt appreciation goes to Bishop Stuart University, particularly the Graduate School and the Faculty of Business Administration, for providing an enabling academic environment. I am also grateful to the Bishop Stuart University Research Ethics Committee (BSU-REC) for the ethical approval that ensured the integrity of this study.

Special thanks to the Chief Administrative Officer (CAO) and staff of Buhweju District Local Government for granting me access to the relevant data and for their cooperation during data collection. I am equally indebted to all the respondents who voluntarily participated in this study; your honest responses were the bedrock of this research.

To my beloved parents, whose foundational guidance, sacrifices, and values have shaped the person I am today, I owe you everything. To my dearest wife, Evalyne Ninsiima, your patience, love, prayers, and steadfast support have been my anchor throughout this demanding journey. Without you, this achievement would not have been possible.

Finally, I acknowledge my colleagues Emmanuel, Godwin, John, and Anthony, who offered moral support, encouragement, and scholarly discussions that enriched this work. May God bless you all.

List of abbreviations

BSU – Bishop Stuart University
BSU-REC – Bishop Stuart University Research Ethics Committee
CAO – Chief Administrative Officer
CVI – Content Validity Index
KMO – Kaiser-Meyer-Olkin
LCV – Local Council V
LGs – Local Governments
LLGs – Lower Local Governments
RDC – Resident District Commissioner
SAA – Senior Accounts Assistant

SAS – Senior Assistant Secretary
SPSS – Statistical Package for the Social Sciences
VIF – Variance Inflation Factor

Source of funding
The study received no external funding.

Conflict of interest
The authors declare no conflict of interest.

Data availability
Data are available upon request from the authors.

Author contributions
JM: conceptualization, methodology, investigation, writing original draft.
BM: data curation, validation, supervision.
OA: supervision, validation

Informed consent
Written informed consent was obtained from all participants prior to their inclusion in the study. Participants were informed about the purpose of the study, procedures involved, potential risks and benefits, and their right to withdraw at any time without penalty.

Author biography
Justus Musimenta, a student pursuing a master's degree in Business Administration at Bishop Stuart University.
Benjamin Musiita: research supervisor at Bishop Stuart University.
Ogaba Ariyo: research supervisor at Bishop Stuart University.

References
1. Abdul Manaf, H., Mohamed, A. M., & Harvey, W. S. (2023). Citizen perceptions and public servant accountability of local government service delivery in Malaysia. *International Journal of Public Administration, 46*(12), 823–832. https://doi.org/10.1080/01900692.2022.2025829
2. Antipova, T. (2023). Auditing for financial reporting. In A. Farazmand (Ed.), *Global encyclopedia of public administration, public policy, and governance* (pp. 656–664). Springer. https://doi.org/10.1007/978-3-030-66252-3_2304
3. Dewi, N. F., Azam, S. M. F., & Yusoff, S. K. M. (2019). Factors influencing the information quality of local government financial statements and financial accountability. *Management Science Letters, 9*(9), 1373–1384. https://doi.org/10.5267/j.msl.2019.5.013
4. Fonseca, A. D. R., Jorge, S. M., & Nascimento, C. F. F. (2020). The role of internal auditing in promoting accountability in higher education institutions. *Revista de Administração Pública, 54*(2), 243–265. https://doi.org/10.1590/0034-761220190267x
5. Grossi, G., Kallio, K. M., Sargiacomo, M., & Skoog, M. (2020). Accounting, performance management systems and accountability changes in knowledge-intensive public organizations: A literature review and research agenda. *Accounting, Auditing & Accountability Journal, 33*(1), 256–280. https://doi.org/10.1108/AAAJ-02-2019-3869
6. Haustein, E., Lorson, P. C., Oulasvirta, L. O., & Sinervo, L.-M. (2025). Financial accountability discharged from local government financial statements: An institutional theory approach to accounting change. *Journal of Accounting & Organizational Change, 21*(3), 446–473. https://doi.org/10.1108/JAOC-02-2022-0034
7. Holili, M., & Khoiroh, W. (2023). The role of financial audits in strengthening accountability and transparency in funding management. *Business and Applied Management Journal, 1*(1), 37–47. https://doi.org/10.61987/bamj.v1i1.366
8. Kaawaase, T. K., Nairuba, C., Akankunda, B., & Bananuka, J. (2021). Corporate governance, internal audit quality, and financial reporting quality of financial institutions. *Asian Journal of Accounting Research, 6*(3), 348–366. https://doi.org/10.1108/AJAR-11-2020-0117
9. Kessy, A. T. (2020). The demand and supply sides of accountability in local government authorities in Tanzania. *Public Integrity, 22*(6), 606–625. https://doi.org/10.1080/10999922.2019.1665356
10. Knechel, W. R., Thomas, E., & Driskill, M. (2020). Understanding financial auditing from a service perspective. *Accounting, Organizations and Society, 81*, 101080. https://doi.org/10.1016/j.aos.2019.101080
11. Muktiadji, N., Mulyani, S., Djanegara, M. S., & Pamungkas, B. (2020). The role of financial management accountability in enhancing organizational performance in Indonesia. *The Journal of Asian Finance, Economics and Business, 7*(12), 845–852. https://doi.org/10.13106/jafeb.2020.vol7.no12.845
12. Nugrahanti, T. P. (2023). Analyzing the evolution of auditing and financial insurance: Tracking developments, identifying research frontiers, and charting the future of accountability and risk management. *West Science Accounting and Finance, 1*(2), 59–68. https://doi.org/10.58812/wsaf.v1i02.119
13. Phiri, J., & Guven-Uslu, P. (2019). Social networks, corruption and institutions of accounting, auditing and accountability. *Accounting, Auditing & Accountability Journal, 32*(2), 508–530. https://doi.org/10.1108/AAAJ-07-2017-3058
14. Secinaro, S., Dal Mas, F., Brescia, V., & Calandra, D. (2022). Blockchain in the accounting, auditing

and accountability fields: A bibliometric and coding analysis. *Accounting, Auditing & Accountability Journal, 35*(9), 168–203. https://doi.org/10.1108/AAAJ-10-2020-4987