



Evaluating Auditor Independence and Audit Quality in Public Sector Environments: A Comparative International Study

Adrian Mersin*

Department of Accounting and Public Administration, Dalwick Institute of Finance and Policy Studies, Eldridge, New Zealand

DESCRIPTION

Audit functions within public sector environments play a significant role in ensuring accountability, transparency, and responsible use of public funds. The effectiveness of these audits is heavily influenced by two interrelated aspects: the level of independence auditors maintain and the quality of the audits conducted. This subject becomes even more relevant when comparing audit systems across different countries, where regulatory structures, cultural expectations, and institutional capacities vary widely.

Audit quality, though not directly observable, is generally inferred from indicators such as the competence of the audit team, the appropriateness of audit procedures, and the ability of the audit to detect material misstatements or weaknesses in financial controls. Independence, on the other hand, reflects the degree to which auditors can act objectively without undue influence from management or political bodies [1]. In the public sector, the risk of reduced autonomy can be higher than in private firms, due to proximity to governmental functions and hierarchical relationships that can interfere with audit execution.

Countries adopt various institutional arrangements to secure audit objectivity. Some rely on supreme audit institutions that report directly to legislative bodies, while others integrate audit functions within ministries, creating potential exposure to influence. The effectiveness of these models often correlates with legal mandates, oversight frameworks, and cultural expectations regarding transparency. In jurisdictions where public confidence in oversight institutions is strong, auditors may enjoy greater professional latitude and public support. Where trust is weaker, audits can be perceived as routine formalities rather than impactful exercises in accountability [2,3].

An important issue arises from the relationship between auditors and those they audit. In the public sector, especially at the national level, audit teams often evaluate departments or agencies that control their funding or administrative appointments [4]. This dynamic can restrict auditors' willingness

to issue critical findings or recommendations, particularly when consequences for auditees are uncertain or politically sensitive. In such cases, independence becomes a matter not only of structural design but also of institutional culture and professional ethics.

Professional standards, such as those issued by the International Organization of Supreme Audit Institutions (INTOSAI), provide a framework for audit quality and objectivity. However, adherence varies considerably [5]. In higher-income countries, public sector audit bodies may have access to modern audit tools, highly trained staff, and well-established procedures. In lower-income settings, resource constraints, lack of ongoing training, and unclear reporting channels may limit the effectiveness of audits, regardless of the intentions of the auditors involved.

An additional challenge is the influence of political cycles on audit practices. In some cases, audit reports may be delayed or softened to avoid criticism of an incumbent administration. Elsewhere, findings may be used selectively to support political narratives, rather than to promote better public management. This interplay between politics and audit function is difficult to eliminate entirely, but well-designed institutions with transparent procedures can help reduce its impact [6].

Cross-national comparisons reveal significant differences in how countries approach the task of maintaining audit credibility. For instance, Nordic countries generally score highly in assessments of public sector transparency and audit quality, supported by longstanding traditions of public oversight and strong civil services. In contrast, in some parts of Africa, Asia, and Latin America, audit institutions may face operational hurdles, ranging from limited staff and equipment to legislative interference or unclear reporting mandates [7,8].

Capacity building initiatives often target these deficiencies by providing training, establishing clearer reporting guidelines, or encouraging legislative reforms. However, outcomes vary depending on local engagement and the extent to which political

Correspondence to: Adrian Mersin, Department of Accounting and Public Administration, Dalwick Institute of Finance and Policy Studies, Eldridge, New Zealand, E-mail: adrian.mersin@dalwick.ac.nz

Received: 27-Aug-2025, Manuscript No. IJAR-25-30123; **Editor assigned:** 29-Aug-2025, Pre QC No. IJAR-25-30123 (PQ); **Reviewed:** 12-Sep-2025, QC No. IJAR-25-30123; **Revised:** 19-Sep-2025, Manuscript No. IJAR-25-30123 (R); **Published:** 26-Sep-2025, DOI: 10.35248/2472-114X.25.13.434

Citation: Mersin A (2025). Evaluating Auditor Independence and Audit Quality in Public Sector Environments: A Comparative International Study. *Int J Account Res*.13:434.

Copyright: © 2025 Mersin A. This is an open access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

will exist to support autonomous audit functions. In some countries, international donors play a role in supporting audit improvement programs, though reliance on external actors can itself pose challenges related to sustainability and national ownership [9].

Technology also introduces new dimensions to the debate. Digital audit tools can improve efficiency and consistency, while data analytics enable a broader review of financial records than traditional sampling methods. However, technology alone cannot compensate for lack of independence or inadequate institutional support. Without the authority to act on findings or the protection from retaliation, even technically sound audits may have little impact.

Public perception also matters. In systems where citizens can access audit findings easily and trust the audit process, there is often greater pressure on public officials to address deficiencies. Media, civil society organizations, and watchdog groups can reinforce the influence of audits by amplifying their findings and demanding accountability. Conversely, where reports are inaccessible or written in highly technical language, their influence may be minimal.

A final consideration is the development of performance audits in addition to traditional financial audits. Performance audits assess whether public programs are achieving intended results and using resources effectively. These reviews can contribute to more strategic public management, but they also require skilled auditors and clear criteria for evaluation. In some systems, performance audits are still emerging, while others have integrated them fully into their oversight mechanisms.

The combined analysis of audit quality and auditor independence in the public sector shows that structural independence is a necessary but insufficient condition for high-quality audits. Training, institutional clarity, professional ethics, and public support all contribute to the environment in which public auditors operate [10]. Comparing practices across countries reveals both shared challenges and context-specific adaptations, reflecting the complex interplay between policy, administration, and accountability norms.

CONCLUSION

As governments continue to face growing expectations for financial transparency and effective public spending, attention to audit function design and implementation remains

important. While no universal model can fit all contexts, understanding the conditions under which public sector audits can operate effectively provides valuable insights for policymakers, practitioners, and citizens interested in improving public accountability. Differences in legal mandates, administrative independence, and access to resources mean that each audit institution must navigate its environment with care, balancing technical standards with institutional realities. Through comparative analysis and practical reflection, lessons can be drawn to support more effective auditing across diverse governance systems.

REFERENCES

1. Dharmasiri P, Phang SY, Prasad A, Webster J. Consequences of ethical and audit violations: Evidence from the PCAOB settled disciplinary orders. *J B Ethics*. 2022;179(1):179-203.
2. Collins S, Tan D. Legislative Intent and Agency: A Rational Unity Account. *Oxf J Leg Stud*. 2024;44(2):231-256.
3. Huang TY, Togun A, Boese T, Dowd BE. Analysis of affordable health care. *Med Care*. 2022;60(9):718-725.
4. Curzer HJ. Authorship and justice: credit and responsibility. *Account Res*. 2021;28(1):1-22.
5. Yin S, Sharif MA. How and when does a used (vs. unused) account affect consumption behavior?. *J Exp Psychol Gen*. 2024;153(4):939-956.
6. Kehinde AD. Access to trade credit and its impact on the use of European Union (EU) approved pesticides among smallholder cocoa farmers in Ondo State, Nigeria. *Heliyon*. 2022;8(12):e12409.
7. Abu-Omar A, Kennedy P, Yakub M, Robbins JB, Yassin A, Verma N, et al. Extra credit for disruption: Trend of disruption in radiology academic journals. *Clin Radiol*. 2022;77(12):893-901.
8. Hopewell S, Chan AW, Collins GS, Hróbjartsson A, Moher D, Schulz KF, et al. CONSORT 2025 statement: updated guideline for reporting randomised trials. *JAMA*. 2025 May;333(22):1998-2005.
9. Hosseini M, Rasmussen LM, Resnik DB. Using AI to write scholarly publications. *Account Res*. 2024;31(7):715-723.
10. Li W, Wang H, Zhang L, Liu R. Digital inclusive finance, consumer consumption and high-quality economic development. *PLoS One*. 2023;18(8):e0285695.