

Kristianstad University
SE-291 88 Kristianstad
+46 44-250 30 00
www.hkr.se

Master Thesis, 15 credits, for
Master Degree of Master of Science in Business Administration: Auditing and
Control
Spring 2023
Faculty of Business

Good Audit Quality for Prevention of Fraud and Corruption in the Public Sector. Evidence from Liberia

William A.F. Roberts

Authors

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Title

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Supervisor

Giuseppe Grossi

Examiner

Elin Smith

Abstract

This abstract highlights the importance of audit quality in preventing fraud and corruption in the public sector, particularly in developing countries. Supreme Audit Institutions-General Auditing Commission (GAC) plays a critical role in promoting good financial management practices and ensuring high standards of audit quality in Liberia. By conducting good-quality audits in the public sector, SAIs -GAC can detect irregularities and weaknesses in the government's financial management system, provide recommendations for improvement, and promote transparency, accountability, and good governance. The thesis also discusses the consequences of fraud and corruption in the public sector and how the role of public sector auditing has evolved. The institutional theory was useful to understand how organizations and institutions conform to and are influenced by external expectations and pressures, and how these pressures can affect public sector organizations like the GAC. This thesis discussed decoupling, a concept in which organizations create formal structures and processes that appear to address conflicting objectives or institutional expectations but are not implemented. Overall, the role of audit quality in mitigating the risks of fraud and corruption is crucial for effective public financial management and the development of Liberia. Additionally, the thesis touches upon the evolution of public sector auditing and the importance of institutional pressures in influencing the adoption of international standards in public sector organizations. This study contains several limitations. One of these is that this study is restricted to Liberia's supreme audit institution, the GAC, future research compares Liberia to other African nations to identify similarities and contrasts in compliance with auditing standards that are the basis for good audit quality in the public sector.

Keywords:

Audit Quality, Public Sector Auditing, Fraud, Corruption, Institutional Pressures, Institutional Theory, Isomorphism, Decoupling

Acknowledgment

I would like to express my sincere gratitude to all those who have contributed to the successful completion of this research work. Firstly, I acknowledge the Almighty God for his unmerited blessings and protection which have brought me this far. Without His grace and favor, this achievement would not have been possible.

Further, William A.F. Roberts, a 2022/2023 Swedish Institute for Global Professional scholarship recipient appreciates the Swedish institute for providing me the opportunity to obtain my master's degree through their fully funded scholarships program. I value their investment in my education and will forever be grateful for this life-changing opportunity.

My supervisor, Giuseppe Grossi, deserves special recognition for his continuous guidance, support, and inspiration throughout this study. I deeply appreciate his constructive criticism, keenness, and willingness to make time for this research. His invaluable contributions have been instrumental in shaping the research work and I feel privileged to have had him as my supervisor. I would also like to express my sincere gratitude to the examiner, Elin Smiths, and seminar opponent, whose insightful criticism was crucial to and useful for the thesis.

To my family, friends, and loved ones, I express my heartfelt appreciation for your love, care, support, and prayers throughout this journey. Your unwavering guidance and assistance have been a consistent supply of motivation and encouragement for me.

I owe a great deal of gratitude to myself for a fulfilling experience that will live on in my memories and help me in many ways. Although the path has not been simple thus far, I have managed to get this far with the help of motivation, support, and delegation.

30, May 2023, Kristianstad, Sweden

William A.F. Roberts

Table of Contents

1. Introduction.....	6
1.1 Problematization	8
1.3 Purpose of the study	12
1.4 Research Question.....	13
1.5 Disposition of the paper	13
2. Literature Review.....	14
2.1 Institutional Pressures for Good Audit Quality in Liberia’s public sector..	15
2.2 Development of Public Sector Auditing	17
2.3 Fraud and Corruption in the public sector.....	19
2.4 Fraud and Corruption in the public sector in Liberia.....	20
2.5 The role of Supreme Audit Institutions in the public sector auditing in Liberia	23
2.6 Institutional Theory	26
2.6.1 <i>Isomorphism</i>	27
2.6.2 <i>Decoupling</i>	29
2.7 Theoretical Model	32
3. Theoretical Methodology.....	36
3.1 Research Philosophy and Approach.....	36
3.2 Choice of Methodology.....	37
3.3 Choice of theory	38
3.4 Critique of source	39
3.5 Time horizon	40
4 Empirical Methodology	41
4.1 Research Strategy	41
4.2 Data Collection.....	42
4.3 Case Study.....	42
4.4 Interviews	43
4.5 Data Analysis	46
4.6 Trustworthiness	47
4.8 Ethical considerations	49
5. Analysis	51
5.1 Good Audit Quality in the public sector	51
5.2 Fraud and Corruption in the public sector.....	54

5.3 Institutional pressures that influence Supreme Audit Institutions	57
6 Discussion.....	61
7. Conclusions	65
7.1 Theoretical contributions	66
7.2 Practical implications	67
7.3 Recommendations for future research	68
8. Reference.....	70
9. Appendices	80
9.1 Appendix (The interview guides).....	80
9.2 Appendixb1 Request for participation	83
9.3 Appendix 3 Consent to Record	84
9.4 Appendix 4 Thematic Analysis	85

1. Introduction

This chapter provides readers with an understanding of the background and problematization of the study, the purpose of the research, the research questions, and the overall structure of the study. It sets the stage for the subsequent chapters and helps readers grasp the significance and relevance of the research.

Audit quality serves crucial functions: it detects irregularities, errors and fraudulent activities in public entity financial statements and records (Assakaf et al., 2018). Further, Zhan et al. (2020) argued that good audits quality enhance the credibility and reliability of financial information needed for decision-making and accountability purposes. Interestingly, auditors who adhere to professional standards, exhibit professional skepticism, and maintain independence provide an objective evaluation (audit quality) of public entities' financial information and performance (Hubais et al., 2023). Additionally, audit quality promotes accountability and transparency when using public resources (Qaid et al., 2022; Zhan et al., 2020). Moreover, Qaid et al. (2022) argued that audit quality provides a valuable deterrent against fraudulent practices and encourages responsible financial management, while reporting findings and recommendations back to management, oversight bodies and the public. Having said that, audit quality contributes to the creation of a robust internal control environment in public sector by providing recommendations on ways to strengthen it (Assakaf et al., 2018). In this way, audit quality helps public entities establish effective governance structures which promote accountability while simultaneously decreasing fraud risk (Greenwood & Zhan, 2019; Qaid et al., 2022; Zhan et al., 2020). Additionally, good corporate governance can support audit quality, especially if it fosters an environment of accountability, transparency and moral conduct (IAASB, 2011). Furthermore, regulations and laws can have an important impact on audit quality (Qaid et al., 2022). Investors, institutions, and partners such as the World Bank, International Monetary Fund (IMF), and public sector institutions who rely heavily on audited financial statements are concerned with how much trust they can place in audit quality for information that will influence investment decisions (Huang et al., 2022). According to Greenwood and Zhan (2019) and Qaid et al. (2022) audit quality is a critical aspect of effective public financial

management and can play a crucial role in preventing fraud and corruption in the public sector.

Liberia's Supreme Audit Institution, General Auditing Commission (GAC) can play an essential role in preventing fraud and corruption by adhering to stringent audit quality. The GAC audits government entities like ministries, agencies and state-owned enterprises to assess financial statements. To maintain high standards of audit quality, the GAC must abide by international auditing standards which call upon auditors to demonstrate professional skepticism, independence and objectivity while carrying out audit services duties (Zhan et al., 2020). By conducting good audit quality, the GAC can detect irregularities and weaknesses within the government's financial management system, including fraud and corruption risks (Mansur et al., 2022). By Promoting good audit quality in public financial management practices, GAC can also increase public trust in government institutions and preventing fraud and corruption in the public sector.

Fraud and corruption are illegal acts that include misuse of resources and power, and violations of the law and regulation (Otalor & Eiya, 2013). Lino et al. (2022) argued that fraud and corruption are common in the public sector. According to Arifah and Setyawan (2022) and Erbuža (2022) are acts committed with knowledge and the intent of making financial gains by unethical methods. Furthermore, the public sector is affected at all levels, including the national, state, provincial, municipal, local, as well as other governmental agencies by fraud and corruption (Erbuža, 2022; Lino et al., 2022). Moreover, the public sector is a place where fraud and corruption can be detrimental to society henceforth, it diverts public funds for private gains, reduces the fairness of procurement procedures, and damages trust among citizens in public institutions (Lino et al., 2022).

In a study of organizations in the public sector, Institutional theory is a prominent theoretical framework in organizational studies that explores how organizations adhere to and are influenced by social and cultural norms, values, and expectations (DiMaggio & Powell, 1983; Haraldsson & Tagesson 2014). The theory focuses on how organizations adopt institutional pressures to conform to established practices in order to gain legitimacy and survive in their environment.

According to Lino et al. (2022), institutional theory suggests that public sector organizations tend to adopt international standards like GAAP (Generally Accepted Accounting Principles) due to strong institutional pressures in the public sector. The concept of isomorphism, proposed by DiMaggio and Powell (1983), identifies three mechanisms through which institutional pressures lead to similar practices among organizations. These mechanisms are Mimetic isomorphism, coercive isomorphism, and normative isomorphism. Lino et al. (2022) claim that governmental organizations are more susceptible to all three types of institutional pressures (coercive, normative, and mimetic), whereas nonprofit organizations are less regularly affected. Decoupling concept refers to a phenomenon in which organizations create formal structures and processes that appear to address conflicting objectives or institutional expectations, but in reality, do not significantly impact their core operations (Oliver, 1991). According to Alexius and Grossi (2017), decoupling is a concept that focuses on how businesses institutionalize new ideas and structures to match their internal organizational practice.

In summary, audit quality is an invaluable asset in preventing fraud and corruption in the public sector. It helps detect irregularities, provide assurance to stakeholders, promote accountability and transparency, as well as foster robust internal controls. By exploring good audit quality, SAIs can safeguard public resources while improving trust in the public sector, as well as promote good governance practices (Bonollo, 2019). Interestingly, audit quality research in the public sector can help economic development, good governance, and professional advancement while assuring GAC - Liberia's supreme audit institution - compliant with international standards for audit quality in public sector auditing.

1.1 Problematization

Nowadays, audit quality is a universal discussion in the public sector among stakeholders and shareholders (Desta, 2023; Greenwood & Zhan, 2019; Qaid et al., 2022; Zhan et al., 2020). According to Ndaba et al. (2021), the occurrence of corporate financial scandals has prompted regulators, and government public sector institutions to raise concerns about the audit quality. Many attempts have been made to define "audit quality." unfortunately, none have resulted in an

acceptable definition that has met with universal approval (Desta, 2023; Donatella, 2022; Francis, 2004; Mansur et al., 2022). Furthermore, Hubais et al. (2023) argued that there is no single definition of audit quality because its definition involves three groups of stakeholders--clients, external users and auditors themselves--all who may play influential roles. Interestingly, Zhan et al. (2020) define audit quality as the sum of three elements: capacity to detect breaches in financial reporting by clients; independence and probability to report such breaches. It is assumed that audit quality is the extent to which an audit conforms with the relevant auditing requirements. Similarly, audit quality is defined by the US General Accountability Office as "compliance with professional standards and contractual terms set out for the particular type of audit being conducted".

Audit quality as assumed is the ability to detect material misstatements and certify that the audit findings are accurate without favoritism. According to Assakaf et al. (2018) and Oyerogba (2021), auditors, and the auditing industry in general, play a significant role in preventing corruption and fraud in the public sector. Equally important, the private and public entities both want to adopt and supervise the accounting system in order to prevent, detect, and punish financial fraud and corruption. For this reason, Auditing and audit quality is a key component of this process, as it provides objectively established, impartial reports about the accuracy and reliability of financial information (Kusumawati & Syamsuddin, 2018; Qaid et al., 2022).

The UK's Financial Reporting Council as cited in Hasibuan et al. (2022) proposed five drivers of audit quality and a number of potential indicators of audit quality for each driver. These drivers included the audit firm culture, the skills and personal qualities of audit partners and staff, the effectiveness of the audit process, the reliability and usefulness of audit reports, and factors beyond the control of auditors, such as the existence of active and professional Audit Quality Indicators. Auditing in the public sector is necessary to reveal and prevent fraud and corruption that deny the general public and citizens their just portion of a nation's resources (Lino et al., 2022). Assakaf et al. (2018) argued that public sector auditing is a crucial component of effective governance because it supports the

government functions of insight, foresight, and supervision. It is assumed that public sector auditors are anyone performing an audit function while employed by a municipal, state, or federal government agency, a business that is owned or funded by the public, or any other organization that provides public goods or services, henceforth, public sector auditors, in the opinion of Greenwood and Zhan (2019) is an essential tool for getting the support and confidence of the citizens and the general public, who look to them for answers to their problems.

The importance of audit quality in the public sector is due to the critical role that auditing plays in the sector's governance structure, which seeks to improve the operational performance of public institutions (D'Andreamatteo et al., 2022; Lino et al., 2022). Liberia has taken steps to prevent fraud and corruption in the public sector. These efforts include the establishment of anti-corruption institutions, one such institution is the General Auditing Commission (GAC). The General Auditing Commission is one such institution entrusted with the duty of enforcing audit quality public sector in Liberia. The GAC is tasked with auditing and delivering fair and impartial reports of all public sector organizations that are supported by the Liberian government. Further, the GAC performs audits to provide a reasonable assurance that established regulations, policies, and agreed-upon processes are being strictly followed by public sector entities (GAC). The General Auditing Commission should conduct the quality audit in compliance with international standards of public sector auditing institutions. Moreover, full compliance with international standards in public sector audits is crucial for ensuring transparency, accountability, and integrity in the management of public funds (Bonollo, 2019). These standards are established by international organizations such as the International Organization of Supreme Audit Institutions (INTOSAI) and the International Standards of Supreme Audit Institutions (ISSAI) (Bonollo, 2019). Institutional pressure refers to the external influences that shape the behavior of national auditors and audit firms, including regulatory, legal, social, and cultural factors (Oliver, 1991).

Institutional theory is a prominent theoretical framework in the field of organizational studies that seeks to understand how organizations conform to and are influenced by social and cultural norms, values, and expectations (DiMaggio

& Powell,1983). It focuses on how organizations adopt and internalize institutional pressures and conform to institutionalized practices to gain legitimacy and survive in their environment (Suchman, 1995). Institutional theory, according to Haraldsson & Tagesson (2014) and Lino et al. (2022) strongly suggested that there will be a tendency for all public sector organizations to eventually adapt practices to international standards like GAAP, particularly given the institutional pressures that are strong in the public sector and the possibility that accounting bureaucrats may not have the independent political power to decide on accounting practices. Further, DiMaggio and Powell (1983) argued that there are competitive and Institutional Isomorphism (Coercive, Normative, Mimetic), each with distinct history, means by which institutional isomorphic transformation takes place. 1) Mimetic isomorphism that results from typical reactions to uncertainty; 2) Coercive isomorphism caused by the impact of politics and the legitimacy issue; and 3) Normative isomorphism related to professionalization. The study of Lino et al. (2022) claimed that governmental organizations are more susceptible to all three types of institutional pressures (coercive, normative, and mimetic), whereas the impact of institutional pressures for nonprofits organization is less regular.

In addition to raising significant issues for the field of public management, the susceptibility of public sector organizations to institutional influences has implications for public sector organizations like the GAC that receive funding and regulation from national and international organizations to be in compliance with full international standards. According to Ferry et al. (2023), in order to deal with these pressures, audit arrangements in central and local governments had to change hence, public sector organizations are particularly vulnerable to institutional pressure/constraints. The public sector in Liberia has been characterized by widespread accusations of fraud and corruption, a lack of accountability, problems with non-transparency, and a lack of audits or the failure of audit recommendations to be implemented in the public sector and government institutions henceforth, media, donors, and lenders and other institutions have been calling for an audit quality of public sector in government institutions (Front Page Africa, 2022; Transparency International, 2022).

The research adds to existing literature exploring the institutional isomorphism impact on audit quality in the prevention against fraud and corruption using case study and qualitative methods. It is assumed only a small number of studies on the institutional isomorphic effect on audit quality in the public sector in developing countries in the fight against fraud and corruption have been published thus far. Exploring and expanding those institutional isomorphic influences on the public auditor work is extremely important because it is the study aims to understand how good audit quality prevents fraud and corruption in the public sector hence Lino et al. (2022) argued that institutional isomorphic influences public sector audit quality.

In summary, audit quality in the public sector faces several challenges, including lack of independence, complex regulatory environment, resource constraints, complex and diverse nature of public sector entities, inherent limitations of auditing, public accountability and expectations, and lack of audit profession maturity. DeFond and Zhang (2014); Qaid et al. (2022); Zhan et al. (2020) argued that addressing these challenges and promoting robust audit quality is crucial to ensure transparency, accountability, and effectiveness in the use of public funds in the public sector. The objective of the study is to extend the discussion on audit quality in the context of the public sector by looking at public sector auditing in the developing nation of Liberia. Liberia was selected because it is presumed that it was left out of a recent study on public-sector auditing systems and Liberia is the residence of the author.

1.3 Purpose of the study

The purpose of this study is to explore how institutional pressures are influencing supreme audit institutions (SAIs) and how SAIs react to these pressures. In addition, how SAIs are compliant with international auditing standards that are important for good audit quality for preventing fraud and corruption in the public sector in Liberia. Also, the study explores the perspectives of Institutional theory, isomorphism and decoupling concepts on audit quality and SALs in the public sector.

1.4 Research Question

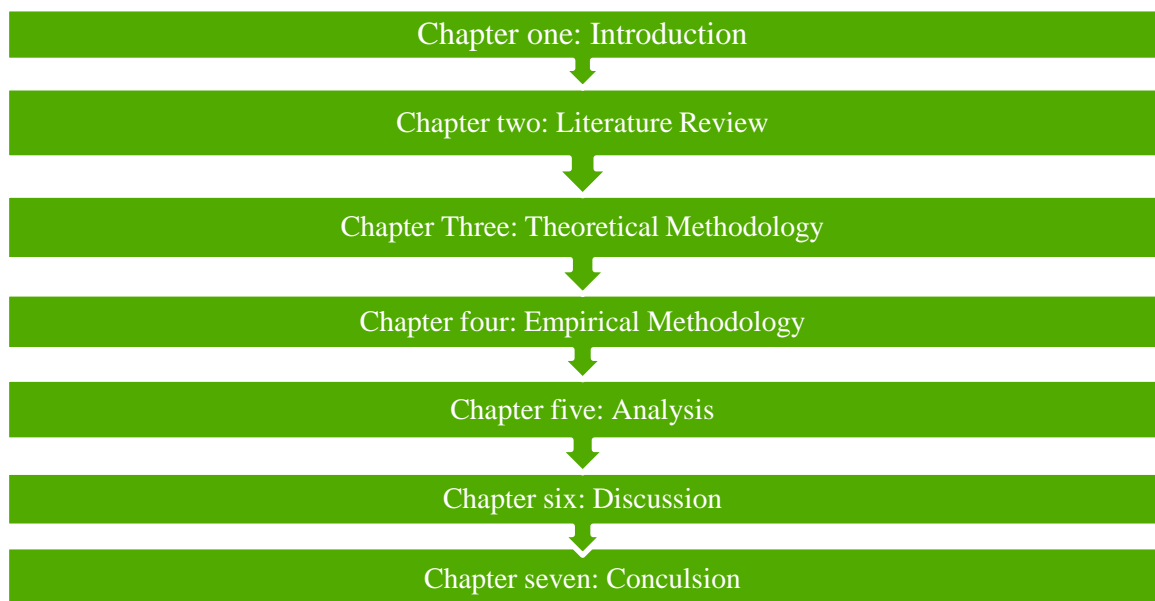
Based on the study background and research proposed the below research questions were developed:

Research Question 1. What types of institutional pressures (coercive, normative, and mimetic) influence the audit quality and help to prevent fraud and corruption in the public sector in Liberia?

Research Question 2. How is the supreme audit institution compliant with the international auditing standards that are the basis of good audit quality for preventing fraud and corruption in the public sector in Liberia?

1.5 Disposition of the paper

The thesis's structure is shown in Figure 1 below. It provides a visual representation of the order or pattern in which the is written.



Source: author self-construction figure 1.

2. Literature Review

Audit quality is a critical aspect of ensuring transparency, accountability, and integrity in the public sector (Qaid et al. 202). Further, Supreme Audit Institutions (SAIs) play a pivotal role in preventing fraud and corruption by conducting high-quality audits of government activities (Bonollo, 2019). This literature review aims to analyze the existing body of research that examines the relationship between audit quality within SAIs and their effectiveness in preventing fraud and corruption in the public sector. There is a significant research on audits in the private sector, but little research is available on audits in the public sector (Hay & Cordery, 2018). Numerous studies examine audit quality from numerous perspectives because there does not appear to be a single definition of audit quality (De Fond & Zhang, 2014). Despite Greenwood and Zhan (2019) claimed that training from private sector audit research cannot be expected to equally apply to the public sector. Further, Hay et al. (2018) mentioned that such a study is connected and applicable to the public sector literature. Research findings on good audit quality for the prevention of fraud and corruption in the public sector are under study (Lino et al., 2022). Institutions like SAIs have a long history—almost as long as governments (Bonollo, 2019).

Furthermore, SAIs are deeply rooted in the jurisdiction's constitution, which changes over time yet continues to reflect longstanding traditions and culture (Caruana & Kowalczyk, 2021). This section reviews some of the research literature available on audit quality, fraud, and corruption in the public sector. The literature review did not consider the available private sector conceptual frameworks because they do not provide a conceptual basis for good audit quality for the prevention of fraud and corruption in the public sector. Because there aren't many studies on the subject that are relevant to this setting, none of the research projects so far examined employed Liberia's public sector as a case study. This literature review explore the existing body of research, theories, methodologies, and findings related to this topic. The review of the literature outlines the institutional theory, isomorphism, and decoupling concepts, and information that have been employed in earlier studies on the topic (DiMaggio & Powell, 1983; Oliver, 1991).

2.1 Institutional Pressures for Good Audit Quality in Liberia's public sector

The concept of institutional pressures helps explain the various forces and influences that shape the behavior and practices of SAIs to ensure good audit quality and the prevention of fraud and corruption in the public sector in Liberia (Bonollo, 2019; DiMaggio & Powell, 1983; Oliver, 1991). Institutional pressures play a significant role in shaping the behavior and performance of Supreme Audit Institutions (SAIs) when it comes to ensuring good audit quality and preventing fraud. Furthermore, growing body of research in the field of auditing has revealed that international convergence of structures, procedures, and practices may be taking place to show the relationship between institutional pressures on SAIs and how much they conform to or resist institutional pressure (Wang et al., 2017). Also, institutional pressures can influence the behavior and decision-making processes of auditors and audit organizations (Oliver, 1991). For audit quality, organizations may adopt similar auditing standards and procedures to comply with industry norms and regulations (Cordery & Hay, 2022; Tetteh et al., 2023). A study by DeFond and Zhang (2014), argued that auditors are more likely to issue modified opinions when they operate in countries with a stronger regulatory regime.

In another study by Gao et al. (2015), they found that audit quality is positively associated with the quality of institutions in a country and the strength of the legal system. Growing body of research in the field of auditing has revealed that international convergence of structures, procedures, and practices may be taking place to show the relationship between institutional pressures on SAIs and how much they conform to or resist institutional pressure (Wang et al., 2017). These pressures stem from social norms, values, and expectations (DiMaggio & Powell, 1983). SAIs in Liberia may feel compelled to maintain good audit quality due to the societal expectation that public funds are used transparently and efficiently (Tetteh et al. 2023). Norms of accountability and integrity and transparency can influence SAI staff to conduct thorough audits that help identify and prevent fraud and corruption. Further, institutional pressures also arise from laws, regulations, and formal structures (DiMaggio & Powell, 1983; Oliver, 1991). The legal framework in Liberia likely mandates SAIs to perform audits and investigations to detect and deter fraud and corruption. The existence of anti-corruption laws and

regulations creates an institutional pressure that requires SAIs to meet certain audit quality standards. Also, these pressures result from imitating the successful practices of other organizations (Bonollo, 2019). For audit quality, organizations may adopt similar auditing standards and procedures to comply with industry norms and regulations (Cordery & Hay, 2022). A study by DeFond and Zhang (2014), argued that auditors are more likely to issue modified opinions when they operate in countries with a stronger regulatory regime. In another study by Gao et al. (2015), they found that audit quality is positively associated with the quality of institutions in a country and the strength of the legal system. If SAIs in neighboring countries or similar contexts have been successful in preventing fraud and corruption through high-quality audits, Liberian SAIs might be motivated to adopt similar approaches to maintain their credibility and effectiveness. Moreover, institutional pressures arise from shared beliefs and cognitive frameworks (Bonollo, 2019; DiMaggio & Powel, 1983). International best practices, guidelines, and standards set by organizations like INTOSAI (International Organization of Supreme Audit Institutions) can shape the way SAIs in Liberia perceive their roles and responsibilities.

The International Standards of Supreme Audit Institutions (ISSAI) provides guidelines for SAIs on how to conduct audits and report on financial irregularities (Bonollo, 2019; Ebrahim et al., 2020). Adhering to these standards can enhance the perceived legitimacy and credibility of the SAIs (Chang et al., 2020; Ismail & Ibrahim, 2019). External stakeholders such as citizens, civil society organizations, and donor agencies can exert pressures on SAIs to ensure good audit quality (Tetteh et al., 2023). These stakeholders demand transparency, accountability, and the effective prevention of fraud and corruption in the public sector. Meeting these demands can enhance the SAIs' legitimacy and secure necessary resources. The political environment can also influence SAIs (Osei-Bonsu et al., 2020; Tetteh et al., 2023). Political leaders and policymakers may push for rigorous audits to demonstrate their commitment to preventing corruption. Alternatively, they might attempt to exert influence to limit the scope or depth of audits. SAIs must navigate these political pressures while upholding their independence and audit quality (Bonollo, 2019). Institutional pressures may intersect with resource

constraints (Bonollo, 2019; Tetteh et al., 2023). Adequate funding, skilled staff, and advanced technology are essential for conducting high-quality audits. Pressure to prevent fraud and corruption can prompt SAIs to advocate for sufficient resources to carry out their mandates effectively.

In conclusion, institutional pressures significantly influence the existence and operation of Supreme Audit Institutions (GAC) in Liberia, impacting their ability to ensure good audit quality and prevent fraud and corruption in the public sector. These pressures arise from a combination of social, regulatory, cognitive, stakeholder, and political factors, all of which shape the SAIs' behaviors, priorities, and effectiveness in promoting transparency and accountability (Bonollo, 2019; DiMaggio & Powel, 1983; Oliver, 1991; Tetteh et al., 2023).

2.2 Development of Public Sector Auditing

It is well-known that the profession of auditing in the public sector has a rich history (Uman et al., 2022). Furthermore, accounting scholars have become more interested as public sector auditing develops and performance and non-financial audits have been added to the traditional financial and compliance auditors (Mattei et al., 2021a; Uman et al., 2022). In the public sector, auditing is no longer a watchdog that watches how local and central governments spend their money. Instead, it has become a tool to support central and regional government for decisions making (Grossi et al., 2023; Nerantzidis et al., 2022; Uman et al., 2022). The development of public sector auditing can be traced back to the need for governments to manage public funds responsibly (Grossi et al., 2023; Nerantzidis et al., 2022; Uman et al., 2022). As governments expanded their activities, the demand for effective oversight and control mechanisms grew (Grossi et al., 2023). Early auditing practices primarily focused on compliance with financial regulations (Grossi et al., 2023). However, over time, auditing evolved to encompass broader aspects such as performance evaluation, risk assessment, and internal control systems (Uman et al., 2022).

Public sector auditing plays a crucial role in ensuring transparency, accountability, and effective governance in government operations (Curtin & Senden, 2011; Mattei et al., 2022). Further, public sector auditing plays a crucial role in ensuring good audit quality and preventing fraud and corruption within the

public sector. Also, audit quality is essential for maintaining public trust and preventing fraud and corruption in the public sector (Grossi et al., 2023). As governments manage substantial amounts of public funds and resources, effective auditing practices are essential to ensure accountability, transparency, and the proper use of these resources (Tetteh et al., 2023). Moreover, the development of public sector auditing is closely tied to the goal of achieving good audit quality, which in turn helps prevent fraud and corruption in the public sector (Hay & Cordery, 2021). Good audit quality is essential for building trust and credibility in the public sector (Mattei et al., 2021; Uman et al., 2022). It ensures that financial statements, transactions, and operations are accurately and fairly presented (Erbuğa, 2022; Lino et al., 2022). Good audit quality also provides assurance that public resources are used efficiently and effectively and that risks are adequately managed (Qaid et al., 2020). Good-quality audits contribute to informed decision-making and help prevent errors, mismanagement, fraud, and corruption (Erbuğa, 2022; Lino et al., 2022; Qaid et al., 2020). Further, Otalor and Eiya (2013) argued that public sector institutions are vulnerable to fraud and corruption due to the large amounts of public funds they handle and the complexities of their operations. Similarly, Assakaf et al. (2018) and D'Andreamatteo et al. (2022) claimed effective public sector auditing acts as a deterrent and a preventive measure against these malpractices. Auditors examine financial records, internal controls, and processes to identify irregularities, potential fraud indicators, and areas of weakness that could be exploited henceforth by bringing such issues to light, audits play a crucial role in preventing fraud and corruption (Erbuğa, 2022; Lino et al., 2022; Qaid et al., 2020).

Auditing standards and guidelines provide a framework for conducting high-quality audits (Bonollo, 2019). Supreme Audit Institutions (SAIs) are key players in this endeavor, as they are responsible for conducting audits of government entities and programs. Further, international standards such as the International Standards of Supreme Audit Institutions (ISSAI) provide a comprehensive framework for auditing government entities (Bonollo, 2019). Moreover, given the nature of fraud and corruption in the public sector, collaboration between audit institutions across countries is essential hence sharing best practices, experiences,

and knowledge helps enhance the overall quality of public sector auditing. International organizations like INTOSAI (International Organization of Supreme Audit Institutions) facilitate such collaboration (Bonollo, 2019; Tetteh et al., 2023).

2.3 Fraud and Corruption in the public sector

In recent times, more emphasis has been placed on SAIS's ability to conduct quality audits since it has gained popularity as a tool for evaluating the success of auditing in the public sector to prevent fraud and corruption (Salih & Hla, 2016). The SAIs are in charge of conducting audits in the public sector because their primary function is to provide audit and assurance services to enhance public accountability (Bonollo, 2019). This suggests that Supreme Audit Institutions (SAIs) have a crucial role to play in enhancing public sector auditing and preventing fraud and corruption (Salih & Hla, 2016). Fraud and corruption are illegal acts that include misuse of resources and power, and violations of the laws and regulations (Otalor & Eiya, 2013). Similarly, fraud and corruption, according to Arifah and Setyawan (2022) and Erbuža (2022) are acts committed with knowledge and the intent of making financial gains by unethical methods. Moreover, the public sector is affected at all levels, including the national, state, provincial, municipal, local, as well as other governmental agencies (Erbuža, 2022; Lino et al., 2022).

The public sector is a place where fraud and corruption can be detrimental to society henceforth, it diverts public funds for private gains, reduces the fairness of procurement procedures, and damages trust among citizens in public institutions and audit quality is necessary to prevent fraud and corruption (Lino et al., 2022). In the public sector, fraud and corruption can be caused by weak governance, ineffective anti-corruption laws, and lack of transparency. Other factors that can cause it are political interference, collusion between officials, and low salaries (Abdul-Baki et al., 2021). According to Abdul-Baki et al. (2021) and Mulyatini (2022) fraud and corruption are often linked to weak organizations and ineffective anti-corruption laws in developing nations. SAIs also play a significant role in enhancing audit quality in the public sector by improving transparency and accountability, preventing fraud and corruption, uphold the public's trust, and

encourage the efficient and effective use of public resources for the country's citizens, (Salih & Almajdob, 2019).

To be successful in preventing fraud and corruption in the public sector, SAI like GAC needs to institute several measures, which include legal, social, and institutional collaborations SAI's members (Bonollo, 2019). Implementing and enforcing strong anti-corruption legislations and regulations are essential, establishing independent anti-corruption organizations, promoting transparency and accountability, strengthening internal controls, financial management, conducting thorough investigations into corruption cases, providing adequate compensation and training for public officials, ensuring whistleblower protection, and raising public awareness about fraud and corruption are also important (Mulyatini, 2022). Lino et al. (2022) argued that codes of conduct, training in ethics, practices for risk management, audits quality and a climate that promotes accountability and transparency can be used to encourage ethical behavior to prevent fraud and corruption on the public sector.

2.4 Fraud and Corruption in the public sector in Liberia

Liberia is a country that suffers from widespread fraud and corruption (Atuilik & Salia, 2019). This has a negative impact on the economy, governance and social life (Lino et al., 2022). Further, fraud and corruption have affected both the governmental sector and the private sector (Lino et al., 2022). Similarly, fraud and corruption lead to misuse of public funds, personal gains from natural resources, money-laundering schemes, as well as fraudulent government procurement procedures (Arifah & Setyawan, 2022; Erbuğa 2022). These fraud and corruption have adverse impact on audit in the public sector in Liberia.

In recent years, there have been numerous reports of significant misappropriations of public funds in Liberia. As stated in Atuilik and Salia (2019), statistics from the European Commission (2004) showed that Liberia had a total debt load of \$2.9 billion as of the end of 2003, over half of which was owed to the International Monetary Fund (IMF). In her inauguration address in 2006, President Ellen Johnson Sirleaf of Liberia identified widespread corruption, mismanagement, and the improper use of public finances as the main disease that had afflicted the Liberia both before and during the war (Atuilik & Salia, 2019).

She further added that such dishonest and fraudulent practices not only drained the nation's resources but also damaged the trust that people in the local and international communities had in the Liberian economy. More recently, since 2017, there has been a rise in public outrage in Liberia against the government's corruption, waste of public funds, high recurrent costs, governance costs, and inadequate budget performance by various government organizations. US Treasury (2022) claimed that public sector corruption is widespread in Liberia, particularly among higher-ranking government officials, and that it has the potential to hinder economic growth and effective national governance. On August 15, 2022, the US Treasury Department sanctioned three Senior Government Officials in Liberia for Public Corruption. The Officials from the Liberian government named by the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury for their participation in public corruption include Nathaniel McGill, Minister of States for Presidential Affairs in addition to being President George Weah's Chief of Staff; Sayma Syrenius Cephus, Liberia's Solicitor General and Chief Prosecutor and Bill Twehway, National Port Authority (NPA) managing director (US Treasury Department, 2022).

These government officials' fraud and corruption include misappropriation of state funds, the taking of private property for personal gain, accepting kickbacks, corruption in connection with government contracts or the exploitation of natural resources, bribery, money laundering, manipulated public procurement procedures, and the transfer of \$1.5 million in vessel storage fees from the NPA into a private account (US Treasury Department, 2022). Another fraud and corruption situations were Systematic fraud and misappropriation by employees of the Liberian Ministry of Health (MoH) were found by the Global Fund's Office of the Inspector General non-compliant expenditures reached US\$1.1 million (Global Fund, 2022). These problems are further indication of the fraud and corruption that exists in Liberia. Additionally, in its 2021 annual report, the Anti-Corruption Commission of Liberia included the following individuals and organizations regarding alleged misapplication and corruption of public funds: Emmanuel Johnson Nimbune and officials from the Ministry of Agriculture, who are being investigated for alleged misapplication of US \$13.782 million (file

#271 investigation ongoing); the late Hon. Emmanuel B. Nyeswa, Director General of Internal Audit Agency (IAA), submitted an audit report against the Independent National Commission on Human Rights (INCHR) revealing financial malfeasances totaling US\$474,035.62 and LR\$768,9545.69 (file #400, investigation nearing completion); and the Minister of Agriculture, who is being investigated for alleged financial malpractices in the implementation of the Small Holders Agribusiness revitalization project, amounting to US\$48 million -file #401, investigation ongoing (LACC Annual Report, 2021). All these fraud and fraud and corruption cases halt the development of a nation (Liberia).

However, the government is preventing fraud and corruption in the public as well. Currently, fraud and corruption cases are being prosecuted in multiple courts nationwide, including the fifth judicial circuit court in Grand Cape Mount County, fourth judicial circuit court in Maryland County, the 9th judicial circuit courts in Bong County, and the Criminal Court C at the Temple of Justice in Montserrado County (LACC Annual Report, 2021). Further, it is worth mentioning that during the period between August and December, the Liberia Anti-Corruption Commission (LACC) accomplished a commendable feat by recovering stolen liquid assets amounting to LD\$32,836,420 from public officials (LACC Annual Report, 2021). This noteworthy achievement highlights the LACC's commitment to preventing fraud and corruption and promoting accountability within Liberia's public sector. Furthermore, the LACC's actions serve as a deterrent to potential perpetrators of fraud and corruption. The successful recovery of stolen assets demonstrates that there are consequences for engaging in corrupt practices, creating a culture of accountability and integrity within the public sector. This can ultimately help foster a more conducive environment for investment, economic growth, and social progress. The efforts of the LACC should be acknowledged and supported, as they play a crucial role in promoting good governance and fighting/preventing fraud and corruption. LACC dedication to recovering stolen assets contributes to the overall goal of building a more transparent and prosperous Liberia.

Moving forward, the effects of fraud and corruption in Liberia are far-reaching. Liberia ranked 142nd among 180 countries in Transparency

International's Corruption Perceptions Index 2022 (Transparency International, 2023). This is a clear indication that the country has a serious problem with fraud and corruption. For Liberia to improve transparency, accountability, and governance, it is important that fraud and corruption are addressed, to enhance audit quality in the public sector. To prevent fraud and corruption in Liberia, effectively robust measures are needed to detect, punish and prevent corrupt practices, as well as increase transparency, accountability, and integrity in the government and private sectors (Atuilik & Salia, 2019; Mulyatini, 2022). In addition, strengthening institutions and encouraging citizen participation, as well as raising public awareness of their damaging consequences, are essential steps in promoting sustainable growth and rebuilding trust among the Liberian people.

2.5 The role of Supreme Audit Institutions in the public sector auditing in Liberia

Supreme Audit Institutions (SAIs) play a crucial role in public sector auditing in Liberia, as they do in many other countries (Bonollo, 2019). SAIs are independent government bodies responsible for auditing the financial statements, transactions, and operations of public entities to ensure transparency, accountability, and proper use of public funds (Tetteh et al., 2023). In Liberia, the SAI is known as the General Auditing Commission (GAC). The SAIs are in charge of conducting government audits, creating an environment for the public sector audit (Salih & Almajdob, 2019; Bonollo, 2019). In other word, SAIs are watchdog organizations that conduct external audits of the general expenses, revenues, and assets of all public institutions (Kayrak, 2008). The SAIs do several duties that are significant to the general public, the legislature, and the government, and they perform various auditing and inspection duties in various departments of the government. Furthermore, Bonollo (2019) argued that Supreme Audit Institutions are essential for reforming the public sector, as they monitor and audit public expenditures while promoting accountability within government agencies and enhancing audit quality. Moreover, Kayrak (2008) argued the basic explanation of SAIs' contribution to the public sector is to encourage accountability and transparency in the interest of a robust financial management system in government operation in the public sector, which serves to deter and prevent fraud and corruption. The

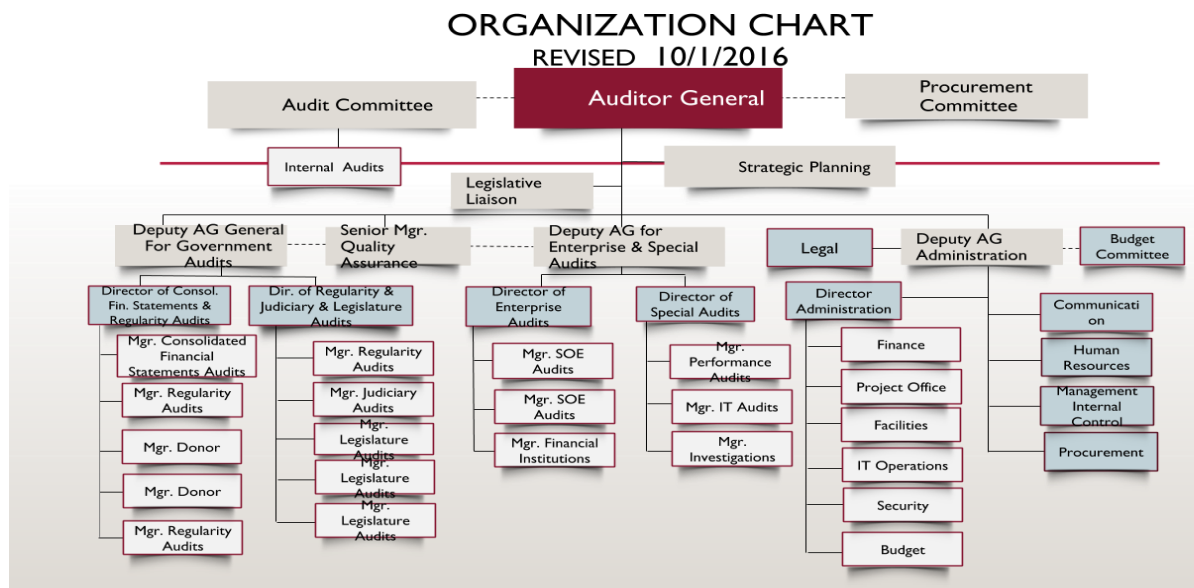
supreme audit institution in Liberia the General Auditing Commission (GAC). GAC is an autonomous government agency, responsible for the auditing of accounts and transactions as well as practices of public entities.

The GAC is the supreme auditing body and acts as the ultimate auditing institution to ensure transparency, accountability, good governance, in the management of public resources (GAC Act, 2014). GAC is a supreme audit institution that was created by a Liberian National Legislature act in 2005 and has been operating under laws since the Auditing Commission Act of 2014. Its functions includes financial, compliance, performance and audits for government agencies, ministries, parastatals and local governments, as well as public corporations and other entities that receive or manage public funds. GAC audits are independent, objective assessments of the legality, efficiency and regularity of financial operations in the public sector. GAC reports are sent to the Liberian Legislature for oversight. GAC audits are administered by an auditor general appointed by President and approved by Liberian Senate. The Auditor General must be impartial, independent, and professional when performing their duties. The GAC's operations are in accordance with international standards of auditing, while the work is based on principles like transparency, accountability and integrity (Bonollo, 2019). According to Tetteh et al. (2023), the office of the Auditor-General is the key entity for managing, monitoring, and evaluating public financial resources and providing quality audits in public sector.

According to section 53 of GAC Act 2014, Liberia's Auditor General has the authority to audit all public accounts as well as other offices. The GAC charter grants it authority to audit financial records of public entities and their activities to promote transparency, accountability, and fiscal probity in the public sector. According to section 37(2), the PFM Act also requires that the Minister for Finance and Development Planning send unaudited budget final accounts four months after the fiscal year's end to the Auditor-General. According to section 37, subsection 5 of the PFM Act it is the responsibility of the Auditor to assess the final accounts prepared by the Minister for Finance and Development Planning and to submit the audited accounts and responses of him/her to the national legislative bodies within four months of receiving the unaudited accounts (GAC

Act, 2014). Also, GAC auditing is used to ensure that national budgets are subjected to an independent review in order to detect material errors, irregularities or fraud (GAC Act, 2014). GAC also provides assistance to public agencies to help improve financial management, internal controls, and technical support. GAC is a vital part of Liberia's efforts to maintain transparency and accountability in the use of public resources and contribute to improved governance and sustainable development.

Figure 2 The organization structure of the General Auditing Commission of Liberia



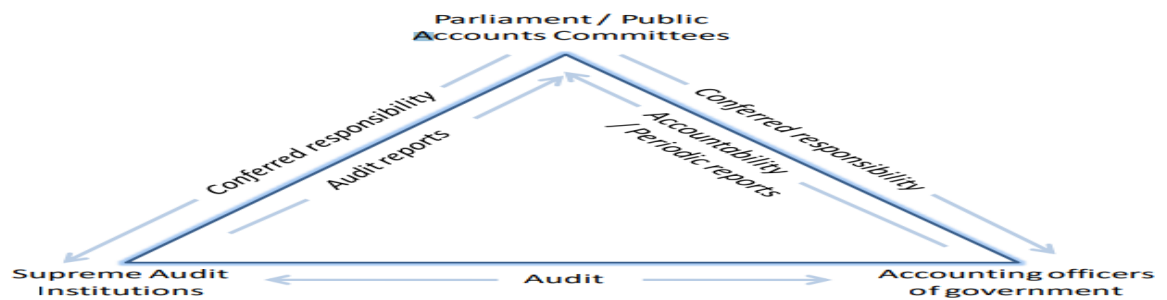
Source: GAC Liberia

SAI (GAC) audit public entities in accordance with international standards and procedures, such as International Standards of Supreme Audit Institutions and Fundamental Auditing Principles (Bonollo, 2019). The public sector audits are vital to maintaining accountability and transparency of public funds. Bonollo (2019) stated that SAI is there to ensure transparency and accountability within the public sector. This will help to prevent fraud and corruption and enhance audit quality. GAC belongs to the African Organization of English-Speaking Supreme Audit Institutions (AFROSAI-E), which focuses on countries who have implemented NPM reforms and SAIs following the Anglo-Saxon System (Bonollo 2019). Under this system the National Legislature, or the Parliament, entrusts the accounting officers the task of managing the funds effectively, as well

as providing the services. Similarly, GAC is a key in this process, auditing public entities and providing feedback to Parliament on financial information presented by executives of government. The GAC reports are primarily reported to the National Legislature's Public Accounts Committee, which represents the National Legislature (GAC Act, 2014). The PAC has the responsibility to investigate issues raised in audit reports more deeply when necessary and ensure that any accounting officer actions are being monitored. The Anglo-Saxon System in Liberia relies on a strong relationship between GAC and PAC to ensure effective oversight (Bonollo, 2019). A Board of Commissioners oversees the GAC, which provides oversight and guidance for both the Auditor General's Office and the GAC.

The GAC organizes seminars and trainings and supports audits in collaboration with the UK National Audit Office, the US Government Accountability Office, the Institute of Internal Auditors of South Africa and the Office of the Auditor General of South Africa. It also provides assistance to the Liberian National Risk Assessment on Money Laundering and Terrorist Financing (GAC Liberia).

Figure 3 The Anglo-Saxon system for accountability and oversight in government



Source: AFROSAI-E Performance Audit Handbook 2016

2.6 Institutional Theory

The institutional theory is commonly acknowledged to offer a helpful theoretical framework for comprehending public sector governance, transparency, and accountability changes in developing economies (Cordery & Hay, 2021). The fundamental principle of institutional theory is that people and organizations gain authority by upholding the standards established by the institutions they are a part

of (DiMaggio & Powell, 1983). Building trust between an organizations and its interactions involves implementing best practices, adhering to legal and regulatory standards, and comprehending the needs and preferences of important stakeholders (Cordery & Hay, 2021). The institutional theory contends that organizations and people that disobey social norms may have severe negative effects including diminished credibility, scarce resources, or social punishments (DiMaggio & Powell, 1983). Furthermore, the adoption of International Accounting Standards by many nations is one economic application of the institutional theory (Cordery & Hay, 2022). Also, institutions like laws, rules, customs, and unwritten standards have an impact on how people and organizations behave. Moreover, Oliver (1991) identified the organizational field as a means by which their institutional environment's pressures and impulses are addressed. In another word, the institutional theory posits that organizations adopt structures and practices that are considered legitimate within their field as a response to pressures and impulses from their institutional context.

Institutional theory helps institutions continually adapt and evolve to meet shifting social and economic situations (Greenwood, 2011). Also, Tetteh et al. (2023) argued that the reason for this is that they are fired if rules cannot be bent to meet their demands. Public sector organizations aim to maintain their credibility with all stakeholders, including the general public, through institutional theory (DiMaggio & Powell 1983). Interestingly, Institutional theory helps in fostering responsibility, trust, and transparency in government financial management as well as adherence to the standards established by national bodies. Laws, regulations, and professional standards are examples of institutional settings that influence audit quality in the public sector. Liberia can gain greatly by boosting citizen trust in the government's financial management procedures and accountability and taking institutional considerations in audit quality in public sector organizations.

2.6.1 Isomorphism

The concept of isomorphism comes in different forms: normative, which is connected with professionalization, mimetic, which is a standard response to uncertainty, and coercive, a result of political influence and institutional problems

(DiMaggio & Powell, 1983). With Isomorphism, Organizations may take similar tactics to avoid seeming out of the ordinary as a result of institutional pressures from the larger institution, such as rules, standards of professional conduct, or cultural norms. Organizations adopt procedures that may not be practical or efficient but they feel DiMaggio and Powell (1983), which they define as collective rationality phenomena. Isomorphism explains how businesses in the same industry tend to resemble one another over time without any direct competition and can be defined by common beliefs, socialization processes, or other causes (Oliver, 1991). According to Cordery and Hay (2022), global audit growth has been fueled by isomorphic relationships. In order to maintain their credibility, public sector organizations, according to Frumkin and Galaskiewicz (2004) should respond to isomorphism. SAIs are converging on standard models as a result of isomorphic forces, which are the forces that bring about change (Cordery & Hay, 2022). Regardless of whether coercive, mimicry, or normative influences, according to DiMaggio and Powell (1983), coercive isomorphism will drive organizations to become more similar in situations where there is a higher reliance on another organizations or a more centralized supply of resources. Mimetic isomorphism, according to Cordery and Hay (2022) causes organizations (like SAIs) to be more likely to model themselves after other organizations when means and ends are less obvious and when an organization's goals are uncertain. The International Organization of Supreme Audit Institutions (INTOSAI) is an example of an organization that promotes the progress of government auditing by exchanging experience among its members and providing professional guidance. The code of ethics for auditors in the public sector is directed at individual auditors and is believed to be used globally by INTOSAI members.

The General Auditing Commission (GAC) being a member of the African Organization of English-speaking Supreme Audit Institutions (AFROSAI-E) does not necessarily imply isomorphism between the two entities. Isomorphism refers to the tendency of organizations to adopt similar structures, procedures, and practices as other organizations within their environment (DiMaggio & Powell, 1983). While membership in AFROSAI-E may create some pressures for the GAC to conform to certain standards and practices, it does not guarantee

isomorphism. Therefore, while the GAC's membership in AFROSAI-E may lead to some level of isomorphism, the nature and extent of that isomorphism depend on various factors such as the GAC's institutional context, its internal culture, and the specific standards and practices promoted by AFROSAI-E. Haraldsson and Tagesson (2014) argue that public sector organizations will eventually adopt practices that are in line with Generally Accepted Accounting Principles (GAAP). This is because the institutional pressures in the public sector are strong, and accounting bureaucrats may not have the political power to independently decide on accounting practices. Further, normative isomorphism, which is similar to legitimacy, plays a role in the functioning of public sector organizations, such as Supreme Audit Institutions (SAIs), as they need to earn the trust of stakeholders through ethical behavior and adherence to a code of ethics.

2.6.2 Decoupling

Decoupling concept refers to the process by which organizations adopt certain formal structures, policies, and procedures in response to institutional pressures while maintaining their underlying informal practices and values (Alexius & Grossi, 2018; Scott, 2014). Further, Oliver (1991) defined decoupling as a strategy of creating a separation between an organization's public image and its actual practices. According to Alexius and Grossi (2018), businesses have a tendency to decouple in the current business climate in order to address competing institutional expectations and objective demands. Moreover, decoupling allows organizations to comply with external expectations without actually changing their internal operations. According to Meyer and Rowan (1977), decoupling is the deliberate process of creating and maintaining gaps between official policies that have been accepted in public and actions implemented by the organization. Likewise, decoupling refers to a phenomenon in which organizations create formal structures and processes that appear to address conflicting objectives or institutional expectations, but in reality, do not significantly impact their core operations (Oliver, 1991). According to Alexius and Grossi (2017), decoupling is a concept that focuses on how businesses institutionalize new ideas and structures to match their internal organizational practice. Oliver (1991) argued that there are

five tactical options: acquiescence, avoidance, compromise, disobedience, and manipulation.

In today's business environment, organizations face a range of expectations from different stakeholders, including shareholders, customers, regulators, and society at large. These expectations can sometimes conflict, creating tension and uncertainty for the organization. In order to be considered coupling, organizations may "acquiesce" by fully satisfying institutional demands without protest. Boxenbaum and Jonsson's (2017) cited in (Tetteh et al., 2023). Secondly, the way an organization might "avoid" institutional pressures is by decoupling, or partially separating, technical operations connected to regulatory compliance (Oliver, 1991). The practices established on the organization are largely ceremonial, not intended to increase technical efficiency (Tetteh et al., 2023). In addition, firms facing institutional pressure may "compromise" and only partially meet institutional requirements. Furthermore, organizations will employ the "defiance" tactic to defy institutional expectations by rejecting current norms, standards, and rules. According to Mamat et al. (2021) argued that "manipulate" institutional demand by using power to affect the outcome.

The concept of decoupling in public sector auditing refers to the situation where organizations, under pressure to comply with the recommendations of the General Auditing Commission, may adopt new structures or procedures in a ceremonial manner to demonstrate conformity. However, in reality, they may continue to perform their operations in line with their old procedures. This phenomenon of decoupling can occur due to various reasons, such as resistance to change, lack of resources to implement the recommended changes, or a lack of belief in the effectiveness of the recommended changes. As a result, organizations may choose to engage in symbolic actions, such as changing their formal structure or procedures, to show that they are complying with the recommendations, while actually continuing to operate in the same way as before (Oliver, 1991). Tetteh et al. (2023) argue that SAI auditors may employ complex practices to indicate approval of change while upholding their previous behaviors.

Institutional pressures, such as those stemming from government regulations, professional standards, and industry norms, can lead organizations to adopt certain

formal practices and structures to maintain legitimacy and avoid sanctions (Oliver, 1991). However, organizations may also engage in decoupling by creating a facade of compliance with institutional norms while maintaining their underlying informal practices. DiMaggio and Powell (1983); Alexius and Grossi, (2018) have demonstrated that it can be challenging for institutions to put into practice goals, values, and structures that don't seem to fit with their guiding principles and methods. Furthermore, GAC upholds its basic principles and operational guidelines, it might be challenging, if not unreasonable, to put regulator-imposed goals and principles into practice if they don't align with its internal procedures.

Decoupling allows organizations to balance the demands of different stakeholders while still achieving their goals (DiMaggio & Powell, 1983; Alexius & Grossi, 2018). This separation allows the organization to present an image that satisfies the demands of its stakeholders while still pursuing its goals and objectives. Alexius and Grossi (2018) claimed that institutions are particularly vulnerable to decoupling during times of transition when they are confronted with competing demands relating to several policies, including environmental, quality, accounting, and auditing matters. Decoupling can take various forms, such as creating separate units or departments that are responsible for addressing specific issues or expectations, establishing formal policies and procedures that appear to address a concern but are not effectively implemented, or engaging in symbolic actions that signal a commitment to an issue without fundamentally changing the organization's practices (Oliver, 1991). Furthermore, decoupling can be useful in institutional pressure situations in the GAC for several reasons. Firstly, decoupling can help to manage conflicting pressures that GAC may face from different stakeholders (Scott, 2014).

This can help to reduce the influence of external pressures, such as political or economic pressures, on the organization's decision-making process. Secondly, decoupling can help to protect the GAC from external influences or interference in its work. By separating the pressures and influences from external stakeholders, the GAC can maintain its objectivity and impartiality in carrying out its work. Decoupling can help to promote transparency and accountability in the auditing

process. Overall, decoupling can be a useful tool for the GAC to navigate institutional pressures, maintain its independence and integrity, consistency promote transparency and accountability in the auditing process. According to Tilcsik (2010), decoupling enables institutions to maintain their own internal flexibility and gain public credibility while solving real-world problems.

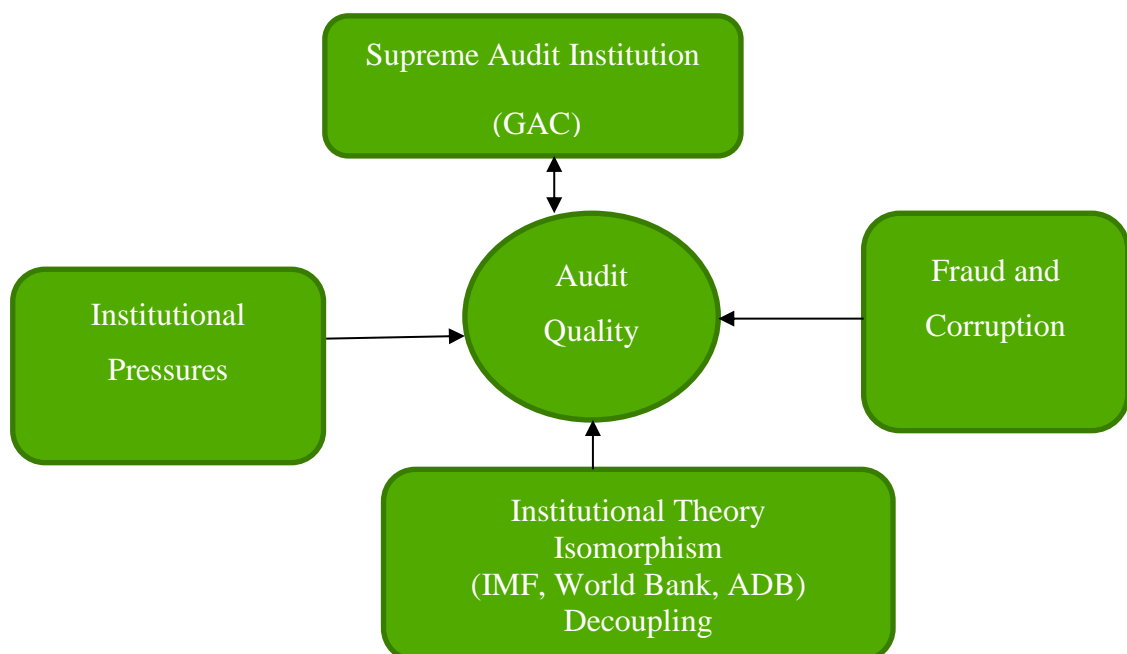
2.7 Theoretical Model

According to the information provided in the literature review, a constructivist epistemology Bell et al. (2022) view of this study has emerged, which contends that institutional pressures influence audit quality and help prevent fraud and corruption in the public sector in Liberia. The author clearly laid out the fundamental reasoning behind why the chosen theory (institutional) is appropriate to this study in Chapter. In addition, Figure 3 shows that a number of organizations, including the World Bank, European Union, UNICEF, The International Monetary Fund, The Swedish International Development Cooperation Agency, the United States Agency for International Development, and the African Development Fund, are interested in the results of quality audits conducted in the public sector. As a result, institutional pressures influence the audit quality and influence in preventing fraud and corruption in the Liberian public sector.

Institutional theory suggests that organizations, particularly in the public sector, are subject to institutional pressures that push them to conform to established norms and practices, which are often set by regulatory bodies like INTOSAI and AFROSAI-E. These pressures can be either coercive, such as legal or regulatory requirements, or normative, such as expectations from stakeholders or professional norms (DiMaggio & Powell, 1983; Haraldsson & Tagesson, 2014). As a result, public sector organizations like the General Auditing Commission are likely to adopt auditing practices and behaviors with other institutions even if they may not always align with their own internal goals and objectives (Oliver, 1991). This can help to ensure that these organizations are seen as legitimate and credible by their stakeholders and can also help to improve their performance and effectiveness over time.

Decoupling refers to the mechanisms that organizations use to maintain the appearance of conformity with formal structures and societal expectations, while at the same time deviating from these norms in practice (Meyer & Rowan, 1977; Oliver, 1991). This can be seen as a way for organizations to reconcile competing demands and pressures, such as the need to adhere to regulatory standards while also responding to practical considerations. In the case of the General Auditing Commission, it is possible that some professional attributes may not be practiced as the interested parties perceive. This could be due to the use of decoupling mechanisms that allow the General Auditing Commission to maintain the appearance of conformity while still responding to practical considerations. For example, GAC may adhere to regulatory standards in some areas while deviating from them in others, or they may create formal structures that appear to be working effectively while actually being inconsistent in practice. Overall, the use of decoupling as a framework for understanding institutional practices can provide valuable insights into how organizations navigate competing demands and pressures, and how they manage to maintain legitimacy and conformity in the face of practical challenges.

Figure 4 shows a theoretical model.



Source: Author construction of institutional pressures and Isomorphic pressures

The diagram in Figure 4 illustrates audit quality provides assurance to stakeholders - including citizens, donors, and investors - about the integrity of public sector and enhance the credibility and reliability of financial information needed for decision-making and accountability purposes (Assakaf et al., 2018; Zhan et al., 2020). SAIs (GAC) play a critical role in promoting good audit quality, especially in the public sector. SAIs are independent institutions that are responsible for auditing government institutions and ensuring compliance with international accounting standards (Bonollo, 2019). The GAC, which is responsible for promoting good governance and accountability has an important role to play in ensuring compliance with international accounting standards and improving audit quality. Institutional pressures play a crucial role in shaping the behavior and decisions of auditors, which in turn affect audit quality and help prevent fraud and corruption in the public sector in Liberia (Cordery & Hay, 2022; Hay & Cordery, 2021). Institutional pressure refers to the external factors that influence the behavior of an organization, including audit quality henceforth Institutional pressures can come from the government, the legislature, civil society organizations and international institutions (DiMaggio & Powell, 1983).

According to Power (2003) study, effective management of public resources has an impact on audit quality and auditing of the public sector is necessary to offer the general public with better services. Furthermore, the public sector is a place where fraud and corruption can be detrimental to society henceforth, it diverts public funds for private gains, reduces the fairness of procurement procedures, and damages trust among citizens in public institutions (Lino et al., 2022). In the public sector, fraud and corruption can be caused by weak governance, ineffective anti-corruption laws, and lack of transparency henceforth, fraud and corruption are often linked to weak organizations and ineffective anti-corruption laws in developing nations (Abdul-Baki et al., 2021; Mulyatini, 2022). The institutional isomorphic pressures that can influence public sector audit quality and the decision-making ability of stakeholders. These pressures can have adverse effects on the quality of audit reports issued by the GAC and can also impact the credibility of the SAIs-GAC. Institutions such as citizens, the ADF, World Bank, the IMF, and other international organizations use audit reports to

make important political, financial, and economic decisions, and low audit-quality reports can negatively affect the outcomes of these decisions (DiMaggio & Powell, 1983). The study uses the concepts of decoupling, isomorphism and institutional theory to analyze the findings of the study. Decoupling refers to the practice of institutions presenting themselves as having good internal control processes (Oliver, 1991), while in reality, they do not adhere to these processes. For example, the General Auditing Commission may attempt to adhere to best practices and standards set by international bodies such as INTOSAI and AFROSAI to gain legitimacy and adhere to norms, but in practice, they may not be following these standards. Therefore, the study will explore whether the General Auditing Commission is adhering to the practices required by the organization's internal structures or practicing external regulations. By using institutional theory, the study can provide insights into how institutional pressures can influence public sector audit quality and help to prevent fraud and corruption.

3. Theoretical Methodology

In this chapter provides, the authors present a comprehensive overview of their theoretical and methodological choices. It outlines philosophical perspectives, research philosophies and approaches for selecting research methodologies This chapter also presents and explains important theories and literature related to the conceptual framework of this research. It helps readers understand this chapter better, as it provides a foundation for future explorations of this research.

3.1 Research Philosophy and Approach

A researcher's strategy for conducting research is referred to as their "research approach" (Johnston, 2014). The definition of a research approach is unclear, according to the author, however, can also be used to justify the manner the researchers are carrying out their research (Johnston, 2014). Research philosophy, on the other hand, is concerned with how researcher can approach comprehending reality. Furthermore, research philosophy is a set of assumptions, beliefs and principles that guide the researcher in their approach to research (Bell et al., 2022). According to Johnston (2014), the research method selected depends on the researcher's ontology and epistemological stance. According to Bell et al. (2022), the ontological perspective is a philosophical or theoretical approach that focuses on the nature of existence or reality and epistemology is concerned with how knowledge is defined and what constitutes acceptable knowledge in a given profession. Saunders and Bezzina (2015) argued that the choice of whether to approach a study quantitatively or qualitatively is motivated by the researcher's queries. Moreover, Johnson (2014) and Johnson and Onwuegbuzie, (2004) argued that the selection of qualitative or quantitative methods depends on factors such as research questions, previous work on similar projects, research design and desired results In this way, A researcher's choices and perspective are influenced by the framework that guides them through all stages of their research, from planning a study to collecting and analyzing data and coming up with interpretations.

The author of this paper has selected constructivist methodology as the framework used for qualitative research (Bell et al., 2022). It is acknowledgeable that method is subjective, and reality socially constructed. It is also believed that by incorporating values-laden flexibility, descriptiveness holistcness, and

context-sensing into their approach the author can gain a deeper understanding of the phenomena under study from multiple perspectives. Social constructivism and objectivism are the two ways that social science defines or perceives reality. Furthermore, constructionism, which holds that social phenomena and their meanings are continuously achieved by social actors over time, objectivism is an ontological position that asserts that social phenomena and their meanings exist independently of social actors (Bell et al., 2022).

The author has chosen an abductive method, which combines elements of both deductive and inductive approaches, to develop theoretical ideas and draw on established theories. Moreover, depending on the philosophy chosen, researchers can use either one of two fundamental approaches: the deductive method or the inductive approach (Bell et al., 2022). The author believes that this approach will be able to carry out thorough research, using empirical data as a support for theories and drawing on established theories. Inductive thinking seeks new theories to be formed based on facts, while deductive reasoning tests theory against data (Bell et al., 2022). This study will take an inductive approach since the author intends to explore good audit quality for the prevention of fraud and corruption in the public sector. Further, this study will adopt the inductive approach as the author finds it the most appropriate to understand the different patterns related to the concept of the good audit quality for preventing fraud and corruption in the public sector, how institutional pressures influence SAIs, and supreme audit institution compliant with international auditing standards (Bonollo, 2019). Moreover, there is a theoretical framework that supports the research (DiMaggio & Powell, 1983; Oliver, 1991).

3.2 Choice of Methodology

In order to explore good audit quality in the public sector for preventing fraud and corruption in the public sector in Liberia, this study uses a qualitative research method. The rationale behind this choice was the knowledge that qualitative research has special benefits when examining human perceptions and experiences. The author will study the difficulties SAI, (GAC) encounter while conducting good-quality audits in the public sector using qualitative research methodologies, focusing in particular on institutional pressures like isomorphic influences and

decoupling that influence SAIs from carrying out their responsibilities successfully (Bell et al., 2022; DiMaggio & Powell, 1983). The methodology of choice was qualitative research since it aims to examine phenomena using deductive reasoning and record participant experiences through email and participants narratives (Carter, 2014).

Further, Bell et al. (2022) emphasize the importance of open-ended and direct quotes in qualitative research. Direct quotations give participants' feelings and thoughts context, while open-ended questions allow them to express themselves freely. Moreover, Bell et al. (2022), argued that including sufficient quotes from the participants in the research report will help readers understand the context and your interpretation of data. Saunders et al. (2009) argued that there are advantages and characteristics of qualitative research. These include its focus on understanding in depth, using participant-reported experience, open-ended questioning, and direct quotes. Qualitative study is also a good way to examine complex and ambiguous issues, like the institutional pressures that influence good audit quality for preventing fraud and corruption in the public sector, especially in Liberia.

3.3 Choice of theory

In order to better understand how good audit quality and help in preventing fraud and corrupt activities in the Liberian public sector, this study choose the Institutional Theory, isomorphism, and decoupling. The institutional theory is well suited to this study because it provides a framework for explaining how external influences like rules, norms, and principles that can influence the behavior and actions of organizations in the public sector (Oliver, 1991; DiMaggio & Powell, 1983). Isomorphism explains how organizations in the same industry tend to resemble one another over time without any direct competition and can be defined by common beliefs, socialization processes, or other causes (Oliver, 1991). The author also discuss the decoupling, a concept used to describe the occurrence when organizations develop procedures and structures that seem to conform to institutional requirements but are not always followed (Oliver, 1991).

Decoupling makes it easier to see how the public sector's quality assurance processes differ from the formal frameworks that are in place. According to Ferry

et al. (2023), it is essential to comprehend how institutions like the GAC can gain societal support by upholding societal standards to fully grasp the concept of legitimacy, which is important to institutional theory. Organizations like the GAC might attempt to increase their authority and acquire popular approval by caving into institutional constraints (Abdul-Baki et al., 2021; Lino et al., 2022). The institutional theory offers a framework to assist explain how external pressures related to, s rules, standards of professional practice, and social expectations, might influence GAC's actions and behavior in implementing quality audit techniques to combat fraud and corruption in the public sector (Alexius & Grossi, 2018). The ideas of isomorphism and decoupling within institutional theory shed light on potential discrepancies between official structure and actual practice as well as how organizations try to fend off institutional influences in Liberia's public sector when it comes to audit quality.

3.4 Critique of source

The literature used in this research was carefully selected to ensure a comprehensive and reliable study on the institutional pressures influence the audit quality and help to prevent fraud and corruption in the public sector. A variety of sources were used, including peer-reviewed articles, scientific articles from Kristianstad University's database (Summon) and Google Scholar, books, and reliable internet links. Kristianstad University's database (HKR Summon) was used extensively in the search for articles due to its comprehensive database and citation tracking feature, which helped identify highly cited articles of significance. The Association of Business School (ABS) was used as a guide for selecting articles, ensuring the quality of the study. Books were used as supplementary sources of information, providing practical knowledge and guidance on analysis and research methods. For example, Bell, Bryman and Harley book "Business Research Method" provided valuable guidance for the study.

The majority of the articles were from reputable accounting journals such as the Accounting, Auditing & Accountability Journal, British Accounting Review Journal, Journal of Accounting Institute, and Journal of Accounting, Auditing & Finance. Other journals of acceptable standards, such as the Journal of

Accounting institute and Journal Public Budget, Accounting, Finance & Management, were also used. Overall, the literature used in this study was selected with care and consideration to ensure the reliability, quality, and relevance of the research findings on the institutional pressures influence the audit quality and help to prevent fraud and corruption in the public sector.

3.5 Time horizon

The time horizon in research refers to the length of time over which data is collected and analyzed in a study (Bryman & Bell, 2015). It represents the temporal scope of the research and can vary depending on the research question, methodology, and study design. Time horizon can be classified into three broad categories: Cross-sectional: In cross-sectional research, data is collected at a single point in time, and no changes are observed or measured over time. In longitudinal research, data is collected from the same subjects or units over an extended period of time, allowing for the observation of changes or trends over time (Saunders et al., 2009). Cross-sequential research combines elements of both cross-sectional and longitudinal research (Bryman & Bell, 2015). The decision to use the cross-sectional dimension as the time horizon for this study is understandable considering the time constraints and the specific research focus (Saunders et al., 2009). Conducting a longitudinal study, which involves studying changes and developments over a long period of time, may not be feasible within the limited time interval of April 10, 2023, to May 30, 2023.

Cross-sectional studies, on the other hand, are designed to collect data at a specific point in time or over a short period and can provide valuable insights into the phenomenon being studied within that specific timeframe. In this case, the author is interested in exploring good audit quality to prevent fraud and corruption, specifically from the standpoint of public sector auditors (Bryman & Bell, 2015). Using a cross-sectional approach allows the author to collect data and analyze it within the time constraints of the study and can still provide valuable findings that contribute to the research aim. However, it's important to acknowledge the limitations of a cross-sectional design, such as the inability to establish causality or capture changes over time.

4 Empirical Methodology

Empirical methodology refers to the practical methods used by researchers to collect and analyze data (Bell et al., 2022). In this section, the author explain the research strategy and how data are collected. The author also describe how the questions were formulated and the reasoning behind their interview guide questions. Additionally, this section provides information on the sample selection. Similarly, the author provide detailed information on how the interview will be conducted and the data analysis techniques use (Tucker, 2021). Finally, the author discuss the trustworthiness of their research and the ethical considerations that were considered during the research process. By providing this information, the author aim to give the reader a clear understanding of how the research was conducted, and how the data was processed and analyzed. This enable the readers to make an informed judgment about the validity and reliability of the research findings.

4.1 Research Strategy

Research strategy refers to the systematic and organized approach that researchers use to plan, design, conduct, and analyze their research studies (Creswell, 2009). Further, Saunders et al. (2009) argued that a research strategy is an overall plan for how the researcher would approach in addressing the research questions. It involves making informed decisions about the research questions, study design, data collection methods, and statistical analyses to be used (Bell et al., 2022). Moreover, Saunders et al. (2009) narrated that a research strategy can be classified into seven different categories, including experiment research, case study, survey, action research, grounded theory, ethnography, and archive research. Bell et al. (2022) argued that the foundation of the research approach should be from the researchers' ontological and epistemological stance. In this way, a well-planned research strategy is essential for conducting rigorous and credible research and for ensuring that the research findings are valid and reliable.

The time and resources available, the existing knowledge already known about the topic being researched, the objective and research questions for the study, and the researcher's philosophical foundations all play a role in selecting the best research approach (Saunders et al., 2009). One of the most often used research

methods that academics have employed in their studies is the case study. Saunders et al. (2009) argued that a case study can be a single case study or a series of case studies, each of which has a unit of analysis for which information can be gathered through observation, interviews, questionnaires, and documentation analysis. This study uses the case study research strategy, which is the best one for this research, out of the many strategies mentioned above. The author explores the understanding of senior and mid-level management employees from the Supreme Audit Institute known as the General Auditing Commission to understand good audit quality for prevention of fraud and corruption in the public sector in Liberia.

4.2 Data Collection

Data collecting is essential to any research project because it creates the framework for getting the desired results. Furthermore, qualitative data collection techniques are growing in popularity in research studies because they enable a thorough knowledge of difficult and complex events to be studied. Qualitative method which includes different techniques for data collection, including focus group discussions, content analysis, interviews, ethnographic research, and case study research (Bell et al., 2022). Moreover, Creswell (2014) argued that qualitative research approach enables researchers to examine, explain, and understand key phenomena by gathering information through interviews, field observations, or pre-existing materials. Therefore, the author of the study uses interviews as a data collection approach to get the empirical data that will be assessed in order to help answer the two research questions. An interview is a drawn-out discussion between two persons with the goal of learning more about a topic and gaining insight into a phenomenon from the perspective of the interviewees (Bell et al., 2022; Creswell, 2014).

4.3 Case Study

According to Yin (2003), a case study strategy is an empirical inquiry that explores a contemporary phenomenon in its real-life context, especially when the boundaries between phenomenon and context are not obviously evident. Similarly, to this, Saunders et al. (2009) claimed that a case study as a research strategy entails empirically examining real-life scenarios supported by

information from numerous sources. Overall, as a case study is centered on exploring a phenomenon from a practical perspective, Yin (2003) and Saunders et al. (2009) definitions of case study serves as the foundation for this research study. According to Saunders et al. (2009), the case study method is particularly helpful for undertaking exploratory and explanatory research to provide answers to the question "why?" as well as "how?" and "what?".

The author plans to use a case study to collect the respondents' views on good audit quality for the prevention of fraud and corruption in the public sector as it applies to their setting. Further, the data received will be used in a case study scenario to analyze the theory and literature already in existence in order to gain a better knowledge of good audit quality for the prevention of fraud and corruption in the public sector in Liberia in actual practice. A single case study technique as mentioned Saunders et al. (2009) was undertaken with the supreme audit institute in Liberia known as the General Auditing Commission (GAC). The GAC was used for this study as an interesting unit of research. Additionally, GAC was selected because it is the sole supreme audit institution in Liberia in charge of auditing government spending, which is crucial for the country's economic development and for understanding audit quality in the public sector. In simple terms, the GAC is appropriate for exploring the conceptual relevance of public sector auditing and audit quality. Liberia was selected because it is presumed that it was left out of a recent study on public-sector auditing systems and Liberia is the residence of the author.

4.4 Interviews

The use of interviews is one such qualitative data collection technique that entails posing open-ended questions to participants in order to learn more about their viewpoints and experiences. Furthermore, interviews are a powerful and adaptable method for getting participants to provide in-depth information (Creswell, 2014). Interviews are a suitable data collection approach for qualitative method researchers because they enable interviewees to fully express themselves that may be crucial for the research's empirical findings. The interview is well known as the primary data collection method for research studies. Primary data were gathered

using qualitative data collection techniques as the main type of data used in this study through interviews (Yilmaz, 2013).

There are three forms of interviews: structured, semi-structured, and unstructured (Burns, 2010). Face-to-face, telephone, and online interviews can all be used to conduct semi-structured and unstructured interviews (Bell et al., 2022; Bryman et al., 2011). Further, semi-structured and unstructured interviews are unstandardized and essentially referred to as qualitative research interviews, structured or quantitative research interviews are done using prepared standardized questionnaires to acquire quantitative data (Saunders et al., 2009). The interview guide utilized in this study was structured with two research questions, but it was flexible enough to allow the interviewees to express their ideas any way they pleased (Burns, 2010). This could provide information that offers crucial study-related insights (Bell et al., 2022).

To achieve the study's objective and respond to the two primary research questions, the research questions were created. In order to provide the respondents, the freedom to express themselves freely, the interview guide used in this study was structured around three themes covered by related questions (Tucker, 2021). The interview guide was divided into four sections. The interview guide includes questions that are specific to each component with the objective of understanding more about the interviewees' general demographics and their opinions on good audit quality in the public sector.

The author conducted semi-structured email interviews, which are a kind of internet interview. The interview guide, which had a briefing letter of consent (see Appendix 1) and a total of thirteen questions, was given to participants in a separate document. Respondents provided their comprehensive responses via email communication. The author opted for email interviews over phone and in-person interviews due to the distance between the author, who is based in Sweden, and the respondents, who are in Liberia, the research's time constraints, and the respondents' incredibly hectic work schedules. Furthermore, the interviewees argued for email interviews to better answer the interview guide questions. As noted by Bell et al. (2022); Burns (2010), Bryman et al. (2011), and Saunders et al. (2009), email interviews can be utilized as a technique of data collection when

time and location, distance prevents the researcher from conducting face-to-face interviews. Since the respondents have ample time and are free to voice their opinions, email interviews allow us to gather comprehensive data.

One disadvantage of email interviews is the propensity for respondents to give succinct, to-the-point responses or give up entirely (Burns, 2010; Bell et al., 2022). Further, the research may be hampered or take longer if interested parties are unable to access email or the internet. In order to send the email, one of three options is available: either write the questions directly into the body of the message, attach the interview guide, or lead recipients to the URL for the questions (Bell et al., 2022; Saunders et al., 2009). After sending emails to participants and following up with reminders (**appendix 2**), the replies were gathered and analyzed. According to their demographics, which are shown in figure 5 below, the author obtained email answers from a total of five GAC participants in senior management positions. The five senior management teams were chosen because the author believed they were more knowledgeable about the work of GAC in conducting audit in the public sector.

Figure 5 display interviewees. See the appendix 1 for interview questions.

Respondent	Position	Gender	Date	Staff Grade
Auditörs 1	Senior Auditor	Male	May 16, 2023	Middle Management
Auditor 2	Audit Manager	Make	May 17, 2023	Middle Management
Auditor 3	Senior Audit Manager	Female	May 17, 2023	Senior Management
Auditor 4	Audit Manager	Female	May 24, 2023	Senior Management
Auditor 5	Audit Manager III	Male	May 24, 2023	Senior Management

4.5 Data Analysis

The analysis of data is a crucial part of any research projects (Bell et al., 2022). Saunders et al. (2009) and Bell et al. (2002) argued that the qualitative data analysis process involves methodically summarizing, categorizing, and organizing data as well as employing narratives to identify relationships that help the researcher reach a well-supported conclusion about the topic under study. Furthermore Bryman et al. (2011) claimed that one of the most popular methods for assessing qualitative data is thematic analysis. Thematic analysis is a widely used qualitative research method for analyzing and interpreting qualitative data, such as interview transcripts, focus group discussions, and written texts (Tucker, 2021). It involves identifying and analyzing patterns (themes) within the data to gain insights into the underlying meanings and experiences of participants. Thematic analysis is particularly suitable for exploring complex and nuanced phenomena, as it allows researchers to uncover the rich, contextually embedded perspectives of participants (Clarke & Braun, 2013). According to Joffe (2011), thematic analysis is a method for identifying and interpreting meaning patterns in a dataset. Clarke et al. (2015) and Clarke and Braun (2013) argued that the thematic analysis is a method for identifying, evaluating, and interpreting significant patterns or themes within qualitative data (appendix 4). It identifies the themes that are essential for explaining the phenomenon being studied. The thematic analysis technique will be used to find patterns or themes based on the responses provided by the people who were selected for the study (Clarke et al. 2015). The author must identify themes and subthemes, select the most significant themes, create hierarchies of themes or codebooks, and connect themes to theoretical models in order to interpret the data (Saldaa, 2015). Three themes were set by the author: audit quality in the public sector, fraud and corruption in the public sector, and institutional pressure influence on SALs. These themes could be changed or expanded upon as data are gathered and analyzed.

The use of coding is essential in qualitative research to compare, describe, or explain themes (Tucker, 2021). Participants' identities were hidden by de-identifying them from their email responses and coding them as auditor 1,2,3,4 and 5. In essence, different participant viewpoints on the necessity for good audit for prevention of fraud and corruption in the public sector were grouped into concepts that support the main topics. Following that, those grouped points were examined in accordance with themes

utilizing already-established theoretical frameworks and findings from earlier literature (Burns, 2010). The construct approach involves separating responses that are similar and different in terms of concepts and cutting and sorting recurring responses into categories (Clarke & Braun, 2013). The use of coding is essential in qualitative research to compare, describe, or explain themes (Saldaa, 2015).

In summary, data analysis is a critical aspect of any research study, especially in qualitative research. The use of traditional approaches like the constant comparison method, cutting and sorting, and construct approach, among others, can help researchers to identify themes and subthemes, make sense of the data, and develop theoretical models. It is also important to ensure that the interpretations and conclusions of the empirical data align with the theoretical framework to increase the validity and credibility of the study's findings.

4.6 Trustworthiness

The trustworthiness of qualitative research is based on the truthfulness of its findings of the phenomenon being studied (Bell et al., 2022). The researchers in this study focused on ensuring the trustworthiness of the qualitative report by establishing its credibility, transferability, dependability, and confirmability (Saunders et al., 2009; Shenton (2004). Furthermore, Shenton (2004) suggested that researchers can achieve credibility by demonstrating that their research methods are reliable, that their findings are credible, and that their research is systematic. Moreover, Connelly (2016) argued that credibility, which is similar to internal validity, refers to how much trust readers put in the study's findings. In this way, the finding must match the data that was initially collected from participants, and the interpretations must not change the participants' original opinions. According to Pitney (2004), the credibility of a qualitative study is best indicated by findings that readers and practitioners feel to be significant and applicable. The term "transferability" describes how well the research's findings can be used in different contexts or circumstances. Lemon et al. (2020) argued that the study background and underlying assumptions must be fully described in order to ensure transferability (Lemon et al., 2020). The four aforementioned standards put forward by Shenton (2004) can be utilized to evaluate the trustworthiness of the study.

To achieve trustworthiness in this study, close attention is given to the data collection and analysis processes, as consistent findings are indicative of a reliable

study (Saunders et al., 2009). In this study, a non-standard interview approach is used to enable exploring participants' viewpoints and allow them to freely communicate their knowledge and experiences of the issue being examined, which helps to assure the validity and credibility of this thesis (Morrow 2005). To eliminate participant mistakes and collect data based on various viewpoints on auditing in the public sector, participants were chosen at random from middle and senior management levels from GAC. The email responses were summarized to prevent respondents' opinions on the topic from being misunderstood and protect the originality of the data by keeping their meanings intact. Even though it can be challenging to translate research findings to different contexts Shenton (2003), it is possible to do so with a thorough description or enough background knowledge.

To facilitate the transferability of the findings, the sample selection process, study context, and participant level were all thoroughly explained. The steps of the research process, including the formulation of the research problem, the interview guide, the interview transcripts, and the data analysis methodologies, were fully defined in order to ensure the dependability of the study's findings (Carter, 2014). Furthermore, the consistency and dependability of their data collection process are achieved by using a uniform set of interview questions and selecting interviewees who all employees of the GAC are and fluent in English (Lincoln & Guba, 1985). However, consistency could be difficult due to the varied experiences of the interviewees. Shenton (2003) advises that the study's procedures should be described in detail so that other researchers can replicate the work in order to determine whether the research's conclusions are trustworthy or reliable. By analyzing and summarizing respondents' opinions, restrictions were placed on the author's influence of his own values, preferences, and biases while still meeting the confirmability requirement for reliability in this study (Guest et al., 2018). According to Bryman et al. (2011), impartiality and good faith were upheld in drawing the conclusions of this study by not favoring one set of responses over another or changing the respondents' opinions. Overall, qualitative research can be trustworthy if the researcher follows a rigorous and systematic approach to data collection and analysis, considers ethical issues and acknowledges their own subjectivity and biases.

4.8 Ethical considerations

When conducting qualitative research using interviews as the source of data collection, ethical considerations are of utmost importance (Bell et al., 2022; Walford, 2005). According to Bryman et al. (2011) and Saunders et al. (2009), ethical concerns in research entail the interaction between the researcher and the study subjects as well as the decision-making processes the researcher uses. Researchers performing qualitative research are expected to uphold ethical standards at all stages of the study's execution, including data collection and analysis, conclusion (Creswell, 2014; Denzin & Lincoln, 2018). Denzin and Lincoln (2018) further argued that ethical considerations focus on protecting the privacy and confidentiality of study participants, ensuring informed consent, minimizing harm and exploitation, and maintaining integrity and honesty in data collection and analysis. According to Bryman and Bell (2015), researchers have a responsibility to behave ethically when recruiting interviewees, conducting interviews, and analyzing data.

Moreover, one of the most significant ethical considerations in qualitative research is protecting the privacy and confidentiality of study participants (Creswell, 2014). The authors must ensure that participants' identities are kept anonymous, and that any personal information is not disclosed to anyone else without the participants' explicit consent (Denzin & Lincoln, 2018). Furthermore, when making the decision to carry out this research, several important ethical guidelines are followed. Through the use of a formal letter of request for participation (appendix 2 and 3), the participants were informed of the objective of our study and requested their consent to participate. Those that were contacted and gave their permission to participate and received the interview guide. The identities of respondents were kept anonymous and discreet by renaming them as auditors.

Another important ethical consideration in qualitative research is confidentiality (Cresswell & Clark, 2017). Researchers must ensure that the participants' privacy and confidentiality are protected by taking measures to prevent unauthorized access to the data. Confidentiality is particularly critical in qualitative research because participants often share sensitive and personal information (Creswell, 2014). Minimizing harm and exploitation is another ethical consideration in qualitative research henceforth, researchers must ensure that participants are not subjected to any physical or emotional

harm, and that they are not exploited or coerced into participating in the study (Cresswell & Clark, 2017). Maintaining integrity and honesty in data collection and analysis is also a critical ethical consideration in qualitative research. Researchers must ensure that they accurately report the data and avoid any misrepresentation or distortion of the participants' experiences (Walford, 2005). In conclusion, ethical considerations are an essential aspect of qualitative research. This study ensures that the protection of the privacy and confidentiality of participants, obtain informed consent, minimize harm and exploitation, and maintain integrity and honesty in data collection and analysis. By doing so, it is ensured that the research is conducted ethically, and that the participants' rights and welfare are protected. *Attached is the appendix 1, 2 and 3 for the interview guide, request for participation and consent form.*

5. Analysis

The empirical results of the study are discussed in this chapter. A mid-level managers and senior auditors from the GAC took part in the study. Open-ended, semi-structured interview questions were utilized for email interviews (Burns, 2010). There were three sorts of interview inquiries: The opening questions, which made up the first portion of the interview, included the interviewee's experience, educational background, and current position at GAC (Bell et al., 2022). Further, the respondents to the email interviews are categorized as Auditors 1, 2, 3, 4, and 5. The public sector's good audit quality is first examined in Section 5.1. Good audit quality in public sector auditing is explained as per the response provided by the participant and the conceptual explanation provided in the existing literature. The interviewee's experiences with fraud and corruption in the public sector are also covered in section 5.2. Further, Section 5.3 of the analysis discuss institutional pressures that influence supreme audit institutions also discuss the new indicator in conjunction with the body of previous research regarding SAIs in auditing the public sector (Bonollo, 2019). This section can close a gap in the research by providing a conceptual framework that can be used as a frame of reference for how institutional pressures impact supreme audit institutions and how SAIs are conducting audits in compliance with international accounting standards. The examination of the data is in line with the institutional theory and the concepts isomorphism and decoupling.

5.1 Good Audit Quality in the public sector

To ensure transparency, accountability, and the effective use of public resources in the public sector, audit quality is of the utmost significance (Qaid et al., 2022). It can be argued that supreme audit institutions mentioned by Bonollo (2019) that GAC conducts audits of public entities in compliance with international guidelines and standards. Further, audit quality assurance is essential to assuring the transparency and accountability of public sector as well as in Liberia. In Liberia, the GAC is in charge of conducting audits of government agencies and making sure that public funds are used properly and in line with established rules and laws. All interviewees agreed that GAC conducts quality audits in the public sector. This is consistent with auditor 3 further narrated that GAC conducts audits according to professional standards known as

International Standards for Supreme Audit Institutions (ISSAIs), including financial statement audits (ISSAI 2000), performance audits (ISSAI 3000) and compliance audits (ISSAI 4000) the enhance audit quality.

Further, GAC also undergoes independent audits by members of AFROSAI-E (African Organization of English-Speaking Supreme Audit Institutions - English Speaking Supreme Audit Institutions), representing Supreme Audit Institute, as well as reviews conducted by SAI member states henceforth these reviews include peer reviews and quality assurance reviews. Auditors 2 and 5 further explained that there are mechanisms in place to monitor and uphold audit quality standards in the public sector in Liberia. One such mechanism involves creating a Quality Assurance Unit charged with conducting regular assessments of audit reports prior to their release as well as offering refresher training on how to apply audit standards throughout an audit period. Moreover, auditor 5 also argued that skilled and qualified auditors conducting the audit in Liberia is a key element in the effective implementation of good audit quality in the public sector and by providing frequent internal training as well as training from other Supreme Audit Institutions (SAI) to increase and maintain their competency. Auditor 1 stated that conducting audits according to relevant standards, training and supervising auditors contribute to good audit quality in the public sector including Liberia. Auditor 4 claimed that auditors with adequate resources and working environment enhance audit quality. The responses from the interviews are summarized in the paragraphs below.

“Stakeholders have consistently praised the GAC for the audit quality of work conducted for the public, this resulted in the public's trust and confidence in our work at GAC. However, GAC still face issues with capacity building and ongoing professional developments; by maintaining effective and ongoing supervision and training, will greatly improve GAC audit quality in the public sector in Liberia” (Auditor 1, 2023).

“There are controls in place for implementing and monitoring audit quality at GAC. A new Quality Assurance Unit has been established to evaluates audit reports before

publication to assure audit quality. Further, GAC conducts Refresher training for all auditors on how to use audit standards in the auditing process” (Auditor 2, 2023).

“GAC conducts Audit quality in the public sector in Liberia, however, lack of financial autonomy, insufficient budgetary allotment, office building and a limited number of qualified staffs are constraints that impact GAC works” (Auditor 3, 2023).

“Government officials, civil society organizations, and citizens are convinced that the GAC conducts quality audits, and due to this fact, civil society organizations and citizens see GAC quality audit reports as a whistle-blower and eye-opener, and they used our reports for debates/ to call on the government to reprimand corrupt officials. Furthermore, a quality assurance unit has been established in an effort to ensure high-quality audits at the GAC” (Auditor 4, 2023).

“The quality of audits we conducted at GAC in the public sector in Liberia is helpful for assisting stakeholders and shareholders in making decisions for the auditee's future; however, some auditees have found it extremely difficult to implement audit recommendations. As a result, GAC has established a followed-up section whose function is to ensure audit recommendations are implemented by auditees” (Auditor 5, 2023).

Based on the findings and responses mentioned above, it is evident that audit quality is important in the public sector and is beneficial to the auditee and the stakeholders and shareholders for decision-making purposes. According to Oyerogba (2021), audit quality enhances public sector institutions' performance because it boosts stakeholder confidence. Further, audit quality has a positive impact on the auditees and the auditors must be unbiased and impartial in the audited institution (Qaid et al.,2022). This implies that auditor reports must be objective and impartial in order to benefit the auditees. According to Gao et al. (2015), audit quality is positively associated with the quality of institutions in a country. Due to the GAC quality audit report in the public sector, it is evident from the interviewees that audit quality is essential in supreme

audit institutions in Liberia. Further, the quality of audit practices in SAIs is influenced by their compliance with international accounting standards.

The interviewees indicated SAIs (GAC) adopt best practices, effective auditing techniques and approaches from other organizations to produce quality audit reports. According to Bonollo (2019) Supreme audit institutions conduct audit in compliance with international auditing standards (i.e., AFROSAI-E and INTOSAI). This can be accomplished through a variety of methods, including the adoption of international standards and norms, and working together with other audit institutions to share information and experiences (Tetteh et al., 2023). Moreover, Mimetic isomorphism, DiMaggio and Powell (1983) explain how SAIs strive toward improving audit quality by learning from other successful organizations' experiences and practices, potentially increasing effectiveness, credibility, and exchange staff training to enhance audit quality.

5.2 Fraud and Corruption in the public sector

In the public sector, fraud and corruption are widespread (Erbuğa, 2022; Lino et al., 2022). According to Lino et al. (2022), poor governance, ineffective poor anti-corruption legislations, and a lack of transparency can all contribute to fraud and corruption in the public sector in Liberia. Further, Auditor 4 argued that fraud and corruption at any level or form in Liberia severely undermines public service delivery. For instance, corruption cases can eventually create unethical organizational cultures which then escalate to systemic corruption; and systemic corruption within Liberia undermines trust between citizens and government institutions while diminishing policy integrity and distorting the results of services provided. Fraud and corruption can be detrimental to society henceforth, it diverts public funds for private gains, reduces fairness, and damage trust among citizens in public institutions (Lino et al., 2022).

Liberia today faces numerous system failures and incomplete policy implementation, leaving citizens without basic necessities like regular electricity supply, piped water access, affordable education options, quality health services, and an unpolluted environment. Auditor 2 claimed that Liberia has experienced significant fraud and corruption due to the lack of accountability for corrupt individuals, specifically due to failing to enforce anti-corruption laws that specify punishments for

their acts of corruption. Moreover, Auditor 3 narrated that greed and lack of integrity among high-level government officials further contribute to corruption within the public sector of any nation. Auditor 1 noted that taking action against corruption - defined as services not delivered nor rendered due to fraud and corruption, prosecution, naming and shaming corrupt individuals will enhance transparency and accountability of public resources. Further, auditor 3 believed there must be the “willpower” and implementation of laws, regulations and policies which hold public officials accountable for fraud or corruption in their activities. According to Otalor and Eiya (2013), views of impunity among individuals in positions of authority have a negative impact on the public's trust in the government.

To prevent fraud and corruption in Liberia, auditor 4 argued from 2007-2012, Liberia's government implemented and strengthened their anti-corruption framework and policies through anti-graft/ integrity institutions like LACC, IAA, FIU, PPCC formerly OAG GAC etc. with GMAP/PPCC Act/PFM policies implemented simultaneously for increased corruption control efforts in Liberia. Also, auditor 5 explained that the Liberian government has set up internal audit departments and fraud hotlines in a few Ministries and Agencies and these mechanisms have mitigated the risk of fraud at some government entities. The responses from the interviews are summarized in the paragraphs below.

“An important step the government of Liberia took to prevent fraud and corruption in the public sector was the establishment of Anti-Graft Institutions through Acts of the National Legislature and providing annual support to those institutions through budgetary allocations. The production of quality audit reports holding public officials accountable for public funds, as well as special investigations of people accused of misusing taxpayer’s money. The government should take measures to prosecute those accused of fraud and corruption, seeking restitution and or prison terms for those found guilty” (Auditor 1, 2023).

“Fraud and corruption within Liberia's public sector has had devastating repercussions for development and service delivery to citizens. Corruption has had an adverse impact on support to its national budget as well as allocations to service

delivery institutions like hospitals, schools and security sectors; such institutions often struggle with funding their annual activities as outlined by national budget and end up suffering due to insufficient allocations from national budget thus, poor infrastructure conditions emerge due weak education system standards coupled with health care delivery issues as a result of insecurity leading to increase poverty” (Auditor 2,2023).

“Impunity for corrupt people, that is, lack of implementation of statutory laws that require punishments for those cut in the act of corruption is a key factor contributing to fraud and corruption in the public sector in Liberia. Fraud and corruption impact audit quality in the public sector. Greed, kickback, and lack of integrity among senior government officials are additional factors contributing to fraud and corruption in Liberia’s public sector. Also, failure on the part of the heads of entities to implement audit reports on fraud and corruption and carry out integrity checks on subordinates is pushing the act of corruption upward. Moreover, the laws on the prosecution of corrupt officials should be implemented to the fullest and those caught in the act are held legally liable and the prescribed punishments served.” (Auditor 3, 2023).

“The best way to prevent fraud and corruption in the public sector in Liberia is to establish a robust internal control, audit quality reports publication and whistleblower system that encourage citizens to file complaints against corrupt activities that otherwise remain hidden. It will serve as the cornerstone for accountability, transparency, and good governance in the public sector in Liberia. By doing so, 1. Unearth corrupt activities/risks which would remain undetected without such reporting mechanisms in place 2. Ensure the public sector officials remain honest, transparent, and accountable. 3. Stop dishonest practices. 4. ensure public sector employees act in the public's interest through appropriate disciplinary actions or implementation of audit recommendations” (Auditor 4, 2023).

“When there is fraud and corruption in the country, funding for service delivery (such as health, education, gender, and social welfare) would be limited or not available. When audit findings reveal fraud and corruption in governmental entities, nothing is

done about them, and it destroys a country. To prevent fraud and corruption in the public sector, laws, regulations, and policies must be implemented” (Auditor 5, 2023).

Fraud and corrupt practices can be influenced by institutional pressures that shape organizational practices (Abdul-Baki et al., 2021). Further, the institutionalization of corruption depends on its arbitrariness and pervasiveness (Lino et al, 2022). The pervasiveness of corruption is a reflection of the deep-seated corruption that exists in a particular country (Liberia), while arbitrariness shows organizations and individuals engaging in corrupt activities. Given their pervasiveness, institutions and individuals functioning in such environments are more prone to participate in corrupt behavior, which causes wrongdoing to become institutionalized (Abdul-Baki et al., 2021; Lino et al., 2022). It is assumed that people believe there is dishonesty and lacking integrity in public officials in Liberia. There is a vital need for audit quality in the public sector to enhance the operational performance of public institutions in the nation given the negative effects of corruption on Liberia's governance, economy, and public trust in government. This would contribute to reducing corruption in Liberia and improve openness, accountability, and good governance. The GAC is essential in providing high-quality audits that ensure accountability and transparency in the management of public finances, helping to prevent fraud and corruption in Liberia. It is crucial to remember that preventing corruption needs the participation of many parties, including the government, civil society organizations, and the general public.

5.3 Institutional pressures that influence Supreme Audit Institutions

Institutions have a tremendous influence of power over both people and organizations (DiMaggio & Powell, 1983). Institutional pressures have a significant impact on how supreme audit institutions act and make decisions, which influence audit quality and help in preventing fraud and corruption in the public sector in Liberia (Cordery & Hay, 2022). Furthermore, it is widely recognized that the institutional theory provides a valuable theoretical framework for understanding changes in public sector governance, transparency, and accountability in emerging economies (Cordery & Hay, 2021). According to Tetteh et al. (2023), institutional pressures are external elements that affects a SAls' behavior, including audit quality. As a result, institutional pressures might originate from the executive branch, the legislature, civil society organizations,

stakeholders, and accounting bodies. The International Standards of Supreme Audit Institutions (ISSAI) provides guidelines for SAIs on how to conduct audits and report on financial irregularities. For SAIs to perform audits and report on financial irregularities, they might refer to the International Standards of Supreme Audit Institutions (Bonollo, 2019).

Auditor 2 noted that the GAC conducts audit in accordance with both the Information Systems Audit and Control Association (ISACA) standards and the International Standards of Supreme Audit Institutions (ISSAI). The GAC is affiliated with both the African Organization of English-speaking Supreme Audit Institutions (AFROSAI-E) and the International Organization of Supreme Audit Institutions (INTOSAI). The GAC maintains its independence by relying on international standards (Auditor 2, 2023). Furthermore, auditor 5 argued that GAC incorporates international standards and best practices into its work by regularly training its staffers on these standards and practices. In this way, GAC adopted international accounting standards to improve the quality of its audits. Institutional pressure exists on supreme audit institutions, including the GAC, to adhere to international norms like the international norms of Supreme Audit Institutions (ISSAI). These pressures ensure that the GAC maintains its reputation and lines up its procedures with generally accepted standards. The responses received during the interviewees are listed below.

“GAC conducts audit in compliance audit with International Standards of Supreme Audit Institutions (ISSAI) as well as the Information Systems Audit and Control Association (ISACA) standards. The GAC is affiliated the International Organization of Supreme Audit Institutions (INTOSAI) and African Organization of English-speaking Supreme Audit Institutions (AFROSAI-E) (Auditor 1, 2023)”.

“The GAC is a member of international organization- INTOSAI and AFROSAI, which ensure that GAC audit practices are in accordance with applicable laws, regulations, and standards” (Auditor 2, 2023).

“GAC audits are conducted in accordance with professional standards – International Standards for Supreme Audit Institutions -ISSAIs” (Auditor 3, 2023).

“The recruitment and training of competent (CPA, CFE, ACCA, CA, etc.) staff, ensuring that audits are conducted in accordance with international supreme audit institutions standards, and ensuring regular refresher training to update auditors when it comes to conducting audits, and the auditing standards (Auditor 4, 2023).

“GAC utilizes the International Standards of Supreme Audit Institutions (ISSAI), issued by the International Organization of Supreme Audit Institutions (INTOSAI). SAI Liberia is an active member of three international and African audit institutions: the International Organization of Supreme Audit Institutions (INTOSAI), the African Organization of Supreme Audit Institutions (AFROSAI), and the African Organization of English-Speaking Supreme Audit Institutions (AFROSAI-E). Over the year, GAC representatives participated in several key international functions and activities of professional bodies that supported both its work in particular and SAI as a whole. GAC leveraged other SAIs in order to use their expertise while reaping knowledge-sharing advantages during various assignments and work. As part of INTOSAI, GAC also engaged extensively with AFROSAI-E and its English-speaking arm AFROSAI-E as well as with newly established Economic Committee Supreme Audit Institutions (ECOSAI). Furthermore, there was extensive interaction with IDI INTOSAI Development Initiatives; predominantly related to capacity-building activities” (Auditor 5, 2023).

Supreme audit institutions, including the GAC, face institutional pressures to comply with international standards such as the International Standards of Supreme Audit Institutions (ISSAI) and other relevant standards. These pressures ensure that the GAC maintains credibility and aligns its practices with globally recognized guidelines. According to Tetteh et al. (2023), GAC audits of government institutions in appliance with international auditing standards are a formal instance of coercive institution pressure. The country is compelled to legalize its cooperation with foreign institutions. The GAC's attitude toward implementing INTOSIA-E and AFROSAI rules will be influenced by pressures within an institutional theory framework (Oliver, 1991). The central assumption of institutional theory is that individuals and institutions acquire

power by upholding the standards set by the institution to which they belong (DiMaggio & Powell, 1983). GAC implementation best practices, upholding legal and regulatory requirements, and understanding the requirements of significant stakeholders are all necessary to establish trust between an organization and its interaction to help GAC in conducting audit quality in the public sector.

In conclusion, supreme audit organizations like the GAC are significantly impacted by institutional pressure. It affects their adherence to international norms, guarantees impartiality and independence, supports responsibility and openness, promotes professional growth, and promotes international cooperation. These factors work together to support the GAC's reputation and efficiency as a supreme audit institutions.

6 Discussion

The purpose of this study is to explore good audit quality for preventing fraud and corruption in the public sector in Liberia. The data collected termed to answer the two research questions-what type of institutional pressures are influencing supreme audit institutions for preventing fraud and corruption in the public and how supreme audit institutions are in compliance in international auditing standard that are the basic for good audit quality for preventing fraud and corruption in the public in Liberia which can view can be viewed from the Institutional theory and concepts of both isomorphism and decoupling which are the theoretical basis of this research (DiMaggio & Powell, 1983; Oliver, 1991). The two research questions are answered in this chapter. According to institutional theory DiMaggio and Powell (1983), organizations, especially those in the public sector, are under institutional pressures to adhere to accept international standards and practices, which are frequently created by regulatory bodies like INTOSAI and AFROSAI-E. These pressures may be normative, such as expectations from stakeholders or industry standards, or coercive, such as statutory or regulatory mandates (Haraldsson & Tagesson, 2014). As Liberia's supreme audit institution, the GAC is required by law to audit all institutions that receive government funds. The GAC struggles to retain its legitimacy as a public sector institution, not only with the general public but also with foreign organizations like, INTOSAI, AFROSAI-E that are interested in the audit quality reports the entity generates (Suchman, 1995). The audit quality reports that GAC produces for the auditees and stakeholders in the public sector is one way GAC upholds its credibility. The findings also related to the ideas of isomorphism and decoupling of Meyer and Rowan (1977) and aligned with the introduction section's discussion of what motivates the study (problematization), in particular. As was discussed in the introduction of this thesis, auditors are required to provide assurance services promptly and within the constraints set by professional standards (Qaid et al., 2022; DeAngelo, 1981).

The lack of resources may be one factor impeding the audit quality in the public sector. Cohen and Leventis' (2013) argued that analysis of government incurs large expenditures on public audits and the publication of audit reports. This claim is consistent with one of the study's findings (*Audit quality in the public sector of Liberia can be influenced by factors such as a lack of financial autonomy, insufficient*

budgetary allotment, and a limited number of qualified staff (Auditor 2, 2023). An effective audit program is essential for government organizations to comply with laws, make informed decisions, and be held accountable for their actions. Further, numerous factors can impact good audit quality, such as auditors' competence and independence, adequate audit procedures and overall governance and oversight of the audit process. According to this report's findings, low budget allocation and limited qualified staff both adversely influence good audit quality public sector. DiMaggio & Powell (1983) and Meyer and Rowan (1977) claimed that coercive isomorphism occurs when institutions like GAC give in to formal or informal pressures from governments, other organizations on which they depend, or as a result of societal norms into which the organization is incorporated.

Consequently, because the GAC depends on the Liberian government for budgetary allocation, this places coercive pressure on the GAC to fulfill its obligations. Additionally, the national legislature could condition the provision of adequate funding to the GAC on meeting criteria like giving an unqualified opinion on specific audits or altering audit clauses, both of which could have an impact on the institution's reputation and legitimacy with the general public as well as other international auditing bodies like INTOSAI, AFROSAI-E, etc. henceforth full independence should be granted to government auditors so they can work without interference and pressures. During this, GAC can issue good audit quality report that brings accountability and transparency in the public sector.

The GAC is a member of numerous professional auditing organizations, including INTOSAI, AFROSAI-E, and others institutions. The GAC conducts its audit in accordance with the International Standards of Supreme Audit Institutions (ISSAI), which is recommended by INTOSAI. The GAC must follow the norms and standards issued by these organizations in order to maintain its legitimacy. In order to maintain good audit quality in the public sector, the GAC should adhere to international standards when performing audits. If the quality of the report prepared by the audited entity is low, there is a likelihood that the audit report may be of low quality. As a result, low-quality financial reporting systems and reports prepared by the public sector entity expose the GAC to normative pressure. Laitinen and Laitinen (2015) claimed that audit quality can be measured through certain attributes present within auditors

themselves such as independence and expertise as well as through quality of their reports.

This study can benefit from decoupling, one of the institutional theory's thoughts. Furthermore, supreme audit institutions like (GAC) would accept and adopt standards (such as the auditing standards) as required by the international regulatory bodies (such as: INTOSAI, AFROSAI, etc.), but may change in practice or in reality (Boxenbaum & Jonsson, 2017) due to pressure regarding adherence to these procedures among SAIs members. The governing bodies' push to accept processes that could lead the SAI (GAC) to concord as a means of attaining its competitive aims among other SAIs is the reason for the introduction of new rules (Oliver, 1991). Payne and Jensen (2002) stated that auditors with greater industry expertise and experience ought to be able to finish an audit in the public sector more quickly. Public sector auditing's competence and skill can contribute to the public interest by preventing fraud and corruption and enhance audit quality.

To answer the first research question, as mentioned above, it is believed that the following factors such as: adopting international standards, refresher training among SAIs members, and inadequate budget support from the national government are institutional pressures that influence good audit quality in the public sector. These factors can be termed coercive and normative isomorphism that help prevent fraud and corruption in the public sector. Additionally, the second research question has been answered as supreme audit institution compliant with the international auditing standards that are the basis of good audit quality for preventing fraud and corruption in the public sector in Liberia have been obtained from respondents based on analysis performed on responses attained specifically, GAC is in compliance with the International Standards of Supreme Audit Institutions (ISSAI), issued by the International Organization of Supreme Audit Institutions (INTOSAI). GAC Liberia is an active member of three international and African audit institutions: the International Organization of Supreme Audit Institutions (INTOSAI), the African Organization of Supreme Audit Institutions (AFROSAI), and the African Organization of English-Speaking Supreme Audit Institutions (AFROSAI-E). SALs/GACs may implement various measures aimed at preventing fraud or corruption within Liberia while upholding quality audit quality in Liberia. SAIs are committed to complying with

INTOSAI's International Standards for Supreme Audit Institutions (ISSAI) framework (Bonollo, 1991). SAIs can invest in human resource capacity building by training and professional developing auditors so they become adept at understanding and applying international auditing standards. GAC auditors can use their expertise to effectively identify and mitigate fraud and corruption, increase auditor capacity development programs, SAIs can implement stringent quality control mechanisms to ensure audits meet international standards, including peer reviews and internal quality assurance processes, in addition to adherence with internationally accepted best practices. SAIs can collaborate actively with audit institutions worldwide by creating international networks and exchanging knowledge, experience and best practices related to fraud prevention and corruption detection.

This study has shown that there is a decoupling between the GAC's structure for action and its actual practice for actuality. However, one of the findings (limited qualified staff) reveals that audits are impacted as a result of limited qualified staff, which influences audit quality in the public sector. The study, also points out a lack of limited expertise among staff members and insufficient funding inside the GAC, demonstrating that institutional pressures influence GAC in other to fully carry out audit programs as planned.

7. Conclusions

This section of the paper provides the conclusion of the thesis. This part would give a comprehensive review of the research, including its theoretical implications, practical applications, limitations, critical reflections, and suggestions for further research.

This research provides an understanding of the audit quality conducted within the public sector specifically the Supreme Audit Institution of Liberia and the prevention of fraud and corruption in the public sector. To gain an understanding of how SAI (GAC) as an organization responds to institutional pressures that influence SAIs and how SAIs respond to these pressures; the application of the institutional theory and the development of a theoretical model were centered on the question of how SAIs are in compliance with international auditing standards, which formed the basis for the research. The model explains that institutional pressures influence audit quality and supreme audit institutions in the public sector and the decision-making ability of the stakeholders (i.e. World Bank, IMF, ADB, and SIDA) who are the users of the audit reports. To advance good governance and long-term economic development, Liberia must prevent fraud and corruption within its public sector, so carrying out good audit quality can be crucial to achieving this goal.

From the research carried out, it is established that the following factors: Government officials, civil society organizations and citizens all recognize that GAC conducts quality audits, audit quality is helpful for assisting stakeholders and shareholders in making decisions, Quality Assurance Unit, developed various audit programs which address this concern such as Performance, Complacence Audit, overcoming challenges related to the recruitment of qualified personnel, ensuring effective and ongoing supervision, as well as investing in capacity building and continuous professional development are all indicators that impact audit quality in the public sector. Furthermore, fraud and corruption within Liberia's public sector have had devastating repercussions on development and service delivery to citizens. Corruption has had an adverse impact on support to its national budget as well as allocations to service delivery institutions in the public sector. Poor infrastructure conditions, weak education system, health care delivery system, poverty, greed, and kickbacks are factors of fraud and corruption in the public sector that impact audit quality. To prevent corruption in the public sector, public officials remain honest, stop

dishonest practices transparent, and accountable and ensure public sector employees act in the public's interest. Decoupling allows organizations to balance the demands of different stakeholders while still achieving their goals (Oliver, 1991). Decoupling is a useful tool for the GAC to navigate institutional pressures, maintain its independence and integrity, consistency, and promote transparency and accountability in the audit process. Decoupling can take many different forms, including the establishment of distinct units or departments that are in charge of handling particular problems (Oliver, 1991). This allows GAC to create Quality Assurance and Audit follow up Units to review audit reports before issuance to the public and performed follow up of audit recommendations in public sector to verify auditees are compliance with audit recommendations.

Moreover, GAC adopt the International Standards of Supreme Audit Institutions (ISSAI), issued by the International Organization of Supreme Audit Institutions (INTOSAI), GAC audits are conducted in accordance with professional standards – International Standards for Supreme Audit Institutions -ISSAIs are indicators that supreme audit institution in Liberia (GAC) is compliant with international auditing standards are the basic for good audit quality in preventing fraud and corruption in the public sector. Using the isomorphism concept DiMaggio and Powell (1983), it is believed that the GAC is subject to coercive and normative pressure due to the national government's low budgetary allocation and limited qualified staff, which impact audit quality. This research finding is consistent with Cohen and Leventis' (2013) study, which notes that a lack of sufficient resources is one of the factors impeding the quality of public sector audits. The finding is further corroborated by a study by Masood and Lodhi (2015), who claimed that having adequate resources is essential for conducting public sector audits and the government's inability to adequately funding to supreme audit institutions has an impact on audit quality.

7.1 Theoretical contributions

The paper's contributions are pertaining to its exploration and application of existing theory to a new research area that may not been examined so far. Furthermore, the study's findings are presented in the perspective of a developing nation (Liberia). Moreover, the study expands on the works of (Assakaf et al., 2018; DeFond & Zhang, 2014; Hubais et al., 2023; Lino et al., 2022; Qaid et al., 2022b; Tetteh et al., 2023;

Zhan et al., 2020) by organizing a conceptual framework that explains good audit quality for prevention of fraud and corruption in the public sector. This study also expands the existing knowledge on institutional pressures that influence good audit quality for preventing fraud and corruption in the public sector and supreme audit compliant with international auditing standards are the basis for good audit quality for preventing fraud and corruption in the public sector in Liberia with supreme audit institutions of Liberia- GAC as a case study. DiMaggio and Powell (1983) institutional theory, isomorphism and decoupling concepts (Oliver, 1991) analyze SAIs influence by institutional pressures while complying with international auditing standards for good audit quality for fraud and corruption in Liberia's public sector separates this study from other research in developing countries. For this reason, by using the isomorphism and decoupling concepts DiMaggio and Powell (1983), the findings of this study provide the basis for more research in understanding the institutional pressure and SAIs compliant with international auditing standards from the GAC view.

Due to a limitation of studies on good audit quality public sector in developing countries - specifically Africa - this work stands as one of the few that examines good audit quality for fraud prevention in the public sector in the Liberia setting. Additionally, this paper offers valuable analyses that provide a firm foundation for future academic work in Liberia and developing nations. Moreover, SAIs (GAC) and other regulators may be able to take quick action to prevent fraud and corruption in the public sector in Liberia using the evidence from studies on institutional pressures and GAC compliance with international auditing standards' impact on audit quality in public sectors. Due to the fact that the majority of the interviewees hold senior auditing positions, this study adds to what is already known about the factors that influence audit quality in preventing fraud and corruption in the public sector.

7.2 Practical implications

The study results indicate that institutional pressures on SAIs have an impact on audit quality in the public sector. Because the GAC depends on the Liberian government for budgetary allocation, this places coercive pressure on the GAC to fulfill its duties. The findings of the study demonstrate that, while GAC enjoys complete independence, they lack financial independence due to the legislature's allocation of its budget, which, when viewed through the isomorphism lens, applies coercive pressure (DiMaggio and

Powell, 1983). Preventing fraud and corruption in the public sector in Liberia depends heavily on good audit quality. Strengthen Audit Standards, ensuring the professionalism and competence of audit staff, establishing efficient internal controls, carrying out routine audits that are thorough, encouraging whistleblowing, and protecting whistleblowers are just a few of the strategies mentioned above that can improve audit quality and prevent fraud and corruption in the public sector. These processes can help in fostering accountability, transparency, and good governance in the public sector because they are compliant with international standards and best practices in auditing. Finally, this study offers the GAC, lecturers, auditors, and students' invaluable insights into the pressures placed on those institutions and the SAIs (GAC) compliant with international auditing that are the basis for audit quality for preventing fraud and corruption in the public sector.

7.3 Recommendations for future research

The author provides future research recommendations using the limitations of the study. Firstly, what constitutes a good quality audit is still up for debate because there are so many diverse viewpoints on audit quality (Qaid et al., 2022; DeFond & Zhang 2014; Qaid et al., 2022). Some scholars link characteristics of audit institutions, such as firm size, firm reputation, and firm identity. The audit quality in the public sector can be related to a number of factors, including the auditor's experience and expertise, the number of findings reported, the sample size examined, etc. There is still no universal definition for audit quality, future research would examine the audit quality definition. Furthermore, it is recommended that bigger sample sizes be taken into consideration in future research on this topic in a similar or different setting. Moreover, future research based on interviews with more participants might produce different findings in another case. Secondly, the study used the experiences of middle and senior-level management from the SAIs (GAC) since they are knowledgeable and experienced in the operations SAIs to acquire diverse viewpoints. Future research might examine other levels of staff in the supreme audit institutions. Also, it is recommended that future research include face-to-face interviews or observations in addition to the email interviews used as a qualitative method of data collection for the study henceforth these types of research could lead to other exciting findings. Thirdly, GAC audits entities in the public sector hence, future research can interview personnel from a few of these entities to learn

their opinions on institutional pressures that they believe influence good audit quality in the public sector. In addition, further research using the institutional theory, isomorphism, and decoupling concepts would be interesting to learn more about how viewed institutional pressures between the citizen and the parliament (legislature) on the one hand and the parliament (legislature) and the GAC. Lastly, because this study is restricted to Liberia's supreme audit institution, the GAC, future research compares Liberia to other African nations to identify similarities and contrasts in compliance with international auditing standards.

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9. Appendices

9.1 Appendix (The interview guides)

Demographic Data

Age:

Gender:

Nationality:

Occupation:

Place of work:

Position:

Years of professional experience:

Type of employee: (Temporary, permanent & consultant)

Educational level: (BBA/BSC, MBA/MSC, Ph.D., CFE, CIA, CPA, ACCA, etc.)

Introduction questions

1. Describe yourself to us. (Name, occupation, place of employment, qualifications, and education).
2. How was the General Auditing Commission established, and what legal framework governs its operations?
3. What are some of the challenges and opportunities facing the General Auditing Commission in Liberia today, and how is it working to address them?
4. Who are the stakeholders of the GAC, and what specific information do they require?

Fraud and Corruption in the public sector:

1. What measures have the Liberian government taken to combat fraud and corruption in the public sector, and what have been the outcomes of these measures?
2. How do fraud and corruption in the public sector affect the delivery of public services in Liberia, and what are the implications for the country's development?
3. What are some of the underlying factors that contribute to fraud and corruption in the public sector in Liberia, and how can these be addressed to promote greater accountability, and transparency in governance?

Audit Quality in the public sector

1. How does the Government of Liberia ensure that auditors who conduct audits in the public sector possess the necessary skills and knowledge to carry out their work effectively, and what measures are in place to monitor and enforce audit quality standards?
2. What are the key challenges faced by auditors in the public sector in Liberia in maintaining high levels of audit quality, and what steps can be taken to address these challenges?
3. How do stakeholders, such as government officials, civil society organizations, and citizens, perceive the quality of audits conducted in the public sector in Liberia, and what impact do these perceptions have on the credibility and usefulness of audit reports?
4. What are the key factors that contribute to the successful implementation of good audit quality in the public sector in Liberia, and how can these factors be promoted and sustained over time?
5. What are some of the challenges that public sector organizations in Liberia face in implementing the recommendations of audit reports, and what strategies can be employed to improve the uptake and implementation of audit findings?

Institutional pressures that influence SAIs

1. What are the key institutional pressures that influence the work of the General Auditing Commission (GAC) in Liberia, and how do these pressures affect the Commission's ability to carry out its mandate effectively?
2. How does the GAC navigate conflicting demands and expectations from different stakeholders, such as the government, civil society organizations, and the public, in its role as an independent oversight body for public finances in Liberia?
3. To what extent does the GAC incorporate international standards and best practices in its work, and what impact does this have on the Commission's ability to meet the expectations of different stakeholders and maintain its credibility as an independent auditing body?
4. What are the auditing standards utilized by the GAC, and which international auditing organizations is the GAC affiliated with?

9.2 Appendixb1 Request for participation

April 28, 2023

Dear Sir/Madam:

I am reaching out to respectfully request your participation in my qualitative research project, which focuses on the topic of **"Good Audit Quality for Prevention of Fraud and Corruption in the Public Sector. Evidence from Liberia."** This research is part of my master's thesis project, which is a necessary requirement for obtaining our master's degree in Auditing and Control from Kristianstad University, Sweden. I kindly request that you and two or three middle management staff in the auditing departments take part in the study by answering the interview questions that are attached. Your responses will be incorporated into my thesis. Additionally, I would like to schedule an interview with you or other participants at a time that is convenient for you, either through Zoom or another methods.

I fully understand and respect the professional ethics that guide my work, and I assure you that your personal information will remain confidential and anonymous. I appreciate your cooperation and look forward to a successful degree project with your valuable input. I anticipate receiving your replies and the successful completion of my master's degree project.

Sincerely yours,

William A.F. Roberts

9.3 Appendix 3 Consent to Record

April 24, 2023

Dear Sir/Madam:

I am sending a follow-up message regarding our scheduled interview. In adherence to ethical research practices, it is necessary to obtain your consent for the recording of our conversation. As you have previously communicated, please allow me to remind you that the data collected during the interview will be treated with confidentiality and solely used for the purposes of the study. I will refer to you as Auditor 1, 2, 3, etc. throughout the study, ensuring that your identity remains anonymous.

Thank you for your time and look forward to your response.

Best regards,

William A.F. Roberts

9.4 Appendix 4 Thematic Analysis

Thematic Analysis			
Good audit quality for prevention of fraud and corruption in the public sector.			
Audit Quality in the public sector			
	Trust	Importance of good audit quality	Good audit quality in the public sector: Commitment, Collaboration with stakeholders, public confidence, independence, integrity, good governance
	Assurance		
	Accountability		
	Transparency		
	Competence		
	Independence		
	Training		
	Followed-up		
	Skills	Availing Resources	
	Professional development		
Fraud and Corruption in the public sector	Kickback		
	Greed		
	Unfair practice		
	Expensive spending		
	Injustice		
	Dishonest		
	Will Power	Fraud and corruption prevention	
	Monitor		

Institutional Pressures that Influence SAIs	Institution	Institutions	
	Compliance		
	Affiliation		
	Representation		
	Regulations	Organization	
	Law		
	Standards		
	Integration		
	Participations		
	Knowledge-sharing		
	Capacity-building		