

## **FACTORS DETERMINING EXTERNAL AUDITORS RELIANCE ON INTERNAL AUDIT WORK IN THE GHANAIAN PUBLIC SECTOR**

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### **ABSTRACT**

The main objectives of this study are to examine the extent of reliance on the work of internal audit units in the public institutions in Ghana by external auditors and the factors that determines the extent of the reliance. This is against the background that relationship between these two key corporate governance mechanisms is very important for public accountability and protection of government resources. To accomplish these objectives questionnaires were distributed to 60 selected staffs in the Audit Service and private audit firms who audit public institutions in Ghana, out of which 52 were responded. The results of the analysis of the questionnaires using the student T- test distribution and multiple regression analysis suggest that the extent of reliance on the work of internal auditors in public institutions by private audit firms is significantly not different from the audit service and the internal auditor's work performance is the most important factor which determines the extent of reliance. The overall results of suggest that strengthening internal audit units in the public sector in Ghana could help improve internal/external audit linkages and hence enhance accountability and judicial use of government resources.

**KEY WORDS:** Public sector, internal audit, External auditor, Work performance.

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