Political Interference and Local Government Performance in Nigeria: The Moderating role of Internal Audit Quality

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Abstract
Local governments in Nigeria are a subject of varying levels of interference by politicians and state government and there have been contending views on whether interference is desirable or not considering the poor performance of the former. Hence, political interference influences the local government performance and the quality of internal audit is equally important. It is against this backdrop that this study investigated the relationship between political interference and local government performance and the moderating role of internal audit quality. Data was sourced from 278 internal auditors from local governments in Nigeria using questionnaires. The SPSS was used to analyse the data and test the formulated hypotheses. The results show that there is significant negative relationship between political interference and local government performance in Nigeria. Also, internal audit quality moderates the relationship between political interference and local government performance. It was therefore concluded that although political interference is negatively related to local government performance, its effect on local government performance can be reduced if the internal audit quality is high.

Keywords: Internal audit quality, Local government performance, Political interference, Local government.

Contribution of study
This study is the first to empirically examine the relationship between political interference and local government performance in Nigeria and the moderating role of internal audit quality. Thus, the study contributes to literature in highlighting the pervasiveness of political interference in local government in Nigeria and how internal audit quality is a valuable tool to ameliorate the situation. Furthermore, it will enable local government administrators pay close attention to the value adding role of internal audit and its impact on the performance of their local government.