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Factors affecting effectiveness of internal audit in local government authorities (LGAs): Findings from 10 LGAs in Dar es Salaam and Coast Region

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This research aimed at finding out the factors affecting effectiveness of internal Audit Unit in Local Government Authorities in Tanzania since there is rapid development in internal audit unit in every sector. The main purpose was to determine the effect of management perception, Value and support towards IAU effectiveness, assess the effect of Policy & procedure of the LGA and Cooperation level among sections towards internal audit effectiveness in LGA and lastly assess the Influence of Knowledge and resources of IAU towards its effectiveness. In this study data was collected by using administration of structured questionnaires in four council in Dar es salaam region i.e. Dar es salaam CC, Kinondoni MC, Ilala MC and Temeke MC and six Councils of Coast region ie. Kibaha TC, Kibaha DC, Bagamoyo DC, Mkuranga DC, Kisarawe DC and Rufiji DC where by LGA and CAG staffs were involved. A sample of 10 respondents who are LGA staff from accounting and Auditing profession and 4 external auditor of respective LGA were selected from each LGA. Analysis of data was descriptively done by using Statistical Package for social scientist. The study revealed that, most of the IAU lack management support since they lack seriousness in complying with IA advice and insufficient budgetary allocation. Also Policy & procedure of the LGAs on the side of documented audit approach, organization structure for IA to be independent, reporting arrangements are the serious reason for IA ineffectiveness. Finally insufficient knowledge and working resources are the most highlighted problem in IAU. The researcher therefore recommends that, LGAs commit themselves in dealing with IA recommendations, internal auditors to take self-initiative towards competence & credibility and Policies maker/government has to provide necessary resources and incentives to their staff to influence effectiveness.