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## **AUDITING AND TRUST RELATIONSHIP BETWEEN AUDITORS AND CLIENT'S MANAGEMENT: CASE STUDY OF TANZANIAN LOCAL GOVERNMENTS**

### **Abstract:**

This paper examines the interaction between auditing and the trust relationship between external auditors and members of management in the context of Tanzanian Local Government Authorities (TLGAs).

The study employs an interpretive research methodology. The empirical data was gathered through in-depth interviews with the auditors and the members of management from the two TLGAs. Other sources of data included review of relevant documents and observation.

The study found that trust relationship between the auditors and management play a crucial role in the auditing process. It has also revealed that both the auditors and members of management employed various strategies to manage mutual trust perceptions in the course of auditing. This influenced audit procedures as well as outcomes.

The study contributes to the empirical auditing literature on trust, particularly in the context of public sector entities. The findings show that trust relationship between auditors and client's management is likely to influence efficiency in the auditing process.

### **Keywords:**

Auditing, Trust, Tanzania, Local governments, Grounded theory

**JEL Classification:** M42