THE ROLE OF INTERNAL AUDIT IN MANAGING PUBLIC SECTOR IN KENYA: A CASE STUDY OF NATIONAL TREASURY INTERNAL AUDIT-JUJA SUB-COUNTY

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RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF MANAGEMENT AND LEADERSHIP IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP OF THE MANAGEMENT UNIVERSITY OF AFRICA

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DECLARATION

This research project is my original work and has not been presented for a degree in any other University.
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This Project has been submitted with my approval at Management University of Africa.

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The Management University of Africa.
DEDICATION

This research project is dedicated to my parents Mr and Mrs Mwiti, My brother Eric and sister Winfred for their moral and financial support, my children Ian and Bella and moreso my husband Geoffrey Wandera. Thanks for their support, tolerance and encouragement.

May God bless you all.
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ABSTRACT

The purpose of this research study was to establish the role of audit in managing public sector in Kenya with specific reference to National Treasury Internal audit - Juja Subcounty. The specific objectives of the study were to determine significance of Audit in addressing revenue loss, fraud, service delivery and process adherence in the public sector. A stratified random sampling technique was employed to sample 35 respondents representing more than 50% of the target population. The data was collected through the use of structured and semi-structured questionnaires which was analyzed both qualitatively and quantitatively where quantitative data was presented using graphs, pie charts and tables while qualitative data was presented using descriptive notes as it provided the researcher with the information for the basis of evaluating role of audit in managing public sector. The researcher recommends that juja subcounty should wisely concentrate on training employees and also the development of character change and perception through seminars and courses geared towards service delivery. The internal auditor should be empowered financially through resource allocation. The employees should be made aware of the roles of the auditor and measures put in place to enforce the works of the auditors and their recommendations. It was also concluded that carrying out internal audit helps curb revenue loss, deter fraud and enhance process adherence leading towards good service delivery in public sector in Kenya. This study sought to benefit; the public/citizens, future researchers, employees in this sector, the government and owners of the organization.
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LIST OF ABBREVIATIONS/ ACRONYMS

CEO : Chief Executive Officer.
COFOG : Classification of functions of Government.
DCC : Deputy County Commissioner
DCIO : District Criminal Investigation Officer
FASB : Financial Accounting Standards Board
GOK : Government of Kenya
IIA : Institute of Internal Auditors
IFMIS : Integrated Financial Management Information Systems
MUA : Management University of Africa
MOF : Ministry Of Finance
OCPD : Officer Commanding Police Division
PFM : Public Finance Management
UN : United Nations
WB : World Bank
OPERATIONAL DEFINITION OF TERMS

**Bureaucracy**
Systematic approach following specific chain of command known as protocol which should be followed to the latter despite any prevailing circumstances.

**Employees**
Refers to workers, workforce or personnel tasked to undertake a specific duty within stipulated time for a predetermined remuneration.

**Imprest**
A form of cash advance or a float which the accounting officer may authorise to be used to officers who in the course of duty may be required to make payments which cannot consequently be made through the use of cash office of a government entity or bank account.

**Internal Auditing**
is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations (Institute of Internal Auditors).

**Sub-County**
A distinct boundary established under the laws of Kenya through an act of parliament and gazetted and through the Independent Election and Boundaries Commission. Formerly referred to as districts. (The Kenyan constitution).
CHAPTER ONE

INTRODUCTION

1.0 Introduction
This chapter highlights the background of the study, statement of the problem, objectives of the study, research questions and the significance of the study. It also looks at the limitations and the general scope of the research study.

1.1 Background of the study
Organizations auditors play the role of mission an impartial examinations and giving assurance on diverse operations of institutions geared toward improving organizational overall performance every day (Institute of Internal Auditors (IIA), 2009). This permits an enterprise to meet its operational goals thru well idea-out and committed tactics to evaluate and enhance on how satisfactory to manipulate danger, institute powerful controls and enhance governance. The huge view of audit places it greater centrally as an crucial detail of public expenditure management that still encompasses management controls and statistics communication tactics (Diamond, 2012). Auditors end up key by way of informing the general public sector due to principle-agent courting that exists among the government and the general public (ICPAK, 2015). Auditors help in safeguarding corporation assets and are expected to give a non-stop account of ways the assets had been used and enable continuous assessment on whether or not the feedback meets public goals and expectations and whether or not these are nicely balanced to lessen the risks inherent in the most important-agent relationship (Adel, 2011)

1.1.1 Revenue Loss
Arbab (2008) argued that Financial Supervision occupies great importance in the management process and is one of the most important pillars of this process, and it must control the process of organizing a way that makes them an effective tool in developing and directing the administrative activity. It is well known that government agencies aims behind its inception to provide services to citizens . comes the role of regulatory agencies to ensure the provision of these services as soon as possible and at the lowest possible cost and effort and in the form required by law . Has been selected financial control in the government sector (Internal Auditor) targeted research by the
author because of its importance stemming from being a primary bond in the effectiveness of the government sector perform various activities.

1.1.2 Fraud

Auditing involves an independent examination of the financial statements of an enterprise prepared by the management of that enterprise by an appointed person called auditor in order to express a professional opinion whether or not those financial statements show a true and fair view position of the enterprise as at the end of the financial period in accordance with the auditor terms of engagement as well as other relevant statutory and professional regulations. As owners of organization are separated from the management, this has necessitated the need for auditing. It used to be that internal auditing in the public sector served as a simple administrative procedure comprised mainly of checking accuracy of transactions, pre-payment verification and control, counting assets and reporting on past events to various types of management. But in recent times, a combination of forces has led to a quiet revolution in the profession. Unegbu & Obi (2009) Governments moving toward higher levels of transparency must demonstrate accountability in the use of public money and efficiency in the delivery of services. Larger and more complex operations demand greater competency and professionalism from internal auditors to minimize and manage risk. Internal audit is one of a number of internal assurance and business review activities that should operate in a coordinated and complementary manner to the benefit of the organization. These other activities include management monitoring, evaluations, quality assurance and control self-assessment arrangements that are all designed to provide confidence and assurance to Chief Executives and/or Boards that management is meeting its responsibilities and the entity is achieving its objectives, Anao (2012).

1.1.3 Service delivery

An audit position is seen by many as little more than a corporate training ground for manager (Cooper, Leung and Mathews, 2014; Goodwin and Yeo, 2011). Brody and Lowe (2011) found it likely that, as a result, internal control operations and their potential have to be monitored. The audit function has received attention as an
important component of government financial management and a tool for improving the performance of the government sector (Diamond, 2012).

Auditing enables businesses gain their goals by means of having a systematic, disciplined technique to evaluate and enhance the effectiveness of hazard management, manage and governance procedure. Auditors are employees of an organisation and aren't responsible for the execution of agency facilities, they advice the board of directors thru audit committee concerning how to better execute their duties. As a result in their higher scope of involvement, inner auditors can also have a spread of better instructional and expert backgrounds (Adams, 2014). The auditing frequently includes measuring compliance with entities, guidelines and tactics (Goodwin and Yeo, 2011). The scope of auditing within an company is extensive and might contain subjects along with efficacy operations the reliability of economic reporting deterring and investigating fraud, safeguarding property, and compliance within laws and policies.

1.1.4 Process adherence.

The basic roles of auditors activities are directed towards evaluating whether operations were carried out in accordance with the set rules and regulations, set governance structures as well as systems that manage information in a bid to promote preciseness and efficiency in undertaking transactions (Stoner, 2014). In addition, auditors evaluate issues of integrity in a firm, measure systems and information flow to attain accountability and transparency in financial reporting (IIA, 2014). The other function of auditors is to offer direction on the best measures to adverse occurrence of chances or deficits that may arise, as well as providing certainty to institutions audit committee’s and top management in ensuring objectives are well set (Owler & Brown, 2009).

In the US, the influential Sarbanes-Oxley Act 2012, which has inspired greater accountability worldwide (Ellis, 2014: Chan, 2014), effectively transfers US audit standard setting responsibilities from the accounting profession to the federal government. In addition, it redefines auditor independence and, significantly for internal auditors, requires corporate governance evaluation and reporting of internal controls. The Australian Stock Exchange (ASX) also became involved as its corporate
governance council developed principles and practice of ‘best’ corporate governance resulting in further company disclosure requirements about their internal practices (Hamilton, 2013).

In Kenya, the set-up of internal audit function has been provided for under the Public Financial Management Act of 2012 and the Public financial management regulations of 2015. This law and the implementing regulations also accommodate prior guidance provided through Treasury circular AG/3/080/6/(61) of 2000 on the establishment of Audit committees in all Ministries, departments and agencies of the central government, circular 16 of 2005 which provided detailed guidance on internal auditors role in enhancing oversight, governance, transparency and accountability and circular 18 of 2005 that provided a detailed guide to management action on internal audit reports (ICPAK, 2015).

1.1.5 Juja Subcounty
Juja Subcounty National Treasury was established in July 2016, after formation of newly created subcounty namely Juja subcounty through a gazette notice of an act of parliament. It was initially a division within Thika District. The legal and policy mandate of Treasury is to support Cabinet Secretary National Treasury and principal Secretary National Treasury and other Accounting officers in the state Ministries/departments and Agencies in discharging their responsibilities in regard to management of government financial affairs. Juja is situated within Kiambu county which borders Nakuru to the west, Kajiado and Nairobi to the south, Machakos to the east and Muranga to the North. The Treasury has two departments, namely internal Auditor general and the Accountant General which are headed by the subcounty internal Auditor and Subcounty Accountant who both report to the Principal Secretary National Treasury.

1.2 Statement of the problem
Currently there is so much outcry from the public, stakeholders and development partners on the role of audit based on reports by The Auditor General for the financial year 2014/2015 and 2015/2016 and various entities on misuse of public funds. Questions are emerging on how effective are audits in light of recent mass of
loss of revenue through by Subcounties and departments as demonstrated by the reports. The increase and rampant resurgence of fraud within the public sector has also shot up hence the essence to consider research on the same.

Considerably based on the above service delivery may also be related to the above concerns which may affect common mwananchi since the core mandate of most public sector is to offer services to its citizens and not profit making as such. Most government services are based on specific procedures and processes, one activity leading to the other hence the service. This has created some loopholes for corrupt public servants to take advantage of the bureaucratic procedures to swindle desperate citizens with Juja not exempted despite being a recently created SubCounty hence the need to investigate the role of audit in relation to process adherance. Considering that Juja Subcounty Internal audit Unit represents

The Internal Auditor General department under National Treasury hence the need to focus on the same. In light of these therefore, there is an urgent need to investigate the role of audit in managing public sector with a view to identifying effects of the same on revenue loss, fraud, service delivery and process adherance. This report therefore seeks to investigate the role of audit in managing public sector in Kenya.

1.3 Objectives of the study

1.3.1 General Objectives

The main objective of the study was to investigate the role of internal audit in managing National treasury in Kenya.

1.3.2 Specific Objectives

i. To determine whether carrying out internal audit helps curb revenue loss in managing of National treasury in Kenya.

ii. To find out if carrying out internal audits helps to deter fraud in managing of National treasury in Kenya.

iii. To examine whether carrying out internal audit helps to enhance service delivery in managing of National treasury in Kenya.
iv. To establish if carrying out internal audit helps in process adherance in managing of National treasury in Kenya.

1.4 Research questions

i. Does carrying out internal audit help to curb revenue loss in managing National treasury in Kenya?

ii. Does carrying out internal audit help to deter fraud in managing National treasury in Kenya?

iii. Does carrying out internal audit assist enhance service delivery in managing National treasury in Kenya?

iv. How does carrying out internal audit help in process adherance in managing National treasury in Kenya?

1.5 Significance of the study

1.5.1 The Public/Citizens

The citizens will benefit immensely from this study since they form the backbone and basis of the research being the main contributors to the public sector management through remittance of taxes. A public sector that is free of revenue loss, minimal or no fraud means a better service delivery to them. If issues raised therein the research are considered then it means they will be the most happy lot.

1.5.2 The Employees

Employees will also benefit reasonably from this study in such a way that they will be able to get a drawing board on evaluating their performances and appraising themselves. This will mean that through rectifying and sealing of loopholes identified in the study, they will be able to deliver services more efficiently. Staff changes may also lead to morale boost since it may reduce or break cartels leading to the problems necessitating the study. They will therefore benefit by meeting their set targets and objectives as public servants.
1.5.3 Management of National treasury Internal audit-Juja
The Management will also be a beneficiary of this study in such a way that by understanding the importance of audit and how it can improve service delivery and deter fraud due to good processes and systems, it will reduce or totally eliminate revenue loss by doing this the organization enhances the loyalty and commitment of its clients who are the citizens thus enabling it to retain its esteemed status. It will also boost the corporate image of the organization thereby making it an employer of choice.

1.5.4 Government of Kenya
This study intends to help the government by enabling it to develop effective policies concerning internal audit in the public sector by revising existing PFM acts and Regulations as the world keeps changing in terms of technology hence the need to change policies too. This will instill confidence amongst its citizens hence leading to more revenue submissions because common mwananchi can see the service in return. Investors will also be attracted to invest in Kenya’s economy based on the economic growth and systems to protect their investments from a corrupt system.

1.5.5 Other Researchers
This study will act as a reference to other researchers who may seek to tackle the issue of role of audit in management and as such act as a source of secondary data.

1.6 Scope of the study
This study focused on understanding the role of internal audit in managing public sector. The organization is located at The National subcounty office at Juja subcounty offices. The departments that were focused on included Audit, Accounts and other related client departments (Auditees). The target population of this study was Audit staff, Account staff and other client/related staff from various government departments totaling to 60 while the sample size was more than 50 percent of the total population giving 35 respondents. This research covered a period of seven months from January 2018 to September 2018.
1.7 Chapter Summary

The chapter highlighted the background of the study of the study was to investigate the role of internal audit in managing public sector in Kenya. The statement of the problem that establishes the reason for the study on internal audit, the research objectives offers the premises on which the whole research project is done. The scope identifies the coverage areas of the study while significance and limitations puts the research study into perspective.
CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction
The chapter presents the theoretical literature review that comprises of the theories relevant for the study which include the theory of inspired confidence, the policeman theory, and the agency theory. The empirical literature review presents the related studies from the past scholar on the variables under study. The chapter also presents the research gaps, conceptual framework and operationalization of variables.

2.1 Theoretical Literature Review

The theory of inspired confidence

in step with Hayes et al. (2015), addresses both the call for and the deliver for audit services. The demand for audit offerings is the direct consequence of the participation of 0.33 events (involved events of a organisation) inside the agency. those events and in our case refers to donors and also citizens who call for responsibility from the general public area, in return for his or her investments in the quarter and sales collected from them respectively to enhance carrier delivery. duty is found out thru the issuance of periodic monetary reviews. but, on the grounds that this statistics supplied by using the management may be biased, and outdoor events haven't any direct approach of monitoring, an audit is required to guarantee the reliability of this records. with regard to the supply of audit warranty, it indicates that the auditor should constantly strive to satisfy the general public expectancies.

Furthermore, agencies are making it a factor of duty to educate, teach, and sensitize their employees on how to use those internal manage systems considering that its effectiveness relies upon at the competency and dependability of the humans the use of it. right inner manipulate systems lead to progressed recognition, assumption and prevention of dangers associated with revenue collection, which is of top importance in a region with the particularities of sales collection. Kaars (2011 From the foregoing analysis of significance of internal manage, it could be concluded that, the general reason of the concept is to is to promote adherence to laws, guidelines, contracts and
management directives in addition to expand and preserve reliable financial and control statistics, and as it should be present that information in timely reports. inner controls can help to enhance governance methods by means of that specialize in how values are hooked up to ensure effective and efficient control and control of public quarter entities. any such value gadget requires an open authorities this is obvious in its dealings with a high sense of ethical behavior and equity. Demsetz, (2009)

The complexity of the public sector operating surroundings requires that the inner controls to be well designed, nicely approached, and their scope reformed to make certain open, responsible and prudent selection-making with all public quarter corporations. sales as the main earnings to the authorities may be very key in making sure provider transport within the public area .that is the core puropose of any authorities in energy therefore the want to decorate and make investments inside the internal audit services to ensure less misuse or no misuse of public finances at all.It additionally is going a long way to give self assurance to might be investors and the worldwide communities particularly donors at the reliability and top governance consequently allowing accessibility of funds if want be, due to the fact investors have faith it will be put in precise use for the sole benefit of common mwananchi and the u . s . at massive. Public zone across the world are embracing inner audit features as a key component in their establishments thru hiring of internal Auditors to check on the daily tactics and structures in area all geared toward safeguarding revenue (Berle & Means, (2012.)

**The policeman Theory**

According to Hayes et al. (2015). The policeman idea claims that the auditor is accountable for searching, coming across and stopping fraud. In the early 20th century this became sincerely the case. However, more recently the primary attention of auditors has been to offer reasonable assurance and confirm the reality and fairness of the financial statements. The detection of fraud is, but, still a hot subject matter inside the debate on the auditor’s responsibilities, and generally after activities where financial announcement frauds had been found out, the stress will increase on growing the obligations of auditors in detecting fraud.
Fraud investigation file precis On December 9, 2013, the branch’s inner audit supervisor notified the office regarding a capacity loss of public price range, as required with the aid of kingdom regulation. The department carried out an investigation into the matter and decided that a contravention of department rules did occur on the Larch Corrections center system renovation store, which led to an predicted loss to the state of about $sixty three,000 among July 1, 2011 and November 30, 2013. They reviewed the department’s research and agreed with the conclusions. They finished additional processes to deal with risks identified all through the overview. The department shared the results of its research with the country govt Ethics Board. They referred the case to the Clerk County Prosecuting legal professional’s workplace for further motion it deemed necessary. Fraud menace could be very real in public quarter and the position of internal audit in managing the equal is added to picture when such vice is imagined to be discovered or added in public area .Hermanson et a(.2013)

**Agency Theory**

Based on agency theory Hayes et al (2015) to study relations between the state its citizens and the public appratusbrings about bureaucracy. This relationship inevitably implies the delegation from the state to the bureaucracy of the services that the government must render to the citizens, taking into account that delegation of an activity is the basic condition for the occurrence of the agency relationship. It hence means that the Internal auditor must be keen to ensure that the beaureucracy does not undermine adherence to process and the same time ensuring the process does not negatively affect service delivery. It is a matter of process management to ensure process adherence aimed towards process compliance. The internal Auditor may audit the process’s status to determine whether interim performance goals are met, analyze the process for compliance and implement corrective actions to prevent reoccurrence.
2.2 Empirical Literature

2.2.1 Revenue and internal audit management

A study conducted by Dhaliwal et al. (2009) investigated the link between the fees of auditors and the cost of debt, and the impact of the fees on the association between information on the financial statements and the cost of debt. It was found that nonaudit fees are related directly to the cost of debt for issuers of investment grade. The findings are dynamic in controlling the tenure of the auditor and corporate governance, and evidence was found that the relation between earnings and the cost of debt declined as audit fees went up. No evidence was found that auditor fees have a direct effect on the cost of debt for the noninvestment-grade companies, but it was discovered that the relation between earnings and the cost of debt declined as non-audit fees went up.

Niu (2010) in a examine found a superb association between the audit and the voluntary compliance. The finding indicates that the audit productivity may be underestimated in many research inside the literature. It reminds us that after considering the productivity of the audit work, except the direct audit collections, we ought to also take the audit impact at the voluntary compliance into consideration. For that reason, the finding may also offer tax specialists and tax government with incentives to reinforce the audit electricity and to better structure their audit enterprise to generate greater revenue for the country.

Niu (2010) Historical populace information of a New York State financial zone have been used in this have a look at in preference to experimental records or randomly decided on pattern records frequently used within the literature. The outcomes of each Ordinary Least Squares (OLS) and Time Series Cross Section (TSCS) autoregressive modeling methods endorse that once an audit, a company would report a better sales boom rate.

Jin Kwon (2014) study in Korea observed that a more rigorous analysis to evaluate the determinant of tax culture for the study of tax compliance and tax audit. There are three types of tax audit. Badara (2012) stated these three types of audit include the
random tax audit, cut-off tax audit and conditional tax audit. The random tax audit scheme simply provides each self-report of income an equal chance of being chosen for verification by an audit. Cut-off audit scheme, audit resources are employed to verify reports of the taxpayers reporting the lowest income levels. The conditional audit scheme requires in addition to the reported income, sources of information representing a noisy signal of taxpayers’ thorough income earning potentials.

Badara, (2012) Questionnaire distributed to forty-eight (48) respondents using descriptive statistics. The result shows that the Relevant Tax Authority (RTA) employed tax audit towards achieving target revenue, that tax audit reduce the problems of tax evasion, that taxpayers do not usually cooperated with tax audit personnel during the exercise. There are several theoretical and empirical studies on tax audit and tax compliance. These studies provide mix reactions on the relationship between tax audit and tax compliance.

Generally, in literature review, authors discussed the various determinants of Tax Revenue collection from different corners. Not all authors find the same determinants of Tax Revenue Performance. (Baingana, 2011; Abiola & Asiweh, 2012) assert that poor Tax Revenue Performance may be due to inadequate tax identificatation, assessment, collection procedures and sensitization. On the other side, Gebre (2015) and Annah (2015) have the view that it may be due to the quality of service delivery, Attitude of taxpayers toward tax, and inadequate tax registration. Besides that (Aggrey, 2011; Gaalya, 2015) also present a different view of Tax Revenue Performance determinants. In their studies their discussed Government expenditure, Foreign aid, Trade openness, Exchange rates and Informal sector share to GDP to be the main determinants of the Tax Revenue Performance. However, in this study, the researcher with a skeptical mind about the literature in place wants to find out the relationship between other indicators such as tax audit, revenue protection system and tax automation (core functions of Tax Administration) with Tax Revenue Performance
2.2.2 Fraud and internal audit management

A study contacted by Belson, 2015 in Australia indicated that, the Australian Auditing Standard AUS 210 “The Auditor’s Responsibility to Consider Fraud and Error in an Audit of a Financial Report” has been amended a number of times in recent years to increase the external auditor’s responsibility in this area (AARF 2004). It defines fraud as “…an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage.” (AUS 210, para. .06) AUS 210 continues by stating that there are two types of intentional misstatements relevant to the auditor. Firstly, there are misstatements that result from fraudulent financial reporting and secondly, there are misstatements that result from misappropriation of assets. Much of the research to date has examined associations between corporate governance structures and financial statement fraud, some of which is discussed below. While, inconsistent results have been found in relation to audit committee existence and the likelihood of financial statement fraud (Beasley 1996; McMullen 1996; Dechow, Sloan and Sweeney 2009), audit committee effectiveness has been found to reduce the likelihood that companies are sanctioned for fraudulent financial reporting (Abbott, Parker and Park 2010). A positive relation was found between concentration of power in the hands of insiders and the likelihood of issuing fraudulent financial statements (Dunn 2014). In Australia, a negative relation has been found between the proportion of independent directors and institutional investors and the likelihood of fraud, while a positive relation was found between duality (chair of board and also the chief executive officer) and the likelihood of fraud (Sharma 2014). One difference from this study to others was that in his measure of fraud Sharma (2014) used both financial statement fraud and misappropriation of assets.

Low (2014) conducted a survey amongst auditors and analysts in Singapore and in Australia revealed that in both countries, significant differences in perceptions were found in areas regarding the extent of assurance over fraud detection and the reliability of information presented in audited financial statements. Another survey conducted by Low et al (2018), who surveyed a sample of auditors and financial analysts in Singapore regarding their perception of objectives of company audits. Participants were provided with a list of 13 potential objectives. Significant
differences and expectation gaps were found in the areas of fraud prevention, guaranteeing the accuracy of financial information, effective utilization by the company of government grants, levies and subsidies, and management. A study by Best et al (2011) sought to determine the level and nature of the expectation gap in various areas of auditor responsibility. They gather information through the questionnaire and participants were auditors, bankers, and investors. Their results indicated a wider expectation gap in the areas of the auditor’s responsibility for preventing and detecting fraud, maintenance of accounting records, and selection of appropriate auditing procedures. MC Enroe and Martens (2011) surveyed public accountants and individual investors to determine the extent to which the expectation gap exists for various facets of the attest function found investors have higher expectations than auditors in the areas of disclosure, internal control, fraud and illegal operations. Another survey carried out by MC Enroe and Martens (2012) by comparing audit partners’ and investors’ perceptions of auditors’ responsibilities involving various dimensions of the attest function. The results revealed that an expectation gap currently exists: investors have higher expectations for various facts and assurances of the audit than do auditors in the following areas: disclosure, internal control, fraud, and illegal acts. It was also found that investor expect auditors to act as public watchdog.

Koh and Woo (2011) investigated the audit expectation gap between auditors and management and found a significant gap, which management expecting more that auditors in the areas of preventing and detecting fraud, illegal acts, errors, and in guaranteeing the accuracy of financial reports. Study conducted by Fadzly and Ahmad (2014) regarding several dimensions of expectation gap in Malaysia. Questionnaire instrument were used for information collecting and participants were auditors, bankers, brokers, and investors. The results revealed evidence of expectation gap in Malaysia from the viewpoint of auditors and other participants, particularly on issues of concerning auditor’s responsibilities. A wide gap was found regarding auditor’s responsibilities in fraud detection and prevention, preparation of financial statements and accounting records. The gap was also found with regard to auditor’s scope of legal responsibility in a fraud related business failure. More recent survey conducted by Alleyne and Howard (2015), between auditor and users around the responsibility of auditor for fraud detection through interview in Barbados. The results revealed that
there is a wide expectation gap between auditors and users for fraud detection. The auditors strongly disagreed that they were responsible for uncovering fraud compared to the users’ strong view that they should be responsible.

### 2.2.3 Service delivery and internal audit management

The basic roles of Internal auditors activities are directed towards evaluating whether operations were carried out in accordance with the set rules and regulations, set governance structures as well as systems that manage information in a bid to promote preciseness and efficiency in undertaking transactions (Stoner, 2014). In addition, internal auditors evaluate issues of integrity in a firm, measure systems and information flow to attain accountability and transparency in financial reporting (IIA, 2014). The other function of internal auditors is to offer direction on the best measures to adverse occurrence of chances or deficits that may arise, as well as providing certainty to institutions audit committee’s and top management in ensuring objectives are well set (Owler & Brown, 2009).

In most cases, organizations’ internal auditor’s role is guided by the chief audit executive who outlines authority, independence and the scope of duty for internal auditors in a written policy document called the charter which is approved by institution’s audit committee and in turn becomes of importance for reference and reading of for top management of the organization (Paape, 2009) The talents, information and objectivity of qualified internal auditors are essential to the company’s inner audit unit and shield against any chance to controls and performance in control of public sources (IIA, 2014). The huge function of internal auditors calls for that they constantly follow the laid down methods advanced through IIA (Ramsay, 2012). the other function of internal auditors is to gain transparency and high stage of accountability in control of usage of public finances and attaining anticipated organization performance (Shuttleworth, 2008).

For an internal auditor to always perform their roles well, they have to work in a conducive working environment. Key factors such as management support, availability of working resources, independence of internal auditors and commitment by management influence internal auditor’s performance (Smith, Normah, Zulkarnain & Ithnahaini, 2011). Public institutions are required to support the internal auditor to learn effectively on all if not most issues faced by public institutions by understanding
the daily risks and constraints in public organizations systems and formulating strategies that will enable the internal auditors to work as a team to identify and address all risks (Ramsay, 2012). A good internal auditor is one who undertakes his role efficiently and effectively and enables the achievement of good governance systems in any given public institution (Belay 2009).

The inner auditors’ roles are laid low with credibility issues hindering their functionality to carry out their responsibilities in selling transparency, duty and precise governance. For instance, misappropriation of public price range through scandals which include 2005 Anglo-Leasing, NHIF, Judiciary and the Ministries of Agriculture and Education scandals are signs of ineffectiveness in public internal auditing and negative performance of internal auditors. According to Institute of Internal Auditors (IIA) (2009), inner auditing can be described as a self-governing, objective and consulting interest this is designed on the way to add price and expand the operations of an organization. It facilitates an corporation to carry out its goals by means of bringing an prepared, disciplined method which will examine and expand the effectiveness of risk control, control and governance approaches. Thus, internal auditing is achieved through experts with an intensive understanding of the enterprise lifestyle, structures and processes.

The internal audit characteristic is expected to offer guarantee that internal controls in region are enough to alleviate the dangers, governance techniques are helpful and equipped, and organizational goals and goals are being met (IIA, 2014). This definition suggests that internal audit has undergone a paradigm shift from an emphasis on duty approximately the past to enhancing destiny outcomes which assist enterprise perform in a more effective and green way (Nagy & Cenker, 2012). internal auditing is a career and activity involved in advising agencies regarding how to higher acquire their goals via handling risks and improving internal controls. inner auditing involves the usage of a scientific technique for analyzing enterprise strategies or organizational problems and recommending solutions (Kibara, C. W. (2009).

The main role of the internal audit function is to assure that management controls are being applied in an powerful manner. The internal audit function, even though now not obligatory, exists in maximum non-public business enterprise or corporate entities, and in authorities along with federal, country, and county and town
governments. The assignment, best and strong factor of an internal audit function may additionally vary substantially within groups due to distinction in technique by means of pinnacle executives and due to the culture and traditions of groups and agencies. via measuring and evaluating the effectiveness of organizational controls, inner auditing, itself, is an vital managerial manipulate device, that's connected directly to the organizational structure and the overall guidelines of the commercial enterprise (Cai, 2009).

Hence the overall design of the internal audit function should be geared towards the specific priorities and objectives of each country and in instances where the main challenges are governance, then the internal audit function should be focused on ensuring compliance with financial laws and regulations (Diamond, 2012). Diamond (2002) also noted that in developing and transitional countries which have a high degree of financial stress, the main objectives of the internal audit function should be to ensure macroeconomic stability while countries that are able to ensure compliance with laws and have achieved a fair degree of macroeconomic stability, the main objective of the internal audit function should be to ensure efficiency and effectiveness of resource use. Effective internal audit system helps in achieving performance, profitability and prevents loss of funds particularly in public sectors even though Pilcher Gilchrist and Singh (2011) observed that efficiency and effectiveness of audit in public sectors context is more complex than in the private sectors.

2.2.4 Process adherence and internal audit management.

In a study carried out by Ahmad, Othman & Jusoff (2009) on effectiveness process adherence of internal audit in Malaysian public sector in which simple percentage was used as the tool for date analysis, they found that lack of audit staff was a major impediment to effective internal auditing. One of the major limitations of the study was a narrow scope. Arena and Azzone (2009) in their study entitled ‘identifying organizational drivers of internal audit effectiveness adherence in Italy’ with the use of 153 Italian companies and survey method, found that characteristics of the internal audit team, the audit processes and activities as well as organizational links influenced effectiveness of internal audit.
Cohen and Sayag (2010) studied ‘effectiveness of internal auditing: An Empirical Examination of its Determinants in Israeli organization’. With the use of questionnaire and mail survey of 292 organizations, the study identified management support, especially in relation to provision of proficient internal audit staff, career development and independence of internal auditors as vital to the effectiveness of internal audit. In another study conducted by Theofanis, Drogalas and Giovanis (2011) on the ‘relationship between elements of internal control system and internal audit effectiveness’ with the use of 52 Hotels in Greek through mail survey, the results reveal positive relationship between the variables. However, they suggested that with larger samples the outcome of the study might differ significantly from their own.

In 1987, a report by the Treadway Commission recommended that public companies establish an internal audit function to be fully supported by top management and have effective reporting relationships. This means that the internal auditors’ qualifications, staff, status within the company, reporting lines, and relationship with the audit committee of the board of directors must be adequate to ensure the internal audit function's effectiveness and objectivity (Treadway Commission, 2009). The report urged that the internal audit function be "staffed with an adequate number of qualified personnel appropriate to the size and the nature of the company (Treadway Commission, 2009.).

The New York Stock Exchange enacted a requirement in 2003 that all listed companies must have an internal audit function, either in-house or outsourced. This requirement was on internal auditing can avoid unnecessarily duplicating audit procedures. It also can benefit external auditors because internal auditors have certain advantages. The internal auditors generally have more knowledge about the company's procedures, policies, and business environment than do the external auditors. However, external auditors must reconcile the advantages of relying on internal auditing with the need to maintain both the appearance and reality of independence as defined for external auditors,(Gramling, Maletta, Schneider and Church, 2014). According to Norman Marks (2009), emerging request from boards is that internal auditors review and comment on the organization's governance policies, processes, and practices. The IIA recognizes this in its International Standards for the
Professional Practice of Internal Auditing (Standards). Standard 2100 states (emphasis added). The internal audit activity should evaluate and contribute to the improvement of risk management, control, and governance processes using a systematic and disciplined approach.

Kimwele, (2011) noted that, in the public sector there is general shortage of skilled labour, and efforts to improve skills in government are often frustrated by migration of labour to the private sector for higher pay when workers have acquired sufficient skills. In corporate sector, risk management and risk based internal audit is considered as a highly skilled art or craft while it is an emerging discipline in government organizations in public sector and need sufficient training to hone employee skills in the subject. Abdullah and Al-Araj (2011), in their study, traditional audit verses business risk audit done in Jordan with a view to establish the audit approaches currently being used by auditors in Jordan established ; absence of adequate training concerning application of RBA, inability to evaluate business risk objectively, absence of professional efficiency possessed by auditors along with the absence of professional standards governing RBA approach, misconception that BRA is a consultancy rather than an audit approach, lack of clarity regarding business risk as having an effect on implementation and recommended training in relevant areas. Mihret and Woldeyohannis (2009) carried out their study on value added role of internal audit. Interview of evidence indicated that as a result of high-staff turnover, the average tenure of auditors is low.

Auditors leave the department via transfers to other departments in the corporation. On the other hand, transfers into the internal audit department are not significant. This results in more new recruits in the department, which adversely impacts the value-adding potential of internal audit. In addition, the number of staff is not sufficient, given the large size and complexity of the corporation's operations. Effort to ensure provision of appropriate training, such as for certification as internal auditors, is not undertaken in a planned and continuous manner. There is no mechanism to ensure participation of auditors in training on the corporation's design of new systems, improvement of existing ones, and introduction of new services. This denotes that internal audit's value-adding role through involvement in development and revision of systems is limited (Lindow and Race, 2012). Since the nature of the business is
complex and dynamic, providing continuous and focused training would be essential to attain value-adding internal audit results.

Rapa and Kauffman (2015) established that one of the reasons why strategy implementation processes frequently result in difficult and complex problems or even fail in total is the vagueness of the assignment of responsibilities. In addition, these responsibilities are diffused through numerous organizational units resulting in unclear individual responsibilities in the process. To avoid power struggles between departments and within hierarchies, one should create a plan with clear assignments of responsibilities regarding detailed implementation activities. This is a preventive way of proceeding which results in clear responsibilities and therefore avoid potential problems (Rapa and Kauffman, 2015).

At present, there are various types of internal audit approaches, which basically adopt the methodology of transaction testing, testing of accuracy and reliability of accounting records and financial reports, integrity, reliability and timeliness of control reports, and adherence to legal and regulatory requirements. However, all these do not provide any opinion on the qualitative dimension of business management including risk management. As such, the researcher saw a need for redefining and redirecting the scope of audit so as to take care of adoption of modern tools of risk management, adequacy and effectiveness of such tools, as well as to assist the Government Departments within Uasin Gishu County to mitigate the risks (Amudo and Inanga, 2010). The effectiveness should also be according with the efficiency and both are the fundamental management responsibilities. Effectiveness is judged on the basis of the results on the implementation of ICS.

In an organization, the success of ICS as well as recognizing its effectiveness is based on meeting its objectives. The most effective representation of the control is done through recording. The manager has a responsibility to ensure that there is an internal control and therefore, emphasizing their function in monitoring the sales and the performance of the people. This gives rise to the relation of internal control in detecting or preventing the misstatements or errors in the records thus, allowing the controls to be consistent to avoid the discrepancies in the values (CPA, 2012). The researcher attempted to analyse whether the four issues raised by (Baffour2010) in his
study also had a bearing on her study as they were very vital in enhancing the implementation of a risk based audit approach and again, add value to the internal audit department of The National Treasury.

2.3 Research Gaps
Although the findings on the role of Audit in managing public sector are more or less undivided in showing the relevance of internal audit in deterring revenue loss. Adoption of internal audit departments that are free of influence by any element in the organization including matters of selection, scope, procedures, frequency, timing or report content to permit maintenance of an independent and objective mental attitude necessary in rendering reports is vital.

Chepkorir (2010) in his study the roles and challenges of internal auditing in Kenya observed that the general roles of internal auditors is to provide assurance to management and the audit committee that internal controls are effective and working as intended, examining and assessing organization policies, procedures, manuals and recommending best practices, risk assessment and management, and finally evaluation of projects and programs accomplishments. Kibet (2008) in this study on the role of internal audit in promoting good corporate governance in SOE’s aimed to explore the role and the use of internal audit function in promoting good corporate governance in public sector enterprises and the challenges faced by the internal auditors in SOEs.

The study followed an exploratory research design and the population comprised of all SOEs with government equity of over 50% located in Nairobi. Internal auditors may not always be in a strong position to monitor and control internal operations in an organization, however (Al-Twaijiry; Brierly and Gwilliam, 2014: Glasscock, 2012). An Australian survey concluded, for example, that internal auditors may not be seen as a true profession by all, including some of their own corporate managers. This can result in less value being attributed to their services or to their views than those of so-called ‘external auditors.

Auditing research has stayed away from addressing the internal audit strategic response to the misalignment between the institutional logics and the corporate governance structure in use especially using the institutional theory perspective. Fama (2010) used agency theory to examine the hierarchical relationships in large multi-
division companies. In this context, the company’s top management is viewed as the principal who delegates responsibility and authority to subordinate managers (agents) for effective utilization of a portion of the firm’s resources, leading to the possibility of moral hazard problems between divisions and top management. Top management tries to mitigate this problem by instituting organizational controls, including internal auditing. This argument suggests that there is more need for internal auditing in large multi-divisional companies than in smaller ones.

We believe that a similar rationale could be used to explain the roles and relationships that exist within an organization, and which involve the internal auditor contracts can and, using agency rationales, should be made to constrain self-serving managers on behalf of shareholder principals. Agency cost, such as internal monitoring, will then be incurred internally.

2.4 Conceptual Framework

Fig 2.1 Conceptual Framework

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Loss</td>
<td>Role of internal audit in managing National treasury in Kenya</td>
</tr>
<tr>
<td>Fraud</td>
<td></td>
</tr>
<tr>
<td>Service delivery</td>
<td></td>
</tr>
<tr>
<td>Process adherence</td>
<td></td>
</tr>
</tbody>
</table>
### 2.5 Operationalization of Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicators</th>
<th>Measurement</th>
</tr>
</thead>
</table>
| Revenue Loss           | • loopholes in the collection  
                        | • Revenue collection process water proof.  
                        | • internal audit help to curb revenue loss                  | Likert questions |
| Fraud                  | • Measures taken to deter fraud penetrors.  
                        | • Fraud prevention and detection.  
                        | • Impacts if internal audit on fraud management              | Likert questions |
| Service delivery       | • Complain from public.  
                        | • Voluntary compliance.  
                        | • Tax audit towards achieving target revenue.                | Likert questions |
| Process adherence      | • Relevant recommendations to management.  
                        | • Strategy formulation  
                        | • Internal controls                                          | Likert questions |

#### 2.5.2 Fraud

Fraud stands out to be a major target of interest during auditing. Internal audit has been proven to reduce fraud in the public sector. Despite the above, the world is growing economically and more sophisticated technologically; hence the need to change our approach and the way auditing is done to match the changing trend. The internal audit function will detect fraud but the prosecution powers are handled by another government agency hence creating a major hurdle to fully deal with fraud. The internal
audit units should be more funded and empowered to be able to undertake the duty without being compromised.

2.5.3 Service delivery
It is very crucial of an audit function to include auditing to give an assurance of service delivery to the public. Any government agency that has shown good service delivery has helped boost morale of its clients (citizens) hence improving the confidence level of its subjects thus boosting tax collection. It is vital that individuals involved in the process of customer relations, processes and systems have proper qualifications in terms of experience, training and knowledge of the work stations and operations involved in order to ensure its effectiveness.

2.5.4 Process adherence
Any successful public entity is skewed towards good processes, systems, mechanisms and procedures. The same are enforced through internal audit controls that are put in place to monitor day to day adherence to the same. Internal audit should be able to review the above and make relevant recommendations to management for the good of the benefit of the general public. Their is need to do refresher trainings to officers of the entity to emphasize the need for the above and its benefits wholesomely.

2.6 Summary
In conclusion this chapter has reviewed literature on the roles of Audit in managing public sector in Kenya. These include the roles of internal auditor as a ‘monitor’, and as an agent. The chapter also captures the relationship between corporate governance, internal audit; agency theory and the role in internal audit; and also various local and international empirical studies. The chapter has also tackled the challenges of internal audit roles in promoting effective corporate governance.
CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.0 Introduction
This chapter comprised of the methodology that was used to carry out the complete research study. It presented the research design, target population, sampling and sampling procedure, description of research instrument, validity and reliability of the research instrument, data collection procedure and data analysis technique.

3.1 Research Design
The researcher adopted a descriptive research design in carrying out the study. A research design is “a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings” (Burns & Grove, 2013). Parahoo (2009) describes a research design as “a plan that describes how, when and where data are to be collected and analyzed.” Descriptive research designs help to provide answers to the questions of who, what, when, where and how associated with a particular research problem. Descriptive research was used to obtain information concerning the current status of the phenomena and to describe what exists with respect to variables or conditions in a situation. A descriptive design was preferred in this study because the research intends to provide useful information on the role of internal Audit in managing public sector in Kenya with respect to The National Treasury Internal Audit Juja Sub County.

3.2 Target Population
The target population is “the entire aggregation of respondents that meet the designated set of criteria” (Burns & Grove, 2009). Parahoo (2009) defines population as “the total number of units from which data can be collected”. The target population was 60 employees of The National Treasury Internal Audit Juja Sub County.
Table 3.1 Target Population

<table>
<thead>
<tr>
<th>Category</th>
<th>Target population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Audit Staff</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>Accounts administrative staff</td>
<td>24</td>
<td>40</td>
</tr>
<tr>
<td>Related client departments staff</td>
<td>21</td>
<td>35</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

3.3 Sample and Sampling Technique

A sample is a finite part of a statistical population whose properties are studied to gain information about the whole. When dealing with people, it can be defined as a set of respondents/people selected from a larger population for the purpose of a survey. The sample should be representative in the sense that each sampled unit was represented by the characteristics of a known number of units in the population (Lohr, 2009). Stratified random sampling was adopted in this study whereby the population was divided into subgroups (or strata) and a random sample will then be selected from each subgroup. It was adopted because it enabled the generalization of a large population with a margin of error that is statistically determinable and the population is heterogeneous (Mugenda & Mugenda, 2013). The sample size is more than 50% of the target population. The population was divided into various strata on the basis of Internal Audit staff, Accounts administrative staff and related client departments staff. The sample size was as follows:
Table 3.2 Sample Size

<table>
<thead>
<tr>
<th>Category</th>
<th>Target population</th>
<th>Sample size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Audit Staff</td>
<td>15</td>
<td>6</td>
<td>25</td>
</tr>
<tr>
<td>Accounts administrative staff</td>
<td>24</td>
<td>18</td>
<td>40</td>
</tr>
<tr>
<td>Related client departments staff.</td>
<td>21</td>
<td>11</td>
<td>35</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
<td><strong>35</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

3.4 Research Instruments
The researcher made use of both primary and secondary sources to collect data. The researcher collected data through the use of semi-structured questionnaires that have both open-ended and structured questions. Personal interviews of the respondents were carried out by the researcher to compliment the use of questionnaires. This method was used in order to ensure that there is a high rate of response and a high return rate. The primary data was supplemented by secondary data from available literature relating to the study area. Relevant secondary data sources included reports, newsletters and review articles. It also was used to ensure that a respondent who cannot be reached via appointment was reached using the questionnaires. This is because the preparation of questionnaires enabled them to be distributed and the respondents will be left to complete them during their spare time.

3.5. Pilot Study
The main reasons for conducting the pilot study was to ascertain the validity and reliability of the questionnaire before the study was carried out.

3.5.1 Reliability and Validity
Data for the qualitative part of the study was collected using questionnaires. This method was used to ensure the flow of questions so that they can be used for comparison during the data analysis process. This method was considered appropriate for the study because it increased the probability that the respondents in the sample
will agree to respond if the researcher explained to them the importance of the
tasknaire and assures them of its confidentiality. In order to ensure that the
techniques used to collect and analyze data gave the same findings if the study was to
be repeated, expert views and suggestions of the supervisor were incorporated in the
questionnaire. The questionnaires were then pilot tested with five similarly situated
respondents within the organization who did not take part in the final study.

3.6 Data Collection Procedure
The questionnaires were self administered in order to enable the researcher to
establish a good relationship with the target population and thus encourage a high
response rate. It also enabled the researcher to explain to the respondents the purpose
of the study and the importance of the questionnaires. The researcher had chosen the
self-administration method for all respondents because it is inexpensive and allowed
the respondents to complete the questionnaires at their convenience. The researcher
also used a structured questionnaire which contains a series of questions that are in
general form that provide the respondents with some leeway to ask further questions
in response to what is seen as significant replies. There were pre-determined questions
where the respondents were administered with the questionnaires and given an
opportunity to complete them.

3.7 Data Analysis and presentation
The data that was collected by the use of the various instruments was first edited in
order to get the relevant data for the study. The edited data was then decoded for easy
classification in order to facilitate tabulation. The tabulated data was then analyzed
quantitatively by calculating various percentages where possible. Data collected was
calculated by use of statistical inferences such as mean mode where applicable.
Presentation of data was done in form of pie charts and bar graphs only where it was
provided successful interpretation of the findings. Descriptive data was analyzed
qualitatively and the results were provided in form of explanatory notes.
3.8 Ethical Considerations

3.8.1 Informed Consent
The researcher ensured that the respondents agreed to take part in the process without any feeling of being pressured and were informed that information was being sought from them.

3.8.2 Voluntary Participation
The respondents were free to withdraw from the study at any point without giving reason. There was no coercion or force of any participant to take part and this was communicated explicitly to the participants.

3.8.3 Confidentiality
The respondents were assured of the data obtained from them being exclusively done for the study and no information shared to any other people or place.

3.8.4 Privacy
The privacy of the respondents was ensured by them not writing their names on the questionnaires and their identity not revealed to any other quarter.

3.9 Chapter Summary
The chapter focused on the methodology used to operationalize the study. The research design was descriptive and the target population being 60 from which the sample of 35 participants was picked for the study. The research instrument was the questionnaire used to collect data and the study was analyzed using SPSS and findings presented on chats and figures.
CHAPTER FOUR
DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

4.0 Introduction
In this chapter the researcher carries out an analysis of data using both quantitative and qualitative methods. The analysis process is done on the basis of the variables of the research objectives. The analysis and interpretation of data is done by the help of analyzed tools such as graphs, pie charts and through judgment due to observations made.

4.1 Presentation of Findings
4.1.1 Response Rate
The researcher sort to establish the rate of the respondents from the study and the findings were tabulated in the table.

Table 4.1 Response Rate

<table>
<thead>
<tr>
<th>Category</th>
<th>Target population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Response</td>
<td>35</td>
<td>58</td>
</tr>
<tr>
<td>None response</td>
<td>25</td>
<td>42</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>
Figure 4.1 Response Rate

The response rate was the actual representation of the population. Out of 60 questionnaires distributed, 35 were returned, that is 58% of the total population and only 42% which was not returned.

4.1.2 Gender Analysis

Table 4.2 Gender Analysis

<table>
<thead>
<tr>
<th>Category</th>
<th>Target population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>13</td>
<td>37</td>
</tr>
<tr>
<td>Female</td>
<td>22</td>
<td>63</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>100</td>
</tr>
</tbody>
</table>

Figure 4.2 Gender Analysis

Analysis from the above table & figure shows that 63% of the respondents were female while 37% were male. This can be interpreted that majority of the respondents were female.
4.1.3 Department Category

The category of respondents was explored and the results done on a table.

Table 4.3 Respondents Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Audit Staff</td>
<td>10</td>
<td>29</td>
</tr>
<tr>
<td>Accounts administrative staff</td>
<td>16</td>
<td>46</td>
</tr>
<tr>
<td>Related client departments staff</td>
<td>9</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Table 4.3 and figure 4.3 indicate the response of the category of persons who filled the questionnaires. Internal Audit staff responded by 29%, Accounts administrative staff 46%, while the response of Related client departments staff being almost the lowest with 25%. This can be interpreted that majority of the respondents were Accounts administrative staff followed by Internal audit and finally Related client departments staff. This proved that the role of audit in managing public sector in Kenya affects them.

4.1.4 Highest level of Education

The level of education was sort from the respondents and the findings were presented in the table.
Table 4.4 Highest level of Education

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secondary</td>
<td>14</td>
<td>40</td>
</tr>
<tr>
<td>College</td>
<td>11</td>
<td>31</td>
</tr>
<tr>
<td>University</td>
<td>7</td>
<td>20</td>
</tr>
<tr>
<td>Post – graduate</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Figure 4.4 Highest level of Education

Many of the respondents that is 40% had secondary education. 31% of respondents had college education while 20% were university graduates. 9% of respondents were post graduates. This indicates therefore that most of the respondents were learned,
hence well informed of their rights and expectations in matters relating to role of audit in managing public sector in Kenya.

4.1.5 Age Group

The researcher wanted to find out the age group of the respondents and the results done on the table.

Table 4.5 Age Group

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25 years</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>26-35 years</td>
<td>12</td>
<td>34</td>
</tr>
<tr>
<td>36-50 years</td>
<td>11</td>
<td>31</td>
</tr>
<tr>
<td>Above 51 years</td>
<td>8</td>
<td>24</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Figure 4.5 Age Group
Table 4.5 and figure 4.5 above indicate the analysis of age group. 11% were aged between 18-25 years, 34% were aged between 26-35 years, 31% between 36 – 50 years, and finally above 51 years were 24%. It can be interpreted that most of the age group was between 26-35 years who were actively involved in the research since they were interested in the role of audit in managing public sector in Kenya.

4.1.6 Awareness of the role of Internal Audit in managing public sector in the Sub-County

This was to find out respondents were aware of the role of Internal Audit in managing public sector in the Sub-County.

Table 4.6 Awareness of the internal audit roles

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>23</td>
<td>66</td>
</tr>
<tr>
<td>No</td>
<td>12</td>
<td>34</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>100</td>
</tr>
</tbody>
</table>
Figure 4.6 Awareness of the internal audit roles

Table 4.6 and figure 4.6 indicate the employee’s awareness of the role of audit department in the sub county. In the analysis, 66% of the respondents agreed that they were aware of the roles of internal audit while 34% were not aware of it at all hence there was need to involve those who were not aware.

4.1.7 Revenue loss

This was to find out of the whether carrying out internal audit help curb revenue loss in managing public sector in Kenya and the findings recorded in the table.

Table 4.7. Revenue loss

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>26</td>
<td>74</td>
</tr>
<tr>
<td>No</td>
<td>9</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>100</td>
</tr>
</tbody>
</table>
Analysis from the table 4.7 and figure 4.7 above indicates that 74% of the respondents agreed that carrying out internal audit helps curb revenue loss in managing public sector in Kenya whereas 26% of the respondents disagreed. This can be interpreted that employees were well aware of the advantages and benefits of their being an internal Auditor in the Sub-county.

4.1.8 Revenue loss Rating.

The researcher wanted to establish the rate of carrying out internal audit helps curb revenue loss in public sector in Kenya.

Table 4.8 Revenue loss Rating

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very large extent</td>
<td>13</td>
<td>37</td>
</tr>
<tr>
<td>Large extent</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Moderate extent</td>
<td>6</td>
<td>17</td>
</tr>
<tr>
<td>Low extent</td>
<td>8</td>
<td>23</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Figure 4.8 Revenue loss rating

From the table 4.8 and figure 4.8 above majority of respondents indicated that carrying out internal audits helps curb revenue loss. This was represented by 37% who indicated very large extent, 23% large extent, 17% moderate extent while 23% indicated that it affected by low extent. It can thus be interpreted that majority agreed that carrying out internal audit in public sector helps curb revenue loss by a very large extent.

4.1.9 Fraud control

The aim was to establish if carrying out internal Audit helps deter fraud in managing public sector in Kenya.
Table 4.9 Fraud Control.

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>16</td>
<td>46</td>
</tr>
<tr>
<td>No</td>
<td>19</td>
<td>54</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>100</td>
</tr>
</tbody>
</table>

Figure 4.9 Fraud control

From the above table 4.9 and chart 4.9, 54% of respondents, indicated that carrying out internal Audit does not deter fraud while 46% indicated that carrying out internal audit helps deter fraud in managing public sector in Kenya. It can be interpreted that majority of the respondents did not agree that carrying out internal audit deters fraud in managing public sector in Kenya.
4.1.10 Fraud control rating.
This was to establish if carrying out internal audits help deter fraud in managing public sector in Kenya.

**Table 4.10 Fraud rating control**

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very large extent</td>
<td>8</td>
<td>23</td>
</tr>
<tr>
<td>Large extent</td>
<td>7</td>
<td>20</td>
</tr>
<tr>
<td>Moderate extent</td>
<td>14</td>
<td>40</td>
</tr>
<tr>
<td>Low extent</td>
<td>6</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**figure 4.10 Fraud rating control**

From the findings in table 4.10 and figure 4.10 the response of 23% indicated very high extent, 20% high extent, 40% moderate extent, and finally 17% indicated that it was low extent. It was interpreted that carrying out internal audit in managing public
sector in Kenya did not deter fraud and was of concern to the employees working there.

### 4.1.11 Service Delivery Enhancement.

The aim was to establish if carrying out Internal audit helps to enhance service delivery in managing public sector in Kenya.

**Table 4.11 Service delivery Enhancement**

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>26</td>
<td>74</td>
</tr>
<tr>
<td>No</td>
<td>9</td>
<td>26</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Figure 4.11 Service delivery enhancement**

Analysis from the table 4.11 and figure 4.11 above indicates that 74% of the respondents agreed that carrying out Internal audit helps to enhance service delivery in managing public sector in Kenya whereas 24% of the respondents disagreed. It shows that carrying out internal audit helps to enhance service delivery in managing public sector in Kenya.
4.1.12 Service delivery rating.
This was to establish the rating of carrying out internal audit helps to enhance service delivery in managing public sector in Kenya.

**Table 4.12 Service delivery rating**

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very large extent</td>
<td>10</td>
<td>29</td>
</tr>
<tr>
<td>Large extent</td>
<td>11</td>
<td>31</td>
</tr>
<tr>
<td>Moderate extent</td>
<td>7</td>
<td>20</td>
</tr>
<tr>
<td>Low extent</td>
<td>7</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Figure 4.12 Service delivery rating**
Analysis from the above table 4.12 and figure 4.12 indicates that 29% of the respondents agreed that carrying out Internal audit helps to enhance service delivery in managing public sector in Kenya to a very great extent, 31% great extent, 20% moderate extent and finally 20% with low extent.

4.1.13 Process adherence Enhancement

The researcher aimed and establishing if carrying out Internal audit helps in process adherence in managing public sector in Kenya.

Table 4.13 Process adherence enhancement

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>22</td>
<td>63</td>
</tr>
<tr>
<td>No</td>
<td>13</td>
<td>37</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>100</td>
</tr>
</tbody>
</table>
Figure 4.13 Process adherence enhancement

Analysis from the table 4.13 and figure 4.13 above indicates that 63% of the respondents agreed that carrying out internal audit helps in process adherence in managing public sector in Kenya whereas 37% of the respondents disagreed. It shows that carrying out internal audit helps in process adherence in managing public sector in Kenya.

4.1.14 Process adherence rating

This was to explore the importance of carrying out internal audit in process adherence in managing public sector in Kenya.

Table 4.14 Process adherence rating

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very large extent</td>
<td>14</td>
<td>40</td>
</tr>
<tr>
<td>Large extent</td>
<td>10</td>
<td>29</td>
</tr>
<tr>
<td>Moderate extent</td>
<td>6</td>
<td>17</td>
</tr>
<tr>
<td>Low extent</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
**figure 4.1.14 Process adherence rating**

From the table 4.14 and figure 4.14 a response of 14% indicated low extent, 17% indicated moderate extent, 29% indicated great extent and finally 40% indicated that carrying out internal audit helps in process adherence in managing public sector in Kenya to a very great extent. From this rating it clearly shows that carrying out internal audit helps in process adherence to a very large extent as indicated by the employees of the Subcounty.

**4.2 Summary of Data Analysis**

**4.3.1 Revenue loss**

Revenue loss has been a major setback since it deters development in most 3rd world countries. Audit has aided to reduce the vice but the prevailing poor working conditions and problems facing the civil service in terms of salaries has been a big hurdle. This situation has necessitated the culture of looting despite the presence of Internal audit personnel. More investments should be done technologically to fast-track developing trends that are used to loot public coffers. Empowerment of the Internal auditors and more programs to enlighten the general civil service on the benefits and advantages of safeguarding Revenue should be put in place and more training done to employees on the need for the same. Most employees were in agreement that internal
audit can help curb revenue loss. This was indicated by the response of 74% for those who agreed while 26% of them indicated that they disagree.

4.3.2 Fraud
Fraud has been a very big challenge in government and we have seen various schemes and forms of fraud by its employees. In the research there is no evidence linking fraud to a specific age group, gender or level of education. Many tricks have emerged and systems developed and misused for personal gains. Many respondents had mixed feelings about the relevance of audit to deter fraud. More resources to fight fraud should be availed to the audit department to enable it manage its mandate fully without being compromised. The employees should be made aware of the need to safeguard resources and measures taken to punish perpetrators of fraud since the same employees are not confident that carrying out internal audit deters fraud and if it does maybe its minimal. This was indicated by the response of 54% for those who disagreed while 46% of them indicated that they agree.

4.3.3 Service delivery
Service delivery holds the key for any successful government and entity and it is the core mandate of every government to serve its citizens. The respondents supported that the presence of internal audit enhances service delivery. There is need to hold change management courses for civil servants to make it realistic and improve on the services. It is vital that individuals involved in the process of service delivery to have proper qualifications in terms of experience, training and knowledge of the work stations and operations involved in order to ensure its effectiveness. The fact that most respondents, almost 45% were between the ages 18-35 years contributed to success of service delivery. This was indicated by the response of 74% for those who agreed while 26% of them indicated that they disagreed.

4.3.4 Process adherance
Majority of respondents pointed out that carrying out internal audit helps in process adherance and this was indicated by 63% of the respondents who indicated that it does affect the subcounty while 37% of them disagreed. Adherence to a process means that the process is followed to the extent that ensures process compliance and that is the key mandate of internal auditor and hence the need to engage all stakeholders to
enable teamwork hence bringing efficiency into processes. Process adherance is interrelated with proper training of workers on the correct posture to be adopted while carrying out various work tasks as well as behavioral change geared towards changing the way employees work when carrying out work tasks.

4.3 Chapter Summary
The chapter focused on the presentation of findings from the data collectec from the field. This was determined by the questionnaire the helped in collection and presentation of data. The presented areas were the general information of the respondents, the variables including the revenue loss, fraud, service delivery and process adherence. The results were presented on tables and figures for easy interpretation and analysis.
CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction
This chapter summarizes, discusses and makes conclusions on the findings of this study in relation to the objectives put forward in chapter one. It also discusses the recommendations for further research as well as recommendations for policy and practice.

5.1 Summary of Findings

5.1.1 General information.
Out of 60 questionnaires distributed 35 were returned, that is 58% of the total population and only 25 which is 42% were not returned. Analysis from the above table & figure shows that 37% of the respondents were male while 63% were female. This can be interpreted that majority of the respondents were female. Respondent’s category was represented by Internal audit staff 29%, Accounts administrative staff 46%, while the response of related Client department staff was 25%. Majority of the respondents were secondary graduates at 40%, college graduates were 31%. 20% of respondents had university education while 9% had post graduate education. Age group of the respondents based on the analysis found that 11% were aged between 18-25 years, 34% were aged between 26-35 years, 31% were aged between 36-50 years, and finally above 51 years had 24%.

5.1.2 Revenue Loss
The researcher identified that the respondents rated how internal audit help to curb revenue loss to a very large extent represented by 37%, large extent 23%, moderate extent 17% while low extent had 23%. This showed that internal audit has greatly reduced revenue loss in the public sector and the same has been shown in the rating. The respondents were in agreement that carrying out internal audit helps curb revenue loss in managing public sector in Kenya.
5.2.2 Fraud

The researcher identified that the respondents who rated if internal audit helps to deter fraud as very high extent, represented 23%, high extent was 20%, and moderate extent was 40% while low extent had 17%. This interpreted implies that majority of the respondents don’t believe that carrying out internal audit deters fraud. This was attributed to the seriousness that audit reports are handled and the significance of The internal auditor and the perceptions on his role. Their are many instances that fraud has been detected and the same reported using available channel but it has not borne fruit hence encouraging the culture of impunity with no disregard to PFM acts and regulations that are in place hence the percentage of many respondents disagreeing that carrying out internal audit helps to deter fraud.

5.2.3 Service delivery

The researcher identified that the respondents rated essence of carrying out audit to enhance service delivery as very great extent which was represented by 29%, great extent 31% and moderate extent 20% while low extent had 20%. This showed that the Internal audit department and the government at large should continuously conduct internal audits and extend resources to the same to improve it. Since most respondents agreed that the exercise has greatly improved service delivery to the general public which is key mandate of any government.

5.2.4 Process adherance

From the study analysis it was noted that carrying out internal audit helps in process adherence in managing public sector in Kenya. From the findings, a response of 14% indicated low extent, 17% indicated moderate extent while 29% indicated great extent and finally 40% indicated a very great extent. From this therefore, carrying out internal audit help in process adherance to a very great extent. Employees should understand the role of internal audit in their work place so as to enhance their capabilities in understanding the essence and benefits of adherence to process in general.
5.2 Conclusion

5.2.1 Revenue loss
Governments use revenue to better develop the country, to fix roads, build homes, fix schools etc. The money that government collects pays for the services that is provided for the people. The sources of finance used by the central government are mainly taxes paid by the public.. Regardless of the audit approach used, the benefits that accrue to the organization and the employees are numerous. Some of the benefits of curbing revenue loss include increased motivation among employees due to better remuneration, enhanced Government performance and job satisfaction.

5.2.2 Fraud
Fraud has proved to be a major obstacle to economic growth in many governments especially of third world countries. The role of audit in managing the same has not been applauded by the respondents. Fraud leads to poor health, poor standards of living and only a few who are in power and can influence decisions enjoy the national cake. Putting up mechanisms to facilitate auditors may go a long way in dettering the vice in managing public sector in Kenya.

5.2.3 Service delivery
Public service delivery has been perceived as a fundamental function of the modern governments. Public services have evolved to be one of the instruments available to the governments for the implementation of developmental goals and objectives. An institution’s success is tied to its service delivery and more often investments and projects to safeguard service delivery are key. The internal audit should be more present in all entities and their works safeguarded and upheld, hence upholding the role of internal audit in managing public sector in Kenya.

5.2.4 Process adherence
Process adherence refers a general situation when a person or group clearly understands an assigned process’s propose, scope and goals so this person knows how to follow the process and how to obtain expected results. A flawed process results to
corruption and poor service delivery. Auditors should endeavor to ensure that procedures are adhered to to reduce complains. Non-adherence to processes may lead to chaos, fights, unrest of the citizens hence need to emphasize on the same to totality and measures to punish violators put in place.

5.4 Recommendations

5.4.1 Revenue Loss
Revenue loss being a very great deservice to the citizens and the public at large should be condemned since it is an important tool of the fiscal policy of the government and is the opposite factor of government spending. Revenues earned by the government are received from sources such as taxes levied on the incomes and wealth accumulation of individuals and corporations and on the goods and services produced, exports and imports, non-taxable sources such as government-owned corporations' incomes, central bank revenue and capital receipts in the form of external loans and debts from international financial institutions. Stiffer penalties should be embraced to deter the vive and change management programs introduced to officers handling revenue to change perception that you can only become rich by utilizing Government revenue bestowed upon you. More auditors too should be employed to reinfor the small numbers in practice.

5.4.2 Fraud
Fraud menace is very real in public sector and the role of internal audit in managing the same is brought to picture when such vice is purported to be discovered or brought in public domain. Fraud is a vice that is perpetrated by both the government employees and its citizens. Measures should be put in place and better auditing tools adopted to curb the menace that has rocked public management in Kenya. Auditors roles should be clearly stipulated and more resources allocated to fastrack auditing process since the perpetrators are moving fast with technology contrary to the speed of development of audit systems and tools to aid the same.

5.4.3 Service delivery
Service delivery is very key and vital to relevance and continued development and growth of any public sector. Carrying out internal audit has proved to enhance service
delivery and hence the government must put more emphasis on the role if audit in managing public sector in Kenya. This can be done by employing more staff and carrying out trainings for both the auditor and auditees on the benefits of audit and the importance of audit in relation to service delivery.

5.4.4 Process adherence
It is very important for any successive procedure to have reasonable and faster processes. The same processes if adhered to well will lead to good service delivery, deter fraud and curb revenue loss as well. More emphasis and training should be encouraged and officers placed on areas they are best trained and suited and that should be a policy. More measures to be put in place to allow the public give feedback responses on the service will enable rate how the process is being adhered to and how to improve and Internal audit should be put at the centre to keep checks and controls on the same.

5.5 Suggestions for Further Study
This study focused on four variables only. There are other roles of audit in managing public sector in Kenya which were not part of my study. It is suggested therefore that the Government should carry out further research on the other roles of audit in managing public sector in Kenya in future to get more information on how to improve service delivery, curb revenue loss, deter fraud and process adherence.
REFERENCES


Annah (2014). *Internal Audit Services Branch, HRSDC.* Audit of the Tier 1 Service Delivery Channels.


Badara (2012) *The Fraud Toolkit; ‘Fraud Detection: Using Data Analysis Techniques to Detect Fraud’ and ‘CAATTs and Other BEASTs for Auditor*


Dear respondent this questionnaire aims to collect information related to the role of audit in managing public sector in Kenya. The information given is for academic purpose only and will be treated as very confidential. Please fill the questions according to the instructions given.

Instructions

Answer the questions by ticking in the appropriate box and writing in the space provided.

SECTION A: GENERAL INFORMATION

1. Gender

   Male [ ]

   Female [ ]

2. What age group do you belong to?

   18-25 [ ]

   26 - 35 [ ]

   36 -50 [ ]

   51 and above [ ]

3. What is your highest level of education?

   Primary [ ]

   Secondary [ ]

   College [ ]

   University [ ]

   Post Graduate [ ]

4. Which respondent category do you belong to?
5. Are you aware of the role of internal audit in your Sub-county?

Yes [ ]

No [ ]

SECTION B: REVENUE LOSS

6. Does carrying out internal audit help to curb revenue loss in your organization?

Yes [ ]

No [ ]

7. In your own opinion is revenue collection process water proof?

Yes [ ]

No [ ]

8. To what extent does carrying out internal audit helps curb revenue loss

Very large extent [ ]

Large extent [ ]

Moderate extent [ ]

Low extent [ ]

Explain…………………………………………………………………………………………………………………………

……………………………………………………………………………………………………………………………………

SECTION C: FRAUD
9. Does carrying out internal audit help to deter fraud in your Sub-County?

   Yes [ ]
   No [ ]

10. In your own opinion do you think the measures taken to deter the fraud perpetrators are good enough?

    Yes [ ]
    No [ ]

11. To what extent does carrying out internal audit help deter fraud in your Sub-County?

    Very high extent [ ]
    High extent [ ]
    Moderate extent [ ]
    Low extent [ ]

   Explain……………………………………………………………………………………………………………………………………………………………

SECTION D: SERVICE DELIVERY

12. Does carrying out internal audit assist to enhance service delivery in your Sub-County?

    Yes [ ]
    No [ ]

13. Have you personally heard of a complain from the members of public on poor service delivery in your Sub-County?

    Yes [ ]
    No [ ]
14. To what extent does carrying out internal audit assist to enhance service delivery in your Sub-County?

- Very great extent [ ]
- Great extent [ ]
- Moderate extent [ ]
- Low extent [ ]

Explain ……………………………………………………………………………………………………

SECTION E: PROCESS ADHERANCE

15. Do you believe that carrying out internal audit helps in process adherence in your Sub-County?

- Yes [ ]
- No [ ]

16. Have you experienced instances where failure of a process has led to Non-achievement of departments target?

- Yes [ ]
- No [ ]

17. To what extent does carrying out internal audit help in process adherence?

- Very great extent [ ]
- Great extent [ ]
- Moderate extent [ ]
- Low extent [ ]

Explain ……………………………………………………………………………………………………

Thank you for your time and cooperation