Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

INFLUENCE OF GOVERNANCE INDICATORS ON DISCLOSURES IN PERFORMANCE AUDIT REPORTS IN NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUNDS

Prof. Wayne Johnson Jayden

Department of Entrepreneurship and project management, Edith Cowan University

Corresponding author's e-mail: jharper@edithcowanjournals.org

How to cite this article: Jayden, J., W. (2020). Influence Of Governance Indicators on Disclosures in Performance Audit Reports in National Government Constituencies Development Funds. *Edith Cowan Journal of Entrepreneurship and Project Management, 1(1), 11-17*

ARTICLE INFO

Article history:
Received Date: 2nd September 2021
Revised Date: 7th August 2021
Accepted Date: 11th October 2021

Keywords:

Control of corruption
Regulation quality
Governance effectiveness
Accountability
NG-CDF performance audit reports.

ECJEP Classification: G20, O40

ABSTRACT

Purpose: The purpose of the study is to determine the Influence of governance indicators on Disclosures in Performance Audit Annual Reports: in the NG-CDFs, Kenya.

Design/ Methodology/Approach: This study adopted descriptive approaches to explain the influencers of disclosures and how they translate to the final outputs in form of audit reports. The study targeted all the constituencies in Kenya which are 290 with number of target respondents Specifically being Fund Account managers, district accountants, Accounts assistants, audit staff at the office of auditor general and Project Management Committee Members totaling to 1,169. Since the respondents targeted are many, and are spread all over the constituencies in Kenya, the sample size approximation used suggestions by Bartlett, Kotrlik and Higgins (2001) to arrive at a sample size of 107 respondents. The questionnaire was the main instrument for collecting primary data. Regression analysis was used to determine the cause-effect analysis while correlation analysis was applied to measure the strength of association between the study variables with the help of SPSS version 25.

Findings: The findings revealed that accountability ($\beta=0.247$, $p=0.001$), governance effectiveness ($\beta=0.140$, $p=0.036$), regulation quality ($\beta=0.413$, $p=0.000$) and corruption control ($\beta=0.197$, $p=0.000$) have a positive and significant relationship on the performance audit annual reports in the NG-CDFs in Kenya. This implies that improvement in 1 unit of the aspects related to accountability, governance effectiveness, regulation quality and corruption control improves the performance audit annual reports in the NG-CDFs in Kenya by 0.247 units, 0.140 units, 0.413 units and 0.197 units respectively. It was therefore concluded that corruption control, regulation quality, governance effectiveness, accountability) have a statistically significant and positive influence on the performance audit annual reports in the NG-CDFs in Kenya.

Contribution to policy and practice: In view of the above findings, openness and accountability in disclosures in performance audit annual reports. Therefore, the NG-CDFs in Kenya are encouraged to conduct continuous assessments, monitoring and evaluation of the audit team members in order to ensure accountability. The study also recommends the NG-CDFs in Kenya to continue with the continuous training and development of the audit staff to foster professionalism and quality of service delivery.

Edith Cowan Peer Reviewed Journals & Books Publishers

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

Originality/Value: The research work will add to the knowledge about African states Supreme Audit Institutions and Performance Audit activity by giving propositions on issues affecting disclosures in the performance audit annual reports. Therefore, scholars interested in accounting, public sector and finance will use this study as a platform for further research to fill the gaps that the study might have omitted. This research work would also be of significance and be of attention to Office of the Auditor General in aiding them mirror what factors influences their annual audit report disclosures which are translated in the audit opinions. It would advise on what model best suits the audit process at the OAG. The ministry of planning and devolution will reap from this study in understanding in details the contents of the annual audit reports that have often been presented by the OAG. Its findings will additionally validate some of the outcomes of previous studies

INTRODUCTION

The discipline of accounting developed from the social order. This infers that accounting inspires civilization and accounting is inspired by civilization (Uwhejevwe-Togbolo, 2016). The public fairly expects accounting occupation to stay considering the real-world, to be rational, in addition, possess repute for community. United States (US) congress passed the Sarbanes-Oxley Act of 2002 (SOX) which resulted in many implications for managers and accountants as a result of many fraudulent activities in recent years. It is therefore, mandatory for book keeping specialists to prove major principles of independence, focus on objectives and truthfulness and be well-informed of progresses that have influence regarding their line of work. However, the constant failures by private institutions and misuse of public resources both in developing and developed countries raises questions as to whether the accounting practitioners are applying the required practice.

Auditors assume vital role in enabling the reliability of financial information by attesting to the dependability regarding monetary declarations. Conversely, the study of Leisa and James (2015) is among studies which evidences that a number of accounting and reporting irregularities and frauds in the last one decade have led to intense scrutiny of corporate governance frameworks and has since drove intense debate about issues such as accounting reports examination, audit approach, audit quality and generally what affects disclosures both in the commercial industry and in government. Leisa and James (2015) commented on the irregularities by Safenet Incorporated in the United States (US) on its fraudulent financial reporting where it was involved in the options backdating controversy which contributed to the resulting financial crisis in 2007 therefore making performance audit reports and factors affecting disclosures a top priority.

Adriana and Roxana (2019) allude that as a result of the 2007 financial crisis, the role of government on fiscal and political decisions became more. Stakeholders require information that approves that government resources have been utilized appropriately and in agreement with the set guidelines. They need to recognize the level to which government organizations have accomplished their performance objects. It is an activity of possibly relevant magnitude at an actual scope for the community and for those charged with governance. This calls for Performance Audit (PA) which is among government transformation mechanisms which can increase dependability plus responsibility of government segment. Nevertheless, the range to which performance audit in the public segment portrays the actual fairness of the underlying transactions is what is daunting

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

with specific reference to revelations in the yearly reports of National Government Constituencies Development Funds (NG-CDF) by the Kenyan supreme Audit institution against the actual performance.

Performance Audit in government institutions and departments is conducted by national Supreme Audit Institution (SAI). Performance is about output, results and the outcomes obtained from processes, products, and services that permit evaluation and comparison relative to goals, standards, past results, and other organizations. Performance can be expressed in non-financial and financial terms. Performance Audit permits governments to show to its subjects how they are fulfilling the duties and responsibilities charged to them regarding resource utilization. In order to assess efficiency, it is necessary for economic, efficient and effective gains to be measurable, Stroobants & Bouckaert (2012). Though, for the performance Audit to be successful and of greater magnitude impacting positively to the economy, it all depends on what is disclosed by the government auditors and how governance indicators influence such disclosures which the current study aims to find out among various semi-autonomous government agencies (SAGA) which in this case is the NG-CDFs.

Disclosures are essential portion of economic declarations, understood as progressively significant means for those charged with the duty of preparing them to reveal profound comprehensions about the entity's monetary situation and fiscal performance than is conceivable via main financial reports only, International Auditing and Assurance Standard Board exposure draft (2014). The board further explains that disclosures include all-embracing decision-useful evidence that is extra exhaustive and frequently relates to issues which are particular including assumptions, models, alternative measurement bases and sources of estimation uncertainty. Some examples include; Quantitative disclosures thus disaggregation and examination of balances and dealings encompassed in the accounting reports, for instance of assets, plant and equipment, intangible assets, provisions, lease obligations, financial instruments. Segmental scrutiny of income, earnings and certain other items, and info relating to main clients (for registered organizations). Summarized accounting info in regard to associated organizations and joint ventures. Qualitative disclosures: descriptions of important bookkeeping rules and parts where serious accounting decision has been exercised, and justification for any variations in accounting policies. Validation that the going concern supposition is suitable, or argument of noteworthy uncertainty over going concern. Evidence on interrelated parties, and related party dealings. Clarification of impairment losses recognized in the year. Discussion of areas of risk, for example those relating to financial instruments. The main concern of the present study is to determine the extent to which governance indicators influences disclosures in the annual financial statements audited and presented by the Supreme Audit Institution in Kenya (Office of the Auditor General) and how this is key in enhancing relevant changes in adoption of performance geared activities towards promoting development which is the key object of the fund.

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

Statement of the Problem

In Kenya, for the financial years ended 2015/2016, 2016/2017 and 2017/2018 it was evidenced by the qualified opinion in the Auditor general's performance audit annual reports from the constituencies' that NG-CDF funds were duly implemented (https://www.oagkenya.go.ke/11.8.2020). The qualified opinions applied to most of the constituencies in the country. According to International Accounting Standards (705), The auditor will express a qualified opinion when: (a) The auditor, having obtained sufficient appropriate audit evidence, concludes that misstatements, individually or in the aggregate, are material, but not pervasive, to the financial statements; or (b) The auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, but the auditor finalizes that the likely influences on the financial reports of unnoticed misstatements, if any, might be material but not pervasive. From this definition of qualified opinion by ISA (705) it implies that the Office of the Auditor General formed qualified opinion on the 2015-2018 NG-CDF audited annual reports and that there were not any materiality that could translate negatively to the bottom line. However, in actual sense, there is no highly rated performance and implementation of the fund as the disclosures in the annual performance audit reports portray from the various constituencies (Special Fund Account Committee report, 2019). The practical aspect where the funds were implemented is not anything to highly rate. Rarely do we have model NG-CDFS where it can be stated with authority that the Fund achieved its intended purpose hundred percent except for some few cases of unqualified opinion; meaning that there are factors that affected information disclosed to the OAG.

Besides, the office of OAG has 23 directors, 33 senior managers and several audit associates/audit staffs. The actual audit is conducted by an audit associate who then reports to the manager/team leader in charge. The manager submits the findings to the director heading the region who later review the findings and forms an opinion. The opinion is reviewed and signed by the Auditor General. Being the stages of reviewing the audit findings, this could lead to information infiltration which then negatively affect disclosures in the final report. This present study therefore questions how the performance audit annual reports are normally generated and what actually do influence the disclosures that the Office of the Auditor General (OAG) portrays in the audited annual financial reports of the constituencies. Are the disclosures in the performance reports affected by weaknesses in the office of the auditor general or are they affected negatively since the declarations in the report are presented with the aim of achieving accountability, governance effectiveness, regulation quality, and control of corruption or do NG-CDFS practice opinion shopping?

Empirical evidence on this topic is quite limited especially in Africa and specifically in Kenya. Adriana and Roxana (2019) conducted a study on what influences disclosures choice in EU supreme Audit institutions' performance audit annual reports. They concluded that performance audits are directly related to governance indicators of (accountability, political stability, government effectiveness, regulatory quality, rule of law and control of corruption). Being that this area has not been furthered by various studies, this makes the current study pertinent to help determine these factors prompting disclosures in the supreme audit institution in Kenya.

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

Specific Objectives

The general objective of this study is to determine the Influence of governance indicators on Disclosures in Performance Audit Annual Reports: in the NG-CDFs, Kenya.

This study specifically sought to:

1. To find out the relationship between accountability and disclosers in performance audit reports
2. To determine the effect of governance effectiveness on disclosers in performance audit reports
3. To establish how regulation quality influences disclosers in performance audit reports
4. To investigate extent to which control of corruption affects disclosers in performance audit reports

Research Questions

1. What is the relationship between accountability and disclosers in performance audit reports?
2. How does governance effectiveness affect disclosers in performance audit reports?
3. How does regulation quality influences disclosers in performance audit reports?
4. To what extent does control of corruption affects disclosers in performance audit reports?

LITERATURE REVIEW

Theoretical Review

Lending Credibility Theory

Lending credibility theory is one of the theories which has gained popularity since its inception. It has a background in audit and traced back to 1932. Lending credibility theory was proposed in 1932 by the Dutch Professor Theodore Limperg of the University of Amsterdam in his article, the social responsibility of the auditor. It has since been cited in Hayes *et al.* (2005). Lending credibility theory looks for holistic patterns in scientific and metaphysical contexts, and the management approach to audit theory. It is especially effective for recognizing the demand for and supply of audit services.

The theory presupposes that need for audit services is the direct consequence of the association of outside interested parties and the organization. Auditing is about independent examination of the books of accounts involving interplays between various factors which affects the disclosures in the final report. The idea behind lending credibility theory as applied in this study is that the reason why users of audit reports call for auditing is to enable them to base their financial decisions on financial reports that they have been assured of to be containing less inherent ills. Besides, whatever the accuracy level, however skilled the auditors involved in practice, the end result may not reflect the correct view but will simply enable dependability and credibility of the financial reports to the users and interested parties. The requirement by the stakeholders of high accountability from the administration, in return for their investments in the organization is one aspect on the other hand understanding what influences the disclosures which reflect in the final

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

performance audit report is another aspect which is crucial in enhancing this accountability requirement. Scrutiny of balances, income and earnings included in the accounting reports, descriptions of important bookkeeping rules, declarations of serious accounting decision exercised in financial statements preparations, justification for any variations in accounting policies, validation that the going concern supposition is apposite, evidence of related party dealings, and discussion of areas of risk determine credibility of the annual performance audit reports. Lending credibility thinking on an audit perspective is a contextual competence required by users of audit reports, auditors and supreme audit institutions and this is a support to the lending credibility theory.

Lending credibility theory developed by Limperg provides analytical framework which can be used to explain accountability which is one of the many factors of disclosures reflected in the annual audit reports. Since the explanations on accountability is provided by the administration, this may make it subjective of which external parties have no direct means of monitoring therefore an audit is essential to guarantee the dependability of this facts (Ittonen, 2010).

In the context of this study, there is agreement with other authors that the use of lending credibility theory concepts can help supreme audit institutions and the users of audited financial reports in understanding the complex influences of disclosures at the supreme office of the auditor general and its staff exercises their due diligence in ensuring credibility of financial reports. Following the arguments of Lending credibility theory, influences of disclosures and the final audit reports conform to the lending credibility theory. The stages of audit may exhibit different challenges where people assume the financial reports are free from errors as reported by the auditees and if the errors exist, then the auditor have to discover the errors. Empirical study that considers the influences of disclosures and its likely influence on performance audit annual report will most likely form a foundation of “which” question as proposed in this study. Besides, as applied to this study the lending credibility theory has been related to the independent variables of the study. The theory postulates that influence of disclosures include accountability, governance effectiveness, regulation quality, and corruption control which determines the contents of the annual audit reports. The study is therefore anchored on this theory since it holds that disclosures are about the need for the audit and until the auditors understand their role in determining the disclosures factors you cannot obtain proper reports to be used in advising financial decisions.

Policeman Theory

It is a methodology which presumes to help identify the need and supply of audit services which will then lead to achieving of correct and accurate status of the monetary performance annual audit reports. Theodore Limperg cited in (*Hayes et al.,* 1999) conceived the model and introduced it to a wide audience in 1920s. The theory can be used to understand the role of the auditors of probing, unearthing and thwarting fraud. In the early 20th century this was assuredly the situation. Since then, policeman theory has continued to evolve and develop, and today it is a significant foundation of audit practices which has seen the need of audit transform from detecting fraud to reporting the fairness of the financial reports within the world of management best practices.

This study is based on the policeman theory where detection of fraud by the auditors is still debatable as most of the organizations’ managements both public and non-governmental argue

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

that fraud detection and reporting is incidental to audit drudgery and cannot therefore be fully ignored. Therefore, audit doings and final disclosures in the annual audit reports may not accomplish the intended purposes if this theory is not well embraced. However, the policemen theory still needs a closer enquiry in its very disadvantage which is presented in its one major declaration that the need for audit is all about detecting fraud and reporting accurately on the financial statements presented by the company managers. Detecting fraud actually call for specialized investigators.

Agency Theory

Agency theory was founded by (Jensen and Meckling, 1976) and it details the relationship between investors and managers. It is based on the tenet that the agent (executive) accepts to attain certain onuses for the master (stockholders) and the principal undertakes to reward the agent. This model clarifies that the function of the auditor is to oversee the connection between the administrators and the owners which somehow promotes an expectation gap when the distribution of the responsibility is not properly demarcated. The responsibility of every part must therefore be well re-defined in the regulation. The manager and the owners have to distinguish that the auditor does not have duty of the accounting, but only see that the auditing is done appropriately (Andersson and Emander, 2005).

It is though contended that in an enterprise, in which share possession is broadly spread, administrative behavior does not at all times make the most of the proceeds of the shareholders, Donaldson and Davis (1991). The amount of improbability about whether the agent will chase self-interest instead of complying with the necessities of the agreement characterizes an agent risk for an investor, (Fiet, 1995).Since masters will constantly be concerned with the results produced by their proxies, agency theory proves that accounting and auditing have an imperative chore in availing evidence and this duty is regularly connected with stewardship, in which an agent reports to the principal on the businesses' proceedings, (Ijiri,1975). The demand for auditing is obtained in the need to have some means of independent verification to minimize record keeping inaccuracies, asset misuse, and fraud within business and business organization. Conversely, an assessment conducted by (Wahdan *et al.*, 2005) discovered that the auditors are believed by business owners in that the auditor's exertion would be used as a guide for investment, estimation of concerns, and occasionally in forecasting bankruptcy.

The theory of agency needs a closer examination. Its very advantages lies in its assertions of the need for the auditor. It postulates that the need for auditing arises in the corporate world as a result of conflict of interest among those charged with the responsibility of managing the company, consequences of depending on inappropriate financial statements, multifaceted company dealings and information asymmetry. Consequently, empirical evidence support that with varying trends in the commerce industry, the need for auditing arises from auditor's monitoring role (Eilifsen and Messier, 2000).

According to this theory, organizations' shareholders depend on the auditor to inform them of the company dealings through audited financial documents which they will use to make decisions leading to the success of the organization; therefore, for any organization to thrive and achieve value for money, appropriately audited reports are indispensable. It is true that when there are

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

conflicts between the company owners and the managers, then the managers are likely to act in their own interest prompting shareholders to initiate audit to assess the managers' activities. Besides, information asymmetry and false impression created by creative accounting by company managers will always mislead investors on understanding multifaceted happenings in the company and in arriving at economic decisions further explaining the purpose for audit. For performance audit annual reports to have value, disclosures are important consideration. These disclosures are in the form of accountability, ability of those charged with governance to carry out their responsibilities effectively, authorities charged with regulating the quality of audit activities alongside the aim of controlling corruption. The view that agency theory integrates disclosures and performance audit reports is relevant for this study since accountability and governance effectiveness are some of the audit disclosures variables investigated in the study.

The public auditor is therefore equated to the agent while the stakeholders including; National Government, citizens and all other interested parties are equated to the masters and principals. The auditor has a duty of working in the interest of the master and therefore he is expected to unearth all the issues relating to the presented financial documents and report back to enable efficiency in decision making.

Empirical Review

Accountability and Disclosers in Performance Audit Reports

Adriana and Roxana (2019) conducted a study on what influences disclosures choice in EU supreme Audit institutions' performance audit annual reports. They used secondary sources of information such that all the websites of the SAIs in the 28 countries of the European Union were analyzed. They also collected all the Annual Activity Reports (AAR) in English. They concluded that performance audits are directly related to governance indicators of (accountability, political stability, government effectiveness, regulatory quality, rule of law and control of corruption) and that writing good quality audit reports is not easy because the subjects covered in the reports are often complex and technical. They also mentioned that annual audit reports may contribute by aiding those engrossed in politics and other government/non-governmental officers who are not aggressively in the administration of the public sector enterprises to accomplish their responsibility purposes. Besides, from the audit reports, those engrossed in politics plus other government/non-governmental officers might hold administrators answerable and decrease the information gap amidst them.

Ozuomba (2019) analyzed Performance Audit and Accountability of Public Sector in Nigeria. His study adopted cross-sectional survey design using secondary data sources with a target population of a 16 year project and funding data. He revealed that there is a connection between accountability and performance audit and that the absence of accountability culture and strong government agencies to enforce laws and rules has significantly influenced poor public sector performance. He further recommended legal mandate in the public to carry out regular performance audit of their activities and programs to ensure proper accountability of resources given to them.

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

Governance effectiveness and Disclosers in Performance Audit Reports

What influences disclosures choice in EU supreme Audit institutions' performance audit annual reports is a contribution by (Adriana and Roxana, 2019). Their study applied secondary sources of information such that all the websites of the SAIs in the 28 countries of the European Union were analyzed. They exposed that Performance audit is meaningful to the public sector since it provides independent authentication of the savings they have achieved. Besides, it aids to guarantee that public and other third parties have self-assurance that government effectiveness is improved as announced. The association can additionally work the other way around: with audit functioning as a general progress control for gauging what growth has been made against the final program objectives. It can consequently inspire government usefulness by warranting that resources are used parsimoniously and efficiently so as to achieve the anticipated goods and services and the planned effects and impact.

Goodson *et al.* (2012), determined Supplementary guidance: the role of auditing in public sector governance. They explained that auditing is a fundamental element of efficient government as it supports the governance roles of insight, foresight and oversight, to which they added detection and prevention. Since the success of the public sector is measured primarily through its capacity to successfully deliver services to the people and execute its programmes in an equitable manner, it is indispensable for the activities of public sector audit to be directed at evaluating degree of compliance with financial programmes and to equally measure the efficiency, effectiveness and economy of those activities. It is essential for the auditors to protect the core values of the public sector, which serve all citizens.

Regulation Quality and Disclosers in Performance Audit Reports

Lennox and Pittman (2010) in their investigation in the US markets of the new Public Company Accounting Oversight Board (PCOAB), auditing the auditors: Evidence on the recent reforms to the external monitoring of audit firms show that there is improved financial reporting quality of publicly traded companies after the enactment of SOX, supporting that regulation quality influences disclosures which translates to the Performance audit reports.

DeFond (2009) in his attempt to place the findings of Lennox and Pittman (2010) examined how should the auditors be audited? Comparing the Public Company Accounting Oversight Board (PCOAB) inspections with AICPA peer reviews in the US markets. The study also affirmed that there is improved financial reporting quality of publicly traded companies.

Control of Corruption and Disclosers in Performance Audit Reports

Jin and Bin (2012) investigates government auditing and corruption control: evidence from China's provincial panel data. Their sample period was between1999-2008 and they constructed simultaneous equation models to examine the interactions among their study variables. They evidenced that the local audit institutions can detect misbehavior and violations in public financial revenues and expenditures and make corresponding decisions on whether to rectify these problems. They also portrayed that rectification effort after an audit can strengthen effectiveness of government auditing and that the level of corruption can be reduced significantly where rectification is accrued out.

Edith Cowan Peer Reviewed Journals & Books Publishers
Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

Otalor and Eiya (2013) explore Combating Corruption in Nigeria: The Role of the Public Sector Auditor. The study established that audit is one of the mechanisms to curb dishonesty and the society expects the auditors to play an active duty in limiting, if not eradicating, corruption. Hence, the public sector auditor cannot be indifferent but have to rise up to the tests of battling corruption by effectively conducting financial audits of government institutions' accounting procedures and financial statements to warrant accuracy and fairness, and compliance audits of reviewing the legality of transactions made by the audited body in addition to the scrutiny of the operational efficiency, economy (cost-effectiveness) and overall effectiveness of government programmes through performance or value for money audits.

Gustavson and Sundström (2016) investigated the impact of auditing conducted in the public sector by SAIs on the degree of corruption. Their findings suggest that good auditing conducted by SAIs has a positive effect on levels of corruption in the public sector. They also found several factors that have constructive influence in reducing corruption in the public sector, including the independent of SAIs from the government, the professionalism of SAIs through acquiring staff with the appropriate skills and education, and SAIs communicating the audit results to the public

Gherai *et al*., (2016) used a statistical method to examine relations between the existence and the activity of the Supreme Audit Institutions and the control of corruption. Their results indicate that the more extensive the work of the SAIs, the more it contributes to reducing corruption and positively associated with a better quality of life. That study did not explain the mechanisms that are used by SAI to detect and prevent corruption or how SAIs reducing public sector corruption.

Hay and Cordery (2018) examined the value of public sector audit: Literature and history in New Zealand where they used a historical review to explain the value of financial statement auditing in the public sector. They concluded that the public sector auditing functions are consistent with explanations of agency theory and management control.

Critique of Existing Literature and Research Gaps

This study is anchored on the following theories of auditing: lending credibility theory, policemen theory, and agency theory. All these theories point at the supply and demand for audit. The measure of accountability in this study is the money disbursed from the National Government to the Constituencies Development funds in comparison with how those charged with Authority to incur expenditures (AIE holders/accounting officers) comply with set government laws and policies in spending the money, and service delivery to the constituents or the public. Besides, governance effectiveness is measured in terms of how well the National Government-Constituency Development Fund (NG-CDF) implemented their approved projects to completions. Regulation quality is measured in terms of better utilization of the funds, better implementations of the projects and compliance with set policies while elements of corruption include; bribery, kickbacks, commissions, or other benefits without leaving any trace in the official records.

Even though Adriana and Roxana (2019) reported that accountability is useful to the stakeholders, their study are not clearly offering solutions and models as to how the complex accounting reports can be synthesized to the general public and stakeholders for comprehension and action thereof through audit opinions availed by the SIAs which this study will suggest. Ozuomba (2019) based

Edith Cowan Peer Reviewed Journals & Books Publishers
Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

his study findings in Nigeria of which comparatively, the generalization in Nigeria may not be authentic in Kenyan context necessitating this research.

Mwamini (2014) revealed mixed results; in on one hand the study is a pointer to the need of full support of the National Government in supporting office of the auditor general in Kenya on the other hand, it is not congruent as to the exact effect of performance audit on accountability. The present study hence seeks to establish specifically how accountability influences performance audit which are portrayed in annual audit reports. In regard to regulation of quality and performance audit, there is no empirical study in Kenya which has been done to reveal how the regulating bodies regulate the audit activities. This is therefore a gap to be filled by this study.

The empirical studies by Gustavson and Sundström (2016), Khan (2006), Otalor and Eiya (2013), Kenneth and Rick (1998) and Jin and Bin (2012) on performance audit and corruption all point to the fact that performance audit has a role in curbing corruption. However, these studies are not explicitly suggesting how performance audit help in combating corrupt practices since the main work of an audit is not to detect fraud but to ensure the books of accounts and financial reports are in compliance with the laid down policies.

RESEARCH METHODOLOGY

This study adopted descriptive approaches to explain the influencers of disclosures and how they translate to the final outputs in form of audit reports. The study targeted all the constituencies in Kenya which are 290 with number of target respondents Specifically being Fund Account managers, district accountants, Accounts assistants, audit staff at the office of auditor general and Project Management Committee Members totaling to 1,169. Since the respondents targeted are many, and are spread all over the constituencies in Kenya, the sample size approximation used suggestions by Bartlett, Kotrlik and Higgins (2001) to arrive at a sample size of 107 respondents. The questionnaire was the main instrument for collecting primary data. Regression analysis was used to determine the cause-effect analysis while correlation analysis was applied to measure the strength of association between the study variables with the help of SPSS version 25.

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

FINDINGS AND PRESENTATION

Introduction

The chapter presents result of the data processed during analysis, that is both descriptive and inferential findings which are presented in form of tables, figures and themes.

Response rate

The results in Table 1 give the response rates from the study.

Table 1: Response Rate

Response	Frequency	Percentage
Returned	93	86.47%
Unreturned	14	13.53%
Total	**107**	100%

The total questionnaires given were 107. 93 of them were properly filled and returned. This return saw an 86.47% response rate. According to Baruch (1999) and Hardigan, Popovici and Carvajal (2016), a response rate of above 50% is adequate for a descriptive study.

Pilot Results

The respondents that were piloted were not included in the main study. The pilot results for 15 participants (representing 14.02% of 107) were distributed as per the organization in the table 4.2 below

Reliability Results

Reliability analysis was done to evaluate survey construct using Cronbach's alpha. Cronbach's alpha estimates internal consistency by determining how all items on a test relate to all other items and to the total test- internal coherence of data. The reliability is expressed as a coefficient between 0 and 1.00. A coefficient greater than or equal to 0.7 is acceptable for basic research The higher the coefficient, the more reliable is the test (Sekaran & Bougie, 2016). The table 2 below shows the reliability results for the pilot study.

Table 2: Summary of the Reliability Results

Variables	Cronbach's Alpha	Number of Items	Conclusion
Accountability	0.820	8	Reliable
Governance effectiveness	0.745	7	Reliable
Regulation quality	0.833	6	Reliable
Corruption control	0.864	5	Reliable
Performance audit reports	0.818	6	Reliable
Average	0.816	7	Reliable

Source: Pilot Survey Data (2021).

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

The reliability results proved that the variable statements were highly reliable with Cronbach's Alpha for the results being 0.820, 0.745, 0.833, 0.864 and 0.818 for accountability, governance effectiveness, regulation quality, corruption control and performance audit reports respectively.

Test for Construct Validity

The test for construct validity for the study is the Kaiser-Meyer-Olkin (KMO) test for construct validity which according to Andale (2017), Kaiser put the following KMO Value/Degree of Common Variance: *0.00 to 0.49 unacceptable, 0.50 to 0.59 miserable, 0.60 to 0.69 mediocre, 0.70 to 0.79 middling, 0.80 to 0.89 meritorious and 0.90 to 1.00 marvellous.* The results are presented in Table 3.

Table 3: Summary of the Factorial Test Results for Construct Validity

		Bartlett's Test of Sphericity			
Variable	**KMO**	**Approx. Chi-Square**	**df**	**Sig.**	**Conclusion**
Accountability	0.697	55.883	14	0.001	Valid
Governance effectiveness	0.555	37.383	14	0.015	Valid
Regulation quality	0.683	58.218	14	0.000	Valid
Corruption control	0.683	58.218	14	0.000	Valid
Performance audit reports	0.737	48.336	14	0.000	Valid
Average	**0.655**				**Valid**

Source: Pilot Survey Data (2021).

The values of the KMO Measure of Sampling Adequacy for all the variables were above 0.4. The significance of the KMO coefficient was evaluated using a Chi-Square test and a critical probability value (p-value) of 0.05. Thee results further implies that there was a significant correlation between for accountability, governance effectiveness, regulation quality, corruption control and performance audit reports respectively. The data collection instrument was therefore regarded as adequate and appropriate.

Socio- demographic characteristics of participants

Section 4.3 presents the demographic characteristics of the respondents who participated in the study.

Socio- demographic characteristics of Respondents

Table 4 shows the gender of the respondents. A total 93 participants responded to the questions.

Table 4: Gender of the Respondents

Variable	Category	Frequency	Percent
	Female	36	38.7
	Male	57	61.3
Gender	**Total**	**93**	**100**
	Below 25 years	21	22.6
Age Bracket	25 to 34 years	13	14

Edith Cowan Peer Reviewed Journals & Books Publishers
Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

	35 to 44 years	28	30.1
	Over 45 years	31	33.3
	Total	**93**	**100**
Job category of the respondent	Director	24	25.8
	Fund Account Manager	28	30.1
	District Accountant	19	20.4
	Project Management Committee member	22	23.7
	Total	**93**	**100**
Level of academic qualification	PhD	20	21.5
	Master's degree	37	39.8
	Bachelor degree	17	18.3
	Diploma	19	20.4
	Total	**93**	**100**
How many years have you worked with this organization?	Below 3 years.	12	12.9
	3 to 5 years	15	16.1
	6 to 10 years	48	51.6
	Over 10 years	18	19.4
	Total	**93**	**100**

Source: Research Data (2021)

The results indicated that majority of respondents (61.3%) are male compared to their female counterparts who are 38.7% showing a representation of both genders in the study without bias. Majority of the respondents that is 33.3% were over 45 years 30.1% of them being between 35 and 44 years, 22.6% were below 25 years while 17% were between 25 and 34 years.

The results also indicated that 30.1% of the respondents are fund account manager, 25.8% of them are directors, 23.7% of them are project management committee members and 20.4% of them are district accountants. The results indicated that 39.8% of the respondents have a Master's degree education, 21.5% of the respondents have PhD level education, 20.4% of them are diploma holders while 18.3% of them are Bachelor degree holders. In addition, the findings indicated that 51.6% of the respondents have worked with the firms for 6 to 10 years, 19.4% of them have worked for over 10 years, 16.1% of them have worked for 3 to 5 years while 12.9% of them have worked with the firms for less than 3 years

Descriptive statistics

Descriptive statistics were done to show the summary of the findings by including, percentages, mean and the standard deviation.

Accountability

Respondents were required to respond to statements related to accountability. The conclusions on the Likert responses were made by combining 1 and 2 to imply agreement, 3 to imply neutral decision and 4 and 5 to imply disagreement. The results were analyzed and displayed in table 5.

Edith Cowan Peer Reviewed Journals & Books Publishers
Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

Table 5: Percentages, mean and standard deviation of accountability

Statements	1	2	3	4	5	M	S D
a). Are all the projects implemented in line with the strategic plan?	3.20%	4.30%	29.00%	52.70%	10.80%	3.63	0.86

5=Strongly Agree 4=Agree 3=Not Sure 2=Disagree, 1=Strongly Disagree

Source: Research Data (2021)

Table 4.5, 63.50% respondents indicated that all the projects implemented in line with the strategic plan (mean=3.63≈2, SD=0.86).

Table 6: Circumstances which occasion implementation of a project outside the strategic plan

b. Are there circumstances which occasion implementation of a project outside the strategic plan	Frequency	Percent
Emergencies	39	41.9
Newly prioritized activities by the constituents	54	58.1
Total	**93**	**100**

Source: Research Data (2021)

Table 6 indicate that 58.1% of the respondents stated that there are Newly prioritized activities by the constituents while 41.9% of them indicated that there are emergencies which occasion implementation of a project outside the strategic plan.

Table 4.7: Project Approvals

Statements	1	2	3	4	5	M	S D
c). Do the approved projects by the board get funding AIEs in time?	2.20%	6.50%	5.40%	41.90%	44.10%	4.19	0.96

5=Strongly Agree 4=Agree 3=Not Sure 2=Disagree, 1=Strongly Disagree, M = Mean and S D = Standard Deviation

Source: Research Data (2021)

Table 7, 86% respondents indicated that the approved projects by the board get funding AIEs in time (mean=1.64≈2, SD=0.66).

Table 7: Circumstances which force auditors to pay without the AIEs

d). Are there times that forces you to pay without the AIEs?	Frequency	Percent
Emergencies	15	16.1
Newly prioritized activities by the constituents	78	83.9
Total	**93**	**100**

5=Strongly Agree 4=Agree 3=Not Sure 2=Disagree, 1=Strongly Disagree, M = Mean and S D = Standard Deviation

Source: Research Data (2021)

Edith Cowan Peer Reviewed Journals & Books Publishers
Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

Table 8 indicate that 83.9% of the respondents stated that there are Newly prioritized activities by the constituents while 16.1% of them indicated that there are emergencies which force them to pay without the AIEs.

Table 8: Project accountability

Statements	1	2	3	4	5	M	S D
e). Are there situations that occasion environment?	7.50%	9.70%	10.80%	28.00%	44.10%	3.91	1.27
f). Are the M & E reports well maintained?	8.60%	7.50%	10.80%	44.10%	29.00%	3.77	1.20
g). Are the transaction vouchers properly supported?	6.50%	3.20%	8.60%	41.90%	39.80%	4.05	1.10
Average						**3.91**	**1.19**

5=Strongly Agree 4=Agree 3=Not Sure 2=Disagree, 1=Strongly Disagree, M = Mean and S D = Standard Deviation

Source: Research Data (2021)

Table 8, 72.1% respondents indicated that there are situations that occasion environment (mean=3.91, SD=1.27). Likewise, 73.1% of the respondents agreed that the M & E reports well maintained (mean=3.77≈4, SD=1.20). The findings indicated that 81.70% of the respondents agreed that the transaction vouchers properly supported (mean=4.05≈4 SD=1.10). In conclusion, the average mean of the responses was 3.91 when viewed on a scale of five points presenting a standard deviation of 1.19. This meant that the majority of the respondents agreed that accountability has an influence on the performance audit reports in the NG-CDFs, Kenya.

These findings resonated with Adriana and Roxana (2019) who concluded that performance audits are directly related to governance indicators of (accountability, political stability, government effectiveness, regulatory quality, rule of law and control of corruption) and that writing good quality audit reports is not easy because the subjects covered in the reports are often complex and technical. Ozuomba (2019) also indicated that there is a connection between accountability and performance audit and that the absence of accountability culture and strong government agencies to enforce laws and rules has significantly influenced poor public sector performance.

Governance effectiveness

Table 9: Percentages and frequencies on governance effectiveness

Question	Category	Frequency	Percent
c). What factors are considered in appointment of NG-CDFC members?	Educational qualification minimum (Semi-skilled, High school, Diploma, Degree)	93	100
	Political alienation to the current Member of Parliament	0	0
	Total	**93**	**100**
	Ability to add value in CDF committee meetings	51	54.8

Edith Cowan Peer Reviewed Journals & Books Publishers

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

d). How do the appointment factors translate to quality governance?	Ability to serve constituents without bias (even those who did not support current regime)	17	18.3
	Ability to only authorize transactions in line with the constitutional policies and Acts of parliament	25	26.9
	Total	**93**	**100**
Who appoint the CDF staff?	CDF committee	56	60.2
	NG-CDF	37	39.8
	Total	**93**	**100**
f). Are the staffs appointed in regard to?	Political inclination to the MP	22	23.7
	Skills and educational qualifications	56	60.2
	Rapport with the CDFC members	15	16.1
	Total	**93**	**100**

Source: Research Data (2021)

Table 9 indicates that 100% of the respondents indicated that educational qualification minimum (Semi-skilled, High school, Diploma, Degree) is the major factor being considered in appointment of NG-CDFC members. Likewise, the study indicates that 54.8% of the respondents indicated that the appointment factors based on the ability to add value in CDF committee meetings, translate to quality governance, 26.9% of the respondents indicated that the appointment factors based on the ability to only authorize transactions in line with the constitutional policies and Acts of parliament translate to quality governance while 18.3% indicated that the appointment factors based on the ability to serve constituents without bias (even those who did not support current regime) translate to quality governance. The results further indicates that 60.2% of the respondents indicated that the CDF committee appoints the CDF staff, while the NG-CDF appoints the CDF staff as per the 39.8% of the respondents. According to the majority of the respondents (60.2%), the staffs appointed in regard to their skills and educational qualifications as opposed to their political inclination to the MP (23.7%) and their rapport with the CDFC members (16.1%).

Respondents were also required to respond to statements related to governance effectiveness. The conclusions on the Likert responses were made by combining 1 and 2 to imply agreement, 3 to imply neutral decision and 4 and 5 to imply disagreement. The results were analyzed and displayed in Table 10.

Table 10: Percentages, mean and standard deviation of governance effectiveness

Statements	**1**	**2**	**3**	**4**	**5**	**M**	**S D**
a). During implementation of projects, do you involve Project management Committee	10.80%	0.00%	6.50%	33.30%	49.50%	4.11	1.24
b). Are the project management committee members consistently trained on their roles of project management	10.80%	8.60%	11.80%	36.60%	32.30%	3.71	1.30

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

g). Are the staffs continually capacitated to undertake their daily duties?	6.50%	7.50%	12.90%	38.70%	34.40%	3.87	1.16
h). Is it true that continuous development of the staff impacts on their performance?	20.40%	15.10%	11.80%	36.60%	49.50%	4.15	1.55
Average						**3.96**	**1.31**

5=Strongly Agree 4=Agree 3=Not Sure 2=Disagree, 1=Strongly Disagree, M = Mean and S D = Standard Deviation

Source: Research Data (2021)

From Table 10, 82.8% respondents indicated that during implementation of projects, they involve project management committee (mean=4.11≈4, SD=1.24). The findings depicted that 68.90% of the respondents agreed that the project management committee members are consistently trained on their roles of project management (mean3.71≈4, SD=1.30). However, 73.10% of the respondents indicated that the staffs are continually capacitated to undertake their daily duties (mean=3.87≈4, SD=1.16). The findings indicated that 86.1% of the respondents indicated that continuous development of the staff impacts on their performance (mean=4.15≈4, SD=1.55). In conclusion, the average mean of the responses was 3.96 when viewed on a scale of five points presenting a standard deviation of 1.31. This meant that the majority of the respondents agreed that governance effectiveness has an influence on the performance audit reports in the NG-CDFs, Kenya.

These findings agree with Adriana and Roxana (2019) who indicated that governance effectiveness can additionally work the other way around: with audit functioning as a general progress control for gauging what growth has been made against the final program objectives. It can consequently inspire government usefulness by warranting those resources are used parsimoniously and efficiently so as to achieve the anticipated goods and services and the planned effects and impact. Goodson *et al.* (2012) explained that auditing is a fundamental element of efficient government as it supports the governance roles of insight, foresight and oversight, to which they added detection and prevention.

Regulation quality

Respondents were required to respond to statements related regulation quality. The conclusions on the Likert responses were made by combining 1 and 2 to imply agreement, 3 to imply neutral decision and 4 and 5 to imply disagreement. The results were analyzed and displayed in Table 11.

Table 11: Percentages, mean and standard deviation of regulation quality

Statements	**1**	**2**	**3**	**4**	**5**	**M**	**S D**
a). The Fund Account Manager adheres to the Public Procurement and Asset disposal Act 2015 and the Public Procurement and disposal Regulations, 2006 by putting up advertisements and forming relevant	1.10%	0.00%	38.70%	50.50%	9.70%	3.68	0.69

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

committees to facilitate procurement process							
b). Fund Account manager complies with provision of Sec 6(2) and section 8 of the NG-CDF Act, 2015 while doing re-allocation	0.00%	1.10%	4.30%	46.20%	48.40%	4.42	0.63
c). The District Accountant complies with International Public Sector Accounting Standards framework in preparation of financial statements	0.00%	11.80 %	31.20%	45.20%	11.80%	3.57	0.85
d). Fund Account Manager and District Accountant complies with provision of Section 62 of the Public audit Act, No. 34 of 2015 and section 68 of the Public finance Management Act, No 18 of 2012 by ensuring that auditors are provided with the original documents	3.20%	7.50%	6.50%	38.70%	44.10%	4.13	1.04
e). Fund Manager complies with provision of section 36(1) of the NG-CDF Act, 2015 by involving relevant government departments in production of tender documents, supervision and authorization	12.90 %	16.10 %	10.80%	24.70%	35.50%	3.54	1.44
g). Fund Manager complies with provisions of Section 62 of the Public Audit Act, No. 34 of 2015 and Section 68 of the Public Finance Management Act, N0 18 of 2012 by proving relevant documents relating to project implementation to the auditors	21.50 %	1.10%	5.40%	53.80%	18.30%	3.46	1.40
Average						**3.80**	**1.01**

5=Strongly Agree 4=Agree 3=Not Sure 2=Disagree, 1=Strongly Disagree, M = Mean and S D = Standard Deviation

Source: Research Data (2021)

From Table 11, 60.2% respondents indicated that the Fund Account Manager adheres to the Public Procurement and Asset disposal Act 2015 and the Public Procurement and disposal Regulations, 2006 by putting up advertisements and forming relevant committees to facilitate procurement process (mean=3.68≈4, SD=0.69). Likewise, 94.6% of the respondents agreed that fund account manager complies with provision of Sec 6(2) and section 8 of the NG-CDF Act, 2015 while doing re-allocation (mean=4.42≈4, SD=0.63). The findings indicated that 57.00% of the respondents disagreed that the District Accountant complies with International Public Sector Accounting Standards framework in preparation of financial statements (mean=3.57≈4, SD=0.85).

Edith Cowan Peer Reviewed Journals & Books Publishers

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

The findings indicated that 82.80% of the respondents agreed that fund account manager and District Accountant complies with provision of Section 62 of the Public Audit Act, No. 34 of 2015 and section 68 of the Public Finance Management Act, No 18 of 2012 by ensuring that auditors are provided with the original documents (mean=4.13≈1, SD=1.04). The findings indicated that 60.2% of the respondents agreed that fund manager complies with provision of section 36(1) of the NG-CDF Act, 2015 by involving relevant government departments in production of tender documents, supervision and authorization (mean=3.54≈4, SD=1.44). The findings indicated that 72.1% of the respondents agreed that fund manager complies with provisions of Section 62 of the Public Audit Act, No. 34 of 2015 and Section 68 of the Public Finance Management Act, N0 18 of 2012 by proving relevant documents relating to project implementation to the auditors (mean=3.46≈4, SD=1.40). In conclusion, the average mean of the responses was 3.80 when viewed on a scale of five points presenting a standard deviation of 1.01. This meant that the majority of the respondents agreed that regulation quality has an influence on the performance audit reports in the NG-CDFs, Kenya.

Likewise, these findings were consistent with Lennox and Pittman (2010) who show that there is improved financial reporting quality of publicly traded companies after the enactment of SOX, supporting that regulation quality influences disclosures which translates to the Performance audit reports. DeFond (2009) who attempted to place the findings of Lennox and Pittman (2010) examined how should the auditors be audited? Comparing the Public Company Accounting Oversight Board (PCOAB) inspections with AICPA peer reviews in the US markets, also affirmed that there is improved financial reporting quality of publicly traded companies.

Control of Corruption

Respondents were required to respond to statements related control of corruption. The conclusions on the Likert responses were made by combining 1 and 2 to imply agreement, 3 to imply neutral decision and 4 and 5 to imply disagreement. The results were analyzed and displayed in Table 12.

Table 12: Percentages, mean and standard deviation of control of corruption

Statements	1	2	3	4	5	M	S D
a). Are there circumstances where tendering process may be influenced?	29.00 %	35.50 %	9.70%	25.80%	0.00%	2.32	1.15
b). Are there instances where the PMC upon funding only implement ghost projects	33.30 %	25.80 %	9.70%	9.70%	21.50%	2.60	1.55
c). Are there incidents where there may be escalation of project costs from the original budget	4.30%	8.60%	37.60%	28.00%	21.50%	3.54	1.06
d). Are there occurrences where the project is poorly done but paid by the PMCs	16.10 %	8.60%	18.30%	8.60%	48.40%	3.65	1.54
e). Do you have started and not completed projects (white elephants) in the constituency	11.80 %	4.30%	15.10%	44.10%	24.70%	3.66	1.24

Edith Cowan Peer Reviewed Journals & Books Publishers

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

Average	**3.15**	**1.31**

From Table 12, 64.5% respondents indicated that there are few circumstances where tendering process may be influenced (mean=2.32≈2, SD=1.15). Likewise, 59.1% of the respondents agreed that there are few instances where the PMC upon funding only implement ghost projects (mean=2.60≈2, SD=1.55). The findings showed that 49.5% of the respondents agreed that there are incidents where there may be escalation of project costs from the original budget (mean=3.54≈4, SD=1.06). The findings indicated that 57% of the respondents agreed that there are occurrences where the project is poorly done but paid by the PMCs (mean=3.65≈4, SD=1.54). The findings indicated that 68.80% of the respondents agreed that there are started and not completed projects (white elephants) in the constituency (mean=3.66≈4, SD=1.24). In conclusion, the average mean of the responses was 3.15 when viewed on a scale of five points presenting a standard deviation of 1.31. This meant that the majority of the respondents agreed that control of corruption has an influence on the performance audit reports in the NG-CDFs, Kenya.

The findings agreed with Jin and Bin (2012) who evidenced that the local audit institutions can detect misbehavior and violations in public financial revenues and expenditures and make corresponding decisions on whether to rectify these problems. They also portrayed that rectification effort after an audit can strengthen effectiveness of government auditing and that the level of corruption can be reduced significantly where rectification is accrued out. Otalor and Eiya (2013) established that audit is one of the mechanisms to curb dishonesty and the society expects the auditors to play an active duty in limiting, if not eradicating, corruption.

Performance Audit Reports

Respondents were required to respond to statements related to performance audit reports using the Likert scale: *1=Strongly Agree 2=Agree 3=Not Sure 4=Disagree, 5=Strongly Disagree*. The results were analyzed and displayed in Table 13.

Table 13: Percentages, mean and standard deviation of performance audit reports

Statements	1	2	3	4	5	M	S D
CDF funds and resources are delivered equally and on timely basis	0.00%	11.80%	33.30%	45.20%	9.70%	3.53	0.83
Projects in the constituencies are timely implemented with the appropriate envisioned quality	1.10%	6.50%	5.40%	41.90%	45.20%	4.24	0.90
PMC constantly prepare their independent progress reports based on the required book keeping rules	9.70%	15.10%	11.80%	24.70%	38.70%	3.68	1.38
Auditors authorize transactions based on expert review and guidance	4.30%	8.60%	37.60%	28.00%	21.50%	3.54	1.06

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

Variations in accounting transactions and policies are adequately justified	16.10%	8.60%	18.30%	8.60%	48.40%	3.65	1.54
Accounting reports (for assets, investments and general dealings) are justifiably balanced	11.80%	4.30%	15.10%	44.10%	24.70%	3.66	1.24
Average						**3.72**	**1.16**

From Table 13, 54.90% respondents indicated that CDF funds and resources are delivered equally and on timely basis (mean=3.53≈4, SD=0.83). Likewise, 87.1% of the respondents agreed that projects in the constituencies are timely implemented with the appropriate envisioned quality (mean=4.24≈4, SD=0.90). The findings showed that 63.40 of the respondents agreed that PMC constantly prepare their independent progress reports based on the required book keeping rules (mean=3.66≈4, SD=1.38). The findings indicated that 49.50% of the respondents agreed that auditors authorize transactions based on expert review and guidance (mean=3.54≈4, SD=1.06). The findings indicated that 57% of the respondents agreed that variations in accounting transactions and policies are adequately justified (mean=3.65≈4, SD=1.54). The findings indicated that 68.8% of the respondents agreed that accounting reports (for assets, investments and general dealings) are justifiably balanced (mean=3.66≈4, SD=1.24). In conclusion, the average mean of the responses was 3.72 when viewed on a scale of five points presenting a standard deviation of 1.16. This meant that the majority of the respondents agreed with the statements regarding the performance audit reports in the NG-CDFs, Kenya.

These findings agree with Stroobants & Bouckaert (2012) that performance audit permits governments to show to its subjects how they are fulfilling the duties and responsibilities charged to them regarding resource utilization. In order to assess efficiency, it is necessary for economic, efficient and effective gains to be measurable. Though, for the performance Audit to be successful and of greater magnitude impacting positively to the economy, it all depends on what is disclosed by the government auditors and how governance indicators influence such disclosures which the current study aims to find out among various semi-autonomous government agencies (SAGA) which in this case is the NG-CDFs.

Inferential statistics

Inferential statistics refers to the techniques that allow a study to make inferences about a population based on the collected data from the respective sample. In essence they allow for the determination of how likely it is to obtain a set of results from a single sample. In the current study inferential statistics were assessed using the Correlation and regression analyses.

Correlation between governance indicators on Disclosures in Performance Audit Annual Reports in the NG-CDFs, Kenya

The Pearson correlation coefficient was used to determine the association between the variables which is denotated by **r**. Correlation coefficients (**r**) range from -1 to 1. A *0* signifies that the factor is not associated to one another, but a value of *±1* shows that the two parameters are in perfect association. The link between the two variables gets weaker, as the value of the **r** goes to *0*. A +

Edith Cowan Peer Reviewed Journals & Books Publishers
Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

sign indicates a positive relationship and a – sign shows a negative link. The direction of the association is represented by the sign of the **r**. (Gogtay & Thatte, 2017).

Table 14: Correlation matrix between governance indicators on Disclosures in Performance Audit Annual Reports in the NG-CDFs, Kenya

Correlations		Performance Audit Annual Reports	Accountability	Governance effectiveness	Regulation quality	Corruption control
Performance audit annual reports	Pearson Correlation	1				
	Sig. (2-tailed)					
Accountability	Pearson Correlation	.645**	1			
	Sig. (2-tailed)	0.000				
Governance effectiveness	Pearson Correlation	.569**	.473**	1		
	Sig. (2-tailed)	0.008	0.001			
Regulation quality	Pearson Correlation	.655**	.514**	.435**	1	
	Sig. (2-tailed)	0.006	0.000	0.000		
Corruption control	Pearson Correlation	.515**	.355**	.403**	.207*	1
	Sig. (2-tailed)	0.000	0.001	0.001	0.047	

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

The results in table 14 above showed that there is a positive and significant association between accountability and performance audit annual reports in the NG-CDFs in Kenya (r=.645**, p=0.000). The strong r value of 0.645 indicated a value of greater than 0 which implied that accountability is a linear variable and has a positive association with performance audit annual reports in the NG-CDFs in Kenya. These findings resonated with Adriana and Roxana (2019) who concluded that performance audits are directly related to governance indicators of (accountability, political stability, government effectiveness, regulatory quality, rule of law and control of corruption) and that writing good quality audit reports is not easy because the subjects covered in the reports are often complex and technical. Ozuomba (2019) also indicated that there is a connection between accountability and performance audit and that the absence of accountability culture and strong government agencies to enforce laws and rules has significantly influenced poor public sector performance.

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

Likewise, the table showed that there is a positive and significant association between governance effectiveness and performance audit annual reports in the NG-CDFs in Kenya (r=0.569**, p=0.008). The strong r value of 0.569 indicated a value of greater than 0 which implied that governance effectiveness is a linear variable and has a positive association with performance audit annual reports in the NG-CDFs in Kenya. These findings agree with Adriana and Roxana (2019) who indicated that governance effectiveness can additionally work the other way around: with audit functioning as a general progress control for gauging what growth has been made against the final program objectives. It can consequently inspire government usefulness by warranting those resources are used parsimoniously and efficiently so as to achieve the anticipated goods and services and the planned effects and impact. Goodson *et al.* (2012) explained that auditing is a fundamental element of efficient government as it supports the governance roles of insight, foresight and oversight, to which they added detection and prevention

The results further showed that there is a positive and significant association between regulation quality and performance audit annual reports in the NG-CDFs in Kenya (r=0.655**, p=0.006). The strong r value of 0.655 indicated a value of greater than 0 which implied that regulation quality is a linear variable and has a positive association with performance audit annual reports in the NG-CDFs in Kenya. These findings were consistent with Lennox and Pittman (2010) who show that there is improved financial reporting quality of publicly traded companies after the enactment of SOX, supporting that regulation quality influences disclosures which translates to the Performance audit reports. DeFond (2009) who attempted to place the findings of Lennox and Pittman (2010) examined how should the auditors be audited? Comparing the Public Company Accounting Oversight Board (PCOAB) inspections with AICPA peer reviews in the US markets, also affirmed that there is improved financial reporting quality of publicly traded companies.

The results further showed that there is a positive and significant association between corruption control and performance audit annual reports in the NG-CDFs in Kenya (r=0.515**, p=0.000). The strong r value of 0.515 indicated a value of greater than 0 which implied that corruption control is a linear variable and has a positive association with performance audit annual reports in the NG-CDFs in Kenya. The findings agreed with Gustavson and Sundström (2016) who suggest that good auditing conducted by SAIs has a positive effect on levels of corruption in the public sector. They also found several factors that have constructive influence in reducing corruption in the public sector, including the independent of SAIs from the government, the professionalism of SAIs through acquiring staff with the appropriate skills and education, and SAIs communicating the audit results to the public Gherai *et al*., (2016) indicate that the more extensive the work of the SAIs, the more it contributes to reducing corruption and positively associated with a better quality of life. That study did not explain the mechanisms that are used by SAI to detect and prevent corruption or how SAIs reducing public sector corruption. Hay and Cordery (2018) also concluded that the public sector auditing functions are consistent with explanations of agency theory and management control.

Edith Cowan Peer Reviewed Journals & Books Publishers
Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

Relationship between governance indicators on Disclosures in Performance Audit Annual Reports in the NG-CDFs, Kenya

The study also sought to investigate the causal effect of the independent variables on the dependent variable. The findings represent the model of fitness, ANOVA tests and the regression of coefficients.

Table 15: Model of fitness representing governance indicators and Performance Audit Annual Reports in the NG-CDFs, Kenya

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.814a	0.662	0.647	0.224

a Predictors: (Constant), corruption control, regulation quality, governance effectiveness, accountability
b Dependent Variable: Performance Audit Annual Reports
Source: Research Data (2021)

Table 15 presents the model of fitness of regression used where the results implied that the governance indicators (corruption control, regulation quality, governance effectiveness, accountability) are good and satisfactory predictors of performance audit annual reports in the NG-CDFs in Kenya. This is evident, as shown by the R^2 value which 0.662. This implies that corruption control, regulation quality, governance effectiveness and accountability jointly explain more than 50% (that is 66.2%) of performance audit annual reports in the NG-CDFs in Kenya.

Table 16: ANOVA on governance indicators on Performance Audit Annual Reports in the NG-CDFs, Kenya

	Sum of Squares	df	Mean Square	F	Sig.
Regression	8.66	4	2.165	43.143	.000b
Residual	4.416	88	0.05		
Total	**13.076**	**92**			

a Predictors: (Constant), corruption control, regulation quality, governance effectiveness, accountability
b Dependent Variable: Performance Audit Annual Reports
Source: Research Data (2021)

The Analysis of Variance as shown in table 16 was also statistically significant implying that governance indicators (corruption control, regulation quality, governance effectiveness, accountability) have a statistically significant influence on the performance audit annual reports in the NG-CDFs in Kenya. This is further supported by the F statistic 43.143 where the value was greater than the critical value at 0.05 significance level, $F_{statistic} = 43.143 > F_{critical} = 2.475$ (4, 88).

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

Table 17: Regression coefficients for the governance indicators on Performance Audit Annual Reports in the NG-CDFs, Kenya

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	**Std. Error**	**Beta**		
(Constant)	0.040	0.285		0.139	0.890
Accountability	0.247	0.071	0.272	3.484	0.001
Governance effectiveness	0.140	0.066	0.161	2.128	0.036
Regulation quality	0.413	0.079	0.389	5.208	0.000
Corruption control	0.197	0.050	0.273	3.940	0.000

a Dependent Variable: Performance Audit Annual Reports

Source: Research Data (2021)

Regression of the coefficients results in table 17 revealed that accountability and the performance audit annual reports in the NG-CDFs in Kenya have a positive and significant relationship (**β**=0.247, p=0.001). This implies that improvement in 1 unit of the aspects related to accountability improves the performance audit annual reports in the NG-CDFs in Kenya by 0.247 units. These findings resonated with Adriana and Roxana (2019) who concluded that performance audits are directly related to governance indicators of (accountability, political stability, government effectiveness, regulatory quality, rule of law and control of corruption) and that writing good quality audit reports is not easy because the subjects covered in the reports are often complex and technical. Ozuomba (2019) also indicated that there is a connection between accountability and performance audit and that the absence of accountability culture and strong government agencies to enforce laws and rules has significantly influenced poor public sector performance.

The results also revealed that governance effectiveness and the performance audit annual reports in the NG-CDFs in Kenya have a positive and significant relationship (**β**=0.140, p=0.036). This implies that improvement in 1 unit of the aspects related to governance effectiveness improves the performance audit annual reports in the NG-CDFs in Kenya by 0.140 units. These findings resonated with Adriana and Roxana (2019) who indicated that governance effectiveness can additionally work the other way around: with audit functioning as a general progress control for gauging what growth has been made against the final program objectives. It can consequently inspire government usefulness by warranting those resources are used parsimoniously and efficiently so as to achieve the anticipated goods and services and the planned effects and impact. Goodson *et al.* (2012) explained that auditing is a fundamental element of efficient government as it supports the governance roles of insight, foresight and oversight, to which they added detection and prevention

Regression of the coefficients results revealed that regulation quality and the performance audit annual reports in the NG-CDFs in Kenya have a positive and significant relationship (**β**=0.413, p=0.000). This implied that improvement in 1 unit of the aspects related to regulation quality improve the performance audit annual reports in the NG-CDFs in Kenya by 0.413 units. These findings corroborate those of Lennox and Pittman (2010) who show that there is improved financial reporting quality of publicly traded companies after the enactment of SOX, supporting

Edith Cowan Peer Reviewed Journals & Books Publishers
Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

that regulation quality influences disclosures which translates to the Performance audit reports. DeFond (2009) who attempted to place the findings of Lennox and Pittman (2010) examined how should the auditors be audited? Comparing the Public Company Accounting Oversight Board (PCOAB) inspections with AICPA peer reviews in the US markets, also affirmed that there is improved financial reporting quality of publicly traded companies.

Regression of the coefficients results revealed that corruption control and the performance audit annual reports in the NG-CDFs in Kenya have a positive and significant relationship (**β**=0.197, p=0.000). This implies that improvement in 1 unit of the aspects related to corruption control improves the performance audit annual reports in the NG-CDFs in Kenya by 0.197 units. The findings agreed with Gustavson and Sundström (2016) who suggest that good auditing conducted by SAIs has a positive effect on levels of corruption in the public sector. They also found several factors that have constructive influence in reducing corruption in the public sector, including the independent of SAIs from the government, the professionalism of SAIs through acquiring staff with the appropriate skills and education, and SAIs communicating the audit results to the public Gherai *et al*., (2016) indicate that the more extensive the work of the SAIs, the more it contributes to reducing corruption and positively associated with a better quality of life. That study did not explain the mechanisms that are used by SAI to detect and prevent corruption or how SAIs reducing public sector corruption. Hay and Cordery (2018) also concluded that the public sector auditing functions are consistent with explanations of agency theory and management control.

Therefore, the multivariate regression model can be presented as follows:

$$Y = 0.040 + 0.247X_1 + 0.140X_2 + 0.413X_3 + 0.197X_4 + e$$

Where:

Y = performance audit annual reports

X_1 = accountability

X_2 = governance effectiveness

X_3 = regulation quality

X_4 = corruption control

ε is the error term

SUMMARY, CONCLUSION AND RECOMMENDATION

Summary of the findings

Accountability and performance audit annual reports

The correlation findings indicated that there is a positive and significant association between accountability and performance audit annual reports in the NG-CDFs in Kenya (r=.645**, p=0.000). The strong r value of 0.645 indicated a value of greater than 0 which implied that accountability is a linear variable and has a positive association with performance audit annual reports in the NG-CDFs in Kenya. Likewise, the regression findings revealed that accountability

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

and the performance audit annual reports in the NG-CDFs in Kenya have a positive and significant relationship (**β**=0.247, p=0.001). This implies that improvement in 1 unit of the aspects related to accountability improves the performance audit annual reports in the NG-CDFs in Kenya by 0.247 units.

These findings resonated with Adriana and Roxana (2019) who concluded that performance audits are directly related to governance indicators of (accountability, political stability, government effectiveness, regulatory quality, rule of law and control of corruption) and that writing good quality audit reports is not easy because the subjects covered in the reports are often complex and technical. Ozuomba (2019) also indicated that there is a connection between accountability and performance audit and that the absence of accountability culture and strong government agencies to enforce laws and rules has significantly influenced poor public sector performance.

Governance effectiveness performance audit annual reports

The correlation findings indicated that there is a positive and significant association between governance effectiveness and performance audit annual reports in the NG-CDFs in Kenya (r=0.569**, p=0.008). The strong r value of 0.569 indicated a value of greater than 0 which implied that governance effectiveness is a linear variable and has a positive association with performance audit annual reports in the NG-CDFs in Kenya. The regression findings revealed that governance effectiveness and the performance audit annual reports in the NG-CDFs in Kenya have a positive and significant relationship (**β**=0.140, p=0.036). This implies that improvement in 1 unit of the aspects related to governance effectiveness improves the performance audit annual reports in the NG-CDFs in Kenya by 0.140 units.

These findings agree with Adriana and Roxana (2019) who indicated that governance effectiveness can additionally work the other way around: with audit functioning as a general progress control for gauging what growth has been made against the final program objectives. It can consequently inspire government usefulness by warranting those resources are used parsimoniously and efficiently so as to achieve the anticipated goods and services and the planned effects and impact. Goodson *et al.* (2012) explained that auditing is a fundamental element of efficient government as it supports the governance roles of insight, foresight and oversight, to which they added detection and prevention.

Regulation quality performance audit annual reports

The correlation findings indicated that there is a positive and significant association between regulation quality and performance audit annual reports in the NG-CDFs in Kenya (r=0.655**, p=0.006). The strong r value of 0.655 indicated a value of greater than 0 which implied that regulation quality is a linear variable and has a positive association with performance audit annual reports in the NG-CDFs in Kenya. The regression findings revealed that regulation quality and the performance audit annual reports in the NG-CDFs in Kenya have a positive and significant relationship (**β**=0.413, p=0.000). This implied that improvement in 1 unit of the aspects related to regulation quality improve the performance audit annual reports in the NG-CDFs in Kenya by 0.413 units.

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

These findings corroborated those of Lennox and Pittman (2010) who show that there is improved financial reporting quality of publicly traded companies after the enactment of SOX, supporting that regulation quality influences disclosures which translates to the Performance audit reports. DeFond (2009) who attempted to place the findings of Lennox and Pittman (2010) examined how should the auditors be audited? Comparing the Public Company Accounting Oversight Board (PCOAB) inspections with AICPA peer reviews in the US markets, also affirmed that there is improved financial reporting quality of publicly traded companies.

Corruption control performance audit annual reports

The correlation findings indicated that there is a positive and significant association between corruption control and performance audit annual reports in the NG-CDFs in Kenya (r=0.515**, p=0.000). The strong r value of 0.515 indicated a value of greater than 0 which implied that corruption control is a linear variable and has a positive association with performance audit annual reports in the NG-CDFs in Kenya. The regression findings revealed that corruption control and the performance audit annual reports in the NG-CDFs in Kenya have a positive and significant relationship (**β**=0.197, p=0.000). This implies that improvement in 1 unit of the aspects related to corruption control improves the performance audit annual reports in the NG-CDFs in Kenya by 0.197 units.

These findings corroborated those of Jin and Bin (2012) who evidenced that the local audit institutions can detect misbehavior and violations in public financial revenues and expenditures and make corresponding decisions on whether to rectify these problems. Gustavson and Sundström (2016) suggest that good auditing conducted by SAIs has a positive effect on levels of corruption in the public sector. They also found several factors that have constructive influence in reducing corruption in the public sector, including the independent of SAIs from the government, the professionalism of SAIs through acquiring staff with the appropriate skills and education, and SAIs communicating the audit results to the public Gherai *et al*., (2016) indicate that the more extensive the work of the SAIs, the more it contributes to reducing corruption and positively associated with a better quality of life. That study did not explain the mechanisms that are used by SAI to detect and prevent corruption or how SAIs reducing public sector corruption. Hay and Cordery (2018) also concluded that the public sector auditing functions are consistent with explanations of agency theory and management control.

Conclusion

It was therefore, concluded that corruption control, regulation quality, governance effectiveness, accountability) have a statistically significant and positive influence on the performance audit annual reports in the NG-CDFs in Kenya. Accountability in this case is achieved via the training of the auditors by the NG-CDF on the roles of a PMC member who regularly prepare and keep their independent progress reports. Likewise, authorization of payments, is done with the help of an expert (quantity surveyor, engineer, building inspector. Furthermore, accountability is achieved by the projects being implemented in line with the strategic plan and their funding being approved by the board in time. There is also proper maintenance of M& E reports as well as the transaction vouchers.

Edith Cowan Peer Reviewed Journals & Books Publishers
Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

The contribution of governance effectiveness to performance audit annual reports in the NG-CDFs in Kenya has been concluded to be supported by involving Project management Committee during implementation of projects, consistent training of the project management committee members on their roles of project management and consideration of educational qualification minimum during the appointment of the project management committee members. Some of the appointment factors to be considered include the ability to add value in CDF committee meetings, the ability to serve constituents without bias (even those who did not support current regime) and the ability to only authorize transactions in line with the constitutional policies and Acts of parliament.

The study concluded based on the findings of regulation quality that adherence to public policy and regulation is key to performance audit annual reports in the NG-CDFs in Kenya. For instance, the adherence to the Public Procurement and Asset disposal Act 2015 and the Public Procurement and disposal Regulations, 2006 by putting up advertisements and forming relevant committees helps to facilitate procurement process. Likewise, the performance audit annual reports in the NG-CDFs relies on compliance with provision of Sec 6(2) and section 8 of the NG-CDF Act, 2015 while doing re-allocation.

Corruption was as well concluded to have its significant share in the process since there are instances where the PMC upon funding only implement ghost projects; where there may be escalation of project costs from the original budget; where the project is poorly done but paid by the PMCs; where tendering process may be influenced; and where there are started and not completed projects (white elephants). In view of the above, the study concludes that poor control of corruption has a negative impact on the performance audit annual reports in the NG-CDFs in Kenya.

Recommendations

Based on the study findings, the current study therefore, recommends the following:

- In view of the above findings, openness and accountability in disclosures in performance audit annual reports. Therefore, the NG-CDFs in Kenya are encouraged to conduct continuous assessments, monitoring and evaluation of the audit team members in order to ensure accountability.
- The study also recommends the NG-CDFs in Kenya to continue with the continuous training and development of the audit staff to foster professionalism and quality of service delivery.
- The county government in conjunction with the national government are recommended to ensure enforcement and upholding ethical standards and policy mechanisms in regard to performance audit annual reports in the NG-CDFs in Kenya. This will go a long way to ensure that the editorial members adhere to the set governance regulations and thus in extension ensure governance effectiveness for better performance audit annual reports.

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

REFERENCES

Anderson, R., S. Mansi & D. Reeb (2003*). Founding family ownership and the agency cost of debt. Journal of Financial Economics 68, 263–28*

Bartlett, J (2009): Getting more for less: *Efficiency in the public sector*, Demos, London

Burrowes, A., Persson, M. (2000) "The Swedish management audit: a precedent for performance and value for money audits", *Managerial Auditing Journal, Vol. 15 Issue: 3, pp.85-97*

Cooper, D. R., & Schindler, P. S. (2008). *Business Research Methods (10th ed.).* Mc Grawhill co.

Dechow, P., Ge, W., & Schrand, C. (2010). Understanding earnings quality: A review of the proxies, their determinants and their consequences. *Journal of accounting and economics*, *50*(2-3), 344-401.

DeFond, M. L. (2010). How should the auditors be audited? Comparing the PCAOB inspections with the AICPA peer reviews. *Journal of Accounting & Economics* 49 (1/2): 104–108. https://doi.org/10.1016/j.jacceco.2009.04.003

Gherai, D. S., Tara, I. G., &Matica, D. E. (2016). The Supreme Audit Institution can control the Corruption or Not? Annals of the University of Oradea, *Economic Science Series, 25(2), 465-477.*

Goodson, S. G., Mory, K. J., &Lapointe, J. R. (2012). Supplemental Guidance : *The role of auditing in public sector governance.* (A.-M. Hogan, B. Breier, G. Hollyman, & R. F. Chambers, Eds.)The Institute of Internal Auditors (2nd Editon). USA: Altamonte Springs. FL.

Gustavson, M., &Sundström, A. (2016). Organizing the Audit Society: Does Good Auditing Generate Less Public Sector Corruption? *Administration & Society, 1-25. https://doi.org/10.1177/0095399716674306*

Hay, D., &Cordery, C. (2018). The value of public sector audit: *Literature and history. Journal of Accounting Literature, 40, 1-15. https://doi.org/10.1016/j.acclit.2017.11.001*

International Auditing and Assurance Standard Board (IAASB). *Exposure Draft May 2014*

International Standard on Auditing (ISA) *705 (REVISED)*

Ittonin., K., A Theoretical Examination of the Role of Auditing and the Relevance of Audit Reports. *Business Administration 28 Accounting and Finance,* University of Vaasa.

Jensen, M. & W. Meckling (1976). Theory of a firm: *managerial behaviour, agency costs and ownership structure. Journal of Financial Economics 3(4), 305– 360.*

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

Jin., L. and Bin., L. (2012). Government auditing and corruption control: evidence from China's provincial panel data. *China Journal of Accounting research. http://www.elsevier.com/locate/cjar*

Jomo Kenyatta University of Agriculture & Technology, (2016). Financial Regulations. *School Of Open, Distance And E-learning*

Keah H. M. A survey of factors affecting public audit institutions performance: *the case of Kenya national audit office.*

Keneth., M. D. and Rick., S. (1998) Pillars of Integrity: *The Importance of Supreme Audit Institutions in Curbing Corruption.*

Kenya Gazette Supplement *The Constituencies Development Fund (Amendment) Act, 2007*, 767 Published by the National Council for Law Reporting with the Authority of the Attorney-General

Khan, M. A. (2006). Role of audit in fighting corruption. Paper Prepared for Ad Hoc Group Meeting on ethics, integrity, and accountability in the public sector: *re-building public trust in government through the implementation of the UN Convention against Corruption. pp. 1-32*

Laxmikanth, M. (2006). Public Administration. New Delhi: Tata *McGraw Hill Publishing Company Limited*, 201

Leisa L. M. and James C. (2015). The Protect us from Computer Fraud: Who protect us from them? Safe Net Inc. A case of fraudulent financial reporting. Issues in Accounting Education 30 (4): 353-372. *American Accounting Association.*

Lennox, C., and J. Pittman (2010). Auditing the auditors: Evidence on the recent reforms to the external monitoring of audit firms. *Journal of Accounting & Economics* 49 (1/2): 84–103. https://doi.org/10.1016/j.jacceco.2009.04.002

Limperg, T. (1932). Theory of Inspired Confidence. *University of Amsterdam*

Muhammad., A. K. (2006). Role of Audit in Fighting Corruption. *Ethics, Integrity, and Accountability in the Public Sector: Re-building Public Trust in Government through the Implementation of the UN Convention against Corruption*

Mulgan, R (2000). "'Accountability': An Ever-Expanding Concept?". *Public Administration*. 78 (3): 555–573. doi:10.1111/1467-9299.00218.

Mwamini., M. T., (2014) "Auditing Practices and Organizational Efficiency in Local Government Authorities: A Case Study of Tanzania." *Journal of Finance and Accounting*, 2(4):100-114. doi: 10.12691/jfa-2-4-3.

Edith Cowan Journal of Entrepreneurship and Project Management
ISSN:
Vol. 1, Issue No. 1, pp 35- 67, 2021
www.edithcowanjournals.org

National Government Constituencies Development Fund Act NO. 30 OF 201 *Published by the National Council for Law Reporting with the Authority of the Attorney-General*, www.kenyalaw.org

Odek, R., Elmad, O., Francis, A. (2018) 'Analysis of Corporate Governance Practices and Financial Performance of Savings and Credit Cooperative Societies*:* A Case Study of Kite Sacco Society Limited Kisumu City'. I*nternational Journal of Social Sciences Management and Entrepreneurship* 5(1): 220 - 251, April 2018

Olweny., T. Namusonge. G. S. & Onyango., S. (2013). Financial Attributes and Investor Risk Tolerance at the Nairobi Securities Exchange – *A Kenyan Perspective. Asian Social Science*; 9 (3); 2013 ISSN 1911-2017 E-ISSN 1911-2025 Published by Canadian Center of Science and Education

Ozuomba, N. T. (2019) Performance Audit and Accountability of Public Sector in Nigeria. *International Journal of Innovative Finance and Economics Research* 7(2):1-9, April-June., 2019

Pollit, C, Girre, X, Londsdale, J, Summa, H. (1999): Performance or Compliance? Performance Audit and Public Management in Five Countries, *Oxford University Press*

Republic of Kenya; Constituencies Development Fund Act No. 10 of 2003. *Published by the National Council for Law Reporting with the Authority of the Attorney-General*

Roberts, J. (2003). The manufacture of corporate social responsibility: *constructing corporate sensibility. Organization*, 10(2), 249-265

Stroobants J.&Bouckaert G. (2012). *Towards Measurable and Auditable Efficiency Gains in the Flemish Public Sector*

Uwhejevwe-Togbolo, S. E. (2016). Factors affecting auditor's choice in Nigeria. A thesis submitted to the department of accounting, *University of Benin*, Nigeria in partial fulfilment of requirements for the award of post graduate diploma in accounting (PGDA).