

**INFLUENCE OF INTERNAL AUDIT FUNCTION ON THE PUBLIC SERVICE
DELIVERY IN THE KENYAN STATE PARASTATALS**

BY

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DECLARATION

I declare that this dissertation is my original work and has not been published before or presented for an award of a degree in any other institution of learning. I also declare that material obtained from other scholars has been fully acknowledged and referenced.

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ABSTRACT

The goal of every other institution and government in the world is to provide quality services. As such, most organizations and governments have adopted practices to enhance service delivery. However, most governments in developing countries continue to provide inefficient and ineffective services. This article sought to examine the relationship between internal audit and service delivery in the public sector in Kenya. Importantly, the article's specific were to; establish the influence of internal audit risk assessment, determine the influence of internal audit controls, evaluate the impacts of internal audit compliance, and determine the influence of internal audit evaluation on public service delivery in Kenyan parastatals. The agency, systems approach, and stakeholder theory were used to guide this study. This study employed a descriptive approach, and the population for the study was 186 parastatals in Kenya. Internal auditors in the parastatals provided the study's data. The study's sample size was 127 parastatals. The data collection entailed the use of in-person handing of the questionnaires as well as online questionnaires through electronic mail. The questionnaires were piloted before actual data collection to ensure the validity and the reliability of the instrument. Descriptive and inferential analysis was used in analyzing the collected data. Descriptive statistics conducted included: mean, frequency, percentage, and standard deviation. Besides, the inferential analysis conducted included: diagnostic tests such as linearity tests, normality tests, auto-correlation tests, and tests for independence: multi-collinearity and correlation analysis whereas the regression analysis included multivariate regression analysis. The study revealed that $\beta = 0.311$, $t = 2.930$ which yielded a p-value of 0.004 for internal audit risk assessment and public service delivery in state parastatals in Kenya. Based on this study; $\beta = 0.051$, $t = 0.442$ which yielded a p-value of 0.659 for Internal Audit Controls Practices and public service delivery in state parastatals in Kenya. The findings indicate that a $\beta = 0.286$, $t = 2.412$, yielding a p-value of .018 for internal audit compliance practices and public service delivery in state parastatals in Kenya. The results also showed that $\beta = 0.212$, $t = 2.113$, yielding a p-value of 0.037 for internal audit evaluation practices and public service delivery in state parastatals in Kenya. Conclusively, the results revealed that internal audit risk assessment practices had a significant influence on public service delivery. The study concluded that Internal Audit Controls Practices did not have a significant influence on public service delivery in Kenyan state parastatals. The study revealed that Internal Audit Compliance Practices had a significant impact on services are delivered in the public sector. The study concluded that Internal Audit Evaluation Practices had a significant influence on public service delivery. The study recommended Internal Audit Committee members carry out internal audit risk assessments including the identification of risks, analyzing risks, and classification of risks. The study recommended that internal auditors come up with internal audit control measures that are more appropriate to ensure that public service delivery improves. The study also recommended that internal auditors ensure *compliance with ethical values*, compliance with financial policies, and compliance with Laws and regulations that enhance public service delivery. The study recommended that internal auditors evaluate the impact of the financial systems and evaluation of information and technology environments on the public service delivery in public service delivery.

Key Works: Risk Assessment, Internal Controls, Compliance, Evaluation, Public Service

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DEDICATION

This research project is dedicated to my family members for their undying support and inspiration.

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ACRONYMS AND ABBREVIATIONS

ICT	Information and communications technology
IPPF	International Professional Practices Framework
KMO	Kaiser-Meyer- Olkin and Bartlett tests
MCAs	Members of county assemblies
NACOSTI	National Commission for Science, Technology, and Innovation
NGOs	Non-governmental organizations
OECD	Organisation for Economic Co-operation and Development
SPSS	Statistical Package for Social Sciences
UNDP	United Nations Development Programme
VIFV	Variance Inflation Factor

OPERATIONAL DEFINITION OF TERMS

Internal Audit Risk Assessment: Refers to an internal audit function that measures the inherent risk that a business is facing before the actual internal controls or plans are put in place.

Internal Audit Control: refers to a function of the internal audit department where the actions of an individual are verified by another individual, the function is important in the identification of risks as well as correcting loopholes there is in the running of the business. The function assists in the protection of business assets as well as enhancing accuracy and the reliability of financial accounts and statements.

Internal Audit Compliance: Refers to a process of the auditors which involves the adherence to the laws in an organization, and codes of conduct. Compliance encompasses policies that apply to particular situations or functions in an organization ethical standards, corporate policies, values as well as commitments in areas of business.

Internal Audit Evaluation: Refers to functions of management or the internal auditor in assessing the worth or usefulness of the internal audit function's success in achieving the desired goals of financial success or enhanced systems capabilities.

Public Service Delivery:

Refers to a mechanism whereby services are delivered to the general public through the municipality, county government, national government, or state agents such a service may include waste management, cleaning of the streets, public education security, or even health service.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The main objective of any government worldwide is to deliver better services to its citizens in various areas such as infrastructure, security, education, health, and others (Chepkonga, 2018). The constantly increasing global economy's competitiveness calls for governments to have practices that would enhance public service delivery. Citizens expect that their governments should shoulder the responsibility of providing quality services by improving their efficiency and effectiveness in carrying out their duties. Internal auditing is one of the practices that has been taken up in public sector management aimed at enhancing service delivery to the public (Scott, 2018). Messier et al. (2011) argue that the internal audit function appraises and increases the management's efficiency, control processes, and risk management. Ayagre (2015) noted that internal audit in the public sector is aimed at ensuring there is efficient and effective management systems. According to the Institute of Internal Auditors (2013), internal audit supports organizations in achieving their goals by introducing a systematic approach to appraise and heighten the management of risk, management procedures, and control.

Governments around the world use public service entities such as local and county governments, state agencies, corporations, and parastatals in delivering services to their citizens. However, Shah et al. (2005) indicate that developing countries provide inefficient and ineffective services. Corruption and resource mismanagement cases in government institutions are reasons that contribute to the continued provision of weak and inadequate services. As such, governments have tried to develop measures to ensure public service delivery is enhanced, and

Kenya is no exception. Internal audit laws and regulations have been formulated to ensure that accountability and transparency in these institutions are enhanced (Magero, 2019).

Through the Kenyan public service, policies are formulated and implemented. Since these entities are under the government's responsibility, the shared resources are expected to be managed efficiently and in a manner that promotes accountability and transparency. As such, both external and internal audit measures have been adopted. This research will focus on assessing the influence of the internal audit function on the public service delivery of Kenyan parastatals (Shah et al., 2005).

1.1.1 Internal Audit Function

The International Professional Practices Framework (2022) indicates that the internal auditing process is an unbiased consulting service that helps in improving and adding value to an institution. Ackers (2011), indicates that the internal audit function is a value-adding service that offers an independent appraisal of an organization's different controls and operations. The internal audit function helps an organization to ensure the effective accomplishment of organizational goals, determine information accuracy and reliability, ensure compliance, identify and minimize risks and ensure resources are efficiently and economically utilized.

Government institutions aim to establish an effective internal audit process to enhance accountability within their operations and ensure that the resources allocated to these institutions are appropriately managed. Implementing policies that improve effective internal audit processes requires effective and efficient leadership (Magero, 2019). In recent years, internal audit has received increasing attention as a tool in the modern system of governance in public sector institutions that can be used to achieve efficient service delivery mostly due to the numerous advantages associated with a tight and effective internal audit process.

The management of most institutions in South Africa views the internal audit as a strategic tool for the accomplishment of organizational goals (Sepuru, 2017). Asaolu et al. (2016) show that internal audit process have a direct impact on the organization's performance in Nigeria. In addition, Kirima (2016) indicates that Kenyan organizations should focus on developing clear guidelines and policies to govern the process of internal audits to ensure that internal auditors are not influenced by external and internal pressure when carrying out their duties.

The Kenyan government introduced a policy document referred to as Mwongozo in 2015 indicating the framework for the code of governance in state corporations to ensure corporate governance practices are incorporated in managing and governing Kenyan state corporations (Ochieng, 2017). Mwongozo indicates that the board of a state corporation should establish an internal audit committee that is entrusted with the responsibility of overseeing both the internal and external audit functions. The internal audit committee is headed by an independent chairperson and comprises at least one member with knowledge and experience in financial management, audit, or risk management. In addition, this committee is expected to establish an independent internal audit function and approve its charter (PSC Mwongozo Code of Governance for State Corporations, 2015).

The function and the scope of the internal audit in firm has been affected by the changes in the business environment; risk management, and assessment of operating processes and internal controls. Traditionally, internal auditors have focused only on financial reporting. The changes in the scope of the internal audit function have also been credited to the rising cases of financial scandals where the audits can be used as a tool that ensures the smooth running of the

organization and aims to improve an organization's efficacy and effectiveness (Cohen & Sayag, 2010).

Internal Audit Risk Assessment. Internal audits in organizations are also used to assess, identify and mitigate risks that may threaten the success of the organization. Internal auditors are tasked with carrying out the internal audit functions objectively and independently to ensure public services are of high quality, promote accountability and transparency, avoid corruption and achieve an effective internal control system (Belay, 2007). The objectivity of internal auditors' entails making judgments, assessments, and decisions that are unbiased therefore ensuring that there are no compromises made (Stewart & Subramaniam, 2010).

Internal Audit Compliance. The role of internal audits in improving managerial accountability and developing confidence and trust in the process of financial reporting cannot be undermined. Therefore, an internal audit is an effective tool that enhances compliance within the organization (Simiyu, 2019).

Internal Audit Evaluation. Through the internal audit process, evaluation is made possible in that weak links in the system and potential improvement opportunities are identified (Reynolds, 2009). Public Institutions use internal audit processes to promote effective operational and financial management by spending public resources effectively, financial transparency, and accountability. However, the rising scandals involving fraud, corruption, and mismanagement of funds in both private and government institutions raise questions on how far has the process of internal audit been adopted and how effective is the process. Examples of such cases are the National Feedlot Corporation's Scandal (2014) in Malaysia, the National Road Haulage Company scandal in Tanzania, and the Uchumi Supermarket of Kenya. The internal audit functions must be an integral part of enhancing public service delivery of counties, parastatals,

and ministries/departments to enable the accomplishment of a country's intended goals (Ali et al., 2007).

Internal Audit Control. Besides, the management of an organization can use auditing as a control tool since it gives an insight into the extent of utilizing resources within the organization. Đorđević & Đukić (2017) indicates that independence in the internal audit function implies that impartiality is maintained when conducting internal audits. Independence is a desirable trait of internal auditors that requires them to be free from conflict of interest in conducting their operations (Independence and Objectivity: A Framework for Internal Auditors, 2001). These conflicts of interest may arise from the internal auditor or the organization in which they work and may prove to be a risk to the objectivity of the internal audit function. Therefore, the conduct, opinion, and actions of an auditor should be free of influence and control from other forces, thereby ensuring independence is maintained in the internal audit function (Kimotho, 2014). Both the objectivity of internal auditors and independence of the internal audit function are crucial aspects of the internal controls system. The absence of these characteristics results in an ineffective internal audit function which affects the service delivery in state corporations (Đorđević & Đukić, 2017).

1.1.2 Public Service Delivery

Performance in public organizations is centered on the ability of these institutions to deliver quality services to the citizens as well as their ability to ensure that these services are continuously improved to enhance their effectiveness and efficiency and ensure that the expectations of the citizens are satisfied (Macharia, 2019; World Bank Report, 2018). To ensure that this is achieved, the citizens, stakeholders, staff, and management of these public institutions

should be actively involved in the process of improving and reforming methods, tools, and procedures that are used in providing these services.

The results and impact of public services determine the efficiency of the delivery of services by public institutions. As such, the measurement of the delivery of public services should not be based on inputs only but rather incorporate outputs and outcomes of the process (World Bank, 2014). Therefore, the quality of public service can be measured using the ability of a government to deliver on its policy commitments to benefit its citizens (World Bank Report, 2018; UNDP, 2015).

Service delivery timeliness is a key measure used to assess public service delivery in most governments (Organisation for Economic Co-operation and Development (OECD, 2013). Magero (2019) and Macharia (2019) indicates that service delivery in public institutions can be measured through measures such as how long they take to deliver public services mainly contained in service charters of government institutions. A parastatal is said to be efficient in delivering public services if it delivers the said services on time. Reforms in parastatals and the Kenyan public sector have been developed to improve service delivery. The Kenyan government uses the Rapid Results Initiative to improve the timeliness and effectiveness of public service delivery among state-owned corporations. United Nations Development Programme (UNDP) (2020) indicates that this initiative offers long-term solutions for most challenges the public sector faces.

1.1.3 Internal audit Function and Public Service Delivery

Shah et al. (2005), who conducted a study on public services delivery, indicate that developing countries are still far behind in providing effective and efficient services to their citizens. The study indicates that the governance systems in most developing countries are unsatisfactory, and

in some cases, the systems are dysfunctional. These issues in the governments of developing countries have led to segregation in terms of social classes when accessing public services. In most cases, the rich tend to access these services with much ease while the poor and the less privileged in society struggle to access public services.

UNDP (2020) evaluated the impacts of the quality of services in the public sector in selected Kenyan Ministries. The results of the study revealed that within 100 days of adopting the Rapid Results Approach, UNDP (2020) indicates that the office of the attorney general registered a customer satisfaction score of 80% and was able to reduce the business registration process. The ministry of interior and coordination of the national government, also having adopted this initiative, witnessed timeliness in public service delivery. Previously it took one month to issue passports within the country's cities, but this figure has been reduced to 20 days while the time taken for the issuance of identification cards decreased by 50% (UNDP, 2020). Furthermore, the agriculture and irrigation ministry provided a reliable, clean water supply to dry areas such as Kajiado County within 100 days (UNDP, 2020). Timelines are crucial in measuring the efficiency in public ministries and is increased by the Rapid Results approach.

1.1.4 Parastatals in Kenya

The public service in Kenya is tasked with providing services to citizens as well as formulating and implementing government policies. It comprises the education sector, civil service, state corporations, public universities, and service commissions whose salaries are provided by the government. This study will limit public service to parastatals. The public and policymakers have put more focus on measures that promote effective corporate governance and financial accountability following mega corruption scandals and mismanagement of resources by

authorities entrusted to manage the said resources in Kenyan state corporations. These measures have been undertaken to reduce corruption scandals, and they include the enactment of laws that govern the processes of Kenyan internal audits, such as The Public Audit Act of 2015, The Public Finance Management Act of 2012, and the Mwongozo Code of Governance (Magero, 2019).

State parastatals in Kenya refer to corporate bodies established primary legislation as indicated in the State Corporations Act, chapter 446 of the 2010 Kenyan constitution (State Corporations Act, 2016). They are assigned ministerial responsibility by the president with the necessary control and authority for ease and convenience in implementing their functions which include both social and commercial functions (Mutirithia, 2017). Parastatals are assigned these functions to accelerate and promote the growth of the country's economy as well as its development. Through facilitating national development, parastatals create and grow the country's technical capacities. Further, they are considered a significant tool in enhancing public service delivery, including meeting the citizens' needs (Mohamed & Awuondo, 2013). The major purpose of parastatals is in the provision of public utilities, which include education, healthcare, transportation, and security. By providing public utilities, equal opportunities are created for society to benefit from these utilities (Mihret & Yismaw, 2007).

Parastatals in Kenya are governed by a board of management that ensures proper management of the parastatals' affairs, financial business, and funds. Proper record-keeping is crucial to the parastatal's success and should entail recording all transactions, properties, contracts, and other business of the state corporation (State Corporations Act, 2016). The internal audit function in Kenya parastatals is carried out by the Internal auditor-general department (Internal Auditor-General Department, 1999). In parastatals, the department of the internal

auditor general is tasked with the responsibility of reviewing mechanisms of governance, ensuring that system and risk-based audits which strengthen internal control systems are carried out as well as promoting accountability and transparency concerning the assets and finances of the parastatals (Public Management Act, 2012)

According to the Kenya Gazette (2020), there are 186 parastatals in Kenya divided into 17 different ministries. The ministry of education, science and technology have the highest number of parastatals with 40 parastatals, followed by 25 in the agriculture and irrigation ministry, 16 in the national treasury, 14 in the industrialization and enterprise development ministry, and 13 parastatals in the transport and infrastructure development ministry. The ministry of environment and forestry has 11 parastatals, 10 in the tourism and wildlife ministry, while the ministry of health and energy has 9. The ministry of devolution, arid and semi-arid land, has 8 parastatals. The ministry of ICT, the ministry of sports and heritage, and the office of the attorney general each have 7 parastatals. The ministries with the lowest number of parastatals include the ministry of labor and social protection with 3 parastatals, the interior, and the coordination of the national government ministry has 2 parastatals and lastly, the ministry of defense has 1 parastatal.

1.2 Statement of the Problem

An effective internal audit function ensures that a parastatal can accomplish its objectives and ensure compliance, risk assessment, and effective resource utilization (International Professional Practices Framework, 2022). As such, the internal audit function plays a key role in enhancing public service delivery in parastatals. However, mismanagement of resources is a challenge yet to be fully addressed in the internal audit department of most parastatals despite the enactment of several laws that govern the internal audit process, such as the Public Audit Act of 2015.

Consequently, the effectiveness of the internal audit function in parastatals has been questioned in recent years. (Zyglidopoulos, 2015).

Most state-owned corporations in Kenya face numerous challenges in providing quality services to citizens (Shah et al., 2005; Kabue, 2020). As such, citizens continue to receive inefficient and ineffective public service, including poor delivery of vital public services such as health, security, education e.tc (Magero, 2019).

Different researchers have evaluated the impacts of internal audits in public service delivery over the years. Kibwage (2021), examined the *Influence of audit committee roles on the quality of public service delivery at the Nairobi County Government in Kenya* where the study indicated that internal audit positively and significantly influences public service delivery. However, the article focused on the county government in Kenya which is not a parastatal, the targeted respondents were also the general public without auditing knowledge it would be therefore crucial to conduct a study where the general awareness of the respondents on the area of internal audit and operation is clearly defined and known to them. Kirima (2016) examined the various issues affecting the performance of the internal audit function in government ministries in Kenya. The results show that internal audit does not have a significant influence on the quality of service delivery. However, the study was limited only to the ministry of defense where an audit of expenses is limited due to the nature of transactions such as the purchase of weapons where such information cannot be made public for security reasons, therefore, such a study can not be generalized for another sector such as commercial parastatals which calls for detailed scrutiny. These too studies are among the few documented

Therefore, limited literature exists on how the internal audit function influences public service delivery in Kenyan parastatals. Some studies are deemed shallow as they fail to

sufficiently explain the influence of different internal audit aspects, while others only focus on the impact of only one internal audit variable. The scope of most of the studies conducted has also been outside parastatals. In addition, there are conflicting findings on the influence of internal audits, mainly due to the different methodologies used in previous studies. As such, there is a need to conduct an independent study to fill these research gaps. This study sought to answer the question: what are the internal audit functions that influence public service delivery in Kenyan parastatals?

1.3 Research Objectives

1.3.1 General Objective

The main objective of the study was to determine the influence of the internal audit function on public service delivery in the Kenya parastatals.

1.3.2 Specific Objectives

- i. To establish the impacts of internal audit risk assessment on public service delivery in Kenyan parastatals.
- ii. To determine the influence of internal audit control on public service delivery in Kenyan parastatals.
- iii. To assess the influence of internal audit compliance on public service delivery in Kenyan parastatals.
- iv. To determine the influence of internal audit evaluation on public service delivery in Kenyan parastatals.

1.4 Hypotheses

H_{01} : Internal audit risk assessment has no significant influence on public service delivery in Kenyan parastatals

H₀₂: Internal audit control has no significant influence on public service delivery in Kenyan parastatals

H₀₃: Internal audit compliance has no significant influence on public service delivery in Kenyan parastatals

H₀₄: Internal audit evaluation has no significant influence on public service delivery in Kenyan parastatals

1.5 Justification of the Study

The weak internal control systems in Kenyan parastatals have been abused time and time again by civil servants leading to high levels of corruption, mismanagement of resources, and the internal audit function in Kenyan parastatals being compromised. As a result, the professionalism of the internal audit staff has been questioned. It was therefore important to assess how internal audit functions impact public service delivery in Kenyan parastatals. This help determines how different functions impact public service delivery and how these functions can be used efficiently to improve public service delivery. Through conducting this study, the knowledge of good governance that was acquired in class was put into practice. The beneficiaries of the study are the research community, including scholars and researchers, parastatal managers, the government, and policymakers. The research world benefits from this study since it provides knowledge and new information on how internal audit functions impact public service delivery in Kenyan parastatals.

Besides, researchers and scholars can use this study to build on the research that has already been done on the relationship that exists between internal audit functions and public service delivery. This study can be used as a benchmark by other researchers to provide further research in this area. Managers of the parastatals can use this study to make corrective decisions

and actions as well as to understand the essence of the internal control function in supporting their service delivery. Finally, the government and policymakers can have the opportunity to revise the already existing policies governing internal audits in corporations to ensure the successful running of parastatals and promote quality public service delivery in Kenya.

1.6 Scope of the study

The study established the impacts of internal auditing on the ability of Kenyan parastatals to deliver public services. Also, the research sought to evaluate the influence of internal audit risk assessment, controls, compliance, and evaluation on public service delivery in Kenyan parastatals. The study was conducted over six months. The study's target population comprised internal auditors of 186 Kenyan parastatals as of February 2022. Due to the tight schedules of the study's respondents, this research used a questionnaire to collect data for the study; a drop and pick questionnaire was used.

CHAPTER TWO: REVIEW OF THE LITERATURE

2.1 Introduction

This chapter contains a thorough discussion of the literature review on which this research is based. It discusses the different theories used to guide this study. In addition, it reviews past studies conducted by scholars on the influence of internal audits on public service delivery both locally and internationally. The review critiques the literature before evaluating the study's conceptualization and operationalization.

2.2 Theoretical Review

The study will rely on the agency theory, Stakeholder Theory, and the systems approach theory to support the objective, which is to assess the influence of internal audit function in public service delivery: a case of the Kenya parastatals.

2.2.1 Agency Theory

This theory was developed in 1976 by Jensen and Meckling. The theory asserts that every organization has two parties: the agency and the principle. The theory indicates that in an organization, a party may assign another party some duties where, in this case, the principal assigns the agent duties in the organization. The principals provide necessary resources to the agents to ensure that their interests are achieved. In a public organization, the principal is usually the shareholders, while the agents may be the managers of the organization. For purposes of this study, the principal is the government, while the agents are the managers of the parastatals. The relationship that exists between a principal and an agent is referred to as the principal-agent relationship.

In most cases, agents have to make decisions that align with the interests of the principles and ensure that both internal and external risks are dealt with. However, the agents do not always act as the principals would expect. This is mostly due to the asymmetry of information, which becomes a moral hazard. In most cases, agents may decide to pursue different objectives other than fulfil the principle's interests. This is referred to as a type one agency problem. The theory recommends the appointing of a board of directors to avoid instances where there is a conflict between the principals' value maximization and the agents' selfish interests. It also ensures that the organization pursues its core objectives.

This theory helps explain the importance of internal audits to ensure that government resources are utilized well to achieve its interests and avoid cases of corruption among its agents (managers of parastatals). For purposes of this study, the principal is the government, while the agents are the managers of the parastatals. Some of the previous studies conducted on the influence of internal audits have also adopted the agency theory. Kibwage (2021) researched how public service delivery is influenced by internal audits in Nairobi County Government. The results show that the audit committee positively influences public service delivery in Nairobi County Government. In this case, the audit committee is the agent, while the taxpayers in Nairobi County are the principals. Njoki (2018) on the relationship between managing risk and the effectiveness of the internal audit department indicates that internal auditors (agents) enhance effective risk management in government ministries. Kenyan citizens to whom services are provided by the government ministries are the principals in this case.

2.2.2 Stakeholder Theory

This theory was pioneered by Freeman (1984). The stakeholder theory indicates that all individuals that are either directly or indirectly influenced by the activities of an organization are

referred to as stakeholders. These stakeholders may include the government, suppliers, board members, employees of the organization as well as the general public (Friedman & Miles, 2017). The theory further indicates that interests vary from one stakeholder to the other. Good governance is, therefore, crucial to ensure that the interests of different stakeholders are met. For purposes of this study, this theory will be applied to a public organization setting.

The stakeholder theory indicates that good governance entails ensuring that the internal operations of the organization are carried out in the right manner to avoid negative implications for the organization's stakeholders. This includes compliance with rules, regulations such as internal audits, or certain set standards to avoid conflict between the institution and its stakeholders (Deng, 2018). In addition, internal controls such as physical controls and segregation of duties ensure that conflicts are minimized, everyone does what is required of him or her, and accountability is upheld to ensure that stakeholders' interests are protected.

The stakeholder theory is used in this study since it explains the importance of stakeholders (the government, employees including auditors, and the public in general) in realizing the vision and mission of public companies, especially state parastatals who strive to ensure that they provide quality service delivery. Kinyua (2016), who researched how service delivery and performance of quoted companies in Kenya are influenced by internal control systems, indicates that staff in the internal audit department (stakeholders) play a crucial role in ensuring effective management of resources which consequently leads to quality service delivery. Simiyu (2019) also indicates that through internal auditors (stakeholders), accountability and service delivery are enhanced in water companies. Chepkonga (2018) used the stakeholder theory to evaluate how different stakeholders involved enhance the effective utilization of funds in the county government when conducting a study on the Internal Audit

Function in Nakuru County. Similarly, Cheruiyot (2018) evaluated the effect of Public Financial Management Practices on the Performance of County Governments in Kenya used stakeholder theory to explain that different stakeholders must take part in the management of public finance not only the employees in the offices. Finally, Kinyua (2016) evaluated the effect of internal control firms in the Nairobi Securities Exchange uses stakeholder theory to reveal that management of the public sector needs a holistic approach.

2.2.3 Systems Approach Theory

This theory was pioneered by Ludwig von Bertalanffy in the 1950s. The theory asserts that an organization is made up of systems that work together to bring out results. The system is said to comprise subsystems that might be natural or man-made. The system theory holds that the subsystems affect the overall system when they change. In the public sector, the subsystem might include the structures and processes as components of the organization that yield particular results (Kern, 2020). The systems theory indicates that foundations and intents within a group interact with each other.

The system theory is cognizant of the fact that there are contingent issues in the external environment that have an impact on the internal system such as technology, legal and political environment, social, and economic, besides the internal components including people and information. The theory asserts that organizations must take into considerations all the variables that may influence its performances (Ju, 2019).

Internal auditing in a private or public institution works as a system to ensure the efficient utilization of resources to provide services. Internal audit is made up of subsystems such as risk assessment, audit controls, compliance, evaluation, and monitoring. These subsystems exist as related components of the internal audit process where the development of one component

depends on the state of the others. The exclusion of any of the sub-systems would mean that the end product, which is public service delivery, would be deficient in some ways. In a development context, these components of internal audit are equally important and should be developed to ensure that the government can implement its objectives of service delivery and development (Kern, 2020). The government requires expertise in the parastatals to make appropriate decisions because the government is called to be accountable to its citizens. Salat (2018), who researched how the performance of Kenyan non-governmental organizations is influenced by the internal financial audits department and was guided by systems theory, indicates that the internal audits department significantly influences the performance of Kenyan Non-governmental organizations (NGOs). In addition, Nsiah (2013) who was guided by systems theory indicates that every department in an organization plays a crucial role in its success and that the financial department ensures effective management and utilization of resources through internal audits. Nsiah (2013) study was on the impact of internal control effectiveness and internal audit role on the performance of local governments in Malaysia.

2.3 Empirical Review

2.3.1 Internal Audit Risk Assessment and Public Service Delivery

Kibwage (2021) sought to establish how the quality of public service delivery in the Nairobi county government is influenced by audit committee roles. The study was descriptive, with a population of 235 staff working in the county government. Through purposive sampling, a sample size of 148 employees was used, from which data was obtained through the use of in-depth interviews and structured questionnaires. The collected data was then evaluated by the use of regression and correlation analyses. The findings indicated that by establishing efficient internal audit processes, the desolateness in public service delivery in the county would be

avoided. The study further indicates that internal audit significantly impacts the quality of public service delivery in the county since accountability is increased, county records are tracked, and the activities of the county are well monitored. In addition, an internal audit plays a crucial role in identifying risks and coming up with means to curb the risks. The study recommended the formulation of policies relating to internal controls and financial reporting, as well as risk assessment and oversight.

Njoki (2018) sought to determine the relationship between managing risk in the public sector and internal audit committee effectiveness. The study was descriptive with a target population of 22 government ministries. Through purposive sampling, a sample of 132 respondents was obtained. Questionnaires were adopted for collecting data which was then analyzed through inferential and descriptive statistics. The findings indicated that internal auditors have a responsibility to advise the board of the organization on matters about risk management and ensure that measures and practices of risk assessment that have been adopted are sound and relevant. In addition, the study indicates that without an internal audit in organizations and all factors being held constant, risk assessment and management in the organizations would decrease significantly. The study recommends that the government should enhance the independence of an internal audit committee to ensure that it conducts its activities without external and internal pressure, which would ultimately compromise the results of the internal audit.

Kinyua (2016) carried out a study to determine how service delivery and performance of Kenyan quoted companies are affected by internal control systems. The study focused on the influence of risk management, the internal control environment, and the internal audit function. The study was descriptive and adopted both qualitative and quantitative approaches.

Questionnaires were the main tool for data collection from a sample of 144 senior managers obtained through multi-level random sampling. Analysis was done by the use of multiple regression models. The study indicated that based on its findings, internal control systems positively predicted and influenced the quality of service delivered to the companies' customers and ultimately influenced their performance. As such, the study recommended that companies should give more attention to internal control systems, especially risk management and the internal audit function, to improve the performance of these companies.

Maina (2016) researched the perception of members of the county assembly regarding how service delivery in the counties is achieved through public financial management practices. The study focused on three counties Kajiado, Kiambu, and Nairobi. The study was descriptive and was a census of its sample of 248 Members of county assemblies (MCAs) due to the population's accessibility. The study's data was collected through the drop-and-pick method on questionnaires. Inferential and descriptive statistics were used in the analyses of the collected data. The findings of the study indicated that public financial management practices such as forensic accounting, revenue mobilization, and risk management auditing had an insignificant impact on the delivery of services in the counties.

Deng (2018) explored the factors that influence the internal audit function in the public sector. The study focused on the finance and economic planning ministry in South Sudan. The study was descriptive and collected data by use of well-structured questionnaires from a sample of 86 employees in the finance and economic planning ministry. Descriptive statistics through SPSS and linear regression analysis were used in data analysis. The findings of the study indicated that through internal auditing, improvement of internal controls designed to assure the accomplishment of an institution's goals and ensure existing laws are observed is witnessed. In

addition, through internal auditing, information on an organization's governance and risk management is availed to the management, which is then used to improve the organization's performance.

2.3.2 Internal Audit Controls and Public Service Delivery

Juma (2017) sought to determine how service delivery in public organizations is impacted by internal audits. The study focused on the national water corporation in the Mbarara branch. Specifically, the study sought to determine how service delivery in the corporation was impacted by internal audit practices such as internal audit control, internal audit committee roles, and board size. A cross-sectional and descriptive research approach was adopted. Random sampling and stratified sampling techniques were then used to obtain a sample size of 50 employees working in the internal audit department of the corporation. Inferential and descriptive analysis was used to analyze the data collected using questionnaires. The findings revealed that internal audit controls positively influence service delivery at the corporation. The study further indicated that segregating duties reduced conflicts within the organization. The study recommended the adoption of effective internal audit controls.

Lundu and Shale (2015) researched how the performance of Kenyan county governments is impacted by practices of financial management. The study focused on the influence of internal audit control, budgeting and financial planning, revenue mobilization, and public financial procurement. A mixed research approach and purposive sampling were adopted, with questionnaires being used to obtain data. Data from the offices of the auditor general, controller of budget, and county treasury was used as secondary data for the study. Content analysis and SPSS were used in the data analysis. The study indicated that the performance of Kenyan county governments was highly influenced by internal controls such as internal audits, control

environment, and control activities. In addition, the findings revealed that heavy investments in effective internal audit controls improve county governments' performance.

Serem (2016) assessed the relationship that exists between the efficiency of service delivery in Kenyan commercial banks and internal management controls. The study was descriptive. The study used in-depth interviews with the managers of 42 different banks and financial reports to obtain data which was analyzed through the use of SPSS and content analysis. The findings indicated that factors such as control environment, information, and communication, as well as monitoring and evaluation, had a significant effect on the efficiency of service delivery. In addition, the study revealed that internal management control plays a crucial role in ensuring that commercial banks in Kenya deliver quality services to their customers. Through strengthening internal controls, the banks can retain customers, attain service excellence, and overwhelming referrals. As such, the study recommends the implementation of internal audit control systems in an integrated manner to ensure efficiency in service delivery.

Otieno (2019) researched how public service delivery in the greater Iganga local government of Uganda is impacted by internal controls. A descriptive research approach was adopted for the study with a target population of 225 employees in the finance department of the local government. Data was collected using questionnaires from a sample of 144 employees obtained through stratified random sampling. Multiple regression analysis combined with SPSS 21 was used to analyze the collected data. The findings revealed that there is a positive influence of internal audit controls on service delivery. Specifically, the study revealed that internal audit controls, risk assessment, evaluation, monitoring, and the control environment had a positive influence on public service delivery in the Iganga local government.

Catherine et al. (2021) assessed how service delivery in the health ministry of Uganda is impacted by internal audits. A cross-sectional quantitative survey approach was adopted. Questionnaires were used to collect data from a sample of 179 respondents comprising the organization's top, middle and lower management. SPSS was used in data analysis, and the findings revealed that service delivery is positively impacted by internal audits in Uganda's health ministry. In addition, the study indicates that internal audit components such as internal audit controls, including segregation of duties and internal audit compliance with financial policies, positively influenced service delivery. The study further indicated that effectiveness in the corporation was positively influenced by effective internal audit controls.

2.3.3 Internal Audit Compliance and Public Service Delivery

Simiyu (2019) assessed the effect of auditing on the service delivery of water corporations. The study focused on organizations that are owned by the county government in western Kenya. A descriptive and correlational survey design was adopted for the study. Managers, employees, and directors working in water organizations were targeted by the study. Through stratified simple random sampling and the Yamane formula, the study was able to obtain a sample from the population from which qualitative and quantitative data was obtained by the use of self-administered semi-structured questionnaires. Descriptive statistics and content analysis were then used in analyzing the collected data. The findings revealed that service delivery in organizations was significantly influenced by auditing practices. The study focused on auditing practices such as monitoring and evaluation, control activities, governance, and compliance with policies, laws, and regulations.

Deng (2018) researched the factors that influence the internal audit function in the public sector. The study focused on South Sudan's finance and economic planning ministry. The study

was descriptive and collected data by use of well-structured questionnaires from a sample of 86 employees of the finance and economic planning ministry. Descriptive statistics through SPSS and linear regression analysis were used in data analysis. The findings revealed that through internal auditing, an organization can improve its financial records, ensure it complies with existing laws, and, most importantly, accomplish its goals. In addition, internal auditing ensures that the management has adequate information on the organization's governance and compliance. This information can be used by the management to improve the organization's performance.

Chepkonga (2018) assessed the influence of the internal audit function on the performance of organizations. The study focused on semi-autonomous agencies in the state department of energy in Nakuru. The study adopted a correlational research approach. Closed-ended questionnaires were administered to a sample size of 72 obtained through the Yamane formula. Inferential and descriptive statistics were used in the data analysis. The findings revealed that internal audit is used by organizations to ensure that they comply with financial policies and regulations, assess and manage risks and deliver quality services. The study further indicated that internal audit practices such as governance and policy compliance have a positive and significant on the performance of semi-autonomous agencies. The study indicated that an organization's management should support the internal audit process to ensure its effectiveness.

Elizabeth (2017) assessed the effect of internal audits on service delivery in the national water and Sewerage Company in Kampala. The study adopted a cross-sectional quantitative survey design. Questionnaires were administered to 127 respondents comprising the organization's top, middle and lower management. SPSS was used in the analysis of the collected data. The findings revealed that service delivery in Kampala organizations is positively

impacted by internal audits. In addition, the study indicates that internal audit components such as review of financial records and audit compliance with ethical and integrity values positively influenced service delivery. The internal audit compliance components help increase reliability, conformance, and safety standards. The study further indicates that an increase in financial accountability in organizations increases the effectiveness and efficiency of service delivery in organizations.

2.3.4 Internal Audit Evaluation and Public Service Delivery

Salat (2018) carried out a study on how the performance of Kenyan non-governmental organizations is influenced by internal financial audits. The study was explanatory and adopted a target population of 1700 NGOs that are operational in Nairobi County. The study administered structured questionnaires to 324 respondents. The Yamane formula was used to obtain the sample size, while the SPSS statistical software was used in data analysis. The findings indicated that internal audit practices such as risk management, financial reporting, and evaluation positively influence NGOs performance. In addition, the study indicated that the management of these organizations should ensure that they have an effective internal audit department to ensure effective internal audit evaluation and monitoring.

Nsiah (2013) sought to determine how public service organization is impacted by internal audit in Malaysia. The study was descriptive, where a census study was conducted on the study's population comprising the management, internal audit staff, and school headteachers. Data was collected from the study's sample size through self-administered questionnaires. The deductive approach and MS Excel were used in data analysis. The findings of the study revealed that internal audit monitoring and evaluation positively and significantly influence service quality in public organizations. The study further indicates that through internal audit, an organization can

identify risks, track its financial operations and records and ensure the operations of the organization.

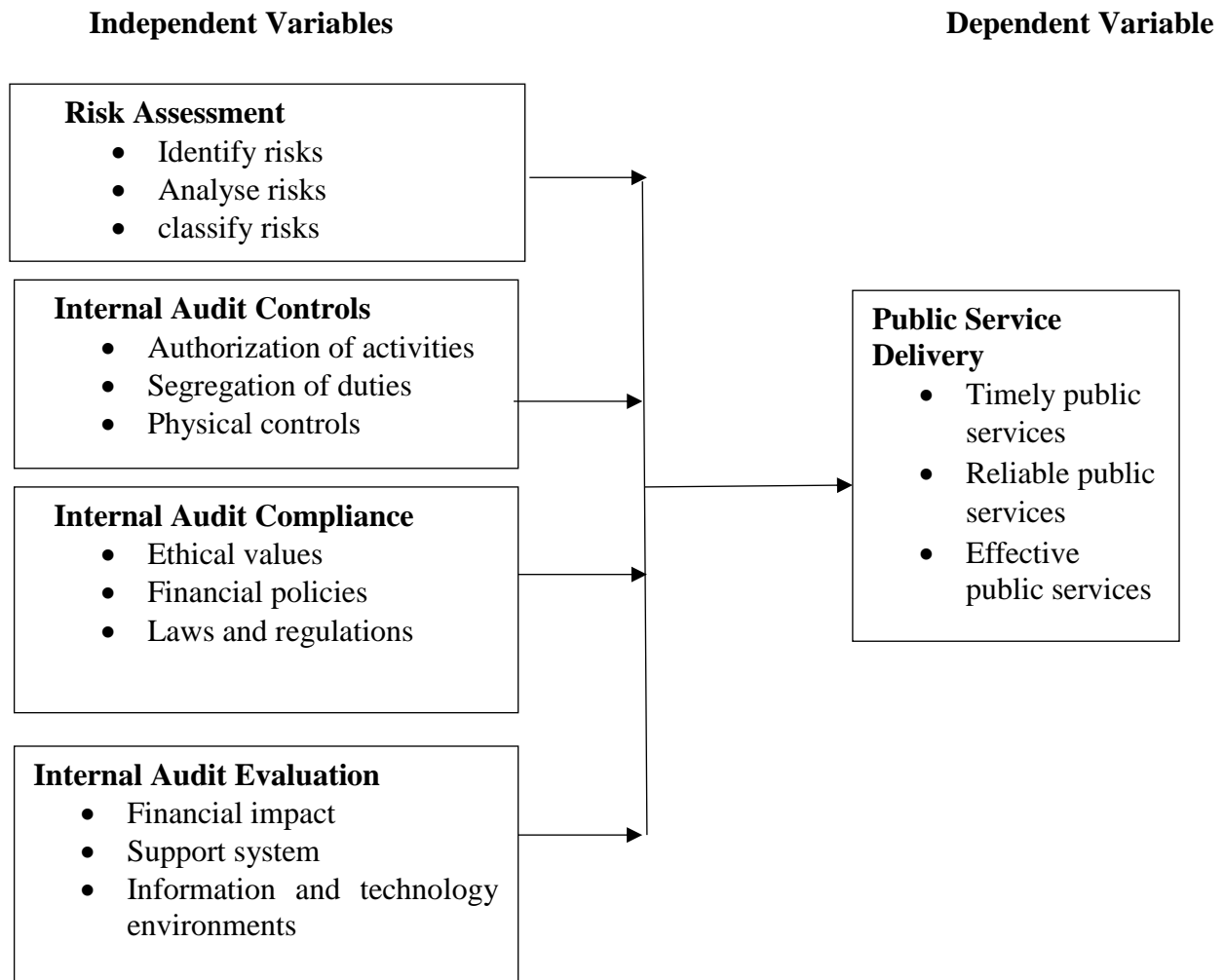
Badara and Saidin (2013) sought to establish how the performance of organizations is influenced by internal audit practices in Canada. The study focused on commercial parastatals. The study was descriptive and a census study was conducted on the study's population which comprised 247 employees of the commercial organizations. Stratified and random sampling was used to obtain a sample of 174 respondents to whom questionnaires were administered. Descriptive and inferential statistics were then used in data analysis. The study's findings indicated that internal audit practices, including monitoring, evaluation, controls, and risk management, had a positive influence on the performance of commercial organizations. The study further indicated that accountability and transparency attributed to internal auditing enhance the quality of public services provided by the parastatals.

2.4 Conceptual Framework

Figure 2.1 below presents the study's conceptual framework, which indicates how the dependent and independent variables relate.

FIGURE 2.1

Conceptual Framework



2.5 Operationalization of Variables

Table 2.5.1 below presents the operationalization of the study's variables indicating corresponding indicators as well as the type and level of analysis.

TABLE 1
Operationalization of Variables

Category of Variable	Variables	Indicators	Analysis Type	Analysis Level
Independent Variable	Internal audit risk assessment	<ul style="list-style-type: none"> • Level of risks identification • Type of risk analysis conducted • Frequency of risks evaluation 	Quantitative Analysis	Descriptive and Inferential Analysis
Independent Variable	Internal audit controls	<ul style="list-style-type: none"> • Authorization of activities • Effectiveness and efficiency of segregation of duties • Level of physical controls 	Quantitative Analysis	Descriptive and Inferential Analysis
Independent Variable	Internal audit compliance	<ul style="list-style-type: none"> • Level of compliance with ethical values, financial policies, laws, and regulations • Workplace integrity levels 	Quantitative Analysis	Descriptive and Inferential Analysis
Independent Variable	Internal audit evaluation	<ul style="list-style-type: none"> • Level of technical capabilities • Effectiveness and efficiency level of the support system • Level of information and technology environments 	Quantitative Analysis	Descriptive and Inferential Analysis
Dependent Variable	Public service delivery	<ul style="list-style-type: none"> • Delivering public services on time 	Quantitative Analysis	Descriptive and Inferential Analysis

Source: Researcher (2022)

CHAPTER THREE

METHODOLOGY

3.1 Introduction

The study's research design and methodology are outlined in this chapter. A description of the target population and the sample size is given. The chapter further includes the sampling technique, instruments of data collection, and techniques used in analyzing data. In addition, the chapter describes the ethical procedures to be observed, and lastly, the summary of the chapter.

3.2 Research Design

A research design outlines how the research investigation takes place, including the means and instruments of data collection and how these instruments were implemented (Durrheim, 2016). This research used a descriptive research design. Durrheim (2016) defines descriptive research as a design that describes the natural occurrence of a situation. The descriptive research design was used to explain and make judgments on the current way of doing things and can also be used in theory development. Therefore, the current study was used to explain how? When? What? On the influence of internal audit function in public service delivery at the Kenya parastatals.

3.3 Target Population

Every item or individual in a specific research field consists of a population and universe (Bloomfield & Fisher, 2019). A study aims at generalizing its findings to a specific group of individuals referred to as the study's population (Schoonenboom & Johnson, 2017). In Kenya, according to the Kenya Gazette (2020), there are 186 parastatals (list of parastatals in Kenya on Appendices IV). These parastatals provide essential services on behalf of the government. Some of these parastatals are monopolies in their respective areas.

The research was conducted among 186 internal auditors in the parastatals in Kenya whereby only a single staff in the audit department was considered for each parastatal, therefore adding up to 186 respondents. The respondents were chosen because they carry out the internal audit functions and also understand the implication it has on service delivery. The Kenya Gazette (2020) indicates that these parastatals are divided into various ministries based on the type of services they offer. These departments are indicated below with the corresponding number of target respondents.

TABLE 2
Target Respondents

Ministry	Target Respondents' Size
Interior and Coordination of national government	2
National treasury	16
Defense	1
Health	9
Education, science, and technology	41
Transport and infrastructure development	13
Devolution, arid and semi-arid lands	8
Lands	2
Environment and forestry	11
Agriculture and irrigation	25
Labour and social protection	4
Tourism and wildlife	10
Energy	9
Industrialization and enterprise development	14
Information and communication technology	7
Sports and heritage	7
Office of the attorney general	7
Total	186

Source: Kenya Gazette (2020)

3.4 Sampling Techniques and Sample Size

Stratified random sampling was adopted in selecting the study's sample. Kothari (2010) posits that the stratified random sampling method process approximates the whole population measures with great accuracy and warrants a sample that is more representative obtained from a population that is fairly homogeneous. Stratification aims to minimize the standard error by having some

control over variance. In the stratification technique, the population is divided into various subgroups known as strata and chosen subjects from each stratum proportionately.

To ensure meaningful findings, then the study must use the right sample size. The study's sample size for the Kenya parastatals was arrived at through the Taro Yamane (1967) formula. This formula is preferred due to its ability to minimize errors, and hence the Taro Yamane formula can give a more accurate sample size which is significant in obtaining meaningful results. The formula is shown in the following equation:

$$n = \frac{N}{1 + N(\epsilon^2)} \dots\dots\dots (1)$$

Where N = the population size, n= required sample size, while ϵ = the degree of accuracy expressed as a proportion (.05). Therefore, with a margin error of 5%, the sample size was arrived at as follows; $n = \frac{186}{1 + 186(0.05 * 0.05)} = \frac{186}{1.465} = 126.96$, which is 127. The study considered 127 respondents as the sample for the study. Proportional distribution of the sample was done in the strata of the various departments of parastatals. Where the ratio is the target respondents' size/total target population

TABLE 3
Sample Size

Ministry	Respondents Size	Ratio	Sample Size
Interior and Coordination of national government	2	0.011	1
National treasury	16	0.086	11
Defense	1	0.005	1
Health	9	0.048	6
Education, science, and technology	41	0.220	28
Transport and infrastructure development	13	0.070	9
Devolution, arid and semi-arid lands	8	0.043	5
Lands	2	0.011	1
Environment and forestry	11	0.059	7
Agriculture and irrigation	25	0.134	17
Labour and social protection	4	0.022	3
Tourism and wildlife	10	0.054	7
Energy	9	0.048	6
Industrialization and enterprise development	14	0.075	10
Information and communication technology	7	0.038	5
Sports and heritage	7	0.038	5
Office of the attorney general	7	0.038	5
Total	186	1	127

Source: Author (2022)

3.5 Research Instrument

According to Durrheim (2016), questionnaires are easily administered and can collect accurate data within a short time. The accuracy of data collected using questionnaires is enhanced through confidentiality which limits data manipulation (Tobi & Kampen, 2018). For these reasons, this research collected primary data using structured questionnaires.

The questionnaire had six subsections. The first section collected data on the background of the respondents. The second section gathered data on the first objective, the third section collected data on the second objective, the fourth section obtained data on the third variable, and the fifth section gathered data on the fourth objective, whereas the sixth section collected data on the dependent variable.

3.6 Validity and Reliability of the Instrument

Pilot tests were conducted to ascertain both the reliability and validity of the questionnaire before actual data collection. The pilot size for the study was determined through $np=10\%$ ($N-n$), whereby np was the pilot study size, n was the population of the entire study, and n was the chosen sample size (Taherdoost, 2016). The pilot sample size was $np= 0.05(186-126) = 6$. Therefore, six respondents were piloted for reliability and validity tests. These respondents were allowed at least three days to respond.

3.6.1 Validity

The meaningfulness and accuracy level of inferences is referred to as validity (Taherdoost, 2016). Validity was measured using construct validity through both Kaiser-Meyer- Olkin (KMO) test and Bartlett tests. The instrument's validity was tested using a content validity test. The researcher can identify the degree to which the content of a particular theory or a particular group of indicators is represented by the collected data using content validity. The study used two experts in assessing the content validity of the questionnaire. The two experts including one from the parastatals and the other from the financial management sector helped in improving the wording of the questionnaires.

TABLE 4
KMO and Bartlett's Test

		Internal Audit Risk Assessment	Internal Audit Controls Practices	Internal Audit Compliance Practices	Internal Audit Evaluation Practices	Public Service Delivery
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.751	.799	.761	.775	.744
Bartlett's Test of Sphericity	Approx. Chi-Square	254.184	148.625	253.093	253.093	200.370
	df	15	15	15	15	10
	Sig.	.000	.000	.000	.000	.000

Source: Author (2022)

3.6.2 Reliability

An instrument's reliability is carried out to determine issues such as sources of data, the time and method employed in data collection, accuracy level, and the presence of biases (Kvale, 2007). Through this test, the researcher can assess the degree of the results' consistency over time. Based on Cronbach's alpha, the internal consistency test was used in determining reliability. The coefficient of Cronbach alpha, a value between 0 and 1, is used in establishing consistency where a value greater than 0.7 is more suitable. A high value of the coefficient indicates that the items are highly correlated and, thus, highly consistent. As such, these items should be kept in the instrument. An item in the instrument is either removed or corrected if the coefficient value is very low.

TABLE 5
Reliability Analysis

Variables	Cronbach Alpha Value	N
Internal Audit Risk Assessment	0.785	6
Internal Audit Controls Practices	0.873	11
Internal Audit Compliance Practices	0.7790	9
Internal Audit Evaluation Practices	0.764	5
Public Service Delivery	0.886	4

Source: Author (2022)

3.7 Data Collection Procedures

Data for the study was collected through the use of questionnaires as the main tool for the collection of the primary data. These questionnaires will be administered by the researcher through both in-person administrations as well as online through electronic mail. Online questionnaires were preferred due to their convenience during this period of COVID-19 to

ensure that all the ministry of health guidelines are observed. In addition, the online administration of questionnaires ensured that the researcher complied with all the ministry of health as well as world health organization protocols set to deal with the effects of COVID-19. After completion, the respondents sent the questionnaires to the researcher via e-mail for coding and analysis.

3.8 Data Processing and Analysis

Once the data is collected, it was summarized, coded, classified, and entered into a statistical package for social sciences (SPSS). Data was mainly quantitative; therefore, both descriptive and inferential analysis was used in data analysis.

3.8.1 Descriptive Analysis

The descriptive analysis to be carried out will include frequencies, percentages, standard deviation as well as mean. Besides, the inferential analysis carried out included both diagnostic tests as well as regression analysis.

3.8.2 Diagnostic Tests

This study tested for normality, heteroscedasticity, Multi-collinearity, and autocorrelation. Normality is important in knowing the shape of the data curve as to whether is negatively, positively, or normally distributed. Heteroscedasticity refers to a situation in which the variance of the squared residuals is not the same across the independent variables, a situation in which the variance of the dependent variable varies across the data, as opposed to a situation where Ordinary Least Squares, OLS, makes the assumption that $V(\epsilon_j) = \sigma^2$ for all j , meaning that the variance of the error term is constant (homoscedasticity). Heteroscedasticity complicates analysis because many methods in regression analysis are based on an assumption of equal variance (Park, 2018). Autocorrelation on the other refers to the correlation of a time

series with its past and future values (Box, 2016). The autocorrelation function can be used to detect non-randomness in data and also to identify an appropriate time series model if the data are not random.

To test normality, the study used the Shapiro-Wilk, to detect whether the p-value is less or the p-values should be more than 0.05 for normally distributed data. Heteroscedasticity was tested through the Breusch –pagan test whereby if the p-value result is greater than 0.05 then there is homoscedasticity and the rule of homoscedasticity would not be violated i.e the variation in the residuals among the variables is constant (Jarque & Bera, 2018). This study also tested for multicollinearity. Multicollinearity is a serious problem where some of the independent variables are not indeed independent (Belsley, Kuh & Welsch, 2018). Some of the tests for multicollinearity included correlation analysis and the use of VIF and tolerance levels. Where the correlation of the independent variables was greater than 0.7, there is the possibility of correlation between the independent variables on the other hand the VIF values that are more than 10 or lower than 1 show the presence of multicollinearity which should be eliminated by deleting one of the independent variables that are highly correlated until all the VIF lies between 1 and 10. Finally, autocorrelation was tested through Durbin-Watson tests at a threshold of 2, the Durbin Watson scale runs from 1 to 4, and values that are closer to 2 show no auto-correlation (Cohen, Cohen, West & Aiken, 2017).

TABLE 6

Summary of the Diagnostics Tests

Test	Significance level at 0.05	Test	Conclusion
Normality	Help in knowing the shape of the distribution and helps to predict dependent variables scores	-Shapiro-Wilk test	-If P-value< 0.05, data is normally distributed i.e data was obtained from a population with normally distributed data

Heteroscedasticity/homoscedasticity	Checks whether the variance of the dependent variable varies across the data (test the assumption of equal variance)	Breusch-Pagan test	If P-value < 0.05, presence of non-uniform variance i.e heteroscedasticity detected
Multicollinearity	Check whether the correlations among the independent variables are strong	Variance Inflation Factor (VIF) and tolerance	If VIF for one of the variables is around or greater than 10, there is multicollinearity associated with that variable. Tolerance is the inverse of VIF.
Auto-correlation	Check for randomness in variables	Durbin – Watson test	Accept values that are closer to 2, because the scale for Durbin Watson runs between 1 and 4 . values above 2 show that there is autocorrelation.
Sampling Adequacy	Checks for an acceptable degree of sampling adequacy	Kaiser-Meyer-Olkin (KMO) test. Bartlett's test of Sphericity	A test outcome of 0.5 or higher establishes the suitability of the data for regression analysis. The p-value to be less than 0.05

Source: Author (2022)

3.8.3 Multi-Linear Regression Model

The multi-linear regression model was of the following form:

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + \epsilon \dots \dots \dots (2)$$

Therefore, Y will be the service delivery in parastatals.

B_0 will be the constant

X_1 will be the audit risk assessment,

X_2 will be the internal audit controls,

X_3 will be the audit compliance

X_4 will be the audit evaluation

B_1 to B_4 will be the coefficients of the regression model.

ϵ will be the error term.

Results of the study will be presented on tables and narratives for interpretation and also discussion of the findings.

3.9 Ethical Issues

A researcher is expected to maintain basic ethical issues such as discretion, the respondent's anonymity, confidentiality, and observe differences in cultures Kitchin and Tate (2001). The researcher will ensure that he explains the study's purpose to the respondents and that the respondents sign a consent letter. The researcher will present a consent form and also a letter from the university as well as from the National Commission for Science, Technology, and Innovation (NACOSTI) to the respondents. These procedures will help in increasing confidence among the respondents and, therefore, increase the response rate. Since internal auditing challenges and service delivery in parastatals may be a sensitive matter that may result in mixed reactions and emotions among the respondents, the researcher will brief the respondents before responding to questionnaires and conducting interviews. Confidentiality will be maintained throughout the study (Cohen et al., 2007). Coding will be used to ensure that the respondent's identity remains anonymous. In addition, the honesty and openness of the researcher will be paramount. All sources of information except primary data will be recognized accordingly to avoid plagiarism. Objectivity and honesty will be maintained in reporting the study's findings.

3.10 Conclusion

This research study aimed at establishing the influence of internal audit function in public service delivery among Kenyan parastatals. It is important to discover the functional responsibilities of internal auditing in Kenyan parastatals and the impacts of parastatal auditing on the service delivery of the Kenyan parastatals. The study also discovered the challenges facing the implementation of the Internal auditing function among Kenyan parastatals. The study's results were anticipated to benefit the stakeholders concerned with internal auditing in the Kenyan parastatals and those aiming to improve service delivery among the Kenyan parastatals. The findings also contributed to adding more knowledge to the academic arena.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS, AND DISCUSSION

4.1 Introduction

Chapter four presented the findings of the study based on the four objectives: establish the influence of internal audit risk assessment; determine the influence of internal audit control; assess the influence of internal audit compliance and determine the influence of internal audit evaluation on public service delivery in Kenyan parastatals. The findings were presented on the demographic information, the descriptive analysis, diagnostic tests as well as inferential analysis.

4.2 Response Rate

The study sought to collect data from 127 respondents. The study managed to collect data from 96 respondents representing a 75.59 % response rate. The results are presented in table 7.

TABLE 7
Response Rate

Response	Frequency	Percentage
Returned questionnaires	96	75.59
Non-filled questionnaire	31	24.41
Total	127	100

Source: Author (2022)

4.3 Demographic Information

The study sought to establish general information about the respondents such as the gender of the respondents, their age as well as the position they occupy in the organization.

4.3.1 Gender of Respondents

The study sought to establish the gender of the respondents in the study. The respondents' gender is shown in table 8.

TABLE 8
Gender of Respondents

Gender	Frequency	Percent
Male	76	79.2
Female	20	20.8
Total	96	100.0

Table 8 revealed that the majority of the respondents in the study were male as shown by 79.2%, whereas only 20.8% of the respondents were female.

4.3.2 Age Group of the Respondents

The study sought to establish the age group of the respondents in the study. The findings are presented in table 9.

TABLE 9
Age Group of the Respondents

Age Group	Frequency	Percent
18 – 29	14	14.6
30-39	12	12.5
40-49	50	52.1
50-59	12	12.5
Over 59	8	8.3
Total	96	100.0

Table 9 revealed that the majority of the respondents in the study were between the age of 40 and 49 years, this age group was followed by the respondents whose age group ranged between 18 and 29 years, this age group was followed by respondents whose age group was between the age of 30 and 39 years as well as those whose age group was between the age group

of 50 and 59 years as shown by 12.5% respectively. Finally, only 8.3% of the respondents had the age of above 59 years.

4.3.3 Position Held by The Respondents in The Parastatal

The study sought to establish the respective departments held by the respondents who participated in the study. Table 10 shows presents the results.

TABLE 10
Position Held by The Respondents in The Parastatal

Position Held	Frequency	Percent
Internal Audit Committee Member	38	39.6
Senior Internal Auditor	39	40.6
Junior Audit Officer	19	19.8
Total	96	100.0

The study established that majority of the respondents who participated in the study were Senior Internal Auditors as shown by 40.6%, this was followed by 39.6% of the respondents who worked as Internal Audit Committee Members in the parastatals. Finally, only 19.8% of the respondents were Junior Audit Officers. The findings, therefore, revealed that the participants were employees with great knowledge of the topic of internal audit functions and the influence they had on public service delivery.

4.4 Descriptive Statistics for The Study Variables

The study carried out descriptive statistics including frequency, percentages, the mean, and standard deviation on the closed questions in the questionnaire. The results are presented under descriptive statistics on internal audit risk assessment, internal audit control, internal audit compliance, internal audit evaluation, and public service delivery.

4.4.1 Descriptive Statistics On Internal Audit Risk Assessment

The study sought to establish the various forms of risks facing the parastatals in Kenya. The findings are presented in table 11.

Table 11
Risks Facing Organization

Type of risk	Frequency	Percent
Operational risk	4	4.2
Credit risk	14	14.6
Market risk	69	71.9
Liquidity risk	9	9.4
Total	96	100.0

Table 11 indicated that the parastatals were facing different forms of risks, majority of the risks identified were market risks as shown by 71.9%, this was followed by credit risks as shown by 14.6%, the parastatals were also facing liquidity risks as shown by 9.4%, only 4.2% revealed that they faced operational risks. The study, therefore, revealed that the parastatals were facing different forms of risks that require internal auditors to avoid loss of funds or sustainability problems.

Ways You Use to Do Risk Assessments. The study sought to identify some of the ways that the parastatals used to carry out risk assessments. The study established that the respondents identified mainly what-if analysis, event tree, and fault-free analysis as the common ways through which they carry out a risk assessment.

Processes or Products with The Highest Risk. The study sought to establish the ways through which the parastatals identify Processes or Products with The Highest Risk. The study found that the four major ways are fault-free analysis, failure mode event analysis, what-if analysis, and event tree.

Practices on Internal Audit Risk Assessment. The study sought to establish the different practices of the parastatals on the Internal Audit Risk Assessment. To achieve the task, the study used a Likert scale of 1 to 5 whereby 1 is strongly disagreed whereas 5 is strongly agreed. The results are presented in table 12.

TABLE 12
Practices on Internal Audit Risk Assessment

Practices on Internal Audit Risk Assessment	SD		D		N		A		SA		Mean	Std Dev
	F	%	F	%	F	%	F	%	F	%		
We carry out the identification of risks by looking at financial statements, cash flows, etc	0	-	7	7.3	3	3.1	61	63.5	25	26.0	4.08	0.763
we collect data in the field on different risks facing our organization	0	-	2	2.1	7	7.3	60	62.5	25	28.1	4.17	0.643
We classify risk according to the likelihood	1	1.0	2	2.1	1	1.0	52	54.2	40	41.7	4.33	0.706
We have risk surveyors/ actuarial scientists to analyze risks in terms of likelihood and the possible impact the risk poses	0	-	3	3.1	5	5.2	39	40.6	49	51.0	4.40	0.732
We take part in random checks of organizational systems	6	6.3	0	-	13	13.5	45	46.9	32	33.3	4.01	1.021
We often hire valuers to assess risks	0	-	5	5.2	18	18.8	49	51.0	24	25.0	3.96	0.807
Composite Mean											4.16	

As shown in table 12, the respondents agreed that they carry out the identification of risks by looking at financial statements and cash flows as shown by a mean of 4.08. The respondents also agreed that they collect data in the field on different risks facing our organization as shown by a mean score of 4.17. the respondents also agreed that classify risk according to the likelihood as shown by a mean score of 4.33. the respondents agreed that they have risk surveyors/ actuarial

scientists to analyze risks in terms of likelihood and the possible impact the risk poses as shown through a mean score of 4.40. The respondents also agreed that they take part in random checks of organization systems as shown through a mean score of 4.01. Finally, the respondents agreed with the statement that their organizations often hire valuers to assess risks as shown by a mean score of 3.96. Overall the respondents agreed that the parastatals carry out internal audit risk assessment practices as shown by a composite mean score of 4.16. Kibwage (2021) agreed that internal audit plays a crucial role in identifying risks and coming up with means to curb the risks.

Due Diligence On Clients On the Possible Risk Magnitude They Pose. The study also sought as a way of risk assessment how the employees for the state parastatals carried out due diligence on clients on the possible risk magnitude they pose. The study revealed that the state parastatals carry out due diligence on financial matters, human resource matters, and due diligence on assets and administration.

Frequency of Carrying Out Risk Assessments. The study sought to establish how often the parastatals carried out Risk Assessments. The results are presented in table 13.

TABLE 13
Frequency of Carrying Out Risk Assessments

Frequency	Frequency	Percent
Daily	4	4.2
Weekly	15	15.6
Monthly	10	10.4
Semi-annually	57	59.4
Annually	10	10.4
Total	96	100.0

Table 12 revealed that the majority of the parastatals carried out semi-annually risk assessments as shown by 59.4%, this was followed by 15.6% of the organizations which carried out risk assessment weekly, followed by parastatals that carried out monthly and annual audit risk assessments as shown by 10.4% respectively, only 4.2% of the firms carried out a daily internal audit risk assessment.

4.4.2 Descriptive Statistics On Internal Audit Controls Practices

This section sought to find the internal audit control practices carried out to improve service delivery in the Kenyan State parastatals. The study used a scale of 1 to 5 whereby strongly agree=5, Agree=4, Neutral=3, Disagree=2, and Strongly Disagree=1. Results are presented in table 14.

TABLE 14
Descriptive Statistics On Internal Audit Controls Practices

Practices on Internal Audit Controls Practices	SD		D		N		A		SA		Mean	Std Dev
	F	%	F	%	F	%	F	%	F	%		
We have a system in place for the authorization of activities	8	8.3	20	20.8	11	11.5	52	54.2	5	5.2	3.27	1.110
We have physical controls such as CCTV and locks to control access	6	6.3	21	21.9	8	8.3	49	51.0	12	12.5	3.42	1.149
We do frequent reconciliations for cash and inventory	11	11.5	15	15.6	8	8.3	50	52.1	12	12.5	3.39	1.226
We have a system for the segregation of duties	13	13.5	10	10.4	9	9.4	48	50.0	16	16.7	3.46	1.273
We have in place a firewall to prevent cyber crimes	3	3.1	0	-	13	13.5	46	47.9	34	35.4	4.13	0.874
We have enhanced clerical accuracy through random checks on clerical mistakes	3	3.1	0	-	16	16.7	45	46.9	32	33.3	4.10	0.788
We validate for information and data authenticity	0	-	0	-	5	5.2	44	45.8	47	49.0	4.44	0.595
We have software such as QuickBooks to help in accounting error detection	0	-	0	-	10	10.4	45	46.9	41	42.7	4.32	0.657
We have an enterprise resource planning system to synchronize processes from all departments	0	-	1	1.0	7	7.3	39	40.6	49	51.0	4.42	0.675
We prepare checklists for control purposes	4	4.2	3	3.1	10	10.4	46	47.9	33	34.4	4.05	0.977
We carry out standards control checks	4	4.2	5	5.2	7	7.3	42	43.8	38	39.6	4.09	1.027
Composite Mean											3.91	

Table 14 revealed that the respondents were neutral that their organizations had a system in place for authorization of activities as shown by a mean of 3.27, the respondents were also neutral on the statement that their organizations had physical controls such as CCTV and lock to control access as shown by a mean score of 3.42, the respondents were also neutral that their organization's institutions did not have frequent reconciliations for cash and inventory as shown by a mean score of 3.39. However, the respondents agreed that their organizations had in place a firewall to prevent cyber crimes as shown by a mean score of 4.13, the respondents also agreed that they had enhanced clerical accuracy through random checks on clerical mistakes as shown by a mean score of 4.10, the respondents also agreed that they validated for information and data authenticity as shown by a mean score of 4.44, the respondents also agreed that they had software such as QuickBooks to help in accounting error detection as shown by a mean score of 4.32, the respondents also agreed that they had an enterprise resource planning system to synchronize processes from all departments as shown by a mean score of 4.42, the respondents also agreed that they carried out standards control checks as shown by a mean score of 4.09. Overall the respondents agreed that their organizations carried out internal audit control practices as shown by a composite mean of 3.91. Juma (2017) is also in agreement that segregating duties was among the internal audit control practices that reduced conflicts within the organization. The study recommended the adoption of effective internal audit controls.

Budgets Used to Guide Spending. The study sought to identify the budgets that are used in the state parastatals to guide spending. The study established that the main types of budgets prepared by the state parastatals included: labor budgets, cash budgets, materials budgets, and administrative overhead budgets.

Audit Control Activities. This section of the study sought to establish whether the parastatals had audit control systems. The results are presented in table 15.

TABLE 15
Audit Control Activities

Response	Prevention Errors And Fraud		Correction Of Frauds And Errors		Detection Of Errors And Fraud	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Yes	68	70.8	68	70.8	67	69.8
No	28	29.2	28	29.2	29	30.2
Total	96	100.0	96	100.0	96	100.0

Source: Researcher (2022)

Table 15 revealed that the majority of the parastatals had an audit control system for prevention errors and fraud as shown by 70.8%, only 29.2% of the parastatals did not have an audit control system for prevention errors and fraud. Besides, the study established that the majority of the parastatals had an audit system to correct frauds and errors as shown by 70.8%, only 29.2% of the parastatals did not have an audit system to correct frauds and errors. Finally, the study established that the majority of the parastatals had an audit control system for the detection of errors and fraud as shown by 69.8%, only 30.2% of the firms did not have an audit control system for the detection of errors and fraud.

4.4.3 Descriptive Statistics Audit Compliance Practices

This section sought to establish internal audit compliance among practices among the Kenyan State parastatals. The study used a Likert scale whereby: strongly agree=5, Agree=4, Neutral=3, Disagree=2, Strongly Disagree=1. Results are presented in table 16.

TABLE 16
Descriptive Statistics Audit Compliance Practices

Practices on Internal Audit Compliance Practices	SD		D		N		A		SA		Mean	Std Dev
	F	%	F	%	F	%	F	%	F	%		
We carry out activities that test compliance with Ethical values	0	-	0	-	0	-	66	68.8	30	31.3	4.31	0.466
We carry out activities that test compliance with financial policies and standards eg IFRS, IAS, and GAAPS-audit on financial systems	0	-	0	-	2	2.1	58	60.4	36	37.5	4.35	0.523
We carry out activities that test compliance with laws and regulations	0	-	0	-	9	9.4	39	40.6	48	50.0	4.41	0.658
We carry out activities that test compliance with Integrity issues	0	-	0	-	1	1.0	68	70.8	27	28.1	4.27	0.470
We carry out compliance training to keep up with emerging policies and regulations	0	-	2	2.1	2	2.1	44	45.8	48	50.0	4.44	0.646
We have built ICT systems to check for compliance such as documentation compliance on membership checks or documents security features	10	10.4	0	-	20	20.8	50	52.1	16	16.7	3.65	1.095
We ensure compliance with general data protection regulation	0	-	4	4.2	2	2.1	71	74.0	19	19.8	4.09	0.617
We ensure compliance with ISO requirements	0	-	4	4.2	3	3.1	57	59.4	32	33.3	4.22	0.699
We carry out an obligatory compliance audit	3	3.1	1	1.1	6	6.3	62	64.6	24	25.0	4.06	0.805
Composite Mean											4.20	

Source: Researcher (2022)

Table 15 revealed that the respondents agreed that their organization carried out activities that test compliance with Ethical values as shown by a mean score of 4.31, the respondents in the study also agreed that they carried out activities that test compliance with financial policies and standards eg IFRS, IAS, and GAAPS-audit on financial systems as shown by a mean score of 4.35, the study respondents agreed that they carried out activities that test compliance with laws and regulations as shown by a mean score of 4.41, the respondents agreed that they carried out activities that test compliance with Integrity issues as shown by a mean score of 4.27, the respondents also agreed that they carried out compliance training to keep up with emerging policies and regulations as shown by a mean score of 4.44, the respondents agreed that they ensured compliance with ISO requirements as shown by a mean score of 4.22. The respondents also agreed that they carried out an obligatory compliance audit as shown by a mean score of 4.06. The respondents were however neutral that they had built ICT systems to check for compliance such as documentation compliance on membership checks or documents security features as shown by a mean score of 3.65. Overall the study agreed that the state parastatals carried out audit compliance practices as shown by a mean score of 4.20.

Deng (2018) was also in agreement with the current study findings when he researched the factors that influence the internal audit function in the public sector. The study focused on South Sudan's finance and economic planning ministry. The findings revealed that through internal auditing, an organization can improve its financial records, ensure it complies with existing laws, and, most importantly, accomplish its goals. In addition, internal auditing ensures that the management has adequate information on the organization's governance and compliance. This information can be used by the management to improve the organization's performance.

Extra Departments for Compliance. The study sought to establish whether there are extra departments for compliance. Results are presented in table 17.

TABLE 17
Extra Departments for Compliance

Compliance departments	Frequency	Percent
Yes	58	60.4
No	38	39.6
Total	96	100.0

Source: Researcher (2022)

Table 16 shows that the majority of the respondents indicated that there are extra departments for compliance as shown by 60.4%, and only 39.6% of the respondents indicated that there are no compliance departments in their organizations. Some of the extra identified departments for compliance. The study revealed that the extra departments included: the compliance with law department, compliance with the policies, standards compliance department, and requirements departments.

4.4.4 Descriptive Statistics on Audit Evaluation Practices

The study sought to establish whether the parastatals carry out audit evaluation practices. To carry out the task the study used a Likert scale to assess the perception of provided statements through a five-point scale: strongly agree=5, Agree=4, Neutral=3, Disagree=2, Strongly Disagree=1. Results are presented in table 18.

TABLE 18
Descriptive Statistics on Audit Evaluation Practices

Practices on Internal Audit Evaluation Practices	SD		D		N		A		SA		Mean	Std Dev
	F	%	F	%	F	%	F	%	F	%		
We evaluate the Technical Capabilities of staff and information systems	0	-	0	-	3	3.1	70	72.9	23	24.0	4.21	0.479
We evaluate the Support system	0	-	1	1.0	4	4.2	54	56.3	37	38.5	4.32	0.607
We evaluate information and technology environments	9	9.4	0	-	19	19.8	54	56.3	14	14.6	3.67	1.043
We evaluate the financial and budgetary impact	0	-	3	3.1	6	6.3	63	65.6	24	25.0	4.13	0.653
We provide audit reports at the end of the audit (qualified, disclaimers, adverse opinion, or unqualified opinion)	0	-	3	3.1	9	9.4	57	59.4	27	28.1	4.13	0.700
Composite Mean											4.09	

Source: Researcher (2022)

Table 17 revealed that the respondents agreed that they evaluated the Technical Capabilities of staff and information systems as shown by a mean score of 4.21, the respondents also agreed that they evaluated the Support system as shown by a mean score of 4.32, the respondents also agreed that they evaluated the financial and budgetary impact a shown by mean of 4.13, respondents also agreed that they provide audit reports at the end of the audit (qualified, disclaimers, adverse opinion, or unqualified opinion as shown by a mean score of 4.13. However, the respondents were neutral when they evaluated information and technology environments as shown by a mean score of 3.67. Overall, the study revealed that the state parastatals carried out internal audit evaluation practices. Salat (2018) and Nsiah (2013) were in agreement that internal audit evaluation involves impacts on the financial and technical capabilities of the staff and systems.

Evaluation Practices. The study sought to establish the evaluation practices carried out by the parastatals. The findings are presented in Table 19.

TABLE 19
Evaluation Practices

Response	Inspection		Recalculation		Confirmation		Re-performance		Benchmarking		Observation	
	F	%	F	%	F	%	F	%	F	%	F	%
Yes	58	60.4	63	65.6	64	66.7	54	56.3	55	57.3	60	62.5
No	38	39.6			32	33.3	42	43.8	41	42.7	36	37.5
Total	96	100.0	96	100.0	96	100.0	96	100.0	96	100.0	96	100.0

Source: Researcher (2022)

4.4.5 Descriptive Statistics on Public Service Delivery

The study sought to establish what has been achieved in public service delivery among parastatals in Kenya. Results are presented in table 4.14. To achieve the objective, the study used a five-point Likert scale: strongly agree=5, Strongly Disagree=1. Results are presented in table 20.

TABLE 20
Descriptive Statistics on Public Service Delivery

Public Service Delivery	SD		D		N		A		SA		Mean	Std Dev
	F	%	F	%	F	%	F	%	F	%		
We have enhanced timely public services delivery	0	-	0	-	5	5.2	72	75.0	19	19.8	4.15	0.481
We have enhanced the timely completion of projects	8	8.3	0	-	5	5.2	65	67.7	18	18.8	3.89	0.993
We offer reliable public services to our clients	0	-	4	4.2	0	-	63	65.6	29	30.2	4.22	0.652
We offer effective public services to our clients			4	4.2	5	5.2	50	52.1	37	38.5	4.25	0.740
Composite Mean											4.13	

As shown table 20 revealed respondents agreed that they had enhanced timely public services delivery as shown by a mean score of 4.15, the respondents also agreed that they had enhanced the timely completion of projects as shown by a mean score of 3.89, respondents also agreed that they had offered reliable public services to their clients as shown by a mean score of 4.22, finally, the respondents agreed that they had offered effective public services their clients as shown by a mean score of 4.25. Overall the respondents agreed that public service delivery had improved as shown by a composite mean of 4.13.

4.5 Diagnostic Test

The study tested for normality, heteroscedasticity, Multi-collinearity, and autocorrelation before conducting the multi-linear regression analysis. Any violation of the assumption of the multi-linear regression lead to wrong output, therefore it is important to carry out diagnostic tests before the actual regression analysis.

4.5.1 Normality Test

Normality is important in knowing the shape of the data curve as to whether is negatively,

positively, or normally distributed. Test for normality is also carried out to establish whether the sample data that was used in the study was obtained from normally distributed population data. Test for normality was conducted through the -Shapiro-Wilk test, data was considered to be normally distributed where the P-value < 0.05, which implied rejecting the null hypothesis because the p-value was lesser than the alpha level. Results are presented in table 21.

TABLE 21
Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Internal Audit Risk Assessment	.174	96	.000	.943	96	.000
Internal Audit Controls Practices	.162	96	.000	.937	96	.000
Audit Compliance Practices	.137	96	.000	.950	96	.001
Audit Evaluation Practices	.143	96	.000	.929	96	.000
Public Service delivery	.211	96	.000	.840	96	.000

a. Lilliefors Significance Correction

Source: Researcher (2022)

Table 21 revealed that internal audit risk assessment was associated with a p-value of $0.001 < 0.05$, internal audit controls practices was associated with a p-value of $0.001 < 0.05$, audit compliance practices was associated with a p-value of $0.001 < 0.05$, audit evaluation practices was associated with a p-value of $0.001 < 0.05$, public service delivery was associated with a p-value of $0.001 < 0.05$. all the variables had p-values lesser than 0.05, therefore the null hypothesis was rejected that the sample data was obtained from population data that was not normally distributed.

4.5.2 Homoscedasticity Test

The test for homoscedasticity was conducted to ascertain whether there was uniformity in the variation of independent variables. Under normal circumstances, there should be uniformity in the variation of the residuals among the independent variables. Test for Homoscedasticity was

conducted through the Breusch-Pagan test. The rule was to consider a scenario as homoscedasticity in instances where the p-values were greater than 0.05, which is there is no variation of the residuals uniform. The unstandardized residuals are regressed against the independent variables in the Breusch-Pagan test. Results are presented in table 22.

TABLE 22
Homoscedasticity Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.356	.611		.583	.562
	Internal Audit Risk Assessment	.101	.064	.162	1.570	.120
	Internal Audit Controls Practices	.035	.057	.064	-.611	.543
	Audit Compliance Practices	.014	.092	.016	.156	.877
	Audit Evaluation Practices	.077	.071	.114	1.079	.284

a. Dependent Variable: Squared Residuals

Source: Researcher (2022)

Results in table 22, revealed that all the independent variables: Internal Audit Risk Assessment, Internal Audit Controls Practices, Audit Compliance Practices, and Audit Evaluation Practices had p-values that were higher than 0.05, therefore there was no non-uniform variation of residuals in the study. The study concluded that there was no heteroscedasticity problem.

4.5.3 Test for Auto-Correlation

The study carried out a test for auto-correlation to establish if the errors from previous measurements influenced errors of current measurements. The test for auto-correlation was conducted through the Durbin-Watson method, with a scale running between 0 and 4 whereby a Durbin score of 2 indicated a lack of auto-correlation, less than 2 indicated positive auto-

correlation and higher than 4 indicating negative auto-correlation. Results are presented in table 23.

TABLE 23
Test for Auto-Correlation

Model	Durbin-Watson
1	2.192

Source: Researcher (2022)

Table 23 presented a Durbin-Watson score of 2.192 which implied that the data did not have a problem with auto-correlation.

4.5.4 Multicollinearity Test

A multicollinearity Test was conducted to ascertain whether the independent variables were indeed independent, the lack of independence of the independent variable is a violation of the assumptions of linear regression. To test for multi-collinearity both VIF and correlation analysis were determined. VIF values that were higher than 10 indicate the presence of multicollinearity and one or more variables need to be dropped for lack of independence. Results are presented in table 24.

TABLE 24
Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Internal Audit Risk Assessment	.994	1.006
	Internal Audit Controls Practices	.965	1.036
	Audit Compliance Practices	.969	1.032
	Audit Evaluation Practices	.948	1.054

Results in table 24 revealed that: Internal Audit Risk Assessment had a VIF value of 1.006, Internal Audit Controls Practices had a VIF value of 1.036, Audit Compliance Practices had a VIF value of 1.032 whereas Audit Evaluation Practices had a VIF value of

1.054. therefore, all the independent variables did not have a problem of multi-collinearity.

4.5.5 Correlation Analysis

Besides, to confirm further if there was a problem of multi-collinearity, correlation analyses were conducted. values with a Pearson correlation higher than 0.8 indicates the problem of multi-collinearity/lack of independence of the independent variables. Results are presented in table 25.

TABLE 25
Correlation Analysis

		Internal Audit Risk Assessment	Internal Audit Controls Practices	Audit Compliance Practices	Audit Evaluation Practices
Internal Audit Risk Assessment	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	96			
Internal Audit Controls Practices	Pearson Correlation	-.025	1		
	Sig. (2-tailed)	.811			
	N	96	96		
Audit Compliance Practices	Pearson Correlation	-.076	.050	1	
	Sig. (2-tailed)	.464	.632		
	N	96	96	96	
Audit Evaluation Practices	Pearson Correlation	.020	.171	.141	1
	Sig. (2-tailed)	.997	.097	.170	
	N	96	96	96	96

Table 25 revealed that Internal Audit Risk Assessment and Internal Audit Controls Practices had a positive and insignificant relationship ($r= 0.025$, $p\text{-value} = .811$). Internal Audit Risk Assessment and Audit Compliance Practices had a positive and insignificant relationship ($r=0.076$, $p\text{value}=0.464$). Audit Evaluation Practices and Audit Evaluation Practices had a positive and insignificant relationship ($r=0.020$, $p\text{-value}=0.997$).

Internal Audit Controls Practices and Audit Compliance Practices had a positive though insignificant relationship ($r=0.050$, $p\text{-value}= 0.632$). Internal Audit Controls Practices and Audit Evaluation Practices had a positive though insignificant relationship ($r=0.171$, $p\text{-value}= 0.097$).

Finally, Audit Compliance Practices and Audit Evaluation Practices had a positive though insignificant relationship ($r=0.141$, $p\text{-value}= 0.170$). because all the Pearson values

associated with the different independent variables relationships were not higher than 0.8, the study established that all the independent variables were free from the multi-collinearity problem.

4.5 Model Fitting

The study sought to test the hypothesis that there was no relationship between the independent and the dependent variables. To achieve the results regression analysis was conducted. the following discussion presents the model fit, ANOVA results, and regression coefficients.

4.5.1 Mode Summary

The coefficient of determination explains the changes in the dependent variable as a result of the changes in the independent variables, it is given as Rsquare in linear regression analysis. the results are shown in Table 26.

**TABLE 26
Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.727 ^a	.528	.517	.316

a. Predictors: (Constant), Internal Audit Risk Assessment, Internal Audit Controls Practices, Audit Compliance Practices, Audit Evaluation Practices

Results in table 4.20 show an R square of 0.528, the results, therefore, indicated that the four independent variables (Internal Audit Risk Assessment, Internal Audit Controls Practices, Audit Compliance Practices, and Audit Evaluation Practices) in the model explained 52.8% of the changes in the Public Service Delivery. Other variables that were not included in the model but have an influence on the Public Service Delivery explained 47.2% (100%-52.8%).

4.4.2 Analysis of Variance

Analysis of variance was conducted to ascertain the overall goodness of fit of the model on its capacity to predict the Public Service Delivery among state parastatals in Kenya. The F-statistics

revealed an F-ratio of 14.769, df (4,91) which was associated with a p-value of 0.001. therefore, the overall model was significant in predicting the public service delivery among state parastatals in Kenya. Results are presented in table 27.

TABLE 27
Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.294	4	7.573	14.769	.000 ^b
	Residual	46.664	91	.513		
	Total	76.958	95			

- a. Dependent Variable: Public Service Delivery
- b. Predictors: (Constant), (Constant), Internal Audit Risk Assessment, Internal Audit Controls Practices, Audit Compliance Practices, Audit Evaluation Practices

4.5.3 Regression Coefficients

Regression coefficients were also established through regression analysis. The coefficients can explain the direction of the relationship (whether it is positive or negative), and they are also able to tell the magnitude of the relationship (the strength or weakness) of the relationship. Results are presented in table 28.

TABLE 28
Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.833	.608		1.370	.174
	Internal Audit Risk Assessment	.311	.106	.290	2.930	.004
	Internal Audit Controls Practices	.051	.115	.039	.442	.659
	Audit Compliance Practices	.286	.118	.241	2.412	.018
	Audit Evaluation Practices	.212	.100	.207	2.113	.037

- a. Dependent Variable: Public Service Delivery

Results in table 28 revealed that the constant had a $\beta=0.833$, $t=1.370$ which was associated with a *p-value* of 0.174, therefore the constant in the model had a positive though insignificant influence on the public service delivery among the state corporation in Kenya when all the other variables were held to constant.

Internal Audit Risk Assessment and Public Service delivery. The study sought to test the hypothesis: *Internal audit risk assessment has no significant influence on public service delivery in Kenyan parastatals.* Results of the study revealed a $\beta= 0.311$, $t=2.930$ which was associated with a *p-value* of 0.004, therefore internal audit assessment was found to significantly and positively influence the public service delivery among state parastatals in Kenya. The study, therefore, rejected the null hypothesis because there was a significant relationship. Kibwage (2021) agreed while carrying out a study to establish how the quality of public service delivery in the Nairobi county government was influenced by internal audit risk assessment. The study further indicates that internal audit risk assessment significantly impacts the quality of public service delivery in the county since accountability is increased, county records are tracked, and the activities of the county are well monitored. In addition, an internal audit plays a crucial role in identifying risks and coming up with means to curb the risks.

Internal Audit Controls Practices and Public Service delivery. The study also sought to test the hypothesis: *Internal audit control has no significant influence on public service delivery in Kenyan parastatals.* The study revealed a $\beta=0.051$, $t=0.442$ which was associated with a *p-value* of 0.659, therefore, internal audit control had a positive though insignificant influence on public service delivery among state parastatals in Kenya. The study, therefore, failed to reject the null hypothesis since no significant relationship was found. Kinyua (2016) was in disagreement while carrying out a study to determine how service delivery and performance of Kenyan quoted

companies are affected by internal control systems. The study indicated that internal control systems positively predicted and influenced the quality of service delivered to the companies' customers and ultimately influenced their performance.

Juma (2017) was also in agreement when he sought to determine how service delivery in public organizations is impacted by internal audits. The findings revealed that internal audit controls positively influence service delivery at the corporation. The study further indicated that segregating duties reduced conflicts within the organization. The study recommended the adoption of effective internal audit controls.

Internal audit Compliance and Public Service delivery. The study sought to test the hypothesis that: *Internal audit compliance has no significant influence on public service delivery in Kenyan parastatals.* The findings of the study revealed a $\beta=0.286$, $t=2.412$, which was associated with a p-value of .018. Therefore, it was revealed that Internal audit compliance positively and significantly influenced the public service delivery among state corporations in Kenya.

Chepkonga (2018) concurred with the finding of the current study while assessing the influence of the internal audit function on the performance of organizations in Nakuru. The study indicated that internal audit practices such as governance and policy compliance have a positive and significant on the performance of semi-autonomous agencies. The findings further revealed that internal audit is used by organizations to ensure that they comply with financial policies and regulations, assess and manage risks and deliver quality services.

Internal Audit Evaluation and Public Service Delivery. The study sought to test the hypothesis that: *Internal audit evaluation has no significant influence on public service delivery in Kenyan parastatals.* Results of the study revealed a $\beta=0.212$, $t=2.113$, that was associated with a p-value of 0.037, which implied that internal Audit Evaluation had a positive and significant influence on

the Public Service Delivery among state parastatals in Kenya. The study, therefore, rejected the null hypothesis that there was no influence of the internal Audit Evaluation on Public Service Delivery. Salat (2018) concurred with the findings of the study when carrying out a study on how the performance of Kenyan non-governmental organizations is influenced by internal financial audits. The findings indicated that internal audit practices such as risk management, financial reporting, and evaluation positively influence NGOs performance.

Besides, Nsiah (2013) also agreed when the researcher sought to determine how public service organization is impacted by internal audit in Malaysia. The findings of the study revealed that internal audit monitoring and evaluation positively and significantly influence service quality in public organizations. The study further indicates that through internal audit, an organization can identify risks, track its financial operations and records and ensure the operations of the organization.

Change in The Model with Only the Significant Variables. The study sought to investigate the changes in the model when only the significant variables (Internal Audit Risk Assessment, Internal Audit Compliance Practices, Internal Audit Evaluation Practices) were included in the model while excluding the insignificant variable: internal audit control. The results are presented in table 29.

TABLE 29
Change in The Model with Only the Significant Variables

Model Summary						
Model	R	R Square	Adjusted R Square		Std. Error of the Estimate	
1	.722 ^a	.521	.514		.312	
ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.783	3	7.594	16.748	.000 ^b
	Residual	41.717	92	.453		
	Total	64.500	95			
Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.993	.486		2.043	.044
	Internal Audit Risk Assessment	.320	.104	.298	3.072	.003
	Audit Compliance Practices	.292	.117	.247	2.496	.014
	Audit Evaluation Practices	.210	.100	.205	2.106	.038

a. Dependent Variable: Public Service Delivery

b. Predictors: (Constant), (Constant), Internal Audit Risk Assessment, Internal Audit Compliance Practices, Internal Audit Evaluation Practices

The results in table 29 revealed that with the exclusion of the insignificant variable the three variables (internal audit risk assessment, internal audit compliance practices, and internal audit evaluation practices). R-square was 0.521, therefore the three variables could explain 52.1% of the changes in public service delivery among state parastatals in Kenya. The change in R was by (.528-0.521=0.007). Badara and Saidin (2013) agreed when they sought to establish how the performance of organizations is influenced by internal audit practices in Canada. The study's findings indicated that internal audit practices, including monitoring, evaluation, controls, and risk management, had a positive influence on the performance of commercial

organizations. The study further indicated that accountability and transparency attributed to internal auditing enhance the quality of public services provided by the parastatals.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

Chapter five presented a summary of the key findings of the study, the conclusions derived from the findings, and finally the recommendations of the study which are both policy recommendations and recommendations for further studies.

5.2 Summary of The Findings

5.2.1 Internal Audit Risk Assessment

Overall the respondents agreed that the parastatals carry out internal audit risk assessment practices as shown by a composite mean score of 4.16. Results of the study revealed a $\beta= 0.311$, $t=2.930$ which was associated with a p-value of 0.004 for internal audit risk assessment and public service delivery in state parastatals in Kenya.

5.2.2 Internal Audit Controls Practices

Overall the respondents agreed that their organizations carried out internal audit control practices as shown by a composite mean of 3.91. The study revealed a $\beta=0.051$, $t=0.442$ which was associated with a p-value of 0.659 for Internal Audit Controls Practices and public service delivery in state parastatals in Kenya.

5.2.3 Internal Audit Compliance Practices

Overall the study agreed that the state parastatals carried out audit compliance practices as shown by a mean score of 4.20. The findings of the study revealed a $\beta=0.286$, $t=2.412$, which was associated with a p-value of .018 for internal audit compliance practices and public service delivery in state parastatals in Kenya.

5.2.4 Internal Audit Evaluation Practices

Overall, the study revealed that the state parastatals carried out internal audit evaluation practices. Results of the study revealed a $\beta=0.212$, $t=2.113$, which was associated with a p-value of 0.037 for internal audit evaluation practices and public service delivery in state parastatals in Kenya.

5.3 Conclusions of The Study

5.3.1 Internal Audit Risk Assessment

The study concluded that internal audit risk assessment practices had a significant influence on public service delivery. The study, therefore, rejected the hypothesis that: *Internal audit risk assessment has no significant influence on public service delivery in Kenyan state parastatals.* Several studies (Deng, 2018; Kabwage, 2021; Kinyua, 2016; Maina, 2016; Njoki, 2018) support the conclusions that internal audit risk assessment practices including the identification of risks, analyzing and classification of risks significantly and positively influenced service delivery. The conclusions are also in support of agency theory by Jensen and Meckling (1976) who noted that managers act on behalf of the shareholder, conflict of self-interests arising may result in businesses not achieving their intended purpose, therefore the need to carry out internal audits on risk assessments.

5.3.2 Internal Audit Controls Practices

The study concluded that Internal Audit Controls Practices did not have a significant influence on public service delivery in Kenyan state parastatals. The study, therefore, failed to reject the hypothesis that: *Internal audit control has no significant influence on public service delivery in Kenyan parastatals.* Several studies (Juma, 2017; Linda&Shale, 2015; Otieno, 2019; Sarem, 2016) differ with the conclusions when they asserted that internal audit controls are crucial

functions of internal auditors that significantly and positively influence service delivery in public and private entities, through the authorization of activities, verifying actions of other staff in the organization, establishing of safety physical controls and segregation of duties.

5.3.3 Internal Audit Compliance Practices

The study concluded that Internal Audit Compliance Practices had a significant influence on public service delivery. The study, therefore, rejected the hypothesis that: *Internal Audit Compliance Practices have no significant influence on public service delivery in Kenyan state parastatals*. Several studies (Chepkonga, 2018; Deng, 2018; Elizabeth, 2017) support the conclusions when they concluded that internal audit compliance practices including; compliance with ethics, compliance with the business codes of conduct, compliance, and commitment to the activities of the business have a significant and positive influence on service delivery of both private and public entities.

5.3.4 Internal Audit Evaluation Practices

The study concluded that *Internal Audit Evaluation Practices* had a significant influence on public service delivery. The study, therefore, rejected the hypothesis that: *Internal Audit Evaluation Practices have no significant influence on public service delivery in Kenyan state parastatals*. Several studies (Sarat, 2018; Nsiah, 2015) support the conclusions of the study when they concluded that internal audit evaluation practices such as evaluation of the impact of the technical capabilities and financial implications had a positive and significant influence on the delivery of services in both public and private set up.

5.4 Recommendations of the Study

5.4.1 Internal Audit Risk Assessment.

The study recommended that internal auditors, Internal Audit Committee members, and internal auditors carry out internal audit risk assessments including the identification of risks, analyzing risks, and classification of risks according to the probability of happening to enhance public service delivery in state parastatals. The internal auditors can also come up with a risk matrix to enable them to carry out risk assessments for better public service delivery in state parastatals.

5.4.2 Internal Audit Controls Practices.

The study recommended that the internal auditors come up with internal audit control measures that are more appropriate to ensure that public service delivery improves, the current audit control, measures did not influence performance. the internal audit committee can design more effective audit control practices that enhance public service delivery. More effective practices on the authorization of activities involve better segregation of duties and physical controls to enhance public service delivery in state parastatals.

5.4.3 Internal Audit Compliance Practices

The study also recommended for the internal audit committee and internal auditors ensure that the *Internal Audit Compliance Practices are followed to the letter, compliance should be enhanced on compliance with the ethical values, compliance with the financial policies, and compliance with Laws and regulations that enhance the public service delivery in state parastatals.*

5.4.4 Internal Audit Evaluation Practices

The study recommended for the internal auditors and the internal audit committee enhance their evaluation practices on internal audit practices by ensuring that they evaluate the impact of the

financial systems, the impact of the existing Support system as well as the evaluation that the information and technology environments have on the public service delivery in the public service delivery.

5.5 Suggestions for Further Studies

Gaps that were identified in the study were suggested as possible areas of study in the future. The current study only carried out a direct relationship between the internal audit functions and the public service delivery in state parastatals in Kenya, a future study, however, should include a moderating variable to have a model that enhances the predictability of the public service delivery.

The variable in the current study model explained 52.8% of the changes in public service delivery, a future study should consider adding more variables to enhance the explanation of the variations in public service delivery.

Future studies can also be conducted within the East African region on the influence of internal audit functions in the public service delivery of state corporations in East Africa to establish if the findings can be generalized.

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APPENDICES

Appendix I: Research Workplan

Activity	J a n u a r y	Fe br u a r y	Marc h	April	May	June	July	August	Septe mber
Proposal draft									
Instrument piloting									
Data Collection									
Data Entry									
Data Analysis									
Thesis Submission									
Clearance									

Appendix II: Consent Letter

Jacob Lerunde Leadise

Reg. No: KCA/06/01664

KCA University

Main Campus, NAIROBI.

Dear Respondent,

REF: MSC RESEARCH STUDY

I am a student pursuing a Master's degree in Master of Science in Commerce (Finance and Accounting) at KCA University. I am required to carry out a study on "Influence of internal audit function in public service delivery: a case of the Kenya state parastatals".

I kindly request your assistance by availing the time to respond to the questionnaire. A copy of the final report will be made available to you at your request. The information given will be treated with utmost confidentiality for this study only. Your assistance will be highly appreciated.

Thank you in advance.

Jacob Lerunde Leadise

Cell: 0716038963

Appendix III: Research Questionnaire

INFLUENCE OF INTERNAL AUDIT FUNCTION IN PUBLIC SERVICE DELIVERY: A CASE OF THE KENYA STATE PARASTATALS

Instructions: Please answer the following questions to the best of your knowledge.

Tick the correct box against the questions where necessary.

Do not indicate your name on the questionnaire.

Information provided will be treated with the utmost confidentiality.

SECTION A: DEMOGRAPHIC CHARACTERISTICS

Please answer all questions by inserting a TICK where appropriate, or please write in the space provided.

1. Gender Male Female

2. Age (in years)

18 – 29 30-39 40-49 50-59 Over 59

3. Position held in the Parastatal?

Internal Audit Committee Member

Senior internal Auditor

Junior Audit Officer

SECTION B: INTERNAL AUDIT RISK ASSESSMENT PRACTICES

4. Please identify some of the risks facing your organization

Operational risk

Credit risk

Market risk

Liquidity risk

5. Which are some of the ways you use to do risk assessments?

.....

This section is about the Risk assessment practices as an audit function in Kenyan state parastatals. Please indicate the extent to which you agree or disagree with the following statements regarding risk assessment practices as an audit function in your organization. Please tick as appropriate where; strongly agree=5, Agree=4, Neutral=3, Disagree=2, Strongly Disagree=1

S/N	statements	1	2	3	4	5
7	We carry out the identification of risks by looking at financial statements, cash flows, etc					
8	we collect data in the field on different risks facing our organization					
9	We classify risk according to the likelihood					
10	We have risk surveyors/ actuarial scientists to analyze risks in terms of likelihood and the possible impact the risk poses					
11	We take part in random checks of organizational systems					
12	We often hire valuers to assess risks					

13. How do you identify the processes or products with the highest risk?

.....

14. How do you do due diligence on clients on the possible risk magnitude they pose

.....

.....

15. How often do you carry out risk assessments?

Daily

Weekly

Monthly

Semi-annually

Annually

SECTION C: INTERNAL AUDIT CONTROLS PRACTICES IN THE KENYAN STATE PARASTATALS

17	We have a system in place for the authorization of activities					
18	We have physical controls such as CCTV and locks to control access					
19	We do frequent reconciliations for cash and inventory					
20	We have a system for the segregation of duties					

This section seeks to find the internal audit control practices carried out to improve service delivery in the Kenyan State parastatals. Please indicate the extent to which you agree or disagree with the following statements regarding internal audit control practices. Please tick as appropriate where; strongly agree=5, Agree=4, Neutral=3, Disagree=2, Strongly Disagree=1

S/N	Statements	1	2	3	4	5
21	We have in place a firewall to prevent cyber crimes					
22	We enhance enhanced clerical accuracy through random checks on clerical mistakes					

23	We validate for information and data authenticity					
24	We have software such as QuickBooks to help in accounting error detection					
25	We have an enterprise resource planning system to synchronize processes from all departments					
26	We prepare checklists for control purposes					
27	We carry out standards control checks					

28. What are some of the budgets used by your organization to guide spending?

.....
.....
.....

29. Please indicate whether you have the following audit control activities

	Practice	Yes	No
i	control system to prevent errors and fraud		
ii	control system to correct fraud and errors		
iii	control system audit controls to detect errors and fraud		

SECTION D: AUDIT COMPLIANCE PRACTICES AMONG KENYAN STATE PARASTATALS

This section collects data on internal audit compliance among the Kenyan State parastatals. Please indicate the extent to which you agree or disagree with the following statements regarding internal audit compliance in your organization. Please tick as appropriate where; strongly agree=5, Agree=4, Neutral=3, Disagree=2, Strongly Disagree=1

30	We carry out activities that test compliance with Ethical values					
31	We carry out activities that test compliance with financial policies and standards eg IFRS, IAS, and GAAPS-audit on financial systems					
32	We carry out activities that test compliance with laws and regulations					
33	We carry out activities that test compliance with Integrity issues					
34	We carry out compliance training to keep up with emerging policies and regulations					
35	We have built ICT systems to check for compliance such as documentation compliance on membership checks or documents security features					
36	We ensure compliance with general data protection regulation					
37	We ensure compliance with ISO requirements					
38	We carry out an obligatory compliance audit					

Yes

No

40. If there answer above is yes, please name them

.....

S/N	Statements	1	2	3	4	5
-----	------------	---	---	---	---	---

39. Are there extra departments for compliance?

SECTION E: AUDIT EVALUATION PRACTICES AMONG KENYAN STATE PARASTATALS

This section collects data on internal audit evaluation among the Kenyan State parastatals. Please indicate the extent to which you agree or disagree with the following statements regarding internal audit evaluation in your organization. Please tick as appropriate where;

41	We evaluate Technical Capabilities					
42	We evaluate the Support system					
43	We evaluate information and technology environments					
44	We evaluate the financial and budgetary impact					
45	We provide audit reports at the end of the audit (qualified, disclaimers, adverse opinion, or unqualified opinion					

strongly agree=5, Agree=4, Neutral=3, Disagree=2, Strongly Disagree=1

S/N	Statements	1	2	3	4	5
-----	------------	---	---	---	---	---

46. Please indicate whether the following evaluation practices are carried out

	Practices	Yes	No
i	Inspection		
ii	Recalculation		
iii	Confirmation		
iv	Re-performance		
v	benchmarking		
vi	Observation		

SECTION F: PUBLIC SERVICE DELIVERY AMONG KENYAN STATE PARASTATALS

This section collects data on public service delivery among the Kenyan State parastatals. Please indicate the extent to which you agree or disagree with the following statements regarding the extent to which your organization has achieved in terms of public service delivery in your organization. Please tick as appropriate where; strongly agree=5, Agree=4, Neutral=3, Disagree=2, Strongly Disagree=1

S/N	Statements	1	2	3	4	5
47	We have enhanced timely public services delivery					
48	We have enhanced the timely completion of projects					
49	We offer reliable public services to our clients					
50	We offer effective public services to our clients					

Thank You for Your Cooperation

Appendix IV: List of Parastatals in Kenya

	Ministry	Name of Parastatals
1	Interior and Coordination of National Government	<ol style="list-style-type: none"> 1. National Authority for the Campaign Against Alcohol and Drug Abuse 2. Kenya Citizens and Foreign Nationals Management Service
2	The National Treasury	<ol style="list-style-type: none"> 3. Kenya Accountants and Secretaries National Examinations Board (KASNEB) 4. Privatization Commission 5. Kenya Investment Authority 6. Insurance Regulatory Authority 7. Public Procurement Oversight Authority 8. Public Procurement Oversight Authority 9. Capital Market Authority 10. Deposit Protection Fund 11. National Bank of Kenya 12. Kenya Post Office Savings Bank 13. Consolidated Bank of Kenya 14. Retirements Benefit Authority 15. Kenya Reinsurance Corporation 16. Kenya Revenue Authority 17. Kenya Trade Network Agency 18. Competition Authority of Kenya
3	Defense	<ol style="list-style-type: none"> 19. Kenya Ordinance and Factories Corporation (KOFC)
4	Health	<ol style="list-style-type: none"> 20. Kenya Medical Laboratory Technician and Technologists Board 21. Kenya Medical Research Institute (KEMRI) 22. Kenya Medical Supplies Authority (KEMSA) 23. Kenya Medical Training College 24. Kenyatta National Hospital 25. Moi Teaching and Referral Hospital 26. National Hospital Insurance Fund 27. National AIDS Control Council 28. National Quality Control Laboratories
5	Education, Science, and Technology	<ol style="list-style-type: none"> 29. Chuka University 30. Commission for University Education 31. Cooperative University College 32. Dedan Kimathi University 33. Egerton University 34. Embu University 35. Garissa University 36. Higher Education Loans Board 37. Jaramogi Oginga Odinga University of Science and Technology

		<p>38. Jomo Kenyatta Foundation 39. Jomo Kenyatta University of Agriculture and Technology 40. Karatina University 41. Kenya Institute of Curriculum Development 42. Kenya Literature Bureau 43. Multi-Media University of Kenya 44. Kenya National Commission for UNESCO 45. Kenya National Examinations Council 46. Kenya Universities and Colleges Central Placement Services 47. Kenyatta University 48. Kibabii University 49. Kirinyaga University 50. Kisii University 51. Laikipia University 52. Maasai Mara University 53. Machakos University 54. Maseno University 55. Masinde Muliro University of Science and Technology 56. Meru University of Science and Technology 57. Moi University 58. Murang'a University College 59. National Commission for Science, Technology, and Innovation 60. Pwani University 61. Rongo University 62. School Equipment Production Unit 63. South Eastern Kenya University- SEKU 64. Taita Taveta University Technical Industrial, Vocational Entrepreneurship Training Authority 65. Technical University of Mombasa 66. The Technical University of Kenya 67. University of Eldoret 68. University of Kabianga 69. University of Nairobi</p>
6	Transport and Infrastructure Development	<p>70. Kenya National Highways Authority (KENHA) 71. Kenya Airports Authority 72. Kenya Civil Aviation Authority 73. Kenya Ferry Services 74. Kenya Maritime Authority 75. Kenya National Shipping Line 76. Kenya Ports Authority 77. Kenya Railways Corporation 78. Kenya Roads Board</p>

		<p>79. Kenya Rural Roads Authority 80. Kenya Urban Roads Authority 81. LAPSET Corridor Development Authority 82. National Transport & Safety Authority</p>
7	Devolution and Arid and Semi-Arid Lands	<p>83. Constituency Development Fund Board 84. National Drought Management Authority 85. Kenya Institute of Public Policy Research and Analysis 86. Kenya National Bureau of Statistics 87. Kenya School of Government 88. National Coordinating Agency for Population and Development 89. South-South Centre 90. Youth Enterprise Development Fund Board (YEDFB)</p>
8	Lands	<p>91. National Construction Authority 92. National Housing Corporation</p>
9 s	Environment and Forestry	<p>93. Coast Development Authority 94. Coast Water Services Board 95. Ewaso Ng'iro North Development Authority 96. Ewaso Ng'iro South Development Authority 97. Kenya Forest Service 98. Kenya Forestry Research Institute 99. Kenya Water Towers Agency 100. Kenya Wildlife Service 101. Kerio Valley Development Authority (KVDA) 102. Lake Basin Development Authority (LBDA) 103. National Environmental Management Authority (NEMA)</p>
10	Agriculture and Irrigation	<p>104. Agricultural Development Corporation 105. Agricultural, Fisheries, and Food Authority 106. Agro-Chemical and Food Company 107. Bukura Agricultural College 108. Chemelil Sugar Company Limited 109. Coffee Development Fund 110. Commodities Fund 111. Kenya Agricultural and Livestock Research Organization 112. Kenya Animal Genetics Resource Centre 113. Kenya Dairy Board 114. Kenya Marine & Fisheries Research</p>

		<p>Institute</p> <p>115. Kenya Meat Commission</p> <p>116. Kenya Plant Health Inspectorate Services</p> <p>117. Kenya Seed Company Limited</p> <p>118. Kenya Tsetse & Trypanosomiasis Eradication Council</p> <p>119. Kenya Veterinary Vaccine Production Institute</p> <p>120. Miwani Sugar Company Ltd</p> <p>121. Mohoroni Sugar Company Ltd</p> <p>122. National Biosafety Authority</p> <p>123. National Cereals and Produce Board</p> <p>124. National Irrigation Board</p> <p>125. Nyayo Tea Zones Development Corporation</p> <p>126. Nzoia Sugar Company</p> <p>127. Pest Control Products Board</p> <p>128. South Nyanza Sugar Company Limited (SONY)</p>
11	Labour and Social Protection	<p>129. National Social Security Fund</p> <p>130. National Social Security Assistance Authority</p> <p>131. National Council for Persons with Disabilities</p> <p>132. National Industrial Training Authority</p>
12	Tourism and Wildlife	<p>133. Kenyatta International Conference Centre</p> <p>134. Kenya Utalii College</p> <p>135. Bomas of Kenya</p> <p>136. Kenya Tourism Board</p> <p>137. Tourism Regulatory Authority</p> <p>138. Kenya Tourist Development Corporation</p> <p>139. Kenya Safari Lodges and Hotels</p> <p>140. Tourism Fund</p> <p>141. Brand Kenya</p> <p>142. Catering and Tourism Development Levy Trustee</p>
13	Energy	<p>143. Energy Regulatory Commission (ERC)</p> <p>144. Geothermal Development Company (GDC)</p> <p>145. Kenya Electricity Generating Company (Kengen)</p> <p>146. Kenya Electricity Transmission</p>

		<p>Company (KETRACO)</p> <p>147. Kenya Nuclear Electricity Board</p> <p>148. Kenya Pipeline Company (KPC)</p> <p>149. Kenya Power and Lighting Company Limited (KPLC)</p> <p>150. National Oil Corporation of Kenya (NOCK)</p> <p>151. Rural Electrification Authority (REA)</p>
14	Industrialization and Enterprise Development	<p>152. Anti-Counterfeit Agency</p> <p>153. East African Portland Cement Company Limited</p> <p>154. Export Processing Zones Authority (EPZA)</p> <p>155. Kenya Bureau of Standards</p> <p>156. Kenya Industrial Estates Ltd.</p> <p>157. Kenya Industrial Property Institute</p> <p>158. Kenya Industrial Research & Development Institute</p> <p>159. Kenya Investment Authority</p> <p>160. Kenya Leather Development Council</p> <p>161. Kenya National Accreditation Service</p> <p>162. New Kenya Co-operative Creameries</p> <p>163. Numerical Machining Complex</p> <p>164. Sacco Societies Regulatory Authority</p> <p>165. Small and Micro Enterprises Authority</p>
15	Information, Communication, and Technology	<p>166. Communications Authority of Kenya</p> <p>167. Kenya Broadcasting Corporation</p> <p>168. Information and Communications Technology Authority</p> <p>169. Kenya Institute of Mass Communication</p> <p>170. Kenya Year Book Editorial Board</p> <p>171. Konza Technopolis Authority</p> <p>172. Postal Corporation of Kenya</p>
16	Sports and Heritage	<p>173. Kenya Academy of Sports</p> <p>174. Kenya Film Classification Board</p> <p>175. Kenya Film Commission</p> <p>176. Kenya National Library Service</p> <p>177. National Museums of Kenya</p> <p>178. National Youth Council</p> <p>179. Sports Kenya</p>
17	Office of the Attorney General	<p>180. Council of Legal Education</p> <p>181. Kenya Copyright Board</p> <p>182. Kenya Law Reform Commission</p> <p>183. Kenya School of Law</p>

		184. Nairobi Centre for International Arbitration
		185. National Council for Law Reporting
		186. National Crime Research Centre

Source: The Kenya Gazette (2020)

Appendix V: Research Permit



Thika Road, Ruaraka
P.O. Box 56808-00200 Nairobi Kenya
Plot Line: +254 20 8070408/9
Tel: +254 20 3537842
Fax: +254 20 8561077
Mobile: +254 734 888022, 710 888022
Email: kcailkca.ac.ke
Website: www.kca.ac.ke

SCHOOL OF GRADUATE STUDIES

KCA/SGS/May.22/1

25th May 2022

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

RE: JACOB LERUNDE LEADISE REG NO: KCA/06/01664

It is my distinct pleasure to introduce to you Mr. Jacob Leadise who is a student in our institution pursuing a Master of Science in Commerce at the College of Business.

Jacob is conducting a research on a topic titled: "*Influence Of Internal Audit Functions On Public Service Delivery: A Case Of The Kenya State Parastatals*" which is part of the requirements of the program he is pursuing. The research as well as the data procured thereof shall be used for academic purposes only.

Any assistance accorded to him is highly appreciated.

In case of further inquiry, do not hesitate to contact the undersigned.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Nyaribo Misuko'.

Dr. Nyaribo Misuko

Dean, School of Graduate Studies

