**Moderating effect of audit committees on forensic accounting techniques and financial performance of Kenyan counties.**

Abstract

The aim of the study is to assess the moderating effect of audit committees on the relationship between forensic accounting techniques indicated by (audit opinion, red flag index, audit expenditure, fraud rate and cases reported) and financial performance (indicated by own source revenue and absorption rate) of counties in Kenya. The research was based on correlational research design using data from audited financial statements of counties for 9 years from financial year 2014/2015 to 2022/2023. Data was analyzed using R statistical tool and the model was subjected to instrument validity test, autocorrelation and model specification test then a dynamic panel model was fit. The outcome showed that audit committee size has a moderating effect on the linkage between forensic accounting techniques and financial performance of counties in Kenya to some extent at first lag. The study noted that most counties did not have an audit committee or the audit committee was not functioning fully. The study concluded that every county should ensure that they have an audit committee to oversee the financial functions. The study recommends that each county government leadership should ensure that an independent and qualified committee is in place to oversee the financial reporting exercise. Institute of Certified Public Accountants of Kenya should ensure that they monitor the counties have a fully functional audit committee. The senate could penalize counties that do not have an independent and working committee.

Keywords: *audit committee size, absorption rate, own source revenue, forensic accounting techniques*