

Influence of Information and Communication Technology on Performance of Financial Audits in Government Ministries in Kenya

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Abstract

Financial Audits in the public sector have since independence been carried out manually in the Country. The use of this manual approach in the performance of auditing had raised queries as to the quality of audits, detection of fraud and timeliness of reports presented to parliament. Through the adoption of Integrated Financial Management Information Systems in Government Ministries, the financial function and operations have since been automated. With the shift of the Government financial operations from a manual approach to an automated system, a manual audit approach to these automated government operations would therefore not be effective, efficient and economical. Fraud perpetrated through the system would also be hard to discover using the manual approach. It was within this backdrop that the study sought to establish the effect of adoption of ICT on the performance of financial audits in Government Ministries on the basis of ICT training, ICT infrastructure, Organizational Setting, Legislative support and Auditing Standards. The general objective of the study was to determine the influence of ICT on the performance of financial audits in Government Ministries of Kenya. The specific objectives were how ICT infrastructure, IT audits training, legislature support, organizational structure and auditing standards affect the performance of financial audits in Government Ministries of Kenya. The research design used for the study was descriptive. The scope of the study was financial auditors at the 18 Ministries who were from the Office of the Auditor General with a total population of 434. To obtain data, stratified random sampling technique was used to obtain a sample size of 87 respondents. Validity refers to the degree to which results obtained from analysis of data actually represents the phenomenon under study. For testing validity the questionnaire was tested on 3 staff that were not included in the final study. Reliability is a measure of the degree to which research instruments gives consistent results after repeated trials. To confirm reliability, instruments were pretested on a small sample which was used in the final survey. Data was collected through questionnaire and analyzed using descriptive statistics then presented in the form of tables for easy understanding purposes. A regression model was used to establish the relationship between the dependent and independent variables. The study found out that adoption of ICT in the audit process improves the financial audit process by reducing the time and cost it takes to conduct the audit. Regular training on auditing computerized applications by the Government improves the knowledge of auditors to be able to effectively audit the financial applications. The study recommends for the implementation and utilization of ICT in the audit process to reduce operational inefficiency and to improve the audit process.

1. INTRODUCTION

Information Communication Technology has been defined as the technologies that enable recording, processing, retrieving and the transmission of data. ICT has also been used to refer to the technologies that support and facilitate the communication and co-operation of people and their organizations. ICT has also been denoted as a strategic tool that allows users to improve their efficiency and effectiveness (Ssewanyana, 2009).

Research has further asserted that ICT has been instrumental in reducing operational inefficiency and improving the decision making process in many aspects of governance. Cordella (2006) emphasizes that the penetration of technology in the present age is associated with the increase in the availability of information. ICT has been able to enable organizations to reduce operational costs, increase organizational capabilities and to improve coordination within the organization. Organizations will therefore stand to benefit from ICT in areas such as reduced transaction costs and an overall increase in output (Krishnaveni, 2010).

Throughout the whole world, there has been a paradigm shift where governments and other state organizations have realized the importance of ICT as important tool for effective governance. Traditionally, a large number of governments have been using the paper-and-file approaches in managing their activities and this has been disadvantageous in as far as maintaining accountability is concerned. With the evolving landscape where a majority of government's transactions with its citizens, businesses and private partners take place at the local level, it is important that a lot of effort be put towards putting in place mechanisms which allow maximum collaboration and participatory governing. The paradigm shift in the way governance has been brought about is

also due to the rapid growth in Information and Communications Technologies which have the potential to transform and change the delivery of public services by public institutions (Heeks, 2010).

With the recent integration and complexity of technologies that have increased over time, the dependence of business processes on technology has also increased. Governments and Government agencies across the world have adopted ICT in their operations to enhance efficiency and effectiveness in service delivery. Furthermore, there has been a move by Governments worldwide and in Kenya to adopt the use of Financial and Accounting Management Information Systems. This is an indicator that most or all of the government data including financial and accounting data is being stored electronically. As more of the information that needs to be audited has become computerized and paperless, the audit approach should focus on the adoption of ICT in the audit process (Mehrtens, 2007).

The Kenyan Government has been able to digitize service delivery with the implementation and successful roll out of the E-Citizen platform where citizens are able to obtain Government Services online. This was made possible with the improved network infrastructure resulting in the increased internet access by the citizens which has enabled them to access the Government services easily anywhere in the country (Ondego, 2015).

The use of ICT in the Kenyan Government has been increasing with the government automating its core financial management and payroll sectors with initiatives such as Integrated Financial Management Information System (IFMIS), and the Integrated Personnel and Pensions Database (IPPD). IFMIS was designed to improve the accounting systems for financial data recording, tracking and information management. This was in response to an increase in the demand for greater transparency and accountability in the management of public finances. The IFMIS system ensures higher degree of data quality, improved workforce performance for business results and links planning, policy objectives with budget allocations. IFMIS has been able to automate the procurement process, facilitate the auto-reconciliation of revenue and payment with automatic file generation, facilitate the automated revenue collections for improved cash forecasting and provides accurate and up to date information on the Government's financial position at any point in time (Office of the Deputy Prime Minister and Ministry of Finance, 2011).

Auditing is the pillar of good public sector governance. By providing an unbiased, objective assessment of whether public resources are managed responsibly and effectively to achieve the intended results, auditors help public sector organizations to achieve accountability and integrity, improve operations, and instill confidence among the citizens and stakeholders. The public auditor's role supports the governance responsibilities of oversight, insight, and foresight. Auditors use tools such as financial audits, performance audits, investigations, and advisory services to fulfill their objectives (Apostolou & Crumbley, 2008).

Financial auditors express an opinion on the presentation of the financial statements in accordance with established accounting principles and standards. Financial audits thereby focuses on accounting correctly for assets and expenditures as reported by the public sector entity. In addition to offering an opinion on the financial statements, financial audits examine the reliability of specific financial information, compliance with relevant procedures and rules and the safeguarding of assets (Apostolou & Crumbley, 2008).

Auditing can be categorized into three, auditing around the computer, through the computer and with the computer. Generally, auditing around the computer involves the use of traditional manual procedures in which the existence of automated equipment is ignored. As such, the computer is viewed as a black box. Therefore, auditors rely upon physical inputs and outputs from automated devices and do not concern themselves with how the processing actually takes place within the systems. On the other hand, auditing through the computer involves actual use of computer systems in testing both controls and transactions. Finally, auditing with the computer encompasses the direct evaluation of computer software, hardware, and its processes. Consequently, auditing through the computer or with the computer is able to provide a much higher level of assurance when compared with auditing around the computer (Cerullo & Cerullo, 2005).

The Government of Kenya has in place 18 Ministries and the role of auditing the accounts of these Ministries is the mandate of the Office of the Auditor General. This mandate is drawn from the Constitution of Kenya which states that within six months after the end of each financial year, the Auditor-General shall audit and report in respect of that financial year on the accounts of the national and county government, (Constitution of Kenya, 2010). The Office of the Auditor General has an office in each Ministry with auditors to conduct the audits of these Ministry's accounts.

Opiyo (2007) stated that the auditors of the Office of the Auditor General still use the manual approach in conducting financial audits of the Ministries and this limits their detection of fraudulent activities in the Government systems. Adoption of ICT in the financial audit process would lead to an improvement in the performance of these audits

2. LITERATURE REVIEW

2.1 ICT Infrastructure on Performance of financial audits

ICT infrastructure refers to the physical hardware, software and networking equipment used to interconnect

computers and users. The wider scope of ICT infrastructure includes Computers, Networking devices, printers, servers and application software (Shaikh, 2005).

According to a research by Rakner, (2005) lack of access to basic facilities such as computers, offices, vehicles by the SAIs has hindered the effectiveness of the SAIs operations. He further stated that an integrated financial management system (IFMS) had been installed in government ministries and departments in Tanzania, Malawi and Uganda. However, a common factor is that the SAIs in all the three countries had been unable to keep up with this progress in technical development and so far havenot been effective in conducting audits of the IFMS system thereby not being able to timely detect fraudulent transactions.

Limo (2008) in his study stated that over the last five years, the Kenyan government has initiated capital investment towards the set up and installation of ICT infrastructure. Funding for these investments is achieved through partnerships between the government and its development partners. The foreign funding from its development partners constitutes the largest percentage of this investment in terms of technology. The government contribution is usually in the form of technical and support staff and facilities such as buildings. To date the Government Information Technology Investment and Management Framework has connected all ministries to the Internet under the Executive Network. The government is also connecting the ministries to run integrated information systems such as the Integrated Financial Management Information System (IFMIS) and the Integrated Personnel and Pensions Database (IPPD). Limo (2008) further stated that the recent automation in government operations will require the auditors to adopt ICT in their audits so as to be effective in their audits.

A strategy to assist auditors in the audit of automated systems is the use of computer-assisted audit techniques (CAATs) software packages such as ACL and IDEA. However, while there is a developing literature demonstrating CAATs and their possible uses there is little research describing the extent of their use in audit practice and the factors associated with their use, or presenting empirical tests of their efficiency and effectiveness (Elliot, 2006).

An exception is the auditors who make extensive use of CAATs for such applications as internal control evaluation and the testing of online transactions, but the extent of technology usage varies across other applications. Further research found out that auditor willingness to employ CAATs in the financial statement audit is impacted by auditor perceptions of the usefulness of those procedures and concerns regarding the budget impact of CAATs usage. Firms play a significant role in these perceptions through training and other resources they provide to their staff, as well as through their communication of support for CAATs usage (Curtis & Payne, 2008).

2.2 IT Audit training on Performance of financial audits

As the business and audit environments have changed with regard to ICT, the financial statement auditor has been faced with the need to adapt. This increased focus is likely to cause an increase in the knowledge development. Besides the increased practice resulting from new standards, research has found out that training could be applied to help firms ensure that audit professionals are meeting the challenges of the current environment. Borthick (2006) found out that certain types of directed training can help compensate for lack of experience. Thus, firms employing auditors with little IS experience may discover the need to provide training in areas not previously addressed by the university curriculum. Audit firms may consider assessment methods for evaluating auditors' knowledge of relevant IS issues and identification of training necessary for continuing knowledge development as technology changes.

In a 2006 baseline study of the Tanzanian SAI it was reported that all audit staff expressed concern that while the auditees are rapidly moving towards Computer Information System environment, they had nearly no experience using basic IT software or Audit software (SNAO 2006:12). The study reported that there needed to be a concerted effort between the Government and the SAI to ensure that the staff are adequately trained to be able to effectively conduct their audits.

Brazel (2005) in his study indicates that human constraints such as inadequate training hinder the SAIs in effectively completing their audits. In addition, the introduction of automated systems in central government and the general increase in the performance audits required to be conducted reduce the effectiveness of the auditors. Therefore, all these challenges could denote a need to modify the training requirements to the changing environment.

2.3 Legislative Support on Performance of financial audits

According to Sawyer (2008), as a representative of the citizens, parliament has a role to ensure that the nation's funds are properly utilized in an effective and efficient manner. For a Legislature to be independent of the Executive arm, it must have a strong internal mechanism to enable it carry out the complicated task of policy oversight that would otherwise not be possible in the plenary session. A strong committee system is the hallmark of a dynamic legislature. The debate in the parliamentary reform Programme across the globe has been on how to empower the legislative committee system. This is based on the premise that a vibrant committee system is a

useful instrument for the House in charting the policy direction upon those matters that come before it for debate. The Public Accounts Committee (PAC) was established in 1948 and whose key role is to oversight of Government ministries and departments. The mandate of the Committee is to examine the annual reports of the Auditor General on the Central Government expenditure and fund accounts of ministries and departments. The Committee may also examine special audit reports on current issues that may require urgent attention. The work of the main Committee is mainly to undertake a post-mortem examination and follow up analysis of issues raised by the Auditor General, and make recommendations to the Executive to implement. Upon the review of the reports of the Controller and Auditor General and after hearing evidence from relevant officials, PAC compiles a report and presents it to Parliament clearly highlighting the action to be taken on those who misappropriate public funds and resources (Institute of Economic Affairs Series No.19, April 2009).

The SAI is dependent on the parliament to act upon its reports for audits to be effective, implying that with an ineffective legislature that does not fully discharge its duties the value of the SAIs work is substantially reduced. The Office of the Auditor General has no judicial function itself but its findings may be passed on to legal authorities for further action indicating another relational factor determining its functioning (Vibeke, 2005).

Audit findings and recommendations would not serve much purpose unless the legislature is committed to implement them. Adams (2007) used the agency theory to explain that it is in the interest of the legislature to maintain a strong public audit department that will ensure the effective and efficient use of public funds. Implementation of audit recommendations is highly relevant to audit effectiveness and the legislature of a country is viewed as the citizens receiving the audit services. As a result, legislature's commitment to use audit recommendations and its support in strengthening public sector audit is vital to audit effectiveness. The legislature's commitment to implement audit recommendations improves the operation of the auditee.

2.4 Organizational Structure on Performance of financial audits

Organizational setting refers to the organizational profile, internal organization and funding allocations of the audit office; and also the organizational policies and procedures that guide operation of auditees. Studies state that it provides the context in which the audit operates. Thus, organizational setting can exert influence on the level of effectiveness that the audit could achieve (Jones & Stewart, 2008).

The auditee attributes relate to the capability of the auditee to meet its intended objectives. Audit quality and the support of management strongly affect the effectiveness of an audit. Better audit effectiveness, has a positive relation on these two factors. If audit enhances quality to the extent it elicits management's interest, management support would be a natural trade off because the management would realize the contribution of audit to the achievement of an organizational goals. This would have a favorable impact on audit quality and thereby enhance audit effectiveness. Furthermore, this will enable management to retain the authority to improve the organizational setting and influence the auditee towards a positive effect on audit effectiveness, which in turn leads to an improvement of audit quality (Cook & Winkle, 2008).

2.5 Auditing Standards on Performance of financial audits

Griffith, (2005) in his studies stated that auditing standards explain the responsibility and independence of the auditor from the point of view of management and shareholders. International standards have been formulated to harmonize auditing practices between different nations and are to be applied where there are no local standards. Auditing standards refers to the rules accepted by the profession as guidelines to measure transactions, event and circumstances which affect financial results and financial information supplied to beneficiary parties. These standards should be related to the relevant objectives of the audit, which should be relevant and appropriate within the social environment. Therefore, these standards should satisfy the criteria of relevance, acceptability, consistency and suitability. The Auditing Practices Committee issued a series of auditing standards between 1980 and 1991. The standards issued by its successor body, the Auditing Practices Board (APB) are known as Statement of Auditing Standards (SAS). The APB also issues Practice Notes to assist the auditor in applying auditing standards of general application to particular circumstances and industries and Bulletins designed for issue when guidance is needed on any new or emerging issues.

Though the International Auditing Guidelines (IAG) apply primarily to independent financial audits, it is recognized that they may also have application, as appropriate, to other related activities of the auditor. IAG are not automatically binding on the auditors in a particular country. However, they provide an authoritative view of what is internationally recognized as Generally Accepted Auditing Practices (GAAP) and thus, serve as the basis for the development of auditing assertions by professional bodies in individual countries. GAAP which is the overall guideline for auditing establishes the framework within which an auditor decides the necessary action to take in organizing for the examination of financial statements, in performing the examination and in writing the report. Auditing standards are viewed as a measure used in determining the ability of the auditor in the performance of the procedures and the objectives to be attained by the use of the procedures undertaken (Hermanson & Shraver, 2006).

Auditing standards set the minimum standards of technical proficiency in auditing. These standards are applicable to each financial report audit made by an independent auditor regardless of the size of the entity, the form of business organization, the type of industry or whether the entity is for profit or not for profit. Shareholders and other users should be informed in the scope section of the audit report that the audit has been conducted in accordance with the specified auditing standards.

According to Rouseey (2009), International Auditing Standards (IAS) increases the comparability of financial statements and harmonization of auditing standards among institutions. In addition, standards preparers at the national level also give consideration to these international standards in developing their own auditing standards.

General auditing standards relate to the qualifications of the auditors and the characteristics that the auditors should possess. General standards require that the auditor be trained, proficient and be independent in fact and appearance and exhibits due professional care during the audit. The auditor should comply with the code of ethics for professional accountants issued by the International Federation of Accountants and particularly the ethical principles governing an auditor's professional responsibilities. These ethical principles include independence, objectivity, professional competence and due care, confidentiality, professional behavior and technical standards (IFAC, 2007).

2.6 Performance of Financial Audits

According to Politt (2009), there are different measures for assessing the performance of a financial audit. In practice, different measures are used, attributed to the differences between the auditors' mandates, objectives and identification of the clients being served. He further states that there is no single methodology or set of practices that can be used to adequately measure the performance of an audit. In order to improve the performance of an audit, the auditor must select those methodologies and techniques that are appropriate considering the resources available, the nature of the activity chosen and the duration available to conduct an audit (Brown, 2006).

When measuring the effectiveness of an audit in general auditors tend to equate the success of an audit with whether or not their recommendations have been followed. Geist, (2011) indicated that an audit is only effective in as far as it has convinced the decision makers of the audited units of its findings and persuaded them to effect the necessary changes. The study conducted by Pollitt (2009) indicated that the proportion of recommendations in financial audit reports accepted by governments was the most common measure of performance used by the audit offices in the United Kingdom and Netherlands.

Geist, (2011) states that by the audit offices indicating the financial savings that they have made during the conduct of their audits will help to distinguish the performing and non-performing audit institutions. The main advantage of using financial measurements is that it is a very strong argument and more credible than non-financial indicators. Financial indicators are also easy to read, understand and present.

The main problem in ascertaining the performance levels in the public sector is the measurement of macro level effectiveness. Unlike in the private sector, there are no single objectives in the public sector. Instead there is a variety of them depending on the department, authority or audit client in question (White, 2008).

Morin, (2005) in his study states that there are three separate issues that should be examined in order to determine the effectiveness and performance of an audit: the perceptions and reactions with regard to the auditors, the impact on the audited organization and the contribution to the public debate. In his study he states that the following factors may likely affect the effectiveness of an audit: willingness of the staff, political will of superior organs to make changes, timing of the audit, reorganizations in the body being audited, reform at the governmental level and the possibility of the subject matter of the audit having priority in the audited organization.

Performance of an audit focuses directly on the performance achieved and concentrates on inputs, outputs, results and impacts, the assumption being that, if the performance achieved is satisfactory, there is a little risk of serious problems being present in the design or implementation of activity or control systems, White (2008). Such audits may, for example, assess whether the adopted policies have been suitably implemented and whether they have achieved the intended objectives or whether there are undesirable financial and economic consequences of policy decisions taken. Examining performance directly can be appropriate where there are suitable criteria to measure quantity, quality and cost of inputs, outputs, results and impacts. Where performance achieved is found to be unsatisfactory, the activity and control systems are then examined to the extent necessary to identify the related causes, (Geist, 2011).

According to Pollit (2009), efficiency is one of the most complicated complex measurements of performance in an audit. It is measured by comparing achieved productivity with a desired norm, target or standard. Output quantity and quality achieved and the level of service provided are also compared to targets or standards to determine to what extent they may have caused changes in efficiency. Efficiency is improved when more outputs of a given quality are produced with the same or fewer resource inputs, or when the same amount of output is produced with fewer resources.

3. RESEARCH METHODOLOGY

A descriptive research design was adopted since it enabled the collection of data on group characteristics, attributes and experiences reported using descriptive statistics (Tappen, 2010). The descriptive research design approach was credited due to the fact that it allowed analysis of the variables and enhances greater flexibility in terms of money and time. By use of questionnaire, the descriptive research design sought to determine the effect of the adoption of ICT, training, legislature support, organizational setting and auditing standards and regulations on the performance of financial audits in Government Ministries. The study targeted the financial auditors who were 434 from the Office of the Auditor General who are situated in the 18 National Government Ministries (OAG, 2013). As the targeted population was large, stratified random sampling was used to group the auditors into ministries then classified based on staff levels. After grouping the financial auditors into the staff levels, a proportional sample of 20% was used to select the target population to come up with a size of 87 respondents. According to Mugenda and Mugenda (2013), a sample of 10% to 20% of the population is sufficient for a study. To determine the relationship between ICT Infrastructure, organizational setting, training, legislative support and auditing standards on the performance of financial audits the following regression model was used.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where Y is the dependent variable

β_0 is the regression constant

$\beta_1, \beta_2, \beta_3, \beta_4$ are the regression coefficients

X_1, X_2, X_3, X_4 are independent variables

ε is the error term

4. RESEARCH FINDINGS AND DISCUSSIONS

From the findings majority were in agreement that they had been availed adequate ICT infrastructure to conduct the financial audits as indicated by a mean of 2.7049, that they had access to ICT Software and applications that assisted in auditing as shown by a mean of 2.6393, that the adoption of ICT in the audit process will improve the financial audit as shown by a mean of 2.5902 and finally they had been given full access to the Government systems and applications to conduct their audits as shown by a mean of 2.5413. Table 4.6 illustrated the findings.

Table 4.1: Extent of agreement on ICT infrastructure on performance of financial audits in Government Ministries.

Statements	Mean	Std Dev.
Have been availed adequate ICT infrastructure to conduct the financial audits	2.7049	1.28250
Have access to ICT Software and applications that will assist in auditing	2.6393	1.43797
Adoption of ICT in the audit process improves the financial audit.	2.5902	1.41865
full access to the Government systems and applications to conduct your audits	2.5413	1.3456

Source: Author (2017)

On the extent of agreement with statements relating to IT audit training on performance of financial audits in Government Ministries, majority of the respondents indicated that the government conducted trainings of its auditors frequently as shown by a mean score of 2.526, training offered assist them in the performance of their audit as shown by a mean score of 2.4279, that they had sufficient knowledge to audit a computerized system as shown by a mean score of 2.3131 and finally the Government trained on emerging technologies and systems in use in its operations as shown by a mean score of 2.2120.

The findings are indicated in table 4.7

Table 4.2: Extent of agreement on IT Audit Training on performance of financial audits in Government Ministries

Statements	Mean	Std Dev.
The Government conduct trainings of its auditors frequently	2.526	1.387
Training offered assist you in the performance of your audit	2.4279	1.350
Have sufficient knowledge to audit a computerized system.	2.3131	1.252
Government train you on emerging technologies and systems in use in its operations	2.2120	1.564

Source: Author (2017)

On the extent of agreement with statements relating to legislative support on performance of financial audits in Government Ministries of Kenya, majority of the respondents indicated that Legislature had been able to approve the allocation of sufficient funds to the Office for its operations as shown by a mean score of 2.426, Legislature had been supportive towards adopting the auditor's recommendations as shown by a mean score of 2.3279, that legislature had the capacity to understand and interpret the auditors' findings and recommendations as shown by a mean score of 2.2131 and finally Legislature's operations have an effect on the performance of the financial audit as shown by a mean score of 2.4120. Findings are indicated in table 4.8.

Table 4.3: Extent of agreement on Legislative Support on performance of financial audits in Government Ministries

Statements	Mean	Std Dev.
Legislature has been able to approve the allocation of sufficient funds to the Office for its operations	2.426	1.647
Legislature been supportive towards adopting the auditor's recommendations	2.3279	1.350
Legislature have the capacity to understand and interpret the auditors' findings and recommendations	2.2131	1.292
Legislature's operations have an effect on the performance of the financial audit	2.4120	1.584

Source: Author (2017)

On the extent of agreement with statements relating to Organizational structure, majority of the respondents indicated that the office was adequately staffed to conduct financial audits in Ministries as shown by a mean score of 2.326, that competency of staff in the office had an effect on the performance of the financial audit as shown by a mean score of 2.324, that current organizational structure had an effect on the reporting of audit findings as shown by a mean score of 2.3131 and finally Office's policies and procedures had an effect on the performance of the financial audits as shown by a mean score of 2.3120. Findings are indicated in table 4.9

Table 4.4: Extent of agreement on Organizational structure on performance of financial audits in Government Ministries

Statements	Mean	Std Dev.
The office adequately staffed to conduct financial audits in Ministries	2.326	1.367
The competency of staff in your office have an effect on the performance of the financial audit	2.324	1.350
The current organizational structure has an effect on the reporting of your audit findings.	2.3131	1.292
Office's policies and procedures have an effect on the performance of the financial audits	2.3120	1.284

Source: Author (2017)

Moreover the study sought to find out extent of agreement with statements relating to Auditing standards on performance of financial audits in Government Ministries of Kenya. Majority of the respondents indicated that they were conversant with the auditing standards so as to conduct the financial audits adequately as shown by a mean score of 1.526, that office use the International Audit Standards in the conduct of its audits as shown by a mean score of 1.4279, that knowledge of the auditing standards affect the performance of the financial audit as shown by a mean score of 1.3131 and finally that they had adequately been trained on the application of audit standards in the audit process as shown by a mean score of 1.2120.

Table 4.5: Extent of agreement on Auditing Standards

Statements	Mean	Std Dev.
Conversant with the auditing standards so as to conduct the financial audits adequately	1.526	1.287
Office use the International Audit Standards in the conduct of its audits	1.4279	1.250
Knowledge of the auditing standards affect your performance of the financial audit	1.3131	1.242
Adequately trained on the application of audit standards in the audit process	1.2120	1.234

Source: Author (2017)

On the extent of agreement with statements relating to Performance of financial audits, majority of the respondents indicated that adoption of ICT in the financial audit reduces the time it takes to conduct audit as shown by a mean score of 2.526. Use of Computer Audit Assisted Software will assist in the conduct of financial audits as shown by a mean score of 2.4279, that sufficient and regular training on emerging technologies enhances the performance of financial audits as shown by a mean score of 2.3131 and the number of staff attached to an audit assignment affect the performance of the audit as shown by a mean score of 2.2120. The findings are indicated in table 4.11.

Table 4.6: Extent of agreement on Performance of financial audits

Statements	Mean	Std Dev.
Adoption of ICT in the financial audit reduce the time it takes to conduct your audit	2.526	1.387
Use of Computer Audit Assisted Software assist in your financial audit	2.4279	1.350
Sufficient and regular training on emerging technologies enhance your performance of financial audits	2.3131	1.252
Number of staff attached to an audit assignment affect the performance of the audit	2.2120	1.564

Source: Author (2017)

A correlation analysis was to find out how ICT infrastructure, IT audits training, legislature support, organizational structure and auditing standards are correlated with the performance of financial audits in Government Ministries. Table 4.12 shows positive Pearson correlation coefficients from all the five factors discussed. ICT infrastructure has a positive correlation at 0.183 and a $p=0.015<0.05$ with performance of financial audits in Government Ministries. IT audits training has a positive correlation at 0.212 and $p=0.023<0.05$ with performance of financial audits in Government Ministries. Legislature support has a positive correlation at 0.108 and a $p=0.012<0.05$ with performance of financial audits in Government Ministries while organizational structure has a positive correlation at 0.152 and a $p=0.027<0.05$ with performance of financial audits in Government Ministries.

Table 4.7: Correlations Analysis

		ICT infrastructure	IT audits training	legislature support	organizational structure	auditing standards
ICT infrastructure	Pearson Correlation Sig. (2-tailed)	1				
IT audits training	Pearson Correlation Sig. (2-tailed)	.183 .015	1			
legislature support	Pearson Correlation Sig. (2-tailed)	.212 .023	.201 .032	1		
organizational structure	Pearson Correlation Sig. (2-tailed)	.108 .012	.180 .005	.183 .051	1	
auditing standards	Pearson Correlation Sig. (2-tailed)	.152 .027	.056 .016	.239 .011	.106 .024	1

Source: Author (2017)

5. CONCLUSION AND RECOMMENDATIONS

Conclusion

Based on the above findings, the study concludes that the adoption of ICT infrastructure in the audit process improves the performance of financial audit. Adoption of ICT in the financial audit reduces the time for an audit to be concluded and that the usage of CAATs improved the efficiency of the auditors. The number and competency of staff attached to an audit assignment had an effect on the performance of the financial audit. An office which is adequately staffed with competent staff is able to perform the financial audits within a shorter period minimizing the overall audit costs. The study also concluded that the Government conducted frequent trainings on computerized training and emerging technologies which improved the auditor's knowledge on computerized applications. The legislature was also supportive in approval of the Office's budget and also in adoption of the recommendations.

Recommendations

The study recommends for the implementation of ICT in the audit process since it has been instrumental in reducing operational inefficiency and improving the decision making process in many aspects of governance

With the recent automation, integration and complexity of technologies that have increased over time, the dependence of Government operations on technology has also increased hence the study recommends for financial auditors to adopt ICT in their operations to enhance efficiency and effectiveness in their audits.

Suggestion for Further Research

This study is a milestone for future research in this area, particularly in Kenya. This study looked at only five independent variables which according to the study contribute to adoption of ICT on the performance of financial audits in Government Ministries of Kenya. The researcher recommends for future research on the following:

- i. Effect of the use of Computer Audit Assisted Techniques and Electronic Working Papers in the performance of financial audits.
- ii. The effect of legislative and policy changes on the performance of financial audits

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