PRECURSORS TO EFFECTIVENESS OF PUBLIC PROCUREMENT AUDITS FOR CONSTITUENCY DEVELOPMENT FUNDS (CDF) IN KENYA

John Achuora
United States International University

Robert Arasa
Strathmore University

George Ochriri
Jomo Kenyatta University of Agriculture and Technology

Abstract:
This study examined the factors that affect effectiveness of public procurement audits for constituency development funds in Kenya. Specifically it sought to investigate the effect of the legal framework, auditor’s specific professional qualities, technical audit factors and client-related factors on effectiveness of public procurement audits. A descriptive research design was employed, using a stratified random sampling to ensure representativeness. Both quantitative and qualitative methods of data analysis were used. Descriptive statistics as well as regression analysis were used to facilitate examination of the relationship between the variables of interest. The study findings indicate that technical audit factors have greatest influence on effectiveness of public procurement audit, followed by regulatory framework, client related factors and auditor’s professional qualities respectively. The study recommends that a summarized regulatory framework for CDF procurement management be prepared by policy makers, more public auditors be trained on public procurement audit and the CDF managers be exposed to audit as a positive management tool.

Keywords: Legal framework, auditor’s specific professional qualities, technical audit factors and client-related factors, public procurement audits, constituency development funds, effectiveness
Introduction
Background of Study

The search for resource decentralization has, is and will continue shaping the political, economic and socio-economic agenda for Kenya. In its Sessional Paper No. 10 of 1965 on African Socialism and its application to planning in Kenya, the government affirmed that planning was to be extended to the provinces, districts and municipalities so as to ensure that there was progress in each administrative unit. In 2009, the same views were expressed through the national strategic plan; the vision 2030. It is therefore critical that effectiveness of decentralization policies be pursued through appropriate research.

In an effort to achieve decentralization of resources in Kenya, several devolved funds have been operationalized. The funds include; Roads Maintenance Levy Fund (RMLF) and the District Bursary Fund started in 1993, Local Authority Transfer Fund (LATF) launched in 1999, Constituency HIV/AIDS Transfer Fund, Constituency Development Fund (CDF), Secondary Education Bursary Fund (SEBF) and Free Primary Education Fund (FPEF) established in 2003 and the Rural Electrification Levy Fund (REFL) that was operationalized in 2007 (CCG, 2007). All these funds form an important avenue for the transfer of resources from the central government to the communities.

Despite the existence of the devolved funds, internal inefficiencies in their management have made them not to achieve the desired results. For instance, Wanjiru (2008) documents that poverty levels have increased from 56% in 2002 to 60% in 2008, public service delivery has failed, inequalities in resource distribution prevails and funds meant for community use have been looted by corrupt civil servants and politicians. Of specific importance is the CDF that was meant to control imbalances in regional development and combat poverty at the grassroots (TISA, 2009). At its inception in 2003, the fund was allocated 2.5% of the government's ordinary revenue, which was later increased to 7.5% in 2010. Seventy five per cent of the fund is allocated equally amongst all 210 constituencies with the remaining 25% being allocated according to the constituency poverty levels (KIPPRA, 2010).

By 2009, more than 35,000 CDF projects had been established in various parts of the Kenya (TISA, 2009). The impact of these projects is experienced in the key sectors funded by CDF such as education with about 38 % of the allocations, health 11 % and water 8 % (KIPPRA, 2010). Through the CDF programme, a total disbursement of Sh. 70.8 billion to the 210 constituencies since its inception in 2003 to 2011. This requires scrutiny of the extent to which the funds allocated are managed to achieve the desired result. Empirical literature
(Wanjiru, 2008; Manasseh, 2007) suggest public audits as the ideal strategy of monitoring allocation, use and sustainability of funds allocated through the devolved funds. Such audits should aim at ensuring compliance with the International Public Sector Accounting principles, safeguard public assets and provide assurance to the stakeholders who include government agencies, general public, policy makers, donors and scholars (Manasseh, 2007).

Public audits add value not merely by analyzing and reporting what has happened after the event but also by being forward looking, identifying lessons to be learnt and disseminating good practice (Mapesa, 2006). Moreover public audits have direct and positive influence on the way organizations and people in the public service discharge their responsibilities (Mapesa, 2006). PPOA (2007); Wanjiru (2008) contrasts internal and external public audits by defining internal public audits as continuous auditing by parties within the organization where the Public Internal Auditor General is involved as opposed to the external auditing that involves conduct of the audit by independent consultants. Internal audits within public entities help to promote better management and decision-taking, and thus a more effective use of taxpayers’ resources, and play an important role in the corporate governance arrangements of public entities (Mapesa, 2006). In Kenya, public external audits are conducted by the Kenya National Audit Office (KENAO), which derives its mandate from the constitution and is further governed by the Public Audit Act of 2003 (GoK, 2003).

Kimenyi (2005) considers public audits as important links in the chain of accountability as they strengthen accountability, both upwards to the elected or appointed members who provide resources, and outwards to the consumers and beneficiaries, taxpayers and the wider community at large. PPDA (2005); Wanjiru (2008) document that the area where public audits are needed most are in the procurement of state resources since public resources are scarce and the process is political, technical and highly imperative. An open, transparent and non-discriminatory procurement process is thus the best tool to achieve value for money as it optimizes competition among suppliers (TISA, 2009). This openness and equality can only be achieved if there is effective audit of the process.

The gist of public procurement audits is to ensure that public funds are expended for their intended purpose, and with a view to maximizing value received by the public purchaser, ensuring that proper and accountable systems are in place and adhered to, and identifying any weaknesses in procurement (TISA, 2009) and as such public procurement audits ought to be adequately sensitive to procurement related issues (PPOA, 2007). The elaborate process of public procurement audit includes a bid process audit, contract audit, bid
award audit, contract award audit, performance audit and disposal audit (GoK, 2003). The research will focus on CDF procurement audit in Migori County.

Migori is a county in the former Nyanza Province of Kenya with its capital town being Migori. It is located in southwestern Kenya and includes part of the eastern edge of Lake Victoria and is inhabited predominantly by the Luo community (Nyaudi, 2010). There are also Bantu-speaking tribes such as the Gusii, the Kuria and a few traces of the Luhya living in the county. Migori County borders the following counties: Homa-Bay to the North, Kisii to the East, Narok to the South-east, and Tanzania state to the South. According to 2009 census, the county had a population size of 1,028,579 inhabitants and covers 2.526 sq. Km (Nyaudi, 2010).

Migori County was suitable for the study because it exhibited unusually diverse poverty levels, with Rongo constituency recording one of the lowest poverty head count levels in the country, at 43% in 2010, and Kuria Constituency recording one of the highest poverty head count level in Kenya, at 81% in the same period.

In the financial year 2010/2011 the government allocated Ksh. 1.8 billion to former Nyanza province with Migori County (including Nyatike, Uriri, Rongo, Kuria and Migori constituencies) receiving Ksh. 336,222,568 (NTA, 2010) with total disbursement exceeding Kshs. 1.91 billion in the last six years. This has been used in improving infrastructure in schools, dispensaries and school fees bursaries (TISA, 2009). However, an audit conducted by National Tax Payers Association (NTA) found massive wastage of the CDF funds in Migori County. In sample of three constituencies in Migori County which received Kshs. 134,655,092 in the financial years 2006/2007 and 2007/2008, 20.4% of the funds (Kshs. 27,469,638) were unaccounted for (NTA, 2010). This is abnormal wastage in a province with high poverty level (UNDP, 2010).

**Literature review**

**Effectiveness of Public Procurement Audit**

Empirical literature by Woolf (2002); Namusonge (2007); Manasseh (2007) concur that a public audit is considered effective if it accomplishes the intended results of fostering good governance and effective accountability in the management of public resources timely, with minimal cost, generates quality reports (showing control gaps and how to address them), prevents occurrence of fraud and embraces the use of information and communication technology. An appropriate regulatory system is required to enhance transparency and non-discriminatory in the application of public resources and also to provide framework for audit activities (PPDA, 2005; GOK, 2005). According to Manasseh, (2007), an auditor needs to
have certain attributes and qualifications in order to perform effective public procurement audits. According to the Accountant’s Act (2008), the desirable qualities of an auditor are; nominal qualifications, experience, communications skills, experience and ICT skills. Manasseh (2007) views audits as a technical task which required the application of scientific concepts to achieve effective results. Some of these concepts applicable to auditors are; audit sampling, risk considerations, compliance with the audit law and the use of IT in auditing (Woolf, 2002; Johnstone, 2006; Manasseh, 2007; Corbin, 2008). The success of an audit depends on the conduct of the client. Such conduct determine the organization structure, organization culture, extent of adoption of ICT, organizational values, the internal control system in place and the quality of record keeping (Johnstone, 2006; CCG, 2007; Cole, 2008).

Factors influencing Effectiveness of Public Procurement Audits for Constituency Development Funds

Regulatory framework and effectiveness of public procurement audit

Every public entity is a creation of the law, which specifies the objectives and means of attaining the objectives (GOK, 2005). Auditor comes in as independent party, to verify compliance to the legal provisions, and communicate their findings to representatives of the public, usually the national assembly (GOK, 2009). The key elements of the audit law include; compliance, monitoring, documentation and reporting.

According to PPDA (2005) an appropriate regulatory system is required to enhance transparency and non-discriminatory in order to achieve value for money. The law establishes the procurement methods to be applied, advertising rules and time limits, the content of tender documents and technical specifications, tender evaluation and award criteria, procedures for submission, receipt and opening of tenders, and the complaints system structure and sequence (PPOA, 2007). Ongoya (2005) points out that regulations lays the foundation for separation of powers between institutions managing public procurement and those checking on compliance. According to Manasseh (2007), auditors examine procurement transactions and documents, pursuant to the appointment terms and in compliance with relevant statutory requirements. Availability of sound legal framework offers boundaries and benchmarks against which audit is conducted objectively.

The PPDA Act, 2005 stipulates that effective legal framework in itself prevents frauds (GOK, 2005). The supplies and management Practitioners Act, 2007 provides for professionalization of procurement practice which facilitates good record keeping. This facilitates timely audit and enhance cost efficiency in auditing. Sound procurement regulations are critical to effectiveness of public procurement audit. Before the PPDA (2005), there were big discrepancies and differences between the procurement practices applied in
different public entities (PPOA, 2007). The main laws applied in the conduct of public audits in Kenya include the Public Audit Act (effective 2003), Public Internal Audit Act (effective 2003), the CDF Act (effective 2007), Public Procurement and Disposal Act (2006). Other laws applicable include CDF Act (effective 2003 and amended in 2007), Supplies Management Practitioners Act (effective 2007), Accountants Act (effective 2008) and Financial Management Act (effective 2004). The use of so many laws hinders compliance and effectiveness of the audits (Manasseh, 2007). Thus, we propose the following hypothesis:

H1: There is a positive relationship between regulatory framework and effectiveness of public procurement audit.

Auditors’ Specific Professional Qualities and effectiveness of public procurement audit

Auditor is an accountant who has passed Certified Public Accountant (CPA) examinations and met all other statutory and licensing requirements of a Kenya to be registered by ICPAK (GoK, 2008). Auditors are used to ensure that organizations are maintaining accurate and honest business records and statements (Manasseh, 2007) and they therefore need to have certain attributes in order to perform effective public procurement audits. According to the Accountant’s Act (2008), the desirable qualities of an auditor are; nominal qualifications, experience, communications skills, and ICT skills.

Anassi (2004) documents three ways of viewing professional qualities amongst public auditors that have bearing on auditor’s performance as: experience, communications skills, ICT skills and level professional training. Annasi (2004); Kichana (2007); Manasseh (2007); Saleemi (2010) mention the important professional qualities for auditors as; ICT skills, level of professional training, experience and communications skills. According to Kichana (2007), auditors’ specific professional qualities are important attributes for an auditor to execute their mandate explicitly, timely, provide quality reports and comply with the law. Thus, we propose the following hypothesis:

H2: There is a positive relationship between Auditors’ Specific Professional Qualities and effectiveness of public procurement audit

Technical Audit Factors and effectiveness of public procurement audit

Manasseh (2007) views audits as specialized tasks that must be executed scientifically to achieve the desired effects. Key issues in the consideration of audit technical factors include; the methodology used, audit sampling, risk considerations, compliance with the audit law and the use of IT in auditing (Woolf, 2002; Johnstone, 2006; Manasseh, 2007; Corbin, 2008). The technical factors give the auditors a reference point, provide them with risk assessment tools and ensure that the audit is executed in a methodical way to achieve the
audit specific outcomes. More specifically, NTA (2010) argues that the technical factors should lead to; compliance with the law, better risk assessment, cost effective audits and better use of the technology. Thus, we propose the following hypothesis:

H3: There is a positive relationship between technical audit factors and effectiveness of public procurement audit

Client Related Factors and effectiveness of public procurement audit

Manasseh (2007) argues that the success of an audit depends on the conduct of the audit, client based factors and the auditor’s specific qualities. Client related factors determine the organization structure, organization culture, extent of adoption of ICT, organizational values, the internal control system in place and the quality of record keeping (Johnstone, 2006; CCG, 2007; Cole, 2008). A good blend of the client related factors combined with auditor’s qualities, professional conduct and adherence with the procurement laws should lead to effective audits. Thus, we propose the following hypothesis:

H4: Client related factors positively and significantly do influence effectiveness of public procurement audit

Hypothetical model

The hypotheses presented in the previous section lead us to a theoretical model described in Fig. 1. Effectiveness of public procurement audit factors are broadly congregated into four constructs of regulatory framework, auditor’s specific professional qualities, technical audit factors and client related factors. The relationship between each constructs to effectiveness of public procurement audit is thus conceptualized as below.

![Figure 1: Factors influencing Effectiveness of Public Procurement Audits for Constituency Development Funds (adapted from Manasseh, 2007)](image-url)
Research Methodology

Research Design
Descriptive research design was used on this study. This research design was preferred because its ability to determine and report the way things are and also helps a researcher to describe a phenomenon in terms of attitude, values and characteristics (Mugenda, 2003).

Population and Sampling
Population implies the sum of the elements for study (Mugenda 2003). The population of the study was drawn from CDF managers from Migori County who include; CDF managers, Project Management Committee (PMC) members and CDF Committee members involved in procurement. The target population involved 252 respondents consisting of five CDF managers, forty-five CDF committee members and two hundred and two PMC members.

Mugenda (2003) defines a sampling frame as a list or CDF officers from which a sample can be selected. The sampling frame was obtained from the county’s 5 constituencies, as listed in the CDF website. Each of the constituency has a running CDF office that has CDF managers and committee members.

Sample and Sample Technique
Mugenda (2003) describes a sample as a subset of the population under study. Migori County consists of 5 constituencies which include Migori, Kuria, Uriri, Nyatike and Rongo. (Gikaru, 2010), each constituency was considered as stratum. Stratified sampling is a sampling technique in which the entire population of interest is divided into groups, or strata (Corbin, 2008). Stratified sampling technique was applied to cater for the diverse groupings resident of Migori County, already clustered in constituencies. After strata are selected, then purposive random sampling was used to selected particular respondents within each stratum to provide leading information on the management of CDF projects in their respective constituencies. From a target population of 252 respondents, 40 respondents were identified, selected as the sample, and distributed across the strata according to geographical size of the constituencies.

Data Collection Instrument and procedure
A research questionnaire was used as the main instrument for data collection. The questionnaire was structured to provide for open and closed ended questions. The structure of the questionnaire comprised of four parts, the first part constituted the particulars of respondent, the second part had questions on general information, the third part had questions about the perception on public procurement audit and lastly the fourth part focused on key considerations on effectiveness of public procurement audit. The questionnaire had been
developed on the basis of research hypothesis and was self-administered by the researchers through hand delivery, courier and e-mail.

**Validity and reliability tests of constructs**

The Cronbach’s Alpha Test of Reliability was used to test the reliability of the constructs describing the variables of the study and the results were as follows: Effectiveness of public procurement audit had an alpha score of 0.6354, regulatory framework, auditor’s specific professional qualities, technical audit factors and client related factors had an alpha score of 0.6130, 0.6301, 0.6178 and 0.6027 respectively. Applying this test specifies whether the items pertaining to each dimension are internally consistent and whether they can be used to measure the same construct. According to Nunnally and Bernstein (1994) a-score exceeding 0.7 indicates high internal reliability of the scale items. The attained alpha scores imply acceptable level of reliability of the measures. The table 3.1 below shows the reliability test results based on the pilot data.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach Alpha (α-score)</th>
<th>No. of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectiveness of public procurement audit</td>
<td>0.6354</td>
<td>8</td>
</tr>
<tr>
<td>Regulatory framework</td>
<td>0.6130</td>
<td>6</td>
</tr>
<tr>
<td>Auditor’s specific professional qualities</td>
<td>0.6301</td>
<td>5</td>
</tr>
<tr>
<td>Technical audit factors</td>
<td>0.6178</td>
<td>4</td>
</tr>
<tr>
<td>Client related factors</td>
<td>0.6027</td>
<td>5</td>
</tr>
<tr>
<td>Overall</td>
<td>0.6294</td>
<td>28</td>
</tr>
</tbody>
</table>

**Data Processing and Analysis**

The results of the research were both qualitative and quantitative. The data collected was keyed in and analyzed using SPSS version 18 which has Automated Data Preparation feature (ADPF) which can provide multiple comparisons and allows table customization. Regression analysis was further used to show the relationship between the dependent variable and the independent variables (Tromp 2006). The data was presented using tables and charts to give a clear picture of the research findings at a glance.

**Research Findings And Discussions**

**Level of support for the Audit of CDF Projects**

The study established that 88.6% of the respondents supported auditing of CDF projects indicating the general awareness of the public of their expectation from public officers and the need to have a strong control mechanisms that will ensure efficient and transparent application of public resources to projects. The findings further indicate that
11.4% of the respondent did not have preference on the way public resources should be managed. This is an indication of the lack of appreciation of their contribution to the management of the public resources.

**Regulatory framework and effectiveness of public procurement audit**

The study first objective was to investigate the effect of regulatory framework on effectiveness of public procurement audit for CDF in Kenya. To address this effectively, the respondents were asked to rank the various regulatory frameworks as important, less important and not important with regard to procurement audit. All the four regulatory acts were viewed to be important in CDF procurement audit with the CDF Act 2007 ranking first with a mean score of 4.97, followed by Public Procurement Act 2005 at 4.63, Public Procurement Regulations 2005 at 4.37 and Public Audit Act 2003 with mean score 4.09. This is shared by Kimenyi (2005), who pointed out that efficacy of CDF programmes depend on sound regulatory framework.

**Effect of regulatory framework on effectiveness of public procurement audit**

The respondents were asked to rate the effect of various regulatory frameworks (Acts) on effectiveness of public procurement audit on a likert scale of 1 to 5 scores where 1 represents least effect and 5 represent most effect. The findings indicate that CDF Act 2007 has the most effect on effectiveness of public procurement audit with a mean score of 4.67 and a variability in agreement of a Standard Deviation (SD) of 1.057. This confirms the findings by Kimenyi (2005) that CDF Act 2007 plays a major role in auditing of procurement activities of various CDF projects across the country. It was followed by Public Procurement Act 2005 with a mean of 4.33 and a SD of 1.201. This finding is also in tandem with that of Manasseh (2007) that Public Procurement regulation acts are generally acceptable framework that guide procurement audit of the public sector entities. The findings also indicate that Public Procurement Regulations 2005 with a mean of 4.26 and a variability of agreement of a SD of 1.318 is also considered important to effective public procurement audit. This finding re-enforces the view of Manasseh (2007) which perceived public procurement regulation as one of the important factors in conducting effective public procurement audit. Public Audit Act 2003 (mean 4.09, SD 1.483) was found to be the least important factors on effective public procurement audit. This confirms the findings by Saleemi (2010), which perceived Public Audit Act as one of the framework guiding procurement audit of state enterprises.

**Correlation coefficient between regulatory framework and effectiveness of public procurement audit**

Correlation (ρ) analysis was run to establish the strength of the relationship between the regulatory framework and the effectiveness of public procurement audit. The ρ result
implied that regulatory framework has a strong relationship with effectiveness of public procurement audit with the second highest $\rho$ of 0.82. This result confirms our hypothesis that “there is a positive relationship between regulatory framework and effectiveness of public procurement audit.”

**Auditor’s Specific Professional Qualities and effectiveness of public procurement audit**

The study second objective was to investigate the effect of auditor’s specific professional qualities on effectiveness of public procurement audit for CDF in Kenya. To address this effectively, the respondents were asked to rank the various auditors’ specific professional qualities as important, less important and not important with regard to public procurement audit. All the five auditor’s specific professional qualities were viewed to be important in CDF procurement audit with the nominal academic qualifications ranking first with a mean score of 4.3, followed by effective communication skills at 4.2, experience in procurement audit at 4.0, timeliness at 3.6 and lastly ICT skills with a mean score of 3.2. This is in line with Manasseh (2007) assertion that an effective audit result is largely depend on auditors’ professional attributes.

**Effect of auditor’s professional qualities on effectiveness of public procurement audit**

The respondents were asked to rate the effect of various auditors’ professional skills on effectiveness of public procurement audit on a likert scale of 1to 5 scores where 1 represents least effect and 5 represent most effect. Thenominal academic qualifications was found to have the most effect with a mean of score of 4.87 and a variability in agreement of a Standard Deviation (SD) of 1.080 followed by effective communication skills at 4.0; experience in procurement in procurement audit at 3.99 and lastly ICT skills at 3.87 respectively. These compares with Manasseh (2007) assertions that auditors need to have certain attributes in order to perform effective public procurement audits. McCormic (2009) also asserted that ICT applications and tools are critical in effective public procurement.

**Correlation coefficient between auditor’s professional qualities and effectiveness of public procurement audit**

Correlation ($\rho$) analysis was run to establish the strength of the relationship between the auditor’s specific professional qualities and the effectiveness of public procurement audit. The $\rho$ result implied that auditor’s professional qualities have a positive relationship with effectiveness of public procurement audit with the lowest $\rho$ of 0.77. This result confirms our hypothesis that “there is a positive relationship between specific professional qualities and effectiveness of public procurement audit”.
Technical audit factors and effectiveness of public procurement audit

The study third objective was to investigate the effect of technical audit factors on effectiveness of public procurement audit for CDF in Kenya. To address this effectively, the respondents were asked to rank the various audit techniques as important, less important and not important to effectiveness of procurement audit. Three audit techniques were established and identified to be important to effective procurement audit with the audit sampling ranking first with a mean score of 4.45, followed by compliance guidelines at 4.39 and ICT application at 3.49. This supports Johnstone (2006) finding that unbiased public procurement audit is based on audit techniques applied and the quality of the personnel involved.

Effect of technical audit factors on effectiveness of public procurement audit

The respondents were asked to rate the effect of various technical audit factors on effectiveness of public procurement audit on a likert scale of 1 to 5 scores where 1 represents least effect and 5 represent most effect. Audit sampling was found to have the most effect with a mean of score of 4.45 and a variability in agreement of a Standard Deviation (SD) of 1.065 followed by compliance guidelines at 4.34; and lastly ICT application at 3.49. These support Manasseh (2007) argument that audit technique used by an auditor usually impact on the audit outcome. However, the low ranking of ICT applications contradicts McCormic (2009) who asserted that ICT application is critical to effective public procurement audits.

Correlation coefficient between the technical audit factors and effectiveness of public procurement audit

Correlation (ρ) analysis was run to establish the strength of the relationship between the technical audit factors and the effectiveness of public procurement audit. The ρ result implied that technical audit factors have the strongest relationship with effectiveness of public procurement audit with the highest ρ value of 0.94. This result confirms our hypothesis that “there is a positive relationship between the technical audit factors and effectiveness of public procurement audit”.

Client’s Related Factors and effectiveness of public procurement audit

The study fourth objective was to investigate the effect of client’s related factors on effectiveness of public procurement audit for CDF in Kenya. To address this effectively, the respondents were asked to rank the various audit techniques as important, less important and not important to effectiveness of public procurement audit. The study established that CDF’s internal controls and record keeping standards had the highest ranking with mean scores of 4.57 and 4.51 respectively. These findings were in line with TISA (2007) which recommended enhancement of internal controls in all devolved funds management.
The capacity of CDF staff, CDF organizational structure and values had mean scores ranging from 4.2- 4.40. These findings agrees with Johnstone (2006), CCG (2007) and Cole (2008) that a good blend of the client related factors combined with auditor’s qualities, professional conduct and adherence with the procurement laws should lead to effective audits. Once again ICT application and tools by staff had the lowest ranking of 3.54 as the mean. These findings did not conform to Blackburn (2008) who observed that the use of ICT tools enhances the efficiency of CDF procurement management.

Effect of client’s related factors on effectiveness of public procurement audit

The respondents were asked to rate the effect of various clients’ related factors on effectiveness of public procurement audit on a likert scale of 1 to 5 scores where 1 represents least effect and 5 represent most effect. CDF internal controls was found to have the most effect with a mean of score of 4.57 and a variability in agreement of a Standard Deviation (SD) of 1.054 followed by CDF internal controls at 4.57, Capacity of CDF staff at 4.41, CDF record keeping at 4.51, and lastly ICT application at 3.54. These are in congruent with Manasseh (2007) argument that client’s related factors impact on the effectiveness of audit of most public entities. However, the low ranking of ICT applications contradicts McCormic (2009) who asserted that ICT application is critical to effective public procurement audits.

Correlation coefficient between the client’s related factors and effectiveness of public procurement audit

Correlation (ρ) analysis was run to establish the strength of the relationship between the client’s related factors and the effectiveness of public procurement audit. The ρ result implied that client’s related factors have a positive strong relationship with effectiveness of public procurement audit with the third highest ρ value of 0.81. This result confirms our hypothesis that “there is a positive relationship between the client’s related factors and effectiveness of public procurement audit”.

Summary, Conclusions And Recommendations

Summary

The study established a positive relationship between regulatory framework and effectiveness of public procurement audit in the following frameworks; CDF Act 2007, Public Procurement and Disposal Act 2005, Public Procurement Regulations 2005, and Public Audit Act 2003. However, Procurement Acts were viewed to be having effect in CDF procurement audit with the CDF Act 2007 ranked higher than Public Procurement and Disposal Act 2005, Public Procurement Regulations 2005 and Public Audit Act 2003 respectively.
The study established that auditor’s professional qualities have the weakest relationship with effectiveness of public procurement audit in the following areas; the nominal academic qualifications, effective communications skills, experience in procurement audit, timelines and ICT skills. Nominal academic qualifications of auditors were rated to be the most important auditors’ specific professional quality needed for effective management and optimal performance. The other qualities considered were effective communications skills, experience in procurement audit, timelines and ICT skills.

The study also found that technical audit factors and client related factors play key role in the effectiveness of public procurement audit. The study further established that technical audit factors have the strongest influence on the effectiveness of public procurement audit in the following areas; audit sampling, compliance guidelines and ICT application and tools. Audit sampling was ranked as the most important technique needed in effective public procurement audit followed by compliance guidelines and ICT application and tools. Respondents across were in agreement that all the four constructs have impact on the effectiveness of public procurement audit.

**Conclusion**

On the effectiveness of public procurement audit, the study concludes that it is most affected by the Technical Audit factors followed by Regulatory framework and least affected by Auditor’s professional qualities. The study also concludes that there was strong support for control on the way public resources is applied by the public evident by the large percentage of respondents supporting auditing of the CDF projects.

**Recommendations**

Based on the study findings the following recommendations are made. Technical Audit factors (audit sampling, compliance guidelines and ICT application and tools) and regulatory framework (CDF Act 2007, Public Procurement and Disposal Act 2005, Public Procurement Regulations 2005, and Public Audit Act 2003) were some of the issues that came out as respectively having the strongest influence on the effectiveness of public procurement audit. The government should employ professional auditors to undertake public procurement audit and facilitate their continuous training to ensure they are well equipped with necessary technical skills. These will ensure effectiveness of public procurement audit. Through legislation, the government should enact comprehensive laws to regulate procurement functions and outline clear policy and procedures to be followed by procurement entities. These will offer auditors platforms to benchmark and objectively base their audit findings and give the audit report validity which is an important ingredient of effective audit.
Suggestions for Further Studies

Future studies are suggested on the following areas: target specific factors’ effect on effectiveness of public procurement audit for insight analysis and the implication of public procurement audit on performance of public enterprises.

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