American International Journal of Business Management (AIJBM)
ISSN- 2379-106X, ***www.aijbm.com*** *Volume 6, Issue 10 (October.-2023), PP 17-26*

INTERNAL AUDIT INDEPENDENCE AND FINANCIAL ACCOUNTABILITY IN PUBLIC TECHNICAL AND VOCATIONAL TRAINING INSTITUTIONS IN WESTERN KENYA

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Abstract: One of the essential internal controls that public technical and vocational training institutions utilize to manage their resources for the benefit of their stakeholders is internal audit independence. A report from the Auditor General has established numerous cases of misuse of public funds where institutions have failed to account for resources allocated to them from the public coffers. The purpose of the study was to establish the effect of internal audit independence on financial accountability of public Technical and Vocational Training Institutions in Western Kenya. Agency theory guided the study. A correlational research design was used. The study targeted a population of 336 respondents comprising of 24 Principals, 24 Board of Governors (BoG) Chairpersons, 24 Audit Committee Chairpersons, 72 internal auditors and 192 Finance officers from the 24 Public Technical and Vocational Training Institutions. Stratified random sampling was used to select 182 respondents. Questionnaires were used to collect Primary data and secondary data was obtained from audited annual reports and financial statements. Pilot study was conducted on The Kisumu and Kitale National Polytechnics. Validity was tested using factor analysiss. Reliability was tested with Cronbach's alpha. Data was analyzed using descriptive and inferential statistics. Descriptive statistics included Mean, Median, Standard Deviation and Variance while Inferential Statistics included Correlational and Multiple Linear Regression. Data was presented using tables. Multiple regression model showed that there is a positive and significant influence of internal audit independence on financial accountability with a coefficient of 0.131. The study showed that changes in internal audit independence causes 61.0% variation in financial accountability. Government and policy makers may benefit from the study findings as they may be able to identify loopholes of internal audit that need to be sealed. The findings may also help policy makers to formulate policies that may help in minimizing misuse of funds in organizations. The study concluded that internal audit independence positively and significantly affect financial accountability. It is recommended that the management of technical institutions should not interfere with functions of the internal auditors. It is also recommended that internal auditors should be allowed to access all the relevant information and explanations that will assist them arrive at an objective opinion from which vibrant decisions will be made for the good of our public entities.

Background of the study

Currently, in technical institute the services of the Internal Audit function have grown from being primarily an accounting-oriented service to a much wider management-oriented service as a result of the greater recognition of internal auditors(Betti & Sarens, 2021). Internal audit function will likely see an increase in demand as a result of recent calls from technical institute stakeholders for greater accountability from management, including the Board of Governors, Audit committee, Executive management, and other levels of management(Carcello, Eulerich, & Masli, 2018). Despite of everything mentioned above, internal auditors may not always live up to expectations.One of the major factors that affects internal audit is the independence of internal auditors.

In the current century, financial accountability of technical institutes of Kenya have been questioned. Financial accountability is the responsibility of the management of technical institutes to use the resource of the organization for the benefit of the stakeholders and be accountable for all the resources and funds(Dewi, Azam, & Yusoff, 2019).

In Malaysia, there are two different types of audits used by the government. The first is the external audit, for which the Auditor's General office is responsible, and the internal audits, which are designed to make sure that public organizations strengthen their internal controls and safeguard their assets. The office of the Auditor General has been pushing for the implementation of internal audits for the past few years in order to ensure that independent assessment role exist in every public organization and that this role help control officers to perform their duties as intended and anticipated. Reports from the internal audit must be written and submitted to the governing office as well as made available to the public for review (Baharud, Shokiyah, & Mohd, 2017).

Organizations in the United States are more likely to relate internal control issues with shortcomings when audit committees are confronted with lack of knowledge in financial and accounting concerns. Additionally, internal control weaknesses may be found if an auditor is not given sufficient autonomy and access to a company(Bananuka, Nkundabanyanga, & Nalukenge, 2018).

In Nigeria, it was discovered that the internal audit department lacked personnel and was hindered from doing its tasks independently by senior management, which served as the institution's primary driver of activity. Internal audits were found not to significantly affect the performance of these tertiary colleges in Nigeria. In Nigeria, institutions carefully abide by the budgetary control rules and procedures outlined in the departmental yearly budgets. These controls were put in place to get rid of paying for expenses that exceeded the budgeted amount (Risk and Compliance Office, 2020).

In Ethiopia, dependence was placed on external auditors who used the efforts and work of the internal auditors. The idea was put forth that the four elements of corporate governance; management, internal auditing, the board, and the external auditing need to interact more and that internal auditing is a resource that may help with this aspect of corporate governance. Therefore, companies looking to improve their corporate governance should empower their internal audit department while also enhancing the coordination between internal and external audit (Menza, Aga& Jerene, 2019).

In Kakamega County, an internal audit division has been created within the administration of The Sigalagala National Polytechnic in an effort to reduce corruption among the staff of the institution. This internal audit assist in spotting some fraudulent cases, but it is not adequate to completely avoid the misuse of public monies. The Auditor General looked into these cases and discovered that the institution had misappropriated Ksh 5.7 million that could not be explained how they were utilized(The Auditor General Report, 2020). The internal audit at Bunyala Technical and Vocational Training College had flaws that prevented it from spotting lax internal controls that prevented the discovery of financial misappropriation. The institution failed to file financial statements and accounts for earlier period operations, according to the Auditor General. Additionally, the institution was unable to explain a variation of Kshs. 393,445 in exchange transaction revenue. It was also observed that it was impossible to validate the accuracy and completeness of the overall spending, which totaledto Ksh16.4 million(The Auditor General Report, 2020).

Statement of the problem

Internal audit independence is an essential component of the statutory corporate reporting process, a cornerstone of the auditing profession, and a requirement for enhancing the value of an audited financial statement(Setyaningrum & Kuntadi, 2019).The independence of auditors at publicly funded technical and vocational institutions reduces resource theft, encourages prudent financial management, and guarantees that all business transactions inside the organization have management approval.It is a legal requirement that all public Technical and Vocational institutes in Kenya adopt internal auditing and have internal audit offices(Nyaga, Kiragu, & Riro, 2018). Despite this adoption of internal audit, public Technical and Vocational institutes are still facing challenges of misuse of funds, misappropriation of resources and lack of proper transparency in their transactions. Sang'alo Institute of Science and Technology was found with unsupported miscellaneous expense and allowances of Ksh.9.94 million. Shamberere Technical Training Institute could not explain the unsupported amount of Ksh.57.51 million received from debtors. Bumbe Technical Training Institute was also found with unsupported income from rendering of services amounting to Ksh.51.4 million (The Auditor General Report, 2020). Many technical and vocational institutions have been unable to pay their staff as a result of this misappropriation of resources and funds, which has also caused operations to halt, underpaid suppliers to file lawsuits, and the majority of projects to stall. The majority of research has focused on the relationship between internal audit independence and financial accountability in county governments and universities, but there has been very little done on how general internal audit independence relates to financial accountability in terms of unauthorized spending in technical and vocational training facilities. The effect of internal audit independence on the financial accountability of public Technical and Vocational Training institutions in Western Kenya therefore needed to be determined through a study.

Objective of the Study

To establish the effect of internal audit independence on financial accountability of public Technical and Vocational Training Institutions in Western Kenya.

I. Theoretical Review

The Agency Theory.

Ross and Mitnick first put forth the theory in 1973. They described it as a theoretical framework for elaborating on and resolving problems that arise in the interaction between corporate principals and their agent.

They claim that using audit services benefits management and outside parties' interests. There is an agency relationship in which the agent has authority to make decisions on behalf of the principals.

An agency relationship occurs when one person, referred to as the agent, performs duties on behalf of the contractor, this is referred to as an agency relationship. In order to optimize the utility preferences of the main, the shareholder, who is the primary, delegated to a proxy the power to engage in transactions and make decisions on the principal's behalf. In order to constantly operate in a way that increases the profitability of the principal's firm, agents must have enough power and motivation. By employing auditors and specialists, the principal simplifies communication with the agency (Barry & Mitnick, 1975).

The theory is based on an agreement between the principal and agent that is legally enforceable for an unknowable future time period that may be either finite or endless. Although contracts are designed to solve the agency problem, they actually have a number of problems, including knowledge asymmetry, rationality, fraud, and transaction costs. Although their role in the company is restricted, shareholders' primary objective in the business is to maximize their profit. The only duties that directors have are to supervise management; any other duties they may have are unclear. In this approach, which disregards their skills, managers are seen as opportunistic(Jensen & Meckling, 1976).

Both the principle and the agent, according to the notion, strive to raise usefulness. Due to the stakes involved, each side expects the other to operate in their best interests. It's possible, though, that the agent's and the principal's best interests don't always align. In order to represent the interests of the stakeholders, auditors are necessary to monitor managerial performance. Auditor misconduct occurs when they cooperate with management rather than acting in the best interests of the stakeholders (Adams & Michael, 2011).

The separation of ownership and control has several negative effects, including knowledge asymmetries, moral hazard, disparate risk preferences, agency costs, and conflicts of interest. A variety of proposals are made in the proposal that can reduce agency conflict and expenses, including strong management ownership, independent board members, and numerous committees(Brahmadev & Leepsa, 2017).

One of the business solutions to the agency problem is internal control, which works by reducing intervention costs, which affects both the performance of the partnership as a whole and the advantages of the principals. Internal control increases the principal's access to more information about the agent's (management's) action, lowering the risk of information failure and lowering the likelihood of low revenue. Relationships between investors and representatives of listed companies are only one aspect of agency theory. The agency issue may come up in commercial businesses, joint ventures, nonprofit organizations, professional institutes, and governmental organizations (Nwaubani, 2019).

This theory was relevant to the study since the agency problem involved technical institutions, which incurred agency costs by employing internal auditors to ease tension between the administration of the institutions and the stakeholders that could lead to the misappropriation of funds. Internal auditors could, however, be biased, work together with management, or simply not present a complete picture of county governments.

Conceptual Framework

Independent Variable **Dependent Variable**

Internal Audit Independence

Financial Accountability

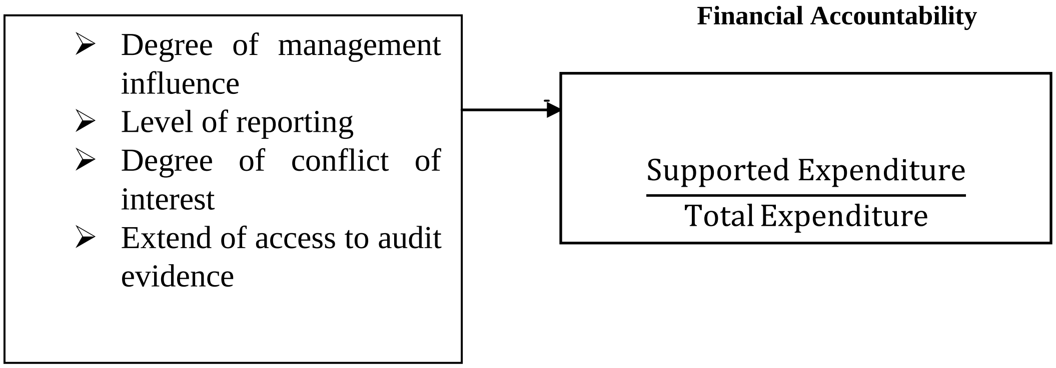

Figure 2. 1: Conceptual Framework (Source: Researcher's own conceptualization, 2023)

II. Literature Review

Sari, Ghozali, and Achmad, (2017) conducted at a study in Indonesian state universities to examined how internal audit and internal control systems affected public accountability. Descriptive survey research was used for the study. 37 universities on the Ministry of Finance of the Republic of Indonesia website were the focus of the study. 90 respondents who directly managed the finances at Indonesia University were the study's target audience. The results of the study demonstrated that at Indonesian universities, the independence of internal audit had a favorable and considerable impact on public accountability.

Ainomugusha, (2019) conducted research on Uganda's local government's internal audits and financial accountability. Both a quantitative and a qualitative research design was used in the study. The study's target audience consisted of 30 employees and administrators. Both simple random sample and purposeful sampling were used. Data was gathered through interviews and questionnaires. With the use of descriptive statistics, data was examined using regression analysis. The results of the study showed a positive relationship between internal audit independence and local governments' accountability for using public monies.

Ojili, Ouma, and Atieno, (2022) researched on internal audit and financial accountability in County governments in the Western Region. A correlational research design was employed in the study. The target population included 194 replies from the county government accountants, the director of internal audit services, principal auditors, audit assistants, and members of the cabinet executive committee. We used random stratified sampling. Primary data were gathered through surveys, while secondary data were gathered through the analysis of audited financial records. The results demonstrated that internal audit independence had a negative and significant influence on financial responsibility by unsupported expenditure.

Research Gaps

On the study conducted by Sari, Ghozali, & Achmad, (2017), the study was conducted outside Kenya and in the Universities hence there is need for a similar study to be conducted in Kenya especially in public technical and vocational training institutions. Ainomugusha, (2019) also conducted a study but it was conducted in Uganda local authorities hence need for a similar study in public technical and vocational training institutions in Western Kenya. Ojili, Ouma, & Atieno, (2022) carried a study in Kenya but focused on county governments. The findings of this study cannot be generalized to public technical and vocational institutions hence need for a similar study in other public training institutions.

III. Research Methodology

Research design

Correlational research design was used. This research design was the most appropriate since helped to investigate the relationship that exist between internal audit independence and financial accountability in Public Technical and Vocational training institutions of Western Kenya. Therefore, true and accurate information about how internal audit independence affects financial accountability was obtained.

Target Population

The study targeted 336 respondents comprising of 24 Principals, 24 Board of Governors chairpersons, 24 Audit Committee chairpersons, 72 Internal Auditors and 192 Finance Officers from the 24 Public Technical and vocational training institutions in Western Kenya.

Table 1: Target Population

Category	Number	Percentage(%)
Principals	24	7
BOG Chairpersons	24	7
Audit Committee Chairpersons	24	7
Internal Auditors	72	21
Finance Officers	192	58
Total	**336**	**100**

Sample and Sampling Technique

Yamane’s formula was used to determine the sample size of the respondents. The following formula was used.

$$n = \frac{N}{1+N(e)^2} \quad \text{(3.1)}$$

Where: n = sample size required

e = significance level of 0.05

N= size of the population
1= constant
N= 336
e= 0.05

$$n = \frac{336}{1+336(0.05)^2}$$

=182 respondents

The sample size for respondents was calculated based on the proportions as shown below;

Principals $=\frac{24}{336}\times 182=13$

BOG Chairpersons $=\frac{24}{336}\times 182=13$

Audit Committee Chairpersons $=\frac{24}{336}\times 182=13$

Internal auditors$=\frac{72}{336}\times 182=39$

Finance Officers $=\frac{192}{336}\times 182=104$

Table 2: Proportionate distribution of Sample Size

Category	Number	Percentage(%)
Principals	13	7
Board of Governors (BoG) Chairpersons	13	7
Audit Committee Chairpersons	13	7
Internal Auditors	39	21
Finance Officers	104	58
Total	**182**	**100**

Data Collection Instruments

Primary datawas collected with the help of questionnaires. Because closed-ended questions are less expensive, quicker and simpler for respondents to complete, and simpler to administer and evaluate. They also ensure the secrecy of respondents, enabling them to react without inhibition or bias. Secondary information was gathered from the audit reports for the 24 public technical institutes in Western Kenya for the fiscal year 2020–2021 on the Office of the Auditor General's website.

Data Collection Procedure

The researcher first trained his research assistants on how data was to be collected. Research assistants administered the questionnaires to the respondents physically. The respondents were given time period of two weeks to answer questionnaires after which they will be collected.

Pilot Test

The pilot study was conducted at The Kisumu and Kitale National Polytechnics. Since numerous instances of the misappropriation of public funds have been shown in the audited financial records, these institutions were the most appropriate. The Kisumu National Polytechnic could not explain availability of the inventory costing Ksh. 2.8 million. The institution was also unable to account for issued Imprest amounting to Ksh.31.9 million. On top of this also the institution could not explain Ksh. 6.7 million used as part of their expenses.

The questionnaires were distributed to the 2 Principals, 2 BOG Chairpersons, 2 Audit Committee Chairpersons, 10 internal auditors and 10 Finance officers. This was equal to 13%, which was excellent because an overall sum of more than 10% of the anticipated sample size is regarded as satisfactory (Cooper & Schndler, 2011).

Reliability Research Instruments

A research tool is said to be reliable to the extent that it accurately represents the entire group being examined and consistently generates results or data after repeated trials. According to Kothari (2014), reliability will show to what extent the data collected yields reliable conclusions. Reliability was evaluated using Cronbach's alpha, a scale with values ranging from 0 to 1. While numbers below 0.70 are considered to have low reliability and are consequently unsatisfactory, values between 0.7 and 1.00 indicate excellent dependability and are thus acceptable (Fraenkel & Wallen, 2000).

Table 3: Cronbach's Alpha Reliability

Construct	Number of Items	Cronbach alpha	Conclusion
Internal Audit Independence	10	0.814	Reliable

Table 3 the Cronbach's alpha values is 0.814 which depicts that the construct variable is reliable because it ranges between 0.7 and 1.00.

Validity of Research Instruments

According to Kothari (2014), a test measure's validity is an evaluation of how effectively it claims to measure what it is intended to measure. Validity was examined using expert analysis and factor analysis. Experts, including managers and other accounting specialists, were given questionnaires. They appropriately rearranged all of the questions that were irrelevant, insulting, perplexing, or unpleasant. Factor Analysis evaluate construct validity of the questionnaire in order to show features being examined by a tool that was used to gather data adequately and effectively cover what is intended. Validity was assessed by dimension reduction of the observed variables.KMO and Bartlett's tests were used in this study to analyze the efficacy of data sampling and determine whether it was appropriate for factor analysis.

Table 4: KMO and Bartlett's test

	Items retained	AVE	KMO	Bartlett's test		
				χ^2	df	p-value
Internal audit independence	10	0.531	0.762	547.127	45	0.000

For factor analysis, a KMO value larger than 0.5 is considered adequate. The KMO value in Table 4 is 0.762, which is higher than 0.5, indicating that the study data was appropriate for factor analysis. Factor analysis is also appropriate for Bartlett's test values less than 0.05. Since Bartlett's value of 0.000 was less than 0.05, factor analysis was appropriate.

Data Processing, Analysis and Presentation

Before being exported to the Statistical Package for Social Sciences (SPSS) for data analysis, the acquired data was cleaned, sorted, and coded. Data analysis employed both descriptive and inferential statistics. Inferential statistics included correlational and multiple linear regression, while descriptive statistics included mean, standard deviation, and variance. Tables were used to present the data. The multiple linear regression model was as shown below;

$Y=ß_0+ß_1IAI+\varepsilon$………………………………………………………………………….(3.3)

Where:

Y-Financial Accountability

$ß_0$- constant

$ß_{1,}$- Regression coefficient

IAI- Internal audit independence

ε -The error term

Demographic information

Number of years served in the organization

In most technical institutions most of the employees at 69.8% had worked for more than three years. This implies that the employees have relevant skills and knowledge concerning the technical institutions. Therefore, the responses obtained are reliable and objective enough to draw a valid conclusions.

Table 5: Number of years served in the organization

		Frequency	Percent	Cumulative Percent
Valid	Below 1 year	23	12.6	12.6
	1-2 years	32	17.6	30.2
	3-5 years	56	30.8	61.0
	Above 6 years	46	25.3	86.3
	5	25	13.7	100.0
	Total	182	100.0	

Level of Education

Majority of the employees at 62.1% in technical institutions had bachelors, masters and PhD degree. This depicts that most of the employees have the relevant academic qualifications required by the organization. Therefore the employees were able to give true and verifiable information concerning the technical institutions.

Table 6: Level of education

	Frequency	Percent	Cumulative Percent

Valid	PhD	8	4.4	4.4
	Masters	24	13.2	17.6
	Bachelors	81	44.5	62.1
	Diploma	49	26.9	89.0
	Certificate	20	11.0	100.0
	Total	182	100.0	

Professional qualification with accounting knowledge

In many technical institutions, majority of the respondents at 77.5% had done professional courses hence they had adequate knowledge and skills in accounting areas. Therefore, the respondents were able to perform their duties effectively with due diligence.

Table 7: Professional qualification with accounting knowledge

		Frequency	Percent	Cumulative Percent
Valid	CPA	71	39.0	39.0
	ATD	34	18.7	57.7
	CAMS	36	19.8	77.5
	No professional qualification	41	22.5	100.0
	Total	182	100.0	

Descriptive Statistics

The study objective was to establish the effect of internal audit independence on financial accountability of public technical and vocational institutions of western Kenya. The results were presented in Table 8. It was found that the management of technical institutions interferes with internal auditors duties, the duties of internal auditors were threatened by the management, the threats from institution management affected financial accountability negatively, internal auditors findings are not reported directly to the audit committee, internal auditors had a conflict of interest, internal auditors conflict of interest affects financial accountability, the internal audit functio was hindered access to audit information. Unhindered access to audit information improves financial accountability, there is lack of integrity among internal auditors and internal auditors' integrity improves financial accountability.

Table 8: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Internal auditors' tasks are not interfered with by the institution's administration.	182	1	5	3.56	1.372
Staff members of internal audit perform their tasks impartially and unaffected by management	182	1	5	3.53	1.463
Financial accountability is significantly impacted by management's threats to internal audit staff.	182	1	5	2.24	1.106
The audit committee is the immediate recipient of the efforts and findings of internal auditors.	182	1	5	3.35	1.381
No conflict of interest arises while internal auditors are performing their duties.	182	1	5	3.35	1.456
Financial accountability is impacted by internal audit staff conflicts of interest.	182	1	5	2.52	1.247
Access to audit evidence is unrestricted for the internal audit function.	182	1	5	2.54	1.303
Access to audit evidence improves financial accountability of the institution	182	1	5	2.88	1.365
Internal auditors possess the integrity needed to perform their jobs.	182	1	5	3.52	1.353
Financial accountability is positively impacted by the internal audit team's integrity.	182	1	5	2.66	1.466

Inferential Statistics

Correlation Analysis

The strength and direction of the relationship between financial accountability and internal audit independence in technical institutions in Western Kenya were determined using a Pearson product-moment correlation analysis. The coefficient correlation values are between -1 and 1 (Schober, Boer, & Schwarte, 2018). The correlation coefficient was tested at a significance level of 5%, with a p value of 0.05 serving as the cut-off for rejection. Values above 0.05 were regarded as non-significant, whereas those below 0.05 were considered to be significant. Independent internal audits and financial accountability have a 0.71 association coefficient. Accordingly, internal audit independence and financial responsibility are said to have a strong, positive correlation.

Table 9: Correlation Analysis

	IAI
Y^0	0.711* (0.01)

Model Summary*[b]*

The model summary demonstrates how closely technical institutions' internal audit independence and financial responsibility are related. The multiple correlation coefficient R illustrates how closely internal audit independence and financial responsibility are related. r^2 is the coefficient of determination indicating the variation of financial accountability caused by internal audit independence.

Table 10: Model Summaryb

Model	R	**r^2**	Adjusted **r^2**	Std. Error of the Estimate
1	.781[a]	.610	.596	.199

Table 10 demonstrates that an r2 of 0.610 indicates that variations in internal audit independence were responsible for 61.0% of the difference in financial accountability. Other factors outside the scope of the regression model are responsible for the remaining 39.0%.

ANOVA[a]

This helps to show the relationship existing between internal audit independence and financial accountability.

Table 11: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	0.371	1	0.371	4.153	.007[b]
	Residual	16.08	180	0.089		
	Total	16.45	181			

The relationship between internal audit independence and financial accountability is evident in Table 11. This is supported by an F critical of 4.153 that is more than F tabulated of 3.89. This is also supported by a p value of 0.07 that is less than 0.05.

Regression Coefficients Analysis

Table 12 shows the results of the regression coefficient. The constant value of 3.22 depicts that when internal auditors in the technical institutions have not adhered to internal audit independence, the level of financial accountability measured in terms of supported expenditure over total expenditure stands at 3.22. The constant value is significant since the p value of 0.01 is less than 0.05.

Table 12: Regression Coefficients Analysis

Model		Un-standardized Coefficients		T	Sig.
		B	Std. Error		
	(Constant)	3.22	.845	3.81	.001
	IAI	.131	.062	2.109	.031

The results from Table were used to estimate the following regression equation

Y= 3.22+0.131 IAI

From the results in Table 12, the regression coefficients of internal audit independence had a coefficient regression of 0.131 with a p value of 0.031. The p value was smaller than the significance value of 0.05. This shows that there is significant relationship between internal audit independence and financial accountability. The significance is also supported with the t critical of 2.109 that was greater than a t tabulated value of 1.972. Therefore, the null hypothesis that there is no significant relationship between internal audit independence and financial accountability in technical institutions was rejected. This implies that a unit increase in the adherence to internal audit independence improves financial accountability by increasing the amount of supported expenditure by 0.131 units.

The results were in agreement with findings from the descriptive statistics that showed that unhindered access to audit information and the integrity of internal auditors improves financial accountability.

The study results were also similar to the results of the study conducted by Ainomugusha, (2019)and Ojili, Ouma and Atieno, (2022) who established that internal audit independence positively and significantly influence financial accountability.

IV. Conclusions

The inferential statistics depicts that internal audit independence improves financial accountability through unhindered access to audit information and integrity of internal auditors. From the inferential statistics, internal audit had a regression coefficient of 0.131 with a p value of 0.031. This shows that there is a positive significant relationship between internal audit independence and financial accountability in technical institutions of western Kenya. Therefore, it is concluded that financial accountability of technical and vocational training institutions of western Kenya are significantly affected by internal audit independence.

V. Recommendations

According to the descriptive data, technical institution management obstructs internal auditors' ability to do their jobs. Therefore, it is advised that management allow the auditors to carry out their jobs independently. This will make it easier for the auditors to provide the management with unbiased, independent reports.

It was found that most of the internal auditors in many technical institutions were hindered from accessing relevant audit information. It is therefore recommended that internal auditors should be allowed to access all relevant information and explanations that will help them make an objective report.

It was established that most of the internal auditors lacked integrity when performing their duties. It is recommended that institutions should train internal auditors on matters integrity. This will help auditors to give true and fair view of the institution financial status.

Areas for Further Studies

i. Future researchers may focus on how internal audit independence affects the financial accountability of other sectors not within the education sector.
ii. Future researchers may also focus on other elements affecting internal audit like internal audit competence and compliance with audit standards.
iii. A research may be carried on internal audit risk management practices and survival of public entities.

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