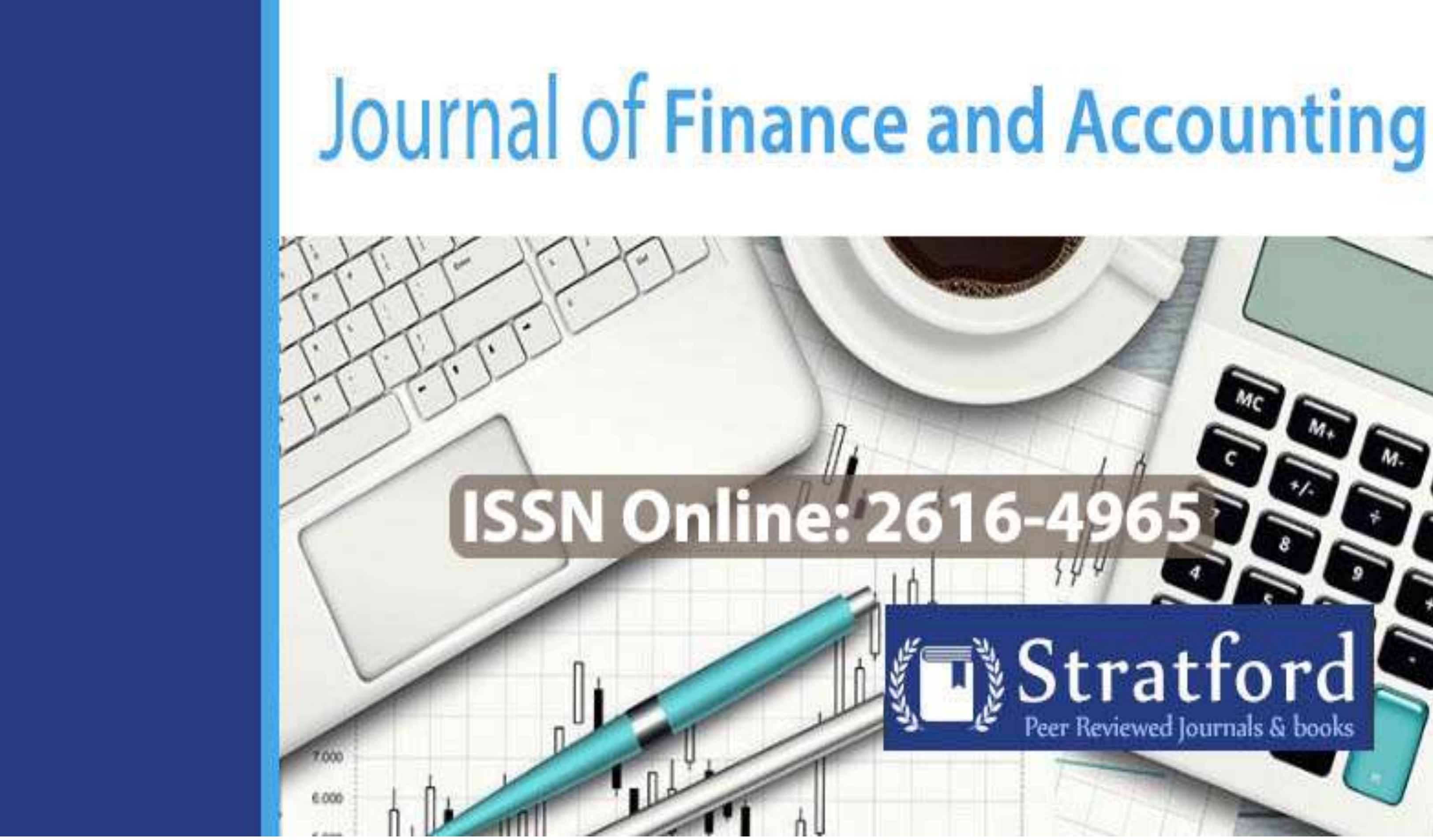

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Determinants of Effective External Audits for Independent Constitutional Commissions: A Case of Teacher's Service Commission, Kenya

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Abstract

Effective external auditing enables institutions to meet their financial obligations by instituting effective controls and risk management mechanism to obtain good governance. The current study established the determinants of effective external audits for independent commissions in Kenya: a case of Teachers Service Commission (TSC). The study was premised on three objectives; to determine the influence of audit technical competency, audits independence, and audit duration on effective external audits at TSC. The study adopted a descriptive research design. The study targeted all staff in the finance related departments at the Headquarter, Upper Hill-Nairobi totaling to 299. Questionnaire was distributed through purposive sampling method. The study used descriptive statistics and multiple regression analysis. Multicollinearity and heteroscedasticity were used to test the model's reliability. The study established that technical competence, audit independence, audit duration, and ethical practices had positive relationship with effective external audits. The study concluded that external auditors adhered to quality standards, exercised good forensic skills, and provided reliable and verifiable reports. The study concluded that TSC ensured that auditors have free and unrestricted access to all financial operations and to the relevant staff at TSC. It concluded that auditors with longer duration possessed adequate experience with TSC systems. The study concluded that external auditors continuously complied with reporting procedures, made professional disclosures of auditing reports, upheld fair, and truthful representation of financial issues. The study recommends that the line Ministry should procure modern ICT external audit tools (software) that can promote efficient and faster audit service delivery including offering adequate compliance with expenditure management, fraud prevention, and detection measures. The study recommends that the commission should create conducive environment so that auditors can adequately plan their activities using auditing guidelines to ensure impartial reporting exercise free from conflict of interests.

Keywords: *Effective External Audits, Technical Competency, Audits Independence, Audit Duration, and Ethical Practices.*

1.1 Introduction

Effective external audits can be defined as the extent to which an audit office meets its purposes and objectives or the "the number and scope of deficiencies corrected following the auditing process" (Chuang, Oliva, & Liu, 2016). The overall design of the external audit functions should be geared towards the specific objectives and priorities of every country (Al-Thuneibat, Al Issa, & Baker, 2017). Therefore, in areas where the main concerns are governance, then the function of external audits should be focused on ensuring financial regulations and laws compliance (Appelbaum & Nehmer, 2017).

According to Burt (2016), external auditing thus enables institutions to meet their financial operational objectives through dedicated and well-thought-out mechanisms to evaluate and enhance on how to institute effective controls, manage risk, and improve good governance. Therefore, the external audits' broad view places it more centrally as an integral element of public expenditure management that also entails financial information communication processes and management controls among public institutions (Baharud-din, Shokiyah, & Ibrahim, 2016).

Essentially, external auditors help in safeguarding institutions resources and are required to give a seamless account of how resources have been utilized and incessant assessment on whether the feedback provided meets public expectations and objectives (Kamere, 2016) and whether these are well balanced to reduce the financial management risks inherent in the principal-agent relationship (Kassem & Higson, 2016). Through auditing principles, the external audits can provide responses as to whether the agents have utilized the resources as expected and intended by the set rules (Maroun, 2019). Thus, independence of auditing team is promoted through established financial reporting structure by institutions and should be clear to all parties focusing on obtaining an appropriate mind-set (Abayadeera & Watty, 2017).

In a rejoinder, Manita, Elommal, Baudier and Hikkerova (2020), opines that effective external audit system assist in achieving profitability, performance, and prevents funds loss, especially in public sectors despite that Agyei-Mensah (2019) corroborate that effectiveness of external audit in the context of the public sector is more complex than in the private sector. Therefore, the effectiveness of external audit procedures in practice are important because external auditors cover a wide variety of assignments relating to accounting areas to improve overall financial performance.

The TSC is one of the 17 independent constitutional commissions in Kenya. TSC boasts of the highest number of stakeholders in comparison to other independently run institutions in the country

(Kitata, 2016). TSC has myriad functions ranging from registration of trained teachers, recruitment and employment of registered teachers, the commission is also tasked with assigning teachers for services in any public institution in the country as well as promoting teachers and transferring them to new stations. More functions of the TSC revolves around exercise of disciplinary control over teachers, dismissal or termination of teachers from employment, review of education and training standards of persons being absorbed in the teaching service, among other functions. As part of professional conduct that entails ethical financial reporting, all TSC employees are required to apply knowledge, skills, competencies, honesty, work commitment, and high moral and ethical standards that meet work requirements standards. This is in line with the tenets of Chapter 6 of the 2010 Constitution, and the teachers' Code of Conduct and Ethics.

1.2 Statement of the Problem

In Kenya, there are reports of corrupt, errors, and fraudulent practices as provide by the then Auditor General Edward Ouko who indicated that out of 107 financial reports for the fiscal year ended 30th June 2018, 50 had a qualified opinion, 31 had an unqualified opinion, 16 had an adverse opinion while 10 had a disclaimer of opinion (Auditor General, 2018). The report, therefore, indicates that financial resources' management in the public sector has not met threshold hence not effective and efficient (Onyulo, 2017). TSC being a government independent institution is not an exception from auditing concerns.

Further, insufficient external auditing procedures among independently run institutions in Kenya have increasingly become a major concern hence an indication of ineffective external audits (Ambiyo, 2020). A study by Mugwe (2018) was on the role of external auditors in promoting good corporate governance in State Owned Enterprises (SOEs') and found that lack of independence of audit team, inadequate technical competency, audit team tenure, and inexperience negatively influenced external audits' effectiveness. Nevertheless, the study was on all SOEs hence a contextual knowledge gap. Mugo and Makori (2018) established that understaffing of external auditing departments and inadequate training affects effectiveness of auditing team. However, the study was generalized to all public institutions while the present is limited to TSC.

Moreover, Omondi (2017) found that size of auditing team, knowledge and skills, and remunerations affected audit quality in the banking sector. The study majored on banking sector hence findings may not be used to inform the TSC situation. Meanwhile, a study by Munene, Njangiru, and Ngungu (2016) found that runaway corruption, unlawful tendering and procurements contributed to mismanagement of funds in public institutions. A survey by ICPAK (2016) as reported by Musera (2017) only dwelt on effectiveness of internal audit committees in the public sector but not on effectiveness of external auditing hence a research gap. Based on the above studies, it is clear that research on determinants of effective external audits in independent commissions such as TSC remain scanty. Therefore, the study sought to fill the existing research gap by assessing the determinants of effectiveness of external audits in independent commissions with specific attention to TSC.

1.3 Specific Objectives

i. To determine the influence of audit team technical competency on the effective external audits at TSC.
ii. To establish the influence of audit team's independence on the effective external audits at

TSC.

iii. To assess the influence of audit team duration on the effective external audits at TSC.

iv. To explore the influence of ethical practices on the effective external auditing team at TSC?

1.4 The Conceptual Framework

A conceptual framework can be defined as a diagrammatical arrangement of variables indicating the relationship between independent and dependent variables. The variables are presented in Figure 1.

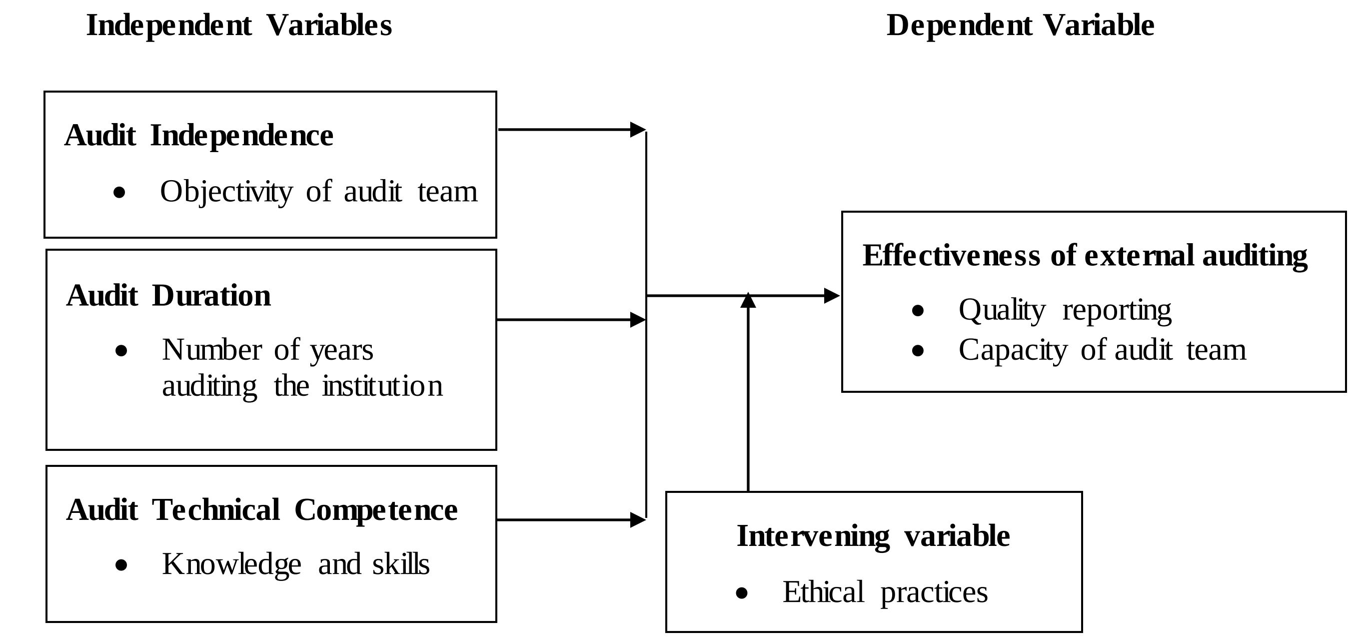

Figure 1: The Conceptual Framework

Source: (Kiogora, 2021)

2.1 Theoretical Review

2.1.1 Contingency Theory in Auditing

It was put forth by Austrian psychologist Fred Edward Fiedler in 1964. In particular, the theory argues that audit functions are task-oriented and can be loosely structured. The functions also can vary considerably, depending on the area of a company under audit and the type of business model, so auditors must carefully manage their inspections and take variables into account to get the job done. The contingency theory is relevant to the current study because it can be applied to an audit team's structure (Hayes, 1977). Typically, audit team managers who are tasked with auditing receive audit projects. They then create ad hoc audit teams for the projects, selecting auditors based on expertise and experience in the subject areas, and on auditor availability, all of which add up to contingencies for any given audit project.

Its criticism is that, the theory is static and has failed to deal with organizational adaptation and change. The theory basically can be considered as being an equilibrium theory, in that, firms are depicted as attaining fit and then being in equilibrium and so remaining static. However, as organization moves between fit and misfit so it has resultant higher and lower performance, respectively. Again, it is not sensible for firms to move into a fit with their contingencies, because while the organization is changing its structure to fit the auditing contingencies, the contingencies themselves change so that the organizational structural change does not produce fit.

2.1.2 Theory of Financial Accounting

The theory was authored by William R. Scott in 1977. The underlying purpose of the theory is that financial accounting information, in the form of financial statements, should provide information that is useful for making business and economic decisions. According to Ferri (2017), because the purpose of financial accounting is related to making business and economic decisions, financial accounting is more of an externally focused process than many business owners realize. The external purposes include subjecting financial reports to external auditors.

The theory is relevant to the current study because it provides for thresholds need to be met to ascertain effectiveness of external auditing as provided by GAAP. To obtain effective external audits, the auditing should have adequate accounting knowledge to promote competency. Further, the auditing team should function independently and should have adequate experience and expertise to positively contribute towards provision of quality accounting reports. The theory of financial accounting is also not without weaknesses. First the theory fails to offer ways of promoting accounting practices because it ignores several accounting obstacles. It is also not value oriented because it assumes that every action by an accountant is as a result of self-interest.

2.2 Empirical Review

2.2.1 Effective External Audits

A research was done by Yee, Sujan, James, and Leung (2017) on the perception of Singaporean audit customers regarding the role and effectiveness of the audit. The study adopted a descriptive and structured questionnaire. By use of correlation analysis, the study found that an internal audit was more effective when on the level of audit independence and tenure of service were higher. The study found that effectiveness of audit can be determined by audit independence, size, tenure, knowledge and frequency of meetings. However, audit tenure and knowledge had negative relationship with effectiveness while independence had positive relationship with audit effectiveness. Further, the study majorly focused on internal auditors while the current study focused on external auditors to bridge the gap.

Another study by James and Izien (2018) examined the impact of audit firms' characteristics on audit quality in Turkey. Questionnaire was used to collect data. The study established that there was a positive relationship between audit firm size, board independence, and audit quality. However, a negative relationship existed between independence, audit firm size, audit tenure, ethical practices, and quality. However, the study was done in developed economies hence the findings cannot be used to indicate the current external audit effectiveness in the country.

Another study by Krishnan and Visvanathan (2019) looked at the role of external auditors in quality audit reporting in Switzerland. The variables used were audit committees, audit size, frequent meeting, and audit expertise. The study found that frequent meetings and audit independence had positive relationship with quality audit reporting while and expertise in accounting had insignificant relationship with audit quality. However, audit size had negative

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relationship with quality audit reporting. However, the current study used descriptive statistics, regression model together with diagnostic tests to determine the reliability of the model.

In another research, Oluoch and Nasieku (2018) focused on the relationship between firm auditing quality characteristics and the performance of Kenyan state corporations. The research sampled 10% of the 133 parastatals audited by KENAO that resulted to a sample size of 13 corporations. The study collected primary data using structured questionnaire. By utilization of multiple regression analysis, the study found that without effective auditing committees, the firm were experiencing losses. On the contrary, increase of auditing practices such as frequent meetings, and independence, tenure, knowledge resulted to audit quality that that consequently improved the performance of the studied firms. However, the study only focused on firm auditing quality and the performance of state cooperation while the current study dwelt on effective external audits at TSC.

Further, Mokono and Nasieku (2018) evaluated the factors affecting auditors ‘performance in public universities in Kenya. The study used variables such as working environment, challenges to the independence of auditors, and technical competency as independent variables. Data was collected using questionnaire. The study applied descriptive research design and the target population were the chief auditors from 31 chartered public universities. It was found that auditors work environment, technical competence had significant positive impact with the performance of auditors in the public universities while independence had negative influence. However, the study relied on factors affecting audit performance whereas the current study relied on determinants of effective external audits with specific attention to TSC.

2.2.2 Audit Team Technical Competency and Effective External Audits

Arena and Azzone (2019) examined the audit effectiveness’ drivers among 153 Italian companies. The employed used quantitative research design and collected data using questionnaire. The study used simple random sampling technique. The study found that characteristics of audit team such as accounting knowledge, skills, and educational levels influenced the effectiveness of the auditing committee. It was also found that external auditors in some government led institutions gave inconsistent reports. The study was done in Italy hence due to contextual variations, the findings may not be used to infer Kenyan’s effective external audits hence the need for the current study.

Another study was done by Lenz, Sarens, and Hoos (2017) on the relationships between chief audit executives and senior management competence and the effectiveness of internal auditors in USA. Data was collected from secondary sources and multiple study reviews. The study found the effectiveness of internal auditing depended on personal factors such as audit technical knowledge and skills. Further, it was established that professional auditors usually provided auditing reports that were free from mistakes and this indicated high competency levels. The research employed a case study research design that uses qualitative data, the current study used quantitative research design that utilized quantitative data that was gathered using questionnaire.

Moreover, Ahmed (2016) examined the link between accounting competency and performance of auditors in Ghana. The sample size was the senior audit managers across 22 public secondary schools. The study used interview schedules and observation manual. Mixed research design was employed. The study found that auditors training improved their competency and consequently performance of the institutions hence had a positive relationship. However, one aspect of accounting competency was detection of mismatch that was established to have affected the financial operations of some organizations. The study, however, used performance as dependent variable while the current study used effective external audits as dependent variable.

In Kenya, Limisi, McFie, and Wang'ombe (2017) studied the optimal accounting competency measures for minimizing the tax audit expectation gap in Kenya. The research used a literature-based study review. Using critical analysis, the study found that audit expectation gap within the country was majorly influenced by the auditors' technical capabilities and understanding of audit statements by the users. However, the study was limited to tax audits hence did not consider the factors determining effective external audits at TSC. Owino (2017) studied drivers of audit report lag in Kenya. He focused on companies listed at the NSE. The study used descriptive research design and examined the company-specific factors, and audit-specific factors. The study used a two least square regression (2LS) method and found that audit-specific characteristics such as competence and financial literacy of auditors had positive influence on the audit report lag in listed firms. However, the study focused on listed firms, whereas the current study was limited to TSC.

2.2.3 Audit Team's Independence and Effective External Audits

A study by Sharma and Iselin (2017) was on the effects of independent audit committee on auditor independence financial restatements among registered 23 service organizations in France. Specifically, the study used expertise of audit committee, the knowledge, diligence, the reputation of the team, and the fee paid to independent audit as independent variables. The study found that financial restatements were positively related to independence of audit committee. However, the study used secondary data while the current study used primary data that boasts of firsthand provision of data. Muhamad Sori, Mohd, and Mohamad (2017) focused on establishing relationship between auditor's independence and audit quality reporting. The study looked at composition of audit team such as independent and non-executive directors. The sample size was 23 public institutions in Egypt. It found that providing external auditors with unlimited access to financial records promotes quality auditing. The study solely focused public institutions in Egypt while the current study will focus on TSC an independent public institution in Kenya.

Again, a study was done by Tahinakis and Nicolaou (2016) on the relationship between audit independence and effectiveness of auditing in Japan. The study found that most firms were composed of qualified, independent audit team who provided quality financial reporting. A positive relationship was thus found between audit independence and effective auditing. Despite that the study was related to the current study, it was however, done many years back hence it may be difficult to generalize the current situation in Kenya. Further, Ye, Carson, and Simnett (2016) focused in determining the relationship between auditor independence and non-audit services, audit firm tenure, audit partner tenure. The study established that lengthy auditor-client relationship had adverse effect on auditor independence. However, the study focused on internal auditors of companies while the current study focusses on external auditors and how their independence relates with effectiveness of external audits.

In Nigeria, Amake and Okafor (2017) examined the relationship between auditor's independence, auditor's tenure, and audit firm size among mineral companies. The study found that audit firm size had a positive correlation with audit independence but not significantly related. Further, auditors' tenure was also found to have a positive correlation but insignificant relationship with auditors' independence. The study tested audit independence against tenure and audit size.

However, the current study focusses on establishing the relationship between external audit independence and effective external audits at TSC. Omondi (2017) did a study on the determinants of auditors' independence in Kenya. Ordinal regression analysis was used. The study found a positive relationship between audit independence and quality of auditing. Again, audit firm size, objectivity, and audit tenure had a strong significant relationship with audit independence. The objectivity of audit report was found to be integral in determining independence of audit team. However, the study used general factors such as economic, regulatory, and firm factors and how they influenced auditors' independence. The current study, however, uses audit independence as an operational variable that informs effective audit independence.

2.2.4 Audit Team Duration and Effective External Audits

Ouyang and Wan (2016) did a study based on the effect of auditing team duration on effectiveness of audit committees among agricultural firms listed at the New York Securities Exchange (NYSE). The study found that firms with lengthy audit duration, were likely to backdate. It was also found that auditor's duration had positive relationship with the size of the audit firm because large audit firms managed to undertake large audits effectively. The research was done in a developed economy, USA thus calling for such studies in least developing economies like Kenya. In yet another study by Chia-Ah and Karlsson (2020), the authors examined whether extended audit duration can affect auditor effectiveness in audit reporting. The design used was quantitative research design. The results did not show any strong relationship between audit duration and effectiveness in audit reporting. The study was based in Sweden, a developed nation with stronger regulations than developing economies such as Kenya. Such economic variation calls for a study of this magnitude.

Further, Eyenubo, Mohammed, and Ali (2017) conducted a study on the audit committee's effectiveness of financial reporting quality in listed companies in the Nigeria Stock Exchange. The results of the study showed that audit duration and the size were key determinants of the effective audit reporting. Further, it was determined that audit duration should not be overstretched because it can have negative effect on the reports provided by auditors. The study, however, did not examine the relationship between the audit duration and effective external audits hence the need for the present study.

Okolie (2018) examined the relationship and effects of auditors' duration on auditor independence in public companies in Nigeria. The study revealed that audit duration had adverse effect on auditor independence among public companies in Nigeria. Again, it found that introduction of semi-annual auditing was more effective than the annually organized auditing because mismatches detected are corrected in real time. However, the research utilized secondary data to test the association between audit tenure and auditor independence. Nevertheless, the current study used primary data that was collected by questionnaire. The study also used audit independence as dependent variable wherein the current study used it as independent variable together with audit tenure.

2.2.5 Ethical Practices and Effective External Audits

A study by Bhasin (2017) found that upholding ethical behavior during auditing helps in maintaining independence during reporting and also improve reliability of the audit reports. Simply put, an auditor who acts independently behave morally and his or her mind will not be manipulated or infiltrated by 'external forces' to provide incorrect auditing reports. Again, it was found that auditors who demonstrate deeper understanding of a firm's operations are likely to offer effective audit reports. Further, the study established that ethical conduct requires that auditors conform to the rules and regulation governing auditing. These rules and regulation consist of both local and international norms that all auditors should conform to so as to provide standard audit reports. Basically, adhering to audit principle of conduct ensures that individuals such as auditing team embraces integrity, competence (skills, knowledge, and expertise), objectivity, confidentiality, as well as professional behavior so as deliver reliable, valid and implementable reports.

Lastly, another study was done by Arena and Azzone (2019) who found that some of the positive traits include; transparent, trustworthy, fair, and moral reporting of audit findings. Therefore, such traits enhance audit quality and improves an organization's financial performance. The researchers also indicated that embracing ethical values as a practices results to quality audit reports.

3.0 Research Methodology

The current study adopted a descriptive research design that helped in establishing the when, who, where, what, and how about a phenomenon (Cooper & Schindler, 2016). The design was relevant to the study because it helped in determining and reporting the way issues are by providing description of such things as possible attitudes and characteristics on the determinants of effective external audits for independent commissions in Kenya (TSC). The study targeted all the 299 staff of TSC in the finance related departments at the Headquarter, Upper Hill-Nairobi. Based on the above justification, the study sampled 20% of the target population from every department. The study then used purposive sampling method to select the respondents form each department. The study used purposive sampling technique because it was cost effective and also saved time. Therefore, 20% of the target population for all the departments was 60 respondents. The current research used structured questionnaire because it allowed the researcher to collect huge data in the shortest time possible and it also saves data collection costs (Queirós, Faria & Almeida, 2017). The constructed questionnaire had five parts; part one sought personal respondents' information. The rest of the sub sections assessed how audit independence, audit duration, audit technical competence, and ethical practices influences effective external audits. The researcher cleaned, coded, and computed returned questionnaire. The collected data was analyzed using Social Packages Statistical Sciences (SPSS) version 21. For presentation of results, the study used descriptive statistics and multiple regression analysis. Diagnostic tests such as multicollinearity and heteroscedasticity were used.

The study used regression model to determine the relationship between independent and dependent variables.

The Regression model:

$$Y = \alpha_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e_i$$

Where:

Y	-	Effective external audits
α_0	-	Is the constant
X_1	-	Audit independence

X_2 - Audit duration

X_3 - Audit technical competence

X_4 - Ethical practices

$\beta_1, \beta_2, \beta_3 \& \beta_4$ - Coefficients

e_i - Is the residual error term

4.0 Findings and Discussion

4.1 Descriptive Statistics

The results for the analyzed data as per the research objectives are presented and discussed in the subsequent sections.

Table 1 show descriptive statistics results on Technical Competency.

Table 1: Influence of Technical Competency on Effective External Audits

	Strongly disagree (%)	Disagree (%)	Not sure (%)	Agree (%)	Strongly agree (%)	Mean	Std. Dev.
The auditing team adhere to quality standards during auditing	5	11	13	45	26	3.76	1.125
The audit team sent to us exercises good forensic skills during audits	5	13	5	45	32	3.84	1.175
The auditors are consistent in their work hence an indication of audit team competency	8	5	5	58	24	3.89	1.008
The report provided by the external auditors are free from errors	3	5	11	58	24	3.92	.969
The final external auditing outcomes are reliable, an indication of effective auditing	5	8	5	50	32	3.95	1.089
The external audit team sent to us sometimes detect mismatch for possible corrections	8	16	5	45	26	3.66	1.258
The reports provided by external auditors are verifiable an indication of competency	5	5	8	58	24	3.89	1.008

The results in table 1 indicate that most respondents agreed that auditing team adhere to quality standards during auditing as indicated by a mean score of 3.76. The results are in agreement with a study by Owino (2017) that found that auditing team usually upheld effective auditing and provided quality reports. It was found that respondents indicated that the audit team sent to the commission exercises good forensic skills during audits as supported by a mean score of 3.84. In agreement, Bhasin (2017) established that forensic accounts skills and knowledge were crucial in fostering the quality of the audit function within the studied organizations. Further, the respondents indicated that the auditors were consistent in their work hence an indication of audit team competency (mean score = 3.89). The results contradict a study by Arena and Azzone (2019) that found that external auditors in some government led institutions gave inconsistent reports that showed lack of competence. Again, it was revealed that the report provided by the external auditors were free from errors as shown by a mean score of 3.92. The concurs with another study by Lenz et al. (2017) who established that professional auditors usually provided auditing reports that were free from mistakes. The results show that final external auditing outcomes were reliable, an indication of effective auditing and this was supported by a mean score of 3.95. The results disagree with a study by Abayadeera and Watty (2017) that found that some auditing firms in Sri Lanka provided unreliable audit reports. Furthermore, it was revealed that the external audit team sent to the commission sometimes detect mismatch for possible corrections (mean score = 3.66). The results are in concurrence with a study by Ahmed (2016) who established that, in some cases, professional auditors do detect mismatch in the financial operations of some organizations and this requires correction to improve firm performance.

Table 2 depicts descriptive statistics results on Audit Independence

Table 2: Influence of Audit Independence on Effective External Audits

	Strongly disagree (%)	Disagree (%)	Not sure (%)	Agree (%)	Strongl y agree (%)	Mean	Std. Dev.
My institution has ensured that auditors have free and unrestricted access to all operations and financial records	8	11	5	34	42	3.92	1.282
My institution has ensured that auditors have unlimited and direct access to those charged with financials at TSC	5	11	8	42	34	3.89	1.158
The external auditors have always provided transparent disclosure of auditing reports to the institution	3	11	8	55	24	3.87	.991
The auditors sent to my institution embrace	3	3	5	34	55	4.37	.913

objectively in their work							
The commission ensures that employees' conflict of interest do not impede audit independence	3	5	50	27	16	2.53	.922

The results presented in Table 2 established that the commission ensured that auditors have free and unrestricted access to all operations and financial records as a reported by a mean score of 3.92. The results confirm the findings by Muhamad et al. (2017) who revealed that providing external auditors with unlimited access to financial records promotes quality audit reports. The study found that the institution has ensured that auditors have unlimited and direct access to those charged with financials at TSC as supported by a mean score of 3.89. In support, Tahinakis and Nicolaou (2016) indicated that allowing auditing team access to personnel charged with financial records improves quality of audit outcome. It was also found that the external auditors have always provided transparent disclosure of auditing reports to the institution as supported by a mean score of 3.87. In agreement, a research by Ye et al. (2016) showed that external auditors demonstrated exemplary performance by ensuring audit reports were open and transparent. Again, the results show that respondents strongly agreed that the auditors sent to the institution embraces objectivity in their work (mean score = 4.37). The results confirm the finding by Amake and Okafor (2017) who established that objectivity is integral in determining independence of audit team.

Descriptive statistics on Audit Team Duration are presented in Table 3.

Table 3: Influence of Audit Team Duration on Effective External Audits

	Strongly disagree (%)	Disagree (%)	Not sure (%)	Agree (%)	Strongly agree (%)	Mean	Std. Dev.
Auditors with longer duration have vast experience with organization's systems	0	5	3	42	50	4.37	.786
Auditors with longer duration get used to employees hence may be compromised	5	16	58	13	8	2.03	.915
Auditors with shorter duration provide quality auditing reports	5	8	32	39	16	3.53	1.033
Same auditing team has been sent to my commission for more than three consecutive years	18	61	11	8	3	1.16	.916
The government's annually organized	5	8	8	21	58	4.18	1.205

external auditing exercises is adequate							
Increased frequency in auditing by external auditors can promote effective auditing	5	5	58	21	11	2.26	.921

Based on the results in Table 3, most respondents strongly agreed with a mean score of 4.37 that auditors with longer duration have vast experience with organization's systems. The results contradict another study by Ouyang and Wan (2016) who observed that firms with lengthy audit duration, particularly above 10 years were likely to backdate. It was also found that respondents were not sure with a mean score of 2.03 that auditors with longer duration get used to employees hence may be compromised. However, in a study by Al-Thuneibat et al. (2017), the more an audit stays in a frim, the more he or she acquires vast knowledge in auditing the same firms hence provide quality reports as opposed the current study's findings that revealed that auditors with shorter duration provide quality auditing reports as represented by a mean score of 3.53. The results also show that respondents disagreed that same auditing team has been sent to the commission for more than three consecutive years as reported by a mean score of 1.16. In another study, Eyenubo et al. (2017) observed that audit duration should not be overstretched because it can affect the quality of reports provided. The study found that the government's annually organized external auditing exercises is adequate as supported by a mean score of 4.18. In disagreement, a study by Okolie (2018) found that introduction of semi-annual auditing was more effective than the annually organized auditing because mismatches detected are corrected in time. Further, it was revealed that respondents were not sure whether increased frequency in auditing by external auditors can promote effective auditing (mean score = 2.26). However, Okolie (2018) argues that frequency of auditing promotes effectiveness of audits.

Table 4 shows descriptive statistics results on Ethical Practices.

Table 4: Influence of Ethical Practices on Effective External Audits

	Strongly disagree (%)	Disagree (%)	Not sure (%)	Agree (%)	Strongly agree (%)	Mean	Std. Dev.
Audit team sent to my institution continuously comply with audit reporting procedures	3	5	5	32	55	4.32	.989
Based on reports provided, the auditors perform their tasks according to the international auditing standards (ISA)	3	11	8	61	18	3.82	.955
The auditing teams sent to us make professional disclosures of auditing findings	3	5	5	45	42	4.18	.955
Auditing team sent to my institution provide valid and objective auditing	3	8	5	55	29	4.00	.959
The auditing team sent to my institution upholds sound values during auditing	3	8	8	55	26	3.95	.957
Audit team sent to my institution usually comply with audit regulations governing their duties	3	3	5	32	58	4.39	.916
The auditing team embraces fair, accurate and truthful representation of the financial issues	3	5	5	34	53	4.29	.984

The results in Table 4 shows that the audit team sent to the institution continuously comply with audit reporting procedures as shown by a mean score of 4.32. In concurrence, Tahinakis and Nicolaou (2016) found that who upheld ethical practices hence complied with audit procedures. It was also established that the external auditors perform their tasks according to the international auditing standards (ISA) (mean score = 3.82). In agreement, Bhasin (2017) established that embracing both national and international audits results to effective auditing. The results show that the auditing teams sent to the commission make professional disclosures of auditing findings as reported by a mean score of 4.18. Further, it was revealed that the auditing team sent to the institution upholds sound values during auditing as shown by a mean score of 3.95. The results conform to another study by Arena and Azzone (2019) who indicated that embracing ethical values as a practices results to quality audit reports. The results indicate that the audit team sent to the institution usually comply with audit regulations governing their duties (mean score = 4.39). In agreement, a research by Kamere (2016) found that the approaches used by auditors during audits followed regulations governing audits. The results reveal that the auditing team embraces fair, accurate, and truthful representation of the financial issues as reported by a mean score of 4.29. In agreement, Arena and Azzone (2019) found that some of the positive traits include; transparent, trustworthy, fair, and moral reporting of audit findings.

The results in Table 5 represents descriptive statistics on Effectiveness of External Auditing Team.

Table 5: Effectiveness of External Auditing Team

	Strongly disagree (%)	Disagree (%)	Not sure (%)	Agree (%)	Strongly agree (%)	Mean	Std. Dev.
The external auditors upholds quality audit exercise during auditing	5	11	3	50	32	3.92	1.124
The audit team sent to us demonstrate commendable skills based on enquiries they make	3	5	3	37	53	4.32	.962
The audit team sent to us have an understanding of the institution's operations	3	5	3	34	55	4.34	.966
The audit reports are usually truthful and a fair view of the institution's financial records	5	8	8	34	45	4.05	1.161
The audit team sent to us is adequate and provide valid feedback for possible adjustments	3	5	3	45	45	4.24	.943

As shown in Table 5, it was found that external auditors uphold quality audit exercise during auditing as supported by a mean score of 3.92. In agreement, Kamere (2016) found that embracing audit quality led to effective auditing. The study also found that the auditing team sent to the institution demonstrated commendable skills based on enquiries they make as shown by a mean score of 4.32. In disagreement, Kitata (2016) established that some auditors have been found to demonstrate inadequate skills and this compromised the outcome of audit reports. The study established that the audit team sent to the commission have an understanding of the institution's operations as indicated by a mean score of 4.34. In a study by Yee et al. (2017), auditors who demonstrate deeper understanding of a firm's operations are likely to offer effective audit reports. The study also found that the audit reports were usually truthful and a fair view of the institution's financial records as indicated by a mean score of 4.05. In agreement, Arena and Azzone (2019) found that some of the positive traits include; transparent, trustworthy, fair, and moral reporting of audit findings. Essentially, the results show that the external auditing team provided effective auditing at the TSC.

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4.2 Regression Analysis Results

Table 6 show regression analysis results.

Table 6: Multiple Regression Model

Variables	Standardized Coefficients (Beta)	Std. Error	t values	P-values (Sig.)
Constant	16.400	6.045	2.713	.011
Technical competency	.106**	.112	.849	.040
Audit independence	.632*	.122	5.235	.000
Audit duration	.303**	.195	2.691	.011
Ethical practices	.157**	.149	1.235	.026

Model summary:

R 0.776

R square 0.602

ANOVA:
F statistics (sig.)
12.462 (.000^{b})

**Significant at 5%

*Significant at 1%

Dependent variable: Effectiveness of external audits

In Table 6, the study found that technical competency is positively related to effectiveness of external audits and also significant to each other at the 5% confidence level (β = 0.106, p-value = 0. 040). In support, a study by Baharud-din et al. (2016) established that there was a positive significant relationship between auditor competency and the effectiveness of the audit. The study also found that audit independence is statistically and positively related with effectiveness of external audits at the 1% confidence level (β = 0.632, p-value = 0. 000). The results resonate with the findings by Ahmed (2016) who observed that independence and effective audits had a positive relationship.

Further, audit duration was revealed to have positive with effectiveness of external audits at the 5% confidence level (β = 0.303, p-value = 0.011). The results contradict the findings by Chia-Ah and Karlsson (2020) whose study failed to show any strong relationship between audit duration and effectiveness in audit reporting. Again, the results show that ethical practices also had a positive statistical relationship with effective external audits at the 5% confidence level (β = 0.157, p-value = 0.026). The results are against another finding by James and Izien (2018) who found that a negative relationship existed between ethical practices and effective audits.

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5.0 Conclusions

It was concluded that external audit team adhere to quality standards, exercised good forensic skills, were consistent with their auditing work, and provided reliable and verifiable reports. Therefore, their technical competence helped in detecting mismatch for possible corrections. Thus, audit technical competence had a positive relationship with effective external audits at TSC.

The study concluded that the commission ensured that auditors have free and unrestricted access to all financial operations and to staff mandated with financials at TSC. Such support allowed auditors to provide objective and transparent reports. However, the respondents were not sure whether TSC ensured that staff' conflict of interest were curtailed to promote audit independence.

It concluded that auditors with longer duration possessed adequate experience with TSC systems but respondents were not sure whether their longer duration could compromise reporting. However, same auditors had not been sent to the TSC for more than three consecutive years. The regression results concluded that audit duration had positive relationship with effective external audits. Regarding ethical practice, the study concluded that external auditors continuously complied with reporting procedures, performed tasks in line with ISA, made professional disclosures of auditing reports, upheld fair, accurate, and truthful representation of financial issues. The regression results concluded that ethical practices had positive relationship with the effective external audits.

6.0 Recommendations

The study recommends that the line Ministry should procure modern ICT external audit tools (software) that can promote efficient and faster service delivery including inadequate compliance with expenditure management, fraud prevention and detection. Auditors should thus be equally trained on the usage of modern audit software to promote technical competency which will in turn enhance their effectiveness.

The study recommends that the commission should create conducive environment so that external auditors can adequately plan their activities using auditing guidelines to ensure impartial reporting exercise that is free from conflict of interests from the staff.

The commission should also ensure that the internal audit department head is fully responsible for external auditing exercises so that he/she provides the auditors with adequate authority to ensure independence of the auditing team.

The study recommends that the external audits line Ministry should ensure that audit team rotation is complied with so that no auditors goes beyond the 9-year maximum mark to minimize the chances of being compromised as a result of getting used to the institution.

Further, the study recommends that the external audit committee should carry out continuous review and assessment of the audit team's level of compliance with the procedures and policies guiding their operations. The external audit committee should also regularly evaluate and review emerging auditing reporting standards to establish their effectiveness on the external auditing function and the need to change auditing tact based on emerging standards.

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