

**AUDIT COMMITTEE CHARACTERISTICS AND PERFORMANCE OF
THE INDEPENDENT ELECTORAL AND BOUNDARIES COMMISSION,
KENYA**

**HUDSON OLOISHURO SALENOI
D53/OL/CTY/24691/2014**

**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS,
ECONOMICS AND TOURISM IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION (STRATEGIC MANAGEMENT OPTION)
OF KENYATTA UNIVERSITY**

FEBRUARY, 2024

DECLARATION

This research project is my original work and has not been presented for any academic award in any other university. No part of this research project should be reproduced without authority of the author or/and Kenyatta University.

Signed: _____

HUDSON OLOISHURO SALENOI

DATE

D53/OL/CTY/24691/2014

This research project has been submitted to the university with my approval as the university supervisor.

Signed: _____ Date_____

Dr. Samuel Maina

Department of Business Administration,

School of Business, Economics and Tourism,

Kenyatta University

DEDICATION

I dedicate my project to my spouse Janet Sompert Keshe and our children, Miguel Losim and Melisah Soila, for their love, support, and motivation.

God bless everyone.

ACKNOWLEDGEMENT

I would want to thank the All-Powerful God for giving me the chance and fortitude to continue my study. I have completed this research phase thanks to His tremendous grace. My supervisor, Dr. Maina, has been instrumental in guiding me throughout this journey, and I deeply appreciate his patience and unwavering support.

I'd also like to extend my thanks to my family for their constant support and the valuable ideas they've contributed in this process. My brothers and sisters have provided invaluable advice, and I draw inspiration from them, which has enriched my intelligence. Finally, I'm grateful to my friends who have been by my side throughout this academic adventure, offering encouragement and serving as my anchor.

TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF TABLES	viii
LIST OF FIGURES	ix
ABBREVIATIONS AND ACRONYMS	x
OPERATIONAL DEFINITION TERMS	xi
ABSTRACT	xii
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the Study	1
1.1.1 Audit Committee Characteristics	4
1.1.2 Organizational Performance	6
1.1.3 Independent Electoral and Boundaries Commission.....	7
1.2 Statement of the Problem	9
1.3 Objectives of the Study	11
1.3.1 General Objective	11
1.3.2 Specific Objectives	11
1.4 Research Questions	11
1.5 Significance of the Study.....	12
1.6 Scope of the Study	12
1.7 Limitation of the Study.....	13
1.8 Organization of the Study.....	13
CHAPTER TWO: LITERATURE REVIEW	15
2.1 Introduction	15
2.2 Theoretical Review	15
2.2.1 Agency Theory	15
2.2.2 Stewardship Theory	17
2.2.3 The Policeman Theory	21

2.3 Empirical Review	22
2.3.1 Audit Committee Qualifications and Performance	23
2.3.2 Audit Committee Size and Performance	26
2.3.3 Audit Committee Independence and Performance	28
2.3.4 Audit Committee Gender Diversity and organizational performance.....	30
2.4 Summary of Literature Reviewed and Research Gaps	33
2.5 Conceptual Framework	34
CHAPTER THREE: RESEARCH METHODOLOGY	35
3.1 Introduction	35
3.2 Research Design.....	35
3.3 Target Population	36
3.4 Sampling Procedure.....	36
3.5 Data Collection Instrument.....	37
3.6 Data Collection Procedure.....	38
3.7 Pilot Study	38
3.8 Validity and Reliability of the Research Instruments.....	38
3.8.1 Validity of the Research Instruments	38
3.8.2 Reliability of the Research Instruments	39
3.9 Data Analysis and Presentation	40
3.10 Ethical Considerations.....	41
CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSIONS.....	42
4.1 Introduction	42
4.2 Education Level of the Sampled Respondents	42
4.5 Descriptive Statistics	43
4.5.1 Effect of Audit Committee Qualifications on Performance of the IEBC.....	43
4.5.2 Effect of Audit Committee Size on Performance of the IEBC	45
4.5.3 Effect of Audit Committee Independence on Performance of the IEBC	46
4.5.4 Effect of Audit Committee Gender Diversity on Performance of the IEBC....	49
4.6 Inferential Statistics	51
4.6.1 Regression Analysis	51
4.6.2 ANOVA.....	52

4.6.3 Coefficients.....	52
CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS	55
5.1 Introduction	55
5.2 Summary of Findings	55
5.3 Conclusions of the Study	56
5.4 Recommendations of the Study.....	57
5.5 Suggestions for Further Research.....	59
REFERENCES	60
APPENDICES.....	80
Appendix I: Introductory Letter	80
Appendix II: Research Questionnaire	81
Appendix III: Kenyatta University Graduate School Letter of Approval	84
Appendix IV: Kenyatta University Graduate School Letter of Approval	85
Appendix V: NACOSTI Research Permit.....	86

LIST OF TABLES

Table 2.1: Research Gaps	33
Table 3.1: Target Population	36
Table 3.2: Sample Size	37
Table 4.1: Education Level.....	42
Table 4.2: Audit Committee Qualifications	43
Table 4.3: Audit Committee Size	45
Table 4.4: Audit Committee Independence.....	47
Table 4.5: Audit Committee Gender Diversity	49
Table 4.6: Model Summary	51
Table 4.7: ANOVA	52
Table 4.8: Coefficients	53

LIST OF FIGURES

Figure 2.1: Conceptual Framework	34
--	----

ABBREVIATIONS AND ACRONYMS

AC:	Audit committee
AC:	Audit Committees
ANOVA:	Analysis of Variance
CEO:	Chief Executive Officer
CMA:	Capital Market Authority
CPAs:	Certified Public Accountants
GDP:	Gross Domestic Product
GoK:	Government of Kenya
HIA:	Head of Internal Audit
IBRC:	Interim Boundaries Review Commission
ICM:	International Conference on Microelectronics
ICPAK:	Institute of Certified Public Accountants of Kenya
IEBC:	Independent Electoral and Boundaries Commission
IFRS:	International Financial Reporting Standards
IIA:	Institute of Internal Auditors
IIEC:	Interim Independent Electoral Commission of Kenya
IMF:	International Monetary Fund
IPSAS:	International Public Sector Accounting Standards
ISA:	International Standard of auditing
IT:	Information Technology
KCC:	Kenya Creameries Cooperative
KENAO:	Kenya Audit Office
KMC:	Kenya Meat Commission
NSE:	Nairobi Securities Exchange
NSSF:	National Social Security Fund
OAG:	Office of the Auditor General
ROA:	Return on Assets
ROE:	Return on Equity

OPERATIONAL DEFINITION TERMS

Audit committee characteristics: these are the distinct features, approach and ways of operation of the audit committee members in an organization. They include the diversity status, size, independence in decision making, management and operations and their service delivery.

Audit committee Independence: character of audit committees not being compromised by the management, external entities or any other forces.

Audit Committee qualifications: The level and type of knowledge, skills and professional experience of the audit committee members among the public sector entities.

Audit Committee Size: the number of members in the audit committee, their roles and responsibilities

Gender diversity: State of fair and credible gender involvement and participation in composition, management and execution of the mandate of audit committees.

Performance: refers to the practice of assessing the outcomes, development and excellence of a group.

ABSTRACT

Worldwide, the effectiveness of the government plays a significant role in fostering economic growth within a nation. This is because the government is responsible for nurturing a skilled workforce, creating a business-friendly regulatory and investment climate, and developing the necessary infrastructure for the flow of goods and information. In this context, the audit committee serves a vital function by overseeing and helping the board monitor an organization's responsibilities, making their role crucial in ensuring sound financial management. In Kenya like other developing countries, the public expectations and priorities are changing. Assessing the effectiveness and efficiency of the public sector through performance measurement has been widely acknowledged as essential. Despite a growing demand for public services, the prevailing financial limitations force numerous public organizations to accomplish their goals with fewer available resources. However, these can only be assured through effective auditing of the public sector. Recently, the government of Kenya has recommended the constitution of audit committees of all government ministries. The purpose of the research is to explore how audit committee qualities affect the Independent Electoral and Boundaries Commission (IEBC) 's performance in Kenya. The specific objectives were to determine the effect of audit committee member qualifications, size, independence and gender diversity on the performance of the independent Electoral and Boundaries Commission in Kenya. The study was anchored to the agency theory, Stewardship Theory and the policeman theory. An explanatory research design was chosen to achieve the study's objectives. The population of study was the management staff at the IEBC secretariat who total to 129. This consisted of 129 respondents. A sample of 65 respondents, constituting 50% of the target population, was randomly selected for this study. Primary data was collected utilizing self-administered semi-structured questionnaires. This analysis was helped by the employment of SPSS software. The findings were disseminated using various visual aids such as tables, charts, graphs, frequencies, and percentages. The research findings from this study offered an opportunity for individual parastatals and the public sector to assess their audit committee characteristics in comparison to other entities within the same sector in the country. This assessment enabled them to identify both the strengths and weaknesses in their audit committee practices.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Globally, the effectiveness of the public sector plays a pivotal role in driving economic growth within a country. This is because the public sector is responsible for providing a skilled workforce, creating a favorable regulatory and investment environment for businesses, and establishing the infrastructure needed for the flow of goods and information. While the public sectors of different countries are influenced by various factors, they all face common challenges, making public sector performance more intricate than that of the private sector (Raghunandan and Rama, 2017).

The primary objective of the Audit committee (AC) is to enhance the overall quality of monetary information and foster investor confidence in financial reporting and markets, as outlined in the Blue-Ribbon Committee Report from 2019. The AC achieves this goal by directly overseeing the financial reporting process and indirectly by supervising both internal and external auditing. Ultimately, the enhancement of information quality and the strengthening of controls can result in increased investor confidence in financial reporting and the effectiveness of the market, according to Bedard and Gendron (2019). When we examine the viewpoint of authors Bedard and Gendron, it becomes evident that taxpayers are the ultimate beneficiaries of improved information quality and recommendations within the public sector.

In recent times, there has been a significant surge in cases of fraudulent financial reporting, which has left stakeholders at various levels taken aback (Glover-Akpey

& Azembila, 2016). Moreover, demographic shifts have created specific requirements, with certain governments grappling with aging populations and others encountering difficulties related to underemployed, inadequately educated, or underrepresented youth. As a result, the perceived necessity for more efficient audit committees in accordance with legislative and best practice directives has expanded (Wakaba, 2014).

In Kenya, as in other developing countries, public expectations and priorities are evolving. The measurement of government performance has been widely acknowledged as a crucial factor in enhancing the efficiency and efficacy of the public sector. While demand for public services is on the rise, financial constraints mean that many public bodies must do more with fewer resources, a challenge that effective auditing of the public sector can address. The Kenyan government has recently recommended the establishment of audit committees in all government ministries, emphasizing the critical importance of audit committee characteristics in their effectiveness (Abbott, Young & Susan, 2000).

Audit is an integral component of the financial structure. Its role has evolved from primarily detecting issues to preventing problems and advocating for performance evaluation. In Kenya, with government auditors acting as principals who use these tools of accountability to hold auditee organizations accountable in the public service (Nosworthy, 1999).

Public sector auditing has been a fundamental aspect of governmental accountability in numerous nations for a considerable duration. It carries substantial democratic significance by enhancing government operations through a concentration on the cost-effectiveness, efficiency, and efficacy of governmental endeavors. With the

global introduction of public management reforms, audit institutions are now increasingly obligated to substantiate their endeavors and showcase their outcomes. As a result, the evaluation of the efficiency of national audit offices has garnered greater significance and focus (Bourn, 2020).

According to Kamau (2021), the public sector in Kenya has been marred with performance challenges as indicated by low employee productivity, less competitiveness compared to the private sector, low returns on investments and misuse of resources and corruption. Parastatals are the main agents through which ministries deliver their mandate. The national treasury allocates to each ministry and subsequent parastatals their fair share of resources which should be managed diligently and transparently to delivery services to the citizenry. The Kenya National Audit Office under the office of the Auditor General ensures that funds are well spend through an audit.

The responsibility of examining and reporting on the financial records of different businesses on a yearly basis is with the Auditor-General. These the public debt, and any entities designated by legislation or financed by public funds. Additionally, Article 229(6) of the Constitution mandates the Auditor-General to assess the lawful and efficient use of public funds.

The Kenya National Audit Office (KENAO) serves as the primary institution overseeing public expenditure in Kenya. Originally known as the Exchequer and Audit Department, it evolved into the Office of the Controller and Auditor-General. During this transition, the Office's authority expanded from auditing the Central Government, as stipulated in the Exchequer and Audit Act, to also include the audit of Local Authorities and State Corporations. The Independent Electoral and

Boundaries Commission is among the public sector organizations authorized to responsibly, openly, and responsibly employ public funds to fulfill their mission. This entity is responsible for various duties, including ongoing voter registration, conducting elections, and establishing and reviewing boundaries. The commission has both internal and external auditors. Additionally, the Auditor General's office provides oversight over its financial management and accountability.

1.1.1 Audit Committee Characteristics

International Conference on Microelectronics (ICM) (2015) defines audit committee characteristics as elements within an organization's audit committees designed to enhance their performance in areas related to accountability and corporate governance. ICPAK's 2015 survey on audit committees in Kenya emphasized the increasing demand for enhanced regulation in public financial management due to global factors like the global financial crisis, corporate scandals, globalization, and expanding financial markets. This demand arose to combat inefficiency, financial impropriety, and resource mismanagement in the public sector. Consequently, the importance of audits in improving accountability and overall public sector performance has gained recognition, leading to significant reforms and modernization efforts, especially within the Internal Audit function.

Kenya has implemented internal control measures to boost accountability in public resource management, including the reintroduction of the internal audit system in 1984 and the formation of the Office of the Controller and Auditor General in 1985. The State Corporations Act of 1986 aimed to strengthen the investigative and supervisory powers of the Inspectorate of State Corporations Advisory Committee. Despite these efforts, governance issues persisted, leading to resource losses and the

suspension of IMF financial aid in 1997, which triggered similar actions from other donors.

Over the past two decades, Kenya has pursued various reforms to enhance the Audit Function's effectiveness. The introduction of Ministerial Audit Committees began with National Treasury circulars in August 2000. However, these committees faced challenges related to independence and objectivity. In response to governance, transparency, and accountability concerns in public resource management, the government issued Treasury No. 16/2022 and No. 18/2022 in October 2022.

Kenya continues to strengthen its accountability framework by adopting internationally recognized reporting standards, including International Financial Reporting Standards (IFRS) and International Standard of auditing (ISA) in 1999 and International Public Sector Accounting Standards (IPSAS) in 2014. The country also undertook public sector restructuring, implemented performance contracting, vetted State Officers, established Independent Commissions and Offices, and carried out various reforms to bolster corporate governance.

Within the framework of this reform, Audit Committees assume a crucial function in bolstering corporate governance within the public sector via the provision of independent monitoring of governance and internal control mechanisms. The effectiveness of these committees depends on factors such as their mission, members' skills, and the organizational culture set by top leadership. The establishment of a proficient Audit Committee serves as a fundamental element in fostering a robust corporate governance framework, hence yielding significant advantages to a company. Its primary contributions lie in the improvement of auditing quality and the heightened scrutiny of the board of directors.

Evidence suggests that executive directors can exert undue influence on top management's decision-making process, potentially leading to less objective decisions. This dominance by executive directors can weaken control mechanisms within the management structure (Defond, Rebecca & Xuesong, 2022). Therefore, having non-executive directors can contribute positively to corporate governance.

Audit committee size is the number of its members. Smaller committees are associated with higher-quality monitoring and can encourage CEOs to be more disciplined, particularly in cases of poor performance. Conversely, larger committees may make individual members more susceptible to group pressure and conformity, potentially hindering the presentation of alternative viewpoints. Lastly, audit committee gender diversity relates to the presence of both male and female members on the committee.

1.1.2 Organizational Performance

The notion of performance is a frequently discussed but seldom precisely defined concept. When it comes to organizational performance, it primarily entails assessing an organization's actual achievements in relation to its intended objectives and goals (Dunjia, 1997). A proficient organization is one that is excelling, reaching its objectives, and effectively executing appropriate strategies. Numerous experts in internal auditing contend that proficient internal audit practices are closely associated with enhanced organizational performance.

Impey (2021) assert that internal audit serves as a pivotal instrument for managing and enhancing organizational performance. Fadzil (2022) underscores that internal auditors run an organization resourcefully and effectively to optimize shareholders'

anticipations. Rittenberg (2020) emphasize that the presence of an effective internal audit function is correlated with favorable firm performance. Empirical data derived from a study conducted by KPMG (2021) substantiates that internal audit assessments within a company substantially contribute to performance enhancement and facilitate the detection of indications of misconduct in corporate scandals, particularly financial malfeasance. The aforementioned study by Beasley (2000) continuously highlights a correlation between insufficient governance practices, such as a dearth of independent boards or the absence of an internal audit system, and the occurrence of issues.

In this context, internal audit functions as a vigilant guardian, averting an organization from engaging in impropriety and, thereby enabling the organization to attain its objectives. Greenlay and Foxall (2012) also acknowledge that while studies have established a correlation between accounting control systems and performance theory, these organizations can be influenced by external environmental factors.

1.1.3 Independent Electoral and Boundaries Commission

The Independent Electoral and Boundaries Commission (IEBC) was established in accordance with Article 88 of the 2021 Kenyan Constitution. It succeeded the Interim Independent Electoral Commission of Kenya (IIEC) and the Interim Boundaries Review Commission (IBRC). The IIEC came into existence through a parliamentary amendment to Section 41 of the then Kenyan Constitution in 2020. The primary mandate of the IEBC is to conduct and oversee elections and referenda for elective bodies or offices as directed by the Constitution or specified by an Act of Parliament.

Additionally, the Commission's duties are governed by various crucial legislations. These include the IEBC Act of 2021, which outlines the Commission's organizational framework; the Elections Act of 2021, which defines the legal procedures for different elective positions; The Political Parties Act of 2021 is a legislative measure that governs political parties and establishes criteria for their registration, membership, and organizational structure. Similarly, the Elections Campaign Funding Act of 2013 is a legal framework that addresses the funding of electoral campaigns.

As per Menya's findings in 2018, internal audits have revealed significant issues within the IEBC. These issues involve departures from procurement laws and the Commission's internal procedures. Such deviations encompass problems like delayed delivery of goods and missing tender documentation, which resulted in the CEO being placed on compulsory leave. The Kenya National Audit Office has also noted that, in some cases, the primary irregularities in the IEBC's operations result from non-compliance with procurement laws, rules, regulations, established procedures, and resolutions made during plenary sessions when procuring services, products, and goods.

The internal audit office of the IEBC assumes a pivotal role in the supervision of financial documentation and disclosure procedures. It also exercises oversight over the choosing of accounting policies and principles, as well as the monitoring of external auditors' hiring, performance, and independence. Additionally, the internal audit office ensures the existence of legal compliance, integrity, and informant hotlines. However, the effectiveness of the audit committee has been constrained due to the Commission's involvement in significant corruption scandals, improper

utilization of funds, and non-standard procurement processes, among other issues. This study seeks to explore the influence of the audit committee's features on the performance of the IEBC.

1.2 Statement of the Problem

Despite the enactment of laws designed to establish efficient audit committees within Kenya's public sector, complete with clearly defined roles in financial reporting and accountability, instances of failure or near-failure have occurred in various state-owned entities, including the National Social Security Fund (NSSF), the Kenya Meat Commission (KMC), and Kenya Creameries Cooperative (KCC), owing to documented by Ogoro and Simiyu (2015). De Fuentes (2017) also highlighted that the downfall of major corporations was indicative of deliberate misconduct, primarily originating from weaknesses in corporate governance, particularly within audit committees, which were found to be inadequate in safeguarding investors from losses. Some companies have gone bankrupt due to ineffective or non-existent audit committee systems.

A study on the creation and efficacy of audit committees in Kenya's public sector was carried out in 2015 by the ICPAK. Finding out whether state enterprises had followed National Treasury Circular No. 16/2022, which described the creation of audit committees, was one of the survey's goals. According to the poll, 95% of participants had set up audit committees in compliance with the circular. Furthermore, it was noted that most organizations have formed these committees within three years of the August 2022 circular's release. Particularly, previous to the circular's release, financial institutions in the strictly commercial sector had already established audit committees in accordance with the 2017 Capital Market Authority

(CMA) Guidelines. But the unanswered question is why the Auditor General still issues qualified, disclaimer, and negative judgments on state businesses' financial accounts in spite of the existence of robust legislative frameworks and fully functional audit committees.

Globally, including Kenya, the public sector has encountered numerous challenges in terms of performance when compared to the private sector, attributable to factors such as the absence of competition, bureaucratic processes, weak internal controls, the absence of active audit committees, and limited resources. The Ministry of Devolution and Planning plays a pivotal role in the government of Kenya, overseeing devolution and resource allocation. Audit committees were established to monitor resource utilization within ministries and enhance accountability (GoK, 2021).

A growing body of research suggests that the effectiveness of audit committees largely hinges on the attributes of their members (Abbott et al., 2017). Experts emphasize the importance of ensuring that audit committees comprise independent members, and that these committees convene regularly (Carcello, Hollingsworth & Neal, 2016; Abbott, Parker & Peters, 2018). While the evidence in this research area remains inconclusive, there is data suggesting that having knowledgeable individuals on both the board and audit committee can enhance a company's value (Chan and Li, 2020).

Establishing audit committees is crucial for the success of every public sector entity. Indeed, the Kenyan Government has mandated that all its ministries establish audit committees. Nevertheless, the effectiveness of these committees depends on their specific attributes.

1.3 Objectives of the Study

1.3.1 General Objective

The general research objective was to investigate the effect of audit committee characteristics on the performance of the Independent Electoral and Boundaries Commission, Kenya.

1.3.2 Specific Objectives

This study was guided by the following research objectives:

- i. To establish the effect of audit committee qualifications on performance of the IEBC, Kenya
- ii. To determine the effect of audit committee size on performance of the IEBC in Kenya.
- iii. To ascertain the effect of audit committee independence on performance of the IEBC in Kenya.
- iv. To assess the effect of audit committee gender diversity on performance of the IEBC.

1.4 Research Questions

This study sought to answer the following research questions:

- i. What is the effect of audit committee qualifications on performance of the IEBC, Kenya?
- ii. What is the effect of audit committee size on performance of the IEBC in Kenya?
- iii. What is the effect of audit committee independence on performance of the IEBC in Kenya?

- iv. What is the effect of audit committee gender diversity on performance of the IEBC?

1.5 Significance of the Study

It does so by presenting an examination of the attributes of audit committees and their impact on the performance of public sector entities in Kenya. The outcomes of this study have proven beneficial to governments in developing countries, offering insights into the establishment of effective audit committees for improved management. Additionally, state-owned enterprises can benefit from this research by learning about best practices in audit committee management, understanding the factors influencing committee composition, and comprehending their roles in enhancing the performance of these government corporations. The study's key findings also enable individual state-owned enterprises to benchmark their own audit committee characteristics against those of other organizations in the sector, identifying both strengths and areas for improvement.

1.6 Scope of the Study

This research was done amongst 8 directorates of the IEBC. The population consisted of all audit committee members of the IEBC in Kenya. The study seeks to determine the role of audit committee features on organizational performance of parastatals in the Ministry of Devolution and Planning in Kenya. The study was mainly focus on the composition, qualifications, size, independence and gender diversity of the audit committees and establish their effect on performance.

1.7 Limitation of the Study

The potential informants may exhibit reluctance in divulging information due to apprehensions over the potential misuse of the sought material, which might lead to intimidation or unfavorable representation of themselves or their respective organizations. Certain individuals may choose not to fully participate in the completion of the surveys. In order to mitigate these concerns, the research included an initial communication from the University, which explicitly assured participants that their submitted information would be handled in a secret manner and only used for academic reasons.

Furthermore, the researcher may have difficulties in acquiring data from the participants due to the nature of the information being sought, which involves subjective elements such as emotions, attitudes and perceptions that cannot be accurately measured or objectively validated. However, the researcher urged those taking part to openly provide the knowledge they had, since the study tools did not include their identities.

1.8 Organization of the Study

This study is categorized into three chapters. The research background, problem statement, objectives, hypothesis, questions, importance of the study and its design are detailed in the first chapter. The second chapter discussed the literature review including the conceptual framework, theoretical evaluation, empirical evaluation, and gaps in the literature assessed when summarizing. The third chapter of the study is the methodology, which covered data sources, study design, data collection methods, and data analysis techniques. The fourth chapter of the survey broke down

the presentation of data, analysis and discussion of the hypotheses employed in the study. The final chapter which is the fifth chapter detailed the outcomes summary, conclusion, recommendation, contribution to knowledge and suggestions for advanced studies.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter offers a comprehensive literature review focusing on the characteristics of audit committees and their impact on organizational performance. It presents a concise summary of research conducted by scholars within the same academic domain. The chapter includes a theoretical analysis, an empirical assessment, a summary of key findings, identification of research gaps, and the development of a conceptual framework.

2.2 Theoretical Review

2.2.1 Agency Theory

Agency theory is an economic theory that views the firm as a set of contracts among self-interested individuals. An agency relationship is created when a person (the principal) authorizes another person (the agent) to act on his or her behalf.

The concept of agency theory, first introduced by Jensen and Meckling in 1976, originated from their investigation into. They noticed that managers, who oversee other people's funds, do not exercise the same care and diligence as owners would with their own assets. As a result, they argued that mismanagement and excessive spending tend to prevail in such companies. They asserted that managers wouldn't naturally act in a way that maximizes shareholder returns unless proper governance mechanisms are put in place (Jensen, 1976).

Correspondingly, Navissi (2021) proposes that the capacity to efficiently oversee operations and prevent opportunistic manipulation of earnings hinges on robust

internal corporate governance mechanisms. These mechanisms involve establishing an independent audit committee responsible for overseeing managerial activities and ensuring strict adherence to. Nevertheless, the efficacy of such committee is contingent upon its makeup and the competence possessed by its members. Moreover, the study findings on the influence of variables such as professional expertise (Kibiya, Che-Ahmad & Amran, 2016), accounting competence, and the involvement of accountancy and industry specialists (Cohen *et al.*, 2014) have produced inconsistent outcomes.

Bradbury (2019) analyzed the incentives behind voluntary audit committee formation. The study revealed that agency cost variables and the size of the audit firm did not significantly correlate with the establishment of audit committees. Still, it is important to note that the voluntary establishment of audit committees is significantly influenced by the number of directors serving on the board and the level of intercorporate ownership. In a similar vein, the study conducted by Willekens *et al.* (2018) the correlation between the voluntary establishment of audit committees and a range of characteristics, using data obtained from publicly traded businesses in Belgium. The study revealed that there was a positive correlation between the presence of independent directors on the board and the size of the external audit firm with the establishment of audit committees. However, no significant relationship was seen between agency costs, board size, and the creation of audit committees.

Wright (2018), a survey was carried out to investigate the perspectives of audit committee chairmen, management, external auditors, and internal auditors with regards to agency conflicts. The results of their study revealed the existence of

agency conflicts between audit committees and management, particularly in regards to financial transparency and discretionary accounting methods. Nevertheless, it is crucial to acknowledge that there were disparities between the perspectives of audit committee chairmen and those of internal and external auditors about matters impacting accounting decisions.

The study conducted by Dinu and Nedelcu (2015) utilized agency theory as a framework to examine the relationship between transparency and the quality of monetary disclosures in firms listed in Romania. Kołodkiewicz (2014) conducted an analysis of key agency difficulties and their associated repercussions. In similar vein, the study conducted by Salehi (2013) examined the impact of agency theory on the execution of management control. This research made a valuable contribution to the existing body of literature by using agency theory as a framework to elucidate the association between audit committee features and the quality of financial reporting in non-commercial state enterprises. Audit committees serve the purpose of safeguarding the interests of shareholders and fulfilling a vital function in mitigating any agency conflicts that may emerge between shareholders and management. Agency theory posits that the attainment of high-quality financial reporting is contingent upon the timely resolution of competing interests. This crucial role may be efficiently carried out by audit committees that are well-functioning.

2.2.2 Stewardship Theory

This theory which emerged from the fields of psychology and sociology, emphasizes the crucial role played by senior management as stewards who match their objectives with those of the company. Stewardship theorists assume that given a

choice between self-serving behavior and pro-organizational behavior, a steward will place higher value on cooperation than defection. This stands in opposition to the viewpoint put forward by Argyris and Schon in 1974, known as agency theory. According to the stewardship viewpoint, stewards derive satisfaction and motivation from contributing to the success of the organization. It is rooted in a model of human behavior where stewards prioritize cooperative, pro-organizational actions over self-serving ones. This theory presupposes a strong connection between organizational success and the contentment of those in leadership roles. Consequently, stewards believe that working toward collective organizational objectives also fulfills their personal needs, as suggested by Penman in 2017.

The idea recognizes the importance of frameworks that empower individuals in positions of authority and provide them with a high level of autonomy, which is built on trust. This perspective was described by Donaldson and Davis in 1991. Executives and directors, given their roles as key decision-makers inside businesses, possess a natural inclination to strategically oversee the firm's operations in a manner that optimizes financial performance and enhances shareholder profits, therefore safeguarding their personal reputations. In the present setting, there is a prevailing consensus that the performance of a business has a direct influence on the views of its individual performance. Valentine (2019) aver that CEOs and directors engage in strategic career management to establish themselves as competent stewards of their firms.

Moreover, the theory argues that managers have aligned interests with the corporation, as the success of both entities is interconnected with the attainment of organizational goals. Additionally, their reputations are closely linked to the firm's

performance and shareholder returns, as stated by Cheng in their 2015 publication. Tricker's (1984) noted that analysis, accountability within the framework of the concept of stewardship refers to the method by which those responsible for supervising and managing the business's operations are held liable for their actions in relation to the management of corporate assets.

Currently, the IASB and FASB are jointly developing a shared conceptual framework that views financial statements as a reflection of agents' stewardship for principals. The earlier IASB Framework from 1989 defined stewardship as follows: Financial statements serve a dual purpose by not only offering valuable information for making economic choices, but also by showcasing the results of management's responsible oversight and obligation towards the resources that have been entrusted to them. Individuals who choose to assess the performance of management in terms of their responsible and transparent handling of resources do so with the intention of making informed economic choices. These choices may include deciding whether to maintain or sell their investment in the organization, or determining whether to retain or change the existing management team. This evaluation process aligns with the definition provided by the International Accounting IASB (1989).

Lennard in 2017 stressed that stewardship adds a crucial dimension to financial reporting and should be explicitly incorporated into the objectives. Furthermore, it is important to recognize that stewardship should not just function as a tool for evaluating the proficiency and ethical conduct of stewards, such as management and directors. Instead, it should be seen as a source of information that promotes productive communication between management and shareholders. In 2017, the European region placed significant emphasis on the principles of stewardship and

responsibility in the context of financial reporting, therefore shedding light on the consequential ramifications for the field of financial reporting. The author further proposed that shareholders depend on financial reporting as a means of obtaining information pertaining to management's responsible administration of the enterprise.

In 2015, Chiang, Li-Jen, and Shiao conducted a study that using stewardship theory to examine the relationship between the quality of financial reports and corporate social responsibility. In 2017, O'Connell conducted an examination of perspectives on stewardship reporting. There is a limited body of research that has used stewardship theory to examine the influence of audit committee characteristics on the quality of financial reporting. Therefore, this study aims to address this gap in theoretical research. This theory has relevance in the field of study since the audit committee plays a crucial role in overseeing the application of effective financial policies and controls. This oversight is necessary to guarantee that stewards are able to fulfill both the goals of the owners and their own stewardship ambitions. The committee should possess the necessary skills to effectively monitor and regulate management conduct, ensuring that it aligns with the objectives of the owners. Additionally, the committee should be capable of developing strategies that maximize the exploitation of assets and preventing any misreporting of financial transactions. Hence, the theory expounds upon the correlation between audit committees and the integrity of financial reporting. It posits that in cases where the audit committee is unable to adequately oversee management, personal motivations may take precedence over the interests of the organization, potentially leading to instances of deceitful financial reporting.

2.2.3 The Policeman Theory

The theoretical framework often known as the "policeman theory" posits that the audit and assurance process assumes responsibility for the detection, investigation, and prevention of fraudulent activities. The theory describes the expectations the stakeholders have of the auditors, including protection against fraud, warning of future insolvency, and general re-assurance of financial well-being. This concept was widely observed throughout the first decades of the 20th century. In recent years, there has been a notable change in focus on this method, with a key emphasis being placed on ensuring reasonable certainty and verifying the integrity and fairness of financial accounts. However, the issue of detecting fraudulent activities remains a highly debated topic when considering the obligations of auditors. Incidents of financial statement fraud, as shown by cases at Enron, often prompt a heightened need for auditors to have a broader responsibility in identifying fraudulent activities and the manipulation of financial information.

The aforementioned idea had a substantial impact on the domain of auditing until the 1940s (Wallage, 1999). Before the 1940s, there was a prevailing consensus on the principal responsibilities of an auditor, which included the verification of mathematical precision as well as the prevention and detection of fraudulent activities. Nevertheless, starting from the 1940s until the beginning of the 21st century, there was a notable change in the emphasis of auditing towards the verification of the accuracy and impartiality of financial accounts. The notion has been subject to reevaluation in light of recent occurrences of financial statement fraud.

Currently, there exists a continuing public discourse over the responsibilities of auditors in detecting and revealing instances of fraud. This discussion brings us back to the basic public views that form the basis of this theory. According to the aforementioned hypothesis, it is recommended that audit committees build procedures aimed at proactively detecting instances of fraud, similar to the proactive efforts of law enforcement officers in preventing criminal activities. Regarding the standard of financial reporting, an audit committee is seen as performing a function comparable to that of a law enforcement officer, by closely examining and detecting occurrences of fraudulent activities inside firms. As a result, it is widely considered that audit committees that exhibit characteristics such as independence, diversity, financial knowledge, and the ability to conduct high-quality meetings are more likely to successfully fulfill their responsibilities. Elder et al. (2019), a commonly adopted strategy by users to mitigate information risk and get reliable information is the establishment of an independent audit committee. As previously stated, the policeman hypothesis posits that the audit and assurance process assume the role of investigating, detecting, and mitigating fraudulent activities. Consequently, audit committees, which function as the organization's regulatory body, assume a crucial role in preserving the credibility of financial reporting.

2.3 Empirical Review

In this section of the text, an analysis is conducted on previous research carried out by scholars in the domain of audit committee characteristics and their influence on a firm's performance. The main focal points encompass the relationships between the qualifications, dimensions, autonomy, and gender diversity of audit committees and the performance of governmental organizations.

2.3.1 Audit Committee Qualifications and Performance

Accounting or financial proficiency denotes the qualifications and experience an individual acquires prior to assuming a board member role within a company. Visvanathan (2017) conducted a study that specifically examined the relationship between audit committee features and financial reporting quality. The researchers used multivariate regression analysis to investigate a total of 125 samples, including 725 observations from non-financial listed businesses on the NSE over the period from 2011 to 2014. The researchers used McNicholas' conceptual framework to ascertain the impact of monitoring systems on the level of financial reporting quality. The results of the study demonstrated the statistical relevance of control factors, such as the age and size of the firm. The presence of financial knowledge has been identified as a significant factor that suggests a favorable influence, indicating that the monitoring mechanisms of audit committees have an effect on the quality of financial reporting in non-financial companies listed in Nigeria. In contrast, the focus of our current research is on the concepts of independence, diversity, financial competence, and meetings within non-commercial state companies in the context of Kenya.

Kabiru and Rufai (2014) assessed the quality of audited financial statements in Nigerian money deposit banks, utilizing both primary data from questionnaires and secondary data from annual reports of selected banks. The determination of the sample size was based on judgmental sampling, and the analysis of the data included the calculation of basic percentages and the Analysis of Variance (ANOVA) to assess the validity of the hypotheses. The research findings indicated that financial specialists had a greater likelihood of refraining from disclosing deficiencies in

internal control over financial reporting compared to accounting experts. The audit committees of money deposit banks are advised to consider implementing more rigorous investigations and perhaps pursuing legal action against auditors found to be ineffective in their duties.

Kabiru and Rufai (2014) also employed primary and secondary data sources, with questionnaires as the primary source and selected banks' annual reports as secondary data. Courteau (2018) examined the influence of audit committee expertise, independence, and activity on the practice of aggressive earnings management. The researchers conducted an investigation to determine the impact of certain elements on the accuracy and reliability of financial information that is made available to the public. Specifically, they analyzed the connection between the features of audit committees and the practice of manipulating corporate profits in two distinct sets of American companies. The study revealed a noteworthy correlation between the manipulation of financial profits and the activities of the audit committee in overseeing corporate governance. Moreover, the study revealed a negative correlation between aggressive profits management and the level of financial and governance competence possessed by members of the audit committee, as well as signs of independence and the existence of a well-defined mandate outlining the committee's obligations. In contrast, our investigation furthermore covers diversity and gatherings, and is carried out inside non-commercial state companies in Kenya.

Maines (2017) aimed to assess the quality of financial reporting and examine the impact of financial knowledge in relation to financial literacy. The study revealed that those with experience in the field shown higher levels of proficiency in evaluating the quality of financial reporting compared to those without such

expertise. This finding implies that augmenting the financial knowledge of audit committees may have an impact on their ability to evaluate the quality of financial reporting. In contrast, the current study aims to investigate the impact of audit committee characteristics on the quality of financial reporting in noncommercial state businesses in Kenya. This research builds upon other studies conducted in this area.

Agung (2015) assessed the influence of different financial expert groups, such as accountants and financial brokers, on the execution of financial oversight responsibilities. The research findings indicate that professional accountants possess the necessary skills to assess a company's adherence to accounting standards and practices. This underscores the significance of including individuals with accounting and auditing expertise and knowledge on audit committees, as their duties often pertain to these domains.

Salehetal (2017) aimed to assess the role of specific audit committee qualities, such as member independence, size, meeting frequency, experience, and knowledge, in monitoring management behavior. Their study focused on earnings management practices in Malaysian joint-stock companies and found that absolute independence among audit committee members reduced earnings management practices. Furthermore, companies with experienced, financially knowledgeable, and professional audit committee members who held frequent meetings had fewer instances of earnings management.

Zhou (2017) examined the link between audit committee quality, auditor independence and internal control vulnerabilities in the context of the Sarbanes-Oxley Act. A correlation has been shown between the quality of audit committees,

the independence of auditors, and the exposure of internal control flaws. Firms that had audit committees with little financial skills, notably in the field of accounting, had a higher likelihood of being connected with internal control deficiencies.

2.3.2 Audit Committee Size and Performance

Anderson et al. (2018), a reduced size of the audit committee is associated with a favorable effect on the overall value of a corporation. The authors posited that the implementation of a restricted board membership size contributes to the optimization of audit committee supervision and regulatory measures. Conversely, boards with larger audit committees tend to experience operational delays. Anderson et al. (2018) suggested that boards with a substantial composition can afford to take their time to ensure comprehensive financial reporting, thereby maintaining strong financial performance. The larger size of the audit committee enables individual board members to focus on specific responsibilities, allocate more time and resources to monitor management, and detect fraudulent activities, thereby enhancing the quality of financial reporting.

Mushtaha (2021) aimed to investigate the correlation between the attributes of audit committees in Jordanian firms listed on the and the probability of obtaining an unqualified audit report. The results of their study demonstrated a favorable impact of the quantity of members in the audit committee on the financial report produced by the external auditor.

Mazlina et al. (2016) undertook an investigation into the relationship between the dimensions of the audit committee and its influence on the process of financial reporting. A survey was provided to internal executive auditors in a sample of 76

general Malaysian corporations that are listed in the financial market. The researchers' most notable finding was establishing a favorable association between the dimensions of the audit committee and the caliber of financial reporting. According to the theoretical framework of resource dependence theory, it may be posited that audit committees of bigger size tend to have a higher propensity to devote more resources and power in order to properly discharge their tasks (Alleging & Greco, 2021).

Having a greater percentage of directors serving on an audit committee is more probable to foster a broader range of viewpoints, knowledge, experiences, and abilities. Consequently, this diversity may contribute to an improved level of accuracy in financial reporting. As a result, an audit committee of bigger size can effectively carry out its responsibilities in overseeing financial matters. Hence, the dimension of an organization has significant importance for the audit committee in order to efficiently supervise the practices of corporate disclosure (Persons, 2019).

Rama (2017) contend that there is a contention that a larger audit committee size is associated with a higher frequency of meetings. This, in turn, is believed to better the monitoring process and result in improved financial reporting. According to the findings of Anderson *et al.* (2018), there is a positive correlation between smaller boards and the provision of more effective monitoring. The findings of their research indicate that organizations characterized by smaller boards has the ability to exert influence on the Chief Executive Officer (CEO) in order to maintain a robust reputation for precision in financial record-keeping and reporting. Consequently, this enables such firms to expand their market presence and secure a greater part of the market.

A larger audit committee is more effective in identifying potential problems in financial reporting when the expectation is that problems cannot be prevented. However, larger committees may also be susceptible to groupthink and conformity, potentially stifling diverse opinions. To summarize, the dimensions of the audit committee play a crucial role in enhancing the caliber of financial reporting and internal control mechanisms inside an organization (Anderson *et al.*, 2018). Additionally, it fosters effective communication and deliberation among the members of the audit committee (Salterio, 2001). Anderson *et al.* (2018), there is empirical data suggesting that organizations with bigger audit committees demonstrate improved financial reporting and are more likely to have reduced costs of debt. This finding implies that companies that have a minimum of three directors serving on their audit committee have a significant correlation between the size of the audit committee and the level of financial reporting quality.

2.3.3 Audit Committee Independence and Performance

In 2012, Madakawi conducted a study in Nigeria to investigate the correlation between the attributes of audit committees and the caliber of financial reporting in companies listed on the Nairobi Securities Exchange (NSE). The research employed multivariate regression analysis and encompassed data from 2011 to 2014, utilizing a sample of 101 firms. The findings revealed that company age and size were significant control variables from a statistical standpoint. Furthermore, it was observed that audit committee share ownership and financial expertise had a positive and statistically significant impact on the for non-financial listed firms in Nigeria. The study proposes that it would be beneficial for Nigerian regulatory authorities to enforce a requirement that all three members of the audit committee's board be non-

executive directors. Additionally, the study suggests that a combination of financial and industrial expertise should be taken into account when selecting committee members, rather than solely prioritizing financial literacy. This approach is expected to improve the overall quality of financial reporting.

In contrast, the current study, conducted in Kenya, focused on different dimensions, such as independence, diversity, financial competence, and meeting frequency, addressing gaps in the existing literature. In a study conducted by Madawaki and Amran (2013), the impact of auditing panels on the caliber of financial reporting in Nigerian firms was examined. The findings of the study revealed a favorable correlation between the existence of independent chairmen and the competence of audit committees, and the accuracy of financial reporting.

Samaila (2015) focused on the examination of board characteristics, independent audit committees, and the quality of financial reporting among Nigerian oil marketing corporations. The study revealed noteworthy correlations between power separation, the presence of independent directors, management shareholdings, and the existence of independent audit committees, and their impact on the quality of financial reporting. The suggestion put out entails prioritizing the appointment of independent directors based on their historical performance records, rather than only emphasizing their representation ratio on the board.

Hundal (2013) examined the independence, expertise, and experience of audit committees, exploring various facets such as informativeness, CEO's authority, meeting frequency, and directors' share ownership. However, this study did not directly establish a link between audit committee attributes and the quality of financial reporting.

Egbe (2014) examined the characteristics of audit committees and their impact on the integrity of financial reporting within the Nigerian banking sector. The findings of their investigation indicated that there was no statistically significant relationship between audit committee independence and earnings management in publicly traded Nigerian banks. The proposition put out posits that the implementation of meticulously designed and thoughtfully deliberated audit committees has the potential to alleviate the practice of profits management.

Ghafran (2013) in the United Kingdom, the primary objective was to examine the impact of audit committee characteristics on the overall quality of financial reporting. The study utilized audit quality and earnings quality as measures for financial reporting quality. The results demonstrated that audit committees that conducted regular meetings and maintained complete independence had a favorable impact on the accuracy and reliability of reported earnings. Each of the aforementioned studies enhances our understanding of the relationship between audit committee features and the quality of financial reporting, taking into account variances in study emphasis, geographic location, and research technique.

2.3.4 Audit Committee Gender Diversity and organizational performance

In 2016, Gunes and Atilgan conducted research that compared the banks in the United Kingdom and Turkey. The study aimed to evaluate the impact of audit committees on bank performance by using key performance indicators, such as Return on Assets (ROA), Return on Equity (ROE), and net interest margin. The research covered the period from 2016 to 2021 and found that in Turkish banks, both ROA and ROE showed negative associations with the gender of committee members and the independence of directors. Additionally, net interest margin was

negatively associated with the independence of board members and the years of experience of committee members but positively associated with the education level of members.

In contrast, Zhou (2013) emphasized their research on the factors influencing audit committee effectiveness in China. They collected data from corporate governance reports to create a unique sample for their study. The researchers found that companies that had independent directors, individuals with accounting competence, a higher number of supervisory workers, a substantial ownership share by the chairman, greater overall assets, and engaged Big4 auditors were more inclined to have audit committees that were effective. In contrast, companies characterized by a prominent majority shareholder and a varied distribution of shares had a decreased likelihood of having audit committees that were successful in their operations. In addition, there exists a correlation between the presence of efficient audit committees and many positive outcomes, such as a reduction in earnings management, cheaper audit fees, and a reduced probability of encountering amended views and delayed files.

In a similar vein, the study conducted by Wakaba (2014) investigated the influence of audit committee features on the financial performance of firms that are publicly listed on the NSE, Kenya. The study aimed to assess the effects of audit committee size and gender diversity on firm performance. It applied agency theory and institutional theory, analyzing data from 46 companies listed on the exchange from 2016 to 2021. The results of the study indicate that business performance is highly impacted by factors.

In another study, Huang, Yan, Fornaro, and Elshahat (2021) explored market reactions to the gender of audit committee directors in US firms. They committees could enhance corporate governance by bringing conservative and ethical qualities, which would send a positive message to the capital markets. The research included the selection of audit committee members for international corporations traded in the US between 2017 and 2019. The findings indicated that the appointment of female members to the audit committee led to noteworthy favorable abnormal returns over time in comparison to appointments of male members.

Vahamaa (2019) examined the influence of gender diversity on audit committees. Their findings revealed that companies with female participation on audit committees had a decrease in the inherent risk associated with financial misstatements and were subject to lower audit costs.

Fuentes (2017) examined Spanish firms that were publicly traded and specifically investigated those that chose to establish audit committees after the implementation of the Olivencia Code in 1998. The researchers discovered that the concentration of ownership has an impact on the probability of receiving a qualified audit report. Additionally, they found that the presence of an audit committee does not decrease the likelihood of qualified report resulting from errors or lack of commitment. Furthermore, the size and independence committee members were found to have a significant influence on the occurrence of qualified reports. In contrast, the present research focuses on the autonomy, variety, financial expertise, and convening of audit committees inside non-commercial state companies in Kenya.

2.4 Summary of Literature Reviewed and Research Gaps

Table 2.1: Research Gaps

Author	Topic	Findings	Research gap
Madakawi (2012)	Characteristics of Audit Committees and the Quality of Financial Reporting in Listed Companies in Nigeria	Audit committee share ownership and financial expertise positively and significantly influenced the quality of financial reporting among the listed firms	The study focused on quality in Nigerian financial reporting while the current study is on firm performance in the financial sector
Kabiru & Rufai (2014)	Financial expertise of audit committee characteristics and performance of firms in the NSE Kenya	High experience and expertise of audit committee members positively and significantly enhances firm performance	The study focused on an aspect of audit committee independence, diversity, and financial expertise while the current study is on firm performance
Martinez & Fuentes (2007)	Audit committee characteristics and performance of Spanish Companies listed in the stock exchange	Audit independence, diversity, financial competence and meetings influenced significantly on the performance of the firms listed at the stock exchange	The study focused on audit committee independence while the current study is on firm performance
Krishnan & Visvanathan (2007)	Audit committee characteristics and financial reporting quality among non-financial companies listed with the Nigerian Stock Exchange	A small committee size was effective and efficient and quick in decision making	The study focused on audit committee independence and financial reporting quality among Nigerian companies while the current study is on firm performance in Kenya
Wakaba (2014)	Effect of audit committee characteristics on firm performance among listed firms in NSE, Kenya	Audit committee characteristics have a positive effect on the performance of firms listed with the NSE	The study focused on audit committee composition, qualifications, and independence while the current study is on firm performance, not features like gender diversity and independence
Huang, Yan, Fornaro and Elshahhat (2011)	market reactions to audit committee director's gender with evidence from US-traded foreign firms	The appointment of female audit committee members resulted in notably favorable cumulative abnormal returns when contrasted with the appointment of male audit committee members.	The study focused on firm performance while the current study is on the IEBC

Source: Literature Reviewed and Author (2022)

2.5 Conceptual Framework

A conceptual framework is a fundamental structure composed of abstract components that symbolize different facets of a process or system under development. It serves as a collection of overarching concepts and principles drawn from relevant fields of investigation, which are employed to organize a subsequent exposition.

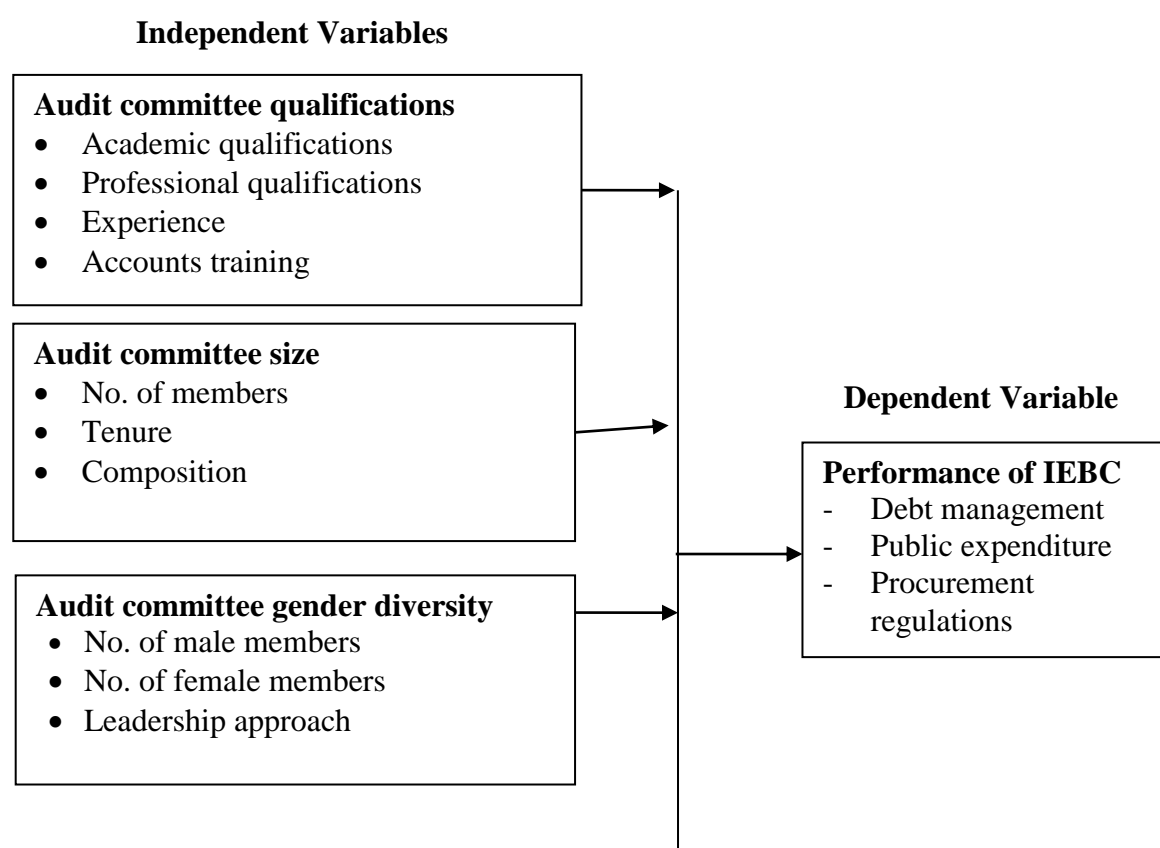


Figure 2.1: Conceptual Framework

Source: Researcher, 2022

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section outlines the approach employed for conducting the research. It also delineates the nature and origin of the data, the designated population, and the sampling tools, as well as the methodology employed for determining the sample size.

3.2 Research Design

A research design serves as the foundational blueprint outlining the essential steps required to carry out a research project. In this particular study, the research problem was investigated using. As described by study aims to uncover the characteristics of a phenomenon, specifically addressing the aspects of "what," "where," and "how." Consequently, extrapolated to encompass all enterprises. The research project was centered on exploring the influence of audit committee characteristics on the performance of the Independent Electoral and Boundaries Commission (IEBC) in Kenya.

The effect of audit committee characteristics on the performance of the Independent Electoral and Boundaries Commission, Kenya were investigated using an explanatory research approach. This study design was used in examinations since the goal is to determine the impact of different indicators on outcome measures. An explanatory research design was chosen to achieve the study's objectives. This design is noteworthy because it is theoretically grounded and evaluates research ideas in the context of particular objectives. The design emphasizes cause-and-effect

links while providing methodical explanations for the underlying phenomena thus, making it suitable for the suggested study.

3.3 Target Population

A population is described as a comprehensive group of persons, In this particular research, the population consisted of the managerial personnel working at the IEBC secretariat, totaling 129 individuals. Consequently, the study's target population comprised these 129 respondents. The observation focus was on the IEBC audit committee, while the analysis focus was on the employees within each of the 8 directorates at the IEBC.

Table 3.1: Target Population

Departments of IEBC	Population	Percentage
Voter registration and electoral operation	22	17.05
Legal and Public Affairs	28	21.71
Research and Development	19	14.73
Finance	16	12.40
ICT	10	7.75
HR and Administration	18	13.95
Audit and Compliance	16	12.40
Total	129	100

Source: IEBC, 2018

3.4 Sampling Procedure

Sampling methods offer various approaches to decrease the quantity of data required by focusing on a subset of data instead of encompassing allents. In this study, stratified random sampling technique was used to select the individuals to participate in the study. The stratified sampling was suitable because it was a representation of all staff categories based on the population proportion so that no category of respondents was left unrepresented. According to Kenya Institute of

Management (2009), procedure for stratified sampling, the population was divided into strata based on the category. A 30% sampling fraction was picked from each stratum to represent and form the final sample size. Consequently, in this research, 65 respondents were chosen from the overall population, which constitutes 50% of the target population, to inform the study's findings.

Table 3.2: Sample Size

Departments of IEBC	Population	Rate	Sample Size
Voter registration and electoral operation	22	0.5	11
Legal and Public Affairs	28	0.5	14
Research and Development	19	0.5	10
Finance	16	0.5	8
ICT	10	0.5	5
HR and Administration	18	0.5	9
Audit and Compliance	16	0.5	8
Total	129	0.5	65

3.5 Data Collection Instrument

Regarding the impact of audit committee attributes on the performance of the IEBC, the research employed a survey distributed to every participant in the sample group. The survey underwent meticulous design and testing with a subset of the audience to refine its validity and the precision of the data gathered for the study. This was undertaken to improve the survey's reliability and the quality of the data collected for the research.

The study made use of both open and close-ended questionnaires to collect primary data from the sample respondents. According to Tromp and Kombo (2016) research instruments help the researcher in gathering information from a large sample in a diverse region and also uphold confidentiality. The researcher made use closed

ended questions in formulation of the questionnaire therefore minimizing the number of related errors in order to get more valid data. The open-ended questions provide additional information that might not have been captured in the closed-ended questions.

3.6 Data Collection Procedure

The research conducted a one-on-one distribution of the survey to each participant. The researchers took precautions to guarantee that all distributed questionnaires were accounted for by maintaining a log of those sent out and those returned. The survey was administered through a drop-off and subsequent collection approach.

3.7 Pilot Study

A pilot study was necessary for this research study because it helped in achieving validity and reliability of the research instruments and tools (Reaven et al., 2009). Simple random sampling was used to select three respondents that were not used for the pilot study. The pilot study enabled the researcher to familiarize with research administration procedures and to identify items that require modification, addition or deletion. The efficiency in data collection was tested using researcher produced instruments and matching these tools with the research objectives and questions. In this study a sample of ten respondents was recruited to take part in the pilot study.

3.8 Validity and Reliability of the Research Instruments

3.8.1 Validity of the Research Instruments

Validity is the extent to which data collected from the effectively and accurately reflects the underlying, especially in how it portrays the variables. When validity is

confirmed, any conclusions drawn from such data are reliable and meaningful. Utilizing multiple sources of evidence enhances the credibility of a study's validity (Yin, 2017). The information was gathered from the management staff of the IEBC, affirming the credibility of the data and the subsequent findings.

To ensure that the information to be collected from the field was accurate and reliable, there was a need for the researcher to determine content validity of the instruments. Content validity of the instruments was determined by going through the items one at a time and comparing the contents to ensure that they contained all the information in line with the study objectives and variables of the study. Expert judgments were sought from university supervisors.

The research instruments were scrutinized by the departmental supervisors to judge the items on their appropriateness of content, and need for modification to achieve the objectives of the study. The supervisors determined whether the elements of the research instruments evoked the intended responses. The feedback obtained was then incorporated into the final instruments before the actual study. All the two research instruments (questionnaires and lesson observation schedules) were tested for validity. Additionally, the researcher ensured the validity of the data to be collected by administering the instruments personally as well as with the assistance of a well-trained research assistant.

3.8.2 Reliability of the Research Instruments

Mugenda and Mugenda (2009) defines reliability as a measure of the degree to which a research instrument yields consistent results or data after the repeated trial. The pilot study enabled the researcher to assess the clarity of the questionnaire items

so that those items found to be inadequate or vague was modified to improve the quality of the research instrument thus increasing its reliability. Split-Half technique of reliability testing was employed, whereby the pilot questionnaires were divided into two equal halves, and then a correlation coefficient for the two halves was computed using the Pearson correlation formula.

$$r = 1 - \frac{6\Sigma(D)^2}{N(N^2-1)}$$

Where r = Correlation coefficient

N = Sample

Σ = Summation of scores

D = Deviation

The coefficient indicates the degree to which the two halves of the test provide the same results and hence describe the internal consistency of the test. According to Orodho (2015), a minimum correlation coefficient of 0.65 is recommended as indicating that an instrument is reliable, and therefore the coefficient equal or above this but less than one was obtained to ensure that the data obtained is reliable. This study obtained a correlation coefficient of 0.65 or higher.

3.9 Data Analysis and Presentation

Quantitative data gathered underwent analysis using descriptive statistics with SPSS (Version 22). The findings were visually represented using bar charts, graphs, and pie charts, as well as presented in a narrative format. This involved aggregating responses. Additionally, the study employed content analysis to assess qualitative

data obtained from open-ended questions, and it also conducted a multiple regression analysis. The study's guiding regression equation is written as follows: $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$

Where $Y =$ Performance of IEBC

$X_1 =$ Audit committee qualifications

$X_2 =$ Audit committee size

$X_3 =$ Audit committee gender diversity

$\beta_1 - \beta_4 =$ Coefficients

3.10 Ethical Considerations

Given the sensitivity of the subject matter, a written permission from the IEBC was sought before data collection. All participants in the study provided their informed consent, and those who chose not to participate did so freely without any pressure. To maintain confidentiality, the data collection tools did not include respondents' names, and the gathered information was exclusively intended for this academic study's use. We sought and obtained permission from the appropriate research authorities, and all relevant materials and sources were properly cited.

CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

The focus of the study was to investigate the effect of audit committee characteristics on the performance of the Independent Electoral and Boundaries Commission, Kenya.

4.2 Education Level of the Sampled Respondents

The study assessed the level of education of the sampled respondents while trying. They were summarized as shown in table 4.1 below.

Table 4.1: Education Level

Level	Frequency	Percent
College Diploma	3	5.0
Degree	32	53.3
Masters	22	36.7
PhD	3	5.0
Total	60	100.0

Source: Survey Data (2023)

The table 4.1 presents a breakdown of educational levels among a sample of 60 individuals. The distribution shows that 5.0% hold a college diploma, 53.3% have a degree, 36.7% possess a master's degree, and 5.0% hold a PhD. This data illustrates the diverse educational backgrounds of the respondents, with degrees being the most common qualification, followed by master's degrees, college diplomas, and PhDs. The distribution of educational levels highlights the diversity among respondents, reflecting a range of qualifications from college diplomas to PhDs. This variation underscores the significance of education in shaping the demographics of the surveyed group. The prevalence of degree holders and master's degree recipients indicate a significant portion of individuals with higher academic attainments.

Conversely, the smaller percentages of college diploma and PhD holders suggest a comparatively narrower representation within the sample. This educational diversity enriches our understanding of the respondents' backgrounds and underscores the importance of considering education as a contributing factor in any relevant analyses or interpretations.

4.5 Descriptive Statistics

This segment aimed to assess the manner in which respondents provided answers to the survey questionnaire items related to the specific research objectives. The presentation encompassed a combination of means and standard deviations.

4.5.1 Effect of Audit Committee Qualifications on Performance of the IEBC

The first objective of this study was to establish the effect of audit committee qualifications on performance of the IEBC, Kenya. Table 4.2 below delves into the "Effect of Audit Committee Qualifications on Performance of the IEBC." It offers an analysis of respondents' perceptions through mean scores and standard deviations for specific statements related to audit committee qualifications as summarized in table 4.2.

Table 4.2: Audit Committee Qualifications

Statement	Mean	Standard Deviation
Most members of the committee are adequately experienced in auditing	4.08	0.462
Most members of the committee have financial expertise	4.73	0.446
Most members of the committee have accounting expertise	3.5	0.624
Most members of the community are members of professional auditing bodies	4.48	0.596
Aggregate Score	4.20	0.532

Source: Survey Data (2023)

Based on the statistics obtained by this study as summarized in table 4.2, it was observed in regard to the statement "Most members of the committee are adequately experienced in auditing," respondents provided an average mean score of 4.08, suggesting a moderate consensus regarding committee members' auditing experience. The relatively low standard deviation of 0.462 indicates a certain level of agreement among respondents.

Regarding the statement "Most members of the committee have financial expertise," respondents indicated a higher average mean score of 4.73, showcasing a stronger consensus on committee members possessing financial expertise. The std dev of 0.446 indicates a narrower range of opinions in this aspect.

For the statement "Most members of the committee have accounting expertise," the average mean score is 3.5, and the higher standard deviation of 0.624 reflects more diverse opinions on committee members' accounting expertise.

Lastly, in relation to the statement "Most members of the community are members of professional auditing bodies," respondents provided an average mean score of 4.48, suggesting a moderate consensus regarding committee members' affiliation with professional auditing bodies. The moderate standard deviation of 0.596 indicates some variability in opinions.

The aggregate mean score of 4.20 in the table reflects an average assessment of the committee's qualifications and expertise by the respondents. It suggests that, on the whole, respondents view the committee positively, considering it to be adequately experienced and knowledgeable. However, the standard deviation of 0.532 indicates some variability in these perceptions, signifying that while most respondents hold a

favorable opinion, there are differing degrees of positivity within the group. In essence, the aggregate score provides a condensed yet informative representation of the overall sentiment toward the committee's qualifications, with the standard deviation emphasizing the diversity in respondents' views.

4.5.2 Effect of Audit Committee Size on Performance of the IEBC

Table 4.3 below presents an analysis of respondents' viewpoints, represented through mean scores and standard deviations, concerning specific statements related to the size of the audit committee and its impact on IEBC performance.

Table 4.3: Audit Committee Size

Statement	Mean	Standard Deviation
Number of members in the audit committee is adequate	4.73	0.446
The audit committee size meets the minimum committee forming requirements	3.5	0.624
Meetings are well attended with majority of the members present at each meeting.	4.73	0.446
Aggregate Score	4.32	0.505

Source: Survey Data (2023)

Based on the summary of statistics in table 4.3, it was observed that for the statement "Number of members in the audit committee is adequate," respondents provided an average mean score of 4.73. This suggests a considerable consensus among respondents that the audit committee possesses an appropriate number of members. The relatively low standard deviation of 0.446 indicates a certain level of agreement.

Regarding the statement "The audit committee size meets the minimum committee forming requirements," respondents' mean score is 3.5, indicating a less strong consensus about the committee's compliance with minimum size requirements. The standard deviation of 0.624 reflects a notable diversity in opinions.

For the statement "Meetings are well attended with majority of the members present at each meeting," respondents provided an average mean score of 4.73. This suggests a substantial agreement among respondents that audit committee meetings exhibit high attendance rates. The low standard deviation of 0.446 indicates a certain degree of consensus.

The findings reveal varying levels of consensus and diversity among respondents on different aspects related to the committee's size, compliance with requirements, and meeting attendance. These results provide indicating areas of strong agreement and potential areas for further examination and enhancement.

The aggregate mean score of 4.32 in the table provides an overall measure of respondents' perceptions of the audit committee's performance. This mean score reflects a generally positive view of the committee, suggesting that, on average, respondents hold it in high regard. However, the accompanying standard deviation of 0.505 indicates some variation in these opinions among respondents. While most responses are favorable, there is some diversity in how the committee's performance is perceived. In essence, the aggregate score offers a concise summary of the collective sentiment toward the audit committee, with the standard deviation underscoring the degree of diversity in respondents' assessments.

4.5.3 Effect of Audit Committee Independence on Performance of the IEBC

The aim this study was to establish the effect of on performance of the IEBC in Kenya. Table 4.4 below presents an analysis of respondents' viewpoints, represented through mean scores and standard deviations, concerning specific statements related

to the size of the audit committee's independence and its impact on IEBC performance.

Table 4.4: Audit Committee Independence

Statement	Mean	Standard Deviation
There is of tenure for all members of the audit committee	4.38	0.739
Members of the audit committee have no conflicts of interests in their decisions	4.12	0.783
Members of the committee are always recruited in a transparent manner	4.28	0.761
All material information is always disclosed	4.33	0.655
The audit committee is always made up of an outside director	4.12	0.783
The committee is always compliant with established authorities	4.38	0.739
Aggregate Score	4.27	0.743

Source: Survey Data (2023)

As per the study findings summarized in table 4.4, in reference to the statement "There is of tenure for all members of the audit committee," respondents provided an average mean score of 4.38. This suggests a moderate consensus among respondents that the audit committee members hold a specified tenure. The standard deviation of 0.739 indicates a certain degree of variability in opinions.

Regarding the statement "Members of the audit committee have no conflicts of interests in their decisions," respondents provided an average mean score of 4.12. This implies a moderate consensus among respondents regarding the absence of conflicts of interest among committee members. The relatively higher standard deviation of 0.783 suggests a wider range of opinions.

For the statement "Members of the committee are always recruited in a transparent manner," the average mean score is 4.28, pointing to a moderate consensus among respondents about the transparency of committee member recruitment processes. The standard deviation of 0.761 indicates some diversity in opinions.

Regarding the statement "All material information is always disclosed," respondents provided an average mean score of 4.33, suggesting a moderate consensus on the regular disclosure of material information. The standard deviation of 0.655 indicates a certain level of agreement among respondents.

In relation to the statement "The audit committee is always made up of an outside director," respondents provided an average mean score of 4.12. This implies a moderate consensus among respondents regarding the presence of an outside director on the audit committee. The higher standard deviation of 0.783 indicates varied opinions on this matter.

Lastly, for the statement "The committee is always compliant with established authorities," respondents provided an average mean score of 4.38, suggesting a moderate consensus among respondents about the committee's compliance with established authorities. The standard deviation of 0.739 indicates a certain degree of variability in opinions.

Based on these findings, the aggregated mean score computed at 4.27 with a standard deviation of 0.743, serves as a condensed evaluation of the audit committee's overall performance and qualities based on respondents' feedback. With the mean score above 4, it indicates a generally positive perception of the committee. However, the substantial standard deviation underscores the breadth of opinions within the respondent group, signifying that while most view the committee positively, there's a wide range of sentiment. In essence, the aggregate score provides a concise overview of the collective sentiment regarding the audit committee, with the standard deviation emphasizing the diversity of opinions among respondents.

A study conducted by Carcello and Neal (2019) revealed that concerning the issuance of a going concern opinion by auditors for a company, the likelihood of the company facing financial distress tends to decrease when the audit committees consist of a higher proportion of nonexecutive members. This finding underscores the notion that the independence of audit committees can provide external auditors with valuable support in carrying out their fiduciary responsibilities, while minimizing interference from management. In another research endeavor, the same researchers explored the realm of audit committees and emphasized that enhancing the independence of audit committees from managerial influence can potentially enhance a firm's performance.

4.5.4 Effect of Audit Committee Gender Diversity on Performance of the IEBC

The aim of this study was to assess the effect of audit committee gender diversity and Performance of the IEBC." Through mean scores and standard deviations, the table reflects respondents' perspectives on specific statements concerning the size of the audit committee gender diversity and its impact on IEBC performance.

Table 4.5: Audit Committee Gender Diversity

Statement	Mean	Standard Deviation
The committee always adheres to one-third gender rule within its membership	4.15	0.481
Most members of the audit committee are male	4.38	0.739
Female members of the committee are the majority	3.83	0.587
The audit committee leadership complies with one-third gender rule	4.12	0.783
Aggregate Score	4.12	0.648

Source: Survey Data (2023)

Table 4.5 provides a summary of statistics obtained, for the statement "The committee always adheres to one-third gender rule within its membership,"

respondents provided an average mean score of 4.15. This indicates a moderate consensus among respondents regarding the committee's adherence to the one-third gender rule. The relatively low standard deviation of 0.481 suggests a certain degree of agreement.

Regarding the statement "Most members of the audit committee are male," respondents provided an average mean score of 4.38, suggesting a moderate consensus among respondents that male members predominate in the audit committee. The standard deviation of 0.739 indicates a range of opinions on this aspect.

For the statement "Female members of the committee are the majority," the average mean score is 3.83, indicating less agreement among respondents regarding the predominance of female committee members.

In reference to the statement "The audit committee leadership complies with one-third gender rule," respondents provided an average mean score of 4.12. This suggests a moderate consensus among respondents regarding the committee leadership's adherence to the one-third gender rule. The standard deviation of 0.783 indicates a wider range of opinions.

The aggregate mean score in the table, calculated at 4.12 with a standard deviation of 0.648, provides a synthesized assessment of the audit committee's gender composition and its adherence to the one-third gender rule, based on respondents' feedback. With a mean score above 4, it indicates a generally positive perception of the committee's gender balance and rule compliance. However, the notable standard deviation underscores the breadth of opinions within the respondent group,

signifying that while the majority view the committee positively in this context, there is a wide range of sentiment. In essence, the aggregate mean score offers a concise snapshot of the collective sentiment regarding the audit committee's gender composition and its commitment to the one-third gender rule, with the standard deviation emphasizing the diversity of opinions among respondents.

4.6 Inferential Statistics

This segment aimed to assess the relationship among the study variables. The findings were summarized as shown below.

4.6.1 Regression Analysis

The study utilized regression analysis to evaluate the relationship between the dependent variable, denoted as (a), which represents service delivery as an indicator of performance, the multiple correlation coefficient, labeled as "R," quantified the level of linear correlation between the actual values and the model-predicted values of the dependent variable.

Table 4.6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.654 ^a	.428	.301	.68119

Source: Survey Data 2023)

Based on the findings summarized in table 4.6, the adjusted R-squared value from the model summary stands at 30.1%, indicating that the assortment of audit committee characteristics contributes to the IEBC's performance by this proportion. Notably, 69.1% of the performance variation is ascribed to factors beyond the variables explored in this research. Awino (2021) similarly posited that a company's performance isn't singularly influenced by a solitary element, highlighting that the

firm's audit committee, among other factors, holds sway over its overall performance.

4.6.2 ANOVA

The ANOVA conducted in this study furnishes insights into the extent of variation within the regression analysis model and establishes a basis for evaluating its significance.

Table 4.7: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.256	4	1.564	3.371	.032 ^b
	Residual	8.352	18	.464		
	Total	14.609	22			

Source: Survey Data (2023)

As indicated by the ANOVA outcomes on table 4.7, the model's p-value was 0.032, which is below the alpha threshold of 0.05. This demonstrates the statistical significance of the model, affirming its potential for future application in predicting enhancements in the organization's performance. Further bolstering this significance is the computed F-value of 3.371, which attests to the model's validity. These findings underscore that the audit committee characteristics wielded statistical and substantial influence in predicting IEBC's performance in Kenya, substantiating the regression model as an adept representation of the data.

4.6.3 Coefficients

Regression coefficients indicate the typical variation in the dependent variable for every unit of change in the independent variable, all the while keeping other factors in the model unchanged.

Table 4.8: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.886	.746		2.527	.021
Audit Committee Qualifications	.334	.142	.420	2.352	.149
Audit Committee Size	.423	.198	.406	2.136	.024
Audit Committee Independence	.231	.0112	.033	2.062	.034
Committee Gender diversity	.559	.281	.512	1.989	.012

Source: Survey Data (2023)

The resulting regression analysis model as summarized in table 4.8 was $Y = 1.886 + 0.334x_1 + 0.423x_2 + 0.231x_3 + 0.559x_4$. Where Y is the performance of the IEBC, and b1, b2, b3, and b4 were the independent variables, audit committee qualifications, audit committee size, audit committee independence, and committee gender diversity respectively.

The constant coefficient of 1.886 represents the expected performance when all independent variables are zero. An increase of one unit in Audit Committee Qualifications is associated with an estimated increase of 0.334 units in Performance. The Beta value of 0.420 indicates that this variable has a significant positive impact on Performance.

A one-unit increase in Audit Committee Size is linked to a rise of 0.423 units in Performance. The Beta value of 0.406 suggests that this variable also positively influences Performance and is statistically significant. A one-unit increase in Audit Committee Independence corresponds to a 0.231-unit increase in Performance. However, the Beta value of 0.033 indicates a weaker impact, and the p-value (Sig.) is 0.034, indicating statistical significance.

With a one-unit increase in Committee Gender Diversity, Performance is expected to increase by 0.559 units. The Beta value of 0.512 highlights a substantial positive impact, and the p-value (Sig.) of 0.012 signifies statistical significance. In his 2018 study.

The results suggest that Audit Committee Qualifications, Audit Committee Size, and Committee Gender Diversity have notable positive impacts on Performance. While Audit Committee Independence also has a positive effect, it is comparatively weaker. The p-values indicate the statistical significance of these relationships. However, the constant and Audit Committee Independence have weaker statistical significance. In his research, Wakaba (2014) similarly discovered that the presence of experienced audit committee members led to a decrease in the likelihood of financial misreporting, fraud, and debt costs, ultimately resulting in improved firm performance.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides an overview of the study, presents conclusions derived from the findings, and offers recommendations. Additionally, it suggests potential areas for further research, guided by the study objectives.

5.2 Summary of Findings

The study focused on the management staff at the IEBC secretariat, totaling 129 respondents, who served as the population of interest. These participants were considered as the respondents, forming a sample of 65 respondents, constituting 50% of the total target population, selected through random sampling.

Seasoned audit committee members possess a clear comprehension of their roles and possess the necessary skills to effectively fulfill their obligations. Nonetheless, given that the county government operates within a distinct realm with varying risk exposures, differing from the expertise of audit committee members, it becomes imperative for these committee members to acquire a deeper understanding of the organization's operations. This increased insight is essential to ensure the effective execution of their roles, bridging the gap between their existing expertise and the unique operational landscape of the organization.

However, it's important to note that an excessively large committee might face challenges in efficient communication and coordination. In the context of the IEBC, a committee size that aligns with the organization's complexity and operational scope is vital. This balance would enable the audit committee to thoroughly

understand the IEBC's unique challenges and effectively contribute to its performance by providing robust oversight and strategic guidance.

Just as experienced members understand their roles better, a gender-diverse committee benefits from the unique insights and experiences that each gender brings. However, considering that the IEBC's operations may differ from the experiences of certain committee members, such as in relation to gender-based dynamics or considerations, it becomes vital for the audit committee to grasp the organization's intricacies before fully leveraging their diverse viewpoints. In essence, the committee's gender diversity must be complemented by a deep understanding of the organization's context, allowing them to effectively leverage their varied perspectives for improved performance.

5.3 Conclusions of the Study

The independence of the audit committee does contribute to the IEBC's performance to some extent, and this relationship is statistically significant. However, this contribution is relatively small, which could be attributed to the audit committees' lack of complete independence due to their employment by the organization and receipt of allowances or financial rewards, as observed by most respondents.

Diversity plays a big role in ensuring audit committee perform their roles successfully and in turn positively influence the performance of the IEBC. The discovery of a statistically significant positive relationship in the evidence indicates that having committee members from various age groups, regions, and professions has contributed to enhancing the performance of the IEBC. This finding aligns with Mwangi's (2018) research, which established that the diversity of audit committees,

including factors such as the age distribution of members, their tenure on the board, gender representation, and regional diversity, influenced their financial reporting.

The proficiency of audit committee members significantly contributes to enhancing the IEBC's performance. This is primarily because experienced committee members understand their roles and possess the necessary expertise to carry out their responsibilities effectively. However, given that the IEBC operates in a unique field with different risk exposures compared to the expertise of audit committee members, it is vital for these members to gain a deeper understanding of the organization's operations to effectively fulfill their roles.

The researcher found that audit committee meetings are crucial to the IEBC's performance. These meetings provide a platform for committee members to discuss important issues that can either hinder or improve service delivery. Despite the committee members' dedication to these meetings, it was observed that they do not receive adequate support from management, resulting in the non-implementation of their recommendations. Additionally, it was noted that some key staff, particularly accountants, are unaware of the existence of the audit committee.

5.4 Recommendations of the Study

Specifically, it is proposed that state corporations make it obligatory to have at least one-third of their audit committee members as non-executives. Additionally, there should be policies in place to govern the financial expertise, diversity, and meeting protocols of these audit committees.

Furthermore, the study advises that audit committees should comprise individuals with a background in accounting and finance. This educational qualification forms a

solid foundation for members of audit committees to effectively scrutinize and analyze financial information. The educational background of committee members is deemed crucial to ensure the efficient functioning of audit committees. Those with experience in accounting and auditing can particularly contribute significantly to the committee by offering valuable insights, justifications, and comments, ultimately enhancing the committee's productivity.

In terms of committee composition, the study underscores the importance. Diversity should be assessed based on various factors such as gender, age, geographical representation, and tenure. It is recommended that audit committees be composed of members representing diverse demographics, as this diversity has a direct impact on the quality of financial reporting within the organization.

This can lead to a greater reliance on financial rewards from the organization, potentially compromising the effectiveness of the committee. Therefore, it is essential to uphold and safeguard the independence of these committees.

To support the effective functioning of audit committees, the study recommends initiating a sensitization process for the management team. This process aims to enhance their understanding of the composition and significance of audit committees. Such awareness-building efforts seek to garner support for the committee's functions, thereby increasing its capacity to fulfill its responsibilities competently. Additionally, the study suggests that audit committees actively engage in meetings with senior executives to facilitate the implementation of their recommendations. Furthermore, organizing training sessions for relevant personnel, including accountants and internal auditors, is advised. These sessions should

encompass a comprehensive understanding of the various systems of checks and balances in place, including the purpose and role of the audit committee.

5.5 Suggestions for Further Research

The research centered on how the makeup of audit committees impacts the Independent Electoral and Boundaries Commission's performance in Kenya. The research suggests that upcoming studies should concentrate on determining how the composition of boards affects the accuracy of financial reporting in government entities. Furthermore, the study suggests exploring additional attributes of audit committees to confirm their influence on the accuracy of financial reporting.

Based on the insights gained from this research, there is potential for conducting further studies that explore the present attributes of audit committees and their impact on performance within diverse government independent bodies. These subsequent investigations could enhance the depth of understanding of the subject, bolster the practicality of the initial research, and contribute to a broader knowledge base. Additionally, there is scope for examining variables beyond the committee's attributes that might influence its effectiveness, as well as investigating how these attributes might intersect with performance in various public institutions.

REFERENCES

- Abayadeera, N., & Watty, K. (2014). The expectation-performance gap in generic skills in accounting graduates: Evidence from Sri Lanka. *Asian Review of Accounting*, 22(1), 56-72.
- Abdullah, H., & Valentine, B. (2019). Fundamental and Ethics Theories of Corporate Governance. *Middle Eastern Finance and Economics*, 4, 89-96.
- Abdullah, K. A. (2021). *Science of accounting audit: Theory and practice (2 ed.)*. Amman, IR: DarWael for publication.
- Abedalqader, A.-T. A., Tawfiq, I. A.-I., & Ata Baker, R. A. (2021). Do audit tenure, and firm size contribute to audit quality? Empirical evidence from Jordan. *Managerial Auditing Journal*, 26(4), 317-334.
- Abernathy, J. L., Beyer, B., Masli, A., & Stefaniak, C. (2014). The association between characteristics of audit committee accounting experts, audit committee chairs, and financial reporting timeliness. *Advances in Accounting*, 30(2), 283-297.
- Achuora, J., Arasa, R., & Ochriri, G. (2012). Precursors to the effectiveness of public procurement audit for Constituency Development Funds (CDF) in Kenya. *European Scientific Journal*, ESJ, 8(25).
- Adams, A. C., & Evans, R. (2018). Accountability, Completeness, Credibility and the Auditing Expectation Gap. *Greenleaf Publishing, JCC 14 Summer*.
- Adeniyi, S. I., & Mieseigha, E. G. (2013). Audit tenure: An assessment of its effects on audit quality in Nigeria. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 3(3), 275-283.
- Adeyemi, S. B., & Olamide, T. (2012). The perception of ethics in the auditing profession in Nigeria. *Journal of Accounting and Taxation*, 3(7), 146-157.
- Adeyemi, S. B., & Uadiale, O. M. (2021). An empirical investigation of the audit expectation gap (AEG) in Nigeria. *African Journal of Business Management*, 5(19), 7964-7971.
- Adhikary, B. K., & Mitra, R. K. (2016). Determinants of Audit Committee Independence in the Financial Sector of Bangladesh. *Applied Finance and Accounting*, 2(2), 46-56.
- Agyei, A., Aye, B. K., & Owusu-Yeboah, E. (2013). An assessment of the audit expectation gap in Ghana. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 3(4), 112-118.

- Ahmad, Z., & Taylor, D. (2019). Commitment to independence by internal auditors: the effects of role ambiguity and role conflict independence. *Managerial Auditing Journal*, 24, 899-924.
- Ahmed, I. (2016). *Audit expectation gap in Ghana (Case Study of Senior High Schools in Kumasi Metropolitan assembly, Ashanti region)*. Unpublished PhD dissertation. Ghana: University of Ghana.
- Alarcón, D., & Sánchez, J. A. (2015). Assessing convergent and discriminant validity in the ADHD-R IV rating scale: User-written commands for Average Variance Extracted (AVE), Composite Reliability (CR), and Heterotrait-Monotrait ratio of correlations (HTMT). *Spanish STATA Meeting 2015*.
- Alawi, S. A., Wadi, R. M., & Kukreja, G. (2018). The Determinants of Audit Expectation Gap: An Empirical Study from the Kingdom of Bahrain. *Accounting and Finance Research*, 7(3), 54.
- Allen, R. (2019). *The challenge of reforming budgetary institutions in developing countries (No. 9-96)*. Geneva: International Monetary Fund.
- Allen, R., & Vani, S. (2013). *Financial Management and Oversight of State-Owned Enterprises*. New York: Palgrave Macmillan.
- Al-Mamun, A., Yasser, Q. R., Rahman, M. A., Wickramasinghe, A., & Nathan, T. M. (2014). Relationship between audit committee characteristics, external auditors and economic value added (EVA) of public listed firms in Malaysia. *Corporate Ownership & Control*, 12(1), 899-910.
- Al-Matari, Y. A., Al-Swidi, A. K., Fadzil, F. H., & Al-Matari, E. M. (2012). Board of directors, audit committee characteristics and the performance of Saudi Arabia listed companies. *International Review of Management and Marketing*, 2(4), 241-251.
- Al-Najjar, B. (2021). The determinants of audit committee independence and activity: evidence from the UK. *International Journal of Auditing*, 15(2), 191-203.
- Al-Shammari, A. (2021). *The role of the Audit Committees in Corporate Governance in Saudi Arabia*. Unpublished PhD thesis, Saud: King Saud University.
- Alzeban, A. (2015). Influence of audit committees on internal audit conformance with internal audit standards. *Managerial Auditing Journal*, 30(6/7), 539-559.

- Alzeban, A., & Gwilliam, D. (2014). Factors affecting the internal audit effectiveness: A survey of the Saudi public sector. *Journal of International Accounting, Auditing and Taxation*, 23(2), 74-86.
- Alzeban, A., & Sawan, N. (2013). The role of the internal audit function in the public sector context in Saudi Arabia. *African Journal of Business Management*, 7(6), 443-454.
- Amare, M. (2016). *Determinants Of Internal Audit Effectiveness In The Case Of Ethiopian Private Commercial Banks*. Unpublished PhD dissertation, UK: St. Mary's University.
- Arena, M., & Jeppesen, K. K. (2016). Practice variation in public sector internal auditing: an institutional analysis. *European Accounting Review*, 25(2), 319-345.
- Arena, T., & Azzone, H. (2013). Organizational drivers of internal audit effectiveness. *Journal of Management*, 17(1) 99-120.
- Asare, S. K., Davidson, R. A., & Gramling, A. A. (2020). Internal auditors' evaluation of fraud factors in planning an audit: The importance of audit committee quality and management incentives. *International Journal of Auditing*, 12(3), 181-203.
- Asiedu, K. F., & Deffor, E. W. (2017). Fighting corruption by means of effective internal audit function: Evidence from the Ghanaian public sector. *International Journal of Auditing*, 21(1), 82-99.
- Badara, M. A., & Saidin, S. Z. (2013). Antecedents of internal audit effectiveness: A moderating effect of the effective audit committee at local government level in Nigeria. *International Journal of Finance and Accounting*, 2(2), 82-88.
- Badolato, P. G., Donelson, D. C., & Ege, M. (2014). Audit committee financial expertise and earnings management: The role of status. *Journal of Accounting and Economics*, 58(2-3), 208-230.
- Baharud-din, Z., Shokiyah, A., & Ibrahim, M. S. (2014). Factors that contribute to the effectiveness of internal audits in the public sector. *International Proceedings of Economics Development and Research*, 70, 126.
- Baharud-din, Z., Shokiyah, A., & Ibrahim, M. S. (2014). Factors that contribute to the effectiveness of internal audits in the public sector. *International*
- Bakar, N. B., Rahman, A. R., & Rashid, H. M. (2022). Factors influencing auditor independence: Malaysian loan officers' perceptions. *Managerial Auditing Journal*, 20(8), 804-822.

- Bananuka, J., Nkundabanyanga, S. K., Nalukenge, I., & Kaawaase, T. (2018). Internal audit function, audit committee effectiveness and accountability in the Ugandan statutory corporations. *Journal of Financial Reporting and Accounting*, 16(1), 138-157.
- Bar-Yosef, S., & Livnat, J. (1984). Auditor selection: an incentive-signalling approach. *Accounting and Business Research*, 14(56), 301-309.
- Basel Committee on Banking Supervision (BCBS). (2021). Principles for enhancing corporate governance.
- Baxter, P., & Cotter, J. (2019). Audit committees and earnings quality. *Accounting & Finance*, 49(2), 267-290.
- Beattie, V., Fearnley, S., & Hines, T. (2013). Perceptions of factors affecting audit quality in the post-SOX UK regulatory environment. *Accounting and Business Research*, 43(1), 56-81.
- Bedard, D., & Johnstone, H. (2014). Auditors' assessments of planning and pricing decisions related to earnings manipulation risk and corporate governance risks. *International Journal of Business and Management*, 7(7), 172-179.
- Bédard, J., & Gendron, Y. (2021). Strengthening the financial reporting system: Can audit committees deliver?. . *International journal of auditing*, 14(2), 174-210.
- Benneedsen, M., Kongsted, H., & Neilsen, K. (2020). The casual effect of board size on the performance of small and medium-sized firms. *Journal of Banking and Finance*, 32(6), 1098-1109.
- Bhasin, M. L. (2015). An empirical investigation of the relevant skills of forensic accountants: the experience of a developing economy. Retrieved from: ssrn.com.
- Biesta, G. (2021). Pragmatism and the philosophical foundations of mixed methods research. *Sage handbook of mixed methods in social and behavioral research*, 2, 95-118.
- Blay, A. D., & Geiger, M. A. (2013). Auditor fees and auditor independence: Evidence from going concern reporting decisions. *Contemporary Accounting Research*, 30(2), 579-606.
- Blue Ribbon Committee (BRC). (2019). *Report and Recommendations of the Blue Ribbon Committee on Improving the Effectiveness of Audit committees*. New York: BRC.

- Bordean, O., Borza, A., Rus, C., & Mitra, C. (2021). An investigation of the strategy formulation process within the Romanian companies. *Managerial Challenges of the Contemporary Society. Proceedings*, 26.
- Bou-Raad, G. (2000). Internal Auditors and a Value-Added Approach; The New Business Regime. *Managerial Auditing Journal*, 15(4), 182-6.
- Bou-Raad, M. (2015). Association between internal audit and firm performance (ROA) with growth opportunities and audit committee independence in Malaysia. *The Accounting Review*, 84(4), 1255-1280.
- Boyd, D., Boyd, S., & Boyd, W. L. (2001). The Audit Report: A “Misunderstanding Gap” Between Users and Preparers. *National Public Accountant*, 56-60.
- Braiotta, Jr, L., Gazzaway, R. T., Colson, R., & Ramamoorti, S. (2021). *The audit committee handbook*. New York: John Wiley & Sons.
- Brennan, N. M., & Kirwan, C. E. (2015). *Audit committees: practices, practitioners and praxis of governance*. England: Emerald Insight.
- Bruynseels, L., & Cardinaels, E. (2013). The audit committee: Management watchdog or personal friend of the CEO?. . *The Accounting Review*, 89(1), 113-145.
- Bruynseels, L., Krishnamoorthy, G., & Wright, A. (2015). The Association Between Audit Committee Chair Characteristics And The Financial Reporting Process. *working paper*.
- Carcello, J. V., Hermanson, D. R., & Raghunandan, K. (2022). Factors associated with US public companies' investment in internal auditing. *Accounting Horizons*, 19(2), 69-84.
- Carcello, J. V., Nael, T., Palmrose, Z.-V., & Scholz, S. (2016). CEO Involvement in Selecting Board Members and audit committee Effectiveness. *ssrn papers*.
- Carcello, J. V., Neal, T. L., Palmrose, Z. V. & Scholz, S. (2021). CEO involvement in selecting board members, audit committee effectiveness, and restatements. *Contemporary Accounting Research*, 28(2), 396-430.
- Chee, H. K., Phua, L. K., & Yau, D. L. (2016). The relationship between audit quality, board independence and audit committee independence on earnings management before and after full convergence of IFRS. *The Social Sciences*, 11(20), 4902-4906.

- Chen, L., Chan, R., & Leung, T. (2021). Management demography and corporate performance: Evidence from China. *International Business Review and Quantitative analysis*, 42(4), 941 - 962.
- Chou, T. K., & Buchdadi, A. D. (2017). Independent Board, Audit Committee, Risk Committee, the Meeting Attendance level and Its Impact on the Performance: A Study of Listed Banks in Indonesia. *International Journal of Business Administration*, 8(3), 24.
- Claybrook, C. (2018). *Viewing Organizational Trust and Internal Auditing*. FL: The Institute of Internal Auditors Research Foundation.
- Cohen, J. R., Gaynor, L. M., Krishnamoorthy, G., & Wright, A. M. (2021). The impact on auditor judgments of CEO influence on audit committee independence. *Auditing: A Journal of Practice & Theory*, 30(4), 129-147.
- Cohen, J., Krishnamoorthy, G., & Wright, A. M. (2017). Corporate governance and the audit process. *Contemporary accounting research*, 19(4), 573-594.
- Cohen, J., Ding, Y., Lesage, C., & Stolowy, H. (2017). Media bias and the persistence of the expectation gap: An analysis of press articles on corporate fraud. *Journal of Business Ethics*, 144(3), 637-659.
- Contessotto, C., & Moroney, R. (2014). The association between audit committee effectiveness and audit risk. *Accounting & Finance*, 54(2), 393-418.
- Cooper, D. R., & Schindler, P. S. (2020). *International Edition: Business Research Methods*. New Delhi; MacGraw-Hill.
- Cooper, D. R., & Schindler, P. S. (2014). *Business research methods*. New Delhi: McGraw-Hill education.
- Creswell, J. W. (2013). *Research design: Qualitative, quantitative, and mixed methods approach*. London: Sage publications.
- Creswell, J. W. (2014). *A concise introduction to mixed methods research*. London: Sage Publications.
- Daft, R. L. (2018). *Management (6th Ed.)*. South-Western: Thomson.
- Davidson, R., Goodwin-Stewart, J., & Kent, P. (2022). Internal governance structures and earnings management. *Accounting & Finance*, , 45(2), 241-267.
- DiMaggio, P. J. (1988). Interest and agency in institutional theory. Institutional patterns and organizations. *Culture and environment*, 1, 3-22.
- DiNapoli, T. (2017). *Standards for Internal Control*. New York: State Government.

- Donaldson, T., & Preston, L. E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of Management Review*, 20(1), 65-91.
- Easton, G. (2021). Critical realism in case study research. *Industrial Marketing Management*, 39(1), 118-128.
- Ebimobowei, A. (2021). Evaluation of audit expectation Gap: Issues and challenges. *International Journal of Economic Development Research and Investment*, 1(2), 546-552.
- Eden, Y., Ovadia, A., & Zuckerman, B. (2017). Rethinking Sarbanes- Oxley: Why the Act Doesn't Serve the Interest of the Industry or the Markets. *CMA Management*, 32-35.
- El-Sayed Ebaid, I. (2021). Internal audit function: an exploratory study from Egyptian listed firms. *International Journal of law and management*, 53(2), 108-128.
- Emeh, Y., & Appah, E. (2013). Audit committee and timeliness of financial reports: Empirical evidence from Nigeria. *Journal of Economics and Sustainable Development*, 4(20), 14-25.
- Ernst & Young. (2012). Audit committee: Leading practices and trends. *Ernst & Young LLP GEE*.
- Evans, J., Evans, R., & Loh, S. (2017). Corporate governance and declining firm performance. *International of business studies*, 10, 1-18.
- Eyenubo, S. A., Mohammed, M., & Ali, M. (2017). Audit Committee Effectiveness of Financial Reporting Quality in Listed companies in the Nigeria Stock Exchange. *International Journal of Academic Research in Business and Social Sciences*, 7(6), 487-505.
- Fadzly, M., & Ahmad, Z. (2018). Audit expectation gap: The case of Malaysia. *Managerial Auditing Journal*, 19(7), 897-915.
- Fama, E. F., & Jensen, M. C. (1983). Separation of ownership and control. *The journal of law and Economics*, 26(2), 301-325.
- Freeman, R. E., Wicks, A. C., & Parmar, B. (2018). Stakeholder theory and "the corporate objective revisited." *Organization Science*, 15(3), 364-369.
- Gal-Or, R., Hoitash, R., & Hoitash, U. (2015). The Efficacy of Shareholder Voting in Staggered and Non-Staggered Boards: The Case of Audit Committee Elections. *Auditing: A Journal of Practice & Theory*, 35(2), 73-95.

- Gal-Or, R., Hoitash, R., & Hoitash, U. (2016). The determinants of audit committee elections. Retrieved from: *ssrn papers*.
- Getie-Mihret, D., & Wondim, Y. A. (2017). Internal audit effectiveness: an Ethiopian public sector case study. *Managerial auditing journal*, 22(5), 470-484.
- Ghebremichael, A. A. (2018). Determinants of Audit Service Quality Perceptions of Supervisory Directors in Dutch Corporations. *Contemporary Management Research*, 14(1), 674 -684.
- Gitare, D. K. (2013). *An examination of the audit quality difference among big 4 audit firms in Kenya (an audit committee's perspective)*. Unpublished PhD thesis, Nairobi: Strathmore University.
- Gliem, J. A., & Gliem, R. R. (2017). Calculating, interpreting, and reporting Cronbach's alpha reliability coefficient for Likert-type scales. *Midwest Research-to-Practice Conference in Adult, Continuing, and Community Education*.
- Goddard, F., & Schmidt, M. (2018). Auditor-Client Relationships: An Analysis of Expectation Gaps Between Members of the Board of Directors and Auditors Regarding Attributes Influencing Clients' Auditor Choice Decisions. Retrieved from: *papers.ssrn.com*
- Goodwin-Stewart, J., & Kent, P. (2016). The use of internal audit by Australian companies. *Managerial Auditing Journal*, 21(1), 81-101.
- Greco, G. (2021). Determinants of board and audit committee meeting frequency: Evidence from Italian companies. *Managerial Auditing Journal*, 26(3), 208-229.
- Gujarati, D. (2017). *Basic Econometrics (4 Edition)*. New Delhi, DN: McGraw Hill.
- Harrison, J., & Wicks, A. (2013). Stakeholder theory, value and firm performance. *Business Ethics Quarterly*, 97-125.
- Harrison, J., Freeman, R., & Abreu, M. (2015). Stakeholder Theory as an ethical approach to effective management: applying the theory to multiple contexts. *Review of Business Management*, 858-869.
- Harrison, M. O., & Ochieng, D. E. (2018). Internal Factors Influencing External Auditors Independence Among Practicing Accountants In Kenya. The Nairobi: University of Nairobi.

- Hassink, H. F., Bollen, L. H., Meuwissen, R. H., & de Vries, M. J. (2019). Corporate fraud and the audit expectations gap: A study among business managers. *Journal of International Accounting, Auditing and Taxation*, 18(2), 85-100.
- Hidayah, R., Sukirman, A. W., & Mahmud, A. (2018). The Determinants of Audit Committee Meeting Frequency in Indonesia. *The Social Sciences*, 13(1), 53-56.
- Hogan, C. E., & Wilkins, M. S. (2020). Evidence on the audit risk model: Do auditors increase audit fees in the presence of internal control deficiencies? . *Contemporary Accounting Research*, 25(1), 219-242.
- Houghton, K. A., Jubb, C., & Kend, M. (2021). Materiality in the context of audit: the real expectations gap. *Managerial Auditing Journal*, 26(6), 482-500.
- Huck, S. W. (2019). *Statistical misconceptions*. London: Routledge.
- Humphrey, C. (1997). Debating Audit Expectations, Chapter 2 in Sherer, M. and Turley, S. (Eds). *Current Issues in Auditing*.
- Humphrey, C. (2020). Auditing research: a review across the disciplinary divide. *Accounting, Auditing & Accountability Journal*, 21(2), 170-203.
- Humphrey, C., & Turley, S. (2017). *The Audit Expectation Gap*. United Kingdom. ICAEW.
- Hurst, S., Avortri, G. S., Bhan, A., Edwards, S., Lazdins, J., Letaief, M., & Olson, L. (2013). *Ethical issues in patient safety research: interpreting existing guidance*. Geneva: World Health Organization.
- ICPAK. (2017). *Audit Committee Members Training*. Nairobi: The Institute of Certified Public Accountants of Kenya.
- Ihuah, P. W., & Eaton, D. (2013). The pragmatic research approach: A framework for sustainable management of public housing estates in Nigeria. *Journal of US-China Public Administration*, 10(10), 933-944.
- IIA. (2019). *The Professional Practices Framework*. Altamonte Springs, FL.: The Institute of Internal Auditors Research Foundation.
- IIA. (2021). *International Standards for the Professional Practice of Internal Auditing*. Altamonte Springs, FL.: The Institute of Internal Auditors.
- Institute of Internal Auditors. (2021). *The Professional Practices Framework. Inst of Internal Auditors*. Nairobi: Research Foundation, & Institute of Internal Auditors.

- Iyoha, F. O., & Oyerinde, D. (2021). Accounting infrastructure and accountability in the management of public expenditure in developing countries: A focus on Nigeria. *Critical perspectives on Accounting*, 21(5), 361-373.
- Jabbour, M. (2013). *Investigation of Risk Management Changes in Insurance Companies*. Brunel University: Brunel Business School.
- Jaggi, S. (2017). Descriptive statistics and exploratory data analysis. *Indian Agricultural Statistics Research Institute*, 1-18.
- Johl, S., Subramaniam, N., & Zain, M. M. (2012). Audit committee and CEO ethnicity and audit fees: some Malaysian evidence. *The International Journal of Accounting*, 47(3), 302-332.
- Kaawaase, T. K., Assad, M. J., Kitindi, E. G., & Nkundabanyanga, S. K. (2016). Audit quality differences amongst audit firms in a developing economy: The case of Uganda. *Journal of Accounting in Emerging Economies*, 6(3), 269-290.
- Kamau, C. G. (2013). Determinants of audit expectation gap: Evidence from limited companies in Kenya. *International Journal of Science and Research (IJSR)*, 2(1).
- Kamau, C., Nduati, S., & Mutiso, A. (2014). Exploring internal auditor independence motivators: Kenyan perspective. *International Journal of Economics, Finance and Management Sciences*, 2(2), 132-137.
- Kamau, G. C., & Kariuki, S. N. (2012). *Factors Influencing Sample Size for Internal Audit Evidence Collection in the Public Sector in Kenya*. Nairobi: University of Nairobi.
- Kamau, G. C., Kariuki, S. N., & Mutiso, A. N. (2014). *Exploring internal auditor independence motivators: Kenyan perspective*. Embu: Embu University.
- Kamau, J. (2018). *The expectation gap in the statutory audit of quoted Companies in Kenya*. Unpublished MBA research project, Nairobi: University of Nairobi.
- Kantudu, A. S., & Samaila, I. A. (2015). Board Characteristics, Independent Audit Committee and Financial Reporting Quality of Oil Marketing Firms: Evidence from Nigeria. *Journal of Finance, Accounting & Management*, 6(2), 456-460.
- Kao, L., & Chen, A. (2018). The effects of board characteristics on earnings management. *Corporate Ownership & Control*, 1(3), 96-107.

- Kaplowitz, M. D., Hadlock, T. D., & Levine, R. (2018). A comparison of web and mail survey response rates. *Public opinion quarterly*, 68(1), 94-101.
- Kassem, R., & Higson, A. W. (2016). External auditors and corporate corruption: Implications for external audit regulators. *Current Issues in Auditing*, 10(1), P1-P10.
- Khlif, H., & Samaha, K. (2016). Audit committee activity and internal control quality in Egypt: Does external auditor's size matter? *Managerial Auditing Journal*, 31(3), 269-289.
- Kibiya, M. U., Che-Ahmad, A., & Amran, N. A. (2016). Audit committee independence, financial expertise, share ownership and financial reporting quality: further evidence from Nigeria. *International Journal of Economics and Financial Issues*, 6(7S), 125-131.
- Kiel, G., & Nicholason, G. (2017). Real-world governance: driving business success through effective corporate governance. *Mt. Eliza Business Review*, 1-12.
- Kim, J. B., Segal, B., Segal, D., & Zang, Y. (2016). The triangular relationship between audit committee characteristics, audit inputs, and financial reporting quality. Retrieved from: *ssrn papers*.
- Kirima, N. N. (2016). *Factors Affecting the Performance of the Internal Audit Function in Government Ministries in Kenya*. Unpublished PhD Dissertation, Nairobi: United States International University-Africa.
- Köhler, A. G., Marten, K. U., Quick, R., & Ruhnke, K. (2015). Audit regulation in Germany: improvements driven by internationalization. *In Auditing, Trust and Governance*, 129-161.
- Kostova, T., Roth, K., & Dacin, M. T. (2020). Institutional theory in the study of multinational corporations: A critique and new directions. *Academy of management review*, 33(4), 994-1006.
- Kothari, C. R. (2018). *Research methodology: Methods and techniques*. New Delhi: New Age International.
- KPMG. (2017). *Is everything under control. Audit Committee Challenges and priorities*. Nairobi: KPMG.
- Krishnan, J., Wen, Y., & Zhao, W. (2021). Legal expertise on corporate audit committees and financial reporting quality. *The Accounting Review*, 86(6), 2099-2130.

- Lary, A. M., & Taylor, D. W. (2012). Governance characteristics and role effectiveness of audit committees. *Managerial Auditing Journal*, 27(4), 336-354.
- Lee, T. H., Ali, A. M., & Gloeck, J. D. (2019). The audit expectation gap in Malaysia: an investigation into its causes and remedies. *Southern African Journal of Accountability and Auditing Research*, 9(1), 57-88.
- Lee, T. H., Ali, A. M., & Gloeck, J. D. (2021). The audit expectation gap in Malaysia: an investigation into its causes and remedies. *Southern African Journal of Accountability and Auditing Research*, 9(1), 57-88.
- Lee, T., & Ali, A. M. (2020). The audit expectation gap: A review of the contributing factors. *Journal of Modern Accounting and Auditing*, 4(8), 30-37.
- Lenz, R., Sarens, G., & Hoos, F. (2017). Internal Audit Effectiveness: Multiple Case Study Research Involving Chief Audit Executives and Senior Management. *EDPACS*, 55(1), 1-17.
- Lienhard, A. (2013). *Rechtliche Grundlagen der Public Corporate Governance*. Seminar Public Corporate Governance. Bern: KPM.
- Liggio, C. (2018). The Expectation Gap: The Accountant's Legal Waterloo". *Journal of Contemporary Business*, 3(3), 27-44.
- Limisi, E. M., McFie, J. B., & Wang'ombe, D. (2017). Optimal measures for minimizing the tax audit expectation gap in Kenya. *European Journal of Business and Strategic Management*, 2(4), 33-55.
- Lin, S., Pizzini, M., Vargus, M., & Bardhan, I. (2017). An investigation of internal audit characteristics and material weakness disclosures.
- Litjens, R., van Buuren, J., & Vergoossen, R. (2015). Addressing Information Needs to Reduce the Audit Expectation Gap: Evidence from Dutch Bankers, Audited Companies and Auditors. *International Journal of Auditing*, 19(3), 267-281.
- Lynch, L. J., & Williams, S. P. (2012). Does equity compensation compromise audit committee independence? Evidence from earnings management. *Journal of Managerial Issues*, 293-320.
- Martinov-Bennie, N., Soh, D. S., & Tweedie, D. (2015). An investigation into the roles, characteristics, expectations and evaluation practices of audit committees. *Managerial Auditing Journal*, 30(8/9), 727-755.

- Martinov-Bennie, N., Soh, D. S., & Tweedie, D. (2015). An investigation into the roles, characteristics, expectations and evaluation practices of audit committees. *Managerial Auditing Journal*, 30(8/9), 727-755.
- Mason, S. (2013). The effect of reliance on third-party specialists under varying levels of internal control effectiveness on the audit of fair value measurements. *Working paper, Rutgers, The State University of New Jersey*.
- Masoud, N. (2017). An empirical study of audit expectation-performance gap: The case of Libya. *Research in International Business and Finance*, 41, 1-15.
- Matendera, K. H. (2013). *A survey of factors affecting public audit institution's performance: the case of Kenya national audit office*. Unpublished MBA Project, Nairobi: University of Nairobi.
- Meshari, O. A.-H. (2020). The pricing of audit services: evidence from Kuwait". *Managerial Auditing Journal*, 23(7), 685-696.
- Meyer, J. W. (1991). The new institutionalism in organizational analysis. The new institutionalism in organizational analysis.
- Meyer, J. W., & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *American journal of sociology*, 83(2), 340-363.
- Mgbame, C. O., Eragbhe, E., & Osazuwa, N. P. (2012). Audit partner tenure and audit quality: An empirical analysis. *European Journal of Business and Management*, 4(7), 154-162.
- Minnis, M., & Shroff, N. (2017). Why regulate private firm disclosure and auditing. *Accounting and Business Research*, 47(5), 473-502.
- Mohammed, A. F. (2017). *To Assess the Impact of External Financial Auditing on Corporate Governance in Banking Institutions in Kenya*. Unpublished PhD Dissertation, Nairobi: United States International University-Africa.
- Mokono, R. M., & Nasieku, T. (2018). *Factors Affecting Internal Auditor's Performance in Public Universities in Kenya*. Mutanga: The Mutanga University of Technology.
- Moloi, T. (2015). Critical analysis of audit committee reporting in national government departments: the case of South Africa. *International Public Administration Review*.
- Moran, S., & Kral, R. (2015). *The Board of Directors and Audit Committee Guide to Fiduciary Responsibilities*. New York: American Management Association.

- Mugenda, A., & Mugenda, O. (2017). *Research methods quantitative and qualitative approaches*. Nairobi: African Center for Technology Studies.
- Mugo, E. M., & Makori, D. (2018). Audit firm characteristics and audit quality for firms listed at the Nairobi Securities Exchange in Kenya. *International Academic Journal of Economics and Finance*, 3(2), 133-159.
- Mugo, J. (2013). *Relationship between internal control systems and financial performance in Technical Training Institutions in Kenya*. Nairobi: University of Nairobi.
- Muli, V. (2019). *Effect of Performance Contracting on Financial Performance of parastatals in the Financial Sector*. Nairobi: University of Nairobi.
- Munene, M. J. (2013). *Effect of internal controls on the financial performance of technical training institutions in Kenya*. Unpublished master's project, Nairobi: University of Nairobi.
- Mutua, K. (2015). *The relationship between internal audit and effective management in Embu water and sanitation company ltd*. Unpublished PhD Thesis, Nairobi: University of Nairobi.
- Mwangi, A. K. (2018). *Effect of Audit Committee Characteristics on Quality of Financial Reporting among Non-Commercial State Corporations in Kenya*. Unpublished PhD dissertation, Juja: JKUAT.
- Nagy, A. L., & Cenker, W. J. (2017). An assessment of the newly defined internal audit function. *Managerial Auditing Journal*, 17(3), 130-137.
- Nawaiseh, M., & Alnawaiseh, M. (2015). The Effects of the Threats on the Auditor's Independence. *International Business Research*, 8(8), 141-150.
- Naynar, N. R., Ram, A. J., & Maroun, W. (2018). Expectation gap between preparers and stakeholders in integrated reporting. *Meditari Accountancy Research*. 26(2), 241-262.
- Nazri, F. M., & Ahmad, Z. (2018). Audit expectation gap: The case of Malaysia. *Managerial Auditing Journal*, 19(7), 897-915.
- Ndege, F. (2015). *Effects of corporate governance practices among the audit committee on financial performance of SACCOs, a case study of urban Sacco's in Kirinyaga County*. Unpublished MBA Thesis, Nairobi: University of Nairobi.

- Njeru, K. (2013). *Independence of the internal audit committee and how it relates to corporate governance among commercial banks in Kenya*. Unpublished MBA Thesis, Nairobi: University of Nairobi.
- Nyaga, K., Kiragu, D. N., & Riro, G. K. (2018). *Influence of internal audit independence on internal audit effectiveness in the Kirinyaga county government, Kenya*. Nyeri: Dedan Kimathi University.
- Obiamaka, N. (2020). *The Audit Expectation Gap in Nigeria*, Unpublished PhD dissertation, Ota, Ogun State: Covenant University.
- Odoyo, F. S., Omwono, G. A., & Okinyi, N. O. (2014). An Analysis of the Role of Internal Audit in Implementing Risk Management-a Study of State Corporations in Kenya. *International Journal of Business and Social Science*, 5(6), 678- 701.
- Okafor, C. A., & Otor, J. I. (2013). Narrowing the expectation gap in auditing: the role of the auditing profession. *Research Journal of Finance and Accounting*, 4(2), 43-52.
- Okechukwu, A., & Mohammed, I. (2021). Effectiveness of Internal Audit as an Instrument for Improving Public Sector Management. *Scholar links Research Institute Journals.*, 305-307.
- Okibo, B. W., & Kamau, C. G. (2012). A study to explore internal auditors' compliance with Quality Assurance Standards: A case of state-owned corporations in Kenya. *International Journal of Research Studies in Management*, 1(1), 109-126.
- Onumah, J. M., & Yao Krah, R. (2012). Barriers and catalysts to effective internal audits in the Ghanaian public sector. *Emerald Group Publishing Limited. In Accounting in Africa*, 177-207.
- Osborne, S. P. (2021). *The new public governance: Emerging perspectives on the theory and practice of public governance*. London: Routledge.
- Othman, R., Ishak, I. F., Arif, S. M., & Aris, N. A. (2014). Influence of audit committee characteristics on voluntary ethics disclosure. *Procedia-Social and Behavioral Sciences*, 145, 330-342.
- Owino, F. J. (2017). *The Drivers of audit report lag by listed companies in Kenya*. Nairobi: Strathmore University.
- Petty, N. J., Thomson, O. P., & Stew, G. (2012). Ready for a paradigm shift? Part 1: Introducing the philosophy of qualitative research. *Manual therapy*, 17(4), 267-274.

- Pierce, B., & Kilcommins, M. (1995). The Audit Expectations Gap: The Role of Auditing Education'. *Dublin City University Business School Research Papers Series*. (Paper No. 13). Ireland: Dublin City University
- Pierce, B., & Kilcommins, M. (2016). The audit expectations gap: the role of auditing education. Ireland: Dublin City University.
- Porter, B., Ó hÓgartaigh, C., & Baskerville, R. (2012). Audit Expectation-Performance Gap Revisited: Evidence from New Zealand and the United Kingdom. Part 1: The Gap in New Zealand and the United Kingdom in 2020. *International Journal of Auditing*, 16(2), 101-129.
- Pourheydari, O., & Abousaiedi, M. (2021). An empirical investigation of the audit expectations gap in Iran. *Journal of Islamic Accounting and Business Research*, 2(1), 63-76.
- Powell, M., Fitzgerald, R., Taylor, N., & Graham, A. (2012). *International Literature Review: Ethical Issues in Undertaking Research with Children and Young People (Literature review for the Childwatch International Research Network)*. Lismore: Southern Cross University, Centre for Children and Young People.
- Puri, R., Trehan, R., & Kakkar, H. (2021). Corporate Governance through the Audit Committee. A Study of the Indian Corporate Sector. *Journal of Corporate Governance*, 9(1/2), 47-56.
- Rajagopalan, N., & Zhang, Y. (2020). Corporate governance reforms in China and India. Challenges and opportunities. *Business Horizons*, 51, 55-64.
- Raykov, T. (2021). Evaluation of convergent and discriminant validity with multitrait-multimethod correlations. *British Journal of mathematical and statistical psychology*, 64(1), 38-52.
- Razak, N. H., Ahmad, R., & Aliahmed, H. J. (2020). Government Ownership and Performance: An Analysis of Listed Companies in Malaysia. *Journal Corporate Ownership & Control*, 6(2), 452-459.
- Rehana, F. (2021). *An Empirical Study on Audit Expectation Gap: Role of Auditing Education in Bangladesh*. Bangladesh: Personal RePEc Archive.
- Reinstein, A., & Weirich, T. R. (2016). Testing for bias in the audit committee. *Managerial Auditing Journal*, 11(2), 28-35.
- Robert, K. H. (2016). *Making audit committees more effective chief accountant*. New Orleans: Tulane Corporate Law Institute.

- Rochmah Ika, S., & Mohd Ghazali, N. A. (2012). Audit committee effectiveness and timeliness of reporting: Indonesian evidence. *Managerial Auditing Journal*, 27(4), 403-424.
- Ruhnke, K., & Schmidt, M. (2014). The audit expectation gap: existence, causes, and the impact of changes. *Accounting and Business Research*, 44(5), 572-601.
- Rupley, K., Almer, E., & Philbrick, D. (2021). Audit committee effectiveness: Perceptions of public company audit committee members post-SOX. *Research in Accounting Regulation*, 23(2), 138-144.
- Saeidi, F. (2012). Audit expectations gap and corporate fraud: Empirical evidence from Iran. *African Journal of Business Management*, 6(23), 7031-7041.
- Saleh, N., Iskandar, T., & Rahmat, M. (2017). Audit Committee Characteristics and Earnings Management: Evidence from Malaysia. *Asian Review of Accounting*, 15(2), 765-769.
- Salehi, M. (2021). Audit expectation gap: Concept, nature and trace. *African Journal of Business Management*, 5(21), 8376-8392.
- Salehi, M. (2016). Quantifying audit expectation gap: a new approach to measuring the expectation gap. *Zagreb International Review of Economics and Business*, 19(1), 25-44.
- Sarens, C., & Debeelde. (2016). Internal Auditors Perception about their role in risk management: A comparison between the US and Belgium Companies. *Managerial Auditing Journal*, 21(1), 63-80.
- Sarens, G., Abdolmohammadi, M. J., & Lenz, R. (2012). Factors associated with the internal audit function's role in corporate governance. *Journal of Applied Accounting Research*, 13(2), 191-204.
- Sarkar, J., & Sarkar, S. (2012). Auditor and audit committee independence in India. Retrieved from: oii.igidr.ac.in
- Saunders, M. N., Lewis, P., & Thornhill, A. (2015). *Research methods for business students*. New Delhi: Pearson Education.
- Saunders, M., Lewis, P., & Thornhill, A. (2012). *Research methods for business students* (6th Ed.). Harlow: Financial Times/ Prentice Hall.
- SCAC. (2017). *State Corporations*. Retrieved from State Corporations Advisory Committee: Retrieved from: <http://scac.go.ke/index.php/state-corporations#>

- Scott, W. R. (2022). Institutional theory: Contributing to a theoretical research program. Great minds in management. *The process of theory development*, 460-485.
- Sigowo, B. (2019). *A survey of the role of Internal Audit in promoting good corporate governance in SACCOs*. Unpublished MBA project, Nairobi: University of Nairobi.
- Soh, D. S., & Martinov-Bennie, N. (2019). The Relationship Between the Audit Committee and the Internal Audit Function: Evidence from Australia. Retrieved from: papers.ssrn.com
- Soliman, M. M., & Ragab, A. A. (2014). Audit committee effectiveness, audit quality and earnings management: an empirical study of the listed companies in Egypt. *Research Journal of Finance and Accounting*, 5(2), 155-166.
- Stewart, J., & Munro, L. (2017). The impact of Audit Committee Existence and Audit Committee Meeting Frequency on the External Audit: Perception of Australian Auditors. *International Journal of Auditing*, 11(1), 51-69.
- Stewart, J., & Subramaniam, N. (2021). Internal audit independence and objectivity: emerging research opportunities. *Managerial auditing journal*, 25(4), 328-360.
- Sultana, N. (2015). Audit committee characteristics and accounting conservatism. *International Journal of Auditing*, 19(2), 88-102.
- Sun, J., Liu, G., & Lan, G. (2021). Does female directorship on independent audit committees constrain earnings management. *Journal of Business Ethics*, 99(3), 369-382.
- Sydorenko, T. (2012). *Evaluating the Validity and Reliability of the Diversity Icebreaker Questionnaire*. Zu Berlin: Humboldt-Universität Zu Berlin.
- Taboi, L. (2021). After the Promise: Economic Sector Reforms in the Early NARC Year. *Journal of the Institute of Economic Affairs*, 1.
- Tokuda, A. (2017). The critical assessment of the resource-based view of strategic management: Source of heterogeneity of the firm. *Ritsumeikan International Affairs*, 2(3), 125-150.
- Trautman, L. J. (2012). Who qualifies as an audit committee financial expert under Sec regulations and NYSE Rules. *DePaul Bus. & Comm. LJ*, 11, 205.
- Tricker, T. (2022). Student expectations - how do we measure up. *Probing the boundaries of higher education*, 111-114.

- Turley, S., & Zaman, M. (2017). Audit committee effectiveness: informal processes and behavioural effects. *Accounting, Auditing & Accountability Journal*, 20(5), 765-788.
- Turley, S., & Zaman, M. (2018). The corporate governance effects of audit committees. *Journal of management and governance*, 8(3), 305-332.
- Van-Gansberghe, C. N. (2022). Internal auditing in the public sector: a consultative forum in Nairobi, Kenya, shores up best practices for government audit professionals in developing nations. *Internal Auditor*, 62(4), 69-74.
- Velte, P., & Freidank, C. C. (2015). The link between in-and external rotation of the auditor and the quality of financial accounting and external audit. *European Journal of Law and Economics*, 40(2), 225-246.
- Wang, D. H., & Huynh, Q. (2013). Complicated relationships among Audit Committee Independence, Non-financial and Financial Performance. *Journal of Knowledge Management, Economics and Information Technology*, 3(5), 231 -236..
- Waruhiu, M. (2015). Gaining the Edge with Governance Audits: Governance. *Journal of the Institute of Certified Public Secretaries of Kenya*, 1, 17-19.
- Waweru, N. (2018). Audit committee characteristics, board ethnic diversity and earnings management: evidence from Kenya and Tanzania. *International Journal of Corporate Governance*, 9(2), 149-174.
- Waweru, N. M., Kamau, R. G., & Uliana, E. (2021). Audit committees and corporate governance in a developing country. *International Journal of Accounting, Auditing and Performance Evaluation*, 7(4), 337-358.
- Willig, C. (2013). *Introducing qualitative research in psychology*. UK: McGraw-Hill Education (UK).
- Wright, N., & Losekoot, E. (2012). Interpretative research paradigms: points of difference. In the 9th European Conference on Research Methods in Business Management. *ECRM Academic Conferences Limited*, (p. 416).
- Yee, C. S., Sujana, A., James, K., & Leung, J. K. (2017). Perceptions of Singaporean internal audit customers regarding the role and effectiveness of the internal audit. *Asian Journal of Business and Accounting*, 1(2), 147-174.
- Yin, F., Gao, S., Li, W., & Lv, H. (2012). Determinants of audit committee meeting frequency: evidence from Chinese listed companies. *Managerial Auditing Journal*, 27(4), 425-444.

- Zain, M. M., Subramaniam, N., & Stewart, J. (2016). Internal auditors' assessment of their contribution to financial statement audits The relation with the audit committee and internal audit function characteristics. *International Journal of Auditing*, 10(1), 564- 568.
- Zaiğ, A., & Berteza, P. E. (2021). Methods for testing discriminant validity. *Management & Marketing Journal*, 9(2), 654-659.
- Zaleha, A. R., Rahim Abdul Rahman, A., & Khairuzzaman, W.-I. W. (2021). Management accounting and risk management in Malaysian financial institutions: An exploratory study. *Managerial Auditing Journal*, 26(7), 566-585.
- Zhang, Y., Zhou, J., & Zhou, N. (2017). Audit committee quality, auditor independence, and internal control weaknesses. *Journal of accounting and public policy*, 26(3), 300-327.
- Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2013). *Business research methods*. London: Cengage Learning.

APPENDICES

Appendix I: Introductory Letter

HUDSON OLOISHURO SALENOI
P.O Box 1037-20500
10th August 2023

Dear Participant,

My name is Hudson Oloishuro Salenoi, currently taking a graduate degree at Kenyatta University (K.U). I am undertaking a research project, ***“AUDIT COMMITTEE CHARACTERISTICS AND PERFORMANCE OF THE INDEPENDENT ELECTORAL AND BOUNDARIES COMMISSION, KENYA”***.

As a member of our organization, you have been chosen to participate in this research project, and we greatly value your input. Your involvement will play a crucial role in our efforts to understand and address the impacts of supply chain risks, ultimately improving our overall performance as an organization. Moreover, the insights gained from this study can also be beneficial for government agencies in their decision-making regarding supply chain risks within government entities.

Completing the questionnaire should take approximately 15 to 30 minutes of your time. We kindly request that you answer each question honestly, as the success of this study relies entirely on your responses. Rest assured that the information you provide will be kept confidential and used solely for educational purposes. Please refrain from including your name. I sincerely appreciate your willingness to share your insights and time with us.

Yours sincerely

HUDSON OLOISHURO SALENOI
D53/OL/CTY/24691/2014

Appendix II: Research Questionnaire

PART A: GENERAL INFORMATION

Introduction

This research aims to ascertain the audit committee practices and performance of the independent electoral and boundaries commission, Kenya.

- 1. What percentage of members of the audit committee have the following amount of experience?**

1 – 3 years [] 3 – 5 years []

5 – 8 years [] Over 8 years []

- 2. What function do you perform for the audit committee??**

Chairman []

Secretary []

Member []

- 3. Kindly indicate your highest educational level.**

Diploma [] Degree []

Masters [] Doctorate []

PART B: AUDIT COMMITTEE CHARACTERISTICS

Utilizing any of the available ratings, indicate how much you agree or disagree with the following assertions about the audit committee's qualities.:

5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree, 1 = Strongly Disagree


	Statement	1	2	3	4	5
4.	Audit Committee Independence					
4A	The audit committee always endeavours to ensure the members enjoy security tenure					
4B	The board always endeavours to be transparent in their recruitment of audit committee members					
4C	The board always endeavours to ensure there is no conflict of interest among the audit committee members					
4D	The audit committee is always committed to the disclosure of materials					
4E	It is always a preference of the board to have an outside director within the audit team					
4F	The audit committee always endeavours to adhere to the line of authority established in the committee					

	Statement	1	2	3	4	5
5	Audit Committee Composition					
5A	The committee members rarely fall outside the required statutory composition					
5B	The audit committee is always committed to meeting the statutory required composition					
5C	The audit committee rarely has one gender falling below the one-third of the total composition					
5D	There is always a commitment to the regional balance					

	Statement	1	2	3	4	5
6	Audit Committee Meetings and size					
6A	The audit committee meets between 4-6 times annually					
6B	The audit committee always endeavours to meet the statutory frequencies of meetings					
6C	The audit committee always endeavours to have a dictated agenda for every audit committee meeting					
6D	The audit committee rarely set off meetings in the absence of the chairman					
6E	The audit committee always endeavours to meet the standard quorum before meetings commence					
	in the audit committee members					
5E	There is always a commitment to the age group balance in the audit committee members					
5F	The audit committee has mixed experienced members which affect the performance of audit function					

	Statement	1	2	3	4	5
7	Audit Committee Technical Skills					
7A	A proportion of audit committee members have adequate experience within the committee.					
7B	A proportion of audit committee members have undertaken financial training					
7C	A proportion of audit committee members are experts in accounting practice					
7D	A proportion of audit committee members have a professional standing within the auditing body					

Appendix III: Kenyatta University Graduate School Letter of Approval


KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean_graduate@ku.ac.ke P.O. Box 43844, 00100
Website: www.ku.ac.ke NAIROBI, KENYA
Tel. 810901 Ext. 4150

Internal Memo

FROM: Executive Dean, Graduate School DATE: 20th July, 2023
TO: Hudson Oloishuro Salenoi RET: D53/OL/CTY/24691/2014
C/o Business Administration Dept.

SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL


This is to inform you that Graduate School Board at its meeting of 12th July, 2023 approved your Research Project Proposal for the M.B.A Degree Entitled, **“Audit Committee Characteristics and Performance of the Independent Electoral and Boundaries Commission, Kenya.”**

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking and progress report Forms per semester. The Forms are available at the University’s Website under Graduate School webpage downloads.

Also, please ensure that you publish article(s) from your project before submitting it to Graduate School for examination as per the Commission for University Education and Kenyatta University guidelines.

Thank you.


SAMUEL MAINA
FOR: EXECUTIVE DEAN, GRADUATE SCHOOL


c.c. Chairman, Business Administration.

Supervisors:

1. Dr. Samuel Maina
C/o Department of Business Administration
Kenyatta University

AM/mo

Appendix IV: Kenyatta University Graduate School Letter of Approval


KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke P.O. Box 43844, 00100
NAIROBI, KENYA
Website: www.ku.ac.ke Tel. 8710901 Ext. 57530

Our Ref: D53/OL/CTY/24691/2014 DATE: 20th July, 2023

Director General,
National Commission for Science, Technology
and Innovation
P.O. Box 30623-00100
NAIROBI

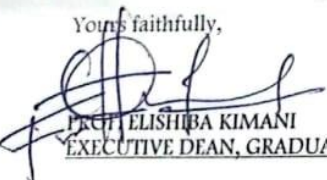
Dear Sir/Madam,

RE: RESEARCH AUTHORIZATION FOR HUDSON OLOISHURO SALENOI – REG. NO. D53/OL/CTY/24691/2014

I write to introduce Hudson Oloishuro Salenoi who is a Postgraduate Student of this University. The student is registered for M.B.A degree programme in the Department of Business Administration.

Hudson intends to conduct research for a M.B.A Project Proposal entitled, “**Audit Committee Characteristics and Performance of the Independent Electoral and Boundaries Commission, Kenya.**”

Any assistance given will be highly appreciated.

Yours faithfully,

PR. ELISHIBA KIMANI
EXECUTIVE DEAN, GRADUATE SCHOOL

AM/mo

Appendix V: NACOSTI Research Permit

 <p>REPUBLIC OF KENYA</p>	 <p>NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION</p>
<p>Ref No: 931873</p>	<p>Date of Issue: 02/August/2023</p>
<p>RESEARCH LICENSE</p>	
	
<p>This is to Certify that Mr. HUDSON OLOISHURO SALENGI of Kenyatta University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: AUDIT COMMITTEE CHARACTERISTICS AND PERFORMANCE OF THE INDEPENDENT ELECTORAL AND BOUNDARIES COMMISSION, KENYA for the period ending : 02/August/2024.</p>	
<p>License No: NACOSTI/P/23/28148</p>	
<p>Applicant Identification Number 931873</p>	
<p>Director-General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION</p>	
<p>Verification QR Code</p>	
	
<p>NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.</p>	
<p>See overleaf for conditions</p>	