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County Governments**



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Auditors' Professional Experience and Financial Sustainability of County Governments

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ABSTRACT

Purpose: This study investigated the effect of an auditor's professional experience on the financial sustainability of county governments in Kenya.

Methodology: A descriptive research design was employed, targeting all 47 counties in Kenya. A sample of 123 respondents was selected, and data were obtained through structured questionnaires utilizing a five-point Likert scale. Instrument reliability was verified through a pilot test, yielding a Cronbach's alpha of 0.7. Data analysis was conducted using SPSS, applying both descriptive and inferential statistics, including multivariate regression and structural equation modeling.

Findings: The findings established that auditors' professional experience exerts a positive and statistically significant effect on financial sustainability. It concludes that sustained investment in auditor capacity-building is vital for improving governance and ensuring long-term financial sustainability within devolved government units.

Unique Contribution to Theory, Policy, and Practice: The study extends on the existing public sector auditing and financial sustainability literature by empirically demonstrating, within the Kenyan county government context, the significant linkage between auditors' professional experience and financial sustainability, while reinforcing legitimacy, stewardship, and inspired confidence theories in public financial management discourse. The study further provides empirical evidence to county governments and policymakers that auditors' professional experience is a critical governance resource for enhancing financial sustainability, thus justifying greater investment in auditor capacity development, retention, and professional training within devolved units.

Keywords: *Auditors' Professional Experience, County Governments, Financial Sustainability*

1 INTRODUCTION

In Kenya, audit structures and internal audit practices are legally grounded in the Public Finance Management Act (PFM Act, 2012), which mandates county entities to adopt internal audit arrangements aligned with best practices (Kenya Law Reform Commission, 2025). Recent empirical studies have begun to link audit practices with financial reporting quality. For instance, Wanja and Ibrahim (2023) reported a moderate positive relationship between internal audit practices and financial reporting quality in six coastal county governments ($r^2 = 0.523$). Similarly, Burje (2023) established that audit committee attributes such as independence, technical competence, frequency of meetings, and composition had a strong influence on financial performance in Wajir County.

Auditor's professional experience refers to the exposure of the auditors to audit engagements in terms of years of service, certifications, and industry-specific experience. Research indicates that senior auditors are more proficient in misstatement detection, judgment, and are more effective in creating better quality audits, thus contributing to accountability and economic discipline (Ramadhan et al., 2024).

Auditor's professional experience's inclusion takes into consideration the human capital aspect that improves the quality of diagnostic audit services and promotes corrective management response. Research has shown that experienced auditors are more proficient at detecting misstatements, exercising sound judgment, and delivering higher-quality audits, thereby promoting accountability and financial discipline (Foura, 2024).

The measurement of an auditor's professional experience varies across contexts depending on available data and institutional settings. Globally, competence is often assessed through professional credentials and years of experience, while independence is reflected in governance safeguards such as tenure rules and restrictions on non-audit services (SEC, 2022; MDPI, 2024). Ethics and skepticism are frequently measured using validated survey instruments or disciplinary records (Le et al., 2022). In domestic audits, additional indicators include staffing levels of internal audit units, frequency of audit committee meetings, independence requirements, and the type of audit opinions issued, particularly in municipalities and devolved governments (Foura, 2024; OAG Kenya, 2024).

In principle, county governments in Kenya are expected to achieve financial sustainability by implementing sound risk management strategies, enhancing revenue mobilization, and exercising prudent budgetary control. Auditors, who serve as custodians of public financial accountability, are anticipated to exhibit high levels of professional competence, independence, experience, and ethical integrity. When these qualities are upheld, auditors are better positioned to deliver accurate and timely financial reports, minimize the accumulation of pending bills, and issue unqualified audit opinions, thereby fostering public confidence and enabling counties to deliver devolved

services effectively. Ideally, such practices would ensure consistent service delivery, reduce recurrent fiscal stress, and strengthen the long-term financial stability of devolved units (World Bank, 2022).

Nevertheless, evidence presents a less encouraging reality in county financial management. The Controller of Budget (2023) reported that over 60% of counties recorded budget deficits and underperformed in local revenue collection during the 2022/2023 financial year. Similarly, the Auditor-General's 2023 report indicated that 35 counties received either qualified or adverse audit opinions, underscoring persistent weaknesses in financial reporting and internal controls. These findings suggest systemic challenges not only in financial management systems but also in the attributes and capacity of auditors mandated to safeguard public resources. Furthermore, despite the establishment of internal audit units, numerous counties continue to face compliance challenges with the Public Finance Management (PFM) Act, 2012, raising concerns regarding the effectiveness of auditors in ensuring fiscal sustainability (Muthoni & Ngunu, 2023).

Although existing research has explored audit quality and accountability within the public sector (Kimani & Muturi, 2021; Barasa & Musyoka, 2022), limited scholarly attention has been directed toward understanding how specific auditors' professional experience shapes financial sustainability in county governments. Much of the literature focuses on broad indicators of audit effectiveness rather than isolating traits such as professional certification. This gap is particularly important in light of growing fiscal decentralization and the heightened demand for transparency in devolved governance (Mwangi & Omolo, 2023). To address this gap, the present study investigates the influence of auditors' professional experience on the financial sustainability of county governments in Kenya.

2. LITERATURE REVIEW

A study by Liu and Xing (2023) investigated whether auditors' demonstrated sustainability focus influenced the sustainability reporting practices of their clients in the United States. The study targeted large audit firms and their public clients over a multi-year period and operationalized auditor sustainability focus through content analysis of sustainability-related disclosures in auditors' public communications and client sustainability reporting in 10-K filings. Using longitudinal regression models, the study established that auditors who signaled a stronger sustainability focus were associated with broader and higher-quality client sustainability disclosures, alongside improved sustainability activities in subsequent years. The authors concluded that auditors could act as transmission mechanisms for sustainability practices. However, the study did not clarify whether this effect occurred through auditor engagement behavior or client selection, a gap that the present research seeks to address by directly measuring on-engagement auditor practices and applying firm-level panel techniques to separate selection from treatment effects.

Similarly, Herghiligi et al. (2023) examined the role of audit report quality in shaping sustainable corporate performance in Romania. The study used listed firms on the Bucharest Stock Exchange as its target population and applied multivariate regression analysis to relate audit quality proxies and gender equality indicators to sustainable performance metrics. Findings showed that financial transparency, approximated through audit report quality and discretionary accruals, was positively associated with subsequent sustainability reporting and corporate performance, while gender equality in leadership strengthened these outcomes. Although the study underscored the importance of audit-related competence, it did not directly examine auditors' years of professional experience or partner tenure. The current research will therefore fill this gap by operationalizing auditor experience through measurable indicators such as years licensed and partner tenure.

In Egypt, an applied study titled *The Impact of Audit Committee's Financial Experience on Sustainability Performance Disclosure* (2023) focused on joint-stock companies listed on the Egyptian Exchange. The study sought to establish whether audit-committee financial experience influenced the extent and quality of sustainability disclosures. Using panel regression techniques, the authors found a positive and significant relationship, where firms with more financially experienced audit committees reported broader sustainability disclosures. The study demonstrated that financial expertise on oversight bodies strengthened sustainability credibility, but did not assess the role of external auditors' professional experience. The present research will therefore extend the inquiry by jointly considering audit committee expertise and external auditors' professional experience.

In Nigeria, Usman and Adekanye (2023) examined audit fees, auditor's experience, and earnings Management among listed manufacturing companies. The study sampled panel data from manufacturing firms over five years, employing an ex-post facto design with regression analysis. Results revealed that audit fees were negatively associated with earnings management, suggesting stronger diligence, while auditor experience had no statistically significant impact on earnings management. The authors attributed this to institutional weaknesses and limited audit capacity. This finding left unresolved whether other measures of auditor experience—such as partner tenure, staff continuity, or industry specialization might influence long-term financial sustainability, which the current study intends to explore.

With respect to behavioral biases, Javareshk et al. (2024) conducted an experimental study on *Mental Accounting in Tax Liabilities*. Using student and staff participants exposed to varying tax rates, audit probabilities, and fines, the study established that taxpayers applied mental accounting differently across income sources. Results showed that tax evasion was significantly higher for earned income compared to capital income under high tax rates, illustrating that mental accounting could worsen compliance. The authors recommended that tax policies should account for source

framing. The current study applies this insight to consider how auditors' communication might mitigate mental accounting–driven noncompliance in SMEs.

Dhami et al. (2023) also explored the intersection of Mental Accounting, Loss Aversion, and Tax Evasion through experimental modeling and structural estimation. Using survey and experimental data from diverse populations, the study demonstrated that mental accounting, combined with reference dependence, increased tax evasion for income sources perceived as more entitled, particularly under high tax rates. The study highlighted the importance of framing in influencing compliance but did not contextualize the findings within SMEs. The current study will therefore investigate whether similar patterns exist among SME taxpayers and whether auditors' professional interventions can moderate such behaviors.

Further evidence from survey-based studies conducted between 2020 and 2023 indicated that mental budgeting among self-employed taxpayers sometimes reduced compliance, particularly when taxpayers compartmentalized VAT receipts or earmarked funds under cash flow constraints (Antonides & De Groot, 2023). These studies found that mental accounting could worsen compliance outcomes in complex tax environments. While such findings underline the negative role of mental accounting, they have not been directly tested in the Kenyan SME context. This research will extend the inquiry by incorporating SMEs and auditor practices as moderating factors.

At the county level, a Kenyan study published in the study by Wanja and Ibrahim (2023) investigated the Financial Auditing and Financial Sustainability of Kisii County Government. Using survey questionnaires and regression analysis, the study established that effective auditing practices enhanced financial sustainability indicators such as revenue performance and debt servicing. However, the study did not isolate the role of the auditor's professional experience. The present research will address this gap by explicitly testing how auditors' experience contributes to financial sustainability in Kisumu County.

Ogela (2023) analyzed the Influence of Risk-Based Internal Audit on the financial sustainability of NGOs in Nakuru County. Data from internal auditors, finance managers, and executives were collected through questionnaires and analyzed using regression methods. The study revealed that auditor competency significantly enhanced NGO financial sustainability. While insightful, the study limited its scope to internal auditors, leaving unexplored the role of external auditors' experience. The current research will therefore expand on this by evaluating both internal and external auditors' contributions.

3. RESEARCH METHODOLOGY

In this study, descriptive research was used by the researcher. A descriptive study design was used to provide facts and hints about key associations between variables and their apparent evolution,

and the population was described to investigate the influence of the Auditor's professional experience on the Financial Sustainability of County Governments in Kenya.

In this study, the target population was 1 internal auditor and 2 finance officers from each of the 47 Counties in Kenya, translating to 141 staff for this study. Since the study population was small, a census approach was adopted. A census study offers the unique advantage of comprehensive data collection, ensuring accuracy and inclusivity by examining every individual or unit within the target population (Mugenda & Mugenda, 2013).

The basic data for this study were collected directly from respondents via questionnaires. The target population filled out surveys, which the researcher distributed to the twelve firms. Important people, particularly company executives and public relations professionals. The key reason for picking the responders indicated above was that these individuals were more likely to display a deep comprehension of the philosophy underlying the financial Sustainability of County Governments in Kenya. Furthermore, they were better able to explain how the Auditor's professional experience has improved the financial Sustainability of County Governments in Kenya. The researcher collected data through a standardized questionnaire disseminated via the "drop and pick" method. The researcher's questionnaire was in the form of a Likert scale of 1-5; **1** strongly agree, **2** Agree, **3** Neutral, **4** Disagree, **5** strongly disagree.

Ten percent of the sample was used for instrument pre-testing. This represented 10% of the actual sample, which was within the 10% to 20% recommended by Clark, Foster, Bryman, and Sloan (2021). To evaluate the reliability of the research instrument, a pilot study was carried out with a focus on ensuring consistency and dependability in the findings. Participants were guided through a standardized procedure to interpret and answer the questionnaire in a uniform manner, minimizing potential variations in responses. Reliability was measured using Cronbach's Alpha, a widely recognized statistical method for assessing internal consistency. Each section of the instrument was carefully analyzed, and any Cronbach's Alpha values below the acceptable threshold of 0.7 were scrutinized. According to Gall, Borg, and Gall (2016), a value of 0.7 or higher indicates acceptable reliability. Scores falling below this level prompted further review and adjustments to enhance the instrument's reliability.

To guarantee that the questionnaire fully captured the breadth of the research topic, content validity was evaluated in line with the recommendations of Straub et al. (2004). A comprehensive pilot study was undertaken, during which participants provided feedback to identify any questions that were unclear or potentially misleading. This iterative process facilitated the refinement of the questionnaire, ensuring that each item accurately aligned with the study's objectives. Furthermore, the instrument was reviewed by academic experts in the field, who critically assessed the constructs to confirm they accurately represented the intended variables. Their input played a crucial role in strengthening the validity and overall quality of the research tool.

To improve follow-up feasibility and maximize the likelihood of a high response rate, crucial in a census approach, the study implemented a structured follow-up plan. This involved sending scheduled reminder emails and making follow-up phone calls to non-respondents at set intervals. These efforts aimed to keep participants engaged, address any questions or concerns about the questionnaire, and encourage prompt completion, thereby supporting comprehensive data collection and reducing non-response bias.

The primary data collection method was the use of structured questionnaires that included both qualitative and quantitative aspects. The qualitative data (non-numerical data) were collected using the questionnaire. This data was collected from the open-ended questions, where the responses were recorded verbatim. The quantitative data were collected using closed questions where the responses were scored on a numerical scale. These instruments were developed to contain the items that helped in achieving the objectives of the study (Bell, 2013).

The data was cleaned, coded, and entered into SPSS version 24 for processing. Descriptive statistics such as the mean, standard deviation, range, and minimum and maximum values were used to summarize the data. Inferential statistics, including correlation analysis, regression, and ANOVA, were employed to explore the relationship between the independent and dependent variables. The regression model outlined below was used to estimate the effect of risk management on financial inclusion:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where:

Y = Financial Sustainability; β_0 = constant; β_0, β_1 = beta coefficients; X_1 = Auditor's professional experience; ε = error term

The appropriateness of the regression model was evaluated using various diagnostic tests. To detect multicollinearity, Variance Inflation Factors (VIFs) will be calculated. The null hypothesis assumes no multicollinearity among the predictors. VIF values between 1 and 10 indicate no multicollinearity, whereas values exceeding 10 suggest its presence (Kalnins & Hill, 2023). If detected, log transformations were applied to the variables to reduce multicollinearity and improve the reliability of the regression results. Skewness and kurtosis values were computed to assess normality, with values within ± 3 indicating compliance with the assumption (Upendra, 2023). If substantial deviations from normality occur, transformations such as logarithmic or square root adjustments were applied to meet the assumption and maintain the validity of the results.

Pearson Correlation Analysis was used to check linearity, with correlation coefficients near ± 1 indicating a strong linear association, and values close to 0 showing weak or no linear relationship (Riffenburgh & Gillen, 2020). The Breusch-Pagan test and residual plot analysis will be used to assess this assumption. The null hypothesis states that residuals are homoscedastic. A p-value

below the chosen significance level (e.g., 0.05) indicates heteroscedasticity (Ilori & Tanimowo, 2022). If detected, corrective measures such as weighted least squares regression or variable transformations were implemented to stabilize residual variance.

The study prioritized ethical standards to safeguard the integrity of the research and the rights of participants. Informed consent was obtained from all respondents, ensuring they understood the purpose, procedures, and their right to withdraw without repercussions (Xu et al., 2020). Confidentiality was maintained by anonymizing responses and avoiding the collection of identifiable information. Data was collected via Google Forms, with responses securely stored and accessible only to the researcher. The study complied with institutional review board requirements and professional ethical guidelines for research involving human participants (Eba & Nakamura, 2022). Adherence to these principles ensured a transparent, respectful, and credible research process, enhancing the trustworthiness and validity of the findings.

4. DATA ANALYSIS, PRESENTATION, AND INTERPRETATION

4.1 Response rate

The research reported a high engagement among the respondents, which indicates their readiness to express their opinion on issues concerning auditors and the financial viability of the county governments. The themes covered by the questionnaires were vast and in line with the study objectives, as they provoked different and rich information that added diversity to the data in terms of options and real experiences within the county setting. There were 141 questionnaires given, but 136 were properly filled out and sent in, a response rate of 96.45. Hardigan et al. (2016) have claimed that a response rate of over 50 percent is usually satisfactory in descriptive research, which means that the turnout was significantly higher than the required level in this study.

TABLE 1: Findings on Response Rate

Response	Frequency	Percentage
Returned	136	96.45%
Unreturned	5	%
Total	141	3.55%

4.2 Reliability Test

Reliability analysis was conducted using Cronbach's Alpha to assess the internal consistency of the questionnaire items for each study variable. A Cronbach's Alpha coefficient of 0.7 or higher is generally considered acceptable for social science research, as it indicates that the items measure the intended construct consistently (Tavakol & Dennick, 2011).

The results in Table 3 show that Financial Sustainability recorded the highest reliability coefficient ($\alpha = 0.891$), suggesting a very strong internal consistency among its five items. Auditor's professional experience also demonstrated high reliability ($\alpha = 0.889$), indicating that respondents interpreted the questions in a consistent manner. These values confirm that the questionnaire items for all constructs were well-designed and yielded dependable responses.

The findings confirm that all the study variables met the recommended reliability threshold, with Cronbach's Alpha values ranging from 0.999 to 0.891. This indicates that the measurement scales used in the study were internally consistent and suitable for further statistical analysis on the relationship between auditor professional experience and the financial sustainability of county governments in Kenya.

TABLE 2: Reliability Test Findings

Variables	Cronbach's Alpha	Number of Items in the Questionnaire	Conclusion
Financial Sustainability	0.891	5	Reliable
Auditor's professional experience	0.889	5	Reliable

4.3 Validity Analysis using Kaiser-Meyer-Olkin and Bartlett's test

Factor analysis was carried out to assess the construct validity of the study variables using the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity. A KMO value above 0.6 indicates that the sample size is adequate for factor analysis, while a significant Bartlett's Test ($p < 0.05$) confirms that the correlation matrix is not an identity matrix, meaning the variables are sufficiently correlated for factor extraction (Kaiser, 1974).

The results in Table 3 show that Financial Sustainability had a KMO of 0.732, Auditor's professional experience 0.751, comfortably above the recommended minimum threshold, suggesting a high degree of sampling adequacy. Bartlett's Test of Sphericity was statistically significant ($p = 0.000$), confirming that the items within each construct were appropriately correlated for validity testing.

The factorial test results confirm that all study constructs exhibited adequate sampling adequacy and statistically significant inter-item correlations, thereby validating the measurement instruments. These findings indicate that the items used to measure auditors' professional experience and financial sustainability were both relevant and appropriate for further multivariate statistical analysis within the context of county governments in Kenya.

TABLE 3: Findings on Kaiser-Meyer-Olkin and Bartlett's Test

	KMO	Bartlett's Test of Sphericity			Validity
		Approx. Chi-Square	Df	Sig.	
Financial Sustainability	0.732	66.072	5	0	Valid
Auditor's professional experience	0.751	95.259	5	0	Valid

4.4 Socio- Demographic Characteristics of Respondents

This section outlines the socio-demographic profiles of the respondents involved in the study. Gaining insight into these characteristics is crucial, as they provide important context for analyzing the responses and viewpoints shared. The analysis focused on key demographic indicators, including age, gender, educational background, and years of professional experience, helping to shed light on how these factors might shape participants' perceptions related to the study's subject matter.

4.4.1 Gender of Respondents

The results in Table 4 show that 58.1% of the respondents were male, while 41.9% were female. This distribution suggests that the auditing profession within county governments in Kenya is moderately male-dominated, although female representation is still significant. The relatively high proportion of male respondents may reflect existing gender imbalances in senior audit positions within the public sector, which could influence perspectives on auditor professional experience. Conversely, the notable presence of female auditors provides a balanced viewpoint in the study, allowing for a more comprehensive understanding of how gender diversity may affect approaches to auditing and, ultimately, the financial sustainability of county governments.

TABLE 4: Gender of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	79	58.1	58.1	58.1
	Female	57	41.9	41.9	100
Total		136	100	100	

4.4.2 Department of Respondents

The analysis in Table 5 shows that 33.1% of respondents were from the County Executive. This proportion highlights the significant role of policy-level officers in shaping and overseeing financial governance, implying that their perspectives are likely to reflect strategic and administrative considerations influencing financial sustainability.

Accountants made up the largest group at 36.8%, indicating that a substantial portion of the respondents were directly involved in financial record-keeping, reporting, and compliance. Their input provides critical insights into the operational and technical aspects of financial management that underpin the sustainability of county resources.

Respondents from the Audit Department accounted for 30.1% of the sample. This group's involvement ensures that the study captures in-depth perspectives on audit processes, professional standards, and oversight functions, all of which are central to assessing the influence of auditors' professional experience on county governments' financial sustainability.

TABLE 5: Department of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	County Executive	45	33.1	33.1	33.1
	Accountants	50	36.8	36.8	69.9
	Audit	41	30.1	30.1	100
	Total	136	100	100	

4.4.3 Academic Qualification of Respondents

Respondents holding a Certificate qualification accounted for 22.1% of the sample. This indicates that a notable portion of the workforce possesses foundational academic training, which may influence their approach to practical auditing tasks through applied, hands-on skills rather than theoretical analysis. Those with a Diploma made up 20.6% of respondents, representing mid-level qualifications that blend technical proficiency with an intermediate level of professional knowledge. This group is well-positioned to handle operational responsibilities while bridging the gap between entry-level and higher-qualified personnel.

Participants with a Degree comprised 14%, reflecting a smaller but academically advanced segment that likely brings broader analytical and policy-oriented perspectives to auditing and financial governance processes. Holders of a Master's degree represented 17.6% of respondents, suggesting the presence of individuals with advanced expertise and specialized knowledge relevant to strategic decision-making in auditing and financial sustainability. The largest proportion, 25.7%,

held a PhD, indicating a strong representation of highly specialized professionals capable of contributing to evidence-based policy development, complex financial analysis, and high-level oversight in county government auditing functions. This high percentage of doctoral-level respondents underscores the depth of academic expertise informing the study's findings.

TABLE 6: Academic Qualifications of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Certificate	30	22.1	22.1	22.1
	Diploma	28	20.6	20.6	42.6
	Degree	19	14	14	56.6
	Masters	24	17.6	17.6	74.3
	PhD	35	25.7	25.7	100
	Total	136	100	100	

4.5 Descriptive Statistics

4.5.1 Findings on Financial Sustainability

The findings in Table 7 present a mixed picture regarding the adoption of practices that support financial sustainability in county governments. For Q6, 27.94% of respondents agreed, 36.03% were neutral, and an equal 36.03% disagreed that counties have ensured integration of financial and non-financial reporting for holistic sustainability assessments. With a mean of 3.08 (SD = 0.80), this suggests that while some progress has been made, integration is far from uniform. This lack of full institutionalization risks leaving social and environmental factors underrepresented in financial reports, which may compromise the ability of decision-makers to consider sustainability holistically.

Q7, 36.03% of respondents agreed, 31.62% were neutral, and 32.35% disagreed that county management periodically conducts audits of sustainability reports, including ESG disclosures. The mean score of 2.96 (SD = 0.83) reflects slightly lower perceived effectiveness compared to Q6, indicating inconsistency in the adoption of ESG audit practices. This uneven application could result in variable levels of transparency and accountability across counties, potentially undermining the credibility of sustainability disclosures and limiting public trust.

Q8, 34.56% agreed, 30.88% were neutral, and an equal 34.56% disagreed that robustness testing of systems monitoring sustainability metrics is normally conducted. The mean of 3.00 (SD = 0.83) highlights a near-even split in perception, suggesting that transparency in sustainability monitoring

is not a standardized practice. Without consistent system evaluations, counties risk leaving gaps in performance tracking, which may delay the detection of emerging risks to sustainability outcomes.

Q9 shows 26.47% agreement, 36.76% neutrality, and an equal 36.76% disagreement that staying updated on global trends in financial and sustainability reporting is a fundamental county practice. Despite recording the highest mean score (3.10, $SD = 0.79$), the high neutrality and disagreement levels indicate potential gaps in capacity, resources, or prioritization. Without keeping pace with global reporting standards, counties risk falling behind in aligning with international benchmarks and donor expectations, reducing competitiveness and compliance.

Q10 reveals 34.56% agreement, 32.35% neutrality, and 33.09% disagreement that counties evaluate governance structures and their impact on sustainable financial performance. The mean of 2.99 ($SD = 0.83$) reflects a moderate perception of such evaluations being conducted. However, inconsistent application of governance reviews could prevent counties from identifying structural weaknesses, thereby limiting the effectiveness of reforms intended to strengthen financial sustainability.

These results suggest that while certain counties have made strides in adopting integrated reporting, ESG audits, monitoring system robustness, global trend alignment, and governance evaluations, these practices are far from universally implemented. This variability creates a fragmented approach to financial sustainability, potentially weakening the overall capacity of county governments to ensure long-term fiscal health and resilience. A more standardized adoption of these practices could enhance transparency, accountability, and alignment with both national priorities and global best practices.

TABLE 7: Financial Sustainability

	SA	A	N	D	SD	Desc.Stat	
						Mean	SD
Q6. Counties have ensured integration of financial and non-financial reporting for holistic sustainability assessments.	0.00%	27.94%	36.03%	36.03%	0.00%	3.08	.80
Q7. County management periodically conducts audits of sustainability reports, including environmental, social, and governance (ESG) disclosures	0.00%	36.03%	31.62%	32.35%	0.00%	2.96	.83
Q8. Testing of the robustness of systems that monitor sustainability metrics is normally done to facilitate transparency	0.00%	34.56%	30.88%	34.56%	0.00%	3.00	.83
Q9. Staying updated on global trends in financial and sustainability reporting is fundamental to counties	0.00%	26.47%	36.76%	36.76%	0.00%	3.10	.79
Q10. Counties have evaluated governance structures and their impact on sustainable financial performance	0.00%	34.56%	32.35%	33.09%	0.00%	2.99	.83

4.5.2 Auditor's professional experience

In Table 8 Q11, 40.44% of respondents strongly agreed, and 26.47% agreed that auditors in counties adhere to ethical standards and integrity to ensure unbiased and objective assessments, while 33.09% remained neutral. With a low mean score of 1.93 ($SD = 0.86$), the results indicate a strong perception of ethical adherence among county auditors. This suggests that ethical conduct is generally upheld, which is crucial in maintaining public trust and ensuring accurate audit outcomes. However, the significant neutrality implies that some respondents may not have directly observed such conduct or remain unconvinced about its consistency. Consequently, sustained training, clear ethical codes, and transparent enforcement mechanisms are essential to strengthen confidence in auditors' objectivity.

Q12, 28.68% strongly agreed, 38.24% agreed, and 33.09% were neutral on the statement that independence can be compromised if auditors are influenced by personal or external interests, yielding a mean of 2.04 (SD = 0.79). This suggests that respondents recognize the risk of compromised independence, particularly in environments where political or managerial influence may be prevalent. The notable proportion of neutral responses could imply a lack of direct evidence among some participants, yet the general agreement points to the need for stricter safeguards. Therefore, reinforcing protective frameworks such as conflict-of-interest declarations and independent audit committees remains vital for preserving auditor independence.

Q13, 39.71% strongly agreed, 27.94% agreed, and 32.35% were neutral that effective oversight by regulatory bodies such as ICPAK ensures auditors remain independent, producing a mean of 1.93 (SD = 0.85). These findings highlight strong confidence in regulatory oversight, yet a third of respondents who are neutral signal that oversight mechanisms may not always be visible or effectively communicated. This points to an opportunity for regulatory bodies to enhance transparency in their monitoring processes and provide regular updates on compliance actions taken, thereby reinforcing trust in their ability to safeguard auditor independence.

Q14 shows that 30.88% strongly agreed, 40.44% agreed, and 28.68% were neutral that periodic rotation of auditors helps maintain independence, resulting in a mean of 1.98 (SD = 0.77). This strong overall agreement reflects the perception that rotation reduces familiarity threats and long-term influence risks. However, the notable neutrality rate suggests that while the policy is conceptually sound, its actual implementation and enforcement in county contexts may be inconsistent. Hence, formalizing and enforcing rotation policies at regular intervals could help ensure this preventive measure is applied effectively.

Q15 reveals that 30.88% strongly agreed, 34.56% agreed, and 34.56% were neutral that periodic rotation of auditors can help widen their knowledge on audit independence, producing a mean of 2.04 (SD = 0.81). This reflects a recognition that rotation not only mitigates independence risks but also provides exposure to diverse operational contexts, enhancing professional competence. Nevertheless, the equal proportion of neutrality highlights a potential gap in awareness or experience of such benefits, implying the need for training and awareness programs to emphasize how rotational practices contribute both to independence and professional growth.

TABLE 8: Auditor's professional experience

	SA	A	N	D	SD	Desc.Stat	
						Mean	SD
Q11. Auditors in counties adhere to ethical standards and integrity to ensure unbiased and objective assessments	40.44%	26.47%	33.09%	0.00%	0.00%	1.93	.86
Q12. Independence can be compromised if they are influenced by personal or external interests	28.68%	38.24%	33.09%	0.00%	0.00%	2.04	.79
Q13. Effective oversight by regulatory bodies such as the Institute of Certified Public Accountants of Kenya (ICPAK) ensures that auditors remain independent.	39.71%	27.94%	32.35%	0.00%	0.00%	1.93	.85
Q14. The periodic rotation of auditors can help maintain their independence.	30.88%	40.44%	28.68%	0.00%	0.00%	1.98	.77
Q15. The periodic rotation of auditors can help widen their knowledge of audit independence	30.88%	34.56%	34.56%	0.00%	0.00%	2.04	.81

4.6 Diagnostic Tests

4.6.1 Multicollinearity Test

The Variance Inflation Factor (VIF) values for the independent variables, Auditor's professional experience (1.031), were well below the commonly accepted threshold of 5 and even further from the stricter threshold of 10 used in some econometric assessments. These results indicate that multicollinearity is not a concern in this study, meaning that the independent variables are not highly correlated with one another. Consequently, each predictor can be interpreted as making a unique contribution to explaining variations in corporate governance among SMEs without distortion from overlapping influences. This strengthens the reliability of the regression model, ensuring that parameter estimates are stable and that the statistical significance of each variable can be confidently attributed to its own effect rather than confounding interrelationships.

TABLE 9: Collinearity Statistics

	VIF
Auditor's professional experience	1.031

4.6.2 Normality Test

The results of the Kolmogorov–Smirnov and Shapiro–Wilk tests indicate that all study variables, Financial Sustainability and Auditor's professional experience, had significance values greater than the 0.05 threshold. This outcome suggests that the data for each variable does not significantly deviate from a normal distribution. The Shapiro–Wilk test, which is particularly effective for small to medium sample sizes, further confirms normality, reinforcing the assumption required for parametric statistical analysis. Additionally, the Kolmogorov–Smirnov results, adjusted using Lilliefors Significance Correction, corroborate this finding, thus ensuring that the regression analysis, correlation tests, and other inferential statistics applied in this study are valid.

From an implication perspective, the confirmation of normality enhances the robustness and credibility of the statistical inferences drawn. Since the dataset satisfies this fundamental assumption, the study can confidently rely on parametric methods to detect significant relationships and effects without the risk of biased estimations due to skewed distributions. Moreover, the normal distribution of variables suggests that the responses are evenly spread across the measurement scale, minimizing the likelihood of data clustering at extreme ends, which can distort findings. This supports the generalizability of results and strengthens the statistical power of the analysis.

TABLE 1: Normality Test

	Kolmogorov-Smirnov^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Financial Sustainability	0.045	136	0.200*	0.997	136	0.987
Auditor's professional experience	0.052	136	0.178*	0.981	136	0.092

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

4.6.3 Linearity Test

The partial regression plot in Figure 1 demonstrates a clear linear relationship between Auditor's professional experience and Financial Sustainability, as evidenced by the clustering of data points around the regression line and an R-squared value of 0.653. This moderate to strong positive correlation suggests that increases in auditor experience are associated with improvements in financial sustainability, validating the assumption of linearity in this context.

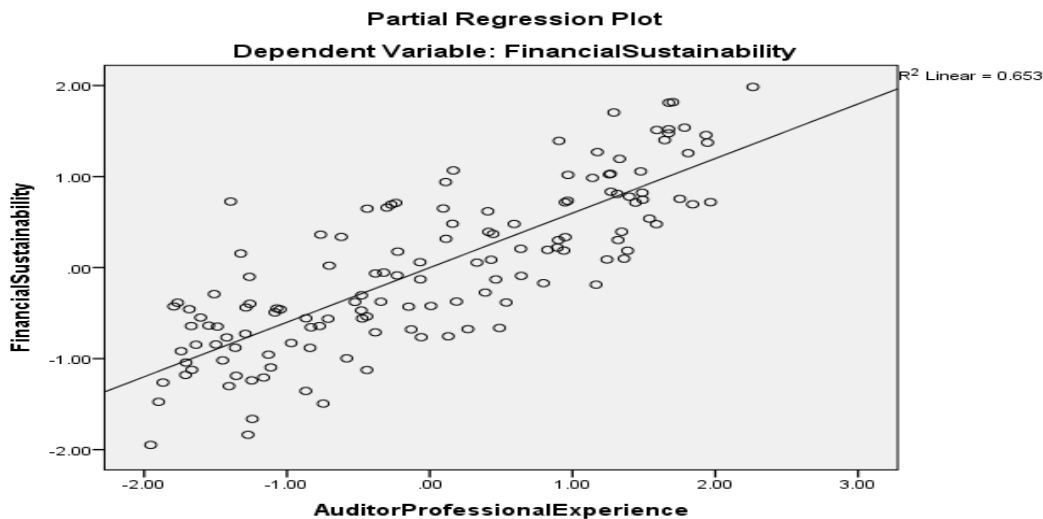
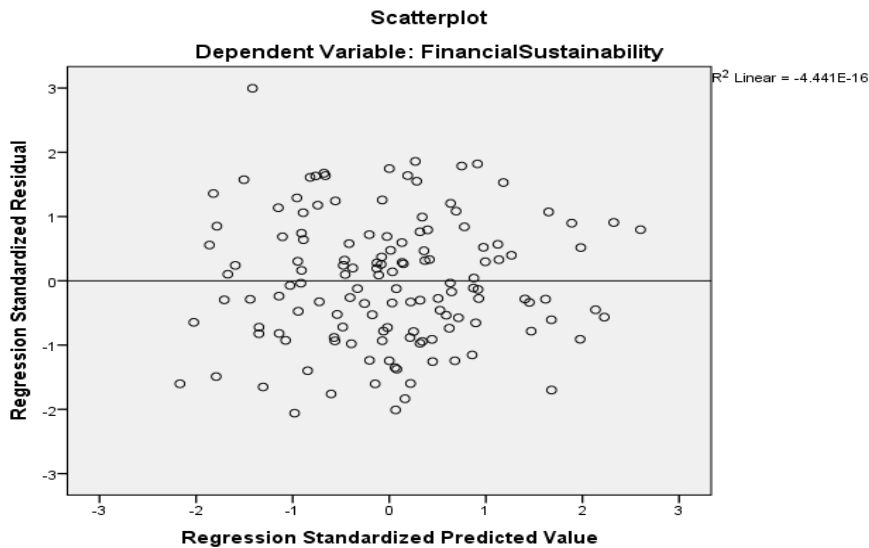


FIGURE 1: Auditor's professional experience

4.6.4 Homoscedasticity Test

The scatterplot of standardized residuals against standardized predicted values shows a random dispersion of points around the horizontal line at zero, with no discernible funnel shape or systematic pattern. This randomness suggests that the variance of the residuals remains relatively constant across all levels of the predicted values, indicating the presence of homoskedasticity. Therefore, the assumption of equal variance critical for linear regression validity is reasonably satisfied in this model.

**FIGURE 2: Homoscedasticity Test**

4.7 Inferential Analysis

4.7.1 Correlation Analysis

The correlation analysis was conducted to establish the strength and direction of the relationships between the auditor's professional experience and the financial sustainability of county governments in Kenya. Pearson correlation coefficients were employed to assess both the magnitude and significance of these relationships at the 0.01 and 0.05 significance levels. These findings provide insights into how different dimensions of auditor attributes contribute to enhancing or constraining the financial sustainability of devolved units.

Based on the correlation matrix, financial sustainability demonstrates varying degrees of association with the four auditors' professional experience. Auditor's professional experience shows a strong positive and statistically significant correlation with financial sustainability ($r = 0.629$, $p < 0.01$). This suggests that county governments with more experienced auditors are likely to achieve greater financial sustainability, as professional experience enables auditors to provide informed oversight, ensure compliance, and promote prudent use of resources. In summary, the correlation results highlight that an auditor's professional experience was the most influential characteristic in promoting the financial sustainability of county governments.

Table 11: Correlation Analysis

		Financial Sustainability	Auditor's professional experience	Auditors Independence	Auditor's risk attitude	Auditor's ethical orientation
Financial Sustainability	Pearson Correlation	1.0000				
	Sig. (2-tailed)					
Auditor's professional experience	Pearson Correlation	.629**	1.0000			
	Sig. (2-tailed)	0.0000				

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

4.7.2 Model Fitting

The ANOVA results in Table 12 evaluate the overall significance of the regression model developed to examine the effect of the auditor's professional experience on the financial sustainability of county governments in Kenya. The regression sum of squares (SSR) is 157.103, while the residual sum of squares (SSE) is 35.598, giving a total sum of squares (SST) of 192.701. This distribution indicates that a substantial portion of the variance in financial sustainability is explained by the selected auditor's professional experience, with relatively little left unexplained by the model.

The mean square for regression is 39.276 (obtained by dividing SSR by 4, the regression degrees of freedom), whereas the mean square for residuals is 0.272 (computed by dividing SSE by 131, the residual degrees of freedom). This yields an F-statistic of 144.536, which is very large, and a p-value (Sig.) of .000. Since the p-value is far below the 0.05 threshold, the results confirm that the regression model is statistically significant at the 5% level.

This finding implies that, taken together, auditors' professional experience exerts a statistically significant combined effect on the financial sustainability of county governments. The high F-value suggests that the explanatory power of the model is strong, and the likelihood that these

results are due to chance is extremely low. In summary, the ANOVA results confirm that the relationship between an auditor's professional experience and financial sustainability is both statistically significant and meaningful. The model provides a good fit for the data, reinforcing the idea that strengthening auditors' professional experience can play a critical role in enhancing the long-term fiscal health and accountability of county governments in Kenya.

TABLE 2: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	157.103	4	39.276	144.536	.000 ^b
Residual	35.598	131	.272		
Total	192.701	135			

a. Dependent Variable: Financial Sustainability

b. Predictors: (Constant), Auditor's professional experience

The model summary in Table 13 provides evidence of a strong and statistically significant relationship between auditors' professional experience and the financial sustainability of county governments in Kenya. The model yields a correlation coefficient (R) of 0.903, indicating a very strong positive association between the auditor's professional experience and the dependent variable, financial sustainability.

The coefficient of determination (R Square) is 0.815, which means that 81.5% of the variance in financial sustainability can be explained by the auditor's professional experience included in the model. This represents a high level of explanatory power, demonstrating that variations in county financial sustainability are strongly accounted for by the combined influence of the auditor's professional experience. The adjusted R Square is 0.810, slightly lower than the unadjusted R², which indicates that the model remains robust and not overfitted, and that each of the included predictors meaningfully contributes to explaining financial sustainability.

The standard error of the estimate is 0.52128, showing that the predicted values of financial sustainability deviate only moderately from the actual observed values. This suggests that the model provides reasonably accurate predictions of financial sustainability outcomes across counties.

The R Square change value of 0.815, coupled with an F-change statistic of 144.536 ($p = 0.000$), confirms that the inclusion of the auditor's professional experience significantly improves the model's explanatory power. The highly significant p-value indicates that the observed relationship is not due to chance, but reflects a genuine and meaningful impact of an auditor's professional experience on financial sustainability.

In summary, the model summary results demonstrate that the auditor's professional experience explains over 80% of the variation in the financial sustainability of county governments in Kenya. This is a very strong explanatory effect, underscoring the critical importance of engaging experienced auditors to strengthen fiscal accountability and ensure long-term financial sustainability at the county level.

TABLE 13: Model Summary

Model	R	R Square	Adjusted R-Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.903 ^a	.815	.810	.52128	.815	144.536	4	131	.000

a. Predictors: (Constant), Auditor's professional experience

b. Dependent Variable: Financial Sustainability

Table 14 presents the regression coefficients of the predictor variable, auditor's professional experience, on the dependent variable, financial sustainability of county governments in Kenya. The analysis examines both the direction and statistical significance of each predictor's effect while holding the other variables constant (*ceteris paribus*). The unstandardized coefficients (B) represent the expected change in financial sustainability resulting from a one-unit change in auditor's professional experience, while the standardized coefficients (Beta) allow comparison of the relative strength of each predictor.

The unstandardized coefficient (B) for auditor's professional experience is 0.599, with a p-value of 0.000, which is highly significant at the 0.01 level. This means that, holding other auditor attributes constant, a one-unit increase in professional experience leads to a 0.599-unit increase in financial sustainability.

TABLE 3: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations		
	B	Std. Error				Beta	Lower Bound	Upper Bound	Zero-order	Partial
1 (Constant)	.157	.236		.665	.507	-.310	.623			
Auditor's professional experience	.599	.038	.598	15.699	.000	.524	.675	.629	.808	.590
Auditor's Independence	.479	.038	.469	12.470	.000	.403	.555	.419	.737	.468
Auditor's risk attitude	.421	.039	.413	10.832	.000	.344	.497	.478	.687	.407
Auditor's ethical orientation	.235	.036	.248	6.574	.000	.164	.306	.182	.498	.247

a. Dependent Variable: Financial Sustainability

4.8 Discussion of findings

Empirical evidence consistently shows that auditors' professional experience has a positive and significant influence on financial sustainability. Across different contexts, experienced auditors have been found to improve the accuracy of financial reporting, enhance compliance with standards, and strengthen internal control systems. Their ability to identify risks early, detect fraudulent activities, and recommend corrective measures not only improves organizational governance but also builds stakeholder confidence and supports long-term fiscal stability. In the public sector, including county governments, auditors with more years of practice are associated with stronger financial planning, reduced wastage of resources, and improved accountability, all of which contribute to sustainable financial performance.

Several studies align with these findings. Jackson and Moldrich (2018) highlighted that experienced auditors in the U.S. contributed to stronger financial reporting quality, thereby enhancing organizational longevity. Green and Thompson (2019) in the UK, and Schmidt and Braun (2019) in Germany similarly emphasized the role of experience in early risk detection and actionable insights that promote financial sustainability. Johnson and Hughes (2020) confirmed these results in the U.S. market, showing that firms audited by experienced professionals exhibited better transparency and long-term growth. In Africa, Owolabi and Dada (2021) in Nigeria and Nel and Steyn (2020) in South Africa found that auditors with longer practice histories displayed

higher levels of objectivity and fraud detection capability. Mensah and Oppong (2022) in Ghana showed that experienced auditors better adhered to international auditing standards, while Waweru and Ndungu (2019) in Kenya confirmed that auditors with over a decade of experience managed complex audits more effectively. Closer to the Kenyan context, Mwangi et al. (2020) established that county governments with experienced auditors achieved stronger fiscal discipline, while Ouko (2019) found that SMEs in Nairobi benefited significantly in terms of financial stability from auditors' experience. Collectively, these studies reinforce the notion that professional experience is indispensable for achieving financial sustainability.

While the majority of evidence points to a positive association, a few studies raise caution. Some scholars argue that experience alone does not guarantee improved financial sustainability, as outdated skills, lack of continuous professional development, or complacency among long-serving auditors may reduce their effectiveness. For example, Schmidt and Braun (2019) observed that experience without diverse exposure or international training could limit auditors' ability to adapt to dynamic regulatory environments. Similarly, critics suggest that in highly politicized contexts, such as some public institutions in Africa, the independence of auditors may be compromised regardless of their years of experience, weakening the potential link between experience and financial sustainability. These perspectives highlight the importance of complementing professional experience with ongoing training, strong institutional frameworks, and ethical safeguards to ensure that its positive impact on financial sustainability is consistently realized.

5. SUMMARY AND RECOMMENDATIONS

5.1 Summary of the study

The study investigated the influence of auditors' professional experience on the financial sustainability of county governments in Kenya. The study was anchored on legitimacy theory, stewardship theory, and inspired confidence theory, which collectively explain how auditor behavior and governance structures contribute to public trust and sustainable fiscal management.

The study concluded that enhancing auditor competence is crucial to improving fiscal accountability and sustainability. It recommends continuous professional development and institutional reforms as key strategies for strengthening governance and ensuring the long-term financial sustainability of Kenya's county governments.

5.2 Recommendations of the study

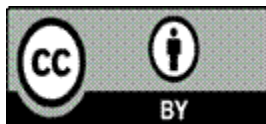
The research provides that county governments should focus on hiring and keeping auditors with long professional histories. This may be done by using focused hiring policy, ongoing professional growth, and frequent refresher training in specialty areas like the accounting standards in the public sector, forensic auditing, and emerging technologies.

Moreover, audit departments are supposed to start mentorship programs so that less experienced auditors can learn under experienced professionals and thus increase the quality of the audit practices and enhance long-term financial sustainability. These counties are positioned to seek accountability, improve transparency, and become more resilient in financial management by investing in professional experience, safeguarding independence, fostering balanced risk attitudes, and upholding ethical values.

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