

ABSTRACT

Aims: The objective of this study was to assess the current state of continuous auditing in the state departments in Kenya and to adapt a framework to implement continuous auditing by the Public Sector Audit Organization. **Study Design:** Adoption of existing model and survey using questionnaires **Place and Duration of Study:** Kenya, 2013. **Methodology:** Existing continuous auditing models were studied and the Integrated Continuous Auditing, Monitoring and Assurance Conceptual Model was adopted for use. The model was tested using data collected using questionnaires. Data was collected from 76 auditors in the Public Sector Audit Organization. A database system of a government Ministry was used to demonstrate how data can be obtained directly from a client system. **Results:** The study found the need for training in the skills required for continuous auditing and the acquisition of IT resources and infrastructure were necessary in realizing continuous auditing. **Conclusion:** The paper shows that Public Sector Audit Organization in Kenya, like institutions in other countries such as USA [8] and Australia [11], are preparing to advance from traditional audit to continuous auditing. The Integrated Continuous Auditing, Monitoring and Assurance Conceptual Model would offer a good starting point.