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EFFECTS OF RISK ASSESSMENT ON FINANCIAL ACCOUNTABILITY AS EVIDENCED IN NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND IN KENYA

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Abstract:
The objective of National Government Constituencies Development Fund is to promote human and infrastructural development at the community and constituency levels. The fund is expected to be operated with the highest level of transparency, probity, propriety, and accountability. Despite the elaborate measures put in place by the government to ensure transparency, financial accountability in many constituencies is still not as expected. Studies done on internal controls and financial accountability have been in other sectors such as public Universities, the ones done in constituencies have concentrated on the performance of county projects and have looked at only specific constructs of internal controls. The aim of the study was to examine the effect of risk assessment on financial accountability of national Government Constituencies development fund in Kenya. The study was structured on; agency theory and accountability theory. A correlation research design was adopted. The target population of the study was 1160 respondents while the sample population was 288 respondents consisting of; 72 committee members, 72 sub-county accountants, 72 fund account managers, and 72 internal auditors. Primary data was obtained by use of a questionnaire while secondary data was obtained from Auditor General's Reports and financial statements of the NG-CDF's. Cronbach Alpha was used to test reliability. Expert analysis and confirmatory factor analysis were used to assess Validity. Data was analyzed using both descriptive and inferential statistics Inferential statistics consisted of correlation analysis and simple linear regression analysis. A pilot test was carried out using 29 respondents. Cronbach Alpha was used to test the internal consistency of the questionnaire. All the constructs had indicators of above 0.7 confirming reliability. KMO and Bartlett's tests were carried out to test validity. All constructs loaded values of above

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0.4 thus confirming validity. It was established that there exists a strong and positive association exists between risk assessment and financial accountability evidenced by an r of 0.707 for risk assessment. It was recommended that their close scrutiny of all risk-prone activities should be analyzed.

JEL: G10, G20, G32

Keywords: risk assessment; financial accountability; National Government Constituency Development Fund

1. Introduction

Currently, financial accountability is a major concern in the world due to the various corporate financial scams and the resultant business failures which include the Asian financial crisis of the late 1990s, Enron, WorldCom, Global Crossing, and Tyco in the USA as well as Vivendi, Parmalat, and others in Europe. The company's management must improve internal audit's independence and scope of inquiry as well as financial reporting integrity to enhance performance (Carcello, Hermanson & Raghunandan, 2019). Financial accountability refers to the responsibility of public servant to be responsible for the results of their activities. Accountability therefore ensures dependable accounting and financial reporting, and the distribution of resources in an efficient manner. This assists in achieving the primary goal of government which is to distribute limited capital assets to the production of those goods and services for which demand is great. Lack of transparency in accounting reporting conceals waste and inefficiency, thereby preventing the proficient allocation of economic resources (Carcello, Hermanson & Raghunandan, 2019). There is a need to enforce financial discipline over both central and local government budgets and to ensure that funds are spent in accordance with programme design and intent. As countries incorporate performance and other management techniques into the budget and accountability process, they need to ensure that giving autonomy and flexibility in exchange for performance agreements will allow fiscal and managerial accountability. This is done in an environment where local governments are sovereign and have their own constituencies to deal with, where private sector entities are often more skilled in negotiating contracts, and where agencies are to some extent outside of ministerial control (Organization for Economic Cooperation and Development, 2017).

Internal control principles such as risk assessment suggest an internal control system is the primary accountability and governance tool an organization can establish and use to provide accountability to its stakeholders as well as to help deter, prevent, and detect fraud and corruption. The absence of internal control not only creates an opportunity for abuse, fraud, and corruption, but also can send a message to employees, stakeholders, and other individuals outside of the organization indicating management does not care about protecting the entity’s assets (Abdullahi & Mansor, 2015). In Kenya, the National Government Constituencies Development Fund (NG-CDF) was established under the NG-CDF Act, 2015 as amended in 2016. The main purpose of the Fund is to address the socio-economic development of the people at the constituency level in order to reduce poverty and enhance regional equity. The NG-CDF Act 2015 aligned the operations of the Fund to the new constitutional dispensation, especially in terms of ensuring that the law strongly embraces the principles of participation of the people, separation of powers, and delineation of functions between National and County governments. The Fund is domiciled within the ministry in charge of National Economic Policy & Planning, currently The National Treasury and Planning & Managed by the National Government CDF Board at the National level, the NG-CDF committees at the constituency level, and the Project Management Committees (PMC) at the constituency level (Republic of Kenya, 2016). The Public Audit Act, 2015 puts the Auditor-General in a strong position to satisfy accountability needs across the public sector, identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. The Auditor General is mandated to evaluate the appropriateness of accounting policies used and the fairness of accounting disclosures made by the management (Republic of Kenya, 2015).

The objective of NG-CDF is to promote human and infrastructural development at the community and constituency levels. The fund is expected to be operated with the highest level of transparency, probity, propriety, and accountability. Despite the elaborate measures put in place by the government to ensure transparency and accountability, there has been an elevated risk of exploitation and misuse of funds in many constituencies which is evidenced by qualified audit reports for nearly all constituencies over the years (Auditor General, 2020). In Kajiado Central Constituency for example, the statement of receipts and payments reflects Kshs.3, 000,000 transferred to Kajiado African Inland Church child care primary school but the project management committee did not provide expenditure returns to show how the amount was utilized. Further, Kshs.1, 000,000 transferred to Enkorika primary school had no Bills of quantities, contract agreement, and expenditure returns to show how the amount was utilized (Auditor General, 2019). In Bumula constituency, Kshs.4, 600,000 was disbursed in favor of various project management committees (PMCs). However, the Project Management Committees did not maintain cashbooks or other suitable records to properly account for the disbursement. In Mandera County, approximately 56% of the projects were found to have stalled. The anomalies in the spending of public funds on NG-CDF projects mean the citizens and the government may not get value for funds allocated to the constituencies. Studies reviewed have been done on other sectors such as public Universities and those done on constituencies have concentrated on specific constructs of internal controls. They have also been done in specific constituencies and thus cannot be generalized to the whole country. This therefore justifies the need to examine the influence of risk assessment on the financial accountability of National Government Constituencies Development Fund in Kenya.

1.2 Objective of the Study

- To determine the effect of risk assessment on the financial accountability of National Government Constituencies Development Fund in Kenya.

1.3 Study Hypothesis

H_0: There is no significant effect of risk assessment on the financial accountability of national government Constituencies development fund in Kenya.

2. Literature Review

2.1 Theoretical Review

This section provides a discussion of key theories relating to risk assessment.

2.1 Agency Theory

This theory was postulated by Jensen and Meckling (1976). It describes how best to establish associations in which one party defines the activity to be carried out but a different individual does the work. In this association, the principal employs an agent to do the work, or to accomplish a commission on behalf of the principal. The theory explains how organization is made up of owners of the economic resources and the agents who are the managers of the principal's resources. The agents may not share in the principals' interests and may perhaps at times act to promote their own benefits at the owner's expense. The principal agency problem is the pursuit of self-interest by agents.

The agency theory was considered the key theory because it captures the aspects of both internal controls and financial accountability. Agency theory was relevant to this study as it helped in understanding the agent's behavior in relation to CDF and measures that can be instituted to reduce the conflict of interest. The MPs and the NCDF management committees may not act in the best interest of the government and constituents and be accountable for all funds allocated to them as required. The GOK therefore be able to improve on the internal control systems as an agency cost to ensure finances in NCDF are managed efficiently.

2.4 Accountability Theory

This theory was originally developed by Lerner and Tetlock in 1999. The theory explains how the perceived need to justify one's behaviors to another party causes one to consider and feel accountable for the process by which decisions and judgments have been reached. In turn, this perceived need to account for a decision-making process and outcome increases the likelihood that one will think deeply and systematically about one's procedural behaviors. As a mechanism, accountability is seen as a process in which a person has a potential obligation to explain his or her actions to another party who has the right to pass judgment on the actions as well as to subject the person to potential consequences for his or her actions (Tetlock & Lenner, 1999).

Accountability theory was key to this study as it enhanced the understanding of ways through which individuals particularly those managing NG-CDF can be more responsible and be obliged to account for their actions. Managers will be keen on their actions as they shall be completely aware of the consequences. The government will therefore strengthen monitoring processes which will increase awareness by verifying their financial statements this is the social presence, which will enhance transparency and reduce fraud.

2.5 Conceptual Framework

This section shows the components of internal control systems and financial accountability as shown in Figure 1.

Independent Variable
Risk Assessment

Dependent Variable
Financial Accountability

Risk Assessment
- Risk Identification
- Risk Prevention
- Risk Mitigation

→

<u>Supported Expenditures</u>
Total Expenditures

2.6 Empirical Literature Review

Osman and Abuga (2021) conducted a study to assess how the county's internal control system influences financial accountability in Tana River County. The study was based on four theories, namely agency cost theory, classical management theory, stewardship theory, and information systems success theory. The study employed a mixed methodology and specifically a convergent parallel mixed-methods perspective. The study adopted the descriptive research design. The targeted population for the study was 324 employees in Tana River County. A stratified sampling technique was used to get the sample size of 200 respondents. The data collection instruments comprised of questionnaires and interview guides. The regression results showed that the risk management system is positively and significantly related to financial accountability (β=.287 p=0.000). It was recommended that counties need to develop a risk management system to spur transparency.

Kamaara and Mburu (2019) in their research whose purpose was to establish the effect of risk management strategies on the implementation of CDF projects in Starehe constituency, Nairobi County adopted a descriptive cross-sectional survey design. The target population was the 168 CDF project managers at various departmental levels. The quantitative data was analyzed by descriptive statistics and inferential statistics using

Statistical Package for Social Sciences. Data was then presented in tables, charts, and graphs. The findings revealed that risk assessment had a significant association with project implementation.

Omondi (2019) carried out a study with the main objective of determining the effect of risk assessment on financial accountability of National Public secondary schools in Kenya. The study was carried out in 103 national public secondary schools in Kenya. The study was guided by agency theory, fraud triangle theory, and accountability theory. Survey research design was used on a population of 309 consisting of; 103 principals, 103 bursars, 103 BOM chairs. Purposive and simple random sampling were used to select principals, bursars, and BOM chair. Primary data was collected by use of questionnaires, while secondary data was collected through audited financial statements. The reliability of the research instruments was tested through Cronbach's Alpha. Construct validity was assessed through factor analysis. Both descriptive and inferential statistics were used to analyze the data collected. Descriptive statistics comprised of frequencies; means, standard deviation, and variance. Inferential statistics comprised of; Correlation analysis, ANOVA, regression analysis, testing for normality, autocorrelation, and multicollinearity. Risk assessment was found to have a significant effect on financial accountability.

Ochola and Malenya (2020) carried out a study with the main objective of investigating the influence of project management practices on the timely completion of education projects funded by Bondo National Government Constituency Development Fund, Siaya County, Kenya. The study adopted a descriptive research design. Primary data was collected using structured questionnaires. The study targeted a population of 129 project management committee members from which Yamane's sampling formula was used to get a sample of 97 respondents. Data analysis was done using SPSS. The study results revealed that project risk management significantly influenced the timely completion of completion of education projects funded by Bondo National Government Constituency Development Fund.

3. Methodology

3.1 Research Design

A research design is a strategy for answering your research questions using empirical data. The study adopted a correlational research design. A well-planned research design helps ensure that the methods used match the research objectives and ensure that the right tool will be used analyse data. Correlational research design attempts to collect data from members of the population and describes existing phenomena so as to explain their relationships. The design was appropriate because it describes a population with respect to important variables with emphasis on establishing the relationship between the dependent and independent variables.

3.2 Target Population

A population refers to the total collection of elements about which inferences are made and refers to all possible cases that are of interest to a study. The target population of the study was 1160 respondents consisting of; 290 committee members, 290 sub-county accountants, 290 fund account managers, and 290 internal auditors. The target population is depicted in Table 1.

Table 1: Target Population

Category	**Counties**	**Number**
Chair of NG- CDF Committee	290	290
Sub County Accountants	290	290
Fund Account Managers	290	290
Internal Auditors	290	290
Total		**1160**

Source: Constituencies' Human Resource Department.

3.3 Sample Size and Sampling Technique

The study employed Fischer's formula to establish the sample size. Since Fischer's formula is appropriate for both large and small populations.

Table 2: Sample Size

Region	**Committee Members**	**Sub County Accountants**	**Fund Account Managers**	**Internal Auditors**	**Total**
1. Rift Valley	9	9	9	9	36
2. Nyanza	9	9	9	9	36
3. Western	9	9	9	9	36
4. Coast	9	9	9	9	36
5. Eastern	9	9	9	9	36
6. Central	9	9	9	9	36
7. North Eastern	9	9	9	9	36
8. Nairobi	9	9	9	9	36
Total	**72**	**72**	**72**	**72**	**288**

3.4 Data Collection Instruments

Primary data was obtained by use of a questionnaire while secondary data will be obtained from Auditor General's Reports and financial statements of the NG-CDFs. Questionnaires were considered most appropriate due to anonymity which makes respondents feel the information will be treated with utmost confidentiality.

3.5 Data Collection Procedures

The questionnaires were delivered to the respondents by use of a research assistant. Financial statements were also obtained from the selected NG-CDFs and from Auditor General's Reports. The fully completed questionnaires were picked from the respondents after 14 days to allow adequate time to objectively fill the questionnaires. Reports from the auditor general were downloaded from the website to obtain further secondary data.

3.6 Pilot Test

A pilot test refers to a small-scale kind of research that collects data from respondents similar to those that will be used in the final study. The aim of a pilot study is to act as a guide to examine specific aspects of research to see if the selected procedures will work as intended. It is meant to test for clarity and understanding of questions to test if the questions would yield as expected. A pre-test should be based on approximately 10% of the sample population (Cooper & Schindler, 2013). Since the sample population was 288, a pilot test was carried out using 29 respondents which relates to (10%) of the respondents. Care was taken to ensure that the 29 respondents were not selected in the final study so as to avoid duplication of results. The 29 respondents were collected randomly and consisted of 9 committee members, 9 sub-county accountants, 9 fund account managers, and 9 internal auditors.

3.7 Reliability

Reliability communicates the degree to which a research instrument produces reliable results or data after repeated trials. Reliability guarantees stability in the answers given by respondents. The most fundamental objective of reliability is repeatability. Cronbach Alpha was used to test the internal consistency of the questionnaire. A value of 0.70 or higher will be considered sufficient and reliable (Sekaran U. & Bougie R. , 2013).

Cronbach Alpha value of 0.7 as the recommended value was used as a cut-off point of reliabilities (Fraenkel & Wallen, 2000). On further analysis of the internal consistency by assessing the item-total correlations, the constructs that had indicators that showed inadequate item-total correlations also reflected the possible increment in the reliability measures if the indicator were deleted. These indicators were however noted to be the same that had been proposed for deletion based on CFA and were further expunged. All the constructs showed Cronbach Alpha values of more than 0.7 thus reliability was confirmed as indicated in Table 3.

Table 3: Cronbach's Alpha Reliability

Construct	Number of Items	Cronbach Alpha	Conclusion
Risk Assessment	11	0.839	Reliable
Financial Accountability	10	0.843	Reliable

3.8 Validity

Validity is concerned with judgment on how well a test measure purports to measure what it is intended to measure. It implores answers by posing pertinent questions framed in the least confusing way. Validity is an assurance that features that are being tested by a tool of data collection sufficiently cover what is envisioned (Saunders, Lewis & Adrian, 2015). Content validity was assessed through expert analysis while construct validity will be tested using confirmatory factor analysis.

To explore the sampling adequacy of the data to determine if it was suitable for factor analysis KMO and Bartlett's tests were carried out. The KMO statistics for all the constructs were found to be above 0.7 implying the suitability of data for the CFA models.

(Tabachnick & Fidell, 2007) Considered a KMO value of 0.5 to be suitable for factor analysis. (Natemeyer, Bearden & Sharma, 2003) Considered the adequate KMO measure to be above 0.60 to be adequate. Sampling adequacy was examined by Bartlett's tests that were based on the significance of the chi-square statistics. According to this pilot study, all Bartlett's statistics have p-values of 0.000 which are all less than 0.05 indicating the pilot study statistics are adequate and appropriate for the factor analysis models carried out thus validity was confirmed. All indicators that loaded the constructs above 0.4 were retained while those that loaded the constructs less than 0.4 were removed and not used in further analysis. Table 4 displays the KMO and Bartlett's test results.

Table 4: KMO and Bartlett's Tests

	Items retained	KMO	Bartlett's test χ^2	df	p-value
Risk Assessment	11	0.936	752.980	55	0.000
Financial Accountability	10	0.866	651.367	45	0.000

3.9 Data Processing and Analysis

The data was cleaned, coded, and tabulated to determine any anomalies in the responses and assign specific numerical values to the response for further analysis. Both descriptive and inferential statistics were used to analyze the data. Descriptive statistics included mean, standard deviation, and variance. Inferential statistics consisted of the coefficient of determination (r-squared) to measure the proportion of change in financial accountability explained by internal controls. Correlation analysis was also done to show the degree of association between the dependent and independent variables. Further, binary and multiple linear regression analysis was conducted to show the statistical relationship between internal controls and financial accountability. Data was presented using tables, charts, and graphs. The multiple linear regression model is summarized in Equation 1.

$$Y = \beta_0 + \beta_1 RA + \varepsilon \quad (3.2)$$

Where:
Y = Financial accountability,
RA = Risk assessment,
E = Error term,
Bo = Regression constant,
β1 = Regression coefficient.

4. Data Analysis, Results, and Discussions

4.1 Descriptive Statistics Risk Assessment

Respondents' opinion was also sought on whether activities that threaten the attainment of goals are identified. Many of the respondents (33.9%) agreed, 32.7% of the respondents strongly agreed 12% of the respondents were neutral while 21.5% either disagreed or strongly disagreed. This indicates that in many of the constituencies, the NG-CDF committed takes risk identification as a priority thus mitigation techniques are put in place early enough to prevent their occurrence. However, in a few constituencies, the NG-CDF management committee is not proactive in identifying risks before they occur thus mitigating such risks may become difficult as displayed in Table 5.

Table 5: Any Actions that Jeopardize Achievement of Goals are Identified

		Frequency	Percent	Cumulative Percent
Valid	Strongly Disagree	22	8.8	8.8
	Disagree	32	12.7	21.5
	Neutral	30	12.0	33.5
	Agree	85	33.9	67.3
	Strongly Agree	82	32.7	100.0
	Total	251	100.0	

Source: Research data (2023).

The research also wanted to establish whether risks are categorized according to impact. A large number of the respondents (52.2%) either strongly agreed or agreed,7.6% of the respondents were neutral while 41.25 of the respondents either disagreed or strongly disagreed. This implies that in the bulk of constituencies, the NG-CDF committee classifies risks in terms that help in identifying risks with the greatest impact and those with less impact so that such risks can be prevented or mitigated based on their weight. However, in some constituencies, risks are categorized and thus prevention and mitigation become easier as indicated in Table 5.

Table 5: Risks are Categorized According to Impact

		Frequency	Percent	Cumulative Percent
Valid	Strongly Disagree	62	24.7	24.7
	Disagree	39	15.5	40.2
	Neutral	19	7.6	47.8
	Agree	69	27.5	75.3
	Strongly Agree	62	24.7	100.0
	Total	251	100.0	

Source: Research data (2023).

The researcher also wanted to discern whether documentation of pertinent risks improves transparency. From the respondents' view, the majority (68.6%) either strongly agreed or agreed with this statement 12.4% were neutral,8% disagreed while 11.2% strongly disagreed. This confirms that if the NG-CDF committees document and classify the likely risks, they will be well prepared to prevent their occurrence and alleviate any risks that will occur. This is presented in Table 6.

Table 6: Documentation of Pertinent Risks Improve Transparency

		Frequency	Percent	Cumulative Percent
Valid	Strongly Disagree	28	11.2	11.2
	Disagree	20	8.0	19.1
	Neutral	31	12.4	31.5
	Agree	91	36.3	67.7
	Strongly Agree	81	32.3	100.0
	Total	251	100.0	

Source: Research data (2023).

Another construct of the variable risk assessment was based on whether there are measures in place to alleviate risks. From the outcomes, 72.1% either agreed or strongly agreed with this statement. From the foregoing results, the majority of the NG-CDF committees have put in place measures to control the occurrence of risks, preventive measures are therefore embraced other than waiting until risks occur to reduce their impact. However, some NG-CDF Committees do not have appropriate measures to alleviate the occurrence of risks which may therefore jeopardize the achievement of objectives as indicated in Figure 7.

Table 7: Measures Are in Place to Alleviate Occurrence of Risks

		Frequency	Percent	Cumulative Percent
Valid	Strongly Disagree	12	4.8	4.8
	Disagree	21	8.4	13.1
	Neutral	37	14.7	27.9
	Agree	86	34.3	62.2
	Strongly Agree	95	37.8	100.0
	Total	251	100.0	

Source: Research data (2023).

The study similarly sought to comprehend whether there is close scrutiny of all risk-prone activities. The majority of the respondents strongly agreed (30.3%), 23.9% agreed, 18.7% were neutral while 27% either disagreed or strongly disagreed. This data infers that in many NG-CDF's, all risk-prone activities are analyzed and thus any loopholes that may permit misappropriations are sealed before the occurrence of such risks. Nevertheless, some NG-CDFs do not closely scrutinize risk-prone activities thus chances of risks occurring would be greatly increased and financial accountability would reduce this date as shown in Table 8 below.

Table 8: There is Close Scrutiny of All Risk Prone Activities

		Frequency	Percent	Cumulative Percent
Valid	Strongly Disagree	32	12.7	12.7
	Disagree	36	14.3	27.1
	Neutral	47	18.7	45.8
	Agree	60	23.9	69.7
	Strongly Agree	76	30.3	100.0
	Total	251	100.0	

Source: Research data (2023).

The study also wanted to establish whether the staff involved in stocktaking are also in custody of the items. 51.8% of the respondents either agreed or strongly agreed,13.1% of the respondents were neutral, 17.9% disagreed while 17.1% strongly disagreed. These results suggest that in many constituencies, malpractices and inaccuracies in stocktaking may exist without being noticed in some constituencies since the same people doing stocktaking are the ones keeping the items thus, they may cover fraudulent activities. Nevertheless, some constituencies have a clear separation of duties, and independent checks can be done to confirm the accuracy of stock to avoid misappropriations this is shown in Table 9.

Table 9: Staff Engaged in Stock Count Do Not Keep the Items

		Frequency	Percent	Cumulative Percent
Valid	Strongly Disagree	43	17.1	17.1
	Disagree	45	17.9	35.1
	Neutral	33	13.1	48.2
	Agree	72	28.7	76.9
	Strongly Agree	58	23.1	100.0
	Total	251	100.0	

Source: Research data (2023).

The study also wanted to confirm if safety measures are in place to protect constituency assets. 50.2% of the respondents either strongly agreed or agreed. 8.8% of the respondents were neutral.24.3% disagreed while 16.7% strongly disagreed a clear indication that the majority of the constituencies, the NG-CDF committee members have instituted measures that safeguard the constituency assets. However, in almost 50% of the constituencies, the NG-CDF committee members have no clear-cut measures that assist in protecting the constituency assets thus leakages can easily exist without much notice and unsupported expenditures may be rampant in such constituencies as depicted in Table 10.

Table 10: Safety Measures Are in Place to Protect Constituency Assets

		Frequency	Percent	Cumulative Percent
Valid	Strongly Disagree	42	16.7	16.7
	Disagree	61	24.3	41.0
	Neutral	22	8.8	49.8
	Agree	59	23.5	73.3
	Strongly Agree	67	26.7	100.0
	Total	251	100.0	

Source: Research data (2023).

Respondents were also asked whether risk mitigation techniques are regularly changed. The majority of the respondents (24.7%) agreed. 21.9% of the respondents strongly agreed,15.9% were neutral while 37.4% either disagreed or strongly disagreed. This is an indication that in many constituencies, risk mitigation techniques are not regularly analyzed and modified according to changing needs. This may mean that if new risks come up or new loopholes that may encourage risk, they may not be easily identified and dealt with. However, in some constituencies, the risk mitigation techniques are frequently updated and thus new risks can easily be identified and new loopholes sealed to prevent risk occurrence as pointed out in Table 11.

Table 11: Peril Alleviation Procedures are Changed Regularly

		Frequency	Percent	Cumulative Percent
Valid	Strongly Disagree	45	17.9	17.9
	Disagree	49	19.5	37.5
	Neutral	40	15.9	53.4
	Agree	62	24.7	78.1
	Strongly Agree	55	21.9	100.0
	Total	251	100.0	

Source: Research data (2023).

The research also wanted to establish if early alleviation of perils enhances transparency. The results indicate that relatively more respondents (71%) either agreed or strongly agreed. 8.85 were neutral while 20.4% either disagreed or strongly disagreed. This means that if the members of the NG-CDF become proactive rather than reactive many risks that occur and bring heavy losses will be accurately prevented from occurring and issues of unsupported expenditures will be greatly reduced. The NG-CDF committee in every constituency should therefore have proper risk identification techniques that are frequently updated to suit changing needs, they should also monitor the management of the NG-CDF so as to detect early enough risks that may occur and prevent them from occurring. This is displayed in Table 12.

Table 12: Early Alleviation Measures Enhance Transparency

		Frequency	Percent	Cumulative Percent
Valid	Strongly Disagree	25	10.0	10.0
	Disagree	26	10.4	20.3
	Neutral	22	8.8	29.1
	Agree	91	36.3	65.3
	Strongly Agree	87	34.7	100.0
	Total	251	100.0	

Source: Research data (2023).

Respondent was also asked to give their opinion on whether accounting procedures are followed in preparing books of accounts. The majority of the respondents (70.6) of the respondents either agreed or strongly differed. 9.25 of them were neutral while 20.4% either differed or strongly differed with this view. This implies that in Many constituencies, the NG-CDF accountants prepare books of accounts using all the stipulated accounting principles and guidelines including generally accepted accounting principles. Thus, in such constituencies, the management of the NG-CDF will be above board and the financial statements will reflect a true and fair view of the NG-CDF. However, this result shows that in some constituencies the accounting procedures are not strictly followed in the preparation of bools of accounts and are occasionally flouted thus the financial statements may not reflect a true and fair view of the NG-CDF and thus may be misleading to the relevant stakeholders including the government as summarized in Table 13.

Table 13: All Relevant Procedures are Followed in Preparing Books of Accounts

		Frequency	Percent	Cumulative Percent
Valid	Strongly Disagree	21	8.4	8.4
	Disagree	30	12.0	20.3
	Neutral	23	9.2	29.5
	Agree	87	34.7	64.1
	Strongly Agree	90	35.9	100.0
	Total	251	100.0	

Source: Research data (2023).

4.2 Correlation Analysis

The correlation analysis was carried out to investigate the relationship between the study variables. The findings of the correlation study are shown in Table 14.

Table 14: Correlational Analysis

RA	**Y**	
RA 1		
Y	.718**	1
	(.003)	

Pearson's correlation coefficient based on the index was, r = 0.718, P-value 0.003 for risk assessment and financial accountability. This is an indication that an increase in risk assessment is likely to be accompanied by an increase in financial accountability. Thus, if the NG-CDF committees improve risk assessment it is very likely that unsupported expenditures would greatly reduce.

4.3 Model Summary

A bivariate simple linear regression was fitted to measure the effect of risk assessment on the financial accountability of the national government constituency development fund. The results in Table 15, show an R-square of 0.315 meaning that 31.5% of the variation in financial accountability in NG-CDF is explained by the predictor model on risk assessment and financial accountability. This additionally infers that 68.5% of the variation in financial accountability is not explained in this model but by other factors not included in the model.

Table 15: Model Summary Risk Assessment and Financial Accountability

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.562[a]	.315	.303	.402242
a. Predictors: (Constant), Risk Assessment				

4.4 ANOVA

The Analysis of Variance (ANOVA) in Table 16 shows an estimated F-statistic of 10.135 which has a p-value of 0.018. The p-value of the F-statistic is less than 0.05 displaying that the model on the influence of risk assessment on financial accountability is by and large significant.

Table 16: ANOVA Risk Assessment and Financial Accountability

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.299	1	.299	10.135	.018[b]
	Residual	.177	6	.030		
	Total	.476	7			
a. Dependent Variable: Financial Accountability						
b. Predictors: (Constant), Risk Assessment						

The regression analysis results in Table 17 show a constant of 0.615, t= 4.067, P-value, 0.004, at 95 significance level and (β =1.061, t=3.090, p-value = 0.008). This result confirms that risk assessment has a significant effect on financial accountability. This significant estimate shows that a one percent increase in the levels of risk assessment would improve the levels of financial accountability through improving supported expenditure by 1.061 percent. The statistic of t= 4.067 is larger than the computed t critical value of 1.984, a p-value of 0.008. The P-value of the t-statistic of the coefficient estimate of risk assessment was less than 0.05 implying a significant effect of risk assessment on financial accountability.

Table 17: Regression Coefficients Risk Assessment

Model		Unstandardized Coefficients		T	Sig.
		B	Std. Error		
1	(Constant)	.615	.151	4.067	.004
	Risk Assessment	1.061	.343	3.090	.008

HO_2: There is no significant effect of risk assessment on the financial accountability of the national government constituency development fund in Kenya.

The null hypothesis was therefore rejected and a conclusion was drawn that risk assessment has a significant effect on the financial accountability of the national government constituency development fund in Kenya. The equation below is generated from the simple linear regression model.

$$Y = 0.615 + 1.061RA \quad (2)$$

The results are similar to Osman and Abuga's (2021) research on internal control systems and financial accountability in Tana River County. The regression results showed that the risk management system is positively and significantly related to financial accountability (β=.287 p=0.000). Also, Kamaara and Mburu (2019) in their study on the effect of risk management strategies on the implementation of CDF projects in Starehe constituency, Nairobi County established that risk assessment had a significant association with project implementation. Further, Ochola and Malenya (2020) carried out a study on the influence of project management practices on the timely completion of education projects funded by Bondo National Government Constituency Development Fund, Siaya County, Kenya. The study results revealed that project risk management significantly influenced the timely completion of completion of education projects funded by Bondo National Government Constituency Development Fund. Moreover, Diba (2021**)** did a study to establish the influence of internal control systems on financial accountability in Marsabit County and the results revealed a significant positive relationship between risk assessment and financial accountability in Marsabit County Government.

5. Conclusions and Recommendations

The study's conclusions and recommendations are presented in this chapter.

5.1 Conclusion

From the foregoing results, it was concluded that there exists a positive and significant relationship between risk assessment and financial accountability of national government constituency development fund in Kenya. This implies that when risk assessment gets better, financial accountability will improve. Risk assessment may be improved through; the identification and analysis of any issues that may jeopardize the implementation of objectives so that the NG-CDF is proactive rather than reactive. The committee should categorize risks according to impact and likelihood so that risks with greater impact and higher likelihood are given more weight. Such risks should also be documented and all employees made aware of the pertinent risks to improve transparency improve the commitment to analyses risks and identify all risk-prone activities, ensuring that the staff engaged in stock count do not keep the items and constant review of risk measures so as to enhances transparency and accountability and ensure that all relevant procedures are followed in preparing books of accounts.

5.2 Recommendations

The study results prove that there exists a positive and significant relationship between risk assessment and financial accountability of National Government Constituencies development fund in Kenya. Descriptive statistics show that the constructs that were top on the weighting and had the highest relative importance index were that risks are categorized according to impact, followed by; measures in place to alleviate the occurrence of risks and documentation of pertinent risks improve transparency at third relative importance. Their relative importance indices were; 0.676, 0.669, and 0.667respectively. These results imply that risk assessment is still not up to date in the NG-CDF and needs a lot of improvement. It was therefore recommended that risks should be purposely categorized based on their impact and frequency of occurrence. Documentation of pertinent risks was ranked as third importance in terms of the ability to improve transparency. It was therefore recommended the NG-CDF committees should tighten their belts and strive to identify all the pertinent risks that may affect them and look for possible ways of preventing such risks from occurring. The question of whether staff engaged in stock count do not keep the items was given a relative importance of; 0.665 meaning that this practice is implemented to a large extent but not up to date. It was therefore recommended that all relevant procedures of stocktaking should be enforced and followed and in no situation should a person taking stock be a person in custody of the items. All procedures should be followed in preparing books of accounts and close scrutiny of all risk-prone activities should be analyzed. It was also recommended that risk mitigation procedures be improved regularly to make them robust and better.

Conflict of Interest Statement

The authors declare no conflicts of interest

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