INTERNAL CONTROLS AND FINANCIAL ACCOUNTABILITY OF NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND IN KENYA

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Abstract:

The aim of the study was to examine the effect of internal controls on the financial accountability of the National Government Constituencies Development Fund in Kenya. The specific objectives were: to establish the effect of control activities, risk assessment, communication, monitoring and control environment on the financial accountability of NG-CDF in Kenya. The study was structured on: agency, fraud triangle and accountability theories. Positivism research philosophy guided the study. A correlation research design was adopted. The target population of the study was 1160 respondents, while the sample population was 288 respondents. Primary data was obtained by use of a questionnaire, while secondary data was obtained from the auditor's general reports and financial statements of the NG-CDFs. A pilot test was carried out using 29 respondents. It was established that there exists a strong and positive association exists between internal controls and financial accountability for all the variables, as confirmed by; r = 0.718 for control activities, r = 0.707 for risk assessment, r = 0.759 for monitoring, r = 0.703 for communication and r = 0.686 for control environment and financial accountability. The R-square value was 0.762. The results of the ANOVA showed an F statistic of 15.513, and a p-value of 0.008. All the constructs of internal controls were established to have a significant effect on unsupported expenditure, which was

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confirmed by $\beta = 2.157$, p-value 0.005, $\beta = 0.998$, p-value 0.014, $\beta = 1.282$, p-value of 0.004. $\beta = 0.371$, p-value of 0. 047 and $\beta = 1.13$ 6, p-value 0.009 for control activities, risk assessment, monitoring communication and control environment respectively. It was recommended that the NG-CDF management committee should strengthen the separation of duties and ensure that the stipulated guidelines for approval are followed at all times. Close scrutiny of all risk-prone activities should be analyzed. External auditors must give unbiased reports. NG-CDF committee members should be honest and have no conflict of interest.

JEL: G30, M42, H83, D73

Keywords: internal controls, financial accountability NG-CDF

1. Introduction

Accountability and oversight are crucial for advancing project quality, enhancing decision-making, and avoiding fraud and corruption with CDF funds. Effective oversight of CDF financing promotes fiscal integrity and MP and CDF committee accountability to the public. In accordance with governmental regulations, MPs, CDF committees, and implementers will be held responsible for their individual roles, behaviors, and choices during the CDF implementation process. There must be policies and/or laws in place to hold CDF actors accountable. 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). Just to state a few, 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 account for the disbursement properly.

2. Literature Review

2.1 Theoretical Literature
2.1.1 Agency Theory
The theory explains the relationship between the principles, which include stockholders and agents. An issue arises when there is a difference between the principal's and the

agent's goals and desires when an agent is motivated to act in his or her own superior interests, which are at odds with those of the principal.

The agency theory was regarded as the fundamental theory because it encompasses both the internal controls and financial accountability components. In order to understand the agent's behavior in relation to CDF and possible measures to lessen the conflict of interest, agency theory was relevant to this study. The MPs and the NCDF management committees might not act in the government's and their constituents' best interests, and they might not be required to account for all of the money given to them.

2.1.2 Fraud Triangle Theory

The fraud triangle is a framework explaining the reason behind an individual's decision to commit fraud. The fraud triangle outlines three components that contribute to increasing the risk of fraud: opportunity, pressure and rationalization.

The fraud triangle theory was pertinent to this study because it helped to understand the factors that lead people to commit fraud and fail to be responsible for the money that has been given to them. In order to understand why some NG-CDF committee members commit fraud and, as a result, fail to be accountable for funds allocated to them. The agents in NG-CDF, just like any other, maybe pressured to commit fraud for personal gain. Other agents may be fraudulent because they have the opportunity to do so and can quickly get away with it due to lax internal controls. While some people may continue to defend fraud by arguing that they work very hard to make things right in the school and as a result, deserve payment. However, if the chance to commit fraud is diminished by strict internal controls, fraud will not occur. The NG-CDF committee members and managers may be under pressure to commit fraud because there is an opportunity for fraud.

The theory explains how feeling the need to defend one's actions in front of a third party makes people take into account and take responsibility for how decisions and judgments are made. 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. The theory of accountability was pertinent to this study because it helped in understanding how internal controls can improve accountability. The national government will easily verify their financial statements through external auditing and provide favourable audit reports. The government will, therefore, strengthen monitoring processes, which will increase awareness by verification of their financial statements. This is the social presence, which will enhance transparency and reduce fraud.

2.2 Conceptual Framework

The elements of internal control systems and financial accountability are shown in this section and are depicted in Figure 1.
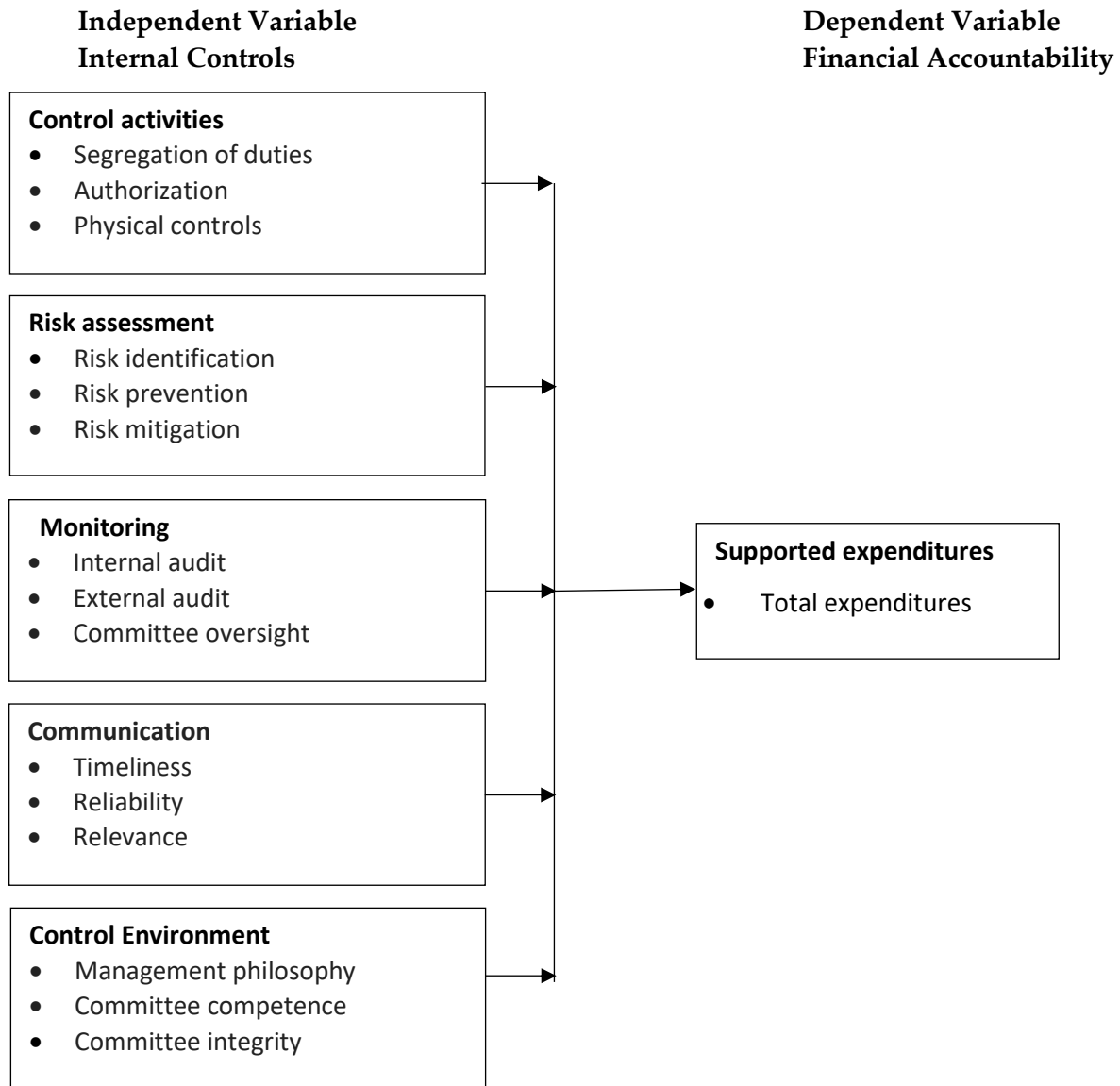
Independent Variable
Internal Controls

Dependent Variable
Financial Accountability

Control activities
- Segregation of duties
- Authorization
- Physical controls

Risk assessment
- Risk identification
- Risk prevention
- Risk mitigation

Monitoring
- Internal audit
- External audit
- Committee oversight

Supported expenditures
- Total expenditures

Communication
- Timeliness
- Reliability
- Relevance

Control Environment
- Management philosophy
- Committee competence
- Committee integrity

Figure 1: Conceptual Framework

2.3 Empirical Literature Review

2.3.1 Control Activities and Financial Accountability

Tumwebaze (2022) conducted a study to determine the relationship between internal controls and financial management in Uganda's public universities. The study targeted 60 administrative staff. The research revealed a strong link between financial management and control activities.

Mutheu and Muturi (2018) studied in what way access to funding, budgetary controls and training in financial management impacts the performance of government projects. Using descriptive research design and 384 finance managers, 80 respondents were chosen through simple unsystematic selection. It was confirmed that control activities had a statistically weighty influence on the success of County Government projects.

Maina, Muturi, Atambo and Nyamasege (2016) researched the effect of internal control systems on the execution of plans at the county government of Nyamira. Using

survey design, and secondary data from county government records, they evaluated data by use of simple and multiple regression analysis. The study established that control activities have a weighty consequence on the execution of projects in county governments.

2.3.2 Risk Assessment and Financial Accountability

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 adopted the descriptive research design. The targeted population for the study was 324 employees 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). 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 were the 168 CDF project managers at various departmental levels. The findings revealed that risk assessment had a significant association with project implementation.

Ochola and Malenya (2020) carried out a study with the primary objective of investigating the influence of project management practices on the timely completion of education projects funded by the Bondo National Government Constituency Development Fund, Siaya County, Kenya. The study adopted a descriptive research design. The study results revealed that project risk management significantly influenced the timely completion of completion of education projects funded by the Bondo National Government Constituency Development Fund.

2.3.3 Monitoring and Financial Accountability

A study by Kipkemei and Miroga (2019) titled "The determinants of prudent financial management of Turbo National Government Constituency Development Fund, Uasin Gishu County, Kenya" employed a descriptive research design with a target population of 219 respondents. Both descriptive and inferential statistics showed that the financial audit process significantly influenced the prudent financial management of Turbo National Government Constituency Development Fund, Uasin Gishu County, Kenya.

Mati and Ongore (2020) did a research aimed at establishing factors affecting the success of constituency development fund projects in Kenya with particular reference to Tharaka Constituency. This study adopted a descriptive survey. The population for this study was 169 CDF committee members in Tharaka Constituency. The study concluded that poor monitoring and evaluation and poor accountability in CDF funds management have a negative impact on the performance of constituency development fund projects in Kenya.

A study by Kamau and Rotich (2015) sought to determine the effect of an internal control system on procurement procedures in CDF projects. A cross-sectional survey method was employed. A total of 60 CDFC members constituted the target population, where a census was carried out. The study concluded that accountability and transparency in CDF projects are crucial in the projects' procurement procedures.

2.3.4 Communication and Financial Accountability

Kung'u and Gachunga (2017) carried out a study on the influence of monitoring and evaluation procedures on the performance of CDF-funded dispensary projects in Kenya. The study results revealed that information and communication have a significant effect on the performance of CDF projects. However, it was noted that adequate information was not provided to the stakeholders.

Omondi (2018) conducted a study on information and communication on financial accountability in national public secondary schools in Kenya - fiction or reality. The survey research design was used on a population of 309. The results show an R-square of 0.239, implying that 23.9% of the variation in financial accountability is explained by the predictor model.

Kimata (2021) aimed to investigate the challenges that affect the implementation of projects in a decentralized system of governance. The study results indicate the involvement of stakeholders in project identification, project implementation, monitoring and evaluation and project closure.

Malala (2015) did a study on factors affecting the performance of constituency development fund projects in Kenya, the case study of the Kikuyu constituency. The researcher found out that the interested small and medium enterprises (SMEs) are ill-informed about the very procurement opportunities, involve mainly none locals and tend to favour particular vendors and thus the expressed lack of interest by the many locals to participate.

2.3.5 Control Environment and Financial Accountability

Mutwiri (2021) conducted a study to determine how strictly project cycle phase activities are followed and to evaluate their impact on CDF construction projects in Kenya. The study discovered that 67.8% of the variations in the success of CDF construction projects in Kenya could be attributed to activities related to project identification and initiation, planning, execution, monitoring and control, and project closure.

Oyalo and Bwisa (2015) purposed to assess the factors influencing the completion of CDF-funded projects, specifically, the case of Kangundo Constituency in Machakos County in Kenya. The results indicate that the involvement of the members of parliament had a negative influence on the completion of projects due to misplaced priorities and misappropriation of funds.

Keya *et al.* (2020) conducted a study on the relationship between governance and the performance of National Government Constituencies Development Funds (NG-

CDFs) in Kenya. It was established that there is a statistically significant relationship between governance and NG-CDFs performance in Kenya.

Oenga (2018) studied the effectiveness of management of Constituency Development Funds in Nairobi County. The study concluded that there is a positive association between the effectiveness of CDF management and implementation, monitoring, accounting/recording, and stakeholder effect.

3. Methodology

3.1 Research Philosophy
This research was based on the Positivism Philosophy. Positivism was most appropriate because the study used quantitative data, which positivists believe to be more reliable than qualitative research.

3.2 Research Design
The study adopted a correlational research design. 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.

3.3 Target Population
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.

3.4 Data Collection Instruments
Primary data was obtained by using questionnaires, while secondary data was downloaded from the Auditor's General reports and financial statements of the NG-CDFs.

3.5 Data Collection Procedures
The questionnaires were delivered to the respondents using a research assistant. Financial statements were also obtained from the selected NG-CDFs and the Auditor's General reports.

3.6 Reliability
The questionnaire's internal consistency was examined using Cronbach Alpha. The constructs with indicators that displayed insufficient item-total correlations also reflected the potential increase in the reliability measures if the indicator were deleted.

3.7 Validity
Expert analysis was used to evaluate the validity of the content, and confirmatory factor analysis was used to test the validity of the construct. If an observed variable loaded

average shared variances extracted of 0.4 or higher, it was deemed to belong to the construct and thus valid.

3.8 Data Processing and Analysis

The data was analyzed using both descriptive and inferential statistics. Mean, standard deviation, and variance were the descriptive statistics generated. Correlation analysis was also generated to show the degree, nature and direction of association between internal controls and financial accountability. Further, multiple linear regression analysis was done to estimate the relationship between internal controls and financial accountability.

4. Results and Discussion

4.1 Reliability Test Results

As depicted in Table 1, the Cronbach Alpha values were: 0.881, 0.839, 0.806, 0.889, 0.875, and 0.843 for control activities, risk assessment, communication, monitoring, control environment and financial accountability, respectively. All of the constructs displayed Cronbach alpha values of greater than 0.7, indicating a high degree of reliability.

Table 1: Cronbach's Alpha Reliability

Construct	Number of Items	Cronbach Alpha	Conclusion
Control Activities	10	0.881	Reliable
Risk Assessment	10	0.839	Reliable
Communication	10	0.806	Reliable
Monitoring	10	0.889	Reliable
Control Environment	10	0.875	Reliable
Financial Accountability	10	0.843	Reliable

4.2 Validity Test Results

Table 2 confirms the validity of the factor analysis models used in this pilot study because Bartlett's test of sphericity is significant since the P-values for all the constructs control activities, risk assessment, communication, monitoring, control environment, and financial accountability are less than 0.05. This indicates that the pilot study statistics are sufficient and appropriate for the models used.

Table 2: KMO and Bartlett's Tests

	Items retained	KMO	Bartlett's test		
			χ^2	df	p-value
Control Activities	10	0.927	705.794	45	0.000
Risk Assessment	10	0.936	752.980	45	0.000
Communication	10	0.823	606.884	45	0.000
Monitoring	10	0.920	657.961	45	0.000
Control Environment	10	0.747	486.932	45	0.000
Financial Accountability	10	0.866	651.367	45	0.000

The Kaiser-Meyer-Olkin measure of sampling adequacy for each variable was 0.927, 0.936, 0.823, 0.920, 0.747 and 0.866 for control activities, risk assessment, communication, monitoring, control environment and financial accountability, respectively. The Kaiser-Meyer-Olkin is all greater than 0.60; thus, the sample used was adequate.

4.3 Descriptive Statistics
4.3.1 Descriptive Statistics Financial Accountability
The opinion of the respondents, as shown in Table 3, was generally favorable that expenses and incomes are recorded as soon as they occur and not afterwards, with a mean of 3.58. However, the responses to this question have a variation degree of about 39.6%, implying that in the majority of the constituencies, it is a surely that expenditures and incomes are recorded immediately after they take place and not postponed, which reduces errors and enhances early detection of any mistakes that may occur.

Further, the respondents were generally neutral and not able to decide whether the accounting records had all the relevant source documents for confirmation. This implies that if a constituency were to be picked randomly, chances are high that a respondent from that constituency could not easily tell whether all accounting records have relevant supporting source documents. This is evidenced by a mean of (3.38).

The respondents also affirmed that, on average, books of accounts of the NG-CDF are prepared according to the set standards with a mean of (3.74). However, there is a wide variability of responses from the mean, and thus, there is a high chance that one constituency will prepare the financial statement according to the set standards while others will flout the rules and not follow the set standards. This is proven by the coefficient of variation of 0.320.

Similarly, the respondents were neutral that the accounting records are reliable and reflect the true state of affairs, with a mean of (3.45). However, the responses from different respondents in different constituencies varied quite a bit, with others having extremes of negative attitudes while others had positive attitudes towards the statement, with a coefficient of variation of 0.393.

Additionally, the respondents were generally negative and disagreed with the statement that audit reports have no unsupported expenditure from the mean obtained from the data of 2.38. It is an indication that many of the audit reports from the NG-CDF have unsupported expenditures but with significant variability where some of them may have no unsupported expenditure at all from the coefficient of variation of 55.5%. This high degree of dissimilarity is a clear indication that in some constituencies, the NG-CDF accountant and other committee members carry out their oversight role effectively and ensure that all supportive documents are available, hence high financial accountability.

There was consensus by many respondents that reports from external auditors are discussed and corrective action undertaken, evidenced by a mean of 3.59, confirming that many NG-CDF management committees are committed to monitoring the undertakings of the finances allocated to their constituency and are ready to implement changes recommended by the external auditor for improvement in the financial management

practices. Additionally, there was confirmation that the accounting reports are accurate at an average of about 3.60, which is slightly above neutral. However, this average is worrying as the expectation would be above 4.0 for agree and strongly agree. The coefficient of variation of 36.75% makes it even worse as it further reveals that there are extremes in the management of NG-CDF where some constituencies have accurate reports, but for some, the accuracy is highly doubtful.

Further, there was also a general agreement that books of accounts are prepared within the stipulated time with a mean of 3.92, confirming that if a respondent in a y constituency is chosen at random, chances are high that the books of accounts in the respective constituencies are prepared within the stipulated timelines which allows scrutiny of the financial transactions and thus early identification of errors and omissions and necessary corrective action can therefore be undertaken.

Finally, respondents confirmed that constituency assets are protected from theft or loss with a mean of 3.62; thus, measures have been put in place to ensure that there are no leakages of assets, including stock-taking and early identification of risks that can jeopardize the security of assets. This ensures that funds are used for the intended purpose, and thus, the completion rate of constituency projects will be very high. However, the coefficient of variation is relatively high at 35.9%, implying that there are constituencies where assets are not safe at all.

Generally, the respondents had a positive attitude in the majority of the statements. Thus, it implies that financial accountability in many of the constituencies' development funds is above board. However, there is a wide variation in financial accountability across the NG-CDF in different constituencies.

Table 3: Descriptive Statistics Financial Accountability Using Mean

	N	Min.	Max.	Mean	Attitude	N	Min.
Expenditures and incomes are recorded immediately after they take place and are not postponed.	251	1	5	3.58	Positive	1.416	0.396
Accounting records have all the relevant source documents for confirmation.	251	1	5	3.38	Neutral	1.393	0.412
Books of accounts are prepared according to the set standards.	251	1	5	3.74	Positive	1.197	0.320
The accounting records are reliable and reflect the true state of affairs.	251	1	5	3.45	Neutral	1.357	0.393
Audit reports have no unsupported expenditure.	251	1	5	2.38	Negative	1.322	0.555
The financial statements follow the generally accepted accounting guidelines.	251	1	5	3.82	Positive	1.271	0.333
Reports from external auditors are discussed, and corrective action is undertaken.	251	1	5	3.59	Positive	1.455	0.405
Accounting reports are accurate.	251	1	5	3.60	Positive	1.321	0.367
Books of accounts are prepared within the stipulated time.	251	1	5	3.92	Positive	1.161	0.296

Constituency assets are protected from theft or loss.	251	1	5	3.62	Positive	1.298	0.359

4.3.2 Descriptive Statistics Relative Importance Index

To make it simple to compare the results with the continuous data on the independent variable financial accountability, relative importance indices were calculated for all of the Likert scale questions pertaining to the independent variables: control activities, risk assessment, communication, monitoring, and control environment. Using a 5-point Likert scale, the level of agreement was measured, and the degree of agreement was used to make the assessment: for each question pertaining to the independent and dependent variables, the responses were transformed into Relative Importance Indices (RII): 1 (Strongly Disagree), 2 (Disagree), 3 (Neutral), 4 (Agree), and 5 (Strongly Agree). The following equation was used to calculate the Relative Importance Index (RII) as depicted in Table 4.

$$\text{RII} = \frac{\sum W}{A * N} = \frac{5N_5 + 4N_4 + 3N_3 + 2N_2 + 1N_1}{5N}$$

Where:

W is the weighting given to each question by the respondents (ranging from 1 to 5),
A is the highest weight (i.e. 5 in this case),
N is the total number of respondents (i.e. 251 in this case),
N_5 = Total respondents who Strongly Agree
N_4 = Total respondents who Agree,
N_3 = Total respondents who are Neutral,
N_2 = Total respondents who Disagree,
N_1 = Total respondents who Strongly Disagree.

Table 4: Relative Importance levels

RII value	Importance level
From 0.8 to 1	Very High
From 0.6 to 0.79	High
From 0.4 to 0.59	Medium
From 0.2 to 0.39	Low
From 0 to 0.19	Very Low

Table 4 shows RII value has a range from 0 to 1 (0 not inclusive) and was categorized into five levels of importance. The higher the value of RII, the more important the construct is to the respondents in describing the variable.

4.2.1 Relative Importance Index Control Activities

The outcomes in Table 5 confirm that separation of duties, which has been given the highest importance with a relative importance index of 0.701, is a crucial element in

enhancing financial accountability. Therefore, unsupported expenditures and, consequently, financial accountability would significantly improve if the government strengthened the division of labor. The importance of having clear approval guidelines is ranked second with a relative importance index of 0.694. indicating that many county governments adhere to the predetermined criteria for approval. Three in the level of importance is an employee being in possession of all valuable information at a relative importance index of 0.693. This is a dangerous situation that should be looked at by all committees of the NGF-CDF in the whole country as an emerging risk that must be urgently dealt with. Such an employee can be a great threat and can manipulate information for their own self-interest, thus increasing fraudulent activities in the NG-CDF. This was followed by endorsements by the relevant authority, boosts financial accountability, records are updated frequently, frequent updating of records improves financial accountability, and budget evaluations impact positively on financial accountability, which were all rated high in relation to importance as evidenced by the relative performance indicators of; 0.692,0.683, 0.677 and 0.67251. The constructs that were rated poorly were: there is separation of duties so that one person does not initiate and perform an activity at the same time with a relative importance index of 0.583, authentication of expenses is followed always with a relative importance index of 0.580. These were all rated as medium, an indication that the NG-CDF should improve on the above factors if they are to improve their financial management practices, particularly financial accountability.

Table 5: Relative Importance Index Control Activities

No.	Statement	Index	Importance	Level
1.	There is a separation of duties so that one person does not initiate and perform an activity at the same time.	0.583	8	Medium
2.	Separation of duties boosts financial accountability	0.701	1	High
3.	NG-CDF Committee in the constituency has clear approval guidelines.	0.695	2	High
4.	There is a hood that an employee can be in possession of all valuable information.	0.693	3	High
5.	Endorsements by relevant authorities boost financial accountability.	0.692	4	High
6.	Authentication of expenses is always followed.	0.580	9	Medium
7.	Records are updated frequently.	0.683	5	High
8.	Frequent updating of records improves financial accountability.	0.677	6	High
9.	Measures are in place to curtail excess expenditure.	0.567	10	Medium
10.	Budget evaluations impact positively on financial accountability.	0.673	7	High

4.2.2 Relative Importance Index Risk Assessment

Further, the relative importance index was calculated for all the constructs of risk assessment. The results in Table 6 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 are in place to alleviate occurrence of risks and documentation of pertinent risks improve transparency at third relative importance. Looking at these results, one can easily deduce that risk assessment is still not up to date in the NG-CDF and needs a lot of improvement. The results depict that NG-CDF committees are doing great at categorization of risks based on their impact; thus, risks with greatest impact are given more weight, priority and keen monitoring to prevent their occurrence since the impact of such risks is likely to have devastating effects to the NG-CDF. The NG-CDF committees have also made great steps towards putting in place measures and procedures to alleviate the occurrence of risks. Thus, the occurrence of risks if any, will be minimal.

Documentation of pertinent risks was ranked as third importance in terms of the ability to improve transparency. This requires the NG-CDF committees, therefore, to tighten their belts, strive to identify all the pertinent risks that may affect them, and look for possible ways of preventing such risks from occurring. The results on the question of whether staff engaged in stock count do not keep the items imply that this practice is implemented to a large extent. NG-CDF following relevant procedures, close scrutiny of all risk-prone activities by NG-CDF, the question of whether early alleviation measures enhance transparency, the fact that any action that jeopardises achievement of goals is identified and NG-CDF committee ensuring safety measures are in place to protect county assets were all rated as high and shows excellent steps have been undertaken towards risk identification, prevention, control and mitigation but point to the fact that a lot more need to be done to push this independent variable to very high thus the will be great prudence in financial management and hence financial accountability. The notion that peril alleviation procedures are changed regularly to make them stronger and better was rated as having the lowest weight at a relative importance index of 0.575, meaning that this is still an area of most significant concern in the NG-CDF risk management and should be improved for financial accountability is to improve.

Table 6: Relative Importance Index Risk Assessment

No.	Statement	Index	Importance	Level
1.	Any action that jeopardises the achievement of goals is identified.	0.643	8	High
2.	Risks are categorized according to impact.	0.676	1	High
3.	Documentation of pertinent risks improves transparency.	0.667	3	High
4.	Measures are in place to alleviate the occurrence of risks.	0.669	2	High
5.	There is close scrutiny of all risk-prone activities.	0.654	6	High
6.	Staff engaged in stock count do not keep the items.	0.665	4	High
7.	Safety Measures are in place to protect county assets.	0.624	9	High
8.	Peril alleviation procedures are changed regularly to make them stronger and better.	0.575	10	Medium
9.	Early alleviation measures enhance transparency.	0.646	7	High
10.	All relevant procedures are followed in preparing books of accounts.	0.661	5	High

4.2.3 Relative Importance Index Monitoring

The results in Table 7 demonstrate that well-timed audit reports have a positive bearing on financial accountability, with the greatest importance index of 0.755. This is an affirmation that financial reports ought to be prepared early enough for thorough scrutiny if errors and omissions have to be identified and corrected to improve financial accountability. Respondents were in agreement that the NG-CDF committee undertook frequent checks to reduce budget variances, and their opinion was at a relative importance index of 0.682869. It was encouraging that the majority of the NG-CDF are keen on ensuring that the budgeted expenses are executed as planned to reduce budget variances. However, more still needs to be done to improve monitoring by the internal auditors and the NG-CDF management committee.

The third in the relative importance index was the respondent's opinion on whether the NG-CDF committee ensures that all expenditures are approved and used in the right manner. The respondents affirmed that, to a large extent, this is ideally done, and their overall weighting of importance was 0.666135 which ranked as high. Auditors were confirmed to closely check and track the activities of NG-CDF frequently at a relative importance index of 0.658964, meaning that many auditors are doing a great job in the verification of transactions and financial statements; thus, there will be a high sense of accountability as the accountants are aware of the independent checks of what they have done.

Frequent reviews of internal controls were generally agreed to be done to improve the internal controls and be able to identify loopholes test still exist or new emerging risks that should be taken care of. This was rated as high, with a relative importance index of 0.646215. Also rated as having a high relative importance index were the statements on whether any variances in budgeted expenditure are investigated and acted upon, regular and fair the audit reports impact on financial accountability, and the committee has autonomous ways to check what happens in the activities of the fund. Their relative importance indices were 0.648, 0.641 and 0.627, respectively.

The respondent's opinion rated lowest on the question that the committee confirms whether the budgeted amount has been spent in the right manner, and their opinion is rated at an index of 0.570518. This is a worrying trend that points towards the fact that thorough scrutiny is not done to confirm whether the stated expenditures in the financial statements are actually factual and not exaggerated; thus, there may be no unsupported expenditures, but fraud may still be going on undetected in the respective NG-CDF. Seemingly, the respondents are not very comfortable with the nature of the external audit reports they receive, as many feel the external audit reports are biased and not objective. This was rated at medium with a relative importance index of 0.562. The external auditors, therefore, still have an uphill task to be objective and neutral so that the audit report can be accepted by the respective NG-CDF. They should not be seen to be witch hunters but be seen to be giving neutral advice on the most prudent way to manage finances. In general, monitoring is effectively done but still needs proper planning and purposeful execution, as none of the constructs was rated as very high.

More independent checks need to be done by both the internal auditors and the NG-CDF committee. The internal controls should also be reviewed frequently to identify additional loopholes and emerging risks. The NG-CDF should insist on ensuring that audit reports are thoroughly discussed in detail and correctively actively implemented as advised. The external auditors, on the other hand, should be more neutral and objective in terms of the acceptability and implementation of the reports. The auditors should not be witch hunters but provide reports based on the true nature and state of affairs in the financial statements in the NG/CDF. They should be non-partisan and strictly do the work they are mandated to do.

Table 7: Relative Importance Index Monitoring

No.	Statement	Index	Importance	Level
1.	The committee has autonomous ways to check what happens in the activities of the fund.	0.627092	8	High
2.	Frequent reviews of internal controls are done to improve them.	0.646215	5	High
3.	Auditors closely check and frequently track the activities of NG-CDF.	0.658964	4	High
4.	External auditors always provide impartial reports.	0.561753	10	Medium
5.	Well-timed audit reports have a positive bearing on financial accountability.	0.754545	1	High
6.	The committee confirms whether the budgeted amount has been spent in the right manner.	0.570518	9	Medium
7.	Any variances in budgeted expenditure are investigated and acted upon.	0.647809	6	High
8.	NG-CDF committee undertake frequent checks to reduce budget variances.	0.682869	2	High
9.	NG-CDF committee ensures that all expenditures are approved and used in the proper manner.	0.666135	3	High
10.	Regular and fair audit reports impact financial accountability.	0.641434	7	High

4.2.4 Relative Importance Index Communication

The results in Table 8 depict that the question of whether information on risks helps in alleviating risks was given the highest relative importance index of 0.665339, rated as high. Thus, the NG-CDF committee should ensure that they gather all relevant information on risks to effectively control and prevent risks from occurring. The statement that thorough discussion of financial statements is a priority by the NG-CDF committee was rated at a relative importance index of 0.663745, the opinion that financial statements show the true position of the NG-CDF had a relative importance index of 0.649402, respondents opinion had high importance on the question that budget implementation reports are given back to the relevant stakeholders in good time with a relative importance index of 0.646215, respondents generally confirm that budgets are discussed in detail in committee meetings and weighted their opinion at an index of 0.642231. Respondents also confirm that, to a great extent, key information for achieving

objectives is distributed in a timely manner, evidenced by an importance index of 0.63745. The respondents also affirm that information passed to stakeholders is dependable and pertinent and weighted their opinion at a relative importance index of 0.636653. Further, the respondents confirm that any hazards and risks are communicated to all employees. The relative importance was rated high at 0.618327. However, the constructs that were ranked poorly were the fact that any issue that may hinder the achievement of objectives is communicated to the relevant people with a relative importance index of 0.585657, and the respondents were also pensive on the issue that affected departments and sections are involved in the preparation of financial plans they rated this importance at the lowest with an index of 0.561753. This is a clear indication that communication on factors that make it difficult to achieve set targets is poorly done. Furthermore, relevant departments are rarely involved in the preparation of budgets and, therefore, can sabotage the implementation of such budgets. These results indicate that more needs to be done to improve communication among committee members of the NG-CDF, employees and other stakeholders so that they will be best placed to make decisions on how to improve the operations of the NG-CDF.

Table 8: Relative Importance Index Communication

No.	Statement	Index	Importance	Level
1.	Any hazards and risks are communicated to all employees in.	0.618327	8	High
2.	Information on risks helps in alleviating risks.	0.665339	1	High
3.	Information passed to stakeholders is dependable and pertinent.	0.636653	7	High
4.	Any issue that may hinder the achievement of objectives is communicated to the relevant people.	0.585657	9	Medium
5.	Financial statements show the true position of the NG-CDF.	0.649402	3	High
6.	Budgets are discussed in detail in committee meetings.	0.642231	5	High
7.	Key information for achieving objectives is distributed in a timely manner.	0.63745	6	High
8.	Affected departments and sections are involved in the preparation of financial plans.	0.561753	10	Medium
9.	A thorough discussion of financial statements is a priority by the NG-CDF committee.	0.663745	2	High
10.	The pertinent stakeholders are promptly updated on the status of the budget implementation.	0.646215	4	High

4.2.5 Relative Importance Index Control Environment

Results in Table 9 depict that the respondents affirm that shared values which are documented may boost financial accountability. Their opinion gives this construct the highest relative importance index of 0.646, implying that the NG-CDF committee must be guided by ethical values at all times in their undertaking of financial accountability ids to improve. The need for the NG-CDF committee members to understand bookkeeping to enhance their understanding and interpretation of the financial statements stood at a relative importance index of 0.640637, which is rated as high in

terms of importance level; thus, it should be mandatory that all members of the NG-CDF committee be trained in basic accounting skills for them to effectively execute their duties.

The honesty of the committee members enriched financial transparency and was ranked third in terms of the relative importance index and rated as high with an index of 0.639. It, therefore, implied that the NG-CDF committee members should be honest and have no conflict of interest in executing their duties to enhance financial accountability.

In terms of how the committee executes its duties, the statement that the committee informs all the stakeholders of the accomplishments of the board had the fourth rank of importance index at 0.636, which is rated as high. The respondents confirm that the set rules are, to a large extent followed in all activities of the board and were also rated as high with an index of 0.621. It was also affirmed that many committee members are dedicated to their management role at a relative importance index of 0.618, and it was confirmed that the committee members understood bookkeeping, which was graded as high at a relative importance index of 0.609. Many respondents indeed prove that formal rules for managing the funds exist and are not flouted. However, this is ranked as medium and implies that in some instances, even though the rules exist, they are flouted, and the relative impotence index attached to this is 0.58645. Some committee members still seem to exhibit bestowed interest in the NG-CDF assets and finances, thus rating medium at a relative importance index of 0.578. Finally, the respondents confirm that integrity, on some occasions, is not a key factor considered when selecting members of the committee members. They rated this as the poorest with a relative importance index of 0.584861, which ids medium; thus, the government need to do more items of selection of the membership of the NG-CDF. Integrity should be key in the selection of all NG-CDF committee members, and anyone whose integrity is in doubt should not find their way in such boards. Political interests and affiliations should not be a factor at all that makes one find themselves in such committees.

Table 9: Relative Importance Index Control Environment

No.	Statement	Index	Importance	Level
1.	The committee members have understood bookkeeping.	0.608765	7	High
2.	The level of understanding book keeping by the committee may improve the management of funds.	0.640637	2	High
3.	Shared values which are documented may boost financial answerability	0.646215	1	High
4.	Integrity is a key factor considered when selecting committee members.	0.584861	10	Medium
5.	Committee members do not exhibit bestowed interest in the NG-CDF	0.578486	9	Medium
6.	Honesty of the committee members enriches financial transparency	0.639044	3	High
7.	The committee informs all the stakeholders of the accomplishments of the board	0.635857	4	High
8.	Committee members are dedicated to their management role	0.61753	6	High
9.	Set rules are followed in all activities of the board.	0.620717	5	High

10.	Formal rules for managing the funds exist and are not flouted	0.586454	8	Medium

4.3 Inferential Statistics

4.3.1 Correlations Analysis

Pairwise Pearson product-moment correlation coefficients were generated for each pair of variables in order to analyze the direction and strength of relationships between internal controls and financial accountability. The latent constructs of the independent variables are represented by CA, RA, MO, CO, and CE. The results in Table 7 above show that the p-values of the correlation coefficients between the independent variables were all found to be greater than 0.025, indicating that the correlations were not significant. The lack of multicollinearity among the study's exogenous variables was also indicated by the insignificant correlations between independent variables.

Both the composite latent variable generated from the secondary dataset using index calculations and the latent variables from the primary data collection questionnaire demonstrated a significant correlation between the independent and dependent variables with p-values all less than 0.025. It was thus determined that a significant and positive association exists between the independent variable, internal controls and the dependent variable, financial accountability. The correlation coefficients for control activities and financial accountability were $r = 0.719$, p-value 0.001, risk assessment and financial accountability was $r = 0.851$, p-value 0.001, monitoring was $r = 0.781$, p-value 0.001, communication was $r = 0.752$, p-value 0.000, and control environment was $r = 0.723$, p-value 0.001.

Table 7: Correlational Analysis Based on Binary Regression

	CA	RA	MO	CO	CE	Y
CA	1					
RA	0.369	1				
	(0.128)					
MO	0.281	0.189	1			
	(0.288)	(0.521)				
CO	0.109	0.218	0.243	1		
	(0.271)	(0.207)	(0.033)			
CE	0.273	0.291	0.273	0.372	1	
	(0.116)	(0.173)	(0.133)	(0.110)		
Y	0.719*	0.851*	7.681	0.752*	0.723*	1
	(0.001)	(0.001)	(0.02)	(0.000)	(0.001)	

4.3.2 Model Diagnostic Tests

4.3.2.1 Normality Test

A histogram for the dependent variable and the Shapiro-Wilk test for both the independent and dependent variable were used to check for normality. The residuals of the overall multivariate regression model were plotted as a fitted probability histogram.

The results in Figure 2 show that the residuals effectively formed a bell-shaped histogram density plot, as expected, which indicated that the residuals were normally distributed.

The Shapiro-Wilk test was also conducted to further confirm normality. The null hypothesis of this test is that the population is normally distributed. Thus, if the p-value is less than the chosen alpha level (0.05), then the null hypothesis is rejected, and there is evidence that the data tested are not normally distributed. On the other hand, if the p-value is greater than the chosen alpha level (0.05), then the null hypothesis that the data came from a normally distributed population cannot be rejected.
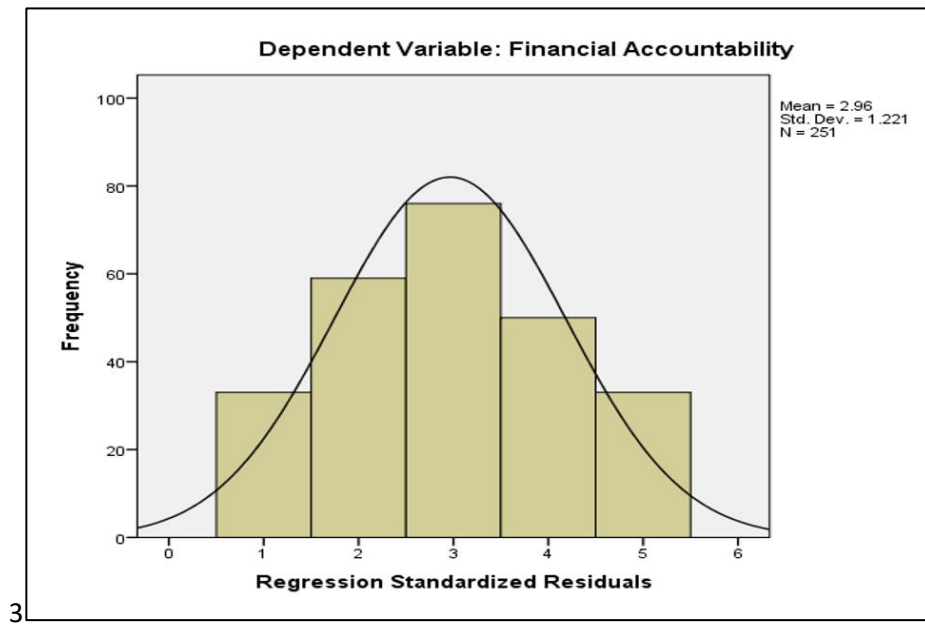
Figure 2: Histogram of the Distribution of Residuals

4.3.2.2 Multicollinearity Test

Variance inflation factors were used to assess multicollinearity. The results in Table 8 confirmed that all the VIFs are less than 2, thus implying that none of the independent variables (control activities, risk assessment, monitoring, communication and control environment) being studied demonstrates a high level of multicollinearity.

Table 8: Collinearity Statistics

Model	Collinearity Statistics	
	Tolerance	VIF
Control Activities	.543	1.841
Risk Assessment	.645	1.551
Communication	.561	1.783
Monitoring	.529	1.892
Control Environment	.675	1.481

4.3.2.3 Test of Heteroscedasticity

To ensure that the residuals of the model fitted do not show heteroscedasticity, a scatter plot was created by comparing the residuals to the predicted values. The results in the

scatter plot in Figure 3 do not exhibit any indications of an upward or downward trend in the residuals relative to the predicted values. However, the plots have a random distribution around zero, which is an indication of homoscedasticity.
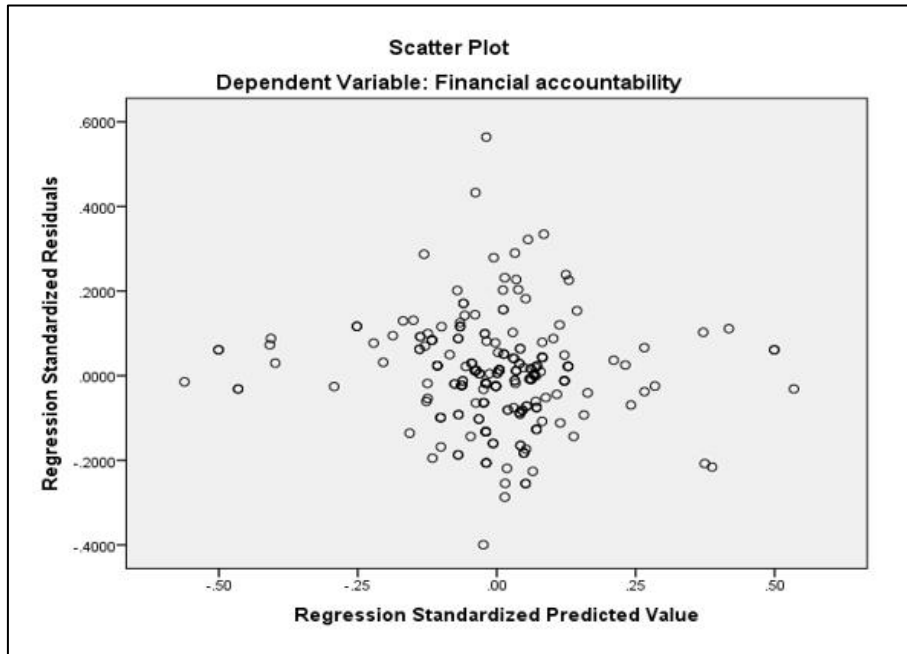

Figure 3: Scatter Plot on Financial Accountability

4.3.2.4 Test of Auto Correlation

The Durbin Watson (DW) statistic was used to test for autocorrelation in the residuals from the statistical model. The results shown in Table 9 show the Durbin-Watson statistic of 1.963, which is close to 2.0 and, therefore, confirms the absence of autocorrelation of the model residuals. The diagnosis of this model, hence, showed that the classical assumptions are also not violated in the linear regression model. The normality assumption was met as shown by the bell-shaped histogram and Shapiro Wilk p-values greater. The absence of multicollinearity was confirmed by VIF, which were all found to be less than 2 and further strengthened by the correlation coefficient between the independent variables with p-values of more than 0.05, thus insignificant. Homoscedasticity was confirmed by the scatter plot, which showed randomly distributed points about zero, which is a symbol of homoscedasticity. The absence of autocorrelation was established by the Durbin-Watson statistic of 1.963, which is near 2.0, which consequently endorses the absenteeism of autocorrelation of the model residuals.

Table 9: Test of Autocorrelation

Durbin-Watson Statistic
1.987

4.3.3 Multiple Regression Analysis

Multiple regression was run to examine the overall relationship between the independent variable internal controls and the dependent variable supported expenditure.

4.3.3.1 Model Summary

To explore the combined effect of the independent variable internal controls on the financial accountability of NG-CDF, the R-square value was estimated to show the proportion of financial accountability in NG-CDF explained by internal controls. Results in Table 10 show an R-square of 0.762. This infers that 76.2% of the changes in financial accountability are explained by the model on internal controls and financial accountability. Moreover, it suggests that only 23.8% of the variation in financial accountability is not explained by internal controls in the two models but by other factors. This, therefore, points to the fact that the multiple regression model is significant as it explains more variation in financial accountability.

Table 10: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.873[a]	.762	.753	0.47208

4.3.3.2 ANOVA

The analysis of variance (ANOVA) test of significance was carried out to test the significance of the model's internal; control systems and financial accountability. The results of the ANOVA are shown in Table 11, showing an F statistic of 15.513 and a p-value of 0.008. The P-value is all less than 0.05 showing that the model on the influence of control systems on financial accountability is generally significant. Thus, the null hypothesis that the model with no independent variables (internal controls) fits the data just like the model was rejected, and a conclusion was made that the predictor variables; control activities, risk assessment, monitoring, communication and control environment in the model enabled better fitting of the data than if they were left out and the intercept-only model adopted. The constructs of internal control were consequently determined to have a significant joint effect on financial accountability.

Table 11: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.465	250	.093	15.513	.008[b]
	Residual	.011	250	.006		
	Total	.476	250			

4.3.3.3 Regression Coefficients

The regression coefficient estimates of each predictor of the independent variable were also generated. The coefficient estimates of each predictor of the independent variable in Table 12 below were found to have a significant effect on the financial accountability of the NG-CDF, which was measured using unsupported expenditure. The constant term

/intercept of the model was also found to be significant with a statistical figure of 0.726 and with a p-value of 0.036 which is less than 0.05 and thus significant. In a multiple regression model, the constant represents the value that would be predicted for the dependent variable if all the independent variables were simultaneously equal to zero, a situation which may not be meaningful in all cases. In this research, it is not possible for the constructs of the independent variable internal controls to be simultaneously zero since this has already been put in place by the government, and only the degree of implementation may be different. Thus, the constant will be included to ensure that the in-sample errors are unbiased, as the presence of the constant allows the regression line to provide the best fit to the data.

Control activities was established to have a significant effect on unsupported expenditure, confirmed by $\beta = 2.157$, p-value 0.005. The p-value of the coefficient estimate is not more than 0.05, implying significance at a 95% level of confidence. This significant estimate illustrates that one percent increase in the levels of risk assessment in the NG-CDF would increase the levels of the financial accountability index by 2.16 percent.

The significance is further backed up by the resulting t statistic of 13.738. A p-value of 0.005 was more than a computed t-critical value of 1.984. Thus, it is considered significant at 95% confidence interval since the p-value was less than 0.05; hence, it is apparent that control activities had a significant positive effect on the financial accountability of the National Government Constituency Development Fund in Kenya. The null hypothesis that there is no significant effect of Control activities on the financial accountability of the National Government Constituency Development Fund was therefore rejected, and a conclusion was drawn that control activities have a significant effect on the financial accountability of the National Government Constituency Development Fund. The results are in line with the outcomes of descriptive statistics, which portrayed that the majority of the respondents approved and confirmed that implementation of control activities improves the financial accountability of the National Government Constituency Development Fund.

Further, risk assessment was also found to have a significant effect on unsupported expenditure, where β was estimated at 0.998 and a p-value of .014. This significant estimate shows that a one percent increase in the levels of risk assessment in the NG-CDF would increase the levels of the financial accountability index by 0.998 percent. The significance is further backed up by the computed t statistic of 8.324, a p-value of 0.014 was more than a computed t critical value of 1.984. Thus, it was considered significant at a 95% confidence interval since the P-value was less than 0.05; hence, it was concluded that risk assessment had a significant positive effect on the financial accountability of the National Government Constituency Development Fund in Kenya. Accordingly, the null hypothesis that there is no significant effect of risk assessment on the financial accountability of the National Government Constituency Development Fund was therefore rejected, and a deduction made that risk assessment has a positive significant effect on the financial accountability of the National Government Constituency Development Fund. The results are in line with the findings of descriptive

statistics, which depicted that the majority of the respondents were in agreement that improvement of risk assessment would improve the financial accountability of the National Government Constituency Development Fund.

Additionally, monitoring was found to have a significant effect on financial accountability, with a β coefficient of 1.282 and a p-value of 0.004. The p-value of the coefficient estimate is less than 0.05, implying significance at a 95% level of confidence. This significant estimate shows that a one percent improvement in the levels of monitoring in the NG-CDF would increase the levels of the financial accountability index by 1.282 percent. The significance is further backed up by the resulting t-statistic of 15.515, a p-value of 0.004, which was more than a computed t-critical value of 1.984. Thus, it was considered significant at a 95% confidence interval since the p-value was less than 0.05; hence, it was resolved that monitoring had a significant positive effect on the financial accountability of the National Government Constituency Development Fund in Kenya. Hence, the null hypothesis that there is no significant effect of monitoring on the financial accountability of the National Government Constituency Development Fund was therefore rejected, and a deduction made that monitoring has a positive significant impact on the financial accountability of the National Government Constituency Development Fund.

Moreover, communication was found to have a significant effect on financial accountability, with a β coefficient of 0.371 and a p-value of 0. 047. The p-value of the coefficient estimate is less than 0.05, implying significance at a 95% level of confidence. This significant estimate shows that a one percent escalation in the levels of communication in the NG-CDF would lead to a rise in the levels of the financial accountability index by 0.371 percent. The significance is further backed up by the resulting t statistic of 4.463, with a p-value of 0.047, which was more than a computed t critical value of 1.984. Thus, it was considered significant at a 95% confidence interval since the P-value was less than 0.05; hence, it was resolved that communication had a significant positive effect on the financial accountability of the National Government Constituency Development Fund in Kenya. Therefore, the null hypothesis that there is no significant effect of communication on the financial accountability of the National Government Constituency Development Fund was, therefore rejected, and a conclusion was made that communication has a significant effect on the financial accountability of the National Government Constituency Development Fund.

Lastly, a control environment was also established to have a significant effect on unsupported expenditure which was the measure of financial accountability. This was confirmed by β coefficient of 1.136 with a p-value of 0.009. The p-value of the coefficient estimate is less than 0.05, implying significance at a 95% level of confidence. This significant estimate shows that a one percent increase in the levels of the control environment in the NG-CDF would increase the levels of the financial accountability index by 1.14 percent. The significance is further backed up by the resulting t statistic of 10.529, p-value of 0.009 was more than a computed t critical value of 1.984. Thus, it was considered significant at a 95% confidence interval since the p-value was less than 0.05;

hence, it was determined that the control environment had a significant positive effect on the financial accountability of the National Government Constituency Development Fund in Kenya. Thus, the null hypothesis that there is no significant effect of the control environment on the financial accountability of the National Government Constituency Development Fund was therefore rejected, and a conclusion was made that the control environment has a significant effect on the financial accountability of the National Government Constituency Development Fund.

Table 12: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	.726	.141		5.146	.036
	Control Activities	2.157	.157	.784	13.738	.005
	Risk Assessment	.998	.120	.422	8.324	.014
	Monitoring	1.282	.083	.896	15.515	.004
	Communication	.371	.083	.246	4.463	.047
	Control Environment	1.136	.108	.554	10.529	.009

The equation below is generated from the multiple regression model.

$$Y = 0.726 + 2.157CA + 0.998RA + 1.282MO + 0.371CO + 1.136\ CE$$

5. Conclusions and Recommendations

5.1 Conclusions
5.1.1 Effect of Control Activities on Financial Accountability of National Government Constituencies Development Fund in Kenya
The data results analyzed lead to the inference and conclusion that there exists a positive and significant relationship between control activities and financial accountability of the National Government Constituency Development Fund in Kenya. This implies that when control activities improve, financial accountability will increase through reduced unsupported expenditure. Control activities can be made better by enhancing the separation of duties so that one person does not initiate and perform an activity at the same time, adhering to the stipulated approval guidelines to ensure that all transactions are confirmed and compared with the budgeted expenditure and whether they are for the intended purpose.

5.1.2 Risk Assessment and Financial Accountability of National Government Constituencies Development Fund in Kenya
From the foregoing results, it was concluded that there exists a positive and significant relationship between risk assessment and financial accountability of the 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.

5.1.3 Risk Assessment and Financial Accountability of National Government Constituencies Development Fund in Kenya Constituencies Development Fund in Kenya

Based on the aforementioned findings, it was determined that monitoring and financial accountability of Kenya's Constituency Development Fund are positively and significantly correlated. This suggests that as monitoring improves, so will financial accountability. In order for the NG-CDF to be proactive rather than reactive, monitoring may be improved by making sure that financial reports are prepared early enough in all NG-CDFs so that they can be thoroughly examined for errors and oversights and corrected as necessary to increase financial accountability. In order to completely eliminate budget variances that are within the control of the NG-CDF, there should also be frequent checks. The NG-CDF should verify all completed tasks and contrast them with actual spending as planned.

5.1.4 Effect of Communication on Financial Accountability of National Government Constituencies Development Fund in Kenya

From the results, it can be concluded that there exists a positive and significant relationship between information and communication and financial accountability of the National Government Constituency Development Fund in Kenya. This implies that when communication improves, financial accountability will improve. Communication may be improved through; the provision of complete, dependable, correct and timely information. This will guarantee that financial statements are prepared in time, are correctly prepared and reflect a true and fair view of the NG-CDF. It also implies that budgets and audit reports will be thoroughly analyzed and acted upon. Financial accountability will, therefore, be evidenced through accurate financial statements, unqualified audit reports and adherence to budgets.

5.1.5 Effect of Control Environment on Financial Accountability of National Government Constituencies Development Fund in Kenya

The results lead to the conclusion that there exists a positive and significant relationship between the control environment and financial accountability of the National Government Constituency Development Fund in Kenya. This implies that when the control environment improves, financial accountability will improve. The control environment may be improved by selecting committee members who are committed and have accounting knowledge, enforcing a positive management philosophy for efficiency, and improving the integrity and ethical values of the committee members. The NG-CDF committee members will, therefore, not have self-vested interest in NG-CDF finances.

The NG-CDF committee members will be knowledgeable of legal accounting procedures and clearly understand financial statements.

5.2 Recommendations of the Study

Based on the study findings, the following recommendations have been made.

5.2.1 Control Activities and Financial Accountability of National Government Constituencies Development Fund in Kenya

Both the descriptive and inferential statistics show a positive and significant relationship between control activities and financial accountability of the National Government Constituencies Development Fund in Kenya. It was therefore recommended that the government and the NG-CDF management committee should strengthen the separation of duties to eliminate cases of an individual initiating and executing a transaction at the same time, and the government and the NG-CDF Committee must ensure that the stipulated guidelines for approval are followed at all times and not flouted even in case of emergencies so as to confirm the expenditures being approved and comparing them with the budgeted expenditures. The accountants should ensure that all transactions are recorded as they occur and not accumulated so as to enhance the identification of errors and omissions, and verification of budgeted and actual expenditures should be mandatory to avoid imaginary expenditures and also to identify variances early enough and put in place appropriate corrective actions.

5.2.2 Risk Assessment and Financial Accountability of National Government Constituencies Development Fund in Kenya

The study results prove that a positive and significant relationship exists between risk assessment and financial accountability of the National Government Constituencies Development Fund in Kenya. It was therefore recommended that risks should be purposely categorized based on their impact and frequency of occurrence, and 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. All relevant procedures of stock-taking should be enforced and followed, and in no situation should a person taking stock be a person in custody of the items. The risk mitigation procedures should be improved regularly to make them robust and better.

5.2.3 Effect of Monitoring on Financial Accountability of National Government Constituencies Development Fund in Kenya

From the foregoing results of descriptive statistics and inferential statistics, it is confirmed that there exists a positive and significant relationship between monitoring and financial accountability of the National Government Constituency Development Fund in Kenya. It was therefore recommended that financial reports be prepared early enough in all the NG-CDF for an exhaustive examination of mistakes and oversights to be recognized and corrected if need be so as to improve financial accountability and that monitoring by

internal auditors, especially on budget variances be strengthened so that variances are not discussed when they have already happened but prevented from taking place. The NG-CDF committee should confirm all activities that have been carried out and compare them with the budgeted expenditure. Auditors must assist the NG-CDF committee in closely checking and verifying transactions presented in financial statements to instill a high sense of accountability by the accountants, including regular analysis of internal controls is a culture adopted by all NG-CDF committee members to improve the internal controls and be able to identify gaps that still exist or new developing risks that should be taken care of.

5.2.4 Communication and Financial Accountability of National Government Constituencies Development Fund in Kenya

From the study results, it is concluded that there exists a positive and significant relationship between Communication and financial accountability in national public secondary schools in Kenya. It was therefore recommended that financial statements be given adequate time and discussed in detail for all the items of expenditures and revenues to confirm that the financial statements display the actual position of the NG-CDF and that all information required for achieving the objectives, including pertinent risks must be passed to the relevant concerned individuals and that such information must be are trustworthy and relevant. It was also recommended that all relevant departments be involved in the preparation of budgets so as to make them own and efficiently implement the budgets.

5.2.5 Control Environment and Financial Accountability of National Government Constituencies Development Fund in Kenya

The results of this study show that the control environment positively affects the financial accountability of the National Government Constituencies Development Fund in Kenya. Shared values, which are documented, were confirmed to improve financial accountability. It was therefore recommended that thus it should be mandatory that all members of the NG-CDF committee be trained in basic accounting skills for them to effectively execute their duties and improve their comprehension and understanding of the financial statements and that the NG-CDF committee members should be honest and have no conflict of interest in executing their duties to enhance financial accountability and should inform all the interested parties on the undertakings. It was also recommended that the NG-CDF committee members should ensure that the set rules are followed in all activities of the board and should be dedicated to their management role to enforce implementation of the set rules.

Conflict of Interest Statement
The authors declare no conflicts of interest.

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