CONTROL ACTIVITIES AND FINANCIAL ACCOUNTABILITY LESSONS FROM THE NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND IN KENYA

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Abstract:

The objective of NG-CDF is to promote human and infrastructural development at the community and constituency levels. The aim of the study was to examine the effect of control activities on the financial accountability of NG-CDF funds in Kenya. The study was structured on; agency theory, fraud triangle theory, and accountability theory. 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 consisting of; 72 committee members, 72 sub-county accountants, 72 fund account managers, and 72 internal auditors. It was established that there exists a strong and positive association exists between control activities and financial accountability evidenced by; r = 0.718. Control activities were further established to have a significant effect on unsupported expenditure which was confirmed by β = 2.157, P-value 0.005. 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.

JEL: G10, G20, G32

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Keywords: control activities; 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 the internal audit's independence and scope of inquiry as well as financial reporting integrity to enhance performance (Carcello, Hermanson & Raghunandan, 2019) Internal control principles 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 to other individuals outside of the organization indicating management does not care about protecting the entity's assets (Abdullahi & Mansor, 2015).

2. Statement of the Problem

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. This therefore justifies the need to examine the influence of internal controls on the financial accountability of National Government Constituencies development fund in Kenya.
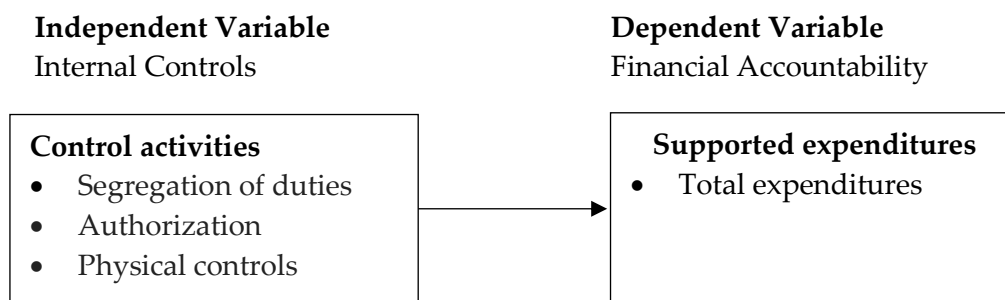
2.1. Objective of the Study

To establish the effect of control activities on the financial accountability of National Government Constituencies Development Fund in Kenya.

2.2. Research Hypotheses

H₀: There is no significant effect of control activities on the financial accountability of national government Constituencies development fund in Kenya.

2.3. Conceptual Framework

Independent Variable
Internal Controls

Dependent Variable
Financial Accountability

Control activities
• Segregation of duties
• Authorization
• Physical controls

Supported expenditures
• Total expenditures

Figure 1.1: Conceptual Framework

3. Literature Review

Omondi (2019) carried out a study with the main objective of determining the effect of control activities on financial accountability. The government of Kenya has put in place internal control systems to ensure that the funds invested in education are used for the right purpose. However, accountability is still needed in some public secondary schools. 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 was 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. The dimensions of internal control activities were found to have a significant effect on financial accountability.

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. The relationship between the

variables was established through, mean, standard deviation, percentages, Pearson's correlation coefficient, and multiple regression. It was confirmed that control activities had a statistically weighty influence on the success of County Government projects.

3.1 Research Philosophy

Positivism served as the foundation for this investigation. Positivism was most appropriate because the study used quantitative data, which positivists believe to be more reliable than qualitative research.

3.2 Research Design

A research design is a strategy for answering your research questions using empirical data. 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

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 3.1.

Table 3.1: 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.

3.4 Sample Size and Sampling Technique

Sample size refers to the number of individuals included in conducting research. The study employed Fischer's formula to establish the sample size.

$$N = n = \frac{z^2 p(1-p)}{d^2}$$

$$n = \frac{385}{1 + \frac{(385-1)}{1160}}$$

n = 288.

Since the number of respondents is the same in each county, the sample for each category of respondents was then calculated as follows:

$\underline{290 \times 288}$ = 72 Respondents
    1160

Table 1: 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**

3.5 Data Collection Instruments

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-CDFs.

3.6 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.

3.7 Pilot Test

10% of the sample population should be used as the basis for a pre-test (Cooper & Schindler, 2013). Considering that there were 288 respondents in the sample population, 29 respondents which is about 10% of the respondents were used in the pilot test. In order to prevent results from being duplicated, care was taken to ensure that the 29 respondents were not chosen for the final study. The 29 respondents which included; 9 committee members, 9 sub-county accountants, 9 fund account managers, and 9 internal auditors were chosen at random.

3.8 Reliability

The questionnaire's internal consistency was examined using Cronbach Alpha, a value of 0.70 or higher was regarded as adequate and trustworthy. All of the constructs displayed Cronbach Alpha values of greater than 0.7, indicating reliability as shown in Table 2.

Table 2: Cronbach's Alpha Reliability

Construct	Number of Items	Cronbach alpha	Conclusion
Control Activities	11	0.881	Reliable
Risk Assessment	11	0.839	Reliable
Communication	11	0.806	Reliable
Monitoring	11	0.889	Reliable
Control Environment	11	0.875	Reliable
Financial Accountability	10	0.843	Reliable

3.9 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. AVEs for all of the constructs range between 0.514 and 0.620, implying adequate and acceptable convergent validity. The validity of the factor analysis models used in this pilot study was confirmed because all of Bartlett's statistics have p-values of 0.000, which are all less than 0.05. All indicators that loaded constructs greater than 0.4 were kept while those that loaded constructs of than 0.4 were eliminated and not used in further analysis. The outcomes of the KMO and Bartlett tests are shown in Table 3.

Table 3: KMO and Bartlett's Tests

	Items retained	KMO	Bartlett's test χ^2 df p-value		
Control Activities	11	0.927	705.794	55	0.000
Financial accountability	10	0.866	651.367	45	0.000

3.10 Data Processing and Analysis

The data was analyzed using both descriptive and inferential statistics. Mean, standard deviation and variance were all examples of descriptive statistics generated. The coefficient of determination (r-squared), which quantifies the percentage of change in financial accountability that can be explained by internal controls, was used in inferential statistics. Correlation analysis was also done to show the degree of association between the dependent and independent variables. Simple linear regression was used to estimate the relationship between each independent and the dependent variable supported expenditure.

The simple linear regression models are indicated below.

$$Y = \beta + \beta_1 CA + \varepsilon \tag{1}$$

Y = Financial accountability,
CA = Control activities,
MO = Monitoring,
E = Error term,
Bo = Regression constant in the multiple regression model,
β_1 = Regression coefficients in the multiple regression model.

4. Data Analysis, Results, and Discussions

4.1 Descriptive Statistics: Control Activities

The study wanted to establish the level of separation of duties. Respondents were required to give their opinion on whether one can initiate and perform an activity at the same time. Many (29.1%) of the respondents disagreed, 20.3% strongly disagreed, 7.6%were neutral, 23.1% agreed while 19.9% strongly disagreed. The above results indicate that in many of the NG-CDF fund boards, there is clear separation of duties thus each activity is initiated by a different person, and confirmation and authorization is done by different persons thus any errors and cases of fraud can easily be detected and mitigated. However, a good percentage (Above 40%) NG-CDF Boards do not have a clear separation of duties, and thus fraudulent activities can easily be covered and remain undetected as shown in Figure 2.

Figure 2: There is Separation of Duties
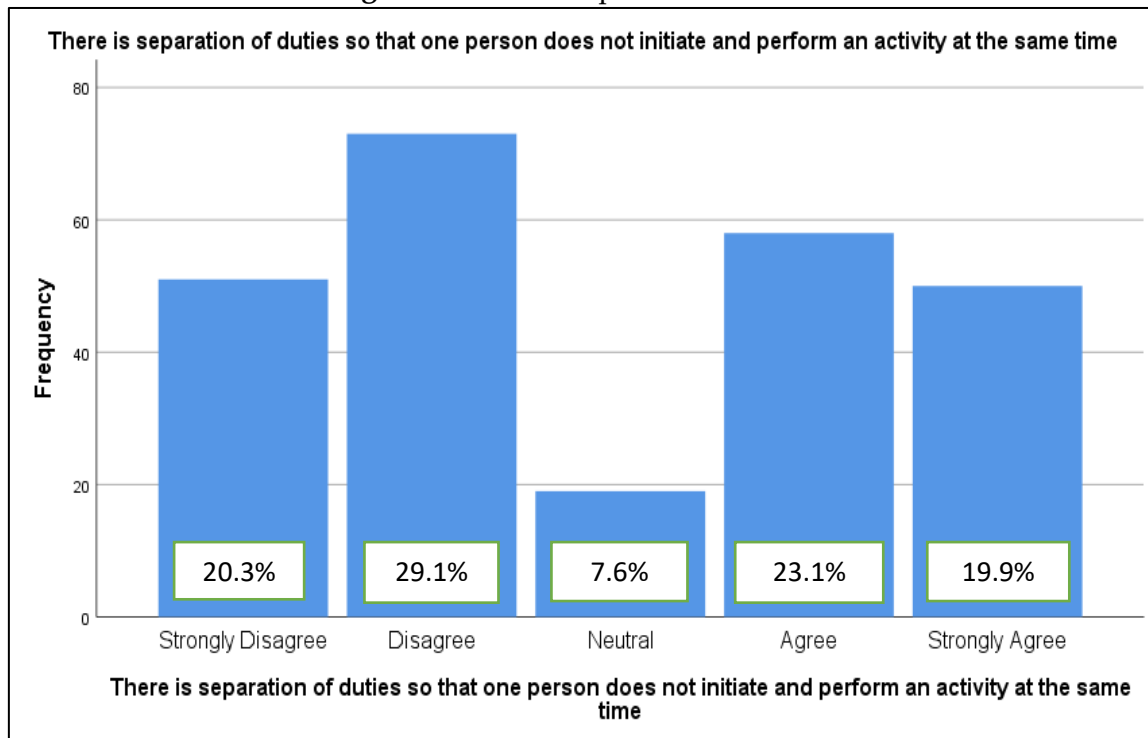
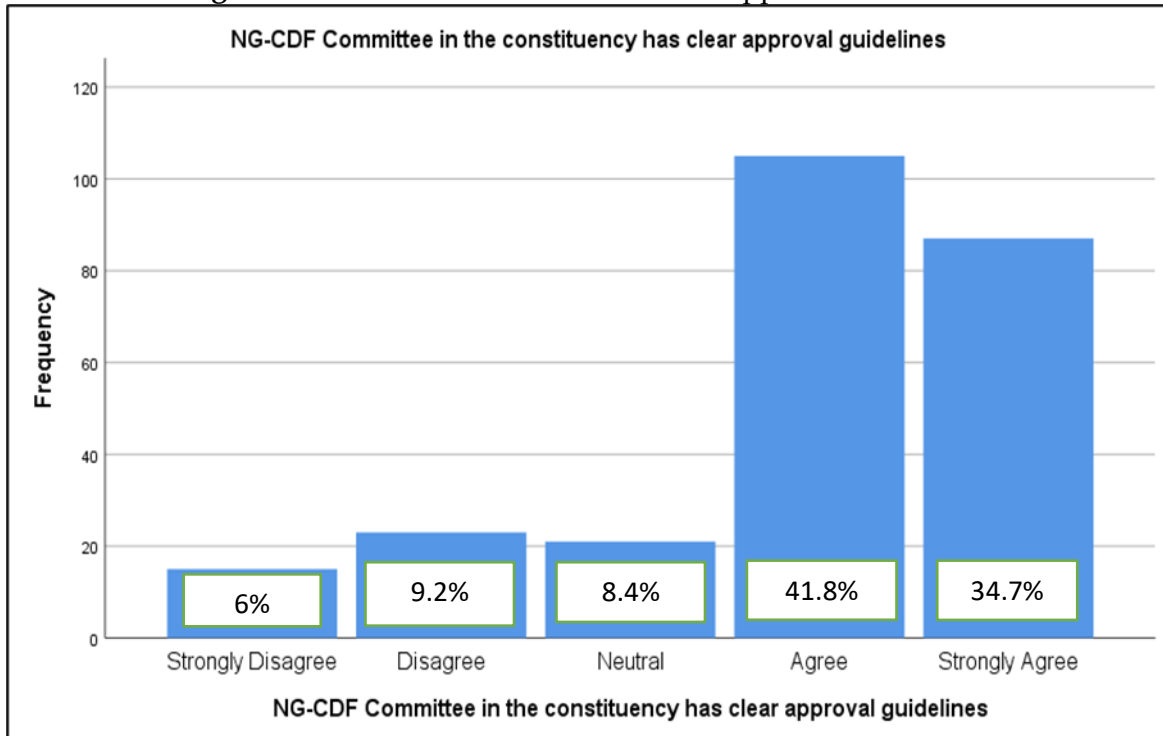**Source:** Research Data, 2023.

The study also wanted to establish whether separation of duties enhances financial accountability. Figure 3 shows that 82.8% of the respondents either agreed or strongly disagreed. 7.2% of the respondents were neutral while 10%of the respondents either disagreed or strongly disagreed. These results imply that separation of duties need to be enforced and monitored in the NG-CDF fund boards as this will greatly improve financial accountability.

Figure 3: Separation of Duties Boosts Financial Accountability
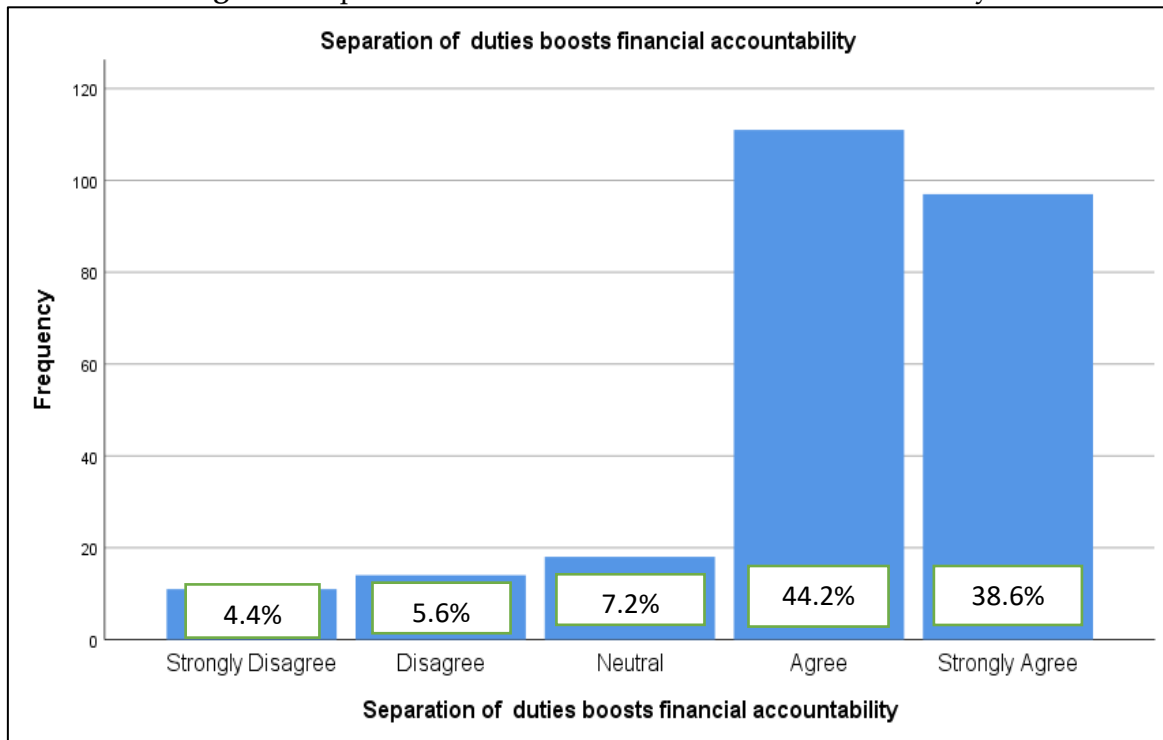
Source: Research Data, 2023.

Figure 4: NG-CDF Committee Has Clear Approval Guidelines
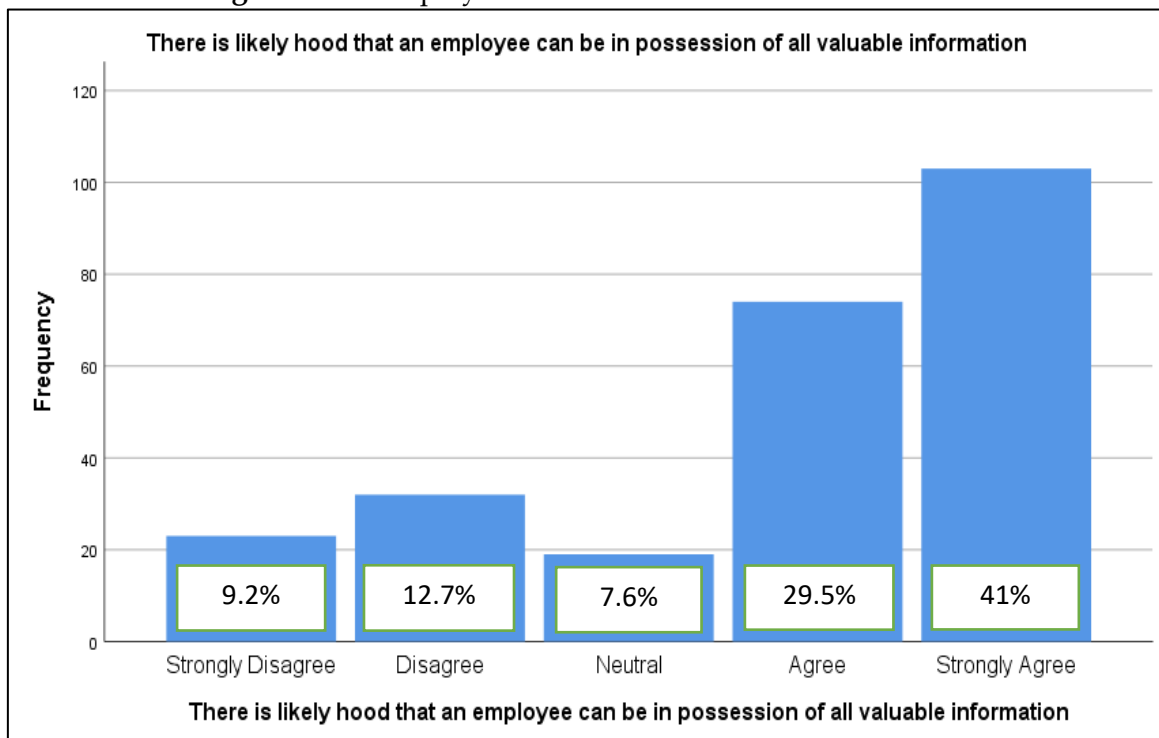

Source: Research Data, 2023.

Respondents were also asked whether there exists a clear approval guideline in the NG-CDF. The results in Figure 4 depict that 76.5% of the respondents either agreed or strongly agreed, 8.4% of the respondents were neutral while 15.2% either disagreed or strongly disagreed. This is a strong sign that in many of the NG-CDF boards, approval guidelines exist thus no expenditures can be undertaken without approval which helps in curtailing unsupported expenditures and other fraudulent activities. However, in a few NG-CDF boards, clear guidelines do not exist or may be available but just blatantly not adhered to thus jeopardizing transparency and accountability.

Respondents' view was sought on whether an employee can be in possession of all valuable information. From the results, 41% strongly agreed, 29.5% agreed, 7,65 were neutral while 19.9% either strongly disagreed or agreed. This suggests that in many NG-CDF committees, important information can be micromanaged y an individual and used for fraudulent purposes without the knowledge of other committee members. However, in a few constituencies (19.9%), an individual is not able to hold all vital information about the undertakings of the NG-CDF without the knowledge of other participants thus improving accountability and transparency as shown in Figure 5.

Figure 5: An Employee Can Have all Valuable Information

Source: Research Data, 2023.

**Figure 6:** Endorsements Boost Financial Accountability
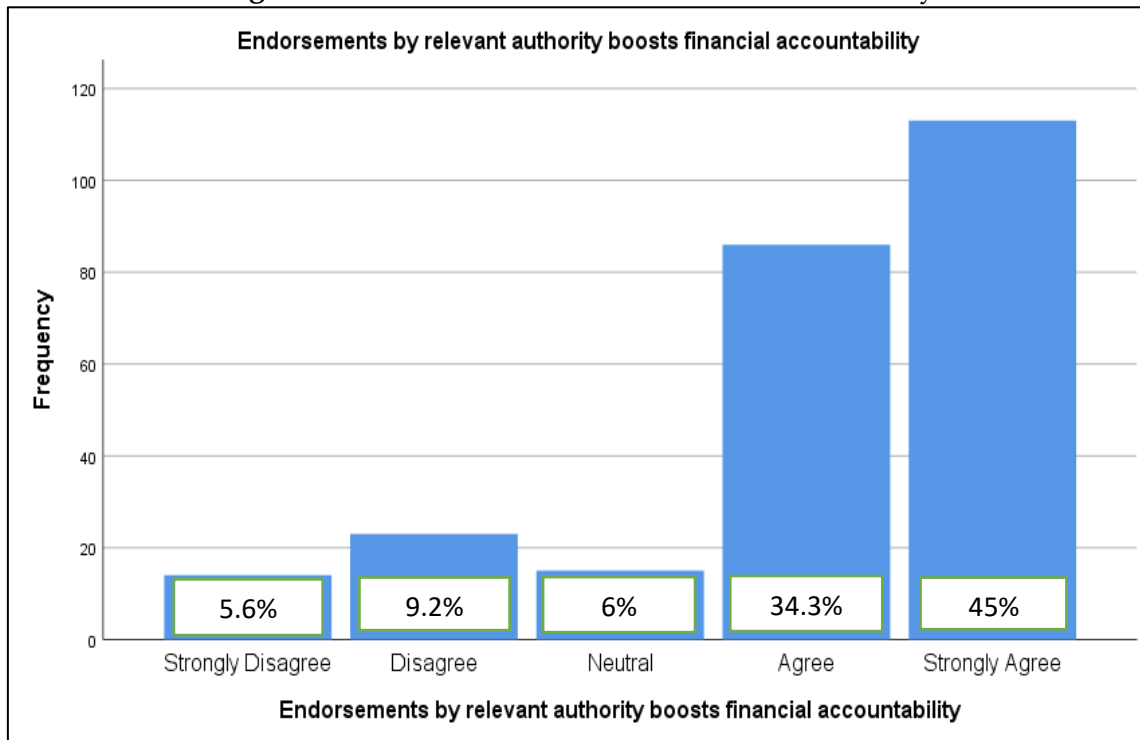
Source: Research Data, 2023.

The study also wanted to establish if endorsements boost financial accountability. 78.85 of the respondents agreed or strongly agreed that this is true. 6% of the respondents were not sure, while 14.8% of the respondents either disagreed or strongly disagreed. This implies that if approvals are adhered to at all levels and in every expenditure, cases of unsupported expenditures would be greatly reduced. This is displayed in Figure 6.

The respondent's opinion was also sought on whether authentication is followed always. From the results, 37.8% either agreed or strongly agreed, 12% of the respondents were neutral while 50.25 either disagreed or strongly disagreed. This confirms that in many NG-CDF committees, verification of budgeted expenditures versus actual expenditures is not undertaken as required. This may imply that expenditure variances may go unnoticed and unsupported expenditures may continue to persist. However, in some NG-CDF committees, confirmation of expenditures is done thus any anomalies can be easily noticed and corrected in good time. These results are depicted in Figure 7.

Figure 7: Authentication of Expenses is Followed Always
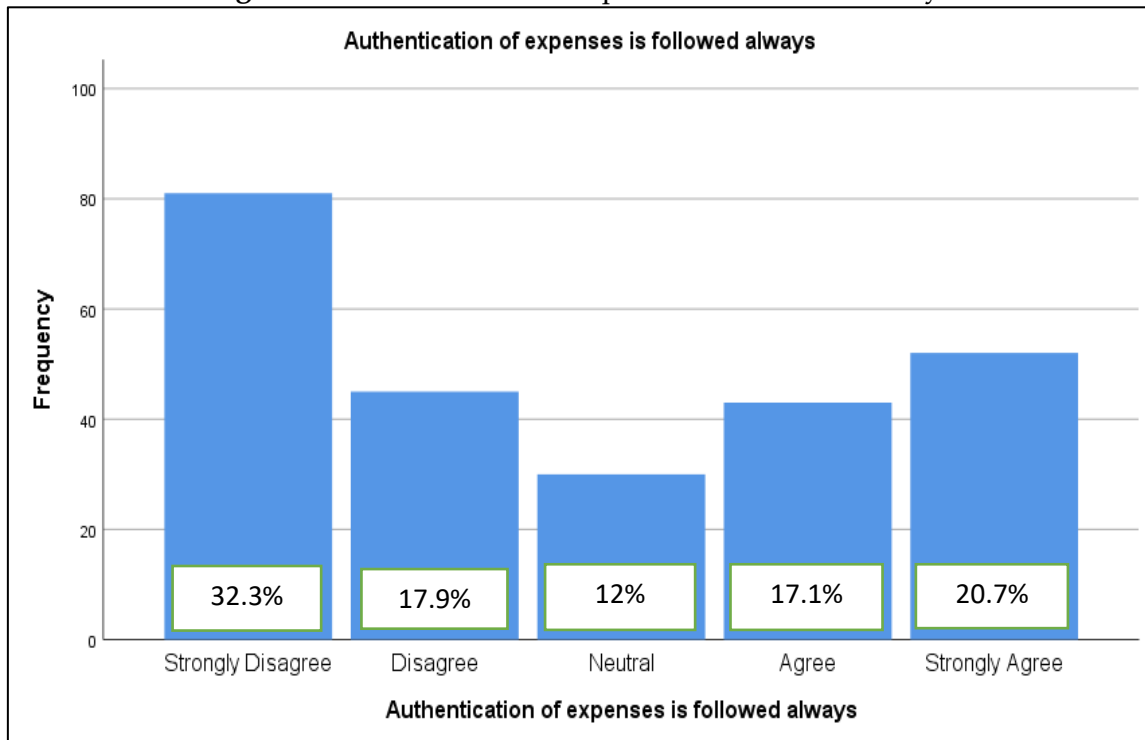
Source: Research Data, 2023.

**Figure 8:** Records are Updated Frequently
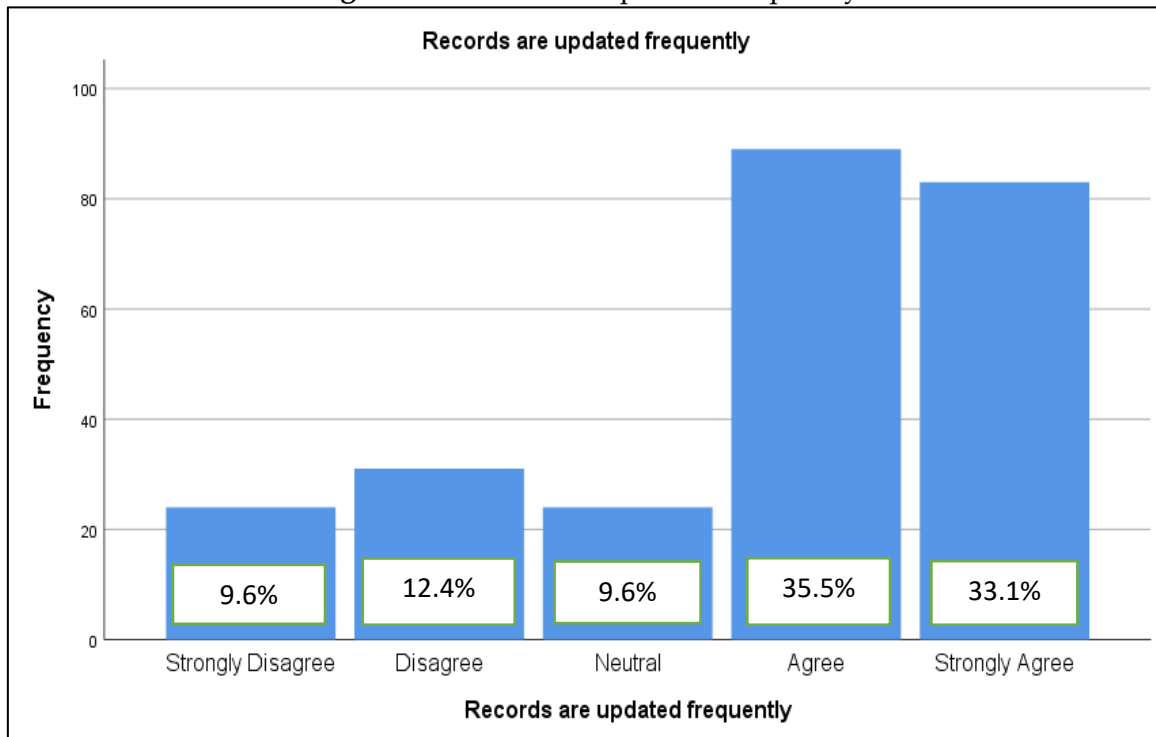
Source: Research Data, 2023.

Additionally, the research sought to determine how frequently records are updated. The majority of respondents (35.5%) agreed, and 68.6% either agreed or strongly agreed. While 22% of respondents either disagreed or strongly disagreed, 9.6% of respondents were neutral. This is a blatant indication that many NG-CDF accountants record transactions as they happen, making it simple to track down the original documents and quickly spot instances of unjustified spending. However, in some NG-CDF, transactions accumulate in the accounts, which can lead to a backlog error and unnoticed increases in unsupported expenditure (see Figure 8)

The study also wanted to establish the relevance of updating of records in improving financial accountability,69% of the respondents either strongly agreed or agreed. This confirms that if transactions are recorded as they occur, errors arising from backlog transactions would greatly reduce and thus improve financial accountability. The results are shown in Figure 9.

**Figure 9:** Updating Records Improve Accountability
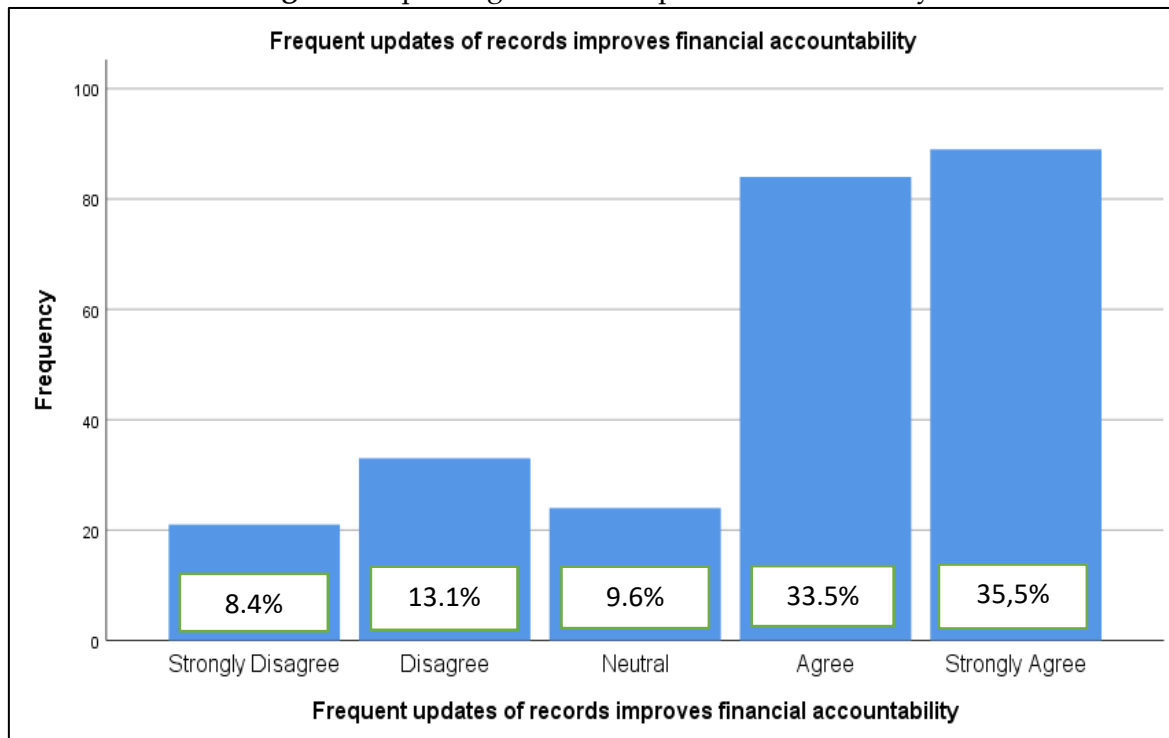
Source: Research Data, 2023.

The respondents were also asked whether measures are in place to curb excess expenditure. The majority of the respondents (25.7%) disagreed, 24.7% strongly disagreed, 7.6% of the respondents were neutral while 42.65 of the respondents either agreed or strongly agreed. From these results, it is an indication that in 50.4% of the NG-CDF, there is no measure put in place to restrict excess expenditure thus unfavorable expenditure variances will be rampant and this may hamper with the implementation of projects as funds set aside for some projects will be used in other projects. However, in
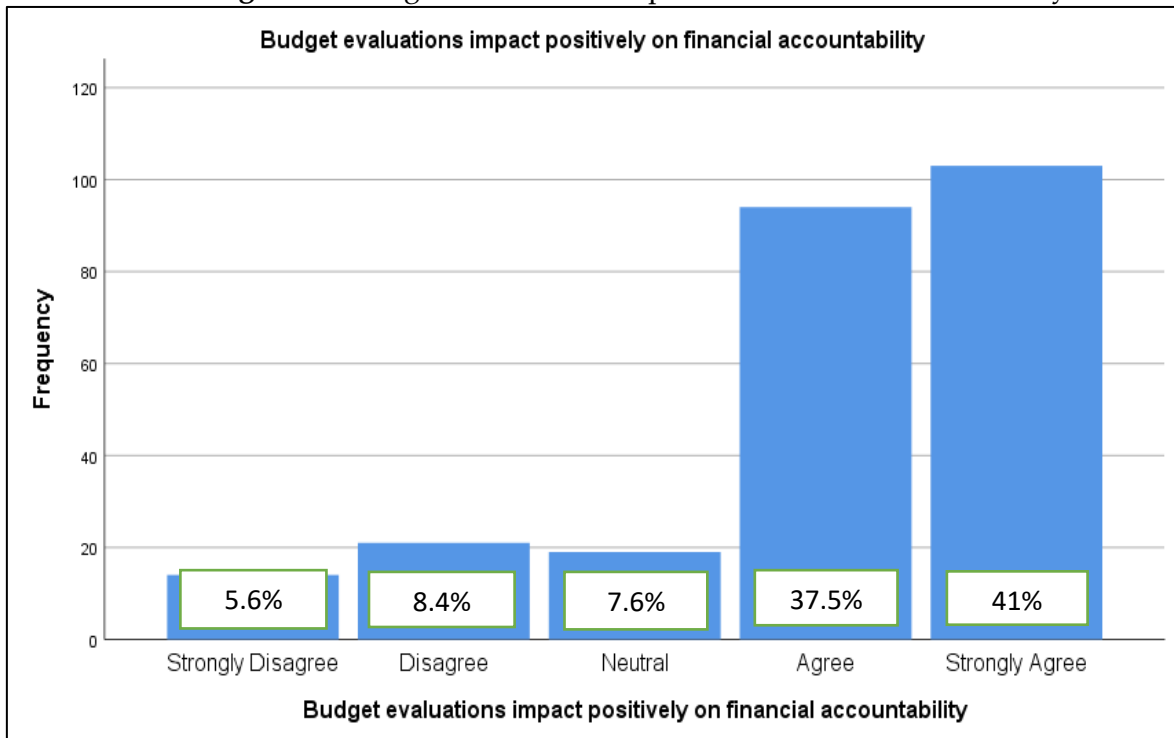
some NG-CDF, measures are in place to ensure there is no excess expenditure which will enhance project implementation rates as shown in Figure 10.

Figure 10: Measures Are in Place to Curtail Excess Expenditure
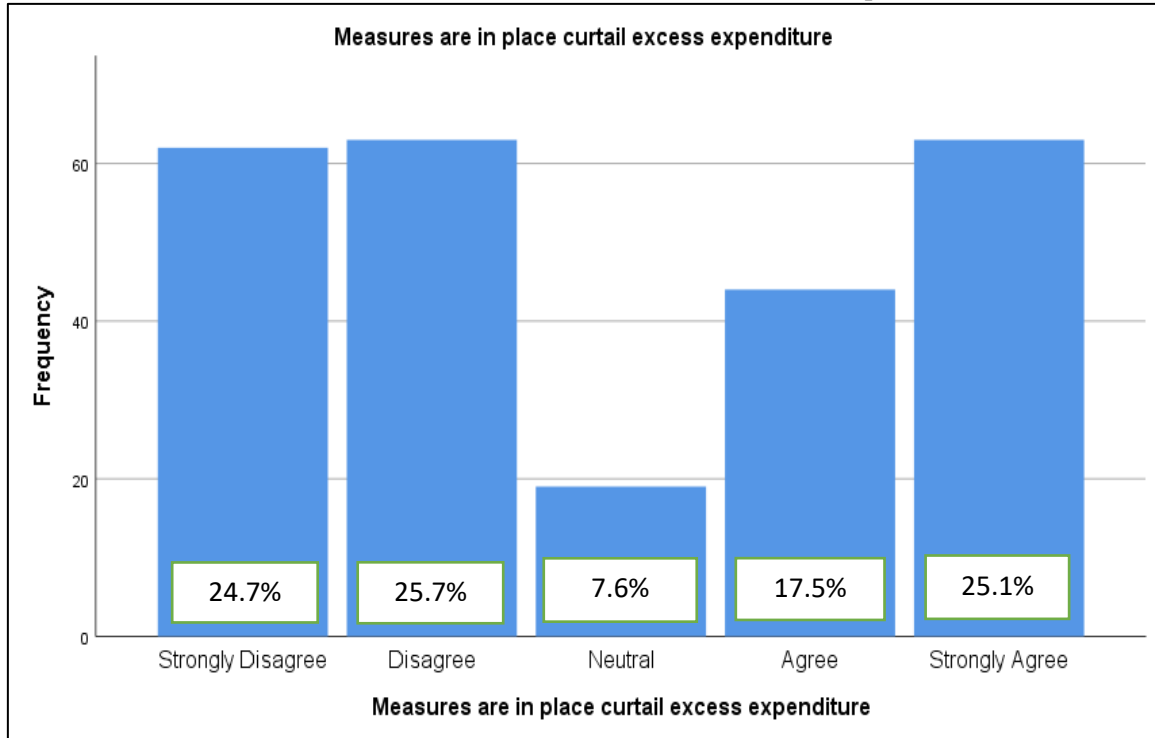
Source: Research Data, 2023.

Figure 11: Budget Evaluations Impact on Financial Accountability

Source: Research Data, 2023.

Respondents' opinion was also sought on whether budget evaluations impact positively financial accountability.78.6% of the respondents either strongly agreed or agreed,7.6% were neutral while 14% either disagreed or strongly disagreed. From these results, it is clear that if NG-CDF committees enhance and monitor budget evaluations, financial accountability would greatly improve. This is shown in Figure 11.

4.2 Descriptive Statistics: Financial Accountability

Using mean scoring from the Likert scale, the descriptive statistics on financial accountability were further supported. The argument that a mean score of 3 on the Likert scale represents a neutral attitude, a mean score of less than 3 represents a negative attitude, and a mean score of greater than 3 represents a positive attitude was then used to establish an attitude and the degree of variability in responses. The array of inferring the Likert scale mean score was given as follows: 1.0-2.4 (Negative attitude), 2.5-3.4 (Neutral attitude), and 3.5-5.0 (Positive attitude).

The coefficient of variation (CV) and standard deviation (SD) were also computed. A statistic called standard deviation is used to compare a dataset's dispersion to its mean. Responses deviate from the mean further when the standard deviation is higher. A useful statistic for comparing the level of variation from one respondent's answer to another is the coefficient of variation, which is defined as the ratio of the standard deviation to the mean.

The opinion of the respondents, as shown in Table 4.32, was generally favorable that expenses and incomes are recorded as soon as they occur and not afterward, 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 of are recorded immediately after they take place and not postponed which reduces errors and enhances early detection of any mistakes that may occur, however in some constituencies the chances that expenditures and incomes are recorded immediately is almost zero, meaning there are accumulated transactions over a period which may make it difficult to identify omissions and mistakes in the financial statements.

Further, the respondents were generally neutral and not able to decide on whether the accounting records have 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 cannot easily tell whether all accounting record have the relevant supportive source documents this is evidenced by a mean of (3.38). The coefficient of variation is quite high at about 41.2% showing that variation of the answers given by one respondent to another varied sharply from the mean of 3.38 which is within neutrality. Meaning that in some constituencies, the NG-CDF may have all the relevant supportive documents for verification while some may have none or very few of such documents as evidenced by a coefficient of variation of 0.412.

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, this is a wide variability of the responses from the mean and thus there are high chances of one constituency preparing the financial statement according to the set standards while others are flouting the rules and do 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 were quite varied with others at the extremes of negative attitude while others had Positive attitude 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. This is an indication that many of the audit reports from the NG-CDF have unsupported expenditure but with great 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. However, there seem to be some constituencies where the oversight role is not very effective and many expenditures lack relevant supportive documents for verification. Respondents largely confirmed that the financial statements follow the generally accepted accounting guidelines (3.82). 0.333.

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. However, the disturbing fact is the variability in the responses at 40.5%, showing that in some constituencies, the NG-CDF management committees do not discuss nor take any necessary action against outright fraud and flouting of rules and regulations.

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 in doubt making one wonder how relevant such financial statements will be and how mislead stakeholders will be.

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. However, the coefficient of variation which was established at 0.296 shows wide variations in the state of timely preparation of books of accounts. Thus, there are possibilities of some constituencies not preparing the books of the NG-CDF accounts in good time making it difficult to identify mistakes that might have been committed early enough.

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 completion rate of constituency projects will be very high. However, the coefficient of variation is quite high at 35.9% implying that there are constituencies where assets are not safe at all. There is a high degree of pilferages in such constituencies and some finances may be diverted for purposes not intended thus stalled projects may increase in such constituencies and external audit reports are likely to be adverse to qualified.

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. In some NG-CDF the financial statements reflect a true and fair view of the state of affairs in the activities of the NG-CDF while in some, the financial statements have very little bearing on the true state of affairs of the NG-CDF thus misleading and no objective decision can be made from such statements.

Table 4: Descriptive Statistics Financial Accountability Using Mean

	N	Min.	Max.	Mean	Attitude	SD	CV
Expenditures and incomes are recorded immediately they take place and 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 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	251	1	5	3.92	Positive	1.161	0.296

the stipulated time							
Constituency assets are protected from theft or loss	251	1	5	3.62	Positive	1.298	0.359

Source: Research Data, 2023.

4.3 Descriptive Statistics: Relative Importance Index

The findings in Table 5 show 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 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 at medium an indication that the NG-CDF should improve the above factors if they rate to improve their financial management practices particularly, financial accountability. The construct of the variable control activities that had the least relative importance index was the statement that "measures are in place to curtail excess expenditure", which has been poorly rated by the respondents and thus had a rating of medium importance with an index of 0.57. This means that the practice of curtailing excess expenditure is not commonly practiced and rarely monitored and enforced in the NG-CDF a scenario that can led to diversion of use of funds and budget deficiencies. From these results, it can be deduced that to a large extent control activities have a high relative importance index and are to adhered to in the NG-CDF though a lot more needs to be done since this index has not reached the rating of very high. The government needs to strengthen control activities particularly separation of duties and individuals holding key information that can be used for their own self-interest. Measures must be put in place to ensure a curtail of expenditure in excess of the budgeted expenditures to ensure that funds allocated to the NG-CDF are used for the intended purposes. to ensure that constituents, the government, and other stakeholders get value for their money and that this money is not misappropriated.

Table 5: Relative Importance Index: Control Activities

No.	Statement	Index	Importance	Importance level
1.	There is 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 likely hood that an employee can be in possession of all valuable information	0.693	3	High
5.	Endorsements by relevant authority boosts financial accountability.	0.692	4	High
6.	Authentication of expenses is followed always	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

4.4 Inferential Statistics

4.4.1 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 control activities and financial accountability. In this study, a 2-tailed test was used to determine the correlation coefficients' significance at the 5% level of significance. According to the results of regression analysis, the correlation coefficients for control activities and financial accountability were r = 0.719, P-value 0.001.

Table 6: Correlational Analysis Based on Binary Regression

	CA
CA	1
Y	0.719*
	(0.001)

4.4.3 Simple Linear Regression

Simple linear regression was run to estimate the connection between one independent variable and the dependent variable financial accountability measured using supported expenditure. The results depicted in Table 7 show an R-square of 0.391 meaning that 39.1% of the variation in financial accountability in NG-CDF is explained by the predictor model on control activities and financial accountability. This additionally infers that 60.9% of the variation in financial accountability of the NG-CDF is not explained in this model but by other factors not included in the model.

Table 7: Model Summary Control Activities and Financial Accountability

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.625a	.391	.379	.4388343
a. Predictors: (Constant), Control Activities				

Table 8 shows Analysis of Variance (ANOVA) with an estimated F-statistic of 21.941 which has a p-value of 0.003. The p-value of the F-statistic is less than 0.05 displaying that the model on the influence of control activities on financial accountability is by and large significant.

Table 8: ANOVA Control Activities

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.373	1	.373	21.941	.003b
	Residual	.103	6	.017		
	Total	.476	7			
a. Dependent Variable: Financial Accountability						
b. Predictors: (Constant), Control Activities						

The regression analysis results in Table 9 show a constant of 0.797, t= 3.511, P-value, 0.002, at 95 significance level and (β =2.351, t=4.512, p-value = 0.000). This result depicts that control activities have a significant effect on financial accountability. This significant estimate shows that a percentage increase in the levels of control activities would improve the levels of financial accountability by 2.351 percent. The statistic of t= 4.512 is larger than the computed t critical value of 1.984, a p-value of 0.003. The P-value of the t-statistic of the coefficient estimate of control activities was less than 0.05 implying a significant effect of control activities on financial accountability.

Table 9: Regression Coefficients Control Activities

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	.797	.227	3.511	.002
	Control Activities	2.351	.521	4.512	.003

HO: There is no significant effect of control activities 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 control activities have 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.

$$Y = 0.797 + 2.351CA \tag{2}$$

5. Summary, Conclusions, and Recommendations

5.1 Summary
The results indicate a coefficient of correlation (r) of .718 P-value 0.003. The p-value is less than 0.025 displaying that control activities have a strong and positive association with the financial accountability of National Government Constituencies development fund in Kenya which is in general significant. Thus, an increase in control activities is likely to increase financial accountability. The regression estimates of the regression model from multiple regression show that control activities have a significant effect on financial accountability evidenced by β =2.157, P-value 0.005 which is not more than 0.05 and thus significant.

5.2 Conclusion
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 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. Limiting situations where an employee can be in possession of all valuable information that they can use for self-interest and gains, ensuring that all approved expenses are verified with the actual expenditures, and frequent updating of records to enhance early identification of errors and omissions. The NG-CDF should also put in place measures to curtail excess expenditure in relation to budgeted expenditure.

5.3 Recommendations of the Study
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. It was therefore recommended 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 compare them with the budgeted expenditures.

Conflict of Interest Statement
The authors declare no conflicts of interest

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