



ACCOUNTABILITY AND INSTITUTIONAL PERFORMANCE OF MACHAKOS COUNTY, KENYA

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ABSTRACT

Accountability remains a critical matter in almost every area of our lives today. International bodies, professional associations, governments, committees, identify accountability as a major issue. Owing to the fact that board of directors is given considerable power, it is obvious that they should be accountable for decisions and direction made in their organizations (McDonnell, 2009). Scholars and practitioners agree that authority and accountability are intertwined in corporate law and corporate governance. County governments have been in existence for 4½ years and most of them have been facing poor performance due to poor corporate governance. The objective of the study is to determine the influence of accountability on the performance in Kenya's county governments in Kenya and especially, Machakos County Government. The research will use stratified simple random sampling with a target population of 160 respondents made up of 20 county officials in the eight (8) constituencies. The research instrument to be used for data collection is questionnaires made up of both open-ended and closed-ended items and would be administered to the respondents directly by the researcher. Data collected will be analyzed qualitatively and quantitatively using the Statistical Package for Social Sciences (SPSS) software version 20.0. The descriptive statistics to be used is frequency distribution, percentages, means, standard deviations and tables. The study concluded that accountability has a statistical relationship to the performance in Kenya's county governments in Kenya and especially, Machakos County Government and that the county needs to promote increased levels of access to information and most notably execution of duties using power bestowed on county officials.

Key words: Service delivery, Public Participation, Accountability

1.1.0 Background of the Study

Since the emergence of corporate governance practice in the early nineteenth century, the implementation of appropriate corporate governance systems consider a central issue researchers have given the corporate governance more attention in both developed and developing countries (Tsamenyi & Uddin, 2008). The impact of corporate governance on corporations' performance represent another significant reason that attracted the interest of numerous researchers (Omran, Bolbol, & Fatheldin, 2008).

In 2008, the world experienced the biggest economic crisis since the Great Depression (BlundellWignall, Atkinson, & Lee, 2009; Cheffins, 2009; Ely, 2009; Lang & Jagtiani, 2010). Stock prices dropped further than they had in a single year since the 1930s, and major banks either received bailouts or entered bankruptcy (Cheffins, 2009). Prior to the crisis, aggressive lenders engaged in extremely high-risk subprime mortgages and violated traditional underwriting standards for the industry (Lewis, Kay, Kelso, & Larson, 2010).

Accountability attracts attention with approvals to many stakeholders ranging from holder of public offices, members of parliament, civil servants, and company directors, just to mention a few. The board of directors may delegate work to committees but it can't afford to escape responsibility over any action or work done by such committees. As a result, such committees are supposed to make recommendations for subsequent approval by the board (Bergsteiner 2012)

Shareholders confidence can therefore be enhanced through transparency, accountability, fairness and responsibility (Saad, 2010). The adoption of internet, intranet, extranet, communication systems are paramount to adequate management of knowledge in the 21st century as seen in Kenya to promote efficiency and effectiveness in service delivery. There are tremendous benefits in such a move where the local communities can contribute to good governance ,participate in matters of their day-to-day life .As a result, this system driven awareness tends to drastically reduce corruption ,strength reform bids initiatives while providing a tracking mechanism, monitoring and control (Korir *et al*, 2014).

Several concerns have been raised with respect to corporate governance in Kenya. The problems range from errors to outright fraud. The root cause of this problem is in areas of ownership, weak incentives, poor protection of minority shareholders, and weak information standards (Mwaura, 2007). Counties are at higher risk of being affected by corporate governance weaknesses because they are not obligated to make public disclosures. A key driver geared for reform in the public sector has been in the management and measuring performance. Corporate governance is composed of complex and intertwined rules by which corporations, shareholders and management govern their

attributes, ownership structures, stakeholder's relationships, financial disclosures and information sharing for sound governance practices (Gianakis, 2002).

1.2 Statement of the Problem

Successfully working together to achieve common purpose, empowering people while at the same time holding them accountable for the power granted, articulating the direction would be instrumental to the governance (Sherwood, 2013). Late submission of financial reports on the other hand affects timely preparation of budget implementation report contrary to Section 166 of the PFM Act, 2012. Local revenue collection, failure to establish an Internal Audit Committee to oversee financial operations in the County contrary to Section 155 of the PFM Act, 2012. 5. (Garissa County Treasury, 2017) have led to under performance. Kiambu County has faced delay in information flow, lack of reliable baseline information/statistics at county level, delays in submission of crucial financial data and reports; low technology is a clear indication of performance threats (Kiambu County Treasury, 2017)

With the growing importance of emerging and devolved systems of governance in Kenya, there is an indication that counties are facing inadequate regulatory and institutional frameworks, low technology and innovation, limited access to information and untimely submission of financial reports, The study therefore sought to bridge the knowledge gap on corporate governance practices aimed at resolving the challenges in the line of performance of County governments in Kenya; case study of Machakos County and give advice to the concerned counties on best governance practices to a great extent where such practices may outdo perceived weaknesses in the county institutional operational framework in an effort to bench with better practices. It follows that such good corporate governance create shareholder value. Numerous academic studies conducted have shown that good well governed institutions outperform others significantly.

1.3 Objective of the study

To study objective was to assess the influence of accountability practices on the performance of Machakos County, Kenya?

2.1 Theoretical Literature

The study was guided by the following theories;

2.1.1 Agency Theory

The theory holds the view that shareholders are the owners and principals who define objectives of a company and select managerial teams who can pursue such objectives for them and are therefore seen as agents (managers). The perception that the agents (managers) would carry out their objectives, is often not so where they begin to create other competing interests than those of shareholders thus creating an agency problem (Fernando, 2012) hence need to ensure fair, accurate financial disclosures, efficient, independent board of directors to help reduce agency costs while improving corporate performance for better governance

2.1.2 Dependency Theory

The theory assumes that the board of directors provides access, partnerships and a link to external resources essentially important and valuable to the organization they represent for business success (Hillman *et al.* 2000). These resources and links may be in terms of capital, information, and business links to different stakeholders like suppliers and customers (Nicholson and Kiel 2007)

2.2 Empirical Literature

The empirical literature for this study was as indicated below

2.2.1 Accountability Practices and Performance

This practice has been adopted in public sector service from the federal, state and local government levels. The availability of performance information at times is taken for granted yet it informs on productivity and performance levels leading to possible measurements against set standards. In the recent years, accountability on performance has grown from parliament, government oversight bodies all the way to other external stakeholders like the general users of public services and local community (Dooren, 2005).

Accountability has the dimensions of performance itself while conforming to set rules and provisions. This goes a long way in meeting the competing interests to differing stakeholders from the funding body, professional groupings and purchasers or users of the provided services. Performance indication for a firm is not only in terms of profits / monetary terms but also on clear path of priorities for the desired results (Goddard, 2005). The management of public finances, enterprises, property and assets are all paramount County attempts in upward growth (Machakos County Integrated Development Plan, 2015).

Key (2015), it is undoubtedly true that accountability is a critical matter in most areas of life today and not least in corporate governance. Boards of directors, special committees have significant power and that they should account for their use of that power in addressing laws and corporate governance related matters in government operations. County development agendas cannot be void of accountability and sound financial controls in the safe guarding, effective, and efficient management of its public finances, enterprises, property and assets

The ability to disrupt a pattern of ongoing and institutionalized cooperation is seen as power. Political representation in government, the right to unionize and to form social welfare has been won by the mobilization people into some action against the norm. Interdependency between husband and wives, doctors and patients, students and teachers amounts to conflict and the exercise of power in one set of relations can work to dampen efforts to exercise power in another set of relations. All of this is complicated and interesting, and continues to preoccupy persons with keen interest on power dynamics (Piven, F. F, 2008)

Access to a wider range of information means increased capacity, consistency in arguments and a better instrument for criticism and proposals. This has a likely translation into legal amendments, review of public policies and framework. Notably, access to information means protection of human rights, social developments, protection of environment just to highlight a few. Information flowing downstream is intended to create awareness amongst citizens to help supervise actions taken by those in authority.

Therefore, data, figures and observation helps create a basis for decision making (IFAI, Government agency, Mexico, 2005).

According to Cadsby *et al.*, 2006 many people pay taxes because they are inclined to obey authority despite the financial attraction of non-compliance. Today, the organizational framework (Robin *et al.*, 2012) found that employees tend to change their opinions in order to comply with those of their managers. Authority and power therefore gives discretion in making leading to smoothly working units harmonized for the accomplishments of enterprise objectives. Facilitation in departmental activities and coordination to an enterprise is a result of functioning power and authority

2.3. Summary of Literature Review and Research Gaps

There is some evidence in the corporate governance generated from the Middle East region, regarding the emerging markets as one of the most investigated topics, Lagoarde-Segot and Lucey (2008). Yeo, Svensson, Chazi, Renato Soares Terra, and Caputo Zanella (2010) offer a comparison between corporate governance practice in the Middle East, North America, and Europe. Khalil and Safieddine (2015) find that the majority of boards had a prevalence of family members and a low proportion of independent directors. Regarding the studies that investigated the ethics topic, Kassar, Messarra, and El-Gammal (2015) created a path for valuable recommendations to improve corporate governance, in particular, the Ownership Structure category, through implementing practical ethical practices.

Scholars have agreed that a bubble in housing prices triggered the crisis (Lang & Jagtiani, 2010; Scott, 2009; Yeoh, 2010). They further cite a failure to properly regulate the market for subprime mortgages, mortgage securitization, and the exposure of the banking system to securitization risk (Grosse, 2010; Paccès, 2010; Rotheli, 2010). The purpose of this paper was to identify corporate governance practices with a view on theories on corporate governance within East Africa. The paper identified literature gaps for improved diversity in corporate governance while broadening the investigation within East Africa.

Recently, corporate governance and financial reporting have witnessed a significant concern worldwide (Hadi, Suryanto, & Hussain, 2016). There has been a notable growth in need of compliance with a high level of corporate governance practice, including transparency and full disclosure (Adawi & Rwegasira, 2011). The attention centralised on the performance of listed companies in the both developed and Semi-Developed countries is greater than it has in the past been (Al-Janadi *et al.*, 2013; Grassa & Grassa, 2016; Mersni *et al.*, 2016), because ever-higher numbers of stakeholders are participating to have a proportion in the financial and nonfinancial performance of public companies (Bena & Li, 2014). In term of this increasing in the number of likely stakeholders sound corporate governance consider important for firms because it provides them with elevated access to capital, therefore, ensuring that the cost of capital is declined and that the value of the firms rises.

Principal-agent models are the standard conceptual frameworks by which economists consider authority, but their focus has been on analyzing the effect of different pay structures on decision making by agents. Various experiments have studied the impact of social preferences on employment contracts (Anderhub *et al.*, 2002, Fehr *et al.*, 2007, Karakostas *et al.*, 2013), consideration has not been given to how authority per se may help induce compliance to the employer's expected effort; and, while one can have experiments in which the principal suggests effort (Güth *et al.*, 2001)

A company should secure its stakeholders from any unusual event (Essen, Engelen, & Carney, 2013), which is high likelihood to be happened due to the nature of the new business environment. Challenges that are facing firms can be the increasingly sophisticated deals that face managers and directors, such as mergers and acquisitions (Bena & Li, 2014), advances in technology, and the demands of conducting business in a global economy (Essen *et al.*, 2013). The demand for good corporate governance practice leads Middle East countries to modify their existing company laws and strengthen their accountability (Shanikat & Abbadi, 2011); policy makers have begun to be in charge of the situation and are more committed to fulfilling standards that support corporate governance (Faguet, 2014). These initiatives have been taken place to ensure sustainable

extension and development, as well as to promote investment and increase the confidence of foreign fund suppliers (Bena & Li, 2014).

International groups of researchers have highlighted how auditing in a public-sector environment can help to reduce the asymmetry between principal and agent in regard to information (Payne and Jensen, 2002). Other researchers have used Public Administration theory to analyze accountability and delegation in central government (Lupia and McCubbins, 2000). These scholars, however, have not studied the role of auditing in central government as a source of information in the system of accountability, but have focused on issues of delegation and democracy. They also provide valuable contributions concerning the importance of the contract and mechanisms of selection in principal-agent relationships.

A study by Transparency International (2013) on performance of County Governments in Kenya clearly indicated that County Governments were facing challenges in measuring their performance in terms of citizen perception on service delivery, communication, reporting and financial accountability to key stakeholders. A study by Mutai (2009) on factors influencing performance of local Government Authorities in Kenya observed that lack of transparency and clear control systems was a key challenge to performance of local authorities in Kenya.

A study to assess government internal audits for improved financial performance, efficient utilization of financial resources, oversight roles of different committees, financial performance, and public administration paid little attention to the role of internal audit in the financial management process of a county (Aikins, 2008)

The importance of evaluating effective internal control system in government ministries cannot be underestimated. It emerges that preparations of annual budget needs to be prompt with adequate expenditure tracking to prevent financial recklessness despite the internal poor communication amongst government agencies (Owizy, 2008)

2.4 Conceptual Framework

The conceptual framework clearly shows the interdependence between the county's environment, internal resources and its practices/strategies. The conceptual framework in use is meant to establish the correlation between independent variables; accountability practices, and the dependent variable of County Government Performance. Auditing as a way of accountability is not very extensive and is devoted primarily to issues of democracy and law and a tool for providing information playing a vital role in safeguarding government property and assets for upward growth. The conceptual framework for this study is adopted from dependency theory and agency theory (Dalton, and Johnson 1998) which influences the firm performance based on the composition of the Board. Proper utilization of its resources and the ability to achieve its vision and mission while countering the effects brought about by the environment in which it operates ensures performance is achieved and constantly achieved

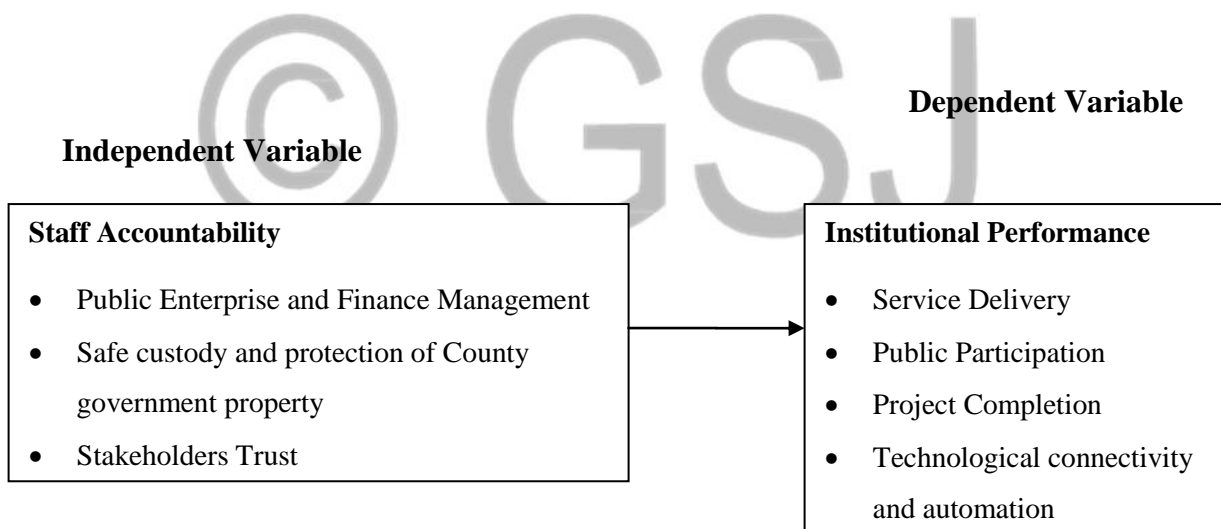


Figure 2.1: Conceptual Framework

Source (Researcher, 2018)

3.1 Study Design

According to Trochim (2005), research design "provides the glue that holds the research project together. The study adopted a descriptive study in which information was collected from one County Government, Machakos County. The researcher used descriptive design in order to cast light on the current issue through data collection to describe the situation more completely. By so doing, the investigator identified, described,

explained and validated research findings upon data analysis. The researcher interacted with the participant, involving interviews and questionnaires to collect the necessary information. Summarized descriptive report using measures of central tendency; mean, deviance from the mean, variation, percentage, and correlation between variables were made.

3.2 Target Population.

The target population of the study under investigation is from a representative sample of County Government in Kenya and operating in Machakos County, which is made up 247 respondents as per the County of Machakos Records. The respondents were distributed in the eight Sub County namely; Kangundo Sub County, Kathiani Sub County, Mwala Sub County, Yatta Sub County, Matungulu Sub County, Athi River Sub County, Masinga Sub County.

3.3 Sampling Strategy and Sample Size

Sampling techniques involves selection of subsets of individuals within a population with the aim of estimating characteristics of the population. The selected subset is known as a sample and the researcher generalized the findings to reflect the whole population. The study used stratified simple random sampling with a target population of 247 respondents from the eight (8) constituencies which is within the acceptable ranges according to Mugenda and Mugenda (2013). The techniques recognizes that most target populations have differences including gender, age socio-economic, cultural and educational levels .To ensure that the strata present in the target population were represented in the sample selected providing greater accuracy of the same size through administrative effort (Mugenda and Mugenda , 2013)

The sample size was proportionately derived from the total population. This ensured that all relevant types of people are included to allow the collected results to be generalized to a larger population. The respondents included eighty (80) officials including MCA's, Public Service Board members, County Executive Committee members, Ward Administrators, Cabinet Secretaries, County Secretariat/Heads of Departments .According

to Mugenda and Mugenda (2013), when the study population is less than 10000, a sample size of 10% - 30% is a considerable representation of the target population and hence 10 % is adequate for analysis.

Table 3.3.1 Sampling frame

<i>Category of Respondents(county officials)</i>	<i>Target number (Population)</i>	<i>Sample Size (30%)</i>
Chiefs	30	10
MCA's	8	3
Public Service Board members	8	3
County Executive Committee members	8	3
Ward Administrators	30	10
Cabinet Secretaries	12	4
County Secretariat/Heads of Departments	150	50
Total/Average	247	80

Source: Researcher (2018)

3.4 Data Collection Instruments

The study used primary data. Primary data is information gathered directly from respondents (Kombo and Tromp, 2006). The study used both questionnaires and interview guides as the primary data collection tools. In this study, Questionnaires were used as the main instrument of data collection from the population.

3.5 Operationalisation of Research Argument

To accurately measure accountability strategy, respondents were to indicate the extent to which measures geared towards the safe guarding of county government properties, auditing of account as stipulated, access to information, execution of duties and trust amongst the county stakeholder would influence county performance.

TABLE 1

Examples of items and measures that operationalize aspects in context

Context Domain	Author	Construct and example of item or measure
Stakeholders Trust	Dooren, 2005	<p>Adopted in public sector service from the federal, state and local government levels. Stakeholders participate to have a proportion in the financial and nonfinancial performance of public companies</p> <p>“ In my county, there is trust amongst the county stakeholder ?” Respondents were required to indicate their level of agreement with various statements under the variable on Accountability Strategy on a 5 point Likert scale (where 1= not true at all; 2 = somewhat not true; 3 = not sure; 4 = very true; 5 = extremely true).</p>
Audits	(Payne and Jensen, 2002).	<p>Auditing of accounts as stipulated</p> <p>“The county government allows auditing of its account as stipulated?”</p> <p>Respondents were required to indicate their level of agreement with various statements under the variable on Accountability Strategy on a 5 point Likert scale (where 1= not true at all; 2 = somewhat not true; 3 = not sure; 4 = very true; 5 = extremely true).</p>
Safe guarding properties	(Machakos County	Management and safe keeping of properties

	Integrated Development Plan, 2015)	<p>“My county government has put in place measures geared towards the safe guarding of county government properties ?”</p> <p>Respondents were required to indicate their level of agreement with various statements under the variable on Accountability Strategy on a 5 point Likert scale (where 1= not true at all; 2 = somewhat not true; 3 = not sure; 4 = very true; 5 = extremely true).</p>
Access to information	(IFAI, Government agency, Mexico, 2005).	<p>Information access</p> <p>“ The county government promotes access to information ?”</p> <p>Respondents were required to indicate their level of agreement with various statements under the variable on Accountability Strategy on a 5 point Likert scale (where 1= not true at all; 2 = somewhat not true; 3 = not sure; 4 = very true; 5 = extremely true).</p>
Power and Authority	(Piven, F. F, 2008)	<p>Use of power and authority to disrupt a pattern</p> <p>“County officials use the power bestowed upon them to execute their roles?”</p> <p>Respondents were required to indicate their level of agreement with various statements under the variable on Accountability Strategy on a 5 point Likert scale (where 1= not true at all; 2 = somewhat not true; 3 = not sure; 4 = very true; 5 = extremely true).</p>

3.6 Validation and Reliability of Study Instruments.

3.6.1 Piloting

A research instrument ought to give results after repetition of subsequent trials (Mugenda & Mugenda, 2003). It is the quality of proportion or measure of degrees, to which the research instruments yields consistent results after subsequent tests. Pretesting of the research instruments was carried out as a means of establishing instruments' reliability.

After the first test, the tests retest technique will be as applied to determine the reliability coefficient. The instruments were administered to the same respondents (non-participating county of Nairobi) after five (5) days as a test for reliability. Data from pre-testing exercise were coded and analyzed to identify and correct any such errors. A reliability coefficient of 0.82 was obtained an indication that the questionnaires were reliable since coefficient of 0.80 or higher is recommended (Mugenda and Mugenda 2003).

3.7 Data Collection Procedure and Presentation

Data was collected from primary source. Primary data collection was by use of semi structured questionnaires for both open and closed-ended questions to provide detailed answers to complex problems with relative ease and cost-effectiveness with which they are constructed and administered. The use of questionnaires gives a relatively objective data and efficiency. The administration of questionnaires to the respondents was through face to face and “drop and pick up later” methods. The data was tabulated and analyzed by calculating various percentages as possible. Statistical inference such as mean, standard deviation were used together with the Likert scale to show the level of agreement, neutral or disagreement used in the analysis. Thereafter, various scenarios were explained and recommendations made. The data was presented in form of pie-charts, bar-graphs. Multiple regression analysis would establish the correlation in the independent variables namely; accountability and transparency strategy, resource allocation strategy, against the dependent variable on Machakos county government performance in Kenya. Multiple regressions is appropriate whenever quantitative variables (the dependent) is to be examined in relationship to any other factors (expressed as independent or predictor variable) (Cohen, West and Aiken, 2003).

3.8 Data Analysis

Collected data was recorded in a Questionnaire, later compiled, and entered in a database of SPSS for computation. The data was cleaned by checking for repetition, and other errors. Any data that depicted outliers was left out. Data analysis is the process of packaging collected information in a way that it can be understood by the researcher. The researcher will firstly evaluate the accuracy and relevance of the data, encode the data and thereafter tabulate it. The researcher employed both quantitative and qualitative method of

data analysis. The tabulated data analysis was by use of the Statistical Package for Social Sciences (SPSS version 21) .Qualitative data required inferential statistics to make inferences in a more general conclusion. Analysis of data was by both descriptive and inferential statistics. Statistical level of significance was established with cut-off point of $p \leq 0.05$, (95%) confidence and significance levels in order to identify the relationship between corporate practices and performance of county governments, Pearson Chi-Square correlation coefficient tests will be done

3.8.1 The Analytical model

The study variables were the independent, and the dependent variables. The study reference to the independent variables was namely; accountability and transparency strategy, resource allocation strategy, value creation strategy and the dependent variable on county government performance

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + e$$

Where Y = Predicted Performance of Machakos County Governments (PPMCGK).

B_0 = intercept

1 = slope of line of variable 1, **Transparency Strategy (TpS)**

BX_1 = variable 1, **Transparency Strategy**

2 = slope of the line of variable 2, **Resource Allocation Strategy (RaS)**

BX_2 = variable 2, **Resource Allocation Strategy**

3 = slope of line of variable 3. **Accountability strategy (AcS)**

BX_3 = variable 3, **Accountability strategy (AcS)**

e = Error term.

4.0 Bio Data Analysis

Completion rate is the proportion of the population that participated as intended in all the research procedures showed that one hundred and ninety three (193) returned the questionnaires, which was 78% return rate.

4.1 Descriptive Statistics

The study sought to establish the years of service at the county government level of education attained by majority of the group members. Respondents in the research to have worked for four (4) years and above were majority and were considered as appropriate county employees in giving information. Most respondents amounting to (68.9%) indicated that their members had attained undergraduate education. A representation of 40.9% of the respondents is good measure with majority being above 55 years to provide appropriate county information and with a younger age (52.3%) group formation and involvement in county affairs

4.2. Descriptive Analysis

4.2.1 Influence of Accountability Strategy on Performance of County, Kenya.

Accountability refers to organizational obligation in accounting for all its activities including power bestowed to it while taking the resultant responsibility related to money or other properties entrusted to it. This would lead to market stability for the firm. Respondents were required to indicate their level of agreement with various statements under the variable on Accountability Strategy on a 5 point Likert scale (where 1= not true at all; 2 = somewhat not true; 3 = not sure; 4 = very true; 5 = extremely true). Respondents would indicate the extent to which measures geared towards the safe guarding of county government properties, auditing of account as stipulated, access to information, execution of duties and trust amongst the county stakeholder would influence county performance. The results are as indicated on Table 4.2

Table 4.2 Accountability Strategy

Category	N Statistic	Mean Statistic	Std. Deviation Statistic	Variance Statistic	Kurtosis	
					Statistic	Std. Error

My county government has put in place measures geared towards the safe guarding of county government properties	193	2.834	1.411	1.99	-1.2316	1.4118
The county government allows auditing of its account as stipulated	193	2.76	1.392	1.94	-1.217	1.3928
The county government promotes access to information	193	3.176	1.406	1.979	-1.25	1.4068
County officials use the power bestowed upon them to execute their roles	193	2.896	1.41	1.989	-1.226	1.4103
In my county, there is trust amongst the county stakeholder	193	2.896	1.4103	1.9892	-1.2264	1.41039
Overall Mean		2.91				

Source: Researcher 2018

Results from Table 4.4 show that a good number of respondents (M=3.17) and a lower standard deviation of (Std dev = 1.46) indicated the importance on access to information for county government. From the findings, kurtosis measure for the importance of auditing was (K=-1.25) showing that the distribution is flatter as compared with normal distribution with the same Mean and Standard Deviation. The respondents with (M=2.896) indicate lack of certainty on trust amongst the county stakeholder, execution of duties using power bestowed on county officials and measures for safe guarding of county government properties in county performance

Generally speaking, an overall mean of 2.91 is an indication that county governments appreciates organizational accountability in improving institutional performance and continues to make effort in line with this strategy. The results indicate that a change by one unit of performance results to a change of 0.6879 of accountability strategy. The results show a significance level of 0.002 which is statistically significant and with a positive relationship in the influence of county performance

4.4.2 Institutional Performance of County, Kenya.

Performance is the effective and efficient use of resources to achieve results. Investor's interest needs to be prioritized as they differ from give that investment capital is scarce for nations and governments. The respondents were requested to provide details of indicators of firm performance to the best of their ability subject to availability of reliable data. The results of the quantitative data are presented in Table 4.6. The data is presented in percentages, ratios and in absolute figures.

The study sought to determine the relationship of accountability, resource allocation, and transparency on the performance in Kenya's county governments. The researcher conducted a regression analysis to explain this relationship. The scores to be regressed were computed through factor analysis and then saved as variables. Regression analysis was conducted using Statistical Package for Social Sciences. The results obtained are presented and discussed below

Table 4.6 Institutional County Performance

Category		N Statistic	Mean	Std. Deviation
County spending in health services (Kshs)	(a) Below 1Million	20	0.8	0.122474
	(b) Between 1M-3M	32	2.52	0.420714
	(c) Above 3M	26	5.18	0.91214
		78	2.833	0.4851
County spending on infrastructure (Kshs)	(a) Below 2Million	28	1.78	0.192354
	(b) Between 2M-6M	40	4.3	1.206234
	(c) Above 6M	10	7	0.367423
		78	4.36	0.588
Number of skilled labourers in the county?		78	258	109.1788
County Government Collections (Kshs)	(a) Below 2 Million	27	1.87	0.120416
	(b) Between 2M-6M	35	5.39	0.626897
	(c) Above 6M	16	7	0.790569
		78	4.75	0.5126
Number of vision 2030 flagship projects		78	3.2	1.788854
Funding allocation for Youth, Women, & Persons with disability (%)		78	10.8	1.30384

Consultative meetings to create synergy, harmony and monitor the performance of the county?	78	2.6	1.140175
Number of policies and legislation under deliberations to improve service delivery in the count?	78	3.4	1.140175
Number of appropriate feedback mechanisms to promote public participation?	78	3.68	2.304778
In your county government, how many projects have been initiated?	78	4.1	1.431782
Levels of ISO certification (%)	78	66.08	9.318369
Number of political affiliations in the county	78	5.92	0.729383
Connectivity /Technological Infrastructure (%)	78	70.1	9.87674
Number of tertiary learning institutions	78	21.64	7.97797
Research proposals funding on county developments (Kshs)	78	3.44	1.67869
In your county government, how many projects have been partially completed?	78	4.7	1.30384
Number of projects fully completed?	78	11.04	1.6456
Number of robotic investments to reduce on labour needs?	78	2.16	1.28569
Tenders approved through technological advancements and connectivity?	78	21.1	4.449719
Current jobs that are likely to disappear as a result of automation?	78	2.54	0.978775

Source: Researcher 2018

From the research findings respondents identify with the fact that county spending in health service at (M=2.833) is on the rise, county spending on infrastructure (M=4.36) and county government collections (M= 4.75) is on the upward rise. The levels of ISO certification at the county stands at (M=66.08) which is on the rise towards commendable percentage

Table 4.7 Model Summary Table

Model	R	R Square	Adjusted Square	R	Std Error of the Estimate	Durbin Watson
1	.925 ^a	.855	.559		5.18097	0.7120

A. Predictors. (Constant), accountability, resource allocation, and transparency

B. Dependent Variable: Predicted Performance of County government.

Source: Researched, 2018

This table provides the R , R^2 , adjusted R^2 , and the standard error of the estimate, which can be used to determine how well a regression model fits the data. The "R" column represents the value of R , the *multiple correlation coefficients*. R can be considered to be one measure of the quality of the prediction of the dependent variable; in this case, Predicted Performance of County government.

A value of 0.855, in this analysis, indicates a good level of prediction. The "R Square" column represents the R^2 value (also called the coefficient of determination), which is the proportion of variance in the dependent variable that can be explained by the independent variables (technically, it is the proportion of variation accounted for by the regression model above and beyond the mean model). Table 4.7 shows (0.855) to imply that our independent variables explain 85.5% of the variability of our dependent variable on the predicted performance of the county government.

4.3 Statistical Significance

The ANOVA tests the observed variance based on explanatory variables and the general equation after substituting the coefficients was done. Statistical significance in this case is reliable. Significance is seen in-terms of the relationship that exist. The F value indicates the variance between the means of the variables. The ANOVA tests results are as indicated in Table 4.8 below

Table 4.8: ANOVA table

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2196.483	2	849.121	22.393	.000 ^a
	Residual	3076.778	95	32.387		
	Total	5273.261	99			

A. Predictors. (Constant), Accountability, Resource allocation, and Transparency

B. Dependent Variable: Predicted Performance of County government.

Source: SPSS Output 2018

The *F*-ratio in the ANOVA table 4.8 tests whether the overall regression model is a good fit for the data. From the findings, the table shows that the independent variables statistically significantly predict the dependent variable, $F(2, 95) = 22.393, p < .0005$ indicate the goodness of fit of the regression model. The results in table 4.8 on ANOVA test showed an *F*- statistics of 22.39, (significance level = 0.000) which were statistically significant at 0.05 ($P < 0.05$). This shows that the model adopted in the study was significant and that, the variables tested fitted well in the model.

4.4 Estimated Model Coefficients.

The objective was to determine the influence of accountability strategy, resource allocation strategy and transparency strategy on the performance of county government. A higher value indicates a better predictability of the dependent variable from the independent variables

Table 4.9 Coefficients Table

	Unstandardized Coefficients	Standardized Coefficients		

	B	Std. Error	Beta		
(Constant)	0.866	0.124		9.164	0.000
Accountability Strategy	0.6879	0.265	0.353	2.93	0.002
Resource Allocation Strategy	0.599	0.261	0.244	3.96	0.004
Transparency Strategy	0.587	0.261	0.237	2.84	0.003
a. Dependent Variable: performance of County government.					

Source: SPSS Output 2018

The results on table 4.9 indicate the betas of the variables which indicate their coefficients. For accountability strategy, Beta was 0.6879, indicating that a change by one unit of performance results to a change of 0.6879 of accountability strategy. The significance level for the variables was significant because the p-value was $P < 0.05$

The general form of the equation to predict Performance of County government from Accountability Strategy AcS, Resource Allocation Strategy (RaS) , Transparency Strategy (TpS) , and the Predicted Performance of County government (PPCG) = $0.866 + (0.6879X_1) + (0.599X_2) + (0.587X_3)$. This is obtained from the Coefficients table shown below:

$$\text{Performance} = 0.866 + 0.6879X_1 + 0.599X_2 + 0.587X_3$$

Unstandardized coefficients indicate how much the dependent variable varies with an independent variable, when all other independent variables are held constant. From table 4.9, there is a strong positive relationship that is significant between the variables. Results on Table 4.9 show that the three independent variables were found to be significant

4.5 Statistical Significance of the Independent Variables

The predictor variables on accountability, resource allocation, and transparency was significantly correlated to the level of county performance as the significance level was

(<0.05). This indicates a strong relationship between the independent variable on accountability, resource allocation, transparency and county performance.

A change by one unit of performance results to a change of 0.6879 of accountability strategy. The significance level for the variables significant because the p-value was $P < 0.05$

5.1 Recommendations of the study

The main objective of the study intended to examine the influence of accountability on the performance of Machakos Country. The study derived descriptive statistics to capture county government measures geared towards safe guarding of county government properties, auditing of its account, access to information, use the power for execution of duties and trusts amongst county stakeholder. After the analysis, the results indicated significance of the variable in question. As a result, the null hypothesis was rejected and the alternative taken, with the interpretation that there is a relationship between accountability and the performance of Machakos Country, Kenya

The study identifies the necessity for information access and sharing as a way to develop agendas and realize desirable growth at the county government level. This would go a long way in realizing the full benefits of technological advancements and opportunities. As a result, the Kenya Information and Communications Act 2013 should create an enabling environment that enhances both local and international investments, innovation, creativity and security in the technological industry while preserving the interest of all stakeholders. This implies that the government through public private partnerships should fast track the setting up of Konza-Techno City to create the hub for the exploitation of this underlying potential deemed necessary and instrumental in coming years for Kenya's' devolved units of governance

Self sponsored central government media coverage initiative and programmes at the county level with wide publicity on developmental agendas would accelerate developments, create confidence and trust while making comparison across counties.

Legislations for media coverage either by electronic or print media would promote a culture of institutional performance across the counties. Finally, deliberate efforts for implementation of the central government timely release of fund as part of resource allocation would promote institutional performance at the county level and especially for labour intensive and capital-intensive projects

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- NB/ arrange references alphabetically, correct the reference marked, write name of authors as per APA not et al

APPENDIX II: STRUCTURED QUESTIONNAIRE

SECTION (A)

Section A: Personal Information

1. Years of service/working in the county government (Tick appropriately)

- Less than 1 year
- 2-4 years
- 4-5 years

2. Age bracket (Tick appropriately)

- 18 – 22 years
- 22 - 30 years
- 30 – -35 years
- Over 55 years

3. Your highest level of education

- Certificate
- Diploma
- Advanced Diploma
- Undergraduate
- Post graduate
- Others [specify].....

SECTION (B)

4. To what extend are you in agreement with the following statements in your organization?

Use the following scale: 1= very small extent; 2 = small extent; 3 = average; 4 = great extent; 5 = very great extent

Accountability Strategy	(1)	(2)	(3)	(4)	(5)
My county government has put in place measures geared towards the safe guarding of county government properties					
The county government allows auditing of its account as stipulated					
The county government promotes access to information					
County officials use the power bestowed upon them to execute their roles					
In my county, there is trust amongst the county stakeholder					

SECTION (C)

In your organization, identify the level of performance according in the span of five years provided below

County Government Performance	In the Year 2013	In the Year 2014	In the Year 2015	In the Year 2016	In the Year 2017
County spending in health services (Kshs)					
County spending on infrastructure (Kshs)					
Number of skilled labourers in the county?					
County Government Collections (Kshs)					
Number of vision 2030 flagship projects					
Funding allocation for Youth, Women, & Persons with disability (%)					
Number of County officials and residents consultative meetings to create synergy, harmony and monitor the performance of the county?					
Number of policies and legislation under deliberations to improve service delivery in the count?					
Number of appropriate feedback mechanisms to promote public participation?					
In your county government, how many projects have been initiated?					
Number of County officials and residents consultative meetings to create					

synergy, harmony and monitor the performance of the county?					
Levels of ISO certification (%)					
Number of political affiliations in the county					
Connectivity /Technological Infrastructure (%)					
Number of tertiary learning institutions					
Research proposals funding on county developments (Kshs)					
In your county government, how many projects have been partially completed?					
In your county government, how many projects have been fully completed?					
Number of robotic investments to reduce on labour needs?					
Tenders approved through technological advancements and connectivity?					
Current jobs that are likely to disappear as a result of automation?					
In your county government, how many projects have been partially completed?					
In your county government, how many projects have been fully completed?					