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RELATIONSHIP BETWEEN FINANCIAL CONTROLS AND FINANCIAL SUSTAINABILITY OF KERICHO COUNTY GOVERNMENT, KENYA

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Abstract

Devolution in Kenya has enables national government to transfer some function with finance control to County government. Despite, billions of monies at their disposal, majority of county governments post budget deficits which are due to insufficient finances or poor management of financial resource available leading to county governments experiencing poor financial sustainability. The study sought to analyze the relationship between financial controls and financial sustainability of Kericho County Government. The agency theory, financial control theory and the Resource dependency theory guided the study. The study was based on correlational research design; simple random sampling technique was used to 125 respondents who made a sample size for the study. Questionnaires were used to obtain primary data and validity was determined through the use of experts and university supervisors while reliability was determined by carrying out pilot testing. Data was analyzed by use of descriptive and inferential statistics and data presented in form of tables, frequencies, pie charts and

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percentages. The findings revealed that the County Government used internal audit to ensure transparency and frequency in financial controls. Therefore, financial controls had positive significant relationship with financial sustainability in the County (P<0.05). The study concluded that financial controls had positive significant relationship with financial sustainability. The study recommended that county government should enhance stakeholders participate in financial utilization by the County Government. The study is significant for policy maker to develop necessary account control policies for public and private sector. This will assist in prudent and accountable financial management leading to high performance of the sectors.

Keywords: Financial controls, Financial sustainability, Kericho County Government, Kenya

INTRODUCTION

According to Oyebode (2018) financial accounting control is underpinned on accountability control, value management control, financial control and budgetary control. All the controls have activities which are interrelated and there executions depend on the other activities. Financial control is more than compliance system but it looks further on the strategic understanding of uncertainties which might be associated with the organization in term of benefits and cost. Budget control entails managing firm's income and expenditure. In other words it is the comparison of actual income to planned income in order to identify if the corrective actions are required.

Gerton (2017) asserts that value management controls are mainly found in government institutions and it is represented by strategic financial management. Accountability is important in the sense that when the processes and structures are in place, they facilitate decision making and therefore financial management performance is bound to be pinned down and subjected to risks. Further it is suggested that there should be a prerequisite of performance matrix which supports in decision making. Internal controls and risk in the government is connected and associated with different financial concepts like financial statements and accounting data accuracy (Pankaj & Hare (2016).

Financial sustainability is measured and determined by the net income, liquidity, and solvency. Firm's sustainability is the ability of the firm to obtain and manage the scarce resources available in order to achieve and attain its missions effectively and efficiently over without relying on other sources for funding (Edem, 2017). The basic reason is to provide services to the citizens which benefited them.

Shah and Shah (2006) assert that majority of the local governments in third world countries; continue playing a minimal role in delivery services to the public or its citizens.

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According to smoke (2001), local governments in developing countries have been faced with stiff regulations and policies and scarcity of the allocation of financial resources which notably have contributed to poor service delivery as a result of having limited autonomy in making decisions on the expenditure as well as liberty decisions making on revenue generation. This is contrary to developing nations such as Brazil and china where the role of local governments has progressively been increasing leading to better service delivery to the public.

In African context, many countries have decentralized the reforms but still they have not yielded expected effective and efficient governance (Englebert, & Mungongo, 2016). In the study of Wunch (2001) it was found out that reforms failed mainly in four areas; finance and revenue, planning and capital investment, budgeting and fiscal management and lastly personnel systems and management. These factors are considered to be hindering the equitable distribution of resources. According to Schoeman (2011), investigating fiscal performance in relation to revenue collection on sustainability of local governments in South Africa, the study revealed that majority of the local municipalities did not adhere to with requirements which required the municipalities to finance their portion of current expenditure with their own financial resources. Munyao (2018) indicated that local authorities' finances show substantial variance in relation to own income collections and it has contributed to limited accessibility of financial resources. Due to this, the local authorities are forced to source for finances and from the central government.

Ghai (2006) revealed that most African nations which have centralized system of governance have several systems which are closely related with poor governance. It is further asserted that the major problem or cause of poor governance is inability to disassociate between private and public resources. This is because people in the management tend to exploit the public resources for their personal gain. Further, Ndulo (2006) asserted that a country in Africa without devolution reforms and have centralized governments hinders public participation.

Karimi, Kimani & Kinyua (2017) argue that for local governments in Africa to provided services efficiently and effectively, they require new ways and methods to mobilize more revenues. This helped the local authorities to have enough financial resources hence financial sustainability and of which enabled them to provide effective and efficient service delivery to the public. In Tanzania, there is an indication that local authorities' financial management and governance have a causal relationship Fjelstad, Henjewele, Mwambe, Ngalewa and Nygaard (2004). A study conducted by Sennoga (2004) in Uganda revealed that increase in revenue does not lead increase in local authorities' expenditure leading to credibility of the flypaper effects.

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County governments in Kenya face serious challenges in budget preparing process. Despite county leadership adhering to procedures stipulated on budget preparation as well as technical team having knowledge and skills on the process of budget preparation, lack of involvement of stakeholders as well as political interference are the key challenges (Mugambi & Theuri, 2014).

A study conducted by Muli and Rotich (2016) indicated that crisis in budget implementation in Kenya county governments was due to poor accounting control practices. Further it was revealed that implementation of budget in county government was affected by financial management practice. Simion and Muhamed (2017) financial management practices adopted by both private and public institutions include allocation and control funds, sourcing of funds, and budgeting, financial planning among others. Wang'ombe and Kibati (2016) in their study indicated that the 41.1 percent of financial management practices mentioned contributed to the financial performance of Mombasa county government. The study also revealed other internal monitoring of public funds and records management affected financial performance of the county government but in a minimal percentage.

Kericho county government was chosen as a context of the study as it is one of the 47 counties in Kenya which were introduced after the general elections of 2013. The counties were established on the bases of 1992 districts. The districts were under the management of the local authorities and therefore the county governments were mandated to advance the functions of local authorities and other additional functions which were devolved from national government to the county level. The success of the county governments in services delivery to the citizens entirely depends on financial capacity. Despite devolving some national government functions and county governments controlling billions of shillings still they have reported deficits in their budget which results in inability to fund sufficiently both development and recurrent expenditures. The insufficient funds have also contributed to some counties incapacitated to pay contractors and suppliers on time thus forced to operate on debt. This has been so because county governments don't have mandate of controlling over the use of collected revenues within the counties jurisdictions and therefore, the county governments need to depend on accounting management controls for their financial sustainability (Munyao, 2018). It is on this note that the current study sought to determine the relationship between accounting controls and financial

Statement of the Problem

After devolution, county governments were expected to improve on service delivery to the public and foster developments at county levels. Despite the fact county governments in Kenya are controlling billion of shillings majority of them experience problems and challenges

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which emanate from incapability to fund developments and recurrent expenditure. County governments are supposed to lead development at the county level by impacting the overall economy of Kenya because apart from the revenue the counties generate, they also receive finances from the national government which are disbursed by the exchequer. In some instances, some counties spend less than what they have in their budget and the surplus is returned to the exchequer. However, most of the county governments have reported budget deficits resulting to stalling of projects, operating on debts, unable to pay salaries to employees who provide essential services to the citizen resulting to industrial strikes for instance public health workers. This implies those amounts allocated to the county government are insufficient to meet all expenditure of count governments and this has raised questions on county governments financial sustainability. There is disparity between the amount disbursed by the exchequer and the county governments' budget estimates. According to the financial year 2015/2016 Kericho county government had a budget estimate of Ksh. 4.5 billion and the exchequer disbursed Ksh. 3.9 billion. In the financial year the county spent only Ksh. 1.6 billion. It is on this note the latter assertions justify why some county governments spend less than what they have budgeted for and those counties end up returning unspent funds to treasury may be due to poor timeline, poor prioritization of funds, lack of proper planning, embezzlement of funds among others. This can be solved by adopting proper accounting controls in the counties. Therefore, it is on this note the study seeks to analyze the relationship between financial controls and financial sustainability in county government of Kericho.

LITERATURE REVIEW

Financial control and financial sustainability

The organization management adopts various control systems in order to deal with the challenges facing their institutions. The control systems take different forms which can fits different groups. The financial controls can be; audit committee oversight, internal audit, and inbuilt controls among others. The control mechanisms adopted by organization are meant to ensure that all financial transactions are captured correctly in all levels (Yogendrarajah, 2013).

Yogendrarajah (2013) carried an empirical review on the impact of financial control on organizational performance, Jaffna municipality, India. The study adopted survey research design and the research adopted both primary and secondary data collection methods. Percentage analysis, gap analysis and ratio analysis were adapted to measure financial control, effectiveness. The study findings revealed that when there is effective financial controls it improves on organization performance. The study findings further indicated that financial controls had positive relationship with organization performance. The study concluded that

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public institutions need to take attention on financial controls in order to be able to manage activities effectively. The current study was conducted in county government of Kericho and it adopted correlational research design.

Kgabo (2013) conducted a study which sought to determine the impact of internal control mechanisms on monitoring of financial resources in the education department, Gauteng, South Africa. The study was motivated by the necessity of maintaining clean financial statements and reports. Basically, the study focused on internal control such as risk assessment, control environment, monitoring, control activities, communication and information. The findings revealed that it was complex to implement internal controls policies but the study recommended the government departments to come up with policies which would facilitate effective management of public financial resources.

A study conducted by Bashaija, Nyiringango, Oliva and Mahina (2020) sought to determine on the impact of financial control of MFI in Rwanda. The study was underpinned on financial control theory. The study adopted cross sectional research design and the study used stratified sampling technique. Data was analyzed by use of descriptive and inferential statistics which was aided by statistical package from social science (spss) 24. The study findings indicated that there was positive significant relationship between financial control and financial stability of micro finance institutions. In conclusion the study recommended that there should be financial controls policy measures in place in order to have financial sustainability. The current study sought to determine the relationship between financial controls and financial sustainability of county governments where the study adopted correlational research design.

Njeru (2003) carried a study seeking to determine the effect of government aid on fiscal behaviour. The study examined on fiscal responses models which aided in analyzing on the impact of aid in different components of government's revenues and expenditures. This implies that aid can be adopted to fund projects that the recipient government intended to finance in its absence. This has made the researcher to examine the extent to which the freed up government resources have been used to finance for example, consumption, and debt servicing or tax reductions. This study fell short to address financial control in relation to financial sustainability in devolved governments.

Another study by Wakiriba, Ngahu and Wagoki (2014) examined the role played by financial controls on public sector financial management, Kenya. The study adopted descriptive design where the study targeted national government's departments, Muranga sub-county in the county of Nyandarua. Data analyzed revealed that internal control systems were effective and it lead to separation of duties, supervision, roles as well as management commitment. Further the study found out that there was a weakness in implementing financial controls. The weaknesses

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were linked with lack of internal audit functions to other departments. The study only focused on national government but the current study focused on county government's financial.

Budget control and financial sustainability

According to research done by Zhu and Shao (2011) on the effect of budget implementation and management on public department in western province China, the major area of concerned to the study was weak constraints on departments' budget implementations, lack of standard basic expenditure and expenses of the projects, lastly incomprehensive department plans.

Al-Shaibie and Batool (2014) conducted a study on the impact of budget controls on employee's behaviour. The study basically sought to explore on employees satisfaction, employees loyalty among other variables in relation to effect of budget controls. The study was conducted in Jordan, Pakistan and Sweden. The study adopted quantitative and qualitative research design where 740 respondents in the study. Both questionnaires and interviews were adopted to obtain primary data. From the analyzed data, the study findings indicated that Pakistan and Jordan were experiencing the highest tight budgetary control. The study findings further revealed that employee loyalty had negative significant relationship with budget control for Sweden and Pakistan whereas exist a positive significant relationship in Jordan. Employee satisfaction also depicted a negative significance relationship with budget control in Pakistan and Sweden while in Jordan there was a positive relationship with budget control. The study focused on employee behavior and it failed to look at financial sustainability. Therefore, it is on this note, the current study focused on budget control and financial sustainability in county government of Kericho.

According to Gadinabokao and Daw (2013) sought to determine the relationship that existed between government spending and growth of the economy of South Africa in the year between 1980 and 2011. Hypothesis was tested by adopting econometric techniques and it was revealed that increase in government's expenditure led to increase in the growth of the economy. On the other hand, ordinal least square regression technique was applied to determine the relationship existing between the government spending and growth of the economy. The result from the test showed that there was a positive long run relationship between the government expenditures which was within the budget policy and hence facilitated economic growth. Further the study indicated that fiscal illusion caused by budget deficit contributed to discounting of actual costs of provision of lending government services.

Harelimana, (2017) conducted a study in Rwanda which sought to determine the influence of budget controls on Kigali Serena hotel financial performance. The study was

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empirical and analytical in nature. The target population for the study was 52 employees and the sample size of 25 was determined by use of Alain Bouchar formula. Secondary and primary data collection methods were used. Questionnaires were self-administered to employees in order to obtain primary data and financial reports were used to obtain secondary data. Descriptive statistics was used to analyze. The study findings indicated a strong and positive relationship existed between budgetary control techniques and Kigali Serena Hotel financial performance. The study concluded by asserting that budgetary control is an important technique in planning and controlling of resources which enhances organizational performance. The study looked at performance in general and it focused on hotels but the current study specifically looked at financial sustainability and the study was conducted in county government of Kericho.

Further a study conducted by Kamolo (2014) asserted that most Kenyan county governments depend on central government for funds to be able to run programs and projects which are essential to the local citizens. The projects and programs such as garbage collection, maintaining and repairing feeder roads, developing urban and market centers, establishing and maintaining sewage system, maintaining the streets clean and maintaining rural access roads need to be financed from the funds revenue collected by the county governments instead of relying on funds from the national government. Due to increase in financial expenditure as budgeted by some county governments, there should be mechanisms in place to ensure a balance between county governments budget allocation verses the county government's revenue allocation. This study failed to address the issue of budget control and in reality spending below the actual budget and this is part of budget control. Further, the study did emphasis on the need of county government to collect revues through taxes to address the increase of financial expenditure which is part of county government budget. The study failed to address budget controls in conjunction with financial sustainability.

Okelo, Momanyi, Othuon and Aila (2013) conducted a study to find the relationship that existed between fiscal deficit and growth of the economy in Kenya. Both causal and exploratory research design were utilized. The study adopted time series of data which was obtained between the years 1970-2007. It was found that there was a positive significant relationship between budget deficit and growth of the economy. In conclusion, the study recommended that there should be prudent financial management in place in order to control irrelevant borrowing.

Value management control and financial sustainability

Batselier and Vanhoucke (2015) conducted an empirical study to establish the evaluation of value management controls on the effectiveness of time and cost in Belgium. From the study, it was found out that earning value management techniques were important in

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fostering effectiveness of time and cost taken to completion projects. It was also found that accuracy of earning value management techniques employed on cost and time contributed to qualitative database. The study had its shortcoming; although it addressed earning value management, it failed to link it with financial sustainability.

Aigbavboa, Oke, and Mojele, (2016) did a study in South Africa to ascertain contribution of value management to construction of projects. Primary data were collected through well-structured questionnaires administered on construction professionals within the study area and Mean Item Score was used for data analysis. The findings revealed there is a positive relationship between value management and quality of product in South Africa which was evident on optimize value for money.

Vitalis, Agbeaze, Joseph & Salomon (2019) did a study to find out the effect of value management control on firm production performance in Nigeria. The study employed survey research design and the target population was 9038 who were later sample to form a sample size of 563 respondents. Data was analyzed by use of simple linear regression statistical tool and Pearson product moment. The analyzed data revealed that there existed a significant relationship between value management and products qualities. In conclusion, the study affirmed that value management offer stakeholders a technique to achieve organizations performance.

Kineber, Othman, Oke, Chileshe and Buniya (2020) carried a study to determine the influence of value management controls on sustainability of projects in Egypt. The study adopted both qualitative and quantitative research design where a sample size of 200 respondents from building professionals were used and primary data collection method was employed. The data obtained was analyzed by the use descriptive statistics. The findings indicated that there was a correlation between value management control and sustainability of the projects. The study further asserts that value management control is an important element in any institutions because it helps in building professionals who detect and eliminate unnecessary expenses and thus enhance sustainability. The focus of this study was on projects sustainability but the current study mainly focused on financial sustainability of the county governments.

Another study by Bula and Kireru (2014) sought to assess the issues affecting the implementation of management of talents in Kenya Broadcasting Corporation. The study asserts that individual talent add value to the organization if well nurtured and it is therefore on this basis, talent management is discussed the same way as value management. The independent variables discussed were, career management, working environment, organization culture and reward system. Descriptive research design was employed. The study findings revealed that organizational culture had a negative effect on talent management. On the other hand working environment, career management and reward system had a positive effect on

talent management in the institution. The study failed to address the issue of value management and at the same time the study failed to link talent management with organizational financial sustainability. In this case, the current study sought to link value management with county government sustainability.

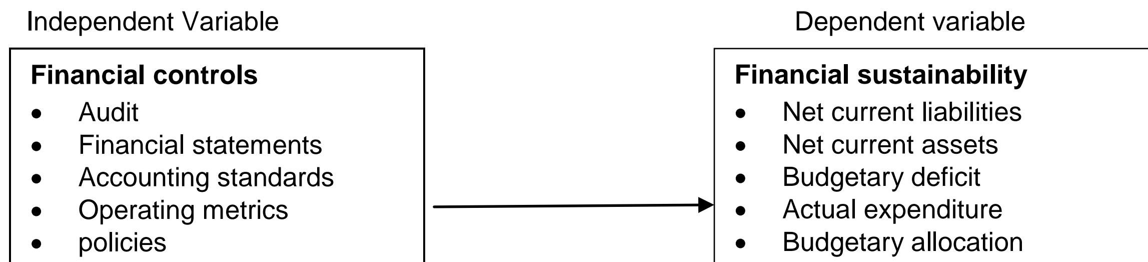

Figure 1: Conceptual framework

METHODOLOGY

Correlational research design was used in the study. The study utilized quantities approach in collection of data and the approach enabled data to be systematically collected and analyzed in order to provide descriptive account of the questions under study (Kothari, 2008).

The location of the study was county of Kericho which is bordering Bomet, Nakuru Narok and Nyamira counties. The county has a population of around 758,000 and the county covers approximately 2,500 Km^2. The target population for the study shall comprise of Auditors, sub-county Administrators, Accountants, finance officers and Revenue officers working with County Government of Kericho.

This study used simple random sampling to identify respondents from each category. According to these 125 respondents was used as sample size. For data collection, a standardized questionnaire was designed which guided and enabled the respondents to give simple responses. The questionnaires were categorized into particular sections according to the specific objectives of the study, and were administered to all selected respondents.

The study determined the content validity of instrument by use of experts in Accounting and Finance as well as University supervisors. The constructs in the questionnaire was largely derived from the extensive literature review. Additionally, Cronbach's Alpha reliability coefficient value was calculated to determine how items correlate among themselves. The threshold value acceptable in this study was 0.7 and higher (Fraenkel & Wallen (2000); Mugenda and Mugenda, (2008). The pilot test questionnaire was administered in Bomet County Government, using a sample of 10 respondents and reliability coefficient (alpha) of 0.83 was achieved hence considered acceptable.

It was ascertained that the research tools collected from the participants were appropriately and sufficiently filled before considering them for the study. This ensured that incomplete data are eliminated and outliers are maximized in the final findings. Descriptive and inferential statistics was used to analyze date from the questionnaires collected. Descriptive statistics involved table frequencies, percentages, means and standard deviation. The data then shall be presented using tables.

Ethical consideration is necessary to maintain the integrity of the researcher and for this study, the targeted respondents were assured that participation was voluntary. The assurance that non- disclosure of name was required to ensure confidentiality for the information given in the questionnaires.

RESULTS AND DISCUSSIONS

Response Rate

A response rate of 98.4% was obtained, where 123 out of 125 respondents completely answered the questionnaires. This was sufficient enough for research analysis to be done. According to Mundy (2002) are response rate of 80% is good but 90% and above is excellent for research analysis.

Position in the County Government

The study examined the position of respondents in the county which were represented by sub county administrators, accountant, auditor and revenue officers. The results were presented in a bar chart in figure 2.

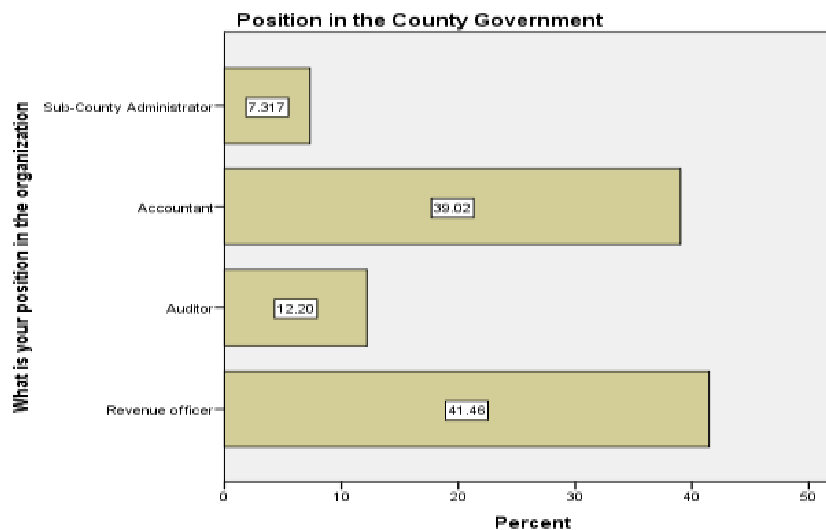

Figure 2: Position of Respondents

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Figure 2 indicated that 41.46% of the respondents were revenue officers, 39.02% accountants, 12.20% auditors and 7.317% sub-county administrators. Those who directly handled collection of revenue which were revenue officers and accountants represented the largest number of employees which were followed by those who audit and manage the finance in the county.

Financial Controls

The descriptive statistics for financial controls were presented in table 1. This was subsequently used to discuss the results in relation to financial sustainability.

Table 1: Financial Controls

	SA	A	N	D	SD	Mean	Std. Deviation
There is frequent and transparent internal audit employed by the county Government	15 12.2%	94 76.4%	13 10.6%	1 0.8%	0 0.0%	4.0000	.51215
The County Government provides updated and transparent financial statements to all stakeholder's accessibility	20 16.3%	53 43.1%	47 38.2%	1 0.8%	2 1.6%	3.7154	.80491
Accounting standards are adopted by all relevant authorities involved in financial report generation of the County Government	21 17.1%	80 65.0%	19 15.4%	3 2.4%	0 0.0%	3.9675	.65205
County Government financial officers deliver precise and timely operating metrics like amount of revenue generated	25 20.3%	65 52.8%	29 23.6%	0 0.0%	4 3.3%	3.8699	.84891
The County Government has effective policies in place guiding on the use of financial resource acquired	25 20.3%	83 67.5%	11 8.9%	4 3.3%	0 0.0%	4.0488	.65102

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The results as presented in table 1 revealed that the county government financial controls ensured that there was frequent and transparent internal audit employed by the county Government (mean of 4.000). This was further revealed by the results where 15 (12.2%) strongly agreed, 94 (76.4%) agreed and 1(10.6%) were neutral. The respondent's variation was low with standard deviation of 0.51215 which implies their similar opinion across the financial officers. Internal audit is crucial in ensuring that the county government was prudent, transparent and accountable in undertaking financial controls.

The County Government provided an updated and transparent financial statement to all stakeholder's accessibility as revealed by 20 (16.3%) who strongly agreed, 53 (43.1%) agreed though 47 (38.2%) were neutral, 1 (0.8%) disagreed and 2(1.6%) strongly disagreed. The overall mean of 3.7154 indicated that the county did updates and transparent financial statement to all stakeholders for accessibility with minimum variation of opinion (standard deviation of 0.80491). Stakeholder's accessibility is crucial in ensuring transparency in financial statement with necessary update for financial control purpose.

There were 80(65.0%) respondents who agreed and 21(17.1%) strongly agreed that accounting standards are adopted by all relevant authorities involved in financial report generation of the County Government. Nevertheless, 19(15.4%) were neutral and 3(2.4%) disagreed. This implied that accounting standard was utilized in financial reporting in the County Government (mean of 3.9675). Similar opinion was held across the different respondents (standard deviation of 0.65205). This indicated that accounting standards was important aspect of financial control in the County Government.

County Government financial officers deliver precise and timely operating metrics like amount of revenue generated as revealed by 25(20.3%) who strongly agreed, 65(52.8%) agreed but 29(23.6%) were neutral and 4(3.3%) strongly disagreed. A mean of 3.8699 showed that most financial officers delivered precise and timely operation to improve on financial controls. A standard deviation of 0.84891 indicated that there was variation of opinion. Precision and timelines ensured revenue collected achieve the amount generated by the county government.

The results indicated that County Government has effective policies in place guiding on the use of financial resource acquired where 25(20.3%) strongly agreed, 83(67.5%) agreed, 11(8.9%) neutral and 4(3.3%) disagreed. A mean of 4.0488 indicated that effective policies in place sufficiently guided that utilization of County Government financial resource. The opinion did not vary so much across the department (standard deviation of 0.65102). Policies remain crucial in financial control for efficient financial resource management.

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Table 2: Correlation of Financial Control and Financial Sustainability

		Financial Sustainability
Financial Control	Pearson Correlation	.486**
	Sig. (2-tailed)	.000
	N	123

Table 2 indicated that there was moderate positive significant relationship with financial sustainability (r=0.486, p<0.000<0.05). This implies that an improvement in financial control led to an increase in financial sustainability.

Table 3: Model Summary for Financial Control and Financial Sustainability

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.486[a]	.236	.234	.41364

a. Predictors: (Constant), Financial Control

Table 3 revealed that there was moderate relationship between financial control and financial sustainability (R=0.486). The results also revealed that 23.6% in variation of financial sustainability is associated with financial control (R Square =0.234). However, 76.7% of the variation is due to other factors.

Table 4: ANOVA for Financial Control and Financial Sustainability

Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	1.846	1	1.846	10.789	.001[b]
	Residual	20.703	121	.171		
	Total	22.549	122			

a. Dependent Variable: Financial Sustainability

b. Predictors: (Constant), Financial Control

ANOVA results revealed that financial control a significant relationship with financial sustainability (P<0.05).

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Table 5: Coefficients for Financial Control and Financial Sustainability

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.683	.341		7.865	.000
	Financial Control	.484	.087	.486	5.585	.001

a. Dependent Variable: Financial Sustainability

The results in table 5 revealed that financial control had positive significant relationship financial sustainability (P<0.05). It was also found that 0.484 unit increase in financial sustainability was associated with unit increase in financial sustainability (Beta=0.484, P<0.05).

Test of hypothesis

H_0 *There is no statistically significant relationship between financial controls and financial sustainability of Kericho County Government.*

The null hypothesis was rejected (Beta=0.484, P<0.05). There was significant relationship between financial controls and financial sustainability of Kericho County Government.

CONCLUSIONS

The results indicated that there was frequent and transparent internal audit in place for financial controls in the County. The results revealed that the County Government were able to provide updated and transparent financial statement which was accessible by all stakeholders. The County Government has implemented an effective policy to guide the use of financial resources. There was use of accounting standards in revenue collection and preparation of financial statement. The financial officers were able to deliver precise and timely in revenue collection. Therefore, financial controls had moderate positive significant relationship with financial sustainability. The results indicated that financial controls had positive significant relationship with financial sustainability in the County.

RECOMMENDATIONS

The study recommends that the county government should enhance the transparency and update financial statement to consultative approach with all stakeholders. Financial controls should involve the public from planning to the use of finance to ensure that right financial resources are well utilized for sustainable project in the community improving of financial

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sustainability. Public participation was one of the weakest financial control measures which should be enforced accounting to existing policies to create inclusivity in resource allocation and utilization.

FURTHER RESEARCH

The study suggests further research to be done on public inclusivity and equitable management of financial resource on financial sustainability in County Government. This is because the main challenge according to this study revolve along lack of equitable and inclusivity in resource allocation, decision making, planning and budgeting as well as monitoring and implementation. This will assist in evaluating financial sustainability of projects undertaken by the County Government.

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