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Is Use of IFMIS in Financial Reporting the Solution to Financial Accountability? Answers from County Governments in Western Kenya

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Abstract

Purpose: The implementation of Integrated Financial Management Information System (IFMIS) is aimed at increasing the effectiveness and efficiency of state financial management and facilitate the adoption of modern public expenditure practices in keeping with international standards and benchmarks. Despite IFMIS being implemented, many county governments' still face accountability challenges. The purpose of this study was to evaluate the influence of financial reporting on financial accountability of county Governments in western Kenya.

Methodology: The study was guided by Agency theory, Accountability theory and Technological Acceptance model. The study adopted correlational research design. Primary data was collected using questionnaires. The study target population was 1110 county staffs comprising of Cabinet executive officers, IFMIS directors, finance staff, revenue officers, planning and procurement staffs. Simple random sampling was used to select 294 respondents. Reliability was tested through Cronbach Alpha, validity was tested through expert analysis and principal component factor analysis. SPSS was used to analyze descriptive and inferential statistics. Descriptive statistics consisted of frequencies. Inferential statistics consisted of Binary logistic regression analysis.

Findings: Cox & Snell R Square was established as 0.699. Wald statistic was significant with p values of 0.00, and 0.022 for financial reporting. Correlation analysis for financial reporting and internal controls was $r = 0.944$. The binary logistic regression coefficient was β of 6.17, p value .000 and $Exp(\beta) = 479.88$ for financial reporting. Data was presented using tables.

Recommendation: It was recommended that implementation of IFMIS should be strengthened and regularly reviewed to identify loop holes that still exist that reduce effectiveness. This would improve fiscal discipline by a very high percentage as shown by the odds ratio of budgetary controls, financial reporting and internal controls which are all greater than one. There will be improved adherence to statutory regulations, unsupported expenditures would reduce and Misappropriations and budget variances will be minimal.

Keywords: *IFMIS, Financial Reporting, Financial Accountability.*

INTRODUCTION

The objective of implementing Integrated Financial Management Information System (IFMIS) is to increase the effectiveness and efficiency of state financial management and facilitate the adoption of modern public expenditure practices in keeping with international standards and benchmarks. IFMIS is a fiscal tool for government that bundles all financial management functions into one suite of applications. It is an Information Technology (IT) based budgeting and accounting system designed to assist the government entities on how to plan budget requests, spend their budgets, manage and report on their financial activities, and deliver services to the public more efficiently, effectively and economically. IFMIS operates on a common structure and platform that will enable improved compatibility and consistency of fiscal and financial information, reduces governments overall investment in the development of expensive accounting, systems in each government entity (The World Bank Group, 2021).

In the Kenya Vision 2030, the Government of Kenya projects that by the year 2030 public service will be "a citizen-focused and results-oriented" institution serving a rapidly growing economy and society. Furthermore, Kenya recognizes that a modern and results-focused public service is a prerequisite for the country's socio-economic transformation as envisaged under Vision 2030. To this end, measures have been initiated in order to improve public service delivery with e-government being one of them. The 2010 constitution sets out the overall guidelines on the management of public resources and provides for enactment of specific legislation to effect the same, Through the Public Finance Management Act 2012 and other Public Finance legislation provisions in the Constitution of Kenya (Government of Kenya, 2018)

IFMIS ensures higher degree of data quality improves workforce performance for improved business results and links planning, policy objectives and budget allocations. Furthermore, IFMIS has not only enhanced financial accountability but also led to efficient allocation of resources and encouraged more transparency but has also led to improved public financial management and ultimately service delivery (Transparency International Kenya, 2014)Despite IFMIS being implemented in county governments and other government agencies since 2014 financial accountability still remains a matter to address (Omirin & Ajayi, 2018). With such misappropriations, the objectives of devolution cannot be fully achieved.

2. LITERATURE REVIEW

2.1 Theoretical Literature

2.2.1 Technological Acceptance Model (TAM)

Technology Acceptance Model was developed by (Davis, 1989).TAM has been widely studied and verified by different studies that examine the individual technology acceptance behavior in different information systems constructs. In TAM model, there are two factors perceived usefulness and perceived ease of use is relevant in computer use behaviors. The theory was relevant to the current study since it will inform the independent variable. IFMIS is a technological model adopted by counties to enhance financial accountability. The theory will assist in understanding the ease with which people accept and adopt technologies and the challengers associated with the adoption of new technology.

2.2.2 Agency Theory

Agency theory was exposited by (Alchian & Demsetz, 1972) and further developed by Jensen and Mackling in 1976. The theory holds that organizations hire another organization to offer a service. Therefore, the theory is built on principal and agent relations. The principal authorizes the other party (agent) to bring on board a particular task on behalf of them which results in agency relationships. This theory was important to the study due to the existence of agency conflict in the counties, the managers may fail to be accountable for the operations which may result in agency problems. Therefore, lack of accountability according to agency theory will lead to reduced funding and hence sustainability of the organizations.

2.2.3 Accountability Theory

This theory was suggested by (Lerner & Tetlock, 1999). Accountability theory defines how the superficial need to shield one's actions to another party makes one to reflect and feel blameable for the process by which decisions and judgments have been reached. In turn, this apparent need to account for a decision-making process and outcome escalates the likelihood that one will reason intensely and systematically about one's routine manners.

Accountability theory was relevant to this study since it will assist in understanding ways through which accountability can be enhanced through IFMIS. The perceived need to account for a decision-making process and outcome increases the likelihood that one will think deeply and systematically about their actions this is, therefore, a virtue that if adopted by managers of counties, then there shall be a high degree of answerability. The expectation of evaluation, awareness of monitoring, and social presence through IFMIS mean that managers of counties are aware that the government will verify their financial statements through external auditing and give audit reports for which lack of accountability will be punishable. The fact that other stakeholders are interested in monitoring financial accountability is the social presence, which enhances transparency and reduces fraud.

2.3 Conceptual Framework

Figure 1, represents the researcher's conceptualized financial use of IFMIS in financial reporting and financial accountability of County governments in Kenya.

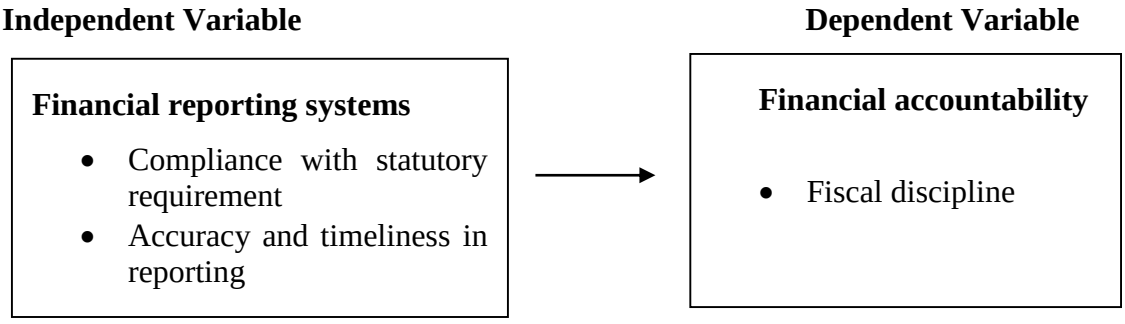

Figure 1: Conceptual framework

2.4 Empirical Literature Review

Omari (2017) sought to assess the effect of IFMIS on financial performance in County Governments of Kenya with a focus on Garissa County. The study employed a descriptive research design. The study collected secondary data. An ordinary regression model was used for analysis. The study findings revealed that IFMIS has a positive and significant effect on financial performance of Garissa County.

Muiruri (2018) set to establish the effect of Integrated Financial Management Information System on the effective management of public funds in County Governments. The study was based on descriptive research design. The population of study comprised of 134 users of IFMIS in Kiambu County Government that is, officers in finance, procurement, accounts and audit. Probability sampling and stratified sampling were used to select a sample of 67 respondents. SPSS was used to analyze data. Quantitative data was analyzed using descriptive statistics. The findings revealed that IFMIS had a positive and significant relationship between invoice processing, funds availability confirmation, transparency and accountability of financial reporting systems in County Governments.

Apiyo (2019) analyzed on implementation of integrated financial management information system and the pending bills of county governments in Kenya. The study employed regression research design. The target population were accountants, Finance and procurement in county governments. Primary data was collected by use of questionnaires while secondary data was collected from past audited reports. Both quantitative and qualitative methods of data analysis were used. Data was analyzed using SPSS and descriptive and inferential were generated. The study revealed that IFMIS had positive and significant effect on management of bills

3. METHODOLOGY

3.1 Research Philosophy

This study was guided by positivism where the phenomena being observed lead to the construction of dependable data. Positivism was appropriate for this study because based on the objectives, the current state or reality of financial accountability in national public secondary schools and how internal control systems may assist in improving it needed to be established.

3.2 Research Design

This study employed correlational research design. This method was found appropriate because it enabled the researcher to establish the strength of the relationship between integrated financial management information system and financial accountability using both qualitative and quantitative data.

3.3 Target Population

The study target population was 1110 county staff comprising of cabinet executive officers, IFMIS Directors, finance staff, revenue officers, planning officers and procurement staff. This target population was most appropriate because they carry out their activities directly by use of IFMIS.

3.4 Research Instruments

The study used both primary and secondary data. Primary data was collected by use of questionnaires. Secondary data will be collected through document analysis from the National Government Treasury, Auditor General's report and from the department of Finance in all the four counties from western Kenya. Primary data gave in-depth information which cannot be obtained from secondary data.

3.5 Pilot Study

In this study, piloting was done in Kisumu County. This is because many fraudulent cases have been witnessed in Kisumu but also being a neighboring county, it shares similar characteristics with counties in western Kenya.

3.6 Reliability of the Research Instruments

The study used Cronbach Alpha coefficient value to establish if the research instruments are reliable. The results indicated in table 1 indicates that data for both the dependent and independent variables was reliable as confirmed by Cronbach's Alpha of 0.908.

Table 1: Reliability statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
.893	.908	40

3.7 Validity of the Research Instruments

The questionnaires were checked for validity through the expert's opinion that is supervisors and other experts from the department to ensure the questions cover the required information and that the statements they contain will address the study intentions. Component analysis was also used to test validity. The results are shown in Table 2 indicates that the questions for both the dependent and independent variable were able to measure what they ought to measure with high degree of accuracy as evidenced by the components of; 0.952, 0.941 for fiscal discipline and financial reporting respectively.

Table 2: Component matrix[a]

	Component
There is Fiscal Discipline	.952
Financial Reporting	.941

Extraction Method: Principal Component Analysis.

3.8 Data Collection Procedure

Questionnaires were administered to employees in each County by use of research assistants. The respondents were given two weeks to fill the questionnaires after which they were collected back by the research assistants. Financial statements were also requested from each county government for analysis.

3.9 Data Analysis and Presentation

SPSS was used to analyze descriptive and inferential statistic. Descriptive statistics comprised of frequencies. Inferential statistics consisted correlation and binary logistic regression analysis. Data was presented using tables.

$$Y = \beta_0 + \beta_1 FR + \varepsilon \quad (1)$$

$\begin{cases} 1 \\ 0 \end{cases}$ 1 if there is fiscal discipline, 0 if there is no fiscal discipline

Where;

Y= Financial accountability (Fiscal Discipline)

FR= Financial reporting

ε = error term

B_o- represents regression constant

β_1 – represents Slope coefficient.

4. RESULTS AND DISCUSSION

4.1 Descriptive Statistics

The first construct of the second objective sought to establish the respondent's opinion on whether IFMIS enhance compliance with statutory requirements. Majority of the respondents 78.8% either agreed or strongly agreed, while 21.2 % were neutral, disagreed or strongly disagreed with the statement. This is an affirmation that if IFMIS is effectively implemented, statutory regulatory requirement would be adhered to by the county government and thus case of misappropriations and misallocation of funds would be minimal. Table 3 depicts the information.

Table 3: IFMIS Enhance Compliance with Statutory Requirement

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	7	2.4	2.4	2.4
	Disagree	21	7.3	7.3	9.7
	Neutral	33	11.5	11.5	21.2
	Agree	85	29.5	29.5	50.7
	Strongly Agree	142	49.3	49.3	100.0
	Total	**288**	**100.0**	**100.0**	

The second question required respondent to give their opinion on whether IFMIS has greatly improved timeliness in reporting in the county government. 25.7% of the respondents strongly agreed, 37.8% of the respondents agreed, 17.7% were neutral, 12.8 disagreed while 5.9% strongly disagreed. This implies that county governments can now prepare financial statements faster than before. Timely reporting enhances scrutiny and identification of any errors, commissions and oversight that may affect the true and fair representation of financial statements. This is shown in table 4.

Table 4: IFMIS and timeliness in reporting

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	17	5.9	5.9	5.9
	Disagree	37	12.8	12.8	18.8
	Neutral	51	17.7	17.7	36.5
	Agree	109	37.8	37.8	74.3
	Strongly agree	74	25.7	25.7	100.0
	Total	**288**	**100.0**	**100.0**	

The results also determined the distribution of the indicator that IFMIS has greatly improved accuracy in reporting in county governments, majority (65.3%) of the respondents agreed or strongly agreed that IFMIS has greatly improved accuracy in reporting in county governments, 15.6% of the respondents were neutral while 19.1% disagreed or strongly disagreed. This imply that through use of IFMIS errors and omissions are greatly reduced in financial reporting. Accuracy in financial statements ensures faithful representation of financial statements thus assuring citizens and the government on the efficient use of resources. These results are shown in table 5.

Table 5: IFMIS has greatly improved accuracy in reporting in your county

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	22	7.6	7.6	7.6
	Disagree	33	11.5	11.5	19.1
	Neutral	45	15.6	15.6	34.7
	Agree	106	36.8	36.8	71.5
	Strongly agree	82	28.5	28.5	100.0
	Total	**288**	**100.0**	**100.0**	

Respondents were also asked their opinion on whether IFMIS facilitate frequent monitoring and regulation of budget. 15.3% either disagreed or strongly disagreed. 16% were neutral while 68.8% either agreed or strongly agreed. These results confirm that IFMIS aids in monitoring and

regulation of budgets this helps in identifying anomalies, errors and omissions that may occur in the said budgets and make necessary corrections. This is shown in Table 6.

Table 6: IFMIS facilitate frequent monitoring and regulation of budget

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	9	3.1	3.1	3.1
	Disagree	35	12.2	12.2	15.3
	Neutral	46	16.0	16.0	31.3
	Agree	114	39.6	39.6	70.8
	Strongly Agree	84	29.2	29.2	100.0
	Total	**288**	**100.0**	**100.0**	

The study also sought what the respondents perceived of the question that IFMIS Enhances faithfulness in presentation of the financial statements, 5.9 % of the respondents strongly disagreed, 21.2% of the respondents disagreed that IFMIS enhances faithfulness of presentation of the financial statements, 21.2% of the respondents were neutral while 67% agreed or strongly agreed. This is a clear indication that if IFMIS is enforce and implemented effectively by county governments, transparency and accountability in this county governments would greatly improve. Thus finances disbursed to these county governments will be used for the intended purpose. Table 7 below depicts the information.

Table 7: IFMIS Enhances Faithfulness in Presentation of the Financial Statement

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	17	5.9	5.9	5.9
	Disagree	17	5.9	5.9	11.8
	Neutral	61	21.2	21.2	33.0
	Agree	101	35.1	35.1	68.1
	Strongly agree	92	31.9	31.9	100.0
	Total	288	100.0	100.0	

Regarding the question of whether measures are in place through IFMIS to detect any error in financial reporting, Majority (62.2%) of the respondents either agreed or strongly agreed while 37.8% of the respondents were neutral, disagreed or strongly disagreed. these results imply that to a large extent IFMIS can assist in detecting errors in financial reporting. This further means that

errors, omissions and fraud can easily be detected and thus necessary action taken against the perpetuators. Table 8 shows this results.

Table 8: Measures are in place through to Detect Errors in Financial Reporting

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	13	4.5	4.5	4.5
	Disagree	48	16.7	16.7	21.2
	Neutral	48	16.7	16.7	37.8
	Agree	99	34.4	34.4	72.2
	Strongly Agree	80	27.8	27.8	100.0
	Total	**288**	**100.0**	**100.0**	

Another indicator of the financial reporting sought to find out the perception of the respondents that compliance with statutory requirement through IFMIS enhances financial accountability. 68% of the respondents agreed or strongly agreed that that compliance with statutory requirement through IFMIS enhances financial accountability. 32% of the respondents were neutral, disagreed or strongly disagreed. This imply that IFMIS improves transparency, accountability and hence fiscal discipline. However, there seems to be some loose ends towards this course that makes IFMIS not 100% effective thus such loose ends should be tightened. Table 9 gives the results.

Table 9: Compliance with statutory requirement and financial accountability

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	9	3.1	3.1	3.1
	Disagree	36	12.5	12.5	15.6
	Neutral	47	16.3	16.3	31.9
	Agree	100	34.7	34.7	66.7
	Strongly Agree	96	33.3	33.3	100.0
	Total	**288**	**100.0**	**100.0**	

Another question sought to establish whether accuracy in reporting in county governments enhances financial accountability. 4.9% of the respondents strongly disagreed while 29.9% of the respondents were either neutral or disagreed. Majority of the respondents (65.3%) agreed or

strongly agreed. From this results it can be concluded that if financial statements are prepared accurately and mistakes and errors eliminated financial accountability would be enhanced since this will be a true and fair reflection of the county government expenditure and revenues. Table 10 shows this results.

Table 10: Accuracy in reporting enhances financial accountability

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	14	4.9	4.9	4.9
	Disagree	36	12.5	12.5	17.4
	Neutral	50	17.4	17.4	34.7
	Agree	104	36.1	36.1	70.8
	Strongly Agree	84	29.2	29.2	100.0
	Total	**288**	**100.0**	**100.0**	

The respondents were also asked whether faithful representations of the financial statements enhance financial accountability. The majority (65.0%) of the respondents agreed or strongly agreed while 35% of the respondents were neutral, disagreed or strongly disagreed. This results are a clear indication that if financial statements are presented in a way that reflects a true and fair view of the county government, fiscal discipline and by extension financial accountability would improve greatly. This is as shown in table 11.

Table 11: Faithful representations of enhances financial accountability

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	20	6.9	6.9	6.9
	Disagree	29	10.1	10.1	17.0
	Neutral	52	18.1	18.1	35.1
	Agree	107	37.2	37.2	72.2
	Strongly Agree	80	27.8	27.8	100.0
	Total	**288**	**100.0**	**100.0**	

On the dependent variable, respondents were asked a general question on whether there is fiscal discipline in county governments. The majority (51.0%) of the gave a “No’ answer while “49.0%

of the respondents gave "Yes" answer this imply that in more than half of the counties in western Kenya lack fiscal discipline and by extension financial accountability. This lack of fiscal discipline may lead to unsupported expenditures, budget variances and failure to adhere to statutory regulations. This may be the reason why many of the county governments have qualified audit reports. This is depicted in table 12.

Table 12: There is Fiscal Discipline

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	147	51.0	51.0	51.0
	Yes	141	49.0	49.0	100.0
	Total	**288**	**100.0**	**100.0**	

4.2 Inferential Statistics

Inferential statistics consisted of correlation and binary logistic regression analysis. Correlation analysis was done to estimate the degree and the nature of association between the independent and dependent variable. Binary logistic regression analysis was most appropriate because the dependent variable was categorical in the form of "Yes" if there is fiscal discipline and" No" if there is no fiscal discipline.

4. 2.1 Correlation analysis

To assess the strength of the association between the study variables, Pearson's correlation coefficients were generated for each pair of variables. In this study, the correlation coefficients were tested at the 5% significance level of significance based on a 2-tailed test. The rejection criterion was thus based on a p-value of 0.025 above which the association is deemed to be insignificant and vice versa. Table 13 show that the correlation coefficient shows positive significant association between fiscal discipline and the independent variable; financial reporting and internal controls with ***r*= 0.9440** p value which is significant.

Table 13: Pearson's correlations

	Fiscal Discipline	Financial Reporting
Fiscal Discipline	1	.944**
	(.000)	(.000)
Financial Reporting	.944**	1
	(.000)	(.000)

4.2.2 Binary Logistic Regression

Omnibus test of goodness of fit was run to determine whether the model on financial reporting and financial accountability exhibit good fit to the data with a null hypothesis that the model does not exhibit good fit to the data. The chi-square test results indicate that the model exhibits good fit to the data since it had a p value 0.000<0.05. This imply that inclusion of new variables would not make the model better. Thus the null hypothesis that the model does not exhibit good fit to the data was rejected. The results are shown in table 14.

Table 14: Omnibus tests of model coefficients financial reporting

		Chi-square	df	Sig.
Step 1	Step	60.366	9	.000
	Block	60.366	9	.000
	Model	60.366	9	.000

The model summary as evidenced by Cox & Snell R Square shows that financial reporting explains 18.9 % of the change in financial accountability. Table 15 depicts the results.

Table 15: Model summary financial reporting and fiscal discipline

Step	-2 Log likelihood	Cox & Snell R Square
1	338.539[a]	.189

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Based on the constructs used to measure financial reporting; reporting compliance, adherence to statutory regulations, enhanced reporting, and financial accuracy significantly contributed to the model with p values of 0.01, 0.017, 0.005 and 0.004 respectively. Evaluation of variances, budget planning, vote heads, stakeholder involvement, budget regulations and budget evaluations did not contribute to the model depicted by p values of more than 0.5 as shown in Table 16.

Table 16: Variables in the equation Financial Reporting and Fiscal Discipline

		β	S.E.	Wald	Sig.	Exp(β)
Step 1[a]	Compliance	.504	.149	11.422	.001	1.655
	Timeliness	.048	.140	.116	.734	1.049
	Accuracy	.014	.125	.013	.908	1.015
	Frequent	.007	.140	.003	.957	1.007

Faithful	-.082	.138	.355	.551	.921
Measures	.055	.116	.220	.639	1.056
Statutory	.325	.136	5.716	.017	1.384
Enhanced	.397	.140	8.021	.005	1.487
Financial	.331	.115	8.216	.004	1.392
Constant	-6.230	1.038	36.034	.000	.002

Table 16 depicts a Constant of -6.230 p value 0.000 meaning that when IFMIS is not used in financial reporting, the log likely hood that fiscal discipline will reduce is -6.230. Exp (β) .002= imply that the odds/likely hood that fiscal discipline will reduce when IFMIS is not used in financial reporting is .002 times with a probability of 0.001. It can also be deduced from the table that the log likely hood of fiscal discipline improving when there is reporting compliance is 0. 504. The odds/likelihood that fiscal discipline will improve when there is reporting compliance is 1.67. Further, when there is reporting compliance, the probability that fiscal discipline will improve is 0.63. β = 0.325and Exp (β) 1.38 imply that the log likely hood of fiscal discipline improving is 0.325 in county governments where there is compliance with statutory regulations, the likelihood that fiscal discipline will improve is 1.38 times in county governments where there is adherence to statutory regulations with a probability of 0.58.

From the results it can also be noted that, the log likely hood of fiscal discipline improving when there is enhanced reporting is 0.397. The odds/likelihood that fiscal discipline will improve is 1.48 times when there is enhanced financial reporting in county governments. Additionally, the probability that fiscal discipline will improve when there is enhanced financial reporting in county governments is 0.60. β = 0.331 and Exp (β) 1.39 imply that the log likely hood of improvement in fiscal discipline when there is financial accuracy through use of IFMIS is 0.331 while the odds/likelihood is 1.39 times more likely and the probability that fiscal discipline will improve is 0.57 where there is financial accuracy through use of IFMIS.

Classification Table was generated to estimate the percentage accuracy in classification the percentage of cases that can be correctly classified as "no" there is no fiscal discipline and “yes” there is fiscal discipline with the independent variables added. The cut value is .500". This means that if the probability of a case being classified into there is fiscal discipline "yes" category is greater than .500, then that particular case is classified into the "yes" category. Otherwise, the case is classified as there is no fiscal discipline ("no" category).

The table also shows sensitivity, which is the percentage of cases that had the observed characteristic (i.e., "yes" for there is fiscal discipline) which were correctly predicted by the model (true yes) this was established to be 132 out of 135 which is an average of 97.8% accuracy with only 2.2 % “yes” being predicted as “no”. The study also illustrate specificity, which is the percentage of cases that did not have the observed characteristic (i.e., "no" for no fiscal discipline) and were also correctly predicted as not having the observed characteristic (true no). This was established to be 148 out of 153 this is an average of 96.7 % with only 3.3% of cases where there

is no fiscal discipline being predicted as having fiscal discipline. The overall accuracy of the model prediction stood at 97.2% which shows high degree of accuracy in prediction of the dependent variables by the independent variables. This results are as shown in Table 17.

Table 17: Classification table[a]

Observed			Predicted		
			There is Fiscal Discipline		Percentage Correct
			No	Yes	
Step 1	There is Fiscal Discipline	No	148	5	96.7
		Yes	3	132	97.8
	Overall Percentage				97.2

a. The cut value is .500

Based on the constructs used to measure financial reporting (FR), the results indicate that the odds that fiscal discipline will improve is 479.88 times more likely in counties where there is use of IFMIS in financial reporting. The results are as shown in Table 18.

Table 18: Variables in the equation financial reporting and fiscal discipline

	β	S.E.	Wald	Df	Sig.	Exp(B)
FR	6.174	.886	48.515	1	.000	479.878
Constant	-5.819	.996	34.149	1	.000	.003

a. Variable(s) entered on step 1: BC, FR, and ICS.

From the results in table 18, an overall logistic regression equation 4.1 below was extracted.

$$Y = -5.819 + 6.714\,FR \quad \text{..... (2)}$$

$$\mathbf{Y}= \begin{cases} 1 \\ 0 \end{cases}$$ 1 if there is fiscal discipline, 0 if there is no fiscal discipline

The results above indicate *C=-5.819* p value .000 < 0.05 which is significant. This implies in the absence of use of IFMIS in financial reporting, the Log likelihood of fiscal discipline decreasing will be 5.819, the odds/likelihood of fiscal discipline decreasing will be 0.003 times and the probability of fiscal discipline decreasing will be 0.0029.

The results also indicate *B* of 6.17, p value .000 < 0.05 which is significant. This implies that the Log likelihood that fiscal discipline will improve when IFMIS is used in financial reporting is 6.17. *Exp (β)* of 479.88 imply that the odds/likelihood that fiscal discipline will improve is 479.88 times more likely in county governments where there is effective use of IFMIS in financial reporting than in county governments that do not effectively use IFMIS in financial reporting with a probability of 0.99. Thus, the null hypothesis that financial reporting has no significant influence on financial accountability was rejected. These results are in line with Omari, (2017), Muiruri (2018) and Apiyo (2019) who established a positive and significant relationship between use of IFMIS in financial reporting and financial accountability in county governments.

4.3 CONCLUSION

Financial reporting had Pearson's correlation coefficient of r = 0.944, p value 0.000< .005 which is therefore significant at 5% level of significance. The correlation analysis results show a significant positive association between financial reporting and fiscal discipline which was used to measure financial accountability. The binary logistic regression coefficient was β of 6.17, p value .000 which is significant and *Exp (β)* or odds ratio of 479.88. This imply that the odds that fiscal discipline will improve is 479.88 times more likely in county governments where there is use of IFMIS in financial reporting than those that do not use of IFMIS in financial reporting. It was therefore concluded that financial reporting has positive significant influence on financial accountability.

4.4 RECOMMENDATIONS

The management of county governments should effectively use IFMIS in financial reporting as this will improve timeliness in reporting, adherence to statutory regulations and prevention of errors and omissions. Accuracy in financial statements will ensure faithful representation of financial statements thus assuring citizens and the government on the efficient use of resources. The government should look for loop holes that still make use of IFMIS in financial reporting not to be 100% effective and seal them foe efficiency and effectiveness of IFMIS. This would greatly improve fiscal discipline and hence financial accountability.

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