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**INTEGRATED FINANCIAL MANAGEMENT INFORMATION SYSTEM AND  
FINANCIAL ACCOUNTABILITY AMONG GOVERNMENT AGENCIES IN  
KENYA: THE MODERATING ROLE OF IPSAS ACCOUNTING STANDARDS**

**EDDAH WAIHIGA MAINA(MBA/148822/22)**



**A RESEARCH DISSERTATION SUBMITTED IN PARTIAL FULFILMENT  
FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS  
ADMINISTRATION OF STRATHMORE UNIVERSITY**

**STRATHMORE BUSINESS SCHOOL,  
STRATHMORE UNIVERSITY,  
NAIROBI, KENYA.**

**MAY 202**

## DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the dissertation contains no material previously published or written by another person except where due reference is made in the dissertation itself.

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Eddah Waihiga Maina

### Approval

The dissertation of Eddah Waihiga Maina was approved by the following:

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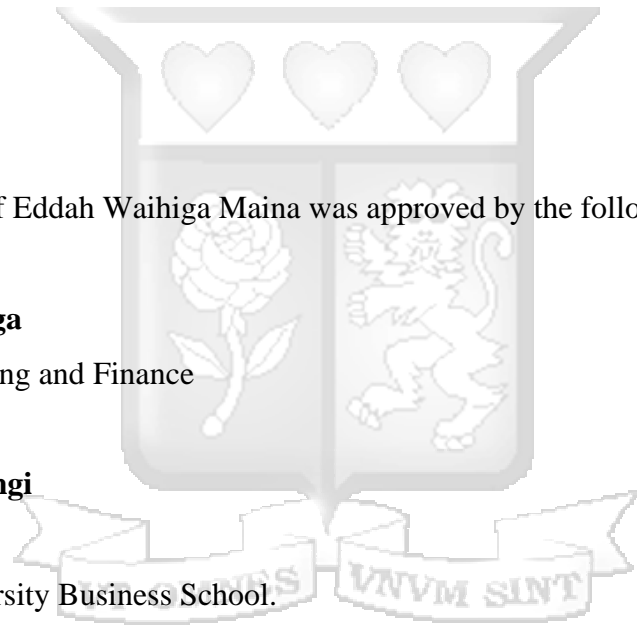
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## ABSTRACT

Corporate accounting scandals and financial scandals in the public sector have become more prevalent in Kenya in recent years, according to reports from governance institutions like the Office of the Auditor General, Controller of Budgets, and Ethics and Anticorruption Commission. IFMIS was expected to reduce such incidences by enhancing financial accountability. The main aim of this research proposal is to assess the effect of IFMIS on financial accountability among government agencies in Kenya. The specific objectives of the study were to; analyse the effect of IFMIS electronic procurement on financial accountability, to establish the effect of IFMIS budgeting on financial accountability to assess the effect of IFMIS financial reporting on financial accountability, and to assess the moderating effect of IPSAS on financial accountability in the public sector. The research adopted the agency theory, institutional theory, and the technology acceptance model. A descriptive research design was used in this research. The study population was the 401 government agencies in Kenya. The unit of observation was the head of internal audit in each government agency. The study utilized primary data collected using a questionnaire. Descriptive and inferential statistics were used to analyze the acquired data after it has been converted into a quantitative format. Mean and standard deviation will be included in the descriptive statistics, while the Pearson correlation and regression analysis was included in the inferential statistics. This study examined the relationship between IFMIS procurement, IFMIS budgeting, IFMIS financial reporting, IPSAS accounting standards, and financial accountability in Kenya's public sector. Further, the IPSAS accounting Standards were introduced as a moderating variable in the study. The study findings revealed significant positive correlations between the three independent variables and financial accountability. The regression analysis established a significant positive causal relationship between IFMIS electronic procurement and financial accountability, a significant positive relationship between IFMIS budgeting and financial accountability, and a significant positive relationship between IFMIS financial reporting and financial accountability. Further, IPSAS accounting standards were found to enhance the relationship between the IFMIS elements and financial accountability. This was indicated by an increase in the explanatory power of the model after accounting for the moderation effect, showing that the IPSAS accounting standards enhance this relationship. These results suggest that effective adoption and implementation of these systems significantly improve transparency, accountability, and overall public financial management. The study concluded that IFMIS and IPSAS accounting standards play critical roles in enhancing financial accountability within Kenya's public sector. It recommended capacity-building initiatives to improve user proficiency, regular system audits, and stricter adherence to IPSAS standards. Additionally, harmonizing regulatory frameworks and fostering transparency through open data initiatives were suggested to enhance system effectiveness. For future research, the study recommended investigating other financial management tools, analyzing contextual factors influencing system effectiveness, and employing mixed methods to capture diverse perspectives on financial accountability.

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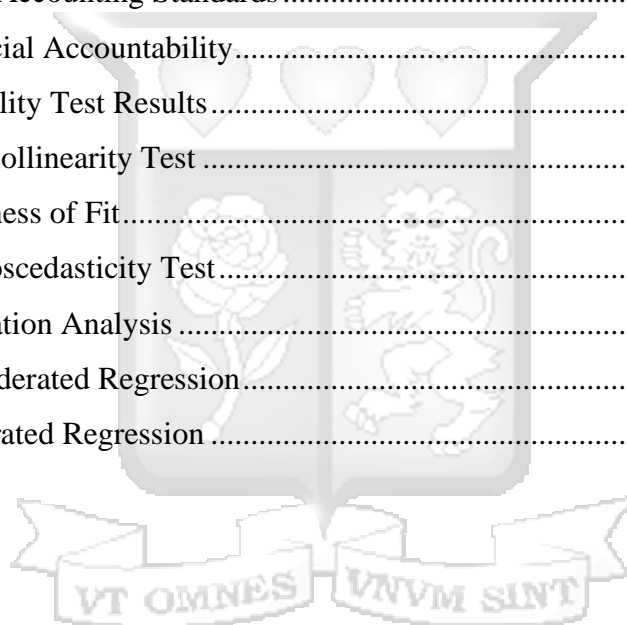
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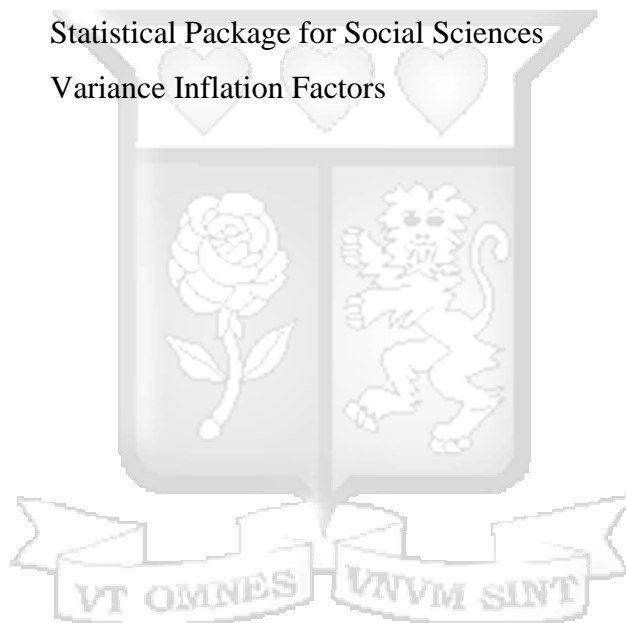
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## LIST OF ABBREVIATIONS AND ACRONYMS

<b>CEO</b>	Chief Executive Office
<b>ERP</b>	Enterprise Resource Planning
<b>ICT</b>	Information and Communication Technology
<b>IFMIS</b>	Integrated Financial Management Information System
<b>IPPAR</b>	Institute of Public Policy Analysis and Research
<b>KEMSA</b>	Kenya Medical Supplies Agency
<b>NACOSTI</b>	National Commission for Science, Technology & Innovation
<b>NLC</b>	National Land Commission
<b>NSSF</b>	National Social Security Fund
<b>SPSS</b>	Statistical Package for Social Sciences
<b>VIF</b>	Variance Inflation Factors



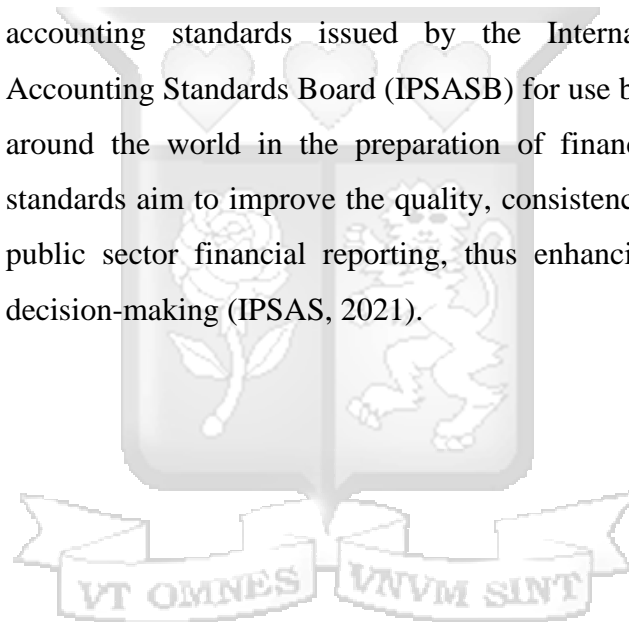
## OPERATIONAL DEFINITION OF KEY TERMS

Budgeting	Budgeting is the process of assigning assets and resources to a project, or just a strategy for allocating funds and other resources. The budget, or spending plan, directs the company toward accomplishing its goals. (Oyebode, 2018). In this study, it is the provision of planning on how financial resources allocated to government agencies are sourced, budgeted, planned and utilized using IFMIS with aim of enhancing financial accountability.
Financial accountability	is the avoidance of fraud and prudent handling of money, which ensures that funds are used and documented as agreed upon and in accordance with applicable regulations, and that timely and correct reports are sent to stakeholders (Koh & Woo, 2018). In this study, financial accountability will be operationalized as the proper utilization of public funds, efficient service delivery, improved revenue collection and adequate funding for essential services.
Financial reporting	is the dissemination of data regarding an organization's financial status, including claims made against the reporting body and the entity's financial resources (Dennis, 2018). The impact of transactions and other events that alter the financial resources and claims of a reporting business are detailed in financial reports. In this study, it is the provision of financial information and data regarding the wellbeing and transactions made by government agencies using IFMIS with aim of enhancing financial accountability.
Government agency	government agency is a permanent or semi-permanent organization owned by a state or government with mandate of carrying out specified government functions (National Treasury & Planning 2019). Government agencies in this research are state organizations created for the aim of providing public services in Kenya and incorporated outside of the main civil service.
IFMIS electronic procurement	is the process of requisitioning, ordering and purchasing goods and services online (Nandankar & Sachan, 2020). In this study, it is the use of electronic devices, digital platforms to advise for procurement, place

order, to the tendering and select the most qualified bidder among the government agencies.

**Integrated Financial Management Information System** Is the use of information systems to facilitate the management of information systems under the control of other bodies in accordance with the principles of interoperability, enabling them to collaborate, as well as the integration of central systems created for the execution of financial transactions within the body of the central government (Selimoğlu et al., 2022). In this study, Integrated Financial Management Information System was operationalized to include IFMIS electronic procurement, IFMIS budgeting and IFMIS financial reporting.

**IPSAS accounting Standards** International Public Sector Accounting Standards (IPSAS) are a set of accounting standards issued by the International Public Sector Accounting Standards Board (IPSASB) for use by public sector entities around the world in the preparation of financial statements. These standards aim to improve the quality, consistency, and transparency of public sector financial reporting, thus enhancing accountability and decision-making (IPSAS, 2021).



## DEDICATION

I wish to dedicate this thesis to my beloved family members who have always supported and motivated me in my studies.



## ACKNOWLEDGMENTS

This research proposal has been possible because of the tremendous support from my supervisor who guided me, advised me and supported me throughout this journey. I would also like to thank my family, friends for all the encouragement and the support that they have given me. Finally, I am grateful to Strathmore University for the opportunity to pursue master's programme in their university.



# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Effective and equitable public service delivery, the decrease of poverty, and economic growth are all linked to a strong public financial management system, which also helps to improve accountability and transparency in governance (Patel et al., 2022). The Integrated Financial Management Information System (IFMIS) has a significant impact on fraud investigation, as Izang et al. (2022) have demonstrated. An effective IFMIS implementation will produce timely, relevant, and reliable financial data, supporting resource allocation, promoting fiscal responsibility, and boosting operational and financial accountability. Organizations are continuously adopting the use of information communication technology in managing resources due to expected accruing benefits, including transparency, efficiency, and effectiveness (Momani & Jamous, 2017).

Governments around the world have been implementing changes within the public sector to streamline the management of public resources and also to streamline service delivery. This has been mainly influenced by two major reasons that is that the public sector has been primarily classified on wrong principles, inefficiencies, corruption and wastage of public funds and resources hence the call for institutional renewal and reinvention. On the other hand, the urgent need for reforms in major governments has been to enhance public sector performance, and devolve government activities to the local levels, to separate policy and management and to enhance transparency within governments (Guthrie, Olson, & Christopher, 1999).

Since the early 1980s, the World Bank (WB) has strongly supported the system to help the nations manage their public finances. The Caribbean and Latin America are two of the World Bank's sponsored regions, and they represent the pinnacle of IFMIS adoption and implementation success. In a research done in Europe, Umble, Haft, and Umble (2003) pointed out that the implementation of information systems projects successfully is critical to the success and even survival of modern businesses. According to Mandal and Gunasekaran (2003), this is because IFMIS when used effectively can lead to considerable increases in an organization's productivity and, most of the time, provide businesses with a major competitive edge

Conrad (2013) also noted that IFMIS aims at enhancing services delivery to citizens, businesses, and other stakeholders, and that it encompasses internal and external

dimensions and despite the challenges faced, as noted by Picci (2005), most people would agree that the new information technologies hold vast potentials for improving public administrations, and better administrations in turn would have a positive influence on the economy and on society thereby improving stakeholder confidence. Mullen and Horward (2014) also observed that the rapid diffusion of e-commerce in particular has placed existing norms and moral behaviour under pressure. They however questioned how this would impact the adoption of e-government services such as IFMIS systems by governments arguing that it may end up having a negative impact on service delivery.

According to Jeong and Oh (2019), in a study done in China, by carefully choosing and utilizing money, public financial management helps an institution go in the right path. The author noted that this is because public financial management programs cover activities associated with managing public working capital, accounting, accounting information, risk, and capital budgeting (IMF, 2013). Public institutions can guarantee that interested parties have access to timely reporting through efficient public financial management. Significantly, the development of financial management has brought about automation, effective management and oversight of public resources, improved administration, appropriate norms for financial products, and continuous improvement methodologies (Mburu & Ngahu, 2016).

Regionally, the Republic of Tanzania's IFMIS is regarded as the most successful among Anglophone African states to date, according to Diamond & Khemani (2015). Success was attained using a variety of strategies. A study of the management of public expenditures was conducted, and the procedures influencing the budget's implementation were highlighted. Both the expense control and the chart of accounts were comparatively better. After that, the government created laws, organizational structures, processes, and enabling accounting principles. Strong political backing was obtained for the program, which permeated administration and guaranteed sufficient donor money. The Ministry of Finance, where capacity building was emphasized, served as the foundation for the changes. However, as Safo (2020) points out in Ghana, IFMIS implementation continues to be difficult for developing nations due to the significant financial commitment required for technical efficiency and infrastructural support resources that may be absent in the majority of developing nations.

According to Peterson (2011), as the IFMIS in Ethiopia complied with the well-known catalysts of the public sector reforms strategy, purpose, context, and ownership, it was an

integral part of a significant transformation of PFM to worldwide standards. Furthermore, according to Peterson (2011), Ethiopia's PFM reforms were effective because they created a stable and durable plateau that is pertinent to the local situation rather of aiming for an unnecessary and dangerous summit of the world's best practices. In order to support the government's rapid devolution, the reform effectively implemented a sustain, improve, and acknowledge.

In Kenya, the role of IFMIS in the public sector has been examined in the context of specific county government and ministries. Wainaina (2015), examined the case of the national treasury with the objective of assessing the capacity of the institution in terms of ICT infrastructure, human resource and strategy and established that these three functions determine the effective implementation of IFMIS. Bosire (2016) equally examined IFMIS and financial probity in the ministry of foreign affairs examining its importance in determining the perceived financial probity of civil servants, and its efficiency on service delivery. He established that establishment of the system has improved the financial integrity of civil servants. Lastly, Atemba and Otuya (2017) examined IFMIS implementation among county governments with the objective of determining its efficiency in county government performance and established that it has improved performance even though it has experienced inefficiency in terms of implementation and technical efficiency.

In adding onto the existing literature on IFMIS and public sector performance, this study will seek to examine a different aspect of public sector performance which is on financial accountability. This is conceptually different from the study by (Wainaina (2015 ) which examined implementation efficiency, and Bosire (2016) who examined the humas aspect of IFMIS implementation. In addition, it is contextually different from the study by Atemba and Otuya (2017) who examined it in the context of county governments. This study will examine the existing government agencies determining its role in improving financial accountability

### **1.1.1 Financial Accountability**

Success in any institution is largely dependent on financial accountability. Thus, internal control processes have been used by governments and other public and commercial institutions to regulate the use of funds (Pabustan & Perez, 2020). According to Al-Dmour et al. (2018), the internal control system is the procedure that an organization's

management and other employees use to provide consistent assurance about the achievement of objectives. It is essential for identifying and impeding deceit as well as safeguarding the tangible and intangible assets of the company. The control environment, control activities, risk assessment, information and communication, and monitoring are the internal controls that are employed in public secondary schools (IPPAR, 2019). Since it provides control methods that guarantee effective fund management, the IFMIS system was created with financial accountability in mind (Pabustan & Perez, 2020).

Effective financial accountability may be measured in five ways: clearly defined roles and responsibilities; clearly defined tasks and performance projections of the goals being pursued; appropriately adjusted expectations; and balanced capacity (International Monetary Funds, 2018). The potential for reliable reporting must be balanced with and directly related to the performance prospects. The accounting parties should conduct a reliable review and provide comments on the performance attained. Developing, maintaining, and making relevant and trustworthy financial and non-financial information available, as well as fairly disclosing such information in timely reports to internal and external stakeholders, are the ways by which accountability is achieved. Non-financial data can be related to internal control effectiveness and efficiency as well as the economy, efficiency, and efficacy of strategies and processes (Friedberg & Lutrin, 2020). This study will make use of these five effective financial accountability techniques.

Over the past two decades, governments worldwide have adopted various reforms to strengthen financial accountability, including the implementation of Integrated Financial Management Information Systems (IFMIS) and International Public Sector Accounting Standards (IPSAS) (Alsharari, 2019). These tools are designed to improve transparency, efficiency, and oversight in public finance. However, despite these efforts, financial accountability remains weak or inconsistent in many regions. According to the Open Budget Survey (2023) conducted by the International Budget Partnership, the global average transparency score was 45 out of 100, reflecting limited public access to budget information. Sub-Saharan Africa, in particular, has recorded slow progress, with improvements in technical reporting often undermined by weak institutional enforcement, low citizen participation, and limited legislative oversight.

In Kenya, financial accountability continues to face serious challenges, despite major reforms such as IFMIS rollout and gradual IPSAS adoption. The Office of the Auditor-

General (OAG) consistently reports high levels of unaccounted expenditures. In the 2022/2023 financial year, over KSh 150 billion could not be properly accounted for across various ministries, departments, and agencies. Furthermore, approximately 70% of county governments received either qualified or adverse audit opinions, indicating major gaps in compliance and financial reporting integrity (OAG, 2023). The Controller of Budget (CoB) has also highlighted issues such as budget reallocations without approval, delayed project payments, and low development budget absorption, only 65% at the county level in FY 2021/22 (CoB, 2022). These findings suggest that while systems may be in place, actual accountability outcomes remain weak.

Nonetheless, there have been incremental improvements worth noting. Kenya has performed relatively well in East Africa in terms of fiscal transparency (OAG, 2023). In the Open Budget Index 2023, Kenya scored 50 out of 100, ahead of regional peers like Uganda (44) and Tanzania (33), reflecting better budget documentation and online disclosures (OAG, 2023). Additionally, IPSAS is being rolled out gradually across public sector entities to enhance financial reporting consistency and audit readiness. However, the impact of these initiatives remains limited by gaps in enforcement, capacity, and political will (Ndung'u, & Kosimbei, 2020).

The Integrated Financial Management Information System was implemented in response to the growing loss of public funds, financial fraud, and embezzlement. This was done in an effort to reduce these incidents and improve financial accountability within the public institution. The National and County levels of government utilize the IFMIS with the goal of improving financial reporting, public procurement, and justified planning and implementation. National Treasury and Economic Planning (2021) claim that by making government financial transactions more visible, IFMIS has played a significant role in the responsible and open use of public resources. Additionally, it has enabled data cross-referencing and connection with other government organizations, significantly reducing the likelihood of fraud. The extensive use of IFMIS was expected to promptly provide a range of motivating opportunities like lessening operational ineffectiveness and the risk of fraud and enhance data analysis possibilities that can make financial accountability easier and more effective. However, it is not clear through empirical research how IFMIS has enhanced financial accountability among government agencies in Kenya. There is

therefore a need to investigate the effectiveness of IFMIS in promoting financial accountability.

### **1.1.2 The Integrated Financial Management (IFMIS) System**

The IFMIS system is beneficial because the IFMIS system can communicate real-time financial information, therefore it can limit political discretion and function as a deterrent to fraud and corruption. Additionally, it increases transparency, monitoring, control, and accountability of resources (Belay, 2020). Despite the challenges in implementation and usage, IFMIS has greatly contributed to financial sanity in the public sector and hence needs constant review and enhancements (Momani & Jamous, 2017). The ability of an integrated financial management information system, which comes in various forms and covers budgeting, accounts receivable, accounts payable, cash management, debt, asset and liability management, procurement and purchasing, revenue management, human resource management, and payroll (Odoyo et al., 2014), to function well allows the public sector to manage its operations efficiently.

One major area in which IFMIS was intended to streamline was to increase financial accountability in the public sector. This means that it was meant to increase integrity or financial honesty and limit fraud by ensuring that money is spent and recorded as agreed and according to appropriate rules and that accurate reports are given to stakeholders on time (Koh & Woo, 2018). Financial planning and financial control are the two main components of financial accountability, which is managing an organization's finances to meet its financial goals (Marus et al. 2018). Financial control aims to determine whether the plan put forth meets the goals of the organization in question. Financial planning is a strategy that guarantees there is enough funding available at the right time to meet the needs of the organization for short-, medium-, or long-term capital (Kenyon & Tilton, 2021).

The finance minister of Kenya introduced the Integrated Financial Management Information Systems in 1998; a pilot program aligning the system with ministries began in 2003. All financial transactions by public institutions are expected to be conducted through IFMIS, according to the National Treasury. Graft and fraud are decreased by automating financial and governmental processes, such as creating and carrying out budgets and reporting. Furthermore, the IFMIS is an information system that keeps track of financial transactions and compiles financial data. The system facilitates strategic decision-making, prompt financial reporting, and improved internal control in the public

sector. These features help improve service delivery, confidence in the public finance management system, and equitable economic development through optimal allocation of resources (Izang et al., 2022).

Kenya implemented the IFMIS system in response to a rise in corporate accounting and financial scandals in the public sector, as documented by governance organizations like the Office of the Auditor General, Controller of Budgets, and Ethics and Anticorruption Commission (EACC, 2019). CEOs, directors, board members, heads of departments, and heads of institutions were frequently involved in these crises; they all acted unethically in order to benefit financially (EACC, 2020). These cases include the 1.6 billion in fund losses at the National Social Security Fund (NSSF), the National Lands Commission (NLC) standard gauge rail compensation scandal, and the Kenya Medical Supplies Agency (KEMSA) COVID-19 kits procurement scandal, according to reports from the office of the Director of Public Prosecution (Malalo, 2020).

In a report by KNBS (2022), an estimated Ksh 25 billion were lost in public institutions while Controller of Budget (2022) indicated that public institutions could not explicitly account for the utilization of Ksh35 billion. IFMIS was expected to reduce such incidences by enhancing financial accountability. Cases of wastage of public funds, skewed procurement processes, data manipulations, conflicts of interest, system downturns, cash management issues, errors and frauds, lack of visibility of financial transactions, use of manual systems in some public institutions and delays in generating useful report and in clear formats.

In regard to operationalization, IFMIS has been measured differently by previous researchers. Simiyu and Kaplelach (2018) measured IFMIS in terms of its various modules such as budgeting, accounting, general ledger, accounts receivable and accounts payable and the non-core modules such as asset module, procurement, payroll system, project ledger and budget development. Muwema and Phiri (2020) operationalized IFMIS in terms of IFMIS electronic procurement. Njau and Kinoti (2020) operationalized IFMIS in terms of internal control systems, staff competence in technological usage, budgeting and financial reporting using technological application and systems. The current study operationalized IFMIS as used by Njau and Kinoti (2020) as it captured the main aspects of the system that are likely to impact on financial accountability.

### **1.1.3 The International Public Sector Accounting Standards**

Integrated Financial Management Systems (IFMIS) are widely adopted in public sector institutions to enhance financial planning, control, and reporting (Njau & Kinoti, 2020). However, while IFMIS can automate and streamline financial processes, its effectiveness in improving financial accountability often depends on complementary institutional frameworks, particularly the application of standardized accounting practices. Without consistent and transparent reporting standards, the data generated by IFMIS may not translate into meaningful accountability or comparability across departments or jurisdictions (Adjei-Bamfo et al., 2020).

The International Public Sector Accounting Standards (IPSAS) provide a harmonized framework for public financial reporting and can act as a moderator in the relationship between IFMIS and financial accountability (IFAC, 2021). IPSAS ensures that financial records generated through IFMIS are prepared on an accrual basis, promoting transparency, comparability, and auditability (IFAC, 2021). When IPSAS is applied consistently, it enhances the credibility of financial reports and reduces opportunities for manipulation or misstatement, thereby strengthening the accountability mechanisms tied to IFMIS outputs (Alsharari, 2019).

Moreover, IPSAS can mitigate limitations inherent in IFMIS, such as inconsistent classification of transactions or weak integration between budget execution and reporting (Ndung'u & Kosimbei, 2020). By enforcing uniform accounting principles, IPSAS strengthens the interpretability and integrity of financial data, especially in countries where public sector institutions are still transitioning from cash-based to accrual-based accounting (Adjei-Bamfo et al., 2020). Recent empirical findings support this view, showing that the combination of IPSAS adoption and IFMIS implementation results in significantly better financial oversight and public trust (Hussain, 2022). Therefore, IPSAS plays a critical moderating role in enhancing the impact of IFMIS on financial accountability.

Furthermore, the synergy between IPSAS and IFMIS enhances stakeholder confidence, particularly among donors, taxpayers, and oversight bodies (Adjei-Bamfo et al., 2020). As the demand for fiscal transparency increases, governments that integrate IPSAS into their IFMIS infrastructure are better positioned to meet performance-based budgeting requirements and international reporting obligations. Consequently, IPSAS strengthens

not only the technical quality of financial data but also the institutional trust and credibility of public financial management systems (Onumah et al., 2021).

The justification for using IPSAS as a moderating variable in this study lies in its role as a standardizing and reinforcing mechanism that strengthens the impact of IFMIS on financial accountability (Onumah et al., 2021). While IFMIS enhances automation, data integration, and process efficiency, its success in promoting accountability depends largely on the quality and consistency of the accounting practices it supports (Hussain, 2022). Without uniform accounting standards, IFMIS outputs may remain fragmented or lack comparability, thereby weakening their utility for decision-making and oversight (Adjei-Bamfo et al., 2020). IPSAS provides a structured framework for financial reporting, emphasizing accrual-based accounting, transparency, and audit readiness, which ensures that the financial data produced by IFMIS is credible and interpretable. This moderating role is especially relevant in public sector environments where weak accounting norms or legacy practices may dilute the potential benefits of IFMIS (Onumah et al., 2021).

#### **1.1.4 Government Agencies**

According to RoK (2021), Kenya now has about 401 government agencies as per the National Treasury & Planning (2019). These are state entities formed outside the mainstream civil service established for purposes of public service delivery. The agencies are created to carry out certain strategic government objectives in providing public service, such as policy and regulation (RoK, 2021). As enabling states accomplish the aforementioned objectives, they also significantly contribute to the advancement of public service delivery, social and economic transformation, and the creation of favorable and abundant prospects across a range of jurisdictions (RoK, 2013).

In Kenya, key roles of these agencies as prescribed in the constitution include the effective provision of public services and enhancing economic growth through accountability, transparency, and proper management of resources (Mburu & Ngahu, 2016). The national Treasury has engaged the usage of IFMIS as one of the key strategies in its endeavor to strengthen financial management systems and processes, build the capacity of the management team and promote a culture of integrity (National Treasury & Planning, 2022). The government agencies that are assigned oversight roles expect this IFMIS to provide credible information on time to allow for ease of discharge of the

mandates like auditing, budget controls, and resource allocation. Thus, the public sector expects better services from the Government through technology (Momani & Jamous, 2017). Since public institutions were created to further the social goals of the state, the government funds them and provides board of director training on responsible financial management to help them accomplish this goal. However, according to reports from governance organizations including the Office of the Auditor General, the Controller of Budgets, and the Ethics and Anticorruption Commission, corporate accounting and financial scandals in the public sector have increased (CBK, 2016).

The therefore focused on the Kenyan public sector; this is because like in most nations, the Kenyan public sector is expected to provide goods and services such as health, water, and electricity, even though they frequently suffer enormous losses due to inefficiency in operations (Atieno, 2019). This puts an enormous financial strain on the government, amounting to billions of shillings each year. IFMIS was introduced in Kenya in 2003 and this was meant to automate all government financial transactions to enhance accountability. It is therefore of paramount importance to assess the implications of IFMIS as one of the reform strategies in promoting transparency and financial accountability.

## **1.2 Statement of the Problem**

Financial accountability in public institutions, agencies, and departments is widely recognized as a cornerstone of efficient and effective service delivery. However, in practice, many public sector entities continue to grapple with weak accountability frameworks and poor governance (IMF, 2023). In South and Southeast Asia, for example, corruption and poor governance have significantly undermined service delivery in state organizations (Naher et al., 2020). Similarly, in South Africa, weak procurement practices and systemic corruption have eroded public trust and hindered the realization of good governance (Matebese-Notshulwana, 2021). In Ghana, Resnick (2022) highlighted that compromised ethical standards and weak internal control systems have contributed to the decline in service delivery within public sector organizations.

Kenya is no exception. Public institutions in the country have long been characterized by financial mismanagement, embezzlement, and disregard for core public service ethics such as honesty, responsibility, and accountability. According to PwC (2020), Kenya loses nearly a third of its national budget, approximately \$6 billion annually, to corruption

and economic crimes. The same report indicated that 58% of state organizations had experienced economic crimes in the past two years, higher than the global average of 47%, although down from 75% in 2018. These crimes include bribery, procurement fraud, asset misappropriation, and customer fraud. A similar report by the Ethics and Anti-Corruption Commission (EACC, 2019) reinforces these concerns, underscoring a systemic problem in the management of public resources.

In response to these challenges, the Government of Kenya introduced the Integrated Financial Management Information System (IFMIS) with the objective of improving transparency, control, and financial accountability across public agencies. However, despite its adoption, the empirical evidence on IFMIS's actual impact on financial accountability remains limited and inconclusive. While some studies have explored various aspects of IFMIS, such as its implementation efficiency (Wainaina, 2015), the human and organizational factors influencing its use (Bosire, 2016), and its application within county governments (Atemba & Otuya, 2017)—there remains a clear gap in evaluating its effectiveness in enhancing financial accountability across national government agencies.

Moreover, the existing body of research tends to focus more on institutional or technical factors, often overlooking the perspectives of the system's primary users, government employees who interact with IFMIS daily. This presents a critical knowledge gap, as the success or failure of IFMIS in promoting accountability is heavily influenced by how users interact with, perceive, and implement the system in their routine financial operations (Galgallo, 2021; Izang et al., 2022; Wanyonyi & Theuri, 2021; Noor, 2022). Understanding user experience and behavior is essential to assessing whether IFMIS is achieving its intended goals or merely functioning as a procedural requirement.

This study, therefore, sought to fill this gap by investigating the impact of IFMIS on financial accountability through the lens of its everyday users in government agencies. By adopting a more holistic, user-centered approach, the study aims to provide deeper insights into the practical challenges, successes, and limitations of IFMIS as a tool for promoting accountability in Kenya's public financial management

### **1.3 Objectives of the Study**

This section provides the objectives of the study, that is, both the general and specific objectives.

#### **1.3.1 Broad Objective**

To determine the impact of the integrated financial management information system on financial accountability among government agencies in Kenya

#### **1.3.2 Specific Objectives**

The specific objectives of this study were:

- i. To determine the effect of IFMIS electronic procurement on financial accountability among government agencies in Kenya.
- ii. To assess the effect of IFMIS budgeting on financial accountability among government agencies in Kenya.
- iii. To determine the effect of IFMIS financial reporting on financial accountability among government agencies in Kenya.
- iv. To determine the moderating effect of IPSAS adoption on the financial accountability of government agencies in Kenya.

### **1.4 Research Questions**

The study addressed the following research questions:

- i. What is the effect of IFMIS electronic procurement on financial accountability among government agencies in Kenya?
- ii. What is the effect of IFMIS budgeting on financial accountability among government agencies in Kenya?
- iii. What is the effect of IFMIS financial reporting on financial accountability among government agencies in Kenya?
- iv. What is the moderating role of IPSAS adoption on financial accountability among government agencies in Kenya?

### **1.5 Scope of the Study**

This study focused on the effect of IFMIS on financial accountability among government agencies in Kenya. The study will be limited to the IFMIS electronic procurement, IFMIS budgeting, IFMIS financial reporting. The study was limited in scope to cover the 401 government agencies in Kenya which 200 agencies were sampled in total. The target respondents will be the heads of internal audit. The study adopted a descriptive design

and relied on primary data collected using questionnaires. Data was analysed using both descriptive and inferential statistics. The study data was collected for the period between April and May 2024.

## **1.6 Significance of the Study**

### **1.6.1 Government of Kenya**

The government and other policymakers may find use for the research's conclusions. The government will use the findings as a reference on how to make policies and how IFMIS might enhance accountability in government organizations. The knowledge gaps identified will be highly significant for government policymakers. Without a clear understanding of how IFMIS performs in real-world, day-to-day operations, policymakers may continue to invest in technical upgrades and reforms without addressing the underlying user-related barriers to accountability. By filling these gaps, this study will offer evidence-based insights into whether IFMIS is achieving its intended outcomes or if further policy adjustments are needed.

### **1.6.2 Government state agencies**

For state agencies and public institutions, the knowledge gaps highlight the need for internal reflection and operational review. While many agencies comply with the technical requirements of using IFMIS, there is limited understanding of how effectively the system is being used to promote financial accountability within individual departments. This study's findings will help agencies recognize whether IFMIS is just a formal compliance tool or a functional mechanism for improving transparency, reporting accuracy, and financial control.

Furthermore, insights into the experiences and perceptions of IFMIS users will allow agency leaders to identify practical bottlenecks, such as insufficient training, lack of support, or poor system integration with internal processes. These findings can inform internal audits, staff development programs, and workflow improvements. Most importantly, by understanding the real-life constraints users face, agencies can enhance ownership and accountability at the operational level, ensuring that IFMIS is used not just procedurally, but effectively as a tool for reducing misuse of public funds and improving service delivery outcomes.

### **1.6.3 Researchers**

The identified knowledge gaps are equally valuable to future researchers, as they open up new avenues for empirical inquiry and theoretical development in the field of public financial management. While many studies have examined IFMIS from a system implementation or institutional perspective, few have critically explored its effectiveness in promoting financial accountability through the lived experiences of system users in public institutions. This study, by addressing that gap, will provide a foundation for researchers to build upon, especially in terms of exploring the behavioral, organizational, and technical dynamics that influence the success of digital financial reforms.

Additionally, the study will contribute to the limited empirical literature on the moderating role of IPSAS in strengthening the link between IFMIS and financial accountability, particularly in developing countries like Kenya. Future researchers can use the findings as a benchmark to conduct comparative studies across countries, sectors, or tiers of government (national vs. county) to assess how contextual factors shape financial accountability outcomes. It will also be useful in advancing knowledge in related fields such as public sector ethics, governance, audit effectiveness, and digital finance policy. By addressing these gaps, this study lays a robust groundwork for further scholarly exploration and theory refinement in public sector accountability and reform research.

### **1.7 Chapter Summary**

By introducing IFMIS and its theoretically anticipated relationship with financial accountability, this chapter provided the study's background. The study provided an overview of the issue and the research void found in the literature review. The study's overall goal is emphasized, and this is crucial for the literature review because it communicates the specific goals. The study's importance was highlighted, along with the extent of the investigation and important participants and beneficiaries. A survey of the literature in this field is covered in Chapter Two.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter is organised per sections. Section 2.2 discusses the theoretical framework, sectional 2.3 synthesises the empirical literature to uncover knowledge gaps while section 2.4 summarises the knowledge gaps identified. The chapter proceeds by presenting a conceptual framework in section 2.5, operationalisation of study variables in section 2.6, and ends with a chapter summary in section 2.7.

#### **2.2 Theoretical Framework**

This segment examines the theories that underpin the study of IFMIS and financial accountability. The study reviewed the institutional theory, agency theory and the technology acceptance model. The use of multiple theories is due to complexity of public financial management systems and the multifaceted nature of financial accountability in government institutions which necessitate the use of a multiple theory approach. No single theory can comprehensively explain the technical, behavioural, institutional, and ethical dimensions that influence how tools like IFMIS contribute to accountability.

##### **2.2.1 Institutional Theory**

Numerous academics, such as Meyer and Rowan (1977), DiMaggio and Powell (1983), and DiMaggio and Powell (1991), advanced and discussed institutional theory. A theory on the more robust and profound facets of social structure is called institutional theory. It examines how established structures such as rules, conventions, and routines, become the canonical standards for acceptable social conduct (Meyer & Rowan, 1977; Deephouse & Suchman, 2008). The creation, diffusion, adoption, adaptation, decline, and disuse of these characteristics over time and space are all explained by various aspects of institutional theory (Deephouse & Suchman, 2008). According to DiMaggio and Powell (1991), institutions are social systems that have reached a high level of resilience. Together with related activities and resources, these institutions' cultural-cognitive, normative, and regulative components give social life stability and purpose.

Institutions are passed in the organization in the form of symbols, routines, systems, and artifacts and operate various levels of the organization (Dacin, 1997). It is however, important to note that institutions may be changed to suit the needs of the organization (Lammers et al., 2017). For organizations to survive, they have to abide to norms, rules and beliefs articulated in the institutions theory (Scott, 1995; Puffer & McCarthy, 2015).

The degree to which participants in the organizational field follow the guidelines, customs, and procedures that characterize that domain determines the robustness of the institutional theory. However, organizational domains are increasingly exhibiting a variety of frequently at odds logics. The major limitation of the Institutional Theory is that it puts more emphasis on rules, policies and structures to guide the work behaviour of employees in an organization but do not define the structure on how to enforce them. Furthermore, the institution theory has been criticized for its skewed explanation of only persistence and homogeneity of phenomenon and thus full potentiality of the theory has never been achieved (Goodstein & Scott, 2002).

The institutional theory has been employed by several scholars while studying IFMIS and financial accountability. In Ethiopia, Belay (2020) employed institutional theory while studying the impact of IFMIS on financial accountability in the public Sector and found that IFMIS has had a positive impact on financial accountability in the public sector in Ethiopia by improving budget execution, financial reporting, and internal controls. Likewise, Ullah and Kashif (2018) employed institutional theory to determine the impact of IFMIS on financial reporting quality in Pakistan and found that IFMIS has led to improved financial reporting quality in Pakistan by increasing the accuracy and completeness of financial information. Locally in Kenya, Kabare and Kihara, (2020) used institutional theory in a study on the impact of IFMIS on Financial Management Practices in selected County Governments in Kenya and found that the implementation of an integrated financial management information system in selected county. Similarly, Rotich (2019) employed institutional theory to determine the impact of an IFMIS on public financial management performance in county Governments and found that the implementation of an IFMIS in county governments in Kenya has led to improved public financial management performance by enhancing budget preparation and execution, financial reporting, and internal controls.

Institutional theory is relevant in the functionality of IFMIS in enhancing financial accountability in organisations. According to the institutional theory, any action in an organisation needs to be anchored on appropriate schemas, rules, norms, and routines. The different elements of the institutional theory are what define the course of action of an organization. The normative features, cognitive features and regulative features of the institutional theory are what drive the organization. In this study, the institutional theory anchors the use of IFMIS in internal control, procurement, budgeting and reporting. There

should be rules, guidelines, procedures and policies that guide internal control, procurement, budgeting and reporting by government agencies.

### **2.2.2 Agency Theory**

Jensen and Meckling introduced the Agency Theory in 1976. A distinct division between control and decision management was promoted by agency theory. Strong governance systems are introduced because of the notion, which is based on the inherent conflict of interest between management and owners (Jensen & Meckling, 1976). The theory states that an agency relationship is a legal arrangement in which one or more parties (referred to as the primary) hire another party (referred to as the agent) to carry out specific tasks on their behalf. Jensen and Meckling (1976) agency theory describe an 'agent' as someone who works on behalf of another person. "The problem with the principal-agent relationship is that principals cannot contractually specify what the agent can do in any case (Moenga, 2015). Three factors can exacerbate the problems that arise from the principal-agent relationship: opportunism, sunk costs, and secret facts (Njau & Kinoti, 2020). Hidden information happens when agents have knowledge that the principal does not have and the agent has an opportunity to keep the knowledge hidden from the principal. Agency theory has implications for why corporate governance best practice structures can provide productivity benefits and competitive advantages to organizations, based on the convention that corporate governance is required to ensure agent action is directed towards the principal interests (Aimone & Butera, 2016).

The strength of the agency theory lies in its ability to illustrate the features of the Social Approach, since it shows how decisions that people think are personal to them are actually expressions of their social situation. Despite this, agency theory is not without flaws. The agency theory fails to account for many of the complexities and challenges that agents confront in carrying out the principal's tasks and assignments. Furthermore, the control devices proposed in relation to agency theory are not only costly, but too ineffective economically, since shareholders' interest protection strategies can interfere with the implementation of strategic decisions, restrict collective activities, change investment plans, and neglect other stakeholder interests, resulting in a reduction in their economic value development endeavor (Segrestin & Hatchuel, 2011).

The agency theory has been employed by several scholars while studying IFMIS and financial accountability. In Nigeria, Izang et al. (2022) employed agency theory while

studying IFMIS and fraud investigation in Nigerian public sector and showed that the integrated financial management information system had a significant effect on fraud investigation in Nigerian public sector. Similarly, Opoku-Yeboah et al. (2021) employed agency theory studying the impact of IFMIS on budget execution in Ghana and found that the implementation of IFMIS in Ghana has led to improved budget execution by enhancing budget preparation and execution, financial reporting, and internal controls. Locally in Kenya, Njau and Kinoti (2020) applied agency theory in a study on adoption of IFMIS and performance of national treasury of Kenya and established that IFMIS was significantly embraced in public finance management at the National Treasury, Kenya.

Suitability of agency theory to this research is because it clarifies in what way the management, as the agent, is supposed to fulfill their perfect fiduciary duty of acting in principals' best interests and to prepare and offer principals with financial reports. As a result, agency theory is thought to provide a sound theoretical basis for the research's primary objective, which is the affiliation between IFMIS and financial accountability. The agency costs in this scenario come in the form of the implementation of IFMIS to manage financial resources in the public sector. Additionally, through the implementation of IFMIS in budgeting, procurement and financial reporting, IFMIS limits the agency problem within these functions by reducing the asymmetric information between stakeholders and principals through transparency. The huge expenditure incurred in the public sector to install, operate and maintain the system is expected to yield better services that will lead to transparency, accountability and economic growth. The agency theory anchors the study on IFMIS which is meant to minimize agency costs that arise because of weak internal controls.

### **2.2.3 Technology Acceptance Model**

Technology Acceptance Model (TAM) started by Davis (1989) postulates that the use and acceptance of a particular technology is anchored on the benefits to be derived, alongside ease and use of the technology (Surendran, 2012). In TAM model perceived usefulness and ease determines the desire to use certain system. The ease of use and perceived usefulness are critical features that determines the actual use of the system. According to Venkatesh *et al.* (2012), attitude, usefulness and ease of use of certain technology impact impacts its actual use. Perceived ease of use defines how friendly is a system when using while perceived usefulness outlines the benefits to be accrued from a

system (Davis et al., 1989; Davis, 1993). According to Davis et al. (2020), the technology acceptance theory points out that accepting a digital information system largely depends on apparent easy usage and usefulness.

The TAM model has significant strengths. Numerous empirical studies have found that TAM consistently explains a substantial proportion of the variance in usage intentions and behaviours with a variety of information technologies. TAM is a robust, powerful, and parsimonious model for predicting user acceptance of information technologies (Olushola & Abiola, 2017). TAM has been used in many empirical studies and proven to be of quality and statistically reliable. Nonetheless, the weakness of TAM is that it ignores some important theoretical constructs. Moreover, TAM does not reflect the variety of user task environments and constraints. Critics of this theory argue that this does not fully apply in the public sector because, it is the directives and regulations rather than considering the system's ease of usage and perceived usefulness that are considered. Understanding the Technology Acceptance Theory helps explain, predict, and improve user acceptance of IFMIS in the public sector (Taherdoost, 2018). Factorial research shows that perceived easy usage and significance could be seen as two separate measurements (Marangunić & Granić, 2015).

The TAM has been employed by several scholars while studying IFMIS and financial accountability. In Turkey, Kardeş et al. (2022) used TAM to determine the impact of IFMIS Practices in public finance management performance and found that IFMIS has enhanced prudent financial management. Likewise, Muwema and Phiri (2020) employed TAM to determine the impact of IFMIS on procurement process in public sector in developing countries in Zambia and indicated that IFMIS has not enhanced transparency, reduced financial leakages, enhanced efficiency and speed. Locally in Kenya, Waweru and Ngaba (2019) adapted the TAM in a study on the effectiveness of IFMIS in Selected Government Ministries in Kenya and established that IFMIS enhanced processing of the accounting transactions, procurement process, efficient allocation of resources and budgeting process.

This theory is appropriate for this study since, despite the introduction of IFMIS in the public sector about two decades ago, there is still some form of resistance from the targeted users at all levels in the public sector. When the perceived benefits of using a particular type of technology increase, more users will increase their efforts to use the

system, as indicated in this theory. One can also say that the availability of simple technology and the demands from the general public for information are also greatly contributing to the adoption and usage of new technologies. The IFMIS is a technological application meant to enhance accountability in public fund transactions. It is able to achieve this by streamlining the procurement processes, budgeting processes and also the financial reporting processes within government agencies, thus, the TAM anchors the use of IFMIS to enhance accountability of government agencies through robust electronic procurement processes, budgeting and financial reporting.

### **2.3 Empirical Literature Review**

This section discusses all the relevant empirical literature on the effect of IFMIS on financial accountability. The elements of IFMIS covered in this section are; IFMIS electronic procurement, IFMIS budgeting and IFMIS financial reporting.

#### **2.3.1 IFMIS electronic procurement and Financial Accountability**

Employing literature-based review, Waweru and Ngaba (2019) in a study on the effectiveness of IFMIS in selected government ministries in Kenya established that IFMIS enhanced processing of the procurement processes. The anchoring theories of the study were Technology Acceptance model, Theory of Budgeting and the Cost reduction theory. The study relied solely on empirical literature review. There was no quantitative measurement of the effects of IFMIS an indication of methodological gap. Furthermore, Mbaka and Namada (2019) studying IFMIS and supply chain effectiveness using descriptive research design. Diffusion of innovation theory anchored the study. As per the regression and content analysis, the found that IFMIS had a significant effect on supply chain effectiveness. However, the Focused at impact of IFMIS on supply chain efficiency but did not interrogate its effect on financial accountability presenting conceptual gap. In contrast to the above studies, this study will utilize quantitative data to establish the causal effect of IFMIS and financial accountability and also focus its effect on financial accountability as the response variable.

Mugwe and Ngugi (2018) also did a study on IFMIS and its influence on public procurement performance in Kiambu county government, Kenya. This study adopted a descriptive research design. The core theories that anchored the study included Diffusion of innovation theory, Information Systems Success Model, E-Technology Perspective Theory, and Agency Theory. It was found that IFMIS has influence on public

procurement performance in Kiambu county government via IFMIS control systems, online tendering, automated planning and automated supplier engagement. Similarly, Biwott (2019) in a study on IFMIS and its impact on public procurement Performance at national government of Kenya indicated that IFMIS not only increases the efficiency of procurements, but also increases accountability in procurement. The researcher used cross-sectional survey approach in conducting the study where all the ministries at the national government were studied at their national level points. However, the study did not identify the other key aspects of IFMIS in promoting accountability that include IFMIS budgeting and IFMIS financial reporting which will be the focus of this study

In contrast to the above positive findings, a study by Muwema and Phiri (2020) using descriptive survey indicated that IFMIS has not enhanced transparency, and neither has it reduced financial leakages, enhanced efficiency and speeded procurement systems. The study adopted Technology Acceptance Model. These findings present an empirical gap which needs to be explored further because other scholars have argued that IFMIS has enhanced transparency and reduced financial leakage for instance Biwott (2019).

Adopting descriptive research design, Tum (2022) did a study on the effect of integrated financial management information system on the quality of financial reports of government institutions in Kenya. The primary data was collected through the use of questionnaires and then the data was analyzed using multiple regression model. The study established that electronic procurement and automated financial reporting positively and insignificantly influences the quality of financial reporting among the government institutions in Kenya. Similarly, Ngala and Musau (2022) did a study on integrated financial management information system and quality of financial reporting in Nairobi city county government, Kenya. Diffusion of Innovation theory, Systems theory and Agency theory supported the study. The study used causal research design targeting 425 individuals working in finance and economic planning department in Nairobi city county government. Primary data collected through questionnaires and secondary data from different financial reports of NCCG were used in the study. The study found that IFMIS procurement positively and significantly affects quality of financial reporting by. Also, Kitewan and Machoka (2021) determined the effect of e-procurement implementation on the performance of devolved system of government in Kenya. Descriptive research design was adopted. The population from which data was collected encompass

employees working in 10 departments from the selected counties (Nairobi county, Kiambu County, Machakos County and Kajiado County). The study concludes that the e-tendering has a positive and significant effect on performance of devolved system of government in Kenya.

Still on IFMIS and procurement, Rotich (2019) examined the impact of IFMIS on public financial management performance of County Governments in Kenya and found that the implementation of an IFMIS led to improved public financial management performance through electronic procurement. The study was anchored by only institutional theory. Though it is suitable in understanding firm values like accountability, it does not anchor technological aspects like IFMIS thus theoretical gap.

Even, though the studies done above have reflected that IFMIS electronic procurement influence procurement performance. The studies however, have not determined the effect of IFMIS electronic procurement on financial accountability. This is an indication that the exact effect of IFMIS electronic procurement on financial accountability has not been fully established by the available literature. Furthermore, some of the studies indicate that IFMIS electronic procurement will not necessarily result to financial accountability (Muwema & Phiri, 2020). This is an indication that IFMIS is not a sufficient condition for enhanced financial accountability in public organisations.

### **2.3.2 IFMIS budgeting and Financial Accountability**

Budgeting is about linking the resources and assets to an activity, or simply a plan to spend resources like money. The spending plan is the budget and this guides the organization towards achieving its objectives (Oyebode, 2018). A good budgeting system is able to balance the income and the expenses. There are several methods of budgeting which different organizations can adopt, the first is the incremental budgeting process where the amounts in the budget plan is increased for the current period, the activity-based budgeting, the value proposition and zero-based where all expenditure is justified and it starts at the zero based.

There are a number of ways in which IFMIS can improve public finance management, but generally IFMIS seek to enhance confidence and credibility of the budget through greater comprehensiveness and transparency of information (Ewetan & Oyewale, 2019). They seek to improve budget planning and execution by providing timely and accurate

data for budget management and decision making (Bosire, 2016). IFMIS allow a more standardized and realistic budget formulation across government, while promoting better control over budget execution through the full integration of budget execution data.

Adopting agency theory, a study by Opoku-Yeboah, et a. (2021) found that the implementation of IFMIS in Ghana has led to improved budget execution through internal controls. However, IFMIS is a technological concept that ought to be anchored on technological theory. In another study, Taremwa and Bakunda (2020) found that the implementation of an IFMIS in the Uganda Revenue Authority led to improved financial management performance by enhancing budget preparation and execution, financial reporting, and internal controls. Nonetheless, the regulatory framework guiding deployment of IFMIS may vary from country to country presenting contextual gap. The proposed study will focus IFMIS application in a different jurisdiction, Kenyan context.

In a survey study by Ullah and Kashif (2018) found that IFMIS resulted to improved financial reporting quality in developing countries by increasing the accuracy and completeness of financial information. The study by employed institutional theory. The study was anchored by only institutional theory. Though it is suitable in understanding firm values like accountability, it does not anchor technological aspects like IFMIS thus presenting theoretical gap that needs further examination. Also, Belay (2020) studying the impact of IFMIS on Financial accountability in the public sector in Ethiopia found that IFMIS has had a positive impact on financial accountability in the public sector in Ethiopia by improving budget execution, financial reporting, and internal controls. He established that the regulatory framework guiding deployment of IFMIS may vary from country to country presenting contextual gap. The proposed study will in contrast assess the effectiveness of IFMIs in enhancing financial accountability among government agencies in Kenya, a contextually different government sector from Ethiopia

Similarly, Naseem (2017) study on the impact of IFMIS on financial accountability in Pakistan found that the implementation of an IFMIS in Pakistan has led to improved financial accountability by enhancing budget preparation. This was a case study, contrasting the current study that it will be across sectional design study presenting methodological gap. Case studies are not reliable in making generalization of study findings over a population. Theoretical gap and also contextual gap. Institutional theory is suitable in understanding firm values like accountability, it does not anchor

technological aspects. Regulatory frameworks and policies guiding IFMIS vary from country to country.

In a case study, Naseem (2017) found that the implementation of IFMIS in Pakistan led to improved financial accountability by enhancing budget preparation and execution, financial reporting, and internal controls. The study identified theoretical gap and also contextual gap. Institutional theory is suitable in understanding firm values like accountability, it does not anchor technological aspects. Regulatory frameworks and policies guiding IFMIS vary from country to country.

Regionally in Africa, Izang, Owolabi and Odunlade (2022) showed that the IFMIS budget preparation module had a significant effect on fraud investigation in Nigerian public sector. Again in Nigeria, Ewetan and Oyewale (2019) using survey interviews found that IFMIS has the potential to enhance financial accountability in the Nigerian public sector by budget preparation and execution. However, the regulatory framework guiding deployment of IFMIS may vary from country to country presenting contextual gap. Yaokumah and Biney (2020) indicated that IFMIS is an effective tool in public financial management though tracked budgeting in Ghana. Nevertheless, the researcher did not dissect the various aspects of IFMIS and how it has enhanced financial accountability.

In a case study in Tanzania, Mugisha (2018) found that the implementation of IFMIS resulted to increased efficiency in the public financial management system in Tanzania via improved budget execution. In Uganda, Kirungi (2018) found that IFMIS has had a positive impact on public financial management in Uganda through proper budget execution. The agency theory explains human actions and not technological processes hence theoretical gap. Moreover, regulatory frameworks and policies guiding IFMIS vary from country to country presenting contextual gap that will be filled by the current study as it will focus on Kenya's public sector.

Locally in Kenya, Wanyonyi and Theuri (2021) found IFMIS to a great extent, is applied in Trans Nzoia County and by aiding proper budgeting. Nonetheless the study does not show the impact of IFMIs budgeting on financial accountability. Furthermore, a study by Kabare and Kihara (2020) found that the implementation of an IFMIS in selected county governments in Kenya led to improved financial management practices by enhancing budget preparation and execution. Simiyu and Kaplelach (2018) found that budgeting

frameworks significantly impacted on the public finance management in Kilifi County, Kenya while Ngugi (2018) found that IFMIS has led to improved public financial management in Kenya by enhancing budget preparation. Only Mbae (2018) found that IFMIS has led to improved financial accountability in public sector organizations in Kenya by enhancing budget preparation and execution.

The studies conducted have revealed positive effect of IFMIS budgeting on public financial management and financial reporting quality (Mugisha, 2018; Ullah & Kashif, 2018; Yaokumah & Biney, 2020; Kabare & Kihara, 2020). Only the studies by (Naseem, 2017; Mbae, 2018; Ewetan & Oyewale, 2019) indicated that IFMIS budgeting has led to improved financial accountability. However, the studies did not elaborate to what extent had IFMIS budgeting enhanced financial accountability. Furthermore, IFMIS is an integrated system combining the functionality of internal controls, e-procurement and IFMIS reporting that these studies did not explore their impact on financial accountability presenting conceptual gap.

### **2.3.3 IFMIS financial reporting and Financial Accountability**

Financial reporting is disclosing of all financial information to all stakeholders, managers and staff on the financial performance of the organization (Al-Dmour, Abbod & Al-Balqa, 2018). The financial report tracks down all information concerning the income and revenues and trails their expenditures in different departments, operations and programs.

In a study by Pabustan and Perez (2020), it was established that the implementation of an IFMIS in local government units (LGUs) in the Philippines resulted to improved financial accountability by enhancing financial reporting. However, the study identified methodological gap. The study relied much on interviews. Quantitative data on IFMIS was no collected and correlated with financial accountability. In contrast, the current study will explore this methodological gap by relying on quantitative insights to further establish the causal effect of IFMIS implementation on financial accountability in Kenya's public sector.

In Ghana, Opoku-Yeboah et al. (2021) found that the implementation of IFMIS in Ghana has led to improved financial reporting. There was a theoretical gap in this study. The study did not anchor the study using a theory underpinning. IFMIS is a technological concept that ought to be anchored on technological theory. Likewise, Yaokumah and

Biney (2020) indicated that IFMIS is an effective tool for financial reporting systems in Ghana but did not indicate its effect on financial accountability. The study by Yaokumah and Biney (2020) did not dissect the various aspects of IFMIS and how it has enhanced financial accountability. Similarly, in a case study, Naseem (2017) found that the implementation of IFMIS in Pakistan led to improved financial accountability by enhancing budget preparation and execution, financial reporting, and internal controls. The study identified theoretical gap and also contextual gap. Institutional theory is suitable in understanding firm values like accountability, it does not anchor technological aspects. Regulatory frameworks and policies guiding IFMIS vary from country to country.

In the Philippines, Pabustan and Perez (2020) found that the implementation of an IFMIS in local government units led to improved financial accountability by enhancing budget preparation and execution, financial reporting, and internal controls. The study had a methodological gap. The study relied much on interviews. Quantitative data on IFMIS was not collected and correlated with financial accountability. The current study will hence explore this methodological gap by relying on quantitative insights on the role played by IFMIS in promoting financial accountability within Kenya's public sector.

In Zimbabwe, Matiru and Chiweshe (2019) found that the implementation of IFMIS in the Zimbabwean public sector has led to improved public financial management by enhancing financial reporting. The study was anchored by only institutional theory. Though it is suitable in understanding firm values like accountability, it does not anchor technological aspects like IFMIS thus theoretical gap. Furthermore, a study by Shonubi and Ojeka (2017), Oladipo and Alade (2019) indicated that the implementation of an IFMIS led to improved performance of public sector organizations in Nigeria by enhancing financial reporting. However, the studies did not show how IFMIS has enhanced financial accountability. Also, in Uganda, Kirungi (2018) found that IFMIS has had a positive impact on public financial management by improving financial reporting. The study was anchored by only institutional theory. Though it is suitable in understanding firm values like accountability, it does not anchor technological aspects like IFMIS thus theoretical gap. Lastly, in Rwanda Gahigiro (2017) indicated that the implementation of IFMIS improved transparency and accountability in government expenditure management by improving financial reporting.

Locally in Kenya, Mbae (2018) established that IFMIS led to improved financial accountability in public sector organizations in Kenya by improving financial reporting. This was a survey study employing institutional theory. Nonetheless, the study relied much on interviews indicating methodological gap. Quantitative data on IFMIS was not collected and correlated with financial accountability. Similarly, Dimba, Iravo and Ysusf (2019) investigated the role of integrated financial management information system on organizational performance, a case study of West Pokot County. This study adopted an explanatory research design with the target population being all West Pokot County government employees involved with IFMIS modules. The study found that the IFMIS system has helped organizational performance to effective and efficiency through financial reporting contributed by 77 percent.

Additionally, Iravonga, Alala, Maingi and Ngala (2023) investigated the effect of Integrated Financial Management Information Reporting System on Financial Management in County Governments, Kenya. The descriptive survey design and the causal research methodology were used for this study. The target population consisted of 302 workers working in the Treasury Department in the county governments of Kakamega, Busia, Vihiga, and Bungoma. The investigation's findings indicated that the IFMIS financial reporting system substantially accounted for the difference in financial management across the County Governments in Western Kenya. The IFMIS financial reporting system had a significance effect on financial management.

Rotich (2019) indicated that the implementation IFMIS in county governments in Kenya has led to improved public financial management performance by enhancing financial reporting. The study by Rotich (2019) was anchored by only institutional theory. Though it is suitable in understanding firm values like accountability, it does not anchor technological aspects like IFMIS thus theoretical gap. A similar assertion was held by Ngugi (2018) that IFMIS has led to improved public financial management in Kenya by through budget proper financial reporting.

Though the above studies indicated that IFMIS financial reporting resulted to improved public financial management, the studies did not narrow to the actual impact on financial accountability. Thus, in terms of gap in analysis, the study did not determine the impact of IFMIS financial reporting and financial accountability. Furthermore, the context of the studies differs in terms of geographical location and regulations guiding the

implementation of IFMIS. This is an indication of contextual gap that the current study intends to fill.

### **2.3.3 Moderating Role of IPSAS Accounting Standards**

Several studies have examined the role of IPSAS in strengthening financial reporting and accountability in the public sector. For instance, Onumah, Osei-Tutu, and Sylvester (2021) conducted a quantitative study across 12 Sub-Saharan African countries to examine the effect of IPSAS adoption on financial reporting quality. Using panel data over a 10-year period, they found that countries implementing IPSAS demonstrated improved transparency and comparability in financial statements. However, the study treated IPSAS as an independent variable and did not explore how it interacts with digital financial management tools such as IFMIS. This omission creates an analytical gap, as the potential moderating effect of IPSAS on the relationship between financial systems and accountability outcomes remains underexplored. The current study addresses this gap by empirically testing IPSAS as a moderator in the IFMIS–financial accountability relationship within Kenyan government agencies.

Alsharari (2019) adopted a qualitative approach to explore the implementation of IPSAS in the Jordanian public sector and its implications for transparency and accountability. Drawing data from document reviews and in-depth interviews, the study concluded that IPSAS can enhance financial reporting but its success depends heavily on contextual factors such as political commitment, organizational culture, and staff capacity. While the study provided rich insights, its qualitative design limited generalizability and did not empirically measure the impact of IPSAS as a moderator. Moreover, the study did not consider how IPSAS compliance might influence the effectiveness of IFMIS. By incorporating IPSAS as a quantitative moderating variable, the current study builds on Alsharari's (2019) work and offers more generalizable conclusions applicable to Kenya's public sector.

Hussain (2022) on the other hand provided one of the few studies that empirically examined the interaction effect of IPSAS and IFMIS on financial accountability. The study used a cross-sectional survey across five African countries and applied regression analysis to assess the relationship. Findings indicated that IPSAS significantly enhances the effectiveness of IFMIS in improving accountability through stronger financial reporting standards and audit trail clarity. Despite this valuable contribution, the study

used aggregated data and did not delve into country-specific institutional or user-level factors. The current study extends this research by focusing exclusively on Kenya and collecting primary data from IFMIS users, allowing for a more contextualized understanding of how IPSAS moderates the digital system-accountability relationship.

In a broader review, Adjei-Bamfo, Malenya, and Osei-Kyei (2020) conducted a systematic literature review to evaluate ICT-enabled public financial management reforms, including IFMIS, across Sub-Saharan Africa. The review concluded that while tools like IFMIS promote financial discipline, their impact on accountability is often limited without supportive legal and institutional frameworks such as IPSAS. However, the review did not empirically examine IPSAS or its interaction with digital systems. It emphasized the need for integrated models that include regulatory factors to better explain accountability outcomes. The current study directly responds to this recommendation by modeling IPSAS as a moderating variable and using statistical techniques to analyze how it shapes the effect of IFMIS on financial accountability in Kenyan government agencies.

While previous studies affirm the importance of IPSAS in enhancing transparency and accountability, most have treated it as a standalone or direct influence rather than a moderating factor. Moreover, many studies are either regional or qualitative, lacking country-specific or statistically grounded insights. This study addresses these gaps by focusing on Kenya, applying a quantitative approach, and examining how IPSAS compliance interacts with IFMIS usage to influence financial accountability from the perspective of system users. This provides both theoretical and practical contributions to the literature on public financial management.

#### **2.4 Summary of Knowledge Gaps**

Despite extensive research on the implementation of Integrated Financial Management Information Systems (IFMIS) in public institutions, many studies have focused broadly on financial management outcomes rather than isolating the direct effect of IFMIS on financial accountability. For example, Wainaina (2015) explored the efficiency of IFMIS implementation but did not assess accountability outcomes as a distinct variable. Similarly, Bosire (2016) concentrated on the human resource aspects of IFMIS adoption, with minimal attention to accountability indicators. This presents an analytical gap, as existing research often assumes a positive relationship between digital systems and accountability without empirically testing this link. This study bridges that gap by

examining whether the use of specific IFMIS modules, such as electronic procurement and financial reporting, results in improved financial accountability across public agencies in Kenya.

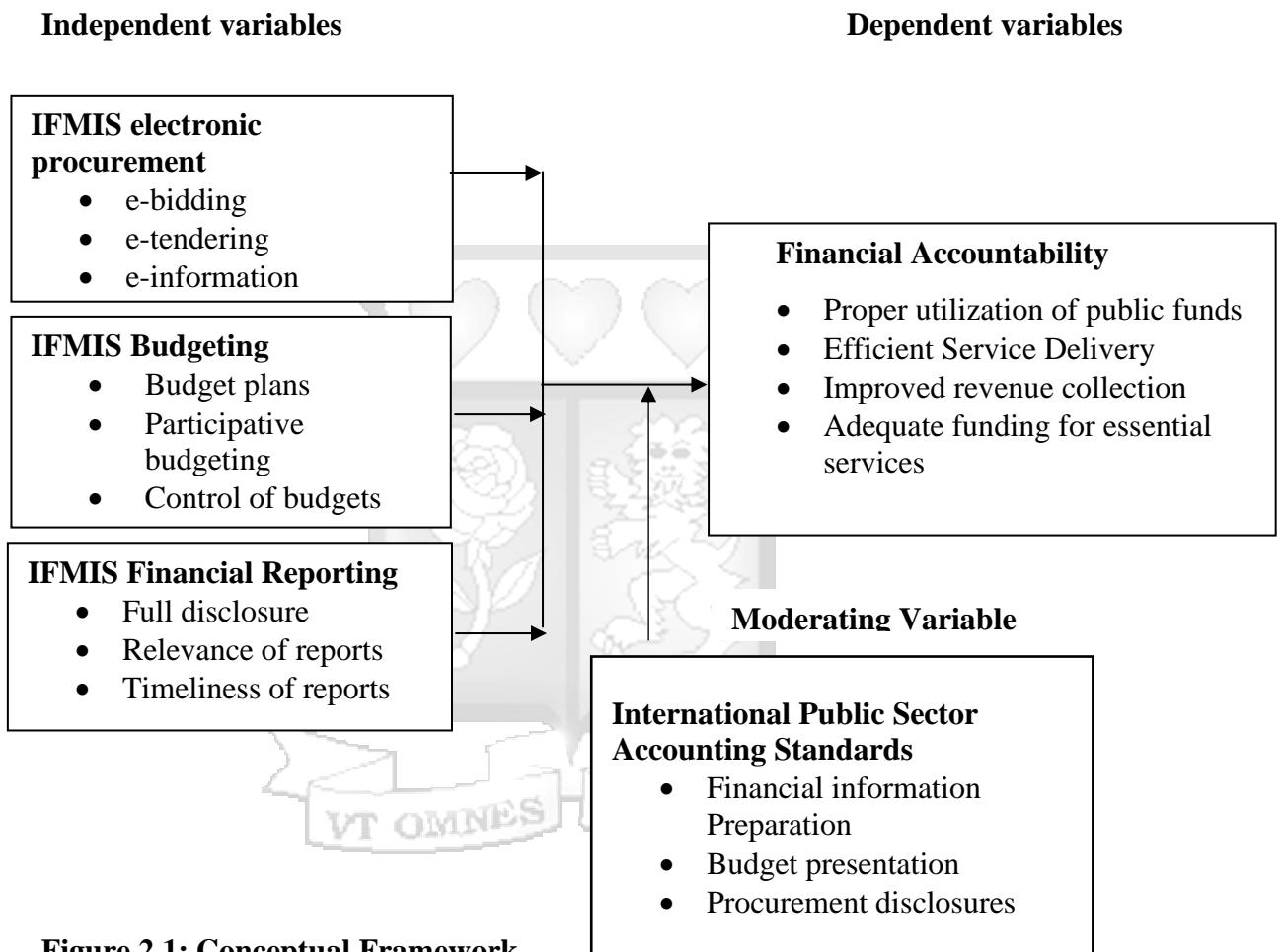
A conceptual gap also arises due to the fragmented nature of existing studies. Most researchers have focused on single components of IFMIS, such as budgeting or procurement (Atemba & Otuya, 2017), rather than evaluating the interconnected, integrated nature of the system. Additionally, moderating variables such as compliance with the International Public Sector Accounting Standards (IPSAS) have been largely overlooked. This is problematic because IPSAS provides a framework for enhancing the consistency, comparability, and transparency of public sector financial reports (IFAC, 2021). By failing to incorporate IPSAS as a moderating factor, previous studies may have overestimated or underestimated the actual effectiveness of IFMIS in achieving financial accountability.

From a methodological standpoint, many earlier studies have relied on qualitative case studies or small-sample interviews, limiting the generalizability of their findings. For instance, studies by Galgallo (2021) and Noor (2022) utilized non-generalizable methods that, while insightful, could not statistically confirm the relationships between IFMIS and accountability outcomes. Furthermore, few studies have used interaction terms or robust regression models to assess the role of moderating variables. This study addresses the methodological gap by adopting a quantitative approach, using structured questionnaires and regression analysis to test hypotheses and explore the moderating effect of IPSAS on the IFMIS–accountability relationship.

Lastly, a significant contextual gap exists. Several studies have been conducted in different African countries such as Uganda, Nigeria, and Ghana (Resnick, 2022; Matebese-Notshulwana, 2021), where institutional frameworks, corruption levels, and digital infrastructure vary considerably. Within Kenya, most studies have emphasized county governments (e.g., Atemba & Otuya, 2017), leaving national government agencies relatively under-researched. This limits the applicability of findings to agencies that operate under different mandates, resource allocations, and oversight mechanisms. This study fills the contextual gap by examining national-level government agencies and including user-level data from those who directly interact with IFMIS systems, offering a comprehensive and contextually grounded understanding of its impact on financial accountability. The gaps are summarized in Appendix I.

## 2.5 Conceptual Framework

The conceptual framework shows the connection between the independent variables; IFMIS electronic procurement, IFMIS budgeting, IFMIS financial reporting; and the dependent variable financial accountability. Further, international public sector accounting standards moderated the effect of IFMIS and financial accountability Figure 2.1 shows the conceptual model.



**Figure 2.1: Conceptual Framework**

Source: Researcher (2023)

## 2.6 Operationalization of Study Variables

This section discusses how the study variables were operationalized. The dependent variable was financial accountability. The independent variables were; IFMIS electronic procurement, IFMIS budgeting and IFMIS financial reporting as indicated in

**Table 2.1: Operationalization of Study Variables**

Variable	Nature of Variable	Operational indicators	Measurement scale	Source
Financial accountability	Dependent Variable	Proper utilization of public funds Efficient Service Delivery Improved revenue collection Adequate funding for essential services	A Likert scale of five will be used with the following variables; 1 – Strongly Disagree, 2 - Disagree, 3 – Neutral 4 – Agree, 5- Strongly Agree	Friedberg & Lutrin (2020)
IFMIS electronic procurement	Independent Variables	e-bidding e-tendering e-information	A Likert scale of five will be used with the following variables; 1 – Strongly Disagree, 2 - Disagree, 3 – Neutral 4 – Agree, 5- Strongly Agree	Mbaka and Namada (2019), Mugwe and Ngugi (2018)
FFMIS Budgeting	Independent Variables	Budget plans Participative budgeting Control of budgets	A Likert scale of five will be used with the following variables; 1 – Strongly Disagree, 2 - Disagree, 3 – Neutral 4 – Agree, 5- Strongly Agree	Naseem (2017), Ullah and Kashif (2018), and Mugisha (2018)
IFMIS Financial reporting	Independent Variables	Full disclosure Relevance of reports Timeliness of reports	A Likert scale of five will be used with the following variables; 1 – Strongly Disagree, 2 - Disagree, 3 – Neutral 4 – Agree, 5- Strongly Agree	Matiru and Chiweshe (2019), Pabustan and Perez (2020) and Yaokumah and Biney (2020)
IPSAS Accounting standards	Moderating Variable	Financial information presentation Budget presentation Procurement process disclosure	A Likert scale of five will be used with the following variables; 1 – Strongly Disagree, 2 - Disagree, 3 – Neutral 4 – Agree, 5- Strongly Agree	Nderitu (2018) and Rugutt et al (2019)

## 2.7 Chapter Summary

This chapter highlights a theoretical and empirical review of the subject matter, that is, IFMIS and financial accountability. It provides an analysis of the topics' key concepts

and highlights the nature of relationships between the two variables. Research gaps have also been addressed, the basis for their research work and how this study will add value to the existing research studies carried out relevant to the subject matter. This is followed by a conceptual framework, which shows how the relationship between IFMIS and financial accountability variables are correlated.



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter is organized in eight sections. Section 3.2 discusses the research philosophy, section 3.3 research design and section 3.4 target population. Under section 3.4, there are subsection capturing sampling procedure. In addition, section 3.5 covers the data collection technique while section 3.6 outlines how data collected was analyzed. Furthermore, section 3.7 presents the research data quality with specific to reliability and validity test of the instrument. The chapter ends with ethical consideration in section 3.8.

#### **3.2 Research Philosophy**

Among the various research approaches that exist; two extreme research philosophies may be distinguished which are namely a phenomenological and a positivistic paradigm. A phenomenological research paradigm or mindset is concerned with understanding human behavior from the researcher's own frame of reference. Researchers using this paradigm essentially focus on the meaning that individuals attach to actual experiences related to a concept or a phenomenon rather than on measuring it (Cooper & Schindler, 2014). This further implies that phenomenologists have to interact personally with the objects (or units of analysis) being investigated. According to this approach the opinions of experts are sought rather than drawing samples from a population (Cresswell & Cresswell, 2017).

Under post-positivism describes an approach to knowledge, but is also implicitly an assessment of the nature of reality (Fox, 2008). As such it is both an epistemological and ontological position. It may be simplistically defined as those approaches that historically succeeded positivism (like, realism), but more rigorously, it may be understood as a critique of positivist epistemology and ontology. Here, the positivist claims concerning both the objective nature of reality and the ability of science to discern that reality are rejected.

This study adopted the positivist research philosophy. Contrary to the philosophical method of interpretivism, where the researcher is subjective, positivism seeks an independent, unconditional and objective viewpoint (Ryan, 2018). Positivist research findings are measurable and observable truths that can be quantified statistically. Positivism is a position in the philosophy of science that emphasises the importance of

observation for the growth of knowledge, and thus considers the measurement of phenomena as central to the development of understanding (Park et al., 2020). In its more sophisticated characterisations, however, it recognises the need for a theoretical framework within which to structure data.

Positivism has been widely applied in the natural sciences, where empirical observation is used to generate theories and models that can be generalised (Ryan, 2018). This approach rejects non-observable (and hence un-testable) sources of knowledge as unscientific. However, positivism can be criticised for ruling out various sources of understanding of the world including those deriving from human experiences, reasoning or interpretation as inappropriate for scientific enquiry (Fox, 2008).

### **3.3 Research Design**

Cooper and Schindler (2014) define a research design as a blueprint or framework for collection, measurement and analysis of data, a plan or procedural outline that enables a researcher obtain answers to research questions. Zikmund (2013) on the other hand define a research design as a logical and systematic plan prepared for directing a research study, it specifies the objectives of the study, the methodology and techniques to be adopted for achieving the objectives.

This study utilized an exploratory research design. This design was appropriate for this study because it sought to investigate a problem that is not yet well understood or fully defined. This design was ideal for generating insights, identifying patterns, and clarifying concepts where existing literature provides limited, fragmented, or inconclusive evidence (Cooper & Schindler, 2014). It allowed the researcher to explore the "how" and "why" behind a phenomenon, which was essential in uncovering the contextual and behavioural factors influencing IFMIS use in public financial management.

### **3.4 Target Population**

Population refers to an aggregate of subjects sharing common or similar characteristics (Cooper & Schindler, 2014). In respect of this study, the 401 government agencies in as per the National Treasury and Planning 2019 formed the study population.

#### **3.4.1 Sampling procedure**

Sampling is process where a portion of target group is selected to represent in a given study (Singh & Masuku, 2014). Sampling is a deliberate selection of several members of

a population drawn for larger population groups that these samples represent. The major criterion used when deciding on the sample size was the extent to which the sample size represents the population.

Stratified random sampling was used to obtain a sample of government agencies who have implemented IFMIS in their operations. After selecting the government agencies that have implemented IFMIS, purposive sampling was employed to select heads of internal audit to be included in the study. Yamane (1967) simplified formula was used to obtain the number of heads of internal audit. This was calculated as shown in the formula.

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = sample size

N = population size

e = the level of precision

1 = Constant

This formula assumes a degree of variability (i.e. proportion) of 0.5, the level of precision of 5% and a confidence level of 95%.

**Sample size for;**  $n = 401 / \{1 + 401 (0.05)^2\}$   
 $= 200.2 = 200$  heads of internal audit  
n = 200 heads of internal audit

### 3.4.2 Unit of Analysis

The unit of observation was the head of internal audit in each government agency as they are expected to have a better understanding on how IFMIS influence financial accountability. Thus, the target population was 401 heads of internal audit in the 401 government agencies studied.

### 3.5 Data Collection Technique

The process of collecting relevant information of the variables of interest in a defined and systematic manner, which allows the researcher to address the research question as well as test hypotheses is what is referred to as data collection (Cresswell & Cresswell, 2017). The type of data that was collected normally dictated the research instrument used. In this

case, primary data, and therefore a questionnaire was used in collecting the data from the respondents. The primary data was important in addressing the real condition of the association amongst dependent and independent variables. The justification for using questionnaire is because it is an easy way of acquiring information in a limited time period as well as it is cost effective. The questions were designed to be closed ended with one open ended question. Closed-ended questions are questions that can only be answered by selecting for a limited number of options (Cooper & Schindler, 2014). Closed-ended questions allowed the researcher to derive specific answers.

The questionnaire was divided into six sections, namely demographic information, IFMIS electronic procurement, IFMIS budgeting, IFMIS financial reporting and financial accountability among government agencies in Kenya. The researcher issued the questionnaire to selected respondents through Google forms. The link was sent to the respondents through email and short message services. The respondents were given two weeks to respond to the questionnaire. The use of Google forms was preferred as it provides a convenient method of reaching respondents from wide geographical scope and has been used before by previous researchers. Andres et al. (2020) proposed used of Google Forms in academic research as a cost-efficient way of collecting data.

### **3.6 Data Analysis**

The data collected from the field was processed manually, and the processing stage involved editing, classification, and coding. For objectives two to four, both descriptive and inferential statistics were carried out. The descriptive statistics involved the means and the standard deviation as recommended by George and Mallery (2018). Inferential statistics encompass both the Pearson correlation and regression analysis. Pearson correlation was used to determine the strength and direction of the monotonic relationship between the variables. It measured the consistency of increase or decrease in one variable as the other increases (Haden, 2019). Furthermore, the multiple linear regression model was used to determine the effect of IFMIS electronic procurement, IFMIS budgeting, and IFMIS financial reporting on financial accountability among government agencies in Kenya. The statistical software, Statistical Package for Social Sciences (SPSS) version 25, was utilized for this study's analyses. A multivariate regression analysis was conducted to determine the following regression models were used:

Unmoderated regression model:

$$Y_{i,t} = \alpha + B_1X_1 + B_2X_2 + B_3X_3 + \varepsilon \dots\dots\dots(i)$$

Moderated OLS regression model:

$$Y_{i,t} = \alpha + B_1X_{1*}P + B_2X_2 * P + B_3X_{3*}P + \varepsilon \dots \dots \dots (ii)$$

Where:

$Y_{i,t}$  = Financial Accountability

$\Lambda$  = is the cumulative distribution function of the regression distribution.

$\alpha$  = constant factor

$B_1$  to  $B_3$  = the slope which represents the degree with which financial accountability changes as the independent variable changes by one unit variable.

$X_1$  – IFMIS Procurement

$X_2$  – IFMIS budgeting,

$X_3$  – IFMIS financial reporting

$P$  – IPSAS Accounting Standards (Moderating variable).

In statistics, significance testing of the regression model is used to measure how well the model fits the data. In this study, the regression coefficients of the variables denoted the individual contribution of the study variables (effect of IFMIS electronic procurement, IFMIS budgeting and IFMIS financial reporting) on the outcome variable (financial accountability among government agencies in Kenya). When estimating regression coefficient, certain regression assumptions must be made. The regression assumptions included multicollinearity test, heteroskedasticity, and Goodness of fit.

### 3.6.1 Multicollinearity

The study employed Variance Inflation Factor (VIF) to measure Multicollinearity (Alin, 2010). According to Montgomery *et al.*, (2015), Multicollinearity represents a condition where two or more predictor variables are found to be highly linearly related. Failure to account for perfect Multicollinearity results into indeterminate regression coefficients and infinite standard errors while existence of imperfect Multicollinearity results in to large standard errors. Large standard errors affect the precision and accuracy of rejection or failure to reject the null hypothesis. During estimation, the problem is not the presence of Multicollinearity but rather its severity. When  $VIF < 5$ ; there is no Multicollinearity; when  $VIF \geq 5$  there is presence of Multicollinearity.

### **3.6.2 Heteroskedasticity**

Heteroskedasticity was determined using residual analysis. When using primary data, the risk of heteroskedasticity is often high due to variability in responses across different groups, institutions, or respondent characteristics. In this study, which investigated the impact of IFMIS on financial accountability in government institutions using primary data from employees and system users, it was essential to test for heteroskedasticity to ensure valid and efficient regression results. The residual analysis test was performed to check for patterns or deviations from assumptions (Hansen, 1999). The Breusch pagan test was used to test for heteroskedasticity.

### **3.6.3. Goodness of Fit test**

This was assessed to determine how well the model fits the observed data and whether the assumptions underlying the ordinal regression are met in the model. A chi square test was employed to test for this assumption

## **3.7 Research Data Quality**

Reliability and validity are the two most important quality control objects in research. The following are the explanation of validity and reliability in research and their application in the study.

### **3.7.1 Reliability**

A test of reliability is carried out to check the internal consistency of the data measurement instrument. This study subjected the research instrument to a reliability test. Reliability is the extent to which results are free from error or the degree to which a research instrument yields consistent results (Cooper & Schindler, 2014). The Cronbach's alpha was used to ascertain the reliability of the research instrument. Cronbach's Alpha is important to a researcher since the researcher is able to know if the instruments will give reliable and consistent responses, even if the questions are replaced with similar ones. A variable is stable if it gives similar responses from a similar set of questions. The true score also referred to as 'Alpha' has values ranging from 0 to 1. It can also be used to express reliability on questions with two possible answers (dichotomous questions) and questionnaires with rating scales. A high score indicates high reliability, while the value of 0.7 has been accepted as an adequate coefficient of reliability or value of Alpha (Cresswell & Cresswell, 2017).

### **3.7.2 Validity**

Validity of an instrument relates to the ability of the instrument to measure the construct as purported. This study subjected the research instrument to a validity test. Construct validity is utilized in testing whether the operational definition of variables is an actual reflection of the true theoretical definition of the concept. For this study, the development of the questionnaire was based on similar early studies modified to meet the study objectives. The supervisor also checked the document to make sure the theoretical dimensions were similar to those conceptualized.

### **3.8 Ethical Consideration**

Requisite permits, consent, and approvals were sought before data collection since it is an ethical requirement in research. Authority to do the research study was attained from the school, and a research authorization/permit letter from the NACOSTI was sought because this is the institution in the country mandated to approve and supervise research in Kenya. Finally, approval to do the study in the government agencies was sought from the management for concurrence and access to staff and offices to conduct study. Having determined both the reliability and the validity of the study-specific data collection tool, the principal investigator disbursed questionnaires, which were self-administered so that respondent can independently answer the questions. Confidentiality and privacy was observed by not having had to identify information on the questionnaire and allow the respondents to fill the questionnaire in privacy as this is an ethical requirement by Strathmore University Ethical Review Committee and NACOSTI. The study protected and kept information confidential before revealing any information, the consent of the respondent was sought first.

### **3.9 Chapter Summary**

The chapter presented the research methodology that was adopted in the study. The chapter outlined the research philosophy, research design, the target population of the study and the sampling methods that was employed. Additionally, the chapter outlined the data collection methods and research quality that involved checking the reliability and validity of the instrument. Furthermore, data analysis techniques and diagnostic tests were discussed. The chapter ended by outlining the ethical issues to be observed during the research.

## CHAPTER FOUR

### PRESENTATION OF RESULTS

#### 4.1 Introduction

This chapter presents the results of data analysis based on the study objectives which were to determine the effect of IFMIS electronic procurement on financial accountability among government agencies in Kenya, to assess the effect of IFMIS budgeting on financial accountability among government agencies in Kenya, to determine the effect of IFMIS financial reporting on financial accountability among government agencies in Kenya and to determine the moderating effect of IPSAS adoption on the financial accountability of government agencies in Kenya. The chapter presents the results of the descriptive and inferential analysis.

#### 4.2 Biographical Information

##### 4.2.1 Response Rate

The response rate refers to the number of completed responses against the number of total responses in an investigation. This rate is also called the completion rate or return rate, and is normally given in the form of percentages. Table 4.1 below illustrates the completion rate for the study.

**Table 4.1 Response Rate**

<b>Response Rate</b>	<b>Frequency</b>	<b>Percent</b>
Completed	175	87.5%
Incomplete	25	12.5%
<b>Total</b>	<b>200</b>	<b>100</b>

From Table 4.1, a total of 200 questionnaires were issued to the respondents. From a total of 200 responses, 175 completed responses were received hence there was a response rate of 87.5%. The response rate was considered suitable for making inferences from the collected data. As indicated by Kothari (2018), a response rate above seventy percent is considered adequate for data analysis and reporting while a response rate above 70% is considered to be adequate for data analysis purpose. Hence, the questionnaire response rate of this study was within the acceptable limits for drawing conclusions and making recommendations.

##### 4.2.2 Gender of Respondents

In the first section of the questionnaire, the background information of the respondents

was obtained. This included the gender of the respondents. The results are presented in figure 1 below. From the responses, the researcher was interested in establishing the gender representation among the respondents. This is because the gender variable has significant implications for the study. The integration of gender analysis improves the quality of research as it incorporates a diversity of responses. The gender analysis is shown in Table 4.2 below.

**Table 4.2: Gender of Respondents**

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>
Male	103	59%
Female	72	41%
<b>Total</b>	<b>175</b>	<b>100</b>

From the responses, there were 103 male individuals representing 59 percent while the female responses were 72 representing 41 percent of the responses. From the results, there were more male participants than female participants selected for the study. The difference between the male and female participants was however minimal and thus gender diversity was maintained in the study.

#### **4.2.5 Age Bracket**

From the background information, the researcher was interested in establishing the age of the respondents. The age of respondents in a research study determines the suitability and general understanding of the research topic by the respondents. In this study, the age of the respondents as indicated in the background information is illustrated in Table 4.3 below.

**Table 4.3: Age of the Respondents**

<b>Age of respondents</b>	<b>Frequency</b>	<b>Percent</b>
18 – 29 years	0	0%
30 – 39 years	64	37%
40 – 49 years	76	43%
50 years and above	35	20%
<b>Total</b>	<b>175</b>	<b>100</b>

From the results of the analysis, majority of the respondents were between the age of 40 and 49. Out of the 175 respondents, 76 were between 40 and 49 years representing 43%

of the total respondents. This was closely followed by those between 30 years and 39 years who were 64 representing 37% of the total respondents. For those respondents above 50 years, the total number was 35 representing 20% of the respondents. There were no respondents between 18 and 29 years.

#### 4.2.3 Highest Level of Education

From background information, the researcher was interested in establishing the highest level of education of the respondents. The level of education in a research study determines the respondent knowledge of the subject of investigation. It was therefore a crucial aspect of the study that was examined. Table 4.4 below indicates the highest level of education of the respondents.

**Table 4.4: Highest Level of Education**

Highest Level of Education	Frequency	Percent
Diploma	0	0%
Degree	87	49%
Postgraduate	88	51%
<b>Total</b>	<b>175</b>	<b>100</b>

From the results of the analysis, the majority of the respondents had a postgraduate education. Of the 175 respondents, 88 had a postgraduate degree representing 51% of the respondents. These were closely followed by those with a bachelor's degree education (87 respondents representing 49%).

#### 4.2.4 Years with the Current Employer

From the background information, the researcher was interested in establishing the number of years the respondents had worked with their current employer. Table 4.5 below indicates the number of years of experience of the respondents.

**Table 4.5: Years with Current Employer**

Years with Current Employer	Frequency	Percent
1 year and below	10	6%
2 - 3 Years	15	9%
4 - 5 Years	70	40%
6 - 7 Years	32	18%
8 Years and above	48	27%

**Total**

**175**

**100**

From the results of the analysis, majority of the respondents (70) had 4 to 5 years of experience and accounted for 40% of the total respondents. They were closely followed by those with 8 years and above experience at 27%. Respondents with 6 to 7 years of experience were 32 representing 18%. Those with 2 to 3 years of experience were 15 representing 9% of the respondents. The least number of respondents had 1 and below a year of experience and were 10 in number, representing 6% of the total respondents.

### **4.3 Descriptive Statistics**

The overall objective of the study was to determine the impact of the integrated financial management information system on financial accountability among government agencies in Kenya. The specific objectives were to determine the effect of IFMIS Electronic Procurement, IFMIS Budgeting, IFMIS Financial Reporting and IPSAS Reporting on financial accountability. This section presents the results of the descriptive statistics.

#### **4.3.1 IFMIS Electronic Procurement**

The first objective of the study was to determine the effect of IFMIS Electronic Procurement on financial accountability. For this variable, the standard deviation and mean values of the individual attributes of the variable are in Table 4.6. From the table, the variable had an overall mean score of 4.51 with a standard deviation of 0.24

**Table 4.6: IFMIS Electronic Procurement**

<b>Statements</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev</b>
All public procurements are submitted through the IFMIS	175	4.70	0.46
The biddings of public procurements are clearly communicated through the IFMIS	175	4.34	0.48
The contracts and agreements are submitted via the IFMIS	175	4.38	0.49
The procurement quotations are clearly outlined in the IFMIS	175	4.64	0.56
Suppliers purchase agreements can be viewed through the IFMIS system	175	4.86	0.35
The IFMIS system allows users to assess the capabilities of suppliers	175	4.36	0.67
The IFMIS allows for electronic ordering of goods and services	175	4.31	0.56
Overall mean Score	175	4.51	0.24

The descriptive statistics of the various statements on IFMIS Electronic Procurement were calculated. From these statements, the statement with the highest mean value was the statement that Suppliers' purchase agreements can be viewed through the IFMIS system had a mean value of 4.86 and a standard deviation of 0.35. This indicated a strong consensus among respondents about the transparency and accessibility provided by this feature. Similarly, the statement that the submission of public procurements through the IFMIS received a mean score of 4.70 with a standard deviation of 0.46, showcasing widespread adoption and trust in the system's functionality.

Respondents also agreed that procurement quotations are clearly outlined in the IFMIS, with a mean score of 4.64 with a standard deviation of 0.56. This demonstrates the system's effectiveness in documenting and presenting key procurement information.

Additionally, contracts and agreements submitted via IFMIS received a mean score of 4.38 with a standard deviation of 0.49, further emphasizing its reliability in handling formal procurement documentation. The statement on the system's ability to assess the capabilities of suppliers received a mean score of 4.36 with a standard deviation of 0.67, reflecting positive feedback, though with slightly more variance in responses. Similarly, the communication of public procurement biddings through IFMIS was rated at 4.34 with a standard deviation of 0.48, indicating that while the feature is effective, there may be occasional inconsistencies. The lowest-rated aspect was the IFMIS feature allowing electronic ordering of goods and services, with a mean score of 4.31 with a standard deviation of 0.56. While still favorable, this suggests an area where further improvements could enhance the system's overall utility.

Overall, the variable recorded a high mean score of 4.51 and a standard deviation of 0.24 across all evaluated statements, reflecting a positive perception of IFMIS in facilitating transparency, efficiency, and accountability in electronic procurement. Despite the overall strong performance, areas such as supplier assessments and electronic ordering offer opportunities for enhancement.

#### **4.3.2 IFMIS Budgeting**

The second variable was to determine the effect of IFMIS budgeting on financial accountability. The results of the descriptive statistics are in Table 4.7 below

**Table 4.7: IFMIS Budgeting**

<b>Statements</b>	<b>N</b>	<b>Std.</b>	
		<b>Mean</b>	<b>Dev</b>
There is regular and consistent monitoring of the budgets using IFMIS	175	4.56	0.56
IFMIS enables budgetary control and prioritization	175	4.35	0.68
IFMIS embraces participatory budgeting to ensure the public involvement	175	4.34	0.37
IFMIS eases budget formulation and preparation	175	4.01	0.56
IFMIS ensures the proper management of taxpayers' money	175	3.48	0.78
It is possible to use historical information to make accurate forecasts using IFMIS	175	4.45	0.67
IFMIS allows for departmental budgeting to promote efficiency	175	4.23	0.93
Overall mean Score	175	4.20	0.67

The findings from Table 4.7 on IFMIS budgeting provide insights into how the system contributes to budgetary processes. The highest-rated statement was that there is regular and consistent monitoring of budgets using IFMIS, with a mean score of 4.56 and a standard deviation of 0.56. This indicates strong agreement among respondents on the effectiveness of IFMIS in ensuring continuous and reliable budget monitoring.

Another well-rated aspect was that historical information can be used to make accurate forecasts using IFMIS, which received a mean score of 4.45 and a standard deviation of 0.67. This highlights the system's capability to leverage past data for informed decision-making. The system's ability to enable budgetary control and prioritization also received favorable feedback, with a mean score of 4.35 with a standard deviation of 0.68. Similarly, the role of IFMIS in embracing participatory budgeting to ensure public involvement was rated positively at 4.34 with a standard deviation of 0.37, suggesting that the system supports inclusive budgeting processes. Respondents rated the ability of IFMIS to allow for departmental budgeting to promote efficiency at 4.23 with a standard deviation of 0.93, reflecting general agreement, though with some variation in responses. The statement that IFMIS eases budget formulation and preparation received a slightly lower mean score of 4.01 and a standard deviation of 0.56, indicating that while respondents recognize its usefulness, there may be room for improvement in this area.

The lowest-rated aspect was that IFMIS ensures the proper management of taxpayers' money, with a mean score of 3.48 and a standard deviation of 0.78. This suggests that respondents perceive challenges or limitations in how IFMIS safeguards taxpayers' resources effectively. The overall mean score of 4.20 and a standard deviation of 0.67 for the second variable reflects a positive perception of IFMIS as a tool for budgeting. While respondents widely agree on its strengths in monitoring, forecasting, and promoting efficiency, areas such as taxpayer money management and budget formulation warrant further attention to enhance the system's performance.

### 4.3.3 IFMIS Financial Reporting

The third variable was to determine the effect of IFMIS financial reporting on financial accountability. The results of the descriptive statistics are in Table 4.8 below

**Table 4.8: IFMIS Financial Reporting**

<b>Statements</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev</b>
There is full disclosure of the financial status via IFMIS	175	4.16	0.87
There is relevance of the financial reports through IFMIS	175	3.89	0.76
Financial reporting through IFMIS always meets timelines	175	3.56	0.49
IFMIS ensures financial transparency within the public sector	175	3.23	0.99
IFMIS has increased levels of quality of financial reports	175	4.67	0.32
IFMIS financial reporting has enhanced efficiency in financial reporting	175	4.01	0.98
IFMIS financial reporting ensures that there is faithful representation of reports	175	3.55	1.01
<b>Overall mean Score</b>	<b>175</b>	<b>3.86</b>	<b>0.69</b>

The findings in Table 4.8 on IFMIS financial reporting provide an assessment of the system's role in enhancing financial reporting within the public sector. The highest-rated statement was that IFMIS has increased the levels of quality of financial reports, which received a mean score of 4.67 and a standard deviation of 0.32. This indicates strong agreement among respondents about the system's impact on improving the quality of financial reporting. The statement that there is full disclosure of the financial status via IFMIS was rated positively, with a mean score of 4.16 and a standard deviation of 0.87, reflecting a favorable perception of IFMIS's contribution to transparency. Similarly, respondents agreed that IFMIS financial reporting has enhanced efficiency in financial

reporting, as evidenced by a mean score of 4.01 with a standard deviation of 0.98. This suggested that the system plays an important role in streamlining financial reporting processes.

On the other hand, the relevance of financial reports through IFMIS was rated moderately, with a mean score of 3.89 and a standard deviation of 0.76. The timeliness of financial reporting through IFMIS received a mean score of 3.56 (Std. Dev: 0.49), indicating some challenges in meeting reporting deadlines. Additionally, respondents rated the faithful representation of reports through IFMIS at 3.55 with a standard deviation of 1.01, suggesting variability in perceptions regarding the system's accuracy and reliability in reporting. The lowest-rated statement was that IFMIS ensures financial transparency within the public sector, with a mean score of 3.23 and a standard deviation of 0.99. This indicated that respondents perceive significant room for improvement in how IFMIS fosters transparency in financial reporting.

The overall mean score of 3.86 with a standard deviation of 0.69 shows a generally positive but moderate perception of IFMIS financial reporting. While the system is recognized for improving the quality and efficiency of reports, concerns about transparency, timeliness, and faithful representation suggest areas where additional efforts are needed to enhance its effectiveness in the public sector.

#### **4.3.4 IPSAS Accounting Standards**

The third variable was to determine the effect of IPSAS Accounting Standards on financial accountability. The results of the descriptive statistics are in Table 4.9 below

**Table 4.9: IPSAS Accounting Standards**

<b>Statements</b>	<b>N</b>	<b>Std.</b>	
		<b>Mean</b>	<b>Dev</b>
Financial reports are presented following IPSAS standard framework	175	4.55	0.67
Procurement processes are adequately disclosed in financial reports	175	3.72	0.43
IPSAS has improved financial decision making within the entity	175	4.38	0.49
Consolidation of government financial statements have improved since the introduction of IPSAS	175	4.64	0.66
IPSAS has improved the quality of accounting systems	175	4.01	0.78
The budgeting process follows IPSAS standards frameworks	175	4.67	0.87
All reporting procedures within the public sector are guided by the IPSAS standards framework	175	4.72	0.56
<b>Overall mean Score</b>	<b>175</b>	<b>4.38</b>	<b>0.66</b>

The results in Table 4.9 provide insights into the adoption and impact of International Public Sector Accounting Standards (IPSAS) on financial reporting within the public sector. The highest-rated statement was that all reporting procedures within the public sector are guided by the IPSAS standards framework, which achieved a mean score of 4.72 with a standard deviation of 0.56. This indicated strong agreement among respondents that IPSAS standards are effectively applied to guide public sector reporting. The statement that the budgeting process follows IPSAS standards frameworks also received a high rating, with a mean score of 4.67 with a standard deviation of 0.87, highlighting the alignment of budgetary processes with IPSAS. Similarly, respondents noted significant improvements in the consolidation of government financial statements since the introduction of IPSAS, with a mean score of 4.64 and a standard deviation of 0.66, reflecting the positive impact of IPSAS on integrating financial information.

The presentation of financial reports following the IPSAS standard framework was also rated favorably, with a mean score of 4.55 with a standard deviation of 0.67, demonstrating widespread compliance with IPSAS reporting standards. Additionally, respondents agreed that IPSAS has improved financial decision-making within the entity, with a mean score of 4.38 with a standard deviation of 0.49. This suggests that IPSAS enhances the quality of decisions through improved financial reporting and transparency.

The impact of IPSAS on the quality of accounting systems received a moderate rating, with a mean score of 4.01 with a standard deviation of 0.78. However, the adequate disclosure of procurement processes in financial reports was rated lower, with a mean score of 3.72 with a standard deviation of 0.43, indicating that procurement disclosures remain an area for improvement. The overall mean score of 4.38 with a standard deviation of 0.66 reflects a generally positive perception of IPSAS in enhancing financial reporting and decision-making. While the results underscore significant improvements in reporting, budgeting, and financial statement consolidation, the study highlights the need to focus on procurement disclosures and further strengthening accounting systems.

#### 4.3.5 Financial Accountability

The dependent variable of the study was financial accountability. The results of the descriptive statistics in relation to this variable are in Table 4.10 below

**Table 4.10: Financial Accountability**

<b>Statements</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev</b>
My organization is experiencing enhanced transparency and accountability	175	3.35	0.46
There is improved commitment control in the organization	175	4.01	0.48
There is increased efficiency in the organization	175	4.38	0.49
There has been an increase in quick financial decision-making	175	4.05	0.56
There has been an overall improvement in fiscal transparency	175	4.45	0.35
IFMIS has allowed for real-time management of transactions within the agency	175	4.87	0.98
The financial controls in the organization have improved	175	4.50	0.34
There is reduced variance between budget provision and releases in the organizations	175	3.89	0.76
<b>Overall mean Score</b>	<b>175</b>	<b>4.18</b>	<b>0.77</b>

The findings in Table 4.10 highlight the perceptions of financial accountability within the government agencies, particularly with the use of IFMIS. The highest-rated statement was that IFMIS has allowed for real-time management of transactions within the agency, with a mean score of 4.87 with a standard deviation of 0.98. This demonstrates strong agreement among respondents on the system's significant contribution to enhancing the

timeliness and efficiency of financial transaction management. Respondents also noted that the financial controls in the organization have improved, with a mean score of 4.50 with a standard deviation of 0.34. This indicates a positive perception of strengthened financial oversight and governance. Additionally, there was a high level of agreement regarding an overall improvement in fiscal transparency, reflected in a mean score of 4.45 with a standard deviation of 0.35. The statement that there is increased efficiency in the organization also received favorable feedback, with a mean score of 4.38 with a standard deviation of 0.49.

The ability of IFMIS to facilitate quick financial decision-making was rated positively at 4.05 with a standard deviation of 0.56, alongside improved commitment control in the organization, which scored 4.01 and a standard deviation of 0.48. However, the statement about reduced variance between budget provision and releases received a moderate rating of 3.89 with a standard deviation of 0.76, suggesting room for improvement in aligning budgets with actual disbursements. The lowest-rated statement was that the organization is experiencing enhanced transparency and accountability, with a mean score of 3.35 with a standard deviation of 0.46. This suggests that while there are improvements in specific areas, respondents perceive a need for more comprehensive measures to enhance overall transparency and accountability.

The overall mean score of 4.18 and a standard deviation of 0.77 reflects a positive perception of financial accountability, with notable strengths in transaction management, financial controls, and fiscal transparency. Nonetheless, areas such as broader organizational accountability and reducing budget variances present opportunities for further development.

#### **4.4 Model Assumption Results**

The researcher conducted diagnostic tests to ensure that the assumptions of the statistical tests used in the study were fulfilled. Diagnostic tests helped identify potential problems including outliers, multicollinearity, heteroscedasticity, and goodness of fit that could compromise the validity and reliability of the findings. The diagnostic tests that were conducted are covered in this section.

##### **4.4.1 Reliability Test**

This study used Cronbach's alpha to measure the level of reliability of the research variables. Table 4.11 shows the outcomes. Reliability in terms of the instrument is determined by the extent that it assesses what it was designed for. It is also important to

note that the reliability of the instrument, as determined by Cronbach's alpha was used for an internal consistency measure in the present study. Of the items developed in the questionnaire, data collected from its application was entered into SPSS and Cronbach's alpha. Any item with a Cronbach's alpha more than 0.7 would show the reliability of the instrument.

**Table 4.11 Reliability Test Results**

<b>Variables</b>	<b>Cronbach's Alpha</b>	<b>Critical Value</b>	<b>Conclusion</b>
IFMIS Electronic Procurement	0.721	0.7	Reliable
IFMIS Budgeting	0.799	0.7	Reliable
IFMIS Financial Reporting	0.701	0.7	Reliable
IPSAS Accounting Standards	0.749	0.7	Reliable
Financial Accountability	0.721	0.7	Reliable

The variables were higher than 0.7 Cronbach alpha, as shown in Table 4.6. This indicated that the research instrument used in the study was very coherent internally.

#### **4.4.2 Multicollinearity Test**

Statistics on multicollinearity, a regression analysis situation when two or more independent variables in a model have a high degree of correlation, are shown in Table 4.12. Regression analysis problems resulting from multicollinearity can make it challenging to ascertain the precise influence of each variable on the dependent variable.

**Table 4.12: Multicollinearity Test**

<b>Variable</b>	<b>Collinearity Statistics</b>	
	<b>Tolerance</b>	<b>VIF</b>
IFMIS Electronic Procurement	0.601	1.664
IFMIS Budgeting	0.598	1.672
IFMIS Financial Reporting	0.599	1.663
IPSAS Accounting Standards	0.621	1.610
Financial Accountability	0.605	1.653

**Source: Research Findings (2024)**

The results indicated a moderate degree of correlation between the independent variables in the regression model. While the tolerance values are below 1, suggesting some

correlation. However, the VIF values are also below the commonly used threshold of 5, indicating that multicollinearity is not severe for any variables.

#### 4.4.3 Goodness of Fit Test

A goodness of fit test was performed to determine how well the model fits the observed data and whether the assumptions underlying the ordinal regression are met in the model. The results are in Table 4.13. below

**Table 4.13: Goodness of Fit**

<b>Goodness of Fit</b>			
	<b>Chi-Square</b>	<b>df</b>	<b>sig</b>
Pearson	0.601	199	1.000
Deviation	0.598	199	1.000

In SPSS, the goodness fit is shown in the Pearson and deviation values. The threshold for this test is that if  $p > 0.05$ , the model fits the data well. From the data, significant values of 1.000 for both deviation and Pearson confirmed the suitability of the data.

#### 4.3.4 Heteroskedasticity Test

Table 4.14 is a test for heteroscedasticity using the Breusch pagan test. The results give information on whether the model or the variance of the error is different for one observation as compared to other. The cut-off criterion for this test is a value of less than 0.05. The results of the Breusch-Pagan/Cook-Weisberg test are used to draw conclusions about the homoscedasticity assumption in regression analysis. These are shown in the table.

**Table 4.14: Heteroscedasticity Test**

<b>Breusch-Pagan / Cook-Weisberg</b>	
chi2(1)	= 0.3224
Prob > chi2	= 0.1963

**Source: Research Findings (2024)**

A positive p-value greater than 0.05, which is the case in the present study (0.1963), points to no sufficient evidence to reject the H0 thereby implying that heteroscedasticity is not a significant issue in the regression model. This suggests therefore that the extent of spread of the residuals, or error terms, for one level of the independent variables does

not differ from that for another level of the independent variables, which is a basic assumption of the regression model

#### 4.5 Inferential statistics

Inferential analysis is performed to determine the relationship between variables in a research investigation. For this study, the Pearson correlation was used to determine the magnitude and direction of the variables while the ordinal regression analysis was used to determine the causal relationship between the independent and dependent variables.

##### 4.5.1 Correlation Analysis

The correlation analysis sheds light on the relationship between the study's independent variables of interest and dependent variable. For this analysis the Pearson Correlation test from SPSS software was used in this determination. Results are in Table 4.15 below

**Table 4.15 Correlation Analysis**

		IFMIS Electronic Procurement	IFMIS Budgeting	IFMIS Financial Reporting	IPSAS Accounting Standards	Financial Accountability
IFMIS Electronic Procurement	Pearson Correlation Sig. (2- tailed)	1				
IFMIS Budgeting	Pearson Correlation Sig. (2- tailed)	.706** .000	1			
IFMIS Financial Reporting	Pearson Correlation Sig. (2- tailed)	.619** .000	.735** .000	1		
IPSAS Accounting Standards	Pearson Correlation Sig. (2- tailed)	.665** .000	.754** .000	.733** .000	1	

Financial Accountability	Pearson Correlation	.581**	.729**	.536**	.556**	1
	Sig. (2- tailed)	.000	.000	.000	.000	
**. Correlation is significant at the 0.01 level (2-tailed).						
*. Correlation is significant at the 0.05 level (2-tailed).						
c. Listwise N= 175						

**Source: Research Findings (2024)**

Firstly, an attempt was made to test the degree of association between IFMIS Electronic Procurement and financial accountability which assumed a significant positive correlation with a Pearson correlation coefficient of 0.581, and its significant value was  $0.000 < 0.05$ . This implies that there is a significant positive correlation between IFMIS electronic procurement and financial accountability among government agencies in Kenya. Secondly, the relationship between IFMIS budgeting and financial accountability was also positive with Pearson correlation coefficient of 0.729 and significant value =  $0.000 < 0.05$ . This gives an indication that IFMIS budgeting is positively related with financial accountability. IFMIS financial reporting also had a significant positive correlation with financial accountability with a correlation coefficient of 0.556 and a significant value =  $0.000 < 0.05$ . Finally, IPSAS accounting standards had a significant positive correlation with financial accountability with a correlation coefficient value of 0.556 and a significant value =  $0.000 < 0.05$  indicating that both variables are significantly correlated.

**4.5.2 Regression Analysis**

The study was based on the hypothesis that integrated financial management systems had a positive relationship with financial accountability of government agencies in Kenya. To investigate the relationship between these variables, a regression analysis was used to not only check the total amount of variation in the dependent variable for the independent variable but also check each independent variable on the dependent variable. Step 1 (Model 1) estimated the relationship between the dependent (Accountability) and independent variables (IFMIS procurement, IFMIS Budgeting, and IFMIS Financial Reporting). The results are indicated below:

**Table 4.16: Unmoderated Regression**

Financial Accountability	Coef.	Std. Err.	P>t
IFMIS Procurement	.275	0.076	0.000
IFMIS Budgeting	.234	0.054	0.000
IFMIS Financial Reporting	.827	0.037	0.000
IPSAS Accounting Standards	.668	0.050	0.000
_cons	1.010	0.207	0.000
Model Summary			
R-squared	0.88		
F(3, 171)	453.29		
	0.000		
Prob > F			
Observations	175		

From the unmoderated regression, the overall model was statistically significant because the F-test statistic was statistically significant ( $F(3, 171) = 453.29, p < 0.05$ ). The results indicate that the three independent variables have a positive impact on financial accountability of government agencies in Kenya. Moreover, the results offer.

The study findings show that IFMIS procurement ( $\beta = 0.275, p < 0.05$ ) moderately predicts financial accountability of the agencies, suggesting that for every unit rise in IFMIS procurement, the financial accountability increases by 0.275 units. The findings also showed that IFMIS budgeting ( $\beta = 0.234, p < 0.05$ ) is a moderate predictor of financial accountability. This suggests that increased implementation of IFMIS in budgeting improves the financial accountability of the agencies. Lastly, the results showed that IFMIS financial reporting ( $\beta = 0.827, p < 0.05$ ) is a significant predictor of financial accountability. This suggests that the integration of IFMIS in financial reporting functions significantly increases the financial accountability of the government agencies.

From the model fitness, it can be determined that the multiple linear regression model was adequate in explaining the relationship between integrated financial management systems and financial accountability among government agencies in Kenya. From the above table 4.14, the independent variables were adequate in explaining financial

accountability as shown. This is further explained by the R square value of 0.88. This can be interpreted to mean that integrated financial management systems explain 88% variations in financial accountability of government agencies in Kenya. The unmoderated results were modelled as follows:

$$Y = 1.010 + 0.275X_1 + 0.234X_2 + 0.827X_3 + 0.668X_4$$

Where:

Y = Financial Accountability

X<sub>1</sub> – IFMIS Electronic Procurement,

X<sub>2</sub> – IFMIS Budgeting,

X<sub>3</sub> – IFMIS Financial Reporting

X<sub>4</sub> – IPSAS Accounting Standards

Furthermore, a moderated regression analysis was performed to determine the moderating effect of IPSAS accounting standards on the relationship between the independent and dependent variables. The results are as shown in Table 4.17 below

**Table 4.17: Moderated Regression**

Financial accountability	Coef.	Std. Err.	P>t
IFMIS Electronic Procurement	1.86	0.146	0.000
IFMIS Budgeting	2.353	0.373	0.000
IFMIS Financial Reporting	.667	0.299	0.027
IPSAS Accounting Standards	.467	0.213	0.005
EP*IPSAS	.373	0.033	0.000
BU*IPSAS	.535	0.094	0.000
FR*IPSAS	.207	0.068	0.003
_cons	4.127	0.302	0.000
R-squared	0.94		
F (6, 168)	494.78		
Prob > F	0.000		

\* p<0.05

After accounting for the moderation effect of IPSAS accounting standards on the relationship between the independent and dependent variables, a final regression model

was established. From the regressed values, the various elements of integrated financial management systems indicated a significant effect on financial accountability. From the table value the R-square value was 0.94 indicating that after moderation, 94 % changes in financial accountability can be attributed to changes in integrated financial management systems. This value was different from the unmoderated value in Table 4.16 which yielded an R-square value of 0.88 or 88% which was an overall improvement.

On the interaction between IFMIS Procurement and IPSAS accounting standards, the regression co-efficient was significant as shown by the p-value of 0.000 which was less than 0.05 ( $\beta= 0.373$ ,  $p<0.05$ ). IFMIS budgeting on the other hand showed a significant interaction with IPSAS accounting standards as shown by the co-efficient ( $\beta= 0.535$ ,  $p<0.05$ ). The p-value of 0.000, which was lower than 0.05 indicated that IPSAS accounting standards enhances the relationship between IFMIS budgeting and financial accountability. Finally, the interaction between IFMIS financial reporting and IPSAS accounting standards was significant as indicated by the coefficient of interaction and the p-value which was lower than 0.05 ( $\beta= 0.207$ ,  $p>0.05$ ). The results therefore show that IPSAS accounting standards enhances the relationship between integrated financial management systems and financial accountability of government agencies. The moderated regression equation generated was as follows

$$FP = 4.127 + 0.373X_1 + 0.535X_2 + 0.207X_3$$

Where:

$X_1$  – IFMIS Electronic Procurement,

$X_2$  – IFMIS Budgeting,

$X_3$  – IFMIS Financial Reporting.

#### **4.6 Summary of Findings**

The findings on the effect of Integrated Financial Management Systems on financial accountability highlight the pivotal role of IFMIS and the moderating role of IPSAS in improving financial accountability within government agencies. IFMIS significantly enhances procurement transparency, budgeting efficiency, and financial reporting quality. IPSAS adoption, was found to enhance the relationship between integrated financial management systems and financial accountability.

The descriptive analysis revealed that IFMIS and IPSAS adoption notably impact financial accountability in government agencies in Kenya. For IFMIS electronic procurement, the overall mean score of 4.51 reflects strong agreement that it enhances

transparency and efficiency. The most highly rated feature was the ability to view suppliers' purchase agreements through the system (mean = 4.86), highlighting its role in promoting accessibility and accountability. However, the feature of electronic ordering of goods and services received the lowest rating (mean = 4.31), suggesting that further improvements are necessary in this area. For IFMIS budgeting, the overall mean score was 4.20, indicating a positive perception of its contribution to financial accountability. Respondents strongly agreed that IFMIS ensures regular and consistent monitoring of budgets (mean = 4.56). However, its ability to safeguard taxpayers' money received the lowest rating (mean = 3.48), pointing to challenges in this critical area.

IFMIS financial reporting had a moderate overall mean score of 3.86. While respondents agreed that it improves the quality of financial reports (mean = 4.67), concerns were raised about financial transparency (mean = 3.23) and timeliness of reporting (mean = 3.56), which emerged as areas requiring further development. On IPSAS adoption, the overall mean score of 4.38 reflects its significant positive impact on financial reporting and decision-making. The highest-rated statement was that all public sector reporting procedures are guided by IPSAS standards (mean = 4.72), showcasing widespread compliance. However, procurement process disclosures were rated lower (mean = 3.72), indicating a need for improvement in integrating procurement information into financial reports. Finally, the overall mean score for financial accountability was 4.18. Respondents strongly agreed that IFMIS enables real-time transaction management (mean = 4.87), while the perception of enhanced transparency and accountability had the lowest rating (mean = 3.35). This suggests that while IFMIS has improved certain aspects of accountability, broader measures are needed to fully realize its potential.

The inferential analysis revealed significant relationships between IFMIS dimensions, IPSAS adoption, and financial accountability. All the independent variables were significantly positively correlated with financial accountability. IFMIS budgeting showed the strongest correlation ( $r = 0.729$ ,  $p < 0.05$ ), followed by IFMIS procurement ( $r = 0.581$ ,  $p < 0.05$ ) and IFMIS financial reporting ( $r = 0.556$ ,  $p < 0.001$ ). The unmoderated regression analysis confirmed the model's robustness, with an  $R^2$  value of 0.88, indicating that the independent variables explained 88 % of the variation in financial accountability. All the independent variables had a significant positive effect on financial accountability. IFMIS financial reporting had the greatest impact ( $\beta = 0.827$ ,  $p < 0.05$ ),

underscoring its pivotal role in enhancing financial accountability. This was followed by IFMIS electronic procurement ( $\beta = 0.275$ ,  $p < 0.05$ ) and IFMIS Budgeting ( $\beta = 0.234$ ,  $p < 0.05$ ).

From the moderated regression analysis, the R-square value improved from 0.88 to 0.94 indicating that after accounting for the moderation effect of IPSAS accounting standards, 94 % changes in financial accountability can be attributed to changes in integrated financial management systems showing that IPSAS accounting standards enhance the relationship between the various IFMIS dimensions and financial accountability of government agencies in Kenya



## **CHAPTER FIVE**

### **DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

The overall objective of the study was to determine the effect of integrated financial management systems on the financial accountability of government agencies in Kenya. To achieve these objectives, a descriptive research design was adopted in which a total of 200 agencies were sampled in the study. Data was collected using structured closed-ended questionnaires in which responses were rated on a Likert scale based on the specific objectives of the study. Data was analyzed using descriptive and inferential statistics, and results were presented. The chapter is organized as follows: Summary of findings, discussion of results, conclusion, recommendations, limitations, and areas for further research based on these constraints.

#### **5.2 Summary of Findings**

From the findings, all the independent variables tested had a significant correlation with the dependent variable which was financial accountability. Furthermore, the regression analysis established a strong causal relationship between the independent variables and the dependent variable which is financial accountability. Overall, the findings highlight the critical role of IFMIS in improving financial accountability within government agencies in Kenya. IFMIS was found to enhance procurement transparency, budgeting efficiency, and financial reporting quality. IPSAS adoption, Further, the moderation effect of IPSAS accounting standards on the relationship between IFMIS dimensions and financial accountability was determined. From this analysis, it was determined that IPSAS accounting standards enhance the relationship between IFMIS dimensions and financial accountability.

#### **5.3 Discussion of Results**

##### **5.3.1 IFMIS Electronic and Financial Accountability**

The study findings on IFMIS electronic procurement align with the empirical literature. For instance, Waweru and Ngaba (2019) found that IFMIS enhances procurement processes but did . Similarly, studies by Mbaka and Namada (2019) and Mugwe and Ngugi (2018) emphasized the system's impact on supply chain and procurement efficiency. On the contrary, studies such as Biwott (2019) and Tum (2022) indirectly

connect IFMIS to financial accountability through its influence on procurement efficiency and quality of financial reporting. For example, Biwott (2019) noted that IFMIS increases procurement efficiency and accountability, although specific aspects like budgeting and financial reporting were not explored. Tum (2022), however, reported that while electronic procurement positively influences financial reporting quality, its effect is statistically insignificant, revealing some inconsistencies with the study findings. Furthermore, divergent views exist in literature. For example, Muwema and Phiri (2020) argued that IFMIS has not enhanced transparency or reduced financial leakages, contrasting with the majority consensus that IFMIS positively impacts accountability and efficiency. This disagreement points to contextual or implementation differences that may affect outcomes and highlights an empirical gap requiring further investigation.

The theoretical frameworks used in the empirical literature also show variation in their alignment with the study findings. Studies such as those by Mbaka and Namada (2019) and Mugwe and Ngugi (2018) utilized Diffusion of Innovation Theory and other models to explain IFMIS adoption, while others, such as Rotich (2019), relied on Institutional Theory, which inadequately addresses technological aspects of IFMIS. In contrast, the current study focuses directly on financial accountability, providing quantitative evidence to support its claims and filling both theoretical and methodological gaps evident in earlier studies. While empirical literature broadly acknowledges the positive impact of IFMIS on procurement efficiency and accountability, the study findings uniquely quantify the specific effect of IFMIS electronic procurement on financial accountability.

### **5.3.2 IFMIS Budgeting and Financial Accountability**

The study findings established a strong positive correlation between IFMIS budgeting and financial accountability. Regression analysis further confirmed the critical role of IFMIS budgeting in enhancing transparency, accountability, and effective resource utilization in government agencies. Empirical literature supports the positive role of budgeting in public financial management but often takes a broader or tangential focus. For instance, Oyebode (2018) discussed budgeting as a tool for linking resources to organizational objectives, emphasizing methods such as incremental and zero-based budgeting. However, these general discussions lacked specific insights into the role of IFMIS in enhancing financial accountability.

Similarly, Ewetan and Oyewale (2019) highlighted how IFMIS improves budget comprehensiveness, transparency, and execution, but their study focused more on public

finance management rather than financial accountability as a distinct outcome. Several studies corroborate the findings by showing that IFMIS improves budget execution and internal controls. For example, Opoku-Yeboah et al. (2021) in Ghana and Taremwa and Bakunda (2020) in Uganda found that IFMIS improves budget execution and financial reporting. However, these studies presented contextual gaps, as the regulatory frameworks and adoption levels of IFMIS differ across countries. Similarly, studies by Belay (2020) in Ethiopia and Naseem (2017) in Pakistan confirmed that IFMIS enhances budget preparation and execution, ultimately leading to improved financial accountability. However, the reliance on case study designs in some of these studies limits the generalizability of their findings, a methodological gap addressed by the current study's cross-sectional design.

In contrast to the empirical literature, this study provides quantitative evidence of the significant relationship between IFMIS budgeting and financial accountability, filling gaps related to the depth and specificity of previous research. While studies such as those by Naseem (2017) and Belay (2020) highlight the role of IFMIS in financial accountability, their reliance on case studies and limited geographical scope contrast with this study's broader methodological approach, which focuses on Kenya's public sector. While empirical literature acknowledges the positive effects of IFMIS on budgeting and financial management, it lacked a direct focus on financial accountability failing to quantify the extent of this relationship. This study addressed these gaps by providing robust evidence of the causal effect of IFMIS budgeting on financial accountability, thereby contributing to a more nuanced understanding of its impact.

### **5.3.3 IFMIS Financial Reporting and Financial Accountability**

The study findings revealed a strong positive correlation between IFMIS financial reporting and financial accountability. Additionally, regression analysis indicated that a unit change in IFMIS financial reporting leads to an increase in financial accountability. These results suggest that robust financial reporting through IFMIS significantly enhances transparency and accountability in Kenya's public sector. Empirical literature echoes the importance of financial reporting in fostering accountability. Al-Dmour, Abbod, and Al-Balqa (2018) defined financial reporting as the disclosure of all financial information to stakeholders, providing insight into income, revenues, and expenditure tracking across operations and departments. This aligns with the study findings by emphasizing the role of financial reporting in enabling transparency and accountability.

Opoku-Yeboah et al. (2021) found that IFMIS implementation improved financial reporting, contributing to better financial management. However, their study lacked a theoretical underpinning, highlighting a theoretical gap. The technological nature of IFMIS demands anchoring in a technological theory, which was not addressed. Similarly, Yaokumah and Biney (2020) noted that IFMIS enhances financial reporting systems in Ghana but did not explore its direct impact on financial accountability. This omission left a conceptual gap in understanding how financial reporting aspects of IFMIS influence accountability outcomes.

Pabustan and Perez (2020) also reported that IFMIS implementation in local government units enhanced financial accountability by improving financial reporting, budget execution, and internal controls. However, the study was limited by a methodological gap, as it relied heavily on interviews without correlating quantitative data on IFMIS with financial accountability. The current study bridges this gap by using quantitative methods to establish a causal relationship between IFMIS financial reporting and accountability. While empirical literature supported the positive role of IFMIS financial reporting in improving public financial management, lacked a direct focus on its quantitative relationship with financial accountability. Furthermore, several studies exhibited gaps, including methodological reliance on qualitative data, the absence of theoretical underpinnings for technological concepts like IFMIS, and contextual differences in implementation. The current study addressed these gaps by providing quantitative evidence of the significant effect of IFMIS financial reporting on financial accountability, contributing to a more comprehensive understanding of its impact on financial accountability in Kenya's public sector.

#### **5.3.4 Moderating Effect of IPSAS Accounting Standards**

The study findings demonstrate that integrated financial management systems (IFMIS) significantly influence financial accountability in government agencies, especially when moderated by IPSAS accounting standards. This highlights that IPSAS accounting standards enhance the effectiveness of IFMIS in promoting accountability. These findings underscore the importance of regulatory frameworks in optimizing technological tools like IFMIS for better governance outcomes.

Empirical literature from various contexts supports the positive influence of public accounting standards on financial reporting and public financial management. For example, studies in the Philippines, Ghana, Uganda, and Zimbabwe affirm that these

standards improve financial reporting and transparency. However, many of these studies suffered from methodological and theoretical limitations, such as reliance on qualitative data, lack of causal analysis, or insufficient anchoring in technological theories. Unlike these studies, the current research has addressed such gaps by using quantitative methods and introducing IPSAS standards as a moderating variable, thereby offering more robust and generalizable insights into the IFMIS and financial accountability relationship.

In the Kenyan context, while prior studies like those by Mbae (2018), Dimba et al. (2019), and Rotich (2019) linked IFMIS to improved financial performance, they did not explicitly measure its effect on financial accountability or consider the moderating role of IPSAS. This study fills those gaps by not only quantifying the relationship but also highlighting how IPSAS accounting standards strengthen it. The disaggregation of IFMIS into key modules (procurement, budgeting, and reporting) and the use of a moderation model make this study a more comprehensive and context-specific contribution to literature, offering practical guidance for enhancing accountability through improved financial management system.

#### **5.4 Conclusions**

The study sought to examine the relationship between IFMIS electronic procurement, IFMIS budgeting, IFMIS financial reporting, and IPSAS accounting standards with financial accountability in Kenya's public sector. The findings revealed significant positive correlations and causal relationships between these variables and financial accountability, confirming their critical roles in enhancing transparency, efficiency, and accountability in financial management practices. The study demonstrated that effective procurement, budget preparation, execution, and monitoring directly contribute to financial discipline and integrity in public resource management. Secondly, IFMIS, plays a pivotal role in fostering transparency and accountability in public sector financial management. Enhanced financial reporting ensures that stakeholders can access reliable information on the use of public funds, which builds trust and facilitates informed decision-making. Lastly, the study found that IPSAS accounting standards significantly enhance the relationship between IFMIS electronic procurement, IFMIS, budgeting and IFMIS financial reporting on financial accountability. This means that IPSAS accounting standards play a critical moderating role, strengthening the relationship between IFMIS and financial accountability. The increase in explanatory power of the model after introducing IPSAS standards suggests that adherence to international accounting

standards amplifies the effectiveness of IFMIS components, particularly in budgeting and procurement processes.

In conclusion, the study confirms that IFMIS electronic procurement, IFMIS budgeting, and IFMIS financial reporting, are critical enablers of financial accountability in Kenya's public sector and that the existence of an accounting framework such as IPSAS enhances the effectiveness of IFMIS in ensuring financial accountability. These findings emphasize the need for continued investment in integrated financial management systems and adherence to international accounting standards to ensure effective and accountable public financial management. By addressing the gaps identified in previous studies, this research provides actionable insights for policymakers, government agencies, and stakeholders to enhance financial accountability frameworks.

The study drew on the Institutional Theory, Agency Theory, and the Technology Acceptance Model (TAM). The significant positive findings linking IFMIS elements (electronic procurement, budgeting, and financial reporting) to enhanced financial accountability support and validate these theoretical models. Institutional Theory is reinforced in its claim that adherence to formal structures and rules (such as IPSAS) promotes organizational legitimacy and accountability. Similarly, Agency Theory is supported by the evidence that IFMIS reduces information asymmetry between government actors and oversight bodies, thereby limiting agency costs and fraud. TAM is also validated as user perceptions about the usefulness and ease of IFMIS significantly influence actual system use and by extension, accountability outcomes.

The study further introduced IPSAS adoption as a moderating variable, enhancing the explanatory power of the models. This provides a theoretical contribution by illustrating that the effectiveness of financial management systems (like IFMIS) is not uniform, it depends significantly on the regulatory environment and compliance with accounting standards. This nuanced interaction highlights a need for theory to evolve to account for contextual enablers such as legal frameworks, institutional maturity, and user capacity.

### **5.5 Limitations of the Study**

Despite yielding valuable insights into the effect of the Integrated Financial Management Information System (IFMIS) on financial accountability in Kenyan government agencies,

this study had several limitations. First, it relied heavily on self-reported data collected through questionnaires from IFMIS users. While efforts were made to ensure honesty and confidentiality, self-reporting is prone to response bias, particularly in sensitive areas like financial accountability and corruption. Respondents may have either overstated system benefits or understated system weaknesses due to fear of repercussions or social desirability bias. Secondly, the study adopted an exploratory research design, which limits the ability to observe changes in IFMIS use and financial accountability over time. As such, causality cannot be firmly established between the independent variables and financial accountability outcomes. Longitudinal studies would provide deeper insights into the long-term impact of IFMIS on public financial management reforms.

Thirdly, the study was limited to selected government agencies, excluding county governments and state corporations that also use IFMIS. Therefore, the findings may not be fully generalizable across the entire public sector in Kenya. Variations in organizational structure, funding levels, and staff capacity may influence how IFMIS is used and perceived in different entities. Finally, while the study considered IPSAS as a moderating variable, it did not explore other potentially significant moderators such as political interference, audit capacity, or organizational culture. These factors may also influence the relationship between IFMIS implementation and financial accountability but were beyond the scope of this research.

## **5.6 Recommendations**

### **5.6.1 Recommendations for Government Agencies**

To enhance financial accountability in Kenya's public sector, it is essential to strengthen the adoption and effective implementation of IFMIS budgeting, financial reporting, and IPSAS accounting standards. First, government institutions in Kenya should invest in capacity-building programs to train public officers on how to effectively use IFMIS for budgeting and financial reporting. This will ensure that all users have the necessary skills to maximize the system's potential in promoting transparency and accountability. Additionally, regular system audits and updates should be conducted to address technical challenges and ensure that the system remains relevant to the evolving needs of the public sector.

Second, public sector entities should institutionalize strict compliance with IPSAS accounting standards by aligning policies and frameworks with international best

practices. This includes establishing oversight mechanisms to monitor adherence to these standards and enforcing penalties for non-compliance. Furthermore, the government should enhance transparency in financial reporting by adopting open data initiatives that make public financial reports accessible to citizens and stakeholders, thereby fostering public trust and accountability. Lastly, the regulatory framework governing public financial management should be harmonized to address inconsistencies that hinder the effective deployment of IFMIS and IPSAS standards. Policymakers should focus on creating enabling environments that support the integration of these systems, including upgrading technological infrastructure and allocating sufficient resources for implementation.

### **5.6.2 Recommendations for Theory**

Future theoretical work should consider developing integrated models that combine technological, institutional, and behavioral dimensions to explain outcomes in public financial management. This study demonstrates that single-theory approaches may not fully capture the complexities of accountability reforms in the public sector. The study reinforces that mandated system usage, as often occurs in government, may dilute the predictive power of TAM. Therefore, scholars should consider extending TAM to include institutional and regulatory pressures or blend it with Institutional Theory to better explain adoption behaviors in the public sector. Traditional Agency Theory focuses on static principal-agent relationships. With the introduction of digital platforms like IFMIS that automatically log and monitor transactions, future theoretical models should explore how technology alters principal-agent dynamics, possibly reducing the need for manual oversight or introducing new kinds of agency problems (e.g., digital manipulation or system circumvention).

### **5.6.3 Recommendations for Future Studies**

Future research should consider examining the role of other integrated financial management tools and accounting standards on financial accountability in the public sector. For instance, studies could focus on the contribution of e-procurement systems and their integration with IFMIS in enhancing accountability. Additionally, future research should evaluate the long-term impact of IPSAS adoption on financial accountability by employing longitudinal designs to capture trends over time.

Moreover, future studies could explore the contextual factors, such as cultural and political dynamics, that influence the effectiveness of IFMIS and moderating role of

IPSAS implementation across different counties in Kenya. Comparative studies across various jurisdictions could also provide valuable insights into best practices and challenges that can inform policy formulation. Finally, future researchers should consider incorporating both qualitative and quantitative approaches in mixed studies to capture a comprehensive perspective on how these systems impact financial accountability, including insights from stakeholders at different levels of government.



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## APPENDICES

### Appendix I: Summary of literature reviewed

<b>Author and year</b>	<b>Country of study</b>	<b>Theories used</b>	<b>Methodology</b>	<b>Findings</b>	<b>Proxies measures of IFMIS</b>	<b>Proxies measures of financial accountability</b>
Mbogho, Majalia and Mwangandi (2023)	Kenya	Diffusion of innovation theory and technology acceptance model	Descriptive survey methodology	In the coastal counties of Kenya, there was a substantial positive correlation between employee capacity building, organizational culture, and the adoption rate of IFMIS	Auditing standards, number of IFMIS reports and number of people using IFMIS reports	Quality of audit reports and presence of audited budgets
Kardeş et al. (2022).	Turkey	Technology acceptance model	Case study design	The IFMIS has enhanced prudent financial management in Turkey	Information technology management and digitalization	Efficient use of resources
Waweru, and Ngaba (2019).	Kenya	Technology Acceptance model, Theory of Budgeting and the Cost reduction theory	Literature based review	IFMIS enhanced processing of the accounting transactions, procurement process, efficient allocation of resources and budgeting process	IFMIS	Accounting transactions, procurement process, efficient allocation of resources and budgeting process

Muwema, and (2020).	Zambia	Technology Acceptance Model	Descriptive survey	IFMIS has not enhanced transparency, reduced financial leakages, enhanced efficiency and speed	Procurement systems	Transparency, financial leakage and efficiency and speed
Noor (2022)	Bangladesh	Diffusion of Innovation Theory and System Theory	Ordinary least square	The results revealed a significant connection between capacity and skills and IFMIS deployment	Infrastructural facilities, process automation and information access	Efficient use of public resources and security of financial resources
Selimoğlu, Yeşilçelebi and Altunel (2022).	Turkey	Not anchored on a theory	IFMIS application is in its infancy in Turkey	IFMIS application is in its infancy in Turkey	Digitalization process and information technology management	Accurate and timely financial reports
Izang, Owolabi and Odunlade (2022)	Nigeria	Agency theory	Descriptive and inferential (Multiple regression) methods	The result of the study showed that the integrated financial management information system had a significant effect on fraud investigation in Nigerian public sector	Budget preparation module, budget execution module, accounting module, human resource module and master data module.	Proper budgeting reports and budget monitoring
Majer, Mathew and Kur (2021)	South Sudan	Technology acceptance model	Mixed-method research design where qualitative and quantitative data was analyzed	The study revealed that, policies without appropriate implementation interventions are not effective in promoting IFMIS implementation	Decision-making support systems and management and efficiency-oriented	Accountable budgetary reports and proper utilization of public finances

Opoku-Yeboah, Gyamfi-Adu and Boakye (2021)	Ghana	Agency theory	Survey and interviews	The study found that the implementation of IFMIS in Ghana has led to improved budget execution by enhancing budget preparation and execution, financial reporting, and internal controls.	Monitoring and reporting systems	Reduced financial leakages, efficiency and speed
Wanyonyi and Theuri (2021)	Kenya	Institutional theory and Technological acceptance model	Regression and Pearson's correlation coefficient	The study found IFMIS to a great extent, is applied in Trans Nzoia County and there is huge enhancement for duty control and decreased change between spending arrangement and discharges	Cost management systems, post-budget accounts and detailing systems	Quality of audit reports and proper budgeting
Kabare and Kihara (2020)	Kenya	Institutional theory	Survey and interviews	The study found that the implementation of an integrated financial management information system in selected county governments in Kenya has led to improved financial management practices by enhancing budget preparation and execution, financial reporting, and internal controls.	Internal control systems, electronic budgeting, automated cash management and automated financial reporting	Compliant and accurate budgets and reduced financial frauds
Yaokumah and Biney (2020)	Ghana	Resource dependency theory	Descriptive statistics and regression analysis	IFMIS is an effective tool in public financial management; however, the lack of ICT competency and top management support systems were the major	Budgeting, account systems and financial reporting systems	Accurate budget reports and reduce financial malpractices

				factors required for a successful implementation of IFMIS		
Belay (2020)	Ethiopia	Institutional theory	Survey and interviews	The study found that IFMIS has had a positive impact on financial accountability in the public sector in Ethiopia by improving budget execution, financial reporting, and internal controls.	Internal control systems, budgeting and reporting systems	Efficient budget execution and accurate financial reporting
Pabustan and Perez (2020)	Philippines	Institutional theory	Survey and interviews	The study found that the implementation of an IFMIS in local government units (LGUs) in the Philippines has led to improved financial accountability by enhancing budget preparation and execution, financial reporting, and internal controls.	Fiscal systems and control systems	Accurate budget preparation and execution and financial reporting
Njau and Kinoti (2020)	Kenya	Agency theory and technology acceptance model	Descriptive analysis and inferential statistics	IFMIS was significantly embraced in public finance management at the National Treasury, Kenya	Internal control, budgeting and financial reporting systems	Accurate and timely budgets and verifiable financial reports
Taremwa and Bakunda (2020)	Uganda	Institutional theory	Survey and interviews	The study found that the implementation of an IFMIS in the Uganda Revenue Authority (URA) has led to improved financial management performance by enhancing budget preparation and execution,	Fiscal management systems, budget management systems and internal control systems	Accurate budget reports and verifiable financial reports

				financial reporting, and internal controls.		
Matiru and Chiweshe (2019)	Zimbabwe	Institutional theory	Survey and interviews	The study found that the implementation of an IFMIS in the Zimbabwean public sector has led to improved public financial management by enhancing budget preparation and execution, financial reporting, and internal controls.	Fiscal, budget management systems and internal control systems	Correct budget reports and financial reports
Ewetan and Oyewale (2019)	Nigeria	Agency theory	Survey and interviews	The study found that IFMIS has the potential to enhance financial accountability in the Nigerian public sector by improving financial reporting, budget preparation and execution, and internal controls.	Budgeting system, internal control and Financial reporting systems	Improved financial reporting, budgeting and executions
Mbaka and Namada (2019)	Kenya	Diffusion of innovation theory	Regression and content analysis	The study found that IFMIS had a significant effect on supply chain effectiveness	Financial tracking system, internal control and reporting system	Accurate budget reports and financial reports
Oladipo and Alade (2019)	Nigeria	Institutional theory	Survey and interviews	The study found that IFMIS has led to improved financial reporting quality in Nigeria by enhancing the accuracy and completeness of financial information.	Financial reporting and auditing system	Accurate and complete financial reports
Rotich (2019)	Kenya	Institutional theory	Survey and interviews	The study found that the implementation of an IFMIS in county governments in Kenya has	Budgeting systems, financial reporting	Proper budgeting preparation and execution, financial

				led to improved public financial management performance by enhancing budget preparation and execution, financial reporting, and internal controls.	systems and internal control systems	reporting, and internal controls.
Simiyu and Kaplelach (2018)	Kenya	contingency theory of accounting information system, Meta theory model and structuration theory	Descriptive and regression analysis	The study found that budgeting frameworks, accounts receivable and accounts payable emphatically and significantly impacted on the public finance management in Kilifi County	Budgeting systems, accounts receivable and accounts payable systems	Accurate and complete financial reports
Muiruri (2018)	Kenya	Institutional theory	Regression analysis	IFMIS enhances transparency within the financial system, IFMIS enhances efficiency of the financial processes, IFMIS has improved accountability of public finances and IFMIS has enhanced easy access to financial information whenever required	Financial and internal control systems	Verifiable budgets and reduced fraud
Ngugi (2018)	Kenya	Institutional theory	Case study	The study found that IFMIS has led to improved public financial management in Kenya by enhancing budget preparation and execution, financial reporting, and internal controls.	Internal control systems, budgeting systems and financial reporting systems	Enhanced budget preparation and execution, financial reporting, and internal controls

Ullah and Kashif (2018)	Pakistan	Institutional theory	Survey and interviews	The study found that IFMIS has led to improved financial reporting quality in developing countries by increasing the accuracy and completeness of financial information.	Budgeting, IFMIS recording software and financial tracking system	Accurate and complete financial reports
Mbae (2018)	Kenya	Institutional theory	Survey and interviews	The study found that IFMIS has led to improved financial accountability in public sector organizations in Kenya by enhancing budget preparation and execution, financial reporting, and internal controls.	Internal control system, budgeting and financial reporting system	Accurate budgets, verifiable budget executions and reports
Mugisha (2018)	Tanzania	Agency theory	Case study	The study found that the implementation of an IFMIS has led to increased efficiency in the public financial management system in Tanzania by reducing transaction costs, improving budget execution, and enhancing financial reporting.	Financial tracking system, budgeting and reporting systems	Reduced financial frauds, improved budgeting execution, and financial reporting
Kirungi (2018)	Uganda	Institutional theory	Survey and interviews	The study found that IFMIS has had a positive impact on public financial management in Uganda by improving budget execution, financial reporting, and internal controls.	Internal control system, financial reporting and budget management systems	Accurate budgeting execution, and financial reporting of public financial resources

Gahigiro (2017)	Rwanda	Agency theory	Case study	The study found that the IFMIS in Rwanda has improved transparency and accountability in government expenditure management by enhancing budget preparation and execution, financial reporting, and internal controls.	Internal control system, financial reporting and budget management systems	Provision of quality and complete financial information, traceable reports
Naseem (2017)	Pakistan	Institutional theory	Case study	The study found that the implementation of an IFMIS in Pakistan has led to improved financial accountability by enhancing budget preparation and execution, financial reporting, and internal controls.	Internal tracking systems, budgeting and financial reporting systems	Complete budget reports, reliable financial reports and reduced financial frauds
Shonubi and Ojeka (2017)	Nigeria	Institutional theory	Survey and interviews	The study found that the implementation of an IFMIS has led to improved performance of public sector organizations in Nigeria by enhancing budget execution, financial reporting, and internal controls.	Internal control systems, budget monitoring and reporting systems	Complete budget reports, reliable financial reports and reduced financial frauds

Source: Author (2023)

## Appendix II: Research Questionnaire

Questionnaire S/NO:

This questionnaire is structured to collect information on the effect of IFMIS on financial accountability among government agencies in Kenya. Kindly read the questions carefully and tick against the asked question as per your position or understanding and relevance to the study. Utmost confidentiality is assured as the data collected from this questionnaire will purely be used for academic purposes.

### Part A: Background Information

1. Please indicate your gender:  
Male ()      Female ()
2. Please indicate your age:  
18- 29 ()      30 – 39 ()      40– 49 ()      50 and above ()
3. Please indicate your highest education level:  
Diploma ()    Bachelor Degree ()    Postgraduate ()
4. Please indicate your working experience with your current employer in years:-  
1 and below ()      2 – 3 ()      4 – 5 ()  
6 – 7 ()      8 and above ()

## Part B: IFMIS

### IFMIS electronic procurement

Kindly indicate the extent to which you agree with each of the statements on IFMIS electronic procurement by using the following scale:

Scale: (Strongly agree=5, agree=4, Neutral=3, Disagree=2, strongly Disagree=1)

Statement	5	4	3	2	1
All public procurements are submitted through the IFMIS					
The biddings of public procurements are clearly communicated through the IFMIS					
The contracts and agreements are submitted via the IFMIS					
The procurement quotations are clearly outlined in the IFMIS					
Suppliers purchase agreements can be viewed through the IFMIS system					
The IFMIS system allows users to assess the capabilities of suppliers					
The IFMIS allows for electronic ordering of goods and services					

### IFMIS budgeting

Kindly indicate the extent to which you agree with each of the statements on budgeting by using the following scale:

Scale: (Strongly agree=5, agree=4, Neutral=3, Disagree=2, strongly Disagree=1)

Statement	5	4	3	2	1
There is regular and consistent monitoring of the budgets using IFMIS					
IFMIS enables budgetary control and prioritization					
IFMIS embraces participatory budgeting to ensure the public involvement					
IFMIS eases budget formulation and preparation					
IFMIS ensures the proper management of taxpayers maoney					
It is possible to use historical information to make accurate forecasts using IFMIS					
IFMIS allows for departmental budgeting to promote efficiency					

### IFMIS financial reporting

Kindly indicate the extent to which you agree with each of the statements on financial reporting by using the following scale:

Scale: (Strongly agree=5, agree=4, Neutral=3, Disagree=2, strongly Disagree=1)

Statement	5	4	3	2	1
There is full disclosure of the financial status via IFMIS					
There is relevance of the financial reports through IFMIS					
Financial reporting through IFMIS always meets timelines					
IFMIS ensures financial transparency within the public sector					
IFMIS has increased levels of quality of financial reports					
IFMIS financial reporting has enhanced efficiency in financial reporting					
IFMIS financial reporting ensures that there is faithful representation of Reports					

### IPSAS Reporting

Kindly indicate the extent to which you agree with each of the statements on budgeting by using the following scale:

Scale: (Strongly agree=5, agree=4, Neutral=3, Disagree=2, strongly Disagree=1)

Statement	5	4	3	2	1
Financial reports are presented following IPSAS standard framework					
Procurement processes are adequately disclosed in financial reports					
IPSAS has improved financial decision making within the entity					
Consolidation of government financial statements have improved since the introduction of IPSAS					
IPSAS has improved the quality of accounting systems					
The budgeting process follows IPSAS standards frameworks					
All reporting procedures within the public sector are guided by the IPSAS standards framework					

### Part C: Financial Accountability

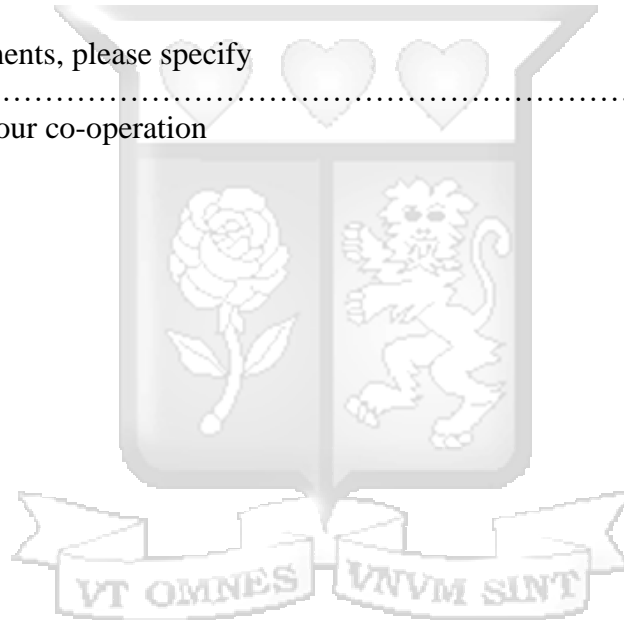
Kindly indicate the extent to which you agree with each of the statements on financial accountability by using the following scale: (Strongly agree=5, agree=4, Neutral=3, Disagree=2, strongly Disagree=1)”

Statement	5	4	3	2	1
My organization is experiencing enhanced transparency and accountability					
There is improved commitment control in the organization					
There is increased efficiency in the organization					
There has been an increase in quick financial decision-making					
There has been an overall improvement in fiscal transparency					
IFMIS has allowed for real-time management of transactons within the agency					
The financial controls in the organization have improved					
There is reduced variance between budget provision and releases in the organizations					

Any other comments, please specify

.....

Thank you for your co-operation



### **Appendix III: Government Agencies in Kenya**

1. AFFA Pyrethrum Processing Company
2. Agricultural Cooperative Training and Consultancy Services
3. Agricultural Development Cooperation
4. Agriculture Finance Cooperation
5. Agriculture Food and Authority
6. Agro-Chemical and Food Company
7. Alcoholic Drinks and Control Fund
8. Anti-Counterfeit Agency
9. Auctioneers Licensing Board
10. Bomas of Kenya
11. Brand Kenya Board
12. CMA
13. Central Bank of Kenya
14. Civil Contingency Fund
15. Civil Servants Housing Scheme Fund
16. Communication Authority of Kenya
17. Competition Authority of Kenya
18. Council of Legal Education
19. Council of Governors
20. Development Bank of Kenya
21. East African Portland Cement
22. Energy and Petroleum Regulatory Authority
23. Engineers Board of Kenya
24. Export Processing Zone Authority
25. Export promotion Council
26. Financial reporting Center
27. Geothermal Development Company
28. Golf Hotel Limited
29. Government Press Fund
30. ICT Authority
31. Industrial and Commercial Development Cooperation
32. Industrial Development Bank Co
33. Insurance Regulatory Authority
34. Intelligence Service Development Fund
35. Kabarnet hotels
36. KASNEB
37. KALRO
38. Kenya Airports Authority
39. Kenya Animal Genetic Center
40. Kenya Broadcasting Cooperation
41. Kenya Copyright Board
42. Kenya Cultural Center
43. Kenya Dairy Board
44. Kenya Deposit Insurance Cooperation
45. Kenya Electricity Generating Company

46. Kenya Energy Environment and Social Responsibility Programme
47. Kenya Film Classification Board
48. Kenya Forest Service
49. KEFRI
50. Kenya Industrial Estates
51. Kenya Industrial Property Institute
52. Kenya Industrial Research and Development Institute
53. Kenya Institute of Mass Communication
54. KIPPRA
55. Kenya Investment Authority
56. Kenya Law Reform Commission
57. Kenya Lather Development Council
58. Kenya Literature Bureau
59. Kenya Local Loans Support Fund
60. Kenya Meat Commission
61. Kenya Medical Research Institute
62. KNBS
63. Kenya National Commission for UNESCO
64. Kenya National Highways Authority
65. Kenya National Trading Corporation
66. Kenya Nuclear Electricity Board
67. Kenya Plant Health Inspectorate Services
68. Kenya Pipeline Company
69. KPLC
70. Kenya Railways Corporation
71. Kenya revenue Authority
72. Kenya Roads Board
73. Kenya Seed Company
74. Kenya Tourism Board
75. Kenya Trade Network Agency
76. Kenya Urban Roads Authority
77. Kenya Veterinary Board
78. Kenya Utalii college
79. Kenya Wildlife Service
80. KICC
81. Kenyatta National Hospital
82. Konza Technopolis Development Authority
83. Lake Basin Development Authority
84. LAPSSET Development Authority
85. Local Authored Provident Fund
86. Mechanical and Transport Fund
87. Media Council of Kenya
88. Medical Practitioners and Dentist Board
89. MSEA
90. Miwani Sugar Company
91. Mt Elgon Hotel

92. Mwea Rice Millers
93. National Bank of Kenya
94. National Biosafety Authority
95. NCPB
96. NCIC
97. NACOSTI
98. National Commission Secretariat
99. NCA
100. National Council for Law reporting
101. National Council Population and Development
102. National Council for children services
103. National Drought Management Authority
104. National Government Constituencies Development Fund
105. National Environment trust fund
106. NHIF
107. National Housing Cooperation
108. National Industrial and Trading Authority
109. National Irrigation Board
110. National Museum of Kenya
111. National Oil Corporation
112. National Quality Control of Laboratory
113. NSSF
114. NTSA
115. National Youth Council
116. NEPAD Kenya
117. New KCC
118. Numerical Machine Complex
119. Nursing Council of Kenya
120. Nyayo Tea Zones Cooperation
121. Nzoia Sugar Company
122. Occupation Safety and Health Fund
123. Petroleum Development and Levy Fund
124. Pharmacy and Poison Board
125. Policy Holders Compensation Fund
126. Postal Corporation of Kenya
127. Public Procurement Regulatory Authority
128. Railway Development Levy Fund
129. Registration of CPSB
130. RBA
131. Rural Electrification Authority
132. Rural Enterprise Fund
133. SASRA
134. Similaw Seeds
135. South Nyanza Sugar Company
136. State and Public Officers Car Loan Scheme
137. State Officers Mortgage Scheme

138. Strategic Grain Reserve Fund
139. Sunset Hotel
140. National Treasury Provident Fund
141. Tourism Regulatory Authority
142. Tourism Fund
143. Unclaimed Financial Assets Authority
144. Uwezo Fund
145. Women Enterprise Fund
146. Youth Enterprise development Fund
147. Agriculture Information Resource Center
148. Commodity Fund
149. Asset Recovery Agency
150. Kenya Electricity Transmission
151. Kenya Post office
152. Kenya Re
153. Business Service Registration Board
154. Coast Development Authority
155. Kenya ports authority
156. Kenya Safari Lodge
157. Kenya Vision 2030
158. Tobacco Control Board
159. Kenya National Shipping
160. Physiotherapy Council of Kenya
161. Public Sector Accounting Standards Board
162. KMTC
163. Kenya Ferry Services
164. Kenya Marine and Fisheries Research Institute
165. Kenya Maritime Authority
166. KEMSA
167. NEMA
168. Kenya Rural Roads Authority
169. WPA Motor Car Scheme Loan
170. EACC
171. Tourism Finance Corporation
172. Pest Control Board
173. MTRH
174. Kenyatta National Hospital
175. Kerio Valley Development Authority
176. Kenya Ordinance Corporation
177. Kenya National Assurance Corporation
178. Commission for Revenue Allocation
179. Management and Supervision Fund
180. Roads Annuity Fund
181. Public Trustee of Kenya
182. Veterinary Medicine Directorate
183. National environment trust fund

184. Betting Control And Licensing Board in Kenya
  185. Coffee Board of Kenya
  186. Coffee Research Foundation in Kenya
  187. Economic Stimulus Program in Kenya
  188. eGovernment Kenya
  189. Kenya Civil Aviation Authority
  190. Kenya Coconut Development Authority
  191. Kenya Flower Council
  192. Kenya ICT Board
  193. Kenya Sugar Board
  194. National Irrigations Board in Kenya
  195. Office of The Controller of Budget in Kenya
  196. Kenya National Disaster Operation Centre
  197. Thika water and sewerage company
  198. Occupational health and safety fund
  199. National sports fund
  200. State department for interior
- Source: National Treasury & Planning 2019



# Appendix IV: NACOSTI Permit



REPUBLIC OF KENYA



NATIONAL COMMISSION FOR  
SCIENCE, TECHNOLOGY & INNOVATION

Ref No: 279560

Date of Issue: 21/February/2025

## RESEARCH LICENSE



This is to Certify that Miss., Eddah Maina of Strathmore University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Baringo, Bomet, Bungoma, Busia, Elgeyo-Marakwet, Embu, Garissa, Homabay, Isolo, Kajiado, Kakamega, Kericho, Kiambu, Kilifi, Kirinyaga, Kisii, Kisumu, Kitui, Kwale, Laikipia, Lamu, Machakos, Makeni, Mandera, Marsabit, Meru, Migori, Mombasa, Muranga, Nairobi, Nakuru, Nandi, Narok, Nyamira, Nyandarua, Nyeri, Samburu, Siaya, Taita-Taveta, Tanariver, Tharaka-Nithi, Transzoia, Turkana, Uasin-Gishu, Vihiga, Wajir, Westpokit on the topic: EFFECT OF INTEGRATED FINANCIAL MANAGEMENT INFORMATION SYSTEM ON FINANCIAL ACCOUNTABILITY AMONG GOVERNMENT AGENCIES IN KENYA for the period ending : 21/February/2026.

License No: NACOSTI/P/25/416266

279560

Applicant Identification Number

Director General  
NATIONAL COMMISSION FOR  
SCIENCE, TECHNOLOGY &  
INNOVATION

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See overleaf for conditions

## Appendix V: Ethical Permit



24<sup>th</sup> May 2024

Ms Maina Eddah,  
ewaihiga7@gmail.com

Dear Ms Maina,

### **RE: Effect of Integrated Financial Management Information System on Financial Accountability among Government Agencies in Kenya**

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** proposal. Your application reference number is **SU-ISERC2253/24**. The approval period is from **24<sup>th</sup> May 2024 to 23<sup>rd</sup> May 2025**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used.
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.
- iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours.
- v. Clearance for the export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.

Yours sincerely,

**Mr Ambrose Rachier,**  
**Chairperson; SU-ISERC**