

**ROLE OF ACCOUNTABILITY IN THE MANAGEMENT OF CONSTITUENCY
DEVELOPMENT FUND IN NYERI COUNTY**

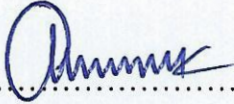
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**A Research Thesis Submitted in Partial Fulfillment of the Requirement for the Award of
Master Degree in Business Administration (Finance Option) of Dedan Kimathi University
of Technology.**

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DECLARATION

This research thesis is my original work and has not been presented for a degree in any other university.

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This research thesis has been submitted for examination with my approval as University First Supervisor.

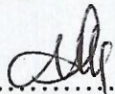
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ABSTRACT

This study focused on the role of accountability in the management of Constituency Development Fund in Kenya with emphasis on Nyeri County. It is evident from various authors in the study that CDF suffers from a lack of accountability, as there is no regulatory framework governing the allocation of these funds, nor are there standardized criteria for financial or performance reporting on their use. In the financial year 2012/13, various public institutions, including local authorities could not account for about KES 300 million, particularly due to inadequate enforcement of regulatory frameworks, as well as politically influenced corruption. Based on this, the study was guided by the following specific objectives: to determine the role of the choice of a project, procurement process, financial management and audit systems and their effects on accountability in the management of Constituency Development Funds in Nyeri County. The study employed descriptive research design and the target population consisted of the residents of Nyeri County and the total accessible population for this study was 64,586 respondents. However, 100 respondents were sampled using simple random sampling technique. The researcher developed a questionnaire for data collection which consisted of both open ended questions and closed ended questions. The data was collected, coded and stored into an excel sheet. Descriptive statistics were then used to analyze and present the data in the form of frequency distribution and bar graphs along with an explanation of the study findings. Inferential statistics were carried out to establish the nature of the relationship that exists between variables using regression analysis. Pearson's Coefficient Correlation analysis was used to examine the type and extent of the relationships. The study concluded that 65.7% of the variation in the accountability in the management of CDF is explained by the variation in the independent variables jointly (project identification and choice, procurement process, financial management and audit systems). The study suggests that accountability in the management of CDF has a lot to do with project identification and choice, procurement process, financial management, audit systems with procurement process being the most useful predictor of accountability in the management of CDF then project identification and choice, financial management and the least is the audit process. Based on the findings emanating, policies and strategies need to be formulated that will be useful in the planning, coordinating, monitoring and directing to minimize losses on CDF funds. There also need for the Government to enforce existing regulations and all stakeholders have to participate in the management of the fund so as to continue realizing their effects.