EFFECT OF GOVERNANCE ON RISK MITIGATION AMONG COUNTY GOVERNMENTS IN KENYA

A CASE OF MOMBASA AND KILIFI COUNTY

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DECLARATION AND RECOMMENDATION

I declare that this thesis is my original work and that it has not been presented for examination in any other University.

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DEDICATION

I am dedicating this thesis to my family who have stood by my side and encouraged me throughout my studies. Above all glory and honor be to God for giving me the strength, grace and divine ability throughout my studies. God bless all.

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ABSTRACT

The purpose of the study was to assess the effect of governance on risk mitigation among county governments in Kenya. The study's main goals were to find out how managerial accountability, public involvement, financial reporting, and adherence to the rule of law impact risk mitigation in the county governments of Mombasa and Kilifi. Because of the ease with which information could be obtained, the research was carried out in the departments of the Mombasa and Kilifi County governments. The Modern Portfolio Theory, Agency Theory, and Risk Mitigation Theory were all used to inform the research. The research design used in this study was a descriptive cross-sectional one. The target demographic consisted of 85 senior staff members County Executive Committee members, Chief Officers and Directors working in 11 departments throughout Mombasa and Kilifi County governments. The sample size for the research was determined by the use of a census sampling approach. Primary and secondary data were used in the investigation. Researchers also visited Mombasa and Kilifi County governments before delivering surveys in order to get formal authorization to conduct the study for academic reasons solely from the academic office of Kenya Methodist University before administering the questionnaires. Descriptive statistics, such as frequency distributions, means, modes, and standard deviations, were used to compile and analyze the data. In order to guarantee that the information was accurate, detailed, and consistent, it was sifted and changed. The data was organized and recorded in accordance with the study's objectives and research questions, and a range of statistics were obtained. All four independent variables (management accountability P=0.000, public participation 0.006, financial reporting 0.000, and compliance with the rule of law 0.019) had a P value less than the threshold level of significance of 0.05, indicating a significant relationship between governance and risk mitigation in the county governments. Risk identification and mitigation are critical in determining the financial success of county governments in terms of income and expenditure, according to the results of the study. In order to reduce the impact of risks on the organization, they must be mitigated as soon as they are discovered. According to international accounting standards, financial reporting by county governments is standardized to increase accountability and transparency by lowering the complexity of present financial reporting and enhancing the value of financial information for stakeholders and consumers. County government executives, according to the findings of the research, should develop and convey to their staff clear rules and processes for creating, implementing, and modifying conflict-of-interest policies at the appropriate levels in the public sector. It is also necessary for county leadership to establish protocols for sharing and debating financial reports and audit reports with members of the public and other stakeholders in the running of the county.

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CHAPTER ONE

INTRODUCTION

1.0 Background of the Study

According to Smithson and Wilford (2017), risk is uncertainty about what will happen in the future and how things will turn out. It is a way to say how likely and likely an event is to have a positive or negative effect on someone. Risk is a mix of the likelihood of an event occurring (which is often negative) and the kind and severity of the occurrence. Risk mitigation refers to efforts taken in order to reduce the severity or effect of a risk. It is necessary to first analyze the possible effect of risks before taking steps to minimize them (Crabb, 2016).

Risk mitigation is a critical component of corporate governance in public sector organizations, and it is reflected in their organizational structures, procedures, corporate values, culture, and behavior, among other things. For a company to achieve long-term success in both strategy and operations, it must function effectively as a management process inside the organization's governance structure (Wenk, 2016). Effective risk mitigation may have far-reaching consequences for all businesses, big or little, public or private, regardless of size or industry (Ranong & Phuenngam, 2017).

Effective risk reduction may lead to improved financial performance, a stronger foundation for strategy creation, better service delivery, a higher competitive advantage, less time spent fighting fires, and fewer unexpected shocks. Other benefits include a higher likelihood of a change effort being successful, a stronger internal focus on doing the right thing the right way, more efficient resource utilization, less waste and fraud, and better value for money; improved innovation; and improved people management (Wenk, 2016).

In public institution, risk mitigation is a vital component of corporate governance. It is represented in their organizational structures, processes, corporate values, culture and behavior, among others. For a company to achieve long-term success in both strategy and operations, it must function effectively as a management process inside the organization's governance structure (Woods, et al, 2017).

Some of the common phases in the public sector's risk mitigation processes include: identifying potential future events or occurrences that might threaten success, estimating the chance that such events or occurrences will occur, and executing risk mitigation methods to lessen those risks. When assessing the amount of risk in terms of the probability and magnitude of the effect, deciding whether to tolerate, treat, transfer, or terminate the threat are all important considerations. monitoring processes to ensure that risk mitigation choices are up to current and strong, and that they can withstand stakeholder scrutiny, and providing management and those entrusted with govt. accountability with updates on the risk mitigation process (Demek, et al., 2018).

The capacity of management in firms to obtain adequate knowledge about market changes, environmental changes, technology changes, political changes, and changes in consumer requirements is a critical necessity for successful risk reduction. This should be done in order to reduce the risk of profit margin reductions, bad debts accrued as a result of extending credit lines, excessive operational expenses, and bankruptcy as a result of advancing credit lines (Huang, 2016). For example, the ISO framework recommends that a company develop and implement a suitable implementation strategy and timing, apply the risk management framework and procedures to organizational processes, ensure compliance with regulatory and legal requirements, and make sure that decision-making, development, and goal-setting are in line with risk mitigation process outcomes. Stakeholders should be consulted and interacted with to ensure that the organization's risk mitigation strategy remains suitable (ISO, 2017).

The King Report (2020) was the catalyst for the establishment of a corporate governance framework for risk management in South Africa, as well as the promotion of the highest standards of corporate governance in the country. To be effective and efficient, risk frameworks must provide assurance in the following areas: compliance with applicable laws; effectiveness and efficiency of operations; asset protection; reliability of financial reporting; business sustainability; and acting responsibly towards stakeholders (King Report, 2020).

Effective risk reduction implementation requires an enterprise-wide strategy rather than handling each business unit separately, as previously stated. It should be regarded best practice to engage the board of directors in the process of developing and monitoring the risk mitigation strategy (Okpara, 2017). According to Kendrick (2018), risk mitigation is the process of figuring out what could happen to a business, figuring out how to deal with that risk, and then coming up with and putting in place an appropriate program or policy that would reduce or completely eliminate that risk.

The risks faced by organizations are many and varied, and include: credit and operational risks; market and liquidity risks; residual risks; securitization risks; concentration risks; interest rate risks; reputation risks; business and operational risks; transfer risks; insurance risks; strategic risks; and financial risks, which is what this study will focus on; and financial risks (Dabari & Saidin, 2016). Businesses confront a broad spectrum of threats (Woods & Dowd 2018). Among these risks include the business climate, legal and regulatory frameworks, operational efficiencies, the company's reputation, and more. It boils down to five basic considerations: the business climate, rules and regulations, operational efficiency, the company's reputation, financial risks, and other dangers

Enterprises must adopt, maintain, and enhance enterprise risk mitigation in order to eliminate unacceptable performance variability. This will also raise investor and stakeholder trust, strengthen corporate governance, enable businesses to effectively adapt to a changing business environment, and integrate strategy with corporate culture, all of which will benefit the organization as a whole. It is imperative that enterprise risk mitigation be implemented when attempting to mitigate the consequences of unfavorable events arising from any or a combination of several kinds of risks (Protiviti, 2016).

A number of obstacles frequently impede risk mitigation, including: people not taking responsibility for their own actions or not being aware of risks, which can be caused by poorly written job descriptions and a weak or absent risk mitigation process. People also don't understand what risk management is and why it is important for their organization, which can make it seem like it's just a compliance exercise. Among the many obstacles that frequently impede risk mitigation are: a lack of understanding of risk management (Lim, et al., 2017).

Furthermore, when there is a lack of connection in terms of risk between the top and bottom levels of an organization, this may be troublesome. A lack of clear reporting to senior management and to the audit committee, as well as a lack of integration, in which risk mitigation is applied as an add-on rather than being integrated with other management processes, or in which departments operate in a "silo" rather than working collaboratively, are frequently associated with this weakness. (Hagigi & Kumar, 2019).

Risk and internal control systems frameworks developed by the Committee on Standards for Organizations (COSO) serve as a guide for the vast majority of risk mitigation activities in public sector administration (Susan & Gary, 2016). In 1992, the Treadway Commission's Committee of Sponsoring Organizations (COSO) developed a COSO Framework for reviewing internal controls, which has subsequently been modified many times. This model has been widely acknowledged as the final benchmark against which organizations may assess the efficacy of their internal control systems as the universally accepted framework for internal control. It is generally acknowledged as the gold standard against which corporations may assess the efficacy of their internal control systems. The control environment, risk assessment, information and communication, monitoring activities, and presently executed control measures are among the COSO's five components (Susan & Gary, 2016).

In a study conducted in Sweden in 2017, it was discovered that audit committees are more active in assessing risk mitigation measures, but that there is no evidence of further follow-up. One of the most difficult aspects of such setups is often getting the committee to concentrate on explicit separate management of company risks rather than financial control. A key finding from the Committee's work after the commencement of the financial crisis was that the emphasis appears to have often been on internal controls for the sake of financial reporting, with risk mitigation being disconnected from company strategy and its execution.

It was shown in the International Monetary Fund's [IMF] 2016 survey report that risk mitigation measures were influenced by variables including fiscal vulnerabilities, security, falling commodity prices, and increased capital flows. Firms' incomes in Zambia were impacted by an increase in wages, while in Ghana, the value of local currencies relative to major currencies was being affected by growing deficits in the national budget and political instability, which put pressure on locally produced goods and made them more expensive. The downturn in the region's economic potential was mostly caused by growing instability in the Central African Republic and Southern Sudan, which had a detrimental influence on local businesses operating in the region (IMF, 2016).

There are a number of legislative requirements that apply to the public sector in Nigeria, all of which are geared toward minimizing risk in the administration of public finances. In addition to the Nigerian Constitution, which guides all judicial processes, the Fiscal Policy Act, which guides government spending, the Civil Service Reform Act, which guides reforms in the Federal Civil Service, the Public Service Rules and Financial regulations, the Code of Corporate Governance for Public Companies in Nigeria by the Securities and Exchange Commission, and Guidelines for Risk Management Framework for Licensed Pension Operators in Nigerien are some of the legal provisions in Nigeria (Onafalujo & Eke, 2018). Although these rules are in place, the practice of compliance and risk mitigation, which is based on proven enterprise risk mitigation frameworks, is not widely practiced in Nigeria's public sector organizations. As a result, there are questions about who is responsible for what when it comes to the planning, execution, monitoring, completion, and quality assurance of public sector programs and policies (Saidu & Saidin, 2018).

A number of external factors such as changing policies, changes in management, restructuring, mergers and splits of public agencies might play a role in the overhauling of the current financial systems in the government. These sorts of transformations need a comprehensive and comprehensive strategy transformation in order to restore alignment between the organization's aims and the environment (Sierak, 2015).

In compliance with International Organization for Standardization (ISO) standard ISO 31000, state companies are engaged in their primary business of risk management. The effectiveness with which government initiatives distribute, shift, and/or mitigate public risk, as described by the agency's mission statement, might serve as a key success indicator. Another metric to consider is whether the costs of the program exceed the benefits of lowering the risk that has been identified (Wang & Reuer, 2015). While the board of directors is responsible for overseeing the governance process, management is responsible for putting the policies and processes in place that allow governance to take place inside the company. When it comes to governance procedures inside a company, the board is responsible for comprehending them and providing advice to management on how they should be carried out. The board is also liable for the outcomes of those processes (Wang & Reuer, 2015).

Authority and responsibility for important functions are required at all levels and in all parts of the company, and they must be well understood. In order to achieve a balance between global and regional goals, a good governance operational model would delineate the authority and responsibility for important positions, and it would also describe a mechanism for resolving or escalating issues. With a sound governance operating model, business units could be given the ability to make decisions that are balanced against risk managers, ensuring that risk tolerances and exposure limits are established, monitored, and challenged and that risk managers have the authority to challenge those who are taking the risks (Hawkins & Wang 2015).

Mallin (2017) defines corporate governance as the set of corporate regulations and best practices that firms utilize to accomplish their objectives with respect to investors and stakeholders. It is a technique that organizations employ to direct and manage their actions. An organization's operations are guided and regulated by this system. By implementing and improving corporate laws that increase accountability, honesty, and transparency, organizational governance can defend stakeholders' interests and alleviate the agency dilemma between management and shareholders (Beekes, 2017).

As defined by the International Council on Public Sector Governance (2016), corporate governance is a rule of behavior that controls the interaction between the directors of a company, stakeholders, and the firm's senior management. It may be thought of as the norms of practice that hold an organization's management accountable to people who have invested their money in the organization's assets for the effective use of those assets. It demonstrates that a company is guided by its purpose, values, and philosophy. Also known as corporate governance, it is a system of interrelated rules that control the conduct of businesses, their administration, and their shareholders.

Corporate governance assists a firm in managing the risks that it faces via a variety of processes, one of which is guaranteeing the adoption of internal controls. As a result of the global financial crisis and corporate mismanagement on the part of management, standards such as the Cadbury Report (1992), the SOX Act (2002), and the Turnbull guideline (1999) were enacted to strengthen corporate governance (Beltratti & Stulz, 2018).

The development of governance procedures has been prioritized in order to reduce the chance of failure. When an organization fails, which means that risk has not been properly managed, there is almost always a governance breakdown at the root of the problem (Rafiee & Sarabdeen, 2016). In order to aid organizations in better understanding risks, improving and delivering their goals, and mitigating, assessing and managing risk in an appropriate way, governance and risk mitigation are connected together (Zahiruddin & Norlida, 2016). The method of risk reduction is broken down into governance. It is preferable if risk mitigation and internal control are integrated into the company's routine management and governance procedures rather than being handled as a stand-alone compliance effort (Elloumi & Gueyle, 2017).

Effective risk reduction in a business begins with the establishment of a sound governance structure in the organization. When it comes to risk mitigation, governance clarifies the division of duty within an organization and identifies the methods by which risk mitigation was applied at each level of the business. It is essential that an efficient governance structure is established on the principles of openness and efficiency of the market, and that it is compatible with current law, so that there are no misconceptions regarding the roles of the many agencies participating in the process (Shleifer & Vishny, 2017).

Having good governance in a business is essential for recruiting investors as well as reassuring them that their money is safe and being handled effectively in an open and responsible way. Recent business scandals, which resulted in significant economic losses, increased risk, and a loss of public trust, have shown the critical relevance of effective governance. The notion of governance raises the issue of whether an organization will perform better and generate greater profits if it adheres to specific rules and regulations (Weir, 2016).

In order to guarantee that the activities of the County Government are carried out properly, a number of legislative requirements exist that serve as criteria for determining performance. In different parts of the County Government Act 2012 (CGA) and the Public Finance Management Act 2012 (PFMA), they are supplied (PFM). A primary goal of the creation and institutionalization of the Performance Management Framework (PMF) in county government was to demonstrate to residents the outcomes of county government actions and how they have influenced their lives (Mburu and Muturi, 2016).

According to the Fourth Schedule of the Constitution, county governments are responsible for ensuring that the public is involved in all aspects of governance. This includes, among other things, ensuring that individuals are equipped with civic education so that they may gain the skills necessary to engage successfully in local government at the local level (Kanyiga, 2016).

It's up to the county government to follow the rules for public engagement set out in the County Government Act 2012 (CGA), the Public Finance Management Act 2012 (PFMA), and the Urban and Cities Act (2011). Under the Acts, the public must be involved in the writing of new legislation, the setting of budget priorities, the review of government departments and agencies, and the reporting of complaints and grievances. According to the law, county assemblies are in charge of making rules and regulations that encourage effective public participation in development planning and performance management (CGA 47, 115). Public participation in policy and plan creation, service delivery, and annual reports on citizen involvement with the county are also responsibilities of the county governments that have been devolved. The counties must also set up a County Budget and Economic Forum (CBEF) to talk to the public about the budget process and other things (PFMA, Section 137) (Murray, 2018)

The establishment of county governments was intended to promote good governance by ensuring a fair allocation of development projects and opportunities, enhanced control of spending, and frequent public engagement in decision-making processes. As a result, among other things, it was intended to curb corruption (Copeland, 2019).

In order to ensure the best possible administration of public funds, the Kenyan legislatures have approved a number of pieces of legislation. Specific provisions for accountability and transparency, as well as high levels of integrity for public officials are included in a number of laws that have been passed, including the Public Officers Ethics Act 2003, the Leadership and Integrity Act 2012, the County Governments Act 2012, the Public Finance Act 2012, and the Public Participation Act 2012. (World Bank, 2020). Additionally, county governments have struggled with challenges that limit their capacity to offer public services and carry out administrative duties efficiently (Mwongozo, 2019).

Over Ksh.10 billion was missing from county governments, according to a 2020 audit by the Auditor General. In the financial year ended 2020, Kilifi Government received an audit report with a disclaimer where a revenue of Ksh. 0.4 billion was unaccounted for and cash of Ksh. 43 million was lost. In Mombasa County for the same financial year, Ksh. 1.3 billion worth of payments were unexplained, A lack of an efficient corporate governance structure is cited as a factor in the problem, according to the same paper. When it comes to policy making, employees don't have a voice, as evidenced by how policies are adopted from the national government, the functions of regulatory bodies are not flexible to county management bodies, and consensus orientation practices to bring all stakeholders on board are not well stipulated in the counties, resulting in less participation from stakeholders.

Government and resources are brought closer to the people via devolution, but it also empowers local leaders and citizens to make decisions, choose the path of development and politics, and affect the overall course of the nation. In order for a devolved form of government to operate effectively, the intergovernmental fiscal framework must enhance welfare and provide incentives to promote smart government fiscal/financial management, as well as effective political power for subnational taxation and spending. Misappropriation of county funds may be conceivable if effective and strong controls aren't in place. In theory, financial controls like internal and external audits, together with tougher punishments for corruption offenders, might reduce the functional risk factors (KPMG, 2019).

Basel Committee (2019) states that banks must have comprehensive risk mitigation mechanisms (including board and senior management supervision) in place to detect, analyze, monitor, control, or reduce any relevant risks. The institution's size and complexity should be reflected in the development and implementation of properly laid down procedures. Effective management of strategic risk necessitates the establishment of rules, processes, and boundaries to enable the objective appraisal of and response to any organization's needs and requirements. In order to define which business sectors, the institution will concentrate on, both in the short and long term, policies on business strategy are essential. The frequency and mechanism for reviewing the institution's business strategy should be clearly defined in the institution's strategic plan.

In Kenya, the risks impacting the execution of devolution may be divided into four categories: strategic, operational, institutional, and financial concerns. Strategic risks are those that are regarded to have a negative impact on the future shape and form of devolution in Kenya, particularly in terms of their impact on the expected results in respect to the provisions of the constitution. Misinterpretation of the government of Kenya [CoK], 2010 provisions in connection to devolution, political posturing, and electioneering procedures, as well as a lack of knowledge of the provisions and repercussions on devolution among stakeholders are examples of such issues (Owuor,et al., 2018). However, operational risk refers to any risks associated with the execution of defined provisions in regard to devolution procedures that have an influence on the effectiveness of such implementations. Lack of capacity, ineffective public communication initiatives, half-hearted implementation attempts, and a lack of networks among key players are just a few of the issues (Owuor et al, 2018).

Public participation is a two-way street in which the county governments give chances for residents' engagement in governance and the 5 citizens choose whether or not to take advantage of these opportunities depending on a variety of factors, including their interests, to participate (Finch, 2015). In contrast, both the government and non-governmental organizations continue to engage the people in governance problems throughout the nation, via the devolved governance dispensation, and in a variety of methods across different regions of the country. The operationalization of the policy, legal, and regulatory framework of transparency and public participation into reality, as well as the development of effective platforms for public engagement, have been a major emphasis of these players and state agencies in recent years (World Bank, 2019).

According to the Mwongozo code of conduct (2019), the government has put in place a framework for public bodies to implement institutional risk mitigation policies, strategies, and frameworks in order to mitigate institutional risk. Because the functions of accounting officers in government organizations are clearly defined in the regulations, all government entities are mandated by the government to implement risk mitigation methods.

1.2 Problem Statement

Decentralizing governance from the national level to the county level was done to improve good governance by giving each county an equal share of development projects, opportunities, and oversight on how money is spent, as well as giving the public a say in how decisions are made. This, then, was meant to cut down on corruption and other things (Copeland, 2018). Decentralization of government from the national level to the county level was used to try to make sure that development projects and opportunities were given out equally, that money was spent wisely, and that the public was involved in making decisions. As a result, among other things, it was meant to stop people from getting caught (Copeland, 2018). So, in order to avoid the mistakes made in the past and protect devolution from bad governance, the Constitution of Kenya 2010 included very detailed good governance provisions to make sure that public affairs are run in a way that is open to the public. These rules were about accountability, separation of powers, integrity, public funds, and oversight (KPMG, 2019).

It's up to the audit committee to look over all of the information that comes with the financial statements, including the business review and corporate governance reports that are related to the audit, as well as risk mitigation plans. The audit committee should also look over any other financial statements that need to be approved by the board (for example, summaries of financial statements, significant financial returns to regulators, and the release of price sensitive information). Internal auditors have been able to support the county's goals and fend off qualified audit reports by providing acceptable checks and balances on efficiency and effectiveness of internal control, risk mitigation and corporate governance.

However, there has been a long-running complaint about the inconsistencies in financial reporting and audited reports from the County government which fail to identify and mitigate risk in good time (Kipchirchir, 2018). The inability to appropriately analyze, mitigate, and reduce the harm caused by risks may result in the complete collapse of county governments (Wambugu, 2019). Due to the time required to comprehend and assess risks, as well as establish management strategies for monitoring, responding to, and tracking them, unexpected risks may cause considerable delays in project completion. Delays can also happen when risk mitigation activities take longer than expected and they push out other activities on the project schedule. Such outcomes could either result in direct loss of value for money or may result in imposition of constraints on county's ability to meet its business objectives. In this context, this study is determined to analyze the effect of governance on risk mitigation among county governments in Kenya.

1.3 Purpose of the study

The purpose of the study was to assess the effect of governance on risk mitigation among county governments in Kenya.

1.4 Specific Objectives

i. To determine the effect of management accountability on risk mitigation in Mombasa and Kilifi County government.

ii. To analyze the effect of public participation on risk mitigation in Mombasa and Kilifi County government.

iii. To access how financial reporting affect risk mitigation in Mombasa and Kilifi County government.

iv. To examine how adherence to rule of law affect risk mitigation in Mombasa and Kilifi County government.

1.5 Research Questions

i. How does management accountability affect risk mitigation in Mombasa and Kilifi County government?

ii. What is the effect of public participation on risk mitigation in Mombasa and Kilifi County government?

iii. How does financial reporting affect risk mitigation in Mombasa and Kilifi County government?

iv. What is the effect of adherence to rule of law on risk mitigation in Mombasa and Kilifi County government?

1.6 Significance of the Study

The Government will get an insight to the effect of Corporate Governance on risk mitigation in county governments since the government is spending 15 % of all its revenues in funding the counties for provision of services to the public. This study by determining the effect of corporate

governance practices on organizational performance sets a benchmark for better service delivery at the county.

The study may be of interest to the government because it will enable them to develop a foundation for the formulation of risk mitigation policies in the country and improve their ability to deliver on their key priorities by implementing the most efficient and effective risk mitigation framework with the goal of managing public funds.

The findings of this research will also be of considerable significance to other academics who are doing further studies in this area. Therefore, they will utilize the material included in this study as an empirical review in their future research.

1.7 Limitations and Delimitations

During the data collecting process, this research recognized a potential constraint related to a lack of interest and participation on the part of certain respondents. This was countered first and foremost by the researcher, who promised the respondents of the secrecy of their replies, followed by a second assurance that the research's findings would be beneficial to society as a whole, as explained in the next section. The researcher was confronted with the challenge of obtaining reference materials. For the study, it was necessary to use current documents that had been recently published, which may be difficult to locate. The constraint was circumvented by the use of several journals and county reports on risk reduction that had previously been published.

1.8 Scope of the study

The research was carried out in several departments of the Mombasa and Kilifi County governments. Because of the ease with which information could be obtained in the two counties, the researcher decided to perform the study there. The research looked at problems such as managerial responsibility, public involvement, financial transparency, and adherence to the rule of law, as well as how these issues impact risk reduction and how they might be handled. In all, twenty-two (22) County Executive Committee Members (C.E.C.s) were present, as well as thirty (30) Chief Officers (C.O.s) and thirty-three (33) directors from eleven departments in the Mombasa and Kilifi County governments.

1.9 Operational Definition of Terms

Accountability is Taking responsibility and using power in accordance with defined performance criteria is what is meant by the phrase

Financial reporting is making information regarding an organization's financial performance and status available to different stakeholders.

Governance refers to the method of formulating decisions as well as the procedure through which such decisions are put into effect

Risk mitigation refers to the process of identifying techniques and choices for reducing hazards or risks to project goals.

Rule of law refers to the notion that all members of a community are equally bound by publicly available legal rules and procedures.

Public participation is the method through which members of the general public who have a stake in the outcome of planning decisions participate.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter to explain the current theories and analyze the previously established knowledge in order to outline the systematic understanding of the important concerns and previous research in the linked area of study.

2.1 Theoretical Framework

Modern Portfolio Theory

Modern Portfolio Theory is ascribed to Markowitz (1952). Markowitz, in particular, emphasized the continual process of portfolio development and demonstrated how a financial backer might reduce portfolio returns' standard deviation by selecting businesses that do not move in lockstep. The guideline expressly states that the financial backer does (or should do) asset allocation among all safeguards that provide the highest expected return (Markowitz, 1952). He then described the essential prerequisites for portfolio creation, which ultimately resulted in the concept of Efficient Portfolios. According to Markowitz (1952), the financial supporter who constructs a portfolio that generates both the highest predicted returns and the lowest volatility ought to be commended.

Many businesses are increasingly using value in risk models to cope with loan cost and market risk openings, among other things. The technique varies every organization, but it typically comprises assessing the nature of new credit openings on a regular basis, applying a credit hazard rating, and collecting the results of this research in order to discover a portfolio's frequent tragedies. In general, associations have approached credit risk management on a resource-by-resource basis in order to minimize it. While each organization's approach differs, in general, this methodology entails assessing the nature of credit openings on a regular basis, applying a credit risk rating, and gathering the outcomes of this examination in order to distinguish a portfolio's normal misfortunes from those that are out of the ordinary for that portfolio (Richardson, 2015).

Implementing a robust credit audit and internal credit hazard assessment system is critical to the resource-by-resource strategy's success. This technology enables the board to detect changes in individual credits or portfolio trends in the most efficient way. In light of the recognized progressions, credit differentiating evidence, credit audit, and credit hazard classification framework, the board of directors may decide to make fundamental changes to portfolio operations or to expand credit management in an acceptable way.

While the resource by asset technique is an important component of credit risk management, it does not give a complete picture of portfolio credit hazard, which refers to the chance that actual disasters outnumber projected catastrophes. As a consequence, corporations are increasingly trying to supplement the resource-by-resource approach with a quantitative portfolio audit based on a credit model in order to get a more complete knowledge of credit risk (Mason & Roger, 2015).

In accordance with Sharpe (2016), a portfolio that encompasses all potentially hazardous resources is referred to as the market portfolio. The fact that the market portfolio encompasses every single hazardous resource means that it is a completely enlarged portfolio, which means that all of the risk that is unique to certain resources in the portfolio has been increased away. Most notably, the tremendous risk posed by any one resource is balanced by the remarkable inconstancy posed by the relative abundance of diverse resources within the portfolio as a whole (Fama et al., 2015).

The risk of a portfolio takes into account the risk and return of each speculation, as well as the venture's interaction with the many interests represented in the portfolio. The risk of a portfolio is impacted by the risk of each interest in the portfolio in comparison to its return, just as every venture's connection with various interests in the portfolio is influenced by the relationship between each venture and different interests in the portfolio. An investment portfolio is regarded productive on the off chance that it provides the financial supporter with a better projected return with a comparable or lower degree of risk when contrasted with another speculation (Fama, 2015). As seen in the diagram below, the productive boondocks are simply a plot of those successful portfolios. While a competent outskirt explains every one of the productive portfolios in terms of risk and return levels, every one of the successful portfolios may not be appropriate for every financial backer, and vice versa. Review that while developing a venture plan, the primary goals were to maximize profit while minimizing risk (Fama, 2015).

The public authority is making a concerted effort to overcome the inability of the resource-by-resource strategy to appropriately cope with unanticipated calamities by adopting a portfolio approach over time. One disadvantage of the resource-by-resource method is that it has difficulty identifying and calculating fixation, which is a common occurrence. Fixation risk refers to the additional portfolio risk that arises as a result of increased openness to credit extension, or as a result of a group of connected loan bosses working together. With the use of this theory, we may get insight into the role that risks play in affecting the revenues of projects. In addition, it contributes to the creation of pieces of information about why hazard mitigation is such a critical essential purpose for county governments.

Agency Theory

Alchian and Demsetz (1972) and Jensen and Meckling (1973) are credited with establishing the foundations of agency theory (1976). It restores the relevance of impetuses and personal accountability in authoritative reasoning according to office theory (Perrow, 1986). In Agency theory, data is seen as a physical commodity that can be acquired at a fair cost. If the expense justifies it, firms may invest in formal data structures like planning, MBO, and the Board of Directors. Casual structures include administrative administration.

Increasing the implications of result vulnerability to the repercussions of creating danger, office theory broadens authoritative intuition's range of application. The conclusion is that the degree of outcome vulnerability, along with differences in preparedness to recognize risk, will almost certainly have an impact on the agreements reached between the head and expert.

Described by Jensen and Meckling (1976) as the relationship between investors, whom they refer to as administrators, and the organization's leaders and executives, whom they refer to as specialists, agency theory is defined as follows: In the office theory community, there is a lot of excitement for the authoritative viewpoint on the company. As a result, there is a need to separate the account providers from the management of the company, which raises the question of organizational structure. Because it allows investors to practice as chance carriers, the head specialist relationship is beneficial. The head specialist relationship is beneficial because it allows the head, who employs and holds the specialist, to be enriched with explicit abilities, information, and capacities to increase the worth and value of the resource through effective designation of assets (Melyoki, 2015).

The experts, according to this organization idea, should be subjected to intense scrutiny since there is a potential that they may serve their own interests rather than the interests of the owner head. The checking results in organizational expenses that are meant to align the interests of investors with those of the company's leadership and to mitigate internal weaknesses (Denise & McConnell, 2016). Shapiro (2015) goes on to argue that the inherent uncertainty inherent in AT has resulted in the dehumanization of the specialist, wherein inborn motivations are savagely replaced with a levelheaded estimation of the value of results, and the reduction of the firm to a dyadic agreement between people (Ghoshal, 2015; McCracken et al., 2015). As a result, a framework based on correct guidelines has been developed, with standards and excellent standards recently discovered in a social society as a result of the evolution of the framework (Coleman, 2016).

Open organizations provide a good environment for the operationalization of office theory since the executives are removed from their possessions. The investors are seen as the organization's leadership, with a focus placed on achieving the highest possible level of outcome interests from the organization. A struggle emerges as a result of the separation of ownership from the board of directors, which results in failure of the proprietors to monitor the activities and activities of the executives, and as a result of the requirement to utilize specific data sources and control measures to keep office costs under control (Krishnan & Visvanathan, 2016).

A control framework is established in the majority of companies in order to increase competence in financial administration and to effectively screen the operational exhibition of particular offices. Senior administration are often rewarded based on performance, as stipulated in pay based plans that are defined to provide a motivational drive to the executives to create investor wealth and to attract and retain the most experienced and qualified employees possible (Maletta, 2016).

This approach relates to the examination in the sense that when the proprietor's demands are made, the office expenditures are kept to a minimum. Office expenditures may cause a company to have financial difficulties, which can lead to a danger of liquidity, which can disrupt the normal operations of government agencies. As a result of the theory, it was possible to determine how provincial governments may use their inner control cycles to seal provisos against cheating and exploitation of the revenue reserve funds. The theory also supports the dynamic role of the provincial leader in adopting the finest financing methods and making optimal use of the assets in order to reduce the disastrous consequences of liquidity risk.

Contingency Theory of Enterprise Risk Management

Using Enterprise Risk Management theory planning, David (1997) considered why risk relief was essential, and traced theoretical assistance under current bank risk moderation; the emphasis was on market and credit chances. An organization’s ability to operate swiftly would depend on whether or not it took on market and credit risks, according to the theory (Eichhorn, 2004). If there is no viable and effective credit hazard mitigation, one would anticipate the credit hazard points to have a negative influence on banks' profits (Ngugi, 2001).

Using Enterprise Risk Management theory planning, David (1997) considered why hazard relief was essential, and traced hypothetical assistance under current bank hazard moderation; the emphasis was on market and credit chances. According to the theory, market and credit risks would have either an immediate or a long-term influence on a bank's ability to survive (Eichhorn, 2004). If there is no viable and effective credit hazard mitigation, one would anticipate the credit hazard points to have a negative influence on banks' profits (Ngugi, 2001).

Kaplan and Mike (2014) progressed Contingency theory of ERM, which sets that essential danger the executives practice might be more successful through coordinating with ERM with the intrinsic idea of the hierarchical sorts of dangers experienced. The embodiment of a possibility theory of ERM would be, to discover a „fit" between unforeseen components and firms" ERM rehearses and set up recommendations of fit that will bring about wanted results (Hammond et al., 2006). The theory infers that to adequately oversee risk, it relies upon unexpected of organizations" conditions and setting (Kaplan & Mike, 2014)

This theory says that one of the main causes of a big shortfall in value is Market risk, which is when the value of a resource changes because of changes in the cost of loans, the conversion standard, the value of things, and the cost of making things (Wu & Olson, 2015). Controllers are worried about the general risk of the bank and aren't as worried about the specific risk of portfolio parts because directors are good at making the bank look good. The need for all out risk shows that Markowitz theory doesn't work when it comes to figuring out how much risk there is in a portfolio. This means that the risk of a portfolio should be based on how well the portfolio does, even if the portfolio organization changes (Beverly, 2015). Administrative prerequisites and elective decisions expect supervisors to consider hazard return compromise, Measurement of hazard is expensive hence bank directors’ bargain among accuracy and cost (Sovan, 2017). Compromise will affect any strategy embraced by the bank. They have one danger estimation objective knowing to a serious level with accuracy and the most extreme misfortune that the bank will probably insight (Muhammad & Bilal, 2016).

Controllers may set capital prerequisites to be more prominent than assessed most extreme misfortune to guarantee non-disappointment. Hazard relief theory has two standard ways to deal with estimation of hazard, situation examination and worth in danger (Sovan, 2017). Situation examination approach doesn't need circulation suspicion of the danger estimation and it's emotional and expects that future outcomes will take after those of the past (Wilfred, 2016).

Worth in danger (VAR) utilizes resource return dissemination to appraise the likely misfortunes. Monte-Carlo recreation and insightful VAR strategy are two standard techniques for assessing VAR and they empower supervisors to gauge figure. They enjoy benefit of computational productivity and manageability however they may show non-typical circulation encountering fat tails reflecting irregularity of bring instability back.

Muralidhar et al (2010) completed an investigation utilizing six contextual analyses, investigates the situation with ERM execution for chose elements in the oil and gas industry in six nations. The scientist distinguishes key determinants of ERM reception, investigates difficulties to ERM execution and prescribes an execution intend to build up a vigorous ERM structure explicit to elements in the Gulf district. He utilizes an inductive examination approach dependent on semi-organized meetings by posing open-finished inquiries (who, why, what and how) to investigate members' responses to explore targets. The analyst utilizes the information gathered to situate associations in the ERM development model as indicated by their ERM execution progress as under development, fractional or a total ERM system set up. The examination discoveries uncover that ERM implies various things to oil and gas organizations in the Middle East, and the key arising topics in ERM execution are normalization, coordination and centralization. Furthermore, the vital determinants of ERM selection are corporate administration, authority of the CEO, great business practice, drive of the governing body and inner review suggestion (Muralidhar, 2010).

This theory will help district governments to adjust the two most business pressures; the duty to convey prevail to partners and the dangers related with and produced by the actual business in an industrially attainable manner. Thusly, the head of offices in the area governments are continually mindful of the dangers it faces and subsequently continually screens its openness and be situated to adjust methodology or bearing to guarantee the degree of dangers it takes is adequate, this will work with powerful administration of public assets.

2.2 Empirical Review

Management Accountability

Zeyn (2019) investigated the link between good governance and government accounting standards as well as financial responsibility, with organizational commitment functioning as a moderator in the investigation of the relationship. As a result of the implementation of good governance and government accounting standards, combined with a high level of organizational commitment, the findings revealed that the City Government of Bandung experienced a significant improvement in financial accountability, with a 92.4 percent increase in accountability. This indicates that organizational commitment, which is a contingency variable, has a significant impact on financial accountability.

Ndung'u (2018) conducted research in Kiambu County to determine the elements influencing resource accountability and discovered that the top project management was more likely to foster trust and commitment within the team if they guaranteed that the personnel were properly informed. According to the findings, the open flow of information was very important in the sensible administration of projects. Aside from that, harmonization of regulations and the closing of any loopholes were essential in order to prevent money from being diverted to places where they were not intended, such as personal accounts. Employees were sure to be more dedicated to their jobs if they were certain that their resources and efforts were being directed toward the correct goals. The findings of this research further stressed the need of employee motivation as a precondition for project management to be held accountable. In addition, the establishment of reward systems for workers, such as performance bonuses, promotions, and other incentives, was essential for fostering collaboration among employees and motivating them to work together toward a single objective (Ndung'u, 2014). According to the findings of the research, senior management's dedication to the principles of any project had a significant impact on the project's accountability. As a result, it was critical to clearly connect performance measurements with the aims and objectives of a project and to provide reward systems for workers who strive to produce the greatest possible results with the least amount of input.

According to Wright and Hull's (2020) study titled "Corporate Governance from Accountability to Enterprise," which specifically examined the relationship between four corporate governance instruments (board size, board composition, CEO status, and review advisory group) and two firm funds management measures (ROE and net revenue), corporate governance has come to embrace those mechanisms and structures that act as a check on managerial self-serving behavior, the purpose of which is to ensure that the interests of the company are not harmed by the actions of management. If accountability devices have a negative impact on the overall performance of the company, it is impossible to consider them to be productive. In order to be referred to as "great" corporate governance, a combination of technologies, processes, and institutions must be in place to ensure accountability while also encouraging economic entrepreneurship and enhanced business performance.

In a study by Berk and DeMarzo (2017), they found that the corporate governance framework, which is supposed to make a company more accountable and transparent in order to make it more efficient, doesn't have a way to monitor the interests of the company's owners, board of directors, and managers so that the company can make more money for everyone.

Accountability is very important for many non-governmental organizations (NGOs) and other groups in society, and it can also be a way for these groups to become more powerful. This is what Armstrong, et al., (2016) found in their research. Because of more accountability, civil society and donor groups of all sizes have become more effective at responding to the needs and voices of people they say they are trying to help. Internal audits and bureaucratic intra-government controls, which have been used for accountability for a long time, are now being found to be either ineffective or corrupt. Therefore, multistakeholder and citizen-led efforts have come to the forefront, either as a complement or as a full replacement for government-led projects. Assuring that accountability is effective and efficient in carrying out its objective and having the impact that it was intended to have been critical to achieving success.

Public Participation

Devas and Grant (2016) conducted an investigation of the link between local decision-making and public participation and accountability in Kenya and Uganda, using a sample of municipal administrations from both countries. The pressure from civil society, along with the formation of the Local Authorities Transfer Fund, led them to conclude that although Kenyan local governments have traditionally failed to incorporate the public in decision-making, things are beginning to change. Also revealed was the lack of participation by Kenyan residents in decision-making by local government officials. They observed that public participation in Uganda was greater than in other countries, which they ascribed to the country's decentralized structure. However, the question of accountability has not been resolved.

As Creswell (2017) points out in a document written for the California Department of Housing and Community Development (CDHCD), community engagement must be at the heart of the Housing Element process in order to develop support for local housing solutions. It is "the point at which the rubber strikes the road." In reality, a participatory program of education, input, conversation, and consensus-building may be one of the most effective techniques for meeting the needs of low-income and disadvantaged communities.

According to a study conducted by Kugonza et al., (2018), the availability of information has an impact on public participation because it enables citizens to express their opinions, effectively monitor government actions, hold the government accountable, and engage in informed dialogue about decisions that affect their lives. As a result, they argue, knowledge enables all citizens, even those who are disadvantaged or excluded, to assert their full range of rights and entitlements. Recent research revealed that educated individuals have the ability to speak up for their rights and hold government leaders responsible for their actions and choices. According to the findings of the research, information was not supplied in a timely way. Both the general people and the government failed to communicate information properly and in a timely manner. They came to the conclusion that there is a favorable association between access to information and engagement in lower-level local government programs, and that

Mugambi and Theuri (2016) conducted an investigation on the difficulties that County governments in Kenya experience while preparing their budgets. When they looked at

Kilifi and Mombasa County in particular, they discovered that, although budget processes were there, public engagement in the process was nonexistent. They used a descriptive analysis to reach this conclusion. Also discovered was that there had been a lack of public engagement and that the people's effect on the decentralized form of administration had been insignificant.

During her 2017 analysis of the drawbacks of centralized planning, Mitullah et al., (2017) lays forth her fundamental thesis, which is that such planning reduces people to the status of mere onlookers during the development process. "Citizens must struggle with or comply with the policies, choices, and actions that authorities bring to bear on them in this case," said the attorney general. Her paper goes on to discuss the different benefits of engaging in planning, including the necessity to utilize information gathered from local communities, which she describes as a "more reliable source of knowledge on the felt-needs of any area." Additionally, local communities are more inclined to provide personal donations as well as other forms of support to initiatives in which they believe they have had an integral role from the outset of the initiative. Citizens are reduced to the status of spectators, which results in less responsibility and, as a result, in inefficient allocation and usage of resources intended for public service.

Ebdon and Franklin (2016) conduct research on public engagement in the budgeting process and identify aspects that have an influence on the process of participation. This includes factors such as limited participation, a focus on meeting the bare minimum of legal requirements, inadequate representation, and involvement occurring towards the completion of the decision-making process. A study undertaken by Oduor et al. (2016) in Kisumu, Turkana, Makueni, Isiolo, and Turkana Counties examined the current state of public involvement and county information distribution frameworks in the four counties. The research discovered that Kisumu County has decentralized institutions for public engagement that reached all the way down to the grassroots level, based on key informant interviews and secondary sources such as the Kenyan Constitution, which was used to assess the legislative framework. Members of the County Assembly (MCAs) and the Governor were in charge of organizing the sessions, which were conducted once a quarter in each county.

A research conducted by Oduor, et al.,(2016) found that when MCAs were involved in the arrangement of meetings, people with opposing viewpoints were removed, showing that the MCAs were not attentive to the requirements of their constituents The investigation also discovered that there was no public participation policy in place, nor was there a civic education framework or policy in place, and that the lack of these policies and structures resulted in poor attendance at the meetings. The research reported that public meetings were conducted on a quarterly basis in Turkana County, which was the subject of the study. The public were given the opportunity to choose projects that they believed would be beneficial to them. Such choices, on the other hand, were not binding on the County executive. So the information received from residents had no impact on the County's decision-making process (Oduor et al, 2016).

Research performed in Isiolo County by Oduor, et al., (2016) found that the public was only told about projects that had already been approved and there was no chance for individuals to participate with leaders on initiatives that they felt were important. At the time of the poll, the County had not implemented any processes for civic education.

People do not associate themselves with projects, according to research conducted by the Central Bureau of Statistics (CBS) (2018) on constituency strategic planning review, which discovered that the planning process is not participative. Ordinarily, local development committees are formed by community people to evaluate needs and propose potential projects. The committees then compile a prioritized project list that is presented to a district development committee (DDC). In order to minimize duplication of effort, this Committee meets to harness the initiatives. After that, reports are presented to Constituency Development Fund Boards, who subsequently release monies to the appropriate project account.

Using data from a study on project monitoring and evaluation conducted by Crawford and Bryce (2018), they discovered that involving intended beneficiaries in the process of impact evaluation can significantly improve the entire process, particularly the analysis and interpretation of results. Despite the fact that stakeholder engagement is crucial, it should be approached with prudence. It is possible that too much stakeholder engagement may result in disproportionate effect on the evaluation, while too little involvement would result in assessors dominating the process.

Financial Reporting

Mabruk (2018) explored whether the introduction of International Financial Reporting Standards (IFRSs) has an influence on the quality of accounting reports issued by small and medium-sized enterprises (SMEs) in Nairobi County, Kenya, using a case study technique. For the goal of evaluating their respondents' reactions to the implementation of International Financial Reporting Standards, the researchers conducted a correlation analysis on the responses they received (IFRSs). Results demonstrated that there was a positive and statistically significant association between the relevance of accounting reports and the overall quality of the reports, with the latter being more important. According to the findings of an investigation into the quality of accounting reports and the application of International Financial Reporting Standards, there is a positive and statistically significant relationship between the quality of accounting reports and the application of International Financial Reporting Standards (IFRSs).

After doing research on the factors that determine the quality of local government financial reports, Modo (2016) came to the conclusion that the use of information technology has no effect on the quality of local government financial reports. This is most emphatically not the case in the modern era of globalization, where the primary focus is on the use of information technology by both private and public organizations to support organizational activities, owing to the increasing complexity of management tasks and the requirement for faster response times. To enhance regional financial responsibility, competent human resources who understand the regulations governing the preparation of financial reports in accordance with government accounting standards are required.

On the basis of data from the Nairobi County, Kamwenji (2016) carried out a research to determine if the implementation of International Financial Reporting Standards (IFRS) has an impact on the quality of accounting information in Kenya. The findings of the research revealed that financial statements were more transparent as a consequence of the adoption of IFRSs, and that the presentation of accounting information was similar to that of other institutions that had also implemented IFRSs at the time of the study. As he said in an interview, "the adoption by financial institutions of International Financial

Reporting Standards (IFRS) has improved the relevance, trustworthiness, and understandability of accounting information included within financial statements and supporting disclosures." Transparency and accountability are intended to be promoted in public sector financial reporting by increasing the transparency and accountability of public sector financial reporting. The International Financial Reporting Standards (IPSASs), which are an adaptation of the International Financial Reporting Standards (IFRSs), are intended to improve the quality of financial information disclosed in financial statements by increasing the transparency and accountability of public sector financial reporting. When financial information is of excellent quality, it is much simpler to read financial reports and make smart decisions (Kamwenji, 2016).

When Madawaki and Amran (2018) investigated how audit committees affect financial reporting in Nigerian companies, the researchers discovered a statistically significant positive relationship between audit committees with members who have accounting and financial expertise and improved financial reporting quality (Madawaki and Amran, 2018). It has been discovered that audit committees whose members have financial competence commonly communicate with internal auditors of the businesses, which assists in the reduction of internal control difficulties. Their knowledge of financial concerns assists them in assisting external auditors in their reports and in the execution of the areas identified in the audit reports, among other things.

Opanyi (2016) investigated the impact of the adoption of international public accounting standards on the form of fiscal reporting in Kenya's public sector, namely in the public sector, and concluded that the standards had a positive impact. The purpose of his research was to determine the impact of the implementation of IPSAS on the design of fiscal reports in terms of meeting the criteria for decision-usefulness that he had established. According to the findings of this research, universal accounting standards were determined to be the most important factor, whilst the kind of money-related reports in the Kenyan general business sector was determined to be the most significant dependent variable.

According to Mahmud (2017), a high level of internal control is required in order to provide reliable financial reports to local governments. However, while organizational internal controls are critical in defining the order, direction, and consistency of an organization's operations, their implementation is dynamic and must be reviewed on a regular basis to ensure that they are as effective as possible; otherwise, they may fail to produce results that the organization desires.

Using data from publicly listed German companies, Marius and Wallek (2016) performed a study to determine the relationship between the internal audit function and financial reporting. In 2016, the researchers released the results of their research. It was discovered by the researchers that a high-quality Internal Audit Function (IAF) may make a favorable contribution to the quality of financial reporting as well as the efficiency of the auditing process. Those who have conducted research on internal audit functions (IAFs) have found that they are a crucial component of strong corporate governance, and that they play a critical role in the collection and dissemination of financial data. As the authors point out, regulators and managers should be aware of the possibility that the International Accounting Foundation's external certification, as well as internal audit-related certifications of IAF staff, might contribute to improved financial reporting quality and decreased audit costs.

Risk Mitigation

According to the findings of an Adrian and Dorel (2020) research on risk mitigation in corporate governance, it indicates that the notion of risk mitigation for an organization is a relative newcomer in the context of the concept of corporate governance. This notion gives an integrated view by functioning as an integrative factor of the many elements of a whole, which in this instance is the organization, resulting in an integrated perspective. The standards for strategic risk mitigation emphasize that risk mitigation should become an integral part of the way any organization operates; in other words, because risk mitigation is the foundation of management approaches, it should not be separated from any organization's day-to-day operations. When it comes to corporate governance, risk mitigation is essential in any organization because there are uncertainties about the nature of the threats that may arise in the course of achieving the objectives, as well as the nature of the opportunities that may arise in the course of achieving the objectives.

The Organization for Economic Cooperation and Development (2017) published a study on risk mitigation and corporate governance, which said that successful risk mitigation needs an enterprise-wide strategy, rather than handling each business unit separately. It should be regarded best practice to engage the board of directors in the process of developing and monitoring the risk mitigation strategy. Also, under consideration and direction from the board should be the alignment of business strategy with risk appetite as well as the internal risk mitigation framework. In order to aid the board in its work, it should also be regarded good practice for risk mitigation and control functions to be separate from profit centers, with the "chief risk officer" or similar reporting directly to the board of directors in the manner described above.

Following Wakarmamu (2019) research on the importance of good corporate governance in banking in supporting risk reduction principles and execution of prudential rules, there are five main principles for implementing good corporate governance in the banking business. It is very necessary to have transparency in the decision-making process, which involves being open in the statement of material facts and relevant information as well as being transparent in the expression of material facts and relevant information. Two crucial components of successful management are accountability, as well as clarity in responsibilities and the implementation of the accountability organ bank. Transparency is also a critical component of good management. Third, accountability means that the bank management's fitness with respect to the regulations currently in effect as well as the principles of healthy bank management must be determined. Fourth, independence, which means that bank management must conduct itself in a professional way without being influenced or pressured by any other party. Fifth, fairness, which includes justice and equity in the fulfillment of shareholder rights emerging under the agreement and applicable laws and regulations The bank will be governed by the many legislations, minimum standards, and recommendations connected to the execution of good corporate governance in order to develop the five fundamental principles listed above.

Based on the findings of Madhani et al., (2017) investigation into the role of voluntary disclosure and transparency in financial reporting, as well as the risks and costs associated with voluntary disclosure, it was discovered that such practices increase investor awareness and confidence while also reducing the uncertainty of returns to capital providers. Accordingly, the transaction is designed to lower the cost of external capital for the company, resulting in an increase in the company's market capitalization as a consequence of the transaction. Compliance with disclosure standards helps to keep the political consequences of non-compliance to a minimum, while also reducing the risk of higher taxes and litigation, as well as an excess of government control and oversight.

As Wangai (2016) points out in her paper on the role of internal audit in risk reduction published in the Kenya Trade and Industry Ministry's weekly issue, risk mitigation is not just the duty of management. It is necessary for risk mitigation to be successful that it be carried out by every member of the company. After that, Wangai (2016) goes into further detail on how the internal audit function would integrate into the overall ERM framework via the use of risk-based audits. He points out that risk-based audits will be conducted in order to achieve the ministry's goals. A number of methodologies were used in establishing the plan, including the identification of auditable organizations, the identification of risk factors in terms of both effect and probability, the ranking of those variables, and the selection of an audit profile based on the risks found.

As a result of a research done by Whittington and Pany (2018), senior management must continually review the threats that might jeopardize the attainment of its goals and adapt to changing situations and circumstances. Any new or previously uncontrolled dangers may be properly managed by modifying internal audit controls. Take a look at this scenario: There are new budgeting tools and market exchanges that must be examined by a bank as they develop, as well as the accompanying dangers.

In their research, Radu and Ramona (2017) discovered that effective risk assessment identifies, perceives, and takes into account both internal and external components (for example, the multifaceted way in which the affiliation's structure is organized, various leveled changes, and agent turnover) that could have a negative impact on the achievement of the firm's objectives (for example, fluctuating fiscal conditions, changes in the business, and technological advances). This hazard assessment should be carried out at the level of individual organizations and across a broad variety of activities.

According to research conducted by Shewangu (2019) on corporate governance, risk mitigation, and compliance services in the South African public sector, there seems to be a lack of excellent corporate governance standards as well as effective fraud risk mitigation in the South African public sector. Ineffective leadership based on a culture of honesty, professionalism, effective human resource management, and ethical business practices that protects and enhances the best interests of the sector is a significant problem. The exercise of supervision responsibilities for financial and performance reporting, compliance with relevant rules and regulations, and the implementation of associated internal controls is insufficient. It is found that good governance and the reduction of fraud risk are positively associated. So operational governance is a key driver of audit results, and the strategic rudiments of governance, such as audit committees and internal audit divisions, are important components of this.

An investigation by Mohamad, et al., (2017) into the impact of corporate governance and risk mitigation on banking financial performance in Indonesia found that improving the implementation of corporate governance can reduce credit risk and operational risks while increasing financial performance, whereas reducing credit risk and operational risks can increase financial performance. The findings of the mediation experiment revealed that credit risk and operational risk were both positive mediators of the relationship between corporate governance and financial success. Thus, it was noted, the adoption of excellent corporate governance may reduce conflicts of interest and information asymmetry, which reduces the cost of non-performing loans and extra capital expenses, thus increasing the profitability of a firm.

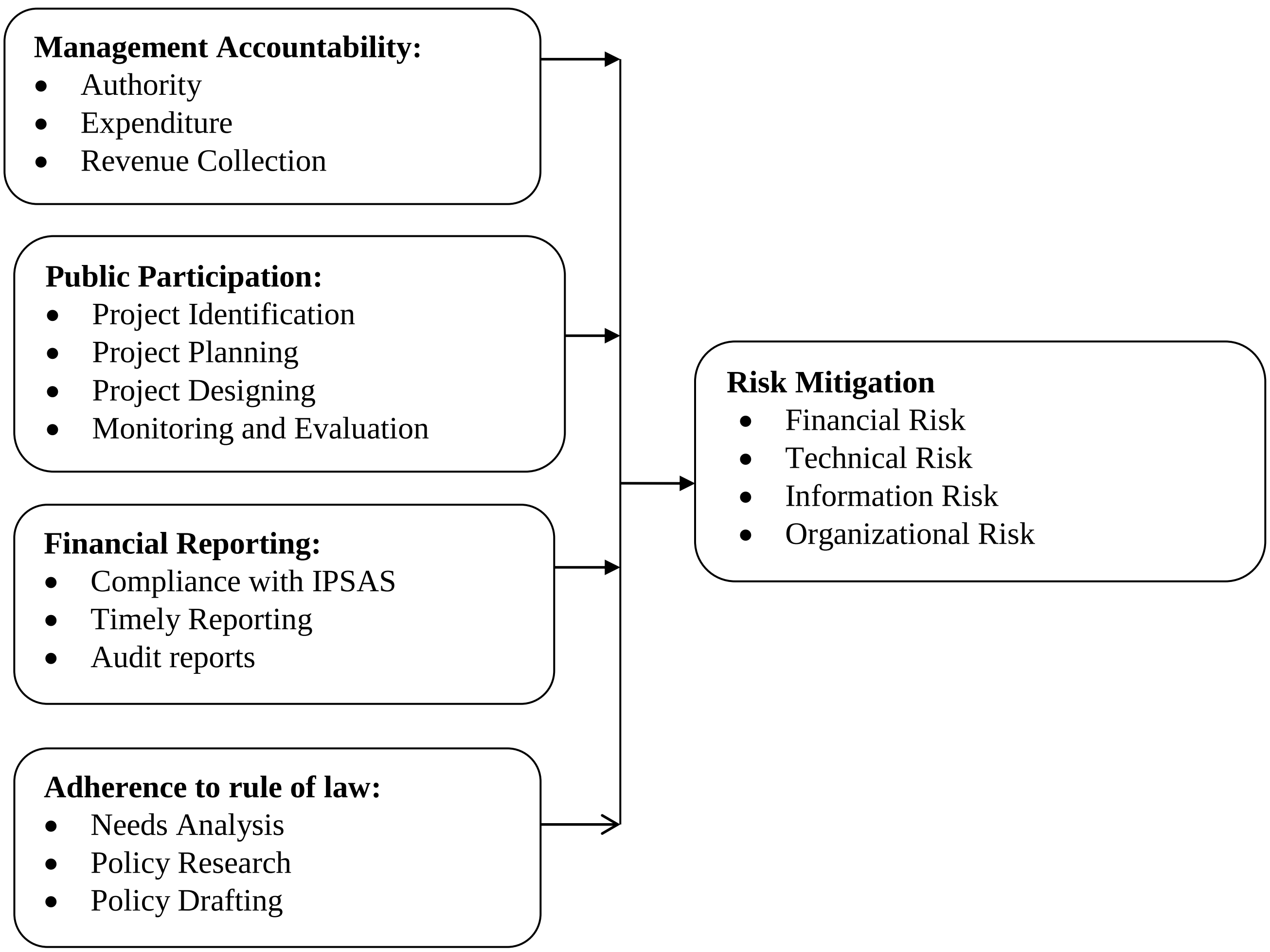
According to research conducted by Wescott (2019) on corporate governance, risk mitigation, and compliance services in the South African public sector, flaws in public institutions and governance were preventing economic progress and poverty from being alleviated. Some African nations, to their credit, have increased the pace at which reforms are implemented; yet, in general, there is still a scarcity of strong, stable local governments throughout Africa. Evidence of bad service, public unhappiness and dissatisfaction, incompetence, poor leadership, and negative audit reports all indicate to the need for more capacity in order to execute successful and creative local government sector functions and missions.

According to the a study by Ika (2019), a bank's own appraisal of its own corporate governance processes yields an excellent corporate governance composite rating. Good corporate governance was shown to reduce bank risk in Indonesian banks, according to the findings of the research. Risk measurements relating to market risk, credit risk, liquidity risk, and operational risk are all employed in the evaluation of bank risk reduction activities. According to the findings, Indonesian banks face less risk because of the country's excellent corporate governance practices. Credit risk, liquidity risk, and operational risk differed amongst banks with different governance ratings. There was no variation in market risk amongst banks with differing governance ratings.

2.3 Conceptual Framework

Figure: 2.1

Conceptual Framework



(Independent variables) (Dependent variable)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter talks about how the study was done and how it was done. It talked about the study's design, target population, sample size, and sampling method. It also talked about data collection instruments, how to collect data, how reliable and valid the instruments were, and how to analyze and present the data.

3.2 Research Design

A descriptive cross-sectional research approach was used in the study. Description cross sectional study design, according to Lavrakas (2017), uses instruments like as closed-ended and/or open-ended questionnaires, observations, and interviews to gather data from a representative sample of people. A descriptive cross-sectional approach is useful for capturing a population's present state of affairs (Gay, et al.,, 2015). In cross-sectional research, the researcher observes variables without influencing them, the participants are selected based on the inclusion and exclusion criteria set for the study. Once the participants have been selected for the study, the researcher follows the study to assess the exposure and the outcomes. Using this research design, the researcher collected data from many different individuals at a single point in time. In this research approach the data can be used for various types of research, and many findings and outcomes can be analyzed to create new theories/studies or in-depth research. It is not expensive to perform and does not require a lot of time. It contains multiple variables at the time of the data snapshot.

3.3 Target Population

Table 3.3.1
List of CEC, Co and Directors in Mombasa and Kilifi County government

Name of Department	**No of CEC**	**No of CO**	**No of Directors**	**Total**
Finance & Economic Planning	2	4	6	12
Education & ICT	2	4	4	10
Department of Health Services	2	2	4	8
Agriculture, Fisheries & Livestock	2	4	1	7
Land, Energy, Housing, Physical Planning & Urban Management	2	4	0	6
Roads, Transport & Public Works	2	2	4	8
Gender, Culture, Sports, Youth & Social Services	2	2	7	11
Trade, Industrialization, Co - Operatives Development, Tourism & Wildlife	2	3	0	5
Water, Environment, Forest & Solid Waste Management	2	4	0	6
Devolution, Public Service & Disaster Management	2	2	4	8
Public Service Board	2	2	0	4
Total	**22**	**33**	**30**	**85**

Source: Mombasa and Kilifi County Government Human Resource Department (2020)

According to Schwab (2016), a population is a collection of items, such as individuals, objects, or events, that meet a predetermined set of characteristics and serve as a foundation for future study. The population of the study consisted of the employees of Mombasa and Kilifi Counties. The target population, therefore, comprised of 85 top county government employees from 11 departments in Mombasa and Kilifi counties (county executive committee, chief executive officer, and directors).

3.4 Sample Size and Sampling Procedure

Sampling is the process of picking a certain number of items from a specific population in such a manner that the sample picked is representative of the population as a whole (Levy, & Lemeshow, 2017). The sample size for the research was determined by the use of a census sampling approach. In this research, the census sampling method was utilized because the quantity of respondents could be managed within the study's restrictions and because it offers a real assessment of the population while also having the greatest degree of precision (Babbie, 2017). As a result, they were the most appropriate respondents for the study because they supervise the implementation of projects in county governments and are also involved in the formulation and implementation of policies that aim to maximize the efficiency with which public funds are utilized by ensuring that there are no loopholes that could allow for the pilferage of public funds.

3.5 Data Collection Instruments

The researcher employed both primary and secondary data in their work. Primary data was gathered using surveys, while secondary data was received from the county governments themselves. Questionnaires were used for this research because they are straightforward to give and assess, and they were also very inexpensive. As an added benefit, questionnaires are favored because they can be used to reach out to an extremely large number of people at a very cheap cost, and the information is gathered in a uniform manner (Cooper & Schindler, 2015). For the same reasons, questionnaires are favored tools of data collecting in scientific investigations, according to Sekaran (2016), since they allow researchers to record respondent thoughts in a systematic way and in written form for later reference. When distributing questionnaires, the drop-and-pick approach was used in order to increase the number of responses received. Follow-ups were conducted with responders through phone calls and in-person contacts.

3.6 Data collection procedure

Data collection is the process of collecting information in order to prove a point. KEMU academic office has granted permission to conduct the research and has issued an authorization letter, and the researcher will also visit the Mombasa and Kilifi County governments to seek written approval from both governments to conduct the research confidentially and solely for academic purposes. The researcher will administer the questionnaires in Kenya Methodist University's (KEMU) academic office before administering the questionnaires to the general public.

3.7 Reliability of Instruments

The term "reliability" refers to the degree to which a research instrument delivers consistent results or data after repeated trials, according to Ary, et al., (2016) It was important to perform pilot research in order to determine whether or not the questionnaires were trustworthy. This enabled us to establish if the study's purpose was attained, whether any of the items had any ambiguity, and whether the research objectives were adequately addressed. a.

The implementation of a piloted questionnaire ensured the validity and reliability of the data collected. According to Ebrahim (2016), it is necessary to assess the reliability of data collection equipment, and a pilot test is needed for this reason. A pilot study was carried out in order to detect design and instrumentation issues as well as to provide proxy data for the selection of a sample for further investigation. The questionnaires that were piloted were delivered to a sample of nine persons from the Kwale County administration, representing 10% of the total population of 85 people in the county. Using ten percent of the total respondents, Mugenda and Mugenda (2016), who had previously said that a successful pilot study should comprise one to ten percent of the overall sample size, had verified their method of using ten percent of the total respondents. There will be no mention of the outcomes of the pilot investigation in the final report.

The preliminary test was based on the reliability of Cronbach's Alpha coefficient, which measures consistency. According to Zinbarg, Cronbach's Alpha is a coefficient of reliability that gives an impartial assessment of data generalizability by assessing the consistency of the data (2015). It is assumed that the data obtained has a high degree of internal consistency and that it may be extrapolated to reflect the opinions of all respondents in the target group if the alpha value is larger than 0.6.

3.8 Validity of Instruments

According to Tavakol and Dennick (2016), content validity is defined as the degree to which the questions on the instrument and the scores obtained from these questions are reflective of prospective questions that may be asked about the material or skill. It was determined that the instruments were legitimate by submitting them for approval before data collection to experts, research assistants with prior expertise, and supervisors who had previously approved the instruments.

3.9 Data Analysis and Presentation

Method of data analysis may be defined as the process of examining what has been collected in a survey or experiment in order to make inferences and draw conclusions. Data analysis can also be defined as the process of analyzing the obtained data in order to make inferences and draw conclusions (Kombo & Tromp 2016). In their examination, the researchers used both inferential and descriptive statistical approaches, which they found to be effective. The descriptive statistics will be calculated with the help of the Statistical Package for Social Sciences (SPSS) version 24 and will include frequencies, percentages, standard deviations, and means, among other things. When doing inferential statistics, it will be required to use correlation and regression analysis techniques. The following is how the multiple regression models were calculated:

$$\mathbf{Y = ß0 + ß_1X_1 + ß_2X_2 + ß_3X_3 + ß_4X_4 + \varepsilon}$$

Where;

Y	=	Risk Mitigation (value of dependent variable)
$\mathbf{ß_0}$	=	Constant Variable
$\mathbf{X_1}$	=	Management Accountability
$\mathbf{X_2}$	=	Public Participation
$\mathbf{X_3}$	=	Financial Reporting
$\mathbf{X_4}$	=	Adherence to the rule of Law
$\boldsymbol{\varepsilon}$	=	An error term

β1...β4 = The corresponding coefficients for the respective independent variables.

3.10 Pilot Testing

According to Cooper and Schindler (2003), a pilot test is conducted to detect weaknesses in design and instrumentation and to provide proxy data for selection of a probability sample.

A pilot study for the instrument was carried out to ensure that the items in the questionnaire are stated clearly, have the same meaning to all the respondents, and also to give the researcher an idea of approximately how long it would take to complete the questionnaire. In line with this, the research instrument was tested using a sample of 9 (10% of the target population) respondents from Kwale County government offices.

To measure the reliability of the research instrument, Cronbach Alpha test was conducted. For all the variables under study, Cronbach alpha was computed to test the level of internal consistency. Items were considered reliable if their Cronbach alpha coefficient was 0.70 and above (Fraenkel & Wallen, 2006). On this basis, variables that yielded reliability coefficients of 0.70 and above were considered reliable. Those that had lower reliability coefficients were deleted or reformulated.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter presents research findings of a study carried out to determine the effect of governance on risk mitigation among county governments in Kenya. The study objectives were to determine the effect of management accountability, public participation, financial reporting and adherence to rule of law on risk mitigation in Mombasa and Kilifi County Government.

4.2 Response Rate

Table 4.2.1

Response Rate

Respondents	Frequency	Percentage
Responses Received	71	84%
Responses not received	14	16%
Total	**85**	**100%**

The data collection instruments, which were questionnaires, were distributed to top level respondents in Mombasa and Kilifi County Government. Out of 85 questionnaires distributed, a total of 71 were returned fully filled making a response rate of 84%. Kothari (2013) indicates that a response rate of 70% and above is excellent for a study to make valid conclusions.

4.3 Reliability Analysis

Table 4.3.1:

Reliability Analysis

Variable	Test Items	Cronbach's Alpha
Management Accountability	5	.782
Public Participation	5	.767
Financial Reporting	5	.778
Adherence to Rule of Law	5	.803
Risk Mitigation	5	.891

The pilot study was carried out using a coefficient reliability of Cronbach's Alpha. Cronbach Alpha according to Zinbarg (2016) is a show of reliability that reflects an impartial approximation of generalization of data. A 0.7 or higher indicator of alpha coefficient suggests that the acquired data has a comparatively high internal consistency and may be generalized to express perspectives of entire participants in the population being targeted. Cronbach Alpha was established for every variable which formed a scale. Management accountability had an alpha value of 0.782 which indicated a strong internal consistency. Public participation had an alpha value of Cronbach of 0.767 which demonstrated a strong internal consistency. Financial reporting had an alpha value of Cronbach of 0.778 showing a good internal consistency. Adherence to rule of Law had an alpha value of 0.803 which showed a strong internal consistency and risk mitigation showed 0.891.

4.4 Demographic Characteristics

The section presents data findings on the positions of the respondents in the level of management, their gender, their department in the county government their working experience, their position in the county government and their highest academic level.

4.4.1 Respondents gender

Table 4.4.1:

Respondents Gender

Gender	Frequency	Percentage
Male	43	61%
Female	28	39%
Total	71	100%

It was necessary to determine the gender of the responders. Male accounted for 67 percent of the respondents, representing the vast majority of those who responded, while females accounted for 33 percent of those who responded, as indicated in the preceding table. The distribution, on the other hand, is well balanced between men and women, which is a sign of the effectiveness of numerous gender mainstreaming projects. The number of female respondents accounts for more than a third of the total number of respondents, demonstrating that both genders are well represented in this survey.

4.4.2 Respondents Position in the county government

Table 4.4.2

Respondents Position

Gender	Frequency	Percentage
County Executive Committee	17	24%
Chief Officer	29	41%
Director	25	35%
Total	**71**	**100%**

Table 4.4 above shows that majority of the respondents (41%) were chief officers, 35% of the respondents were directors, 24% of the respondents were county executive committee members. This Implies that the three positions were well represented in the

study hence being able to provide a snapshot of information from each position as far as governance and risk mitigation in the county government is concerned.

4.4.3 Respondents working experience

Table 4.4.3
Respondents Working Experience

Years	Frequency	Percentage
1-3 years	18	25%
4-6 years	42	59%
7-9 years	11	16%
10 years and above	0	0%
Total	**71**	**100%**

Regarding respondents period of time being in theire curent position in the county government. those who have worked for 1-3 years were 25%, between 4-6 years were 59%, between 7-9 years were 16% while none of the respondents respondents have been in the postion for more than 10 years. This suggests that most of the respondents have worked in the county top management position for a period ranging between 4-9 years which showcase an impressive period of time which suggests that they were in a position to grant valid information on the effect of governance on risk mitigation in the county government.

4.4.4 Respondents Highest Academic Level

Table 4.4.4
Respondents Highest Academic Level

Gender	Frequency	Percentage
Diploma	0	0
Degree	37	52%
Masters	29	41%
PhD	5	7%
Total	**71**	**100%**

Table 4.6 indicates that a large number of the respondents (52%) were degree holders, 41% of the respondents were holders of a master's degree, 7% of the respondents were PhD holders while none of the respondents was a diploma holder. From the above findings it is clear that all the respondent's good education background hence making them suitable to participate in this study.

4.5 Research Findings

4.5.1 Management Accountability

Table 4.5.1:
Management Accountability

Statements	**N**	**Mean**	**S.D**
The heads of departments in the county government are accountable to all resources allocated in their department.	71	4.37	.784
The heads of departments develop and review the county development plans for efficient implementation.	71	4.32	.673
The heads of departmental Supervise devolved units and support in coordination of stakeholders	71	4.27	.579
The head of departments ensure strict compliance with all financial, budgetary and procurement procedures	71	4.15	.655
The heads of departments ensure that revenue designated to their departments is collected and accounted for as per set rules and regulations	71	4.11	.594
Aggregate	**71**	**4.244**	**0.657**

In table 4.7, the researcher wanted to determine the effect of management accountability on risk mitigation in Mombasa and Kilifi County government. The heads of departments in the county government are accountable to all resources allocated in their department had a mean of 4.37. The heads of departments develop and review the county development plans for efficient implementation indicated a mean of 4.32. The heads of departmental Supervise devolved units and support in coordination of stakeholders had a mean of 4.27. The head of departments ensures strict compliance with all financial, budgetary and procurement procedures showed a mean of 4.15. The heads of departments ensure that revenue designated to their departments is collected and accounted for as per set rules and regulations derived a mean of 4.11. This finding agrees with the findings of Ndung'u (2018) conducted research in Kiambu County to determine the elements influencing resource accountability and discovered that the top project management was more likely to foster trust and commitment within the team if they guaranteed that the personnel were properly informed. Accountability is very important for many and it can also be a way to become more powerful (Armstrong, et al., 2016). Because of more accountability, corporate entities have become more effective at responding to the needs and voices of people.

4.5.2 Public Participation

Table 4.5.2
Public Participation

Statements	**N**	**Mean**	**S.D**
Public participation has enhancing transparency on utilization of funds allocated on each department	71	2.76	.542
Public participation has improved on decision making during budget making by provision of immediate reports	71	2.63	.547
The public are involved in identifying the types of projects to be executed depending on their need.	71	2.59	.497
The public are involved in the planning of the project and coming up with a suitable design of the projects selected.	71	2.43	.553
The county government involve the public in monitoring and evaluation of the project so as to ensure the project is well executed and meets its set objective	71	2.31	.397
Aggregate	**71**	**2.544**	**0.507**

As seen in table 4.8 above, the researcher sought the researchers view on the effect of public participation on risk mitigation in Mombasa and Kilifi County government. Public participation has enhancing transparency on utilization of funds allocated on each department indicated a mean of 2.76. Public participation has improved on decision making during budget making by provision of immediate reports showed a mean of 2.63. The public are involved in identifying the types of projects to be executed depending on their need has a mean of 2.59. The public are involved in the planning of the project and coming up with a suitable design of the projects selected indicated a mean of 2.43. The county government involves the public in monitoring and evaluation of the project so as to ensure the project is well executed and meets its set objective indicated a mean of 2.31. This outcome is in line with a study conducted by Kugonza and Mukobi (2018), which revealed that educated individuals have the ability to speak up for their rights and hold government leaders responsible for their actions and choices. The availability of information has an impact on public participation because it enables citizens to express their opinions, effectively monitor government actions, hold the government accountable, and engage in informed dialogue about decisions that affect their lives (Kugionza and Mukobi, 2018). As a result, they argue, knowledge enables all citizens, even those who are disadvantaged or excluded, to assert their full range of rights and entitlements. Further, educated individuals have the ability to speak up for their rights and hold government leaders responsible for their actions and choices.

4.5.3 Financial Reporting

Table 4.5.3
Financial Reporting

Statements	N	Mean	S.D
International public sector accounting standards provide information used to evaluate performances in all departments in the county government	71	3.42	.783
International public sector accounting standards have helped to harmonize and standardize government accounting and reporting	71	2.81	.688
IPSAS has made the government more transparent with all of its resources.	71	2.10	.576
Each department is equipped with information systems that offer top managers and directors with timely updates on the county government's financial health, operational performance, and risk exposure.	71	2.87	.545
The use of proper reporting has aided in finding chances for the future usage of resources by giving important information.	71	2.56	.497
Aggregate	**71**	**2.752**	**0.618**

In table 4.9 above, the researcher wanted to access how financial reporting affects risk mitigation in Mombasa and Kilifi County government. International public sector accounting standards provides information used to evaluate performances in all departments in the county government had a mean of 3.42. International public sector accounting standards have helped to harmonize and standardize government accounting and reporting showed a mean of 2.81. IPSAS has made the government more transparent with all of its resources showed a mean of 2.10. Each department is equipped with information systems that offer top managers and directors with timely updates on the county government's financial health, operational performance, and risk exposure. indicated a mean of 2.87. The use of proper reporting has aided in finding chances for the future usage of resources by giving important information showed a mean of 2.56. This result agrees with Mabruk (2018) who explored whether the introduction of

International Financial Reporting Standards (IFRSs) has an influence on the quality of accounting reports issued by small and medium-sized enterprises (SMEs) in Nairobi County, Kenya and the results demonstrated that there was a positive and statistically significant association between the relevance of accounting reports and the overall quality of the reports, with the latter being more important.

Financial Reporting Standards have improved the relevance, trustworthiness, and understandability of accounting information included within financial statements and supporting disclosures. Transparency and accountability are intended to be promoted in public sector financial reporting by increasing the transparency and accountability of public sector financial reporting. The International Public Sector Accounting Standards (IPSASs), which are an adaptation of the International Financial Reporting Standards (IFRSs), are intended to improve the quality of financial information disclosed in financial statements by increasing the transparency and accountability of public sector financial reporting. When financial information is of excellent quality, it is much simpler to read financial reports and make smart decisions (Kamwenji, 2016).

4.5.4 Adherence to Rule of Law

Table 4.5.4

Adherence to Rule of Law

Statements	N	Mean	S.D
All departments formulate and implement appropriate risk mitigation policies	71	4.21	.457
In implementing their mandates, all departments follow all the rules and regulations set by both central and county governments.	71	4.07	.422
All department carry out in-depth research and need analysis before formulating rules and regulations	71	4.40	.596
The county government reviews all its set policy and procedures frequently	71	4.11	.395
There is no restriction on access to documents, property or persons needed to carry out any engagement by internal auditors, provided that they are held accountable for the confidentiality and protection of records and information.	71	4.05	.491
Aggregate	**71**	**4.168**	**0.472**

In table 4.10 above, the researcher wanted to examine how adherence to rule of law affects risk mitigation in Mombasa and Kilifi County government. All departments formulate and implement appropriate risk mitigation policies showed a mean of 4.21. In implementing their mandates, all departments follow all the rules and regulations set by both central and county governments showed a mean of 4.07. All departments carry out in-depth research and need analysis before formulating rules and regulations indicated a mean of 4.40. The county government reviews all its set policy and procedures frequently had a mean of 4.11. There is no restriction on access to documents, property or persons needed to carry out any engagement by internal auditors, provided that they are held accountable for the confidentiality and protection of records and information. had a mean of 4.05.

4.5.5 Risk Mitigation

Table 4.5.5:
Risk Mitigation

Statements	N	Mean	S.D
Risks are continuously reviewed, updated, scrutinized and investigated by departmental heads	71	4.33	.461
Controls are in place to evaluate the efficiency of the risk mitigation program	71	3.59	.744
There is a regular review of risk mitigation efforts and reporting to senior management	71	3.40	.625
All department monitor and coordinate the risk mitigation processes and the outcomes	71	4.19	.674
The county government conducts awareness on risk mitigation across all departments frequently	71	4.07	.496
Aggregate	**71**	**3.916**	**0.6**

In table 4.11, the researcher wanted to get researchers view on risk mitigation in the county governments. Risks are continuously reviewed, updated, scrutinized and investigated by departmental heads had a mean of 4.33. Controls are in place to evaluate the efficiency of the risk mitigation program had a mean of 3.59. There is a regular review of risk mitigation efforts and reporting to senior management had a mean of 3.40. All departments monitor and coordinate the risk mitigation processes and the outcomes revealed a mean of 4.19. The county government conducts awareness on risk mitigation across all departments frequently derived a mean of 4.07.

When it comes to corporate governance, risk mitigation is essential in any organization because there are uncertainties about the nature of the threats that may arise in the course of achieving the objectives, as well as the nature of the opportunities that may arise in the course of achieving the objectives (OECD, 2017).

4.6 Pearson Correlation Coefficient

For the purpose of determining how strong a link exists between the independent and dependent variables and answering the research questions, Pearson's correlation analysis was carried out. Product moment correlation was used to determine the strength of the link. Its values ranged between -1 and +1. The strength of the association is shown in Table 4.12.

Table 4.6.1
Pearson Correlation Coefficient

Variables		RM	MA	PP	FR	ARL
RM	Pearson Correlation	1				
	Sig.(2-tailed)					
	N	71				
MA	Pearson Correlation	.261**	1			
	Sig.(2-tailed)	.000				
	N	71	71			
PP	Pearson Correlation	.181	.025	1		
	Sig.(2-tailed)	.015	.754			
	N	71	71	71		
FR	Pearson Correlation	.497**	.584**	.027	1	
	Sig.(2-tailed)	.000	.000	.712		
	N	71	71	71	71	
ARL	Pearson Correlation	.397	.160	.060	.072	1
	Sig.(2-tailed)	.000	.043	.503	.402	
	N	71	71	71	71	71

Source: Research Findings (2021)

The findings revealed that there was a significant positive correlation between each of the independent variables and the dependent variable.

The findings on table 4.12 indicate that the p value for management accountability was 0.000 which is less than the significant level of 0.05, ($p<0.05$). This meant that management accountability had a significant effect on risk mitigation in Mombasa and Kilifi County. Pearson correlation coefficient (r-value) is 0.261, representing a positive relationship between management accountability and risk mitigation. Therefore, the study concluded that management accountability positively affects risk mitigation in Mombasa and Kilifi County Government. These findings are consistent with the findings of Wright and Hull (2020) and Berk and DeMarzo (2017) who asserted that when HODs are accountable they effectively develop and review appropriate development plants, support coordination, ensure strict compliance and accountability as per rules and regulations.

The p value for public participation was 0.015 which is less than the significant level of 0.05, ($p<0.05$). This meant that public participation had a significant effect on risk mitigation in Mombasa and Kilifi County. Pearson correlation coefficient (r-value) is 0.181, representing a positive relationship between public participation and risk mitigation. Therefore, the study concluded that public participation positively affects risk mitigation in Mombasa and Kilifi County Government. These findings are consistent with the findings of Devas and Grant (2016) and Kugonza and Mukobi (2018) who note that public participation enhances transparency, improves decision making, assists in project identification and planning and involves public in monitoring and evaluation of the projects therefore mitigating various risks.

The p value for financial reporting was 0.000 which is less than the significant level of 0.05, ($p<0.05$). This meant that financial reporting had a significant effect on risk mitigation in Mombasa and Kilifi County. Pearson correlation coefficient (r-value) is 0.497, representing a positive relationship between financial reporting and risk mitigation. Therefore, the study concluded that financial reporting positively affects risk mitigation in Mombasa and Kilifi County Government. These findings are consistent with the findings of Modo (2016) and Opanyi (2016) who note that IPSAS, IFRS and other accounting standards enhance transparency, harmonization, standardization, transparency and timely reporting therefore reducing financial risks,

The p value for financial reporting was 0.000 which is less than the significant level of 0.05, ($p<0.05$). This meant that adherence to the rule of law had a significant effect on risk mitigation in Mombasa and Kilifi County. Pearson correlation coefficient (r-value) is 0.397, representing a positive relationship between adherence to the rule of law and risk mitigation. Therefore, the study concluded that adherence to the rule of law positively affects risk mitigation in Mombasa and Kilifi County Government. These findings are consistent with the findings of National Treasury and Planning report on public sector risk management in 2020 which notes that formulation and implementation of risk mitigation policies in all departments and adherence to the same greatly reduces risk.

4.7 Regression analysis

4.7.1 Model Summary

Table 4.7.1:
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.885[a]	0.783	0.7698	4.437

a. Predictors: (Constant), Management accountability, public participation, financial reporting, Adherence to rule of law

b. Dependent Variable: Risk Mitigation

R-squared (R2) is a statistical measure that shows how much of a dependent variable's variance can be explained by an independent variable. It shows how much of a dependent variable's variance can be explained by an independent variable (Lewis, Michael & Andrew, 2016). An R-squared result of 70% to 100% means that a lot of the variance of the dependent variables can be explained by an independent variable. If the R2 of a model is 50%, then about half of the observed variation can be explained by the model's inputs. very little variance in the dependent variable is explained by an independent variable that has a score between 0 and 40%, which means that the variance in the dependent variable is very low (Rowley & David, 2015).

The coefficient of determination, also known as the R^2, was calculated to be 0.783. As a result, the combined impact of the predictor variables (management accountability, public involvement, financial reporting, and rule of law) accounts for 78.3 percent of the variance in the dependent variable (risk mitigation in Kilifi County government). As a result, additional variables that were not investigated in this study contribute 21.7

percent of the dependent variable, which is significant (risk mitigation in Mombasa and Kilifi County government). Because of this, more research should be undertaken to determine the other variables that account for 21.7 percent of the dependent variable (risk mitigation in County governments).

4.7.2 ANOVA

Table 4.7.2:
ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.362	4	6.362	14.492	0.000[a]
	Results	30.287	69	0.439		
	Total	36.649	70			

a. Dependent Variable: Risk Mitigation

b. Predictors: (Constant), Management accountability, Public participation, Financial reporting, Adherence to Rule of law

The ANOVA statistics was used to test the fitness of regression model. The ANOVA results deduced the probability value of 0.000 an indication further that regression model was significant in predicting the relationship between risk mitigation in Mombasa and Kilifi County government and the predictor variables (Management accountability, Public participation, Financial reporting, Adherence to Rule of law) as it was less than the threshold of significance of 0.05

4.7.3 Regression Coefficients

Table 4.7.3
Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.253	1.236	-	1.526	.000
	Management Accountability	0.678	0.104	.161	4.233	.000
	Public Participation	0.573	0.108	.183	2.672	.006
	Financial Reporting	0.454	0.219	.058	5.539	.000
	Rule of Law	0.531	0.158	.165	2.373	.019

$Y = 1.253 + 0.678X_1 + 0.573X_2 + 0.454X_3 + 0.531X_4$

A positive change in management accountability, while keeping the other parameters constant, would result in an increase in the risk mitigation process in Mombasa and Kilifi County government by a factor of 0.678, according to the results of the regression. The risk mitigation process in Mombasa and Kilifi County government would be enhanced by a factor of 0.573 if a unit change in public participation were made while the other factors remained constant. Similarly, an increase in change in financial reporting while the other factors remained constant would be enhanced by a factor of 0.454 in Mombasa and Kilifi County government. A unit adjustment in the rule of law, while keeping the other elements constant, would improve the risk mitigation process in the Kilifi County government by a factor of 0.531.

4.8 Discussion of Findings

Using a p value of 0.000, which is below than the significance threshold of 0.05, the researchers discovered that there is a statistically significant positive link between management responsibility and risk reduction in Kilifi County. This was confirmed after attaining a p value of 0.000. Along with the findings of this study, Wright and Hull (2020) conducted a study on corporate governance from accountability to enterprise, specifically examining the relationship between four corporate governance instruments (board size and composition, CEO status, and review advisory group) and the management of two firm funds. Wright and Hull (2020) also conducted a study on corporate governance from accountability to enterprise (ROE, and net revenue).

According to the study's findings, corporate governance includes mechanisms and structures that serve as a check on managerial self-serving behavior, with the goal of promoting the firm's efficient operation by implementing effective measures to protect the firm from unforeseen circumstances that may jeopardize the firm's operation. Devices that enhance accountability cannot be called efficient if they have a detrimental influence on the company's performance. A mix of technologies, procedures, and structures must be in place to maintain accountability while also fostering economic entrepreneurship and increased firm performance to be termed "excellent" corporate governance.

According to the study's findings, public participation had a p value of 0.006, which is less than the significance level of 0.05, indicating that there is a statistically significant relationship between public participation and risk mitigation in the Kenyan county governments of Mombasa and Kilifi. According to the findings of Jardine, et al., (2019), a study on public participation and risk management: potential and difficulties in Canada looked into the same topic. According to the study's results, including members of the public in risk decision-making is an essential concept in risk management. Individually, the findings indicated that a lack of time, a vested interest, and a lack of passion are all major barriers. To address these problems, it will be important to develop two-way communication that evaluates discordance in co-orientation to the problem and focuses on process elements rather than just the risk issue.

According to the study's results, financial reporting had a p-value of 0.000, which was less than the 0.05 threshold of significance, according to the study's findings. Statistics show that there is a favorable and statistically significant association between financial reporting and risk reduction in the county governments of Mombasa and Kilifi, according to the county governments. According to research conducted by the Treadway Commission's Committee of Sponsoring Organizations (COSO, 2019), the causal elements that contribute to incorrect financial reporting were discovered, resulting in the establishment of an integrated framework for enterprise risk management (ERM). The study's findings demonstrated that the firm's management's adoption of ERM, as well as the disclosure of this information through financial reports, indicates management incentives to be transparent in its disclosures, which may result in incentives being recorded. Furthermore, according to Grody and Hughes (2016), who conducted a study on the impact of enterprise risk management on disclosure transparency during the period covered by the International Financial Reporting Standards, the Basel requirements for risk management by banks assist bankers in implementing controls over risk that are applicable to accounting data in order to ensure the precision, timeliness, comprehensiveness, and adaptability of risk reporting and disclosure.

The researchers discovered that adherence to the rule of law had an adjusted p value of 0.019, which was less than the threshold of significance, indicating that adherence to the rule of law is important for risk mitigation in the Kilifi County government. These results are consistent with Ferguson and Voth (2018) findings that the rule of law keeps public sector firms and people responsible via compliance with legislatively required resource limits. The rule of law serves as a guidance for always acting in the public good. To maintain the public's trust and confidence, public sector organizations should be as open as possible about their decisions and actions, plans and resource allocation, predictions and outputs, and outcomes.

The fact that each of the four independent variables (management accountability P=0.000, public participation 0.006, financial reporting 0.000, and compliance with the rule of law 0.019) had a P value less than the threshold level of significance of 0.05 indicated that there was a statistically significant relationship between governance and risk mitigation in county administrations. According to the findings of this study, which corroborate the findings of Mustapha (2018) study on the association between enterprise risk management and corporate governance quality: the mediating role of internal audit performance, which revealed a direct positive relationship between enterprise risk management and corporate governance quality, the existence of a direct positive relationship between enterprise risk management and corporate governance quality has been confirmed to exist. After conducting their research, researchers came to the conclusion that when internal audit is present and cooperative, the ERM system provides more value and improves corporate governance quality than when it is not present and cooperative. It has been demonstrated that the use of ERM may aid in the reduction of risks in businesses that operate in hazardous environments.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This Chapter sets out a summary of the study, conclusions, recommendations of the study and as well as issues for further research arising from the main findings on the effect of governance on risk mitigation among county governments in Kenya (Mombasa and Kilifi).

5.2 Summary

The study first determined the effect of management accountability on risk mitigation in Mombasa and Kilifi County government. The study found that all heads of departments in the county government are accountable to all resources allocated in their department and thus ensure that they are well utilized as per its set objectives. The heads of departments develop and review the county development plans for efficient implementation. They also supervise devolved units and support in coordination of stakeholders who ensure that set project was of great importance to the residents. The head of departments also ensure strict compliance with all financial, budgetary and procurement procedures so as to ensure that the project is well implemented and by using all the allocated resources effectively. The heads of departments ensure that revenue designated to their departments is collected and accounted for as per set rules and regulations.

The study secondly determined the effect of public participation on risk mitigation in Mombasa and Kilifi County government. The study found that the public are involved in identifying the types of projects to be executed depending on their need. Public participation has enhancing transparency on utilization of funds allocated on each department. Public participation has also improved on decision making during budget making by provision of immediate reports. The public are involved in the planning of the project and coming up with a suitable design of the projects selected. The county government also involves the public in monitoring and evaluation of the project so as to ensure the project is well executed and meets its set objective.

Thirdly, the study accessed how financial reporting affects risk mitigation in Mombasa and Kilifi County government. According to the findings of the research, county governments prepare financial records in accordance with worldwide public sector accounting standards. The criteria give information that may be utilized to assess the performance of all departments within the county administration. International public sector accounting standards have also helped to increase public trust in public financial management by bringing about harmonization and uniformity in government accounting and reporting practices throughout the world. It has also improved the openness of the government's use of all of its resources. The financial status, operational performance, and risk exposure of the institution are communicated to senior management and directors through information systems in each department. Proper reporting has aided in the provision of information that will be valuable in identifying possibilities for future resource use.

The fourth variable examined how adherence to rule of law affects risk mitigation in Mombasa and Kilifi County government. The study found that all departments formulate and implement appropriate risk mitigation policies. In implementing their mandates, all departments follow all the rules and regulations set by both central and county governments. All departments carry out in-depth research and need analysis before formulating rules and regulations. The county government analyzes all of its established policies and processes on a regular basis. Internal auditors have full, free, and unrestricted access to all functions, records, property, and personnel that are necessary for the performance of any engagement, subject to the requirement that they maintain the confidentiality of records and information and comply with all applicable laws and regulations.

5.3 Conclusion

Effective risk management improve government's ability to deliver services to its citizens by focusing on performance, encouraging innovation and supporting the achievement of objectives therefore creating and protecting value through continuous review of its processes and systems and improvement. This promotes accountability in use of limited public resources. Enhancing accountability is a key element for effective management of county governments resources. The heads of departments develop and review the county development plans for efficient implementation. The heads of departments in the county governments ensure that revenue designated to their departments is utilized effectively in compliance with all financial, budgetary and procurement procedures.

International accounting standards are being used to standardize financial reporting by county governments, which helps to improve accountability and transparency by reducing the complexity of current financial reporting and increasing the decision usefulness of financial information for users and stakeholders. The purpose of a sound financial reporting process is to provide accurate and transparent financial reports and supporting disclosures. This demands attentiveness on the side of preparers as well as monitoring parties such as the audit committee and auditors.

Effective public involvement results in the avoidance of disputes and delays, which in turn leads to the sharing of information and the achievement of desired goals, as well as the reduction of operating expenses. Stakeholders are involved in county governments' community-based infrastructure projects via participation in procurement planning, monitoring and assessing project performance, risk management, and the policy-making process.

Having international public sector accounting standards in place has had a significant impact on the reduction of financial risk in county governments. Increasing the timeliness of financial reporting, increasing transparency, and increasing accountability have all been achieved through the application of international public sector accounting standards, which has resulted in a reduction in the complexity of current financial reporting while increasing the decision usefulness of financial information for users and stakeholders in the countries. County. Senior managers and directors get timely updates on the institution's financial status, operational performance, and risk exposure from each of the department's information systems. As a result of a lack of financial expertise and a lack of resources, counties are ill-equipped to deal with the complexity of financial matters.

5.3.1 Knowledge contribution

This study findings contributes new knowledge as a result of establishing that management accountability affects risk mitigation in Mombasa and Kilifi County government, public participation affects risk mitigation in Mombasa and Kilifi County government and that financial reporting is a key factor in risk mitigation in Mombasa and Kilifi County government. Further, this study established how adherence to rule of law affect risk mitigation in Mombasa and Kilifi County government.

5.4 Recommendations

The study recommended that county government executives should put in place clear procedures for establishing, executing, and revising conflict-of-interest policies at the appropriate levels in the public sector, and they should communicate these procedures to their employees. Regular reviews of the implementation, efficacy, and relevance of conflict-of-interest rules should be carried out in accordance with an evidence-based methodology. When creating and evaluating their conflict-of-interest policies, county government officials should interact with key stakeholders, such as the private sector and civil society, to ensure that their policies are effective.

Employees in the county governments should be provided with ethical standards that outline how they can contact with the executive in order to report problems involving unlawful or unethical activity in the variance department. Having clear internal communication policies and procedures will decrease the likelihood that the county government will find itself in a scenario that might harm its reputation or financial status in the future.

To guarantee that the accounting and financial departments of the counties are well-run, the county government should hire and retain skilled personnel. Individuals in charge of financial reporting and auditing the Counties should be given all the information they need to create credible financial reports. The county's leadership must also put in place procedures for sharing and discussing financial reports and audit reports with the public and other stakeholders in the county's operations.

To successfully manage their financial performance, county governments should have efficient, reliable and updated accounting software in place to track their goals, the progress they are making, and all of the important performance measures across their financial operations. They should link their accounting software with any other business software they use to operate their operations, automate data flow, and give real-time information to their customers and employees.

In order to perform their roles efficiently and effectively, county governments should ensure that there are clearly defined accountabilities for risk management, and that officials are equipped with the necessary skills and resources, which include people with the necessary skills, experience, and competence, as well as processes, methods, and tools, as well as information and knowledge management systems, as well as professional development.

All development and service delivery initiatives in counties should be reviewed and assessed on a regular basis in order to enhance their overall effectiveness. The development of effective feedback mechanisms for the implementation of decisions reached through citizen participation is essential for improving performance. All development and service delivery programs in counties should be monitored and evaluated on a regular basis in order to improve performance.

5.5 Recommendation for Further Studies

The study examined the governance on risk mitigation among county governments in Kenya. The results suggest that there is a relationship between governance and risk mitigation. However, this study was only limited to four variables. Consequently, there are variables that affect risk mitigation but were not included in the study. this study therefore recommends further research to be conducted to establish the effect of other governance variables on risk mitigation.

Secondly, this study used cross-sectional data which was collected and measured at one point in time. Due to this, it is not clear on how long it takes before changes in governance can result in changes in risk mitigation. This study, therefore, recommends that future studies be carried out over a long period of time in order to examine the trend between changes in learning and charges in performance.

Thirdly, research on the influence of enterprise risk management on diverse components in county governments, including financial and non-financial issues, may be carried out in the future. Further investigation should be carried out to determine the other variables that account for 21.7% of the dependent variable's variance (risk mitigation in County governments).

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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

BBA Student
KEMU Mombasa campus

Dear Respondent,

RE: DATA COLLECTION

I am a student at Kenya Methodist University. I am carrying out a proposal on effect of governance on risk mitigation in Mombasa and Kilifi County government. This paper is a requirement for any masters of business administration degree qualification. I kindly request you to give me an opportunity to conduct the research in your organization.

The information gathered will be used exclusively for purposes of this study and shall be kept confidential and used only for academic purposes. A copy of all the findings will be made available to you on request.

Thank you in advance for your kind support.

Yours sincerely,

EDDY M. MBARU

APPENDIX II: QUESTIONNAIRE

SECTION A: DEMOGRAPHIC CHARACTERISTICS

What is your Gender?

i. Male [ ]
ii. Female [ ]

What is your position in the county government?

i. County Executive Committee [ ]
ii. Chief Officer [ ]
iii. Director [ ]

How long have you worked in your current position?

i. 1- 3 years [ ]
ii. 4-6 years [ ]
iii. 7-9 years [ ]
iv. 10 years and above [ ]

What is your highest Academic level?

i. Diploma [ ]
ii. Degree [ ]
iii. Masters [ ]
iv. PhD [ ]

SECTION B: MANAGEMENT ACCOUNTABILITY

Please tick the numerical value corresponding to your personal opinion for each statement. Use the scale provided to guide you. Please tick (√) appropriately.

1=Strongly Disagree, 2=Disagree, 3= Moderate, 4=Agree, 5=Strongly Agree

Management Accountability	1	2	3	4	5
The heads of departments in the county government are accountable to all resources allocated in their department.					
The heads of departments develop and review the county development plans for efficient implementation.					
The heads of departmental Supervise devolved units and support in coordination of stakeholders					

The head of departments ensure strict compliance with all financial, budgetary and procurement procedures					
The heads of departments ensure that revenue designated to their departments is collected and accounted for as per set rules and regulations					

SECTION C: PUBLIC PARTICIPATION

Please tick the numerical value corresponding to your personal opinion for each statement. Use the scale provided to guide you. Please tick (√) appropriately.

1=Strongly Disagree, 2=Disagree, 3= Moderate, 4=Agree, 5=Strongly Agree

Public Participation	**1**	**2**	**3**	**4**	**5**
Public participation has enhancing transparency on utilization of funds allocated on each department					
Public participation has improved on decision making during budget making by provision of immediate reports					
The public are involved in identifying the types of projects to be executed depending on their need.					
The public are involved in the planning of the project and coming up with a suitable design of the projects selected.					
The county government involve the public in monitoring and evaluation of the project so as to ensure the project is well executed and meets its set objective					

SECTION D: FINANCIAL REPORTING

Please tick the numerical value corresponding to your personal opinion for each statement. Use the scale provided to guide you. Please tick (√) appropriately.

1=Strongly Disagree, 2=Disagree, 3= Moderate, 4=Agree, 5=Strongly Agree

Financial Reporting	**1**	**2**	**3**	**4**	**5**
International public sector accounting standards provides information used to evaluate performances in all departments in					
International public sector accounting standards strengthens confidence in public financial management					

International public sector accounting standards has harmonization and standardization of government accounting and reporting					
IPSAS has enhancement government transparency for all its resources					
Each department has an information system that provide senior managers and directors with timely reports on the financial condition, operating performance and risk exposure of the					
Proper reporting has helped in providing information useful in identifying opportunities for future use of resources					

SECTION E: ADHERENCE TO RULE OF LAW:

Please tick the numerical value corresponding to your personal opinion for each statement. Use the scale provided to guide you. Please tick (√) appropriately.

1=Strongly Disagree, 2=Disagree, 3= Moderate, 4=Agree, 5=Strongly Agree

Adherence to rule of law	**1**	**2**	**3**	**4**	**5**
All departments formulate and implement appropriate risk mitigation policies					
In implementing their mandates, all departments follow all the rules and regulations set by both central and county governments.					
All department carry out in-depth research and need analysis before formulating rules and regulations					
The county government reviews all its set policy and procedures frequently					
Internal auditors have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.					

SECTION F: RISK MITIGATION

Please tick the numerical value corresponding to your personal opinion for each statement. Use the scale provided to guide you. Please tick (√) appropriately.

1=Strongly Disagree, 2=Disagree, 3= Moderate, 4=Agree, 5=Strongly Agree

RISK MITIGATION	1	2	3	4	5
Risks are continuously reviewed, updated, scrutinized and investigated by departmental heads					
Controls are in place to evaluate the efficiency of the risk mitigation program					
There is a regular review of risk mitigation efforts and reporting to senior management					
All department monitor and coordinate the risk mitigation processes and the outcomes					
The county government conducts awareness on risk mitigation across all departments frequently					
Fresh and evolving risks are regularly recognized in a well-timed and hands-on way					

Thank you…

APPENDIX III: LIST OF DEPARTMENTS IN MOMBASA AND KILIFI COUNTY

1	Department of Finance & Economic Planning	1	County Executive Committee
		2	Chief Officer Economic Planning
		3	Chief Officer Finance
		4	Director of Budget Management & Economic Planning
		5	Director of Internal Audit
		6	Director of Accounting Services
		7	Director of Revenue Management
		8	Director of Supply Chain Management
		9	Director of Corporate Services
2	Department of Education & ICT	10	County Executive Committee
		11	Chief Officer Education
		12	Director of Preprimary Education
		13	Director of Youth Training
		14	Chief Officer ICT
3	Department of Health Services	15	County Executive Committee
		16	Chief Officer
		17	Director Medical Services
		18	Director Public Health
4	Department of Agriculture, Fisheries & Livestock	19	County Executive Committee
		20	Chief Officer Agriculture
		21	Chief Officer Fisheries
		22	Chief Officer Livestock
5	Department of Land, Energy, Housing, Physical Planning & Urban Management	23	County Executive Committee
		24	Chief Officer Lands and Energy
		25	Chief Officer Energy
		26	Chief Officer Physical Planning and Urban Management
6	Department of Roads, Transport & Public Works	27	County Executive Committee
		28	Chief Officer
		29	Director of Roads
		30	Director of Transport
		31	Director of Public Works
7	Department of Gender, Culture, Sports, Youth & Social Services	32	County Executive Committee
		33	Chief Officer
		34	Director Sports
		35	Director Youth
		36	Director Gender

		37	Director Culture
		38	Director Social Services
8	Department of Trade, Industrialization, Co - Operatives Development, Tourism & Wildlife	39	County Executive Committee
		40	Chief Officer Trade & Tourism
		41	Chief Officer Cooperate Development
9	Department of Water, Environment, Forest & Solid Waste Management	42	County Executive Committee
		43	Chief Officer Water & Solid Waste Management
		44	Chief Officer Environment & Forest
10	Department of Devolution Public Service & Disaster Management	45	County Executive Committee
		46	Chief Officer
		47	Director Public Service management
		48	Director Devolution & Disaster Management
11	Public Service Board	49	County Executive Committee
		50	Chief Officer

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **576551**

Date of Issue: **21/June/2021**

RESEARCH LICENSE

This is to Certify that Mr.. EDDY MUNGA MBARU of Kenya Methodist University, has been licensed to conduct research in Kilifi, Mombasa on the topic: EFFECT OF GOVERNANCE ON RISK MITIGATION AMONG COUNTY GOVERNMENTS IN KENYA (A CASE OF MOMBASA AND KILIFI COUNTY) for the period ending : 21/June/2022.

License No: **NACOSTI/P/21/11276**

576551
Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

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CONDITIONS

1. The License is valid for the proposed research, location and specified period
2. The License any rights thereunder are non-transferable
3. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research
4. Excavation, filming and collection of specimens are subject to further necessary clearence from relevant Government Agencies
5. The License does not give authority to tranfer research materials
6. NACOSTI may monitor and evaluate the licensed research project
7. The Licensee shall submit one hard copy and upload a soft copy of their final report (thesis) within one year of completion of the research
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