

**INFLUENCE OF CORPORATE GOVERNANCE PRACTISES ON
SERVICE DELIVERY AMONG COUNTY GOVERNMENTS IN KENYA
A CASE STUDY OF ISIOLO COUNTY GOVERNMENT**

BY

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DECLARATION.

I Galgalo Mohamed Hassan, University registration number 13/01649, declare that this research proposal is my original work and has not been submitted in this form or any other to any college or university other than KCA University for the award of any degree.

Signature..... Date.....

This research proposal work has been submitted to the University for Examination with my approval as the University supervisor.

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ABSTRACT

The aim of the study will be to investigate the impact of corporate governance on service delivery among county government in Kenya: a case study of Isiolo County. The study will be guided by the four objectives on the managerial skills, internal control systems, organizational transparency and the oversight role of the county assembly. Good corporate governance practices are measures put in place by firms to ensure responsive and accountable operations that are efficient, effective and sustainable which contribute positively to the society and economy while recognizing and protecting the rights of stakeholder. Corporate governance is an inclusive management style based on democratic ideals, legitimate representation and participation. The corporate scandals of the early 2000s, including Enron, WorldCom, Tyco and others, led to a wave of regulation aimed at prevention of similar problems in future by introducing good corporate governance practices to be employed in running and managing corporations. Good corporate governance practices will help the County Governments to provide effective and responsive services to citizens in their jurisdictions. This study investigates the impact of corporate governance practices on service delivery among county Governments in Kenya. The research study will apply descriptive research design so as to determine the relationship between effective service delivery and corporate governance. The study will target the county leadership and departmental heads. Questionnaires will be administered to 170 respondents. Regression, t-test, correlation and F-test will be applied in analyzing the primary data.

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OPERATIONAL DEFINITION OF TERMS

Corporate Governance - Corporate governance is the combination of corporate policies and best practices implemented by organizations to meet its objectives in relation to its investors and stakeholders. It is the way in which the organizations are managed and controlled (Mallin, 2007)

Service Delivery – According to Bahagat and Black (2002) in public context service delivery refers to distribution of basic resources citizens depends on like water, electricity, sanitation, infrastructure, land and housing. Service delivery is therefore a business aspect that connects the service provider and clients, where the provider offers services to the client in form of information or task. Effective service delivery is one in which the client is provided with increased value.

Organization transparency – Meijer (2013), refers to the quality of communication which must be reliable, factually accurate, easily understood by the intended audience and presented in a manner that promotes adoption of the desired behaviors and trust between the public and the organization which must be forthcoming and open to provide evidence of information to be believable and used by the public to make decisions that concern the public and organization (Meijer, 2013).

Internal control systems – According to Mwindi (2005) refers to the systems, procedures and processes instituted and implemented by an organization in order to prevent or mitigate unwanted events from happening and to ensure smooth running of affairs in an organization.

Managerial skills – These refers to set of qualities and competencies in skills that individual members of the management /leadership class ought to possess in order to effectively discharge his/her duties and responsibilities (Clarke,2004)

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

4.1 Introduction

This chapter entails data analysis and interpretation of the results derived from the study as set out in the research methodology. The study sought to establish the relationships between corporate governance practices such as managerial skills, internal control systems and organization transparency and quality of service among the county Governments of Kenya.

Questionnaire was used as the research instrument. The questionnaire was aligned to the study objectives. To enhance quality of data obtained, both structured and unstructured types of questions were included. The data obtained was uploaded to SPSS version 21.0 and the output obtained was used to compute the ratios needed to measure the effectiveness of corporate governance on service delivery among county Governments in Kenya.

4.2 Response Rate

The study targeted respondents from top and middle level managers in each sector/department of the County government. Although the study intended to collect data from a total of 170 respondents, only 140 responses was achieved in the study giving a response rate of 82%. This according to Mugenda and Mugenda (2003) is suitable for data analysis. Non-response rate of 18% was achieved due to some respondents being absent or on leave during data collection period.

Table 4. 2: Response Rate

Response	Frequency	Percentage
Returned questionnaires	140	82
Unreturned questionnaires	30	18
Total	170	100

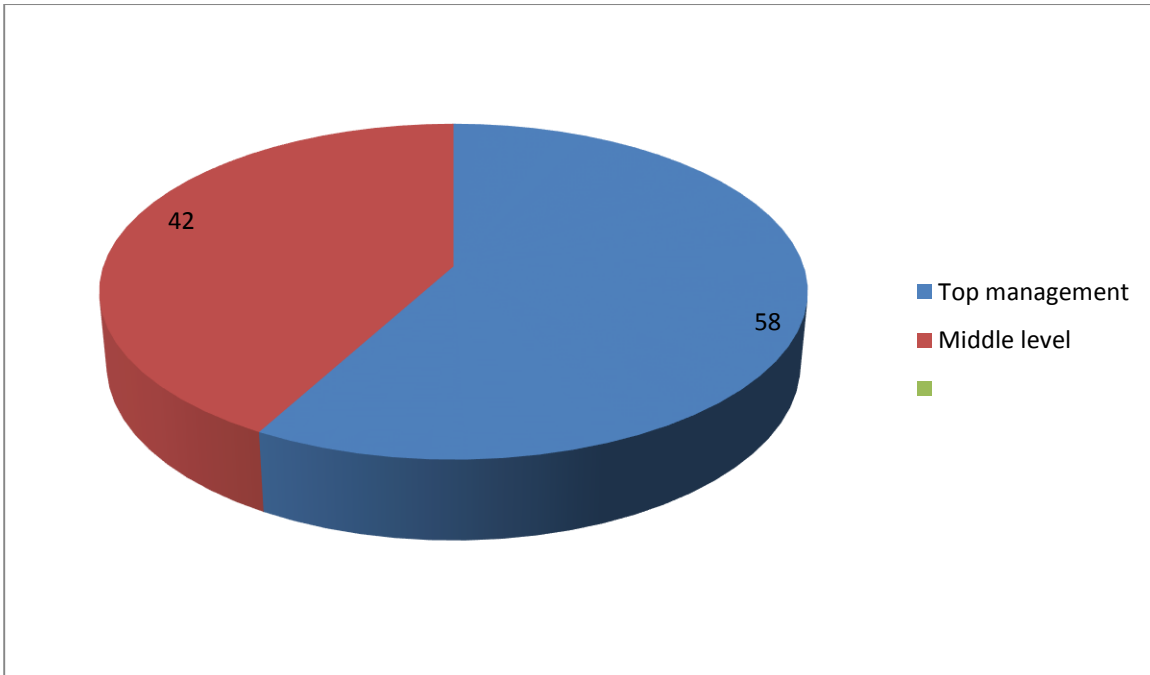
4.3 Descriptive characteristics

Majority of the respondents (51%) had degree level of education with a further 31% with a post graduate degree and 16% being diploma holders and only 2% with secondary education only. This indicates high literacy levels among the top and the middle management cadre of the County government and this made it possible for the questionnaires to be self-administered. These findings are supported by the results of (Alfaxard, 2013) who established high levels of education among managers.

Table 4. 3: Highest level of education of the respondents

Highest level of education	Frequency	Valid Percent
Postgraduate level	44	31
Degree level	71	51
Diploma level	22	16
Secondary level	3	2
Total	140	100

On the position held by respondents the study found out that, most of them (58%) were top managers and 42% middle level managers. These results indicate that majority of County employees that participated in the study were from Executive committee members, chief officers and departmental directors. According to Fred and Fening (2012) responses from managers and/or directors are common among medium and large organizations with small ones having owners or as respondents in most cases. These results are similar to the findings of Kimutai (2015) who had majority of respondents in his study as managers.



4.4 Corporate Governance Practices

The corporate governance practices considered in the study were managerial skills, internal control systems and organization transparency.

4.4.1 Managerial Skills

According to the respondents, 39% and 24% strongly agreed and agreed respectively that organizations possess highly skilled staff in delegating work effectively to others while 15% and 7% disagreed and strongly disagreed respectively. A significant number of respondents (16%) were undecided. The study also sought to establish the respondents’ opinions regarding staff’s ability to supervise lead and motivate people. The results showed that majority of the respondents 40% and 20% agreed and strongly agreed respectively while 22% and 10% disagreed and strongly disagreed respectively. Only 7% of the respondents were undecided.

Table 4. 1: Managerial skills

	Managerial skills	Frequency	Percent
The county possesses highly skilled staff at delegating work effectively to others	Agree	54	39
	Strongly agree	33	24
	Undecided	22	16
	Disagree	21	15
	Strongly disagree	10	7
	Total	140	100
The county has staff who are able to supervise, lead and motivate people	Agree	56	40
	Disagree	31	22
	Strongly agree	28	20
	Undecided	15	11
	Strongly disagree	10	7
	Total	140	100
The county has staff who have skills in organizing and coordinating tasks	Agree	50	36
	Strongly agree	36	26
	Disagree	23	16
	Undecided	21	15
	Strongly disagree	10	7
	Total	140	100
Expertise in a technical area is one of the skills that the county values	Strongly agree	45	32
	Agree	42	30
	Disagree	26	19
	Undecided	17	12
	Strongly disagree	10	7
	Total	140	100

Regarding staff ability to organize and coordinate tasks, 36% and 26% agreed and strongly agreed respectively while 16% and 7% disagreed and strongly disagreed. Majority of the respondents (32% and 30%) were in agreement that expertise in a technical area is one of the skills that the organization values and 19% and 7% disagreed and strongly disagreed respectively. Twelve per cent were undecided.

Table 4. 2: Managerial skills

Descriptive Statistics	N	Mean	STD
The county possesses staff highly skilled at delegating work effectively to others	140	2.44	1.207
The county has staff who are able to supervise, lead and motivate people	140	2.56	1.236
The county has staff who have skills in organizing and coordinating tasks	140	2.44	1.236
Expertise in a technical area is one of the skills that the organization values	140	2.39	1.301

A set of managerial skills 5-point Likert statements were asked whereby 1 is ‘Strongly Agree’ and 5 ‘Strongly Disagree’. This was to establish the perception of the respondents towards the existence of managerial skills on their firms. The means of the statements are presented as follows: The respondents agreed (mean=2.44) that the organizations’ top management were highly skilled at delegating work effectively to others. This show that conceptual skills is regarded highly among the managers, a point supported by (Maroa & Muturi, 2015). The respondents also agreed that the top management had skills in organizing and coordinating tasks effectively and that expertise in a technical area of the top management is a key strength to the organization (mean=2.44 and 2.39 respectively). However, the respondents were undecided (mean=2.56) on the top managements’ ability to supervise, lead and motivate people.

4.4.2 Internal Control Systems

Table 4. 3: Internal control systems

Internal Control Systems		Frequency	Percent
	Strongly agree	53	38
	Agree	36	26
There are clear laid down policies and procedures in this county	Undecided	23	16
	Disagree	18	13
	Strongly disagree	10	7
	Total	140	100
Financial statements that are accurate and reliable are prepared on periodic basis in this county	Agree	45	32
	Strongly agree	42	30
	Undecided	29	21
	Disagree	14	10
	Strongly disagree	10	7
	Total	140	100
There are systems in place to check and prevent fraud in this county	Agree	56	40
	Strongly agree	28	20
	Undecided	23	16.4
	Disagree	23	16.4
	Strongly disagree	10	7.1
Total	140	100	
Procedures for reporting thefts are clear to all employees	Agree	48	34
	Strongly agree	36	26
	Disagree	30	21

	Undecided	16	11
	Strongly disagree	10	7
	Total	140	100
	Agree	49	35
	Strongly agree	30	21
The overall effectiveness of internal control system is evaluated on routine basis	Disagree	25	18
	Undecided	18	13
	Strongly disagree	18	13
	Total	140	100
	Strongly agree	48	34
	Agree	37	26
Audit procedures exist to test on a periodic basis the compliance with the set company policies and procedures	Disagree	26	19
	Strongly disagree	17	12
	Undecided	12	9
	Total	140	100

On the question of policies and rules in organization the study results revealed that 38%, 26%,16%,13% and 7% strongly agreed, agreed, undecided, disagree and strongly disagreed that there are clear laid policies and procedures for internal control. The study results also indicated that there 32%, 30%, 21%, 10% and 7% agreed, strongly agreed, were undecided, disagreed and strongly agreed respectively on accurate and reliable financial statement in the firms. Concerning the existence of fraud internal control system it was established that 40%, 20%, 16.4%, 16.4% and 7% of the respondents agreed, strongly agreed , were undecided, disagreed and strongly agreed respectively. On existence of procedures for reporting theft the study indicated that 34%, 26%, 21%, 11% and 7% agreed, strongly agreed, disagreed, were

undecided and strongly agreed respectively. From the findings it was indicated that 35%, 21%, 18%, 13% and 13% of respondents agreed, strongly agreed, disagreed, undecided and strongly disagreed respectively on evaluation of internal control system regularly. Finally, the results on compliance with rules and regulation showed that 34%, 26%, 19%, 12%, and 9% of the respondents strongly agreed, agreed, disagreed, strongly disagreed and were undecided respectively.

Table 4. 4: Internal control systems

Descriptive Statistics	N	Mean	STD
There are clear laid down policies and procedures in this county	140	2.26	1.283
Financial statements that are accurate and reliable are prepared on periodic basis in this county	140	2.32	1.207
There are systems in place to check and prevent fraud in this county	140	2.51	1.19
Procedures for reporting thefts are clear to all employees	140	2.50	1.278
The overall effectiveness of internal control system is evaluated on routine basis	140	2.66	1.34
Audit procedures exist to test on a periodic basis the compliance with the set public finance policies and procedures	140	2.48	1.432

The study also sought to establish the internal control systems used in the county. The respondents agreed (mean=2.26~2) that there were laid down policies and procedures in the organization. This shows the existence of directive controls in the firms an important aspect of internal controls as argued by (Hui-Nee, 2013).

However, the findings also revealed that the respondents were undecided (mean=2.50) on the existence of procedures for reporting thefts are clear to all employees. This indicates that directive control have not been fully operationalized due to lack of operational plans that according to Jain(2014) are key in effecting control system. They also agreed that accurate and reliable financial statements were prepared periodically (mean=2.32). This indicates the existence of communication information systems among flower firms. The respondents were undecided (mean=2.51) on whether there were systems in place to check and prevent fraud in the organization thus showing that preventive control has not received utmost attention among flower firms(Li & Nadeem, 2010) Further the respondents agreed (mean=2.48) that audit procedures exist to test on a periodic basis the compliance with the set company policies. This supports (Hui-Nee, 2013) conclusion that organization gives priority to detective control systems. Further, the results revealed that respondents were undecided (mean=2.66) on the existence of evaluation system for evaluation the overall performance of control systems. This confirms weak administrative plans among flower firms.

4.4.3 Organization Transparency

Table 4. 5: Organization Transparency

Internal Control Systems		Frequency	Percent
	Strongly agree	35	25
	Agree	47	34
	Undecided	18	13
	Disagree	30	21
	Strongly disagree	10	7
	Total	140	100
Accurate and factual information on the	Agree	30	21

performance of the county is accessible by all stake holders	Strongly agree	35	25
	Undecided	27	19
	Disagree	38	27
	Strongly disagree	10	7
	Total	140	100
The communication to all stakeholders is in a language that is easily understood by the intended recipients	Agree	51	36
	Strongly agree	36	26
	Undecided	23	16
	Disagree	20	14
	Strongly disagree	10	7
Total	140	100	
The county complies with legal and statutory requirements -payment of taxes and other statutory payments and compliance.	Agree	48	34
	Strongly agree	39	28
	Disagree	12	9
	Undecided	25	18
	Strongly disagree	16	11
Total	140	100	
This county is an equal opportunity employer and avoids discrimination of any kind (race, ethnic, religious) in the work place.	Agree	51	36
	Strongly agree	47	34
	Disagree	18	13
	Undecided	14	10
	Strongly disagree	10	7
Total	140	100	
This county upholds labor laws, pays at the market rate and applies minimum	Strongly agree	51	36
	Agree	38	27

wage in its remuneration package for its	Disagree	24	17
employees.	Strongly disagree	17	12
	Undecided	10	7
	Total	140	100

On the question of existence of established communication line the study results revealed that 25%, 34%, 13%, 12% and 7% strongly agreed, agreed, undecided, disagree and strongly disagreed respectively. The study results also indicated that there 21%, 25%, 19%, 27% and 7% agreed, strongly agreed, were undecided, disagreed and strongly agreed respectively on accurate and factual information to all stakeholders. Concerning communication to all stakeholders in an easy language, it was established that 36%, 26%, 16%, 14% and 7% of the respondents agreed, strongly agreed , were undecided, disagreed and strongly agreed respectively. On compliance with legal and statutory requirement the study indicated that 34%, 28%, 9%, 18% and 11% agreed, strongly agreed, disagreed, were undecided and strongly agreed respectively. From the findings it was indicated that 36%, 34%, 13%, 10% and 7% of respondents agreed, strongly agreed, disagreed, undecided and strongly disagreed respectively on the farms as equal employer. Finally, the results on upholding labour laws showed that 36%, 27%, 17%, 12%, and 7% of the respondents strongly agreed, agreed, disagreed, strongly disagreed and were undecided respectively.

Table 4. 6: Organization Transparency

Descriptive Statistics	N	Mean	STD
The established line of communication and command least exposes the county to threats/ risks.	140	3	1.272
Accurate and factual information on the performance of the county is accessible by all stakeholders e.g. ,top managers, employees, creditors, bankers, government etc. for appropriate decision-making	140	3	1.267
The county complies with legal and statutory requirements -payment of taxes and other statutory payments and compliance.	140	2	1.29
This county is an equal opportunity employer and avoids discrimination of any kind (race, ethnic, religious) in the workplace.	140	2	1.411
This county upholds labor laws, pays at the market rate and applies minimum wage in its remuneration package for its employees.	140	2	1.231
This county takes every precaution necessary to prevent environmental damage (pollution- air, water &soil) in its operations.	140	2	1.267

The study also wanted to establish the organizational transparency practices that exist in the county. A set of Likert questions were asked to aid in this. The results revealed that the respondents were undecided (mean=3) that established line of communication and command least exposed the organization to risks and threats. Further they were undecided (mean=3) regarding the accessibility of accurate and actual information on performance by all stakeholders. This indicating existence of poor communication structures in the county.

However, the respondents agreed (mean=2) that the county complied with legal and statutory requirements, is an equal employer opportunity and upholds labour laws. This indicate level of transparency in regards to government requirement and policies. These results support the findings of Otieno (2015) which included managers as the respondents. Further the respondents agreed (mean=2) that the firm take precautionary measures to prevent environmental damages such as air, water, and soil pollution in their operation.

4.4.6 Service Delivery aspects

Service Delivery		Frequency	Valid Percent
	Strongly agree	28	20.1
	Agree	61	43.9
Services are identified	Undecided	18	12.9
in this county	Disagree	20	14.4
	Strongly disagree	12	8.6
	Total	139	100
	Strongly agree	28	20.1
Services delivered are	Agree	44	31.7
measured in this	Undecided	26	18.7
county	Disagree	27	19.4
	Strongly disagree	14	10.1
	Total	139	100
	Strongly agree	28	20.1
services are monitored	Agree	56	40.3
in this county	Undecided	14	10.1
	Disagree	27	19.4

	Strongly disagree	14	10.1
	Total	139	100
	Strongly agree	31	22.6
	Agree	51	37.2
Services are controlled	Undecided	11	8
in this county	Disagree	30	21.9
	Strongly disagree	14	10.2
	Total	137	100
	Strongly agree	28	20.4
	Agree	45	32.8
All employees are	Undecided	20	14.6
involved in public	Disagree	21	15.3
service delivery	Strongly disagree	23	16.8
	Total	137	100

On the question of whether services are identified in the firms the study results revealed that 20%, 44%,13%,14% and 9% strongly agreed, agreed, undecided, disagree and strongly disagreed respectively. The study results also indicated that there 20%, 32%, 19%, 19% and 10% strongly agreed, agreed, were undecided, disagreed and strongly agreed respectively on whether services are measured in the county. Concerning whether services are monitored it was established that 20%, 40%, 10%, 19% and 10% of the respondents agreed, strongly agreed, and were undecided, disagreed and strongly agreed respectively. On service control the study indicated that 23%, 37%, 8%, 22% and 10% strongly agreed, agreed, were undecided, disagreed and strongly agreed respectively.

Finally, the results on involvement of all employees in public service delivery showed that 20%, 33%, 15%, 15%, and 16% of the respondents strongly agreed, agreed, were undecided, disagreed and strongly disagreed respectively.

Table 4. 7: Service Delivery Aspects

Descriptive Statistics	N	Mean	Std. Deviation
Services are identified in this organization	139	2	1.212
Services are measured in this organization	139	3	1.275
Services are monitored in this organization	139	3	1.284
Services are controlled in this organization	137	3	1.325
All employees are involved in service delivery	137	3	1.387

Regarding service delivery, the respondents agreed (mean=2) that services are usually identified in the organization and were undecided on whether services were measured, monitored and controlled within the organization. Further, they were undecided on whether all the employees were involved in public service delivery (mean =3). According to Gao et al., (2013) quality service delivery in public entities is relatively low due to inability to hire employees with necessary expertise and lack of resources to train employees

4.5 Regression Analysis

Relationship between the corporate governance practices and service delivery in Isiolo County Government, before the regression analysis, the data was subjected to assumptions of regression analysis, with no violation observed.

4.5.1 Normality Tests

Table 4. 8: Normality Tests

Tests of Normality	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Managerial skills	0.286	137	0.043	0.865	137	0.056
Internal control	0.259	137	0.356	0.878	137	0.123
Organizational transparency	0.218	137	0.463	0.888	137	0.061

Normality tests were undertaken for the study with the possibility of kolmogorov-smirnov test and Shapiro-Wilk test. However, Shapiro-wilk test was used in the study since the sample size of the study was less than 2000. The study results indicate all the variables except one are normal as indicated by the significance value of more than 0.05. However, this can be attributed to the transformation of data for regression analysis thus allowing for analysis. The variables are normal when the p-value is greater than 0.05.

Table 4. 9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.932a	0.869	0.864	0.499

a Predictors: (Constant), Managerial skills, Internal control, Organizational transparency

The table 4.12 shows the model summary of regression analysis. The R² value is .869 indicating that 87% of the variation in the dependent variable (Service Delivery) is explained by the variables included in the model i.e. internal control systems, organization transparency

and managerial skills. The remaining 13% are explained by predictor variables not included in the model. Model therefore provided a strong fit. The results implies that 87% of the change in service delivery in the model can be attributed to corporate governance practices while the remaining 13% of the change in service delivery can be attributed to factors other than the variables of the study. This results support the findings of Kleffner, Lee, & McGannon (2003) and (Nyakoe, 2016) who established that corporate governance greatly influences performance and service delivery.

The Regression formula used was stated as follows:

$$Y = \alpha_i + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where α_i was the estimate of the intercept showing service delivery in the absence of corporate governance variables and ε was the error term related with this equation, β_1 was the beta coefficient of managerial skills (X_1), β_2 was the beta coefficient of internal control (X_2), β_3 was the beta coefficient of organization transparency (X_3).

The relationship between corporate governance practices and service delivery risk management among county governments was tested by the following hypothesis:

H₀₁: Managerial skills have no significant effect on service delivery in Isiolo County

H₁: Managerial skills have a significant effect on service delivery

H₀₂: Internal control systems have no significant effect on service delivery in Isiolo County

H₂: Internal control systems have a significant effect on service delivery in Isiolo County

H₀₃: Organization transparency has no significant effect on service delivery in Isiolo County

H₃: Organization transparency has a significant effect on service delivery in Isiolo County

Table 4. 10: Model Fitting

Model	Sum of		Mean		F	Sig.
	Squares	Df	Square			
1 Regression	216.912	5	43.382		174.058	.000b
Residual	32.65	131	0.249			
Total	249.562	136				

a Dependent Variable: Service delivery

b Predictors: (Constant), Managerial skills, Internal control, and Organizational transparency

From above table was established that the model was fitting for the regression. This was indicated by a p-value of 0.000 that was less than 0.05, the significant tests of the study. This was also confirmed by F-statistic that was significantly greater than 1 (174.058). The results thus indicate that the F-statistic is appropriateness in testing the relationship between independent and dependent variable. This means that the model is appropriate for use in interpreting the relationship between corporate governance practices and service delivery.

Table 4. 11: Coefficients

Model	Unstandardized		Standardized		t	Sig.
	Coefficients		Coefficients			
	B	Std. Error	Beta			
1 (Constant)	-0.245	0.168			-1.463	0.146
Managerial_skills	0.151	0.127	0.133		1.193	0.235
Internal_cntrl	0.453	0.135	0.407		3.356	0.001
Org_transparency	0.347	0.112	0.32		3.11	0.002

a Dependent Variable: service delivery

An interpretation of the coefficients in *Table 4.13* shows internal control system had a significant coefficient with p-value = 0.001, organization transparency had a significant coefficient with p-value = 0.002. The study therefore fails to accept H_{02} and H_{03} thus rejecting the null hypotheses of the study and accepts the alternative hypotheses H_2 and H_3 . The study also established that managerial skill is not significant (p= 0.11). Thus the study also accepts the null hypothesis H_1 .

From the estimated regression equation;

$$Y = \alpha_i + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Whereby:

Y = Service Delivery

α_1 = Constant

$\beta_1, \beta_2, \beta_3$ = Coefficients of the effects of corporate governance on service delivery

X_1 = Managerial Skills

X_2 = Internal Control Systems

X_3 = Organization Transparency

ε = Error term

Where α_i is the constant = -0.245, β_1 = 0.151, β_2 = 0.453, β_3 = 0.347.

The fitted regression equation of the model becomes;

$$Y = -0.245 + 0.151X_1 + 0.453X_2 + 0.347X_3 + \varepsilon$$

It is evident from the above regression model that if all factors were to be held constant then a unit change in managerial skills, internal control systems and organization transparency would result in a -0.245 change in service delivery of the county.

On managerial skills the study accepted the null hypothesis that managerial skills has no significant effect on risk management of firms. This contradicts the findings of Desender (2007) that established that managerial skills positively affects firms overall performance including service delivery and meeting obligations. The study findings also rejected the null hypothesis that internal control has no significant effect on service delivery and thus supporting the findings of Hui-Nee (2013). Further, the study rejected the null hypothesis that organization transparency has no significant effect on risk management. These results are supported by Kassim & Hussin (2010) who argues that organization transparency enhances communication in an organization thereby enhancing service delivery and customer satisfactions.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the findings of the study based on the objectives, discussion on the results, conclusion, recommendation and suggested areas for further research.

5.2 Summary of Findings and Discussion

The purpose of the study was to establish the influence of corporate governance practices on service delivery in the County Government of Isiolo.

The first objective of the study was to determine the influence of managerial skills on service delivery in the County Government of Isiolo. The results revealed that managerial skills were statistically insignificant with a p-value 0.235. Thus the study accepted the null hypothesis H_{01} that managerial skills have no significant effect on service delivery in the County Government of Isiolo. Thus the results imply that managerial skills have no influence on service delivery. Experts believe that managers who want to achieve organizational goals and perform their own duties need to possess managerial skills. These findings does not support the role of agency theory in explaining the role of managerial skills in service delivery. This is due to lack of managerial ownership in these firms Mustapha (2011).

On the second objective to determine the influence of internal control systems on service delivery among county governments in Kenya, the study established that the internal control system significantly influenced the risk management of the firms as shown by the p-value of 0.001. This implies that the study rejected the null hypothesis H_{02} and accepted hypothesis H_2 that internal control has significant effect. Internal control facilitates the effectiveness and efficiency of operations, helps ensure the reliability of internal and external reporting and assists compliance with laws and regulations. Effective controls, including the maintenance

of proper accounting records, are an important element of internal control. They help ensure that the company is not unnecessarily exposed to avoidable risks and that information used within the business and for publication is reliable. They also contribute to the safeguarding of assets, including the prevention and detection of fraud. The study findings are consistent with the results of Mafrolla, Matozza, & D'Amico (2016); Nyakoe (2016) who found a significant and positive effect of internal control on service delivery. This findings support stewardship theory and agency theory that argue that organization control is key to reduce agency costs to the firm thus impacting positively on firm performance and service delivery. The third objective sought to establish the influence of organization transparency on service delivery. The results established that organization transparency positively and significantly influenced the service delivery in the county. This was indicated by a p-value of 0.002. Thus the study rejected the null hypothesis and therefore accepted the alternative hypothesis that states organizational transparency has significant effect on service delivery. Organizational transparency is an important determinant of service delivery this is because it determines the degree to which employees will participate in delivering quality services Desender (2007).

5.3 Conclusion

The significance of managerial skills is understated in delivery of quality services thus the study findings conclude that much emphasis should not be placed devolved units on improving skills that are thought to be important in public service delivery . Additionally, the study findings conclude that organizations should not overemphasize on one set of skills in delivering services to the public.

This study also investigated whether internal control systems have significant effect on service delivery and the results of the study indicates a significance thereby concluding that counties should develop internal control systems that will enable compliance with corporate governance principles thereby enhancing service delivery.

Finally, the study concludes that greater transparency in disclosures is essential for effective service delivery. By adopting greater organization transparency, county Governments provide the system to allow the provision of information that can help in effective service delivery. The study thus highlights the importance of organizations to create a culture of transparency and accountability fundamental step in effective service delivery.

5.4 Recommendation

The study recommends that Counties should be encouraged to apply strong corporate governance model, in particular Isiolo County Government should ensure internal control and organization transparency principles are adhered to later.

The study recommends that stakeholders in Counties such as The Council of Governors (CoGs), Intergovernmental relations Committee, The senate, the Treasury and the County assemblies should develop policy guidelines and regulations that will encourage more organizational transparency in the devolved units.

There is need for public administration to improve both soft and hard management skills to complement other corporate governance practices. As revealed in the study only one set of skills has no significant effect in effective service delivery.

The study recommends that internal control system is not a substitute for other corporate governance practices thus the study recommends that there should continuous internal check and audit on the part of management and low level of management to ensure adequate internal control system in all sectors of the County.

5.5 Areas for Further Research

The study focused on relationship between corporate governance practices and service delivery among the County governments in Kenya, specifically Isiolo County Government,

with a focus on the following corporate governance practices: internal controls, management skills and organization transparency. However, there is need for specific studies that will focus on each corporate governance practice and their relation to service delivery in public bodies. This will provide deeper insight on relationship between governance practices and service delivery.

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