



## Electronic Funds Transfer and Service Delivery in Saccos: A Case Study of Ng'arisha Sacco, Bungoma Kenya

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### Abstract

*Electronic funds transfer is generally expected to improve efficiency in funds transfer, payments, reporting, receipting and thus service delivery in any organization. However, SASSRA reports of 2018 show that despite Sacco's having institutionalized electronic operations in their accounting process, efficiency and effectiveness in service delivery remains elusive in most aspects. The main objective was to determine the effect of electronic funds transfer on the service delivery in Ng'arisha Sacco, Bungoma Kenya. The research was guided by Schumpeter's theory of innovation and technology acceptance model. This study embraced descriptive survey research design. This study had a target population of 127. Census sampling was used where the entire targeted population was sampled. Data was gathered using questionnaires with closed-ended structured questions that were prepared on a five-point Likert scale. Statistical Package for Social Sciences (SPSS) version 26 software was utilized for data analysis. Data was analysed in form of descriptive and inferential statistics. The research hypothesis posited H01: E-funds transfer has no significant effect on service delivery in Saccos. Thus, the model was significant and so the null hypothesis was rejected on the ground that E-funds transfer had a significant and moderate strong positive linear correlation with service delivery in Saccos. Based on the discoveries, it pints that in the Sacco industry, service delivery is crucial. As a result, there is a strong link between e-funds transfer practices and Ng'arisha SACCO service delivery. The study recommends that, Saccos should employ electronic transfer of funds for their operations to enhance service delivery.*

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## 1. Introduction

### 1.1. Background Information of the Study

Electronic accounting practices is mostly expected to boost the extent of efficiency in funds transfer, payments, reporting, invoicing, receipting and thus service delivery (SD) in any organization (Chau & Lai, 2015). However, SASRA (2018) show that despite Sacco's having institutionalized electronic operations in their accounting process, efficiency and effectiveness in commissioning delivery remains elusive in most of their aspects of reporting, payment and funds transfer. There has been a decline in membership within the SACCOs because of inadequate adjustments to satisfy different growing credit needs of its members' and slow

product/SD because of long deciding procedures (SASRA, 2018). This has prompted the research to investigate in a study the effect of electronic accounting practices on SD in Saccos with special consideration being the Ng'arisha Sacco in Bungoma County, Kenya.

Chau and Lai (2015) describe e-Accounting as a phrase used to define a practice which employ use of computer-based system of accounting that relies on computer technology to capture and process accounting information in organizations. In his study electronic-accounting practices reviewed included e-reporting, e-receipting, cash transfer, e-billing, e-invoicing and e-auditing. Stefanou (2006) defines electronic-accounting as use of internet and online automations to the accounting function of businesses. Same to e-mail being computerized make of conventional mail, electronic-accounting is "electronic modification" of accounting with its procedures which are more conventional handbook and paper-based (Stefanou, 2006). Despite the fact that an accounting information system does not require the use of a computer to operate, he found that the word AIS is mainly used to refer to computer-based AIS. The terms "electronic accounting" and "reporting on financial statements" were used in this analysis to describe any accounting system that uses information and communication technology (ICT) to carry out its information system functions. The study measured e-accounting practices in terms of e-reporting, e-invoicing, e-payment, e-recording and e-processes. The current study will review e-accounting in terms of e-funds transfer, e-payments and e-reporting.

The research will endeavour to examine the effect of electronic accounting practices with consideration of e-funds transfer, e-payments and e-reporting on SD in Ng'arisha Sacco, Bungoma Kenya. According to Boeuyer (2016) the e-funds transfer practice converts cash into electronic money that can be sent from one individual to another via a media channel through a service provider. Sadona (2016) goes on to describe e-funds transfer as an electronic money transfer practice made from one person to another person (p2p), i.e. a working relative sends money to help family members at home through e-banking (Sadona, 2016). In this study electronic transfer was measured using Mobile banking and Western Union.

An EPS as defined by Maiyo (2015) is a process of payment of goods or services by virtual money rather than cash or a check, through mail or personally. Many people today pay electronically instead of paying in person. Secure Internet transactions are provided by various virtual payment systems which have been created. Hla and Teru (2015) define e-payment systems are internet platforms used in paying service providers. He goes on to say that EPSs are divided into four categories: credit and debit cards, electronic currency, micropayment systems, and session-level protocols for secure communications. Electronic currency and micropayment systems were used to measure it in this study.

The Electronic recording as well as reporting system (ERS) as defined by Jenkins (2018) is used by Sacco's to record, report, process, and store as well as send data including. One aspect of e-reporting is e-invoicing. Temple (2015) defines e-reporting as generation and dissemination of reports using the internet platform to relevant stakeholders for enhanced access and accountability. An electronic invoice (e-invoice) can be easily integrated into a customer's accounts payable system since it is sent electronically over the internet, rather than being paper-based. The electronic receipt or e-receipt is another aspect of e-reporting and is an electronic receipt of any product or service that was purchased. E-reports can also be in form of electronic disclosure which entails disclosing financial statements using the electronic media (Jenkins, 2018). In this study, e-reporting was measured by e-invoicing and e-disclosure reports

Service distribution, according to the Municipal Research and Service (2015) is the process of producing a service, like removing garbage as well as dumping it or lighting the streets. It is evaluated in terms of the organization's efficacy, utility, consumer satisfaction, and profit ability. Whitaker (2014) agrees with this definition and points out that, based on the type of service provided, every service has a central role in transforming the user, and that the consumer gains the most. He evaluates SD in terms of real time service, total number of clients attended to and customers contentment levels. In this study it was measured by Number of loans disbursed and Number of customers served. Government regulations are the moderating variable in the relationship between electronic accounting practices and SD. Government regulations will include the guidelines by SASRA (2018) and cooperatives laws.

Tazik and Mohamed (2014) investigated the Impact of Accounting Information System Effectiveness and Foreign Ownership Structure on Audit Report Quality in Saccos. Data was obtained through structured questionnaire survey administrated on senior accountants from Saccos in Malaysia and secondary data was collected from participants' financial annual reports in 2011. This study used a multiple regression analysis and modeling audit reporting quality as a function of explanatory variables. The results indicate that accounting information systems effectiveness has been enhanced by the introduction of electronic accounting practice. Furthermore, the accounting information system and foreign ownership have a considerable negative association. Generally, the outcomes in this study generates some evidence aiding the resource-based theory, which identify accounting information systems as a resource that could improve timeliness of corporate reporting. As compared to multiple regression, this analysis used single regression, which is considered limited. The current study adopted multiple regression analysis method, which could result in different outcomes.

Henry, Adeniran, and Olwale (2014) examined the extent to which Accounting Information Management has raised bank revenue in Nigeria was investigated. Accounting parameters on liquidity, credit rating, cash flow, wage rate, exchange rate, and rate of inflation were defined as pre-determined variables in the research

model, whereas profitability was the determined variable. The work involves fitting a logical model into the collected time data using the Ordinary Least Square (OLS) Regression technique, as well as other model validity methods including R<sup>2</sup>, Multiple Correlation coefficient (r), Durbin-Watson, Akaike info Criterion (AIC), Schwarz Criterion (SWC), and F-statistic. The model was additionally evaluated for Stationary utilizing the Unit Root test as well as the Augmented Dickey Fuller method (ADF). An R<sup>2</sup> of 80.24 percent, a Correlation coefficient of 0.90, a Durbin-Watson of 1.76, an AIC of 7.48, a SWC of 7.87, and an F-result of 43.13 with a significance value of 0.000034 demonstrated that accounting information has a considerable influence on the increase of profitability in the Nigerian banking industry. Furthermore, the model's Stationary test reveals that Profitability and all of the explanatory variables studied in this research have a short run connection. As a result, having adequate accounting knowledge has a positive impact on the profitability of the Nigerian banking industry, resulting in proactive policy options in the banking industry to effectively control credit quality, cash flow, and other explanatory variables to improve banking industry efficiency in the country. The ordinary least squares (OLS) regression technique was used in the analysis methodology, which is model, based and sometimes complex for elementary analysis the current study will endeavor to use simple regression analysis to analysis its findings.

Murungi and Kayigamba (2015) focuses their study how Computerized system of Accounting impacted Financial Reporting in the microfinance enterprises in Rwanda. The study analyzed the character of computerized accounting and how it affects the quality financial reports. Primary data was gathered using questionnaires. The study discovered 98% of the participants agreed to the use of cash based and accrual-based systems of accounting by the MFIs, 38% of the participants admitted that accountability increased as a result of computerized accounting, while 31% of the participants held that the accounting records are timely provided by the system. Due to the level of development of accounting packages the study suggested timely and continuing training to both accounting and finance employees to package them with knowledge and skills of the packages. The research helps the management in understanding the role of applying accounting packages in generation of effective and efficient financial statements, however it does not explain any importance of electronic funds transfer and electronic payments which goes along way with electronic reporting in order to enhance SD and this was the focus of the current study.

Muhindo and Zhou (2014) conducted a study on the Accounting Information Systems and Profitability level of small-scale businesses in Nairobi, Kenya. The study collected Secondary data which was used to analyze the issue of repetitive unsatisfying performance in small scale business which have not embraced computerized systems of accounting. According to the findings, there was a positive correlation between computerized accounting systems and small-scale firm revenue. The examination suggests that decision-makers need to create tax cut or tax easing on tools to be applied in the systems. The research adopted secondary data approach yet electronic accounting practices and SD are abstract concepts that would be better measured using primary data tools capturing respondents' views. The current research will employ primary data approach majorly using questionnaires to collect data collection which is likely to present a different perspective.

A Sacco is an autonomous, separate, and independently owned cooperative that belongs to and is governed by its members, who share the common bond of saving together and lending to one another at a fair interest rate. It is run, managed, and managed by people who share a common connection, such as Working for the same company, adhering to the same church, organization, or social fraternity, or living/working in a similar environment are all examples (Olubendi, 2016). In Kenya, the Sacco sub-sector has grown at a rate of about 25% per year in recent years, and it now leads in savings mobilization with Shs.180 billion and an asset base of over KShs.200 billion. Sacco-organized savings account for 31% of all savings in the country. As a result, saccos have aided in the mobilization of economic energy and have played a vital role in achieving the national Vision 2030. This sub-sector plays a crucial role in Kenya's socio-economic growth (Njuguna, 2014). All Sacco's run Back Office accounting Services and have been in a position to call up over Kenya shillings (Kshs) 180 billion, which amounts to almost 31 % of the country's savings and issued loans to the tune of Kshs 120 billion. Sacco's have registered enormous climb from mid 70s and have now attained an average climb rate of 25 % once a year in deposits and assets. Sacco's have also come up with job opportunities for citizens thus building to the government's attempt to achieve the goals of vision 2030. Sacco's have developed at a higher rate and now have 3.7million people. The Saccos with FOSAs amounting to 200 have expanded into specific bank like activities which involves depositing, savings, debit card business (ATM) and movement of money locally and internationally (Kinuthia, 2017).

Ng'arisha Sacco Society Ltd which is the case study Sacco for the current study was started in the year 1978 April to encourage teachers in Bungoma to save and mobilize their own resources and savings for their internal lending to themselves for productive and provident purposes and given registration No. CS/NO 2876. Currently, majority of Sacco members are employees of Ng'arisha Sacco, Teachers Service Commission, Kenya National Union of Teachers, and Public Service Commission. The Sacco operates fully under the ethics and ethos of co-operative principles and values and by December 2004, it had an active membership of approximately 6000 and a registered membership of 11,350 who are spread within the District and its environment (Ng'arisha Sacco, 2018). During the same period, the Sacco had a share capital of over Ksh. 493 million and total outstanding loans of Ksh. 379 million. In an effort to take its services closer to members the

society has 3 satellites offices namely; Naitiri office, Kimilili office and Sirisia office. The Sacco operates fully under the ethics and ethos of Co-operative principles and values. The Sacco has embraced technology in several of its services including cash transfer, some payments and reporting. This study will endeavor to see if the technology has affected SD in any way and how.

### *1.2. Statement of the Problem*

Electronic accounting practice is generally expected to improve the level of efficiency in funds transfer, payments, reporting, invoicing and receipting and thus SD in any organization (Chau & Lai, 2015). However, SASRA (2018) show that despite Sacco's having institutionalized electronic operations in their accounting process, efficacy in number of loans disbursed and number of customers served remains elusive among most aspects of reporting, payments and funds transfer. Sacco movements are facing major challenges in their operations to date due to the emergence of stiff competition from banks and m-banking within the mobile networks. There has been a decline in membership within the Saccos because of inadequate adjustments to cater for members' different credit needs and inadequate speed in product/SD because of long deciding procedures (SASRA, 2018). As a measure to adapt to the market changes a number of Saccos including Ng'arisha Sacco have employed the use of electronic SD especially in the areas of funds transfers, payments and reporting. However, there is little that has been reported on as a result of this new dimension of technological adoption. A report by SASRA (2017) reveals that Saccos are still struggling with the problem of poor record keeping, inconclusive reports and inefficiencies in funds management even with the adoption of technology in their operations. 68% of Saccos regulated by SASSRA had adopted technology fully in their operations yet only 34% of them were able to demonstrate effectiveness in reporting, recording and funds management thus raising the question of whether e-accounting practices affect SD of Saccos hence this study. Most of the studies in this field had focused on the shortcomings of the cooperative Laws generally and also lending guidelines in particular in the areas of promotion, growth and functioning of the Sacco's and their negative effect, on the Sacco operations and influence in the gathering of savings (Sharma, 2016). They have disregarded the element of electronic accounting practice on SD, which has come up with new ideas, that has made the financial sector more desirable. This study thus will investigate the effect of electronic accounting practices on SD of Ng'arisha Sacco in Bungoma Kenya.

### *1.3. Specific Objectives of the Study*

To examine the effect of e-funds transfer practices on service delivery in Ng'arisha Sacco, Bungoma Kenya.

### *1.4. Research Hypothesis*

H<sub>0</sub>1: Electronic funds transfers have no statistically significant effect on service delivery in Ng'arisha Sacco Bungoma, Kenya.

### *1.5. Significance of the Study*

The outcomes of this study may be of importance in availing information on the status of electronic accounting practices in Ng'arisha Sacco and by extension other accounting institutions such as Commercial Banks in the country and providing ways of improving electronic accounting services in all accounting institutions. The outcome of the study will have statistical significance to financial institutions in Kenya for it will give insights for the improvement of electronic accounting in the country. The findings will also guide policy formulation by government in the area of electronic accounting and SD. Furthermore, it will add to the corpus of academic literature.

### *1.6. Scope of the Study*

This study was especially on electronic accounting practices on SD in Ng'arisha Sacco Bungoma. Other Sacco is within and out of Bungoma will not be included in the targeted population.

## **2. Literature Review**

### *2.1. Theoretical Review*

Schumpeter's theory of innovation, as well as technical acceptance theory, were main drivers in this research.

#### *2.1.1. Schumpeter's Theory of Innovation*

It was instituted and progressed by Joseph Schumpeter (1838-1950). This theory anchors independent variable of electronic accounting systems. The initial strategy emphasized the impact of creativity on business, the environment, and social progress. According to Schumpeter, the economy is based on the allocation of provided goods through various roads as seen through static lenses. Economic growth, according to Schumpeter, is a phase of qualitative change fueled by creativity that occurs over time. New goods, new techniques of manufacturing, new supply sources, penetration of new opportunities, and new approaches to

structure industry are all manifestations of creativity, according to Schumpeter. He described creativity as a new way of combining previously available tools. He called the entrepreneurial function because of these combinations. Entrepreneurs play a critical part in successful inventions, according to Schumpeter. That is, pioneers had to overcome inertia or aversion to new approaches at all society's levels in order to achieve their goals. According to Rafinejad (2017) Schumpeter's philosophy stresses creativity while dismissing an entrepreneur's risk-taking and coordinating skill.

The entrepreneurship theory is crucial to this research since it explains the relationship between innovation and entrepreneurship. Economic and social transition was brought on by innovations, as seen in the principle. In the other hand, entrepreneurs have used creativity as an impetus to develop innovative technologies, new manufacturing processes, new sources of procurement, new consumer exploitation, and new company structures. In the context of the study, an electronic accounting system provides Sacco with the ability to experiment with new business models, which are likely to result in economic as well as social improvements among the consumer base. This is seen in how Saccos utilize the services to communicate with their clients and vendors in order to run their businesses.

### *2.1.2. Technology Acceptance Model (TAM)*

Fred David developed the Technology Acceptance Model in 1989. The Theory of Reasoned Action (TRA) is the foundation of the model. The TAM model is widely regarded as the most influential and widely used theory for explaining a personal acceptance information system (Lee, 2015). The model had four variables at first: perceived utility, perceived ease of use, attitude toward using, and actual system uses. After, two factors, external variables and behavioral purpose, were applied to the model (Erasmus, McGoldrick, & McAdam, 2015). External variables can also influence perceived utility and ease of use, according to the theory (Alharbi & Drew, 2014). Perceived utility, as per the model, is a major factor in technological acceptance. Saccos should expect reduced management costs, greater internal performance, and better relationships with business partners, as well as improved competition, improved information quality, access to Sacco accounts, fund transfers, and bill payment (Riyadh, Ghosh, & Antony, 2014). The model proposed that the user's attitude toward the system's ease of use is the most important element in determining whether the system is used or rejected. The user feels that the system that is easy to use would help him or her do better at work. Both perceived utility and attitude towards usage of the system are influenced by perceived ease of use. According to TAM, users' attitudes toward electronic accounting systems are affected by perceived utility as well as perceived ease of use. Because of their usefulness and ease of use, people cultivate a favorable outlook toward services (Fethena, 2015). The utility of electronic accounting systems had an effect on the development of Saccos in this research. Venkatesh and Davis (2014) suggested an extension variable to the original TAM model, in which they found other aspects known as external variables that could affect a person's views about a system, like system features, user preparation and interest in the design process, as well as the essence of the process of implementation (Chullur, 2014). TAM was created to clarify as well as forecast specific IT use. Many scholars have used the model to analyze the implementation and proliferation of different information system technologies (Riyadh et al., 2014).

The theory is significant in this study because it suggests that perceived utility as well as perceived ease of use forecast attitudes towards utilizing electronic accounting systems, and that perceived usefulness influences users' behavior intention (BI) to use electronic accounting systems, Intention to use often ascertains the actual electronic accounting systems use.

## *2.2. Empirical Review*

The present research seeks to contribute to the existing literature by hypothesizing electronic accounting systems has an effect on SD in Saccos.

### *2.2.1. Electronic Funds Transfer Practices and Service Delivery*

In Pakistan, Saleem and Rashid (2014) investigated the connection between satisfaction of a customer and mobile banking. They collected data using questionnaires and likert scale technique was used. The study employed a representative sample of Citibank, N.A and Standard chartered bank. Customers' questions regarding technology's reliability, authenticity, and security were found to be important, according to the study. They also discovered that mobile banking adoption necessitates technical advancement that is both productive and inexpensive, as well as stable and safe. To encourage consumers to embrace technology, it must be both effective and quick, as well as simple to comprehend and use. They also discovered that the advent of low-denomination prepaid cards and lower-cost cell handsets had resulted in a widespread proliferation of mobile phones across the globe. Since IT implementation, creative services, protection, and consumer confidence and risk are key indicators of technology adaptation, these results suggested that businesses should concentrate on them. However, the examination failed to address on electronic accounting practices but focused on adoption of mobile banking.

World Bank (2016) conducted an examination on Cash flow management and financial performance of Nigerian and Gambian Saccos. The research utilized a descriptive survey method with a sample size of 231

Saccos. Structured questionnaires as well as interview schedules were utilized collection of data based on the examination objectives. The study discovered that the inability of Saccos to access funds is still a major problem in Nigeria and Gambia, limiting the formation of new companies and preventing others from expansion and development. It was discovered that cash-flow management is a major constraint in the activities of micro and small enterprises operations. Debt collection, low sales and a lack of working capital are two of the top five issues that micro and small businesses face, according to the study. This study failed to focus on technology as the Centre of mobile financial efficiency in Sacco, which is the key focus in the current study.

Pagani (2014) did a study on mobile payment services and financial performance among Saccos in east Africa, Rwanda, Kenya and Uganda. He employed correlation research design with a sample of 876 respondents sampled through non-probability approaches. The data was gathered from the sample respondents through a questionnaire. The study discovered that one of the chief advantages of mobile payment systems among Saccos in eastern Africa, namely Rwanda, Kenya, and Uganda, is accessibility (ability to reach necessary services). The study also discovered that small and micro businesses benefit the most from using M-Pesa mobile payment, and that the MMT services' major purpose is to minimize the cost of transmitting money from one person to another, mainly over long distances. MMT, on the other hand, has not been clearly established in the literature, as it may be alleged to encompass all of the practices (long-distance remittance, micropayments, as well as informal airtime battering schemes) that use mobile technology to carry financial resources to the unbanked.

Mbogo (2017) investigated the impact of mobile payments on microbusiness success and development in Nairobi, Kenya. The research was based on a survey that was administered by the distribution of questionnaires, with data obtained from 409 respondents, all of whom were micro-business owners. TAM was used in the study, and it was expanded to include other variables that could help predict micro-business success and development. The study discovered that ease, usability, cost, funding, and protection factors are related to microbusinesses' behavioral intentions to use and actual use of mobile payment services to increase their performance and growth. It was also discovered that mobile money encourages entrepreneurship by offering a forum for the introduction of innovative services as well as improving performance of small business. The examination however did not consider SD as its dependent variable. In addition, the study only focused on one aspect of electronic accounting practice and ignored e-reporting and e-funds transfer.

### **3. Research Methodology**

A descriptive sample analysis was used in this study. This study targeted 127 respondents drawn from mainstream county government and Ng'arisha Sacco. The study sampled the entire targeted population of 127 respondents since they are limited in number thus making this study a census study. As per Mugenda and Mugenda (2015). Questionnaires were used to collect data and they included both closed-ended and open-ended questions constructed on a five Likert scale. The questionnaire was pilot tested on ten percent of the sample population to enable the researcher evaluate the reliability and validity of the questionnaire. The collected data was filtered, organized and corded before data analysis. Statistical Package for Social Sciences (SPSS) version 26 software was used for data analysis. Analysis was done in form of descriptive and inferential statistics. Descriptive statistics included the means, standard deviations, frequencies and percentages while inferential statistics included coefficient of determination and analysis of variance. Findings were presented in statistical tables accompanied by relevant discussions.

### **4. Data Analysis and Discussions**

#### *4.1. Descriptive Statistics for the Study*

##### *4.1.1. The Effect of E-Funds Transfer Practices on SD in Ng'arisha Sacco, Bungoma Kenya*

The first objective of this study was to see how e-funds transfer practices affected SD in Ng'arisha Sacco in Bungoma, Kenya. Respondents were asked to assess how much they agreed or disagreed with the assertions, Using a Likert scale of 1 to 5 where 1= Strongly Disagree, 2= Disagree, 3= not sure, 4= Agree, 5= Strongly Agree. The findings presented in Table 1.

Respondents were asked to comment on whether they thought electronic cash transfers has enabled them control queuing in their banking halls. As seen in Table 1, they discovered the following: 0.00% (0) strongly disagreed, 0.00% (0) disagreed, 2.5% (3) were undecided, 27.3% (33) agreed and 70.2% (85) strongly agreed. Thus, majority 70.2% (85) of the respondents concurred that electronic cash transfer has enabled them control queuing in their banking halls.

The study also sought to investigate whether electronic money transfer, helps customers to save money from their business proceedings on daily basis. As can be seen, 0.0 % (0) strongly disagreed, 0.0 % (0) strongly disagreed, 0.8 % (1) undecided, 20.7 % (25) agreed, and 78.5 % (95) strongly agreed. The majority of respondents believed that electronic money transfer helps clients save money on a daily basis, as seen by the high number of 99.2 % who agreed (120). Despite this, none of the 0.0 % (0) disagreed.

Table-1. E-Funds transfer practices.

S/no.	E-funds Transfer Practice	5	4	3	2	1	Mean	St.Dev.
1	Electronic cash transfer has enabled us control queuing in our banking halls	70.2%	27.3%	2.5%	0.0%	0.0%	4.68	0.481
2	Electronic money transfer helps customers to save money from their business proceedings on daily basis.	78.5%	20.7%	0.8%	0.0%	0.0%	4.78	0.438
3	Theft of money that occurs as a result of holding a large sum of money in the drawers has been avoided thanks to electronic cash transfer.	80.2%	19.0%	0.8%	0.0%	0.0%	4.79	0.427
4	Access to electronic cash transfer has enabled our quick response to customers' needs	81.8%	15.7%	2.5%	0.0%	0.0%	4.79	0.464
5	Electronic cash transfer has helped reduce travel costs for most of our customers	19.8%	57.0%	19.0%	4.1%	0.0%	3.93	0.743
6	Electronic funds transfer has reduced insecurity due to cash money	47.1%	43.0%	8.3%	1.7%	0.0%	4.36	0.705
7	Electronic funds transfer has enhanced service delivery in our sacco	64.5%	35.5%	0.0%	0.0%	0.0%	4.64	0.481
	Average						4.567	0.534

The third item on this subject was to see whether electronic cash transfer had avoided money theft due to having a large amount of cash in the drawers. 0.0 percent (0) strongly disagreed, 0.0 percent (0) disagreed, 0.8 percent (1) were undecided, 19.0 percent (23) agreed, and 80.2 percent (97) strongly agreed, as seen in Table 1. The majority of respondents believed that electronic cash transfer has stopped money theft that occurs by storing a large amount of money in drawers, as shown by the high percentage of 99.2 percent (120). 0.0 percent (0), on the other hand, disagreed.

The fourth item on this theme was to determine whether access to electronic cash transfer has enabled our quick response to customers' needs. Table 1 shows that 0.0 % (0) strongly disagreed, 0.0 % (0) strongly disagreed, 2.5 % (3) were indecisive, 15.7 % (19) agreed, and 81.8 % (99) strongly agreed. In general, it was clear that 97.5 percent (118) of respondents agreed that access to electronic cash transfer has allowed us to respond quickly to customer needs.

The aim of the research was to find out whether electronic cash transfer has helped reduce travel costs for most of our customers. Employees' responses were as follows, as seen in Table 1: 0.0 (0) strongly disagreed, 4.1 % (5) disagreed, 19.0 % (23) were undecided, 57.0 % (69) agreed, and 19.8 % (24) strongly agreed. As a result, all of the respondents (121) decided in common that electronic cash transfer has helped reduce travel costs for most of our customers.

In determining whether electronic funds transfer has reduced cash money insecurity, it was discovered that 0.0 % (0) highly disagreed, 1.7 % (2) highly disagreed, 8.3 % (10) were indecisive, 43.0 % (52) agreed, and 47.0 percent (57) highly agreed, as shown in Table 1. The majority of respondents believed that electronic funds transfer had reduced insecurity associated with cash money transactions, as evidenced by the high number of 87.0 % (109).

The seventh element on theme list was to see if electronic funds transfers had improved SD in our Sacco. 0.0 percent (0) strongly disagreed, 0.0 percent (0) disagreed, and 0.0 percent (0) were undecided, as shown in Table 1, 35.5 percent (43) agreed, and 64.5 percent (78) strongly agreed. The majority of respondents believed, as shown by the high percentage of 100.0 percent (121), that electronic funds transfer has enhanced SD in the Sacco. An average mean of 4.567 and a standard deviation of 0.534 indicates that the respondents are affirmative.

#### 4.1.2. Service delivery in Ng'arisha Sacco, Bungoma Kenya

The study's dependent variable was SD in Ng'arisha Sacco in Bungoma, Kenya. Respondents were asked to indicate how much they agreed or disagreed with statements on a Likert scale of 1-5, where 1= Strongly Disagree, 2= Disagree, 3= not sure, 4= Agree, 5= Strongly Agree. The findings for this objective were tabulated in Table 2 as discussed here under

Table-2. Service Delivery.

S/ No	Statement	5	4	3	2	1	Mean	St. Dev
1.	Electronic accounting practices have improved speed of SD in our Sacco	76.0%	19.8%	2.5%	0.8%	0.0%	4.70	0.601
2.	Electronic accounting practices have improved accountability in our Sacco	91.7%	5.8%	1.7%	0.0%	0.0%	4.88	0.432
3.	Electronic accounting practices have improved accuracy and excellence in SD in our Sacco	95.0%	3.3%	0.0%	0.0%	0.0%	4.93	0.309
4.	Electronic accounting practices have improved the number of loans disbursed in our Sacco	87.6%	12.4%	0.0%	0.0%	0.0%	4.88	0.331
5.	Electronic accounting practices have improved number of clients served in our Sacco	94.2%	5.0%	0.8%	0.0%	0.0%	4.93	0.281
6.	Electronic accounting practices have improved trust from our customers to the Sacco in our Sacco	90.1%	9.9%	0.0%	0.0%	0.0%	4.90	0.300
7.	Electronic accounting practices have improved SD in our Sacco	89.3%	9.1%	1.7%	0.0%	0.0%	4.88	0.378
	<b>Average</b>						4.87	0.376

The study sought to investigate whether electronic accounting practices have improved speed of SD in their Sacco. It was realized, as seen in [Table 2](#), that 0.0% (0) strongly disagreed, 1.7% (2) disagreed, 2.5% (3) were undecided, 19.8% (24) agreed and 76.0% (92) strongly agreed. A higher percentage of 95.8% (116) demonstrates that most respondents agreed that electronic accounting practices have improved speed of SD in their Sacco. However, 1.7% (2) disagreed and 2.5% (3) were undecided.

The second item under this theme was to find out whether electronic accounting practices have improved accountability in their Sacco. As seen in [Table 2](#), it was determined that 0.0% (0) strongly disagreed, 0.8% (1) disagreed, 1.7% (2) were undecided, 5.8% (7) agreed and 91.7% (111) strongly agreed. As displayed, 97.5% (118) of respondents agreed that electronic accounting practices have improved accountability in their Sacco.

The third item under this theme was to determine whether electronic accounting practices have improved accuracy and excellence in SD in their Sacco. As seen in [Table 2](#), it was uncovered that, 0.0% (0) strongly disagreed, 0.0% (0) disagreed, 1.7% (2) was undecided, 3.3% (4) agreed and 95.0% (115) strongly agreed. In general, it was apparent that 98.3% (119) of respondents agreed that electronic accounting practices have improved accuracy and excellence in SD in their Sacco.

The study sought to establish whether electronic accounting practices have improved the number of loans disbursed in their Sacco. As displayed in [Table 2](#), the employees' responses were as follows: 0.0 (0) strongly disagreed, 0.0% (0) disagreed, 0.0% (0) were undecided, 12.4% (15) agreed and 87.6% (106) strongly agreed. Thusly, a majority of respondents 100.0% (121) generally agreed that electronic accounting practices have improved the number of loans disbursed in their Sacco.

The respondents were requested to mention whether electronic accounting practices have improved number of clients served in their Sacco. As tabulated in, the respondents observed as follows [Table 2](#) that 0.8% (1) were undecided, 5.0% (6) agreed and 94.2% (114) strongly agreed. Subsequently, majority 99.2% (120) of the respondents generally agreed that electronic accounting practices have improved number of clients served in their Sacco. Nonetheless, 0.8% (1) generally were undecided.

The study pursued to examine whether electronic accounting practices have improved trust from their customers to the Sacco in their Sacco. As seen in [Table 2](#), it was uncovered that 0.0% (0) strongly disagreed, 0.0% (0) disagreed, 0.0% (0) were undecided, 9.9% (12) agreed and 90.1% (109) strongly agreed. As exhibited by the high percentage 100.0% (121), majority of respondents agreed that electronic accounting practices have improved trust from their customers to the Sacco in their Sacco.

The last item under this theme was to find out whether Electronic accounting practices have improved SD in their Sacco. As seen in [Table 2](#), it was established that 0.0% (0) strongly disagreed, 0.0% (0) disagreed, 1.7% (2) were undecided, 9.1% (11) agreed and 89.3% (108) strongly agreed. As exhibited by the high percentage 98.4% (119), most of respondents agreed that electronic accounting practices have improved SD in their Sacco. An average mean of 4.87 and a standard deviation of 0.376 indicates that the respondents are highly affirmative.

Previous studies which support the above findings. For instance, [Saito \(2003\)](#) established that SD had not expressively upgraded in Uganda because of decentralization. When decentralization is set up without important enhancements in administration conveyance as an inquiry consistently remains ([Oyugi, 2000](#)). Nonetheless, [Obwana \(2000\)](#) in his investigation inferred that monetary and institutional requirement had



unfavorably influenced capacity of the declined County Government to sufficiently convey worthwhile administrations to the residents. The study used questionnaires, interview schedules and focused group discussions unlike the current study, which is using only questionnaires.

4.2. Inferential Analysis

This section presents inferential analyses, findings and discussions as well as hypotheses’ testing. They findings are presented as follows.

4.2.1 E-funds Transfer and Service delivery

The means of E-funds transfer and Service delivery in Sacco’s were regressed. The aim of this study was to determine the causal relationship between E-funds transfers and SD in Saccos. This helped to test the study's first hypothesis, H01: E-funds transfer has no statistically significant effect on SD in Ng'arisha Sacco. At a 95.0 percent confidence rating, the significance of R square and Regression coefficient were checked.

Table 2 shows the results.

Table-3. Regression results for E-Funds transfer and service delivery.

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	0.897 <sup>a</sup>	0.805	0.804	0.292	0.805	491.810	1	119	0.000

a. Predictors: (Constant), X1.

ANOVA

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	41.936	1	41.936	491.810	0.000 <sup>b</sup>
	Residual	10.147	119	0.085		
	Total	52.083	120			

Note:

a. Dependent Variable: SD.

b. Predictors: (Constant), X1.

An F-significance value of p = 0.000 in Table 3 showed that the regression model had a 0.00 percent chance of rejecting the null hypothesis.H01: E-funds transfer has no significant effect on SD in Saccos is the first research hypothesis. As a result, the model was significant, and the null hypothesis was rejected because E-funds transfer had a significant and strong positive linear correlation with SD in Saccos.

Table-4. Coefficient of Determination.

Coefficients <sup>a</sup>											
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		Correlations		
		B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part
		1	(Constant)	1.228			0.152		8.105	0.000	0.928
	X1	0.743	0.033	0.897	22.177	0.000	0.676	0.809	0.897	0.897	0.897

Note: a. Dependent Variable: SD.

There is proof of a linear relationship between electronic funds transfer and Saccos SD; the correlation coefficient (R) of 0.897 in Table 3 suggests a strong positive linear relationship. This meant that E-funds transfer had a significant and strong relationship on Saccos SD.

E-funds transfer explains 80.5 percent of the variation in SD in Saccos, according to the coefficient of determination, R-square of 0.805. The model is statistically significant in predicting the effect of E-funds transfer on SD in saccos since the significance value is 0.000, which is below 0.05. in Table 4, E-funds transfer had an unstandardized regression coefficient (β) of 0.743, a correlation coefficient (β) of 0.897, a t-test of 22.177, and a significance level of p = 0.000, confirming the presence of a significant and strong positive linear correlation between E-funds transfer and SD in Ng'arisha Sacco. E-funds transfer is significant in predicting the degree of SD in Saccos at a 5% level of significance and a 95% level of confidence. The regression equation used to approximate the relationship between E-funds transfer and saccos SD was:

$$SD = 1.228 + 0.743X_1$$

From the regression equation when e-fund transfer changes by 0.743, the Service delivery changes by 1.228. This reveals there is a positive relation between the two variables.

## **5. Summary of Findings, Conclusions and Recommendations**

### *5.1. Summary Findings*

The important findings of the study are summarized in this section. The objective of this research was to broaden the base of knowledge and test the impact of e-accounting techniques on SD.

#### *5.1.1. The Effect of E-Funds Transfer Practices on Service Delivery in Ng'arisha Sacco, Bungoma Kenya*

The objective number one of this study was to examine the effect of e-funds transfer practices on SD in Ng'arisha Sacco, Bungoma Kenya. Respondents were required to mention their observation on whether electronic cash transfer has enabled them control queuing in their banking halls. Therefore, majority 70.2% (85) of the respondents generally agreed that electronic cash transfer has enabled them control queuing in their banking halls. The study also sought to investigate whether electronic money transfer, helps customers to save money from their business proceedings on daily basis. As exhibited by the high percentage 99.2% (120), most of the respondents agreed that electronic money transfer enables consumers to save money on a regular basis on their business proceedings. The item number three under this theme was to find out whether electronic cash transfer has eliminated money theft as a result of holding large sums of money in drawers. As exhibited by the high percentage 99.2% (120), most of respondents agreed that electronic cash transfer has prevented theft of money that arises out of keeping a lot of cash in the drawers. The item number four under this theme was to find out whether access to electronic cash transfer has enabled our quick response to customers' needs. In general, it was apparent that 97.5% (118) of respondents concurred that access to electronic cash transfer has enabled our customers' needs quick response. The study pursued to ascertain whether electronic cash transfer has helped reduce travel costs for most of our customers. Therefore, all respondents 100% (121) generally agreed that electronic cash transfer has helped reduce travel costs for most of our customers. In establishing whether electronic funds transfer has reduced insecurity due to cash money, it was discovered that the majority of respondents believed that electronic funds transfer had decreased insecurity associated with cash money transactions, as indicated by the high number of 87.0 % (109).

The item number seven in this theme was to ascertain whether electronic funds transfer has enhanced our Saccos SD. As indicated by the high percentage 100.0% (121), most of respondents concurred that electronic fund transfer has enhanced service delivery in the sacco

### *5.2. Conclusion*

The conclusions for each study objective are obtained from the findings and explanations of the results in the section below.

#### *5.2.1. To Establish the Influence of E-Funds Transfer on Service Delivery in Saccos*

The specific objective here was to establish the impact of E-funds transfer on delivery of service in Saccos. The correlation value (R) of 0.897 reveals a strong positive linear link between E-funds transfer and Sacco SD. As a result, E-funds transfer has a significant and strong relationship with SD in Saccos.

H01: E-funds transfer has no significant effect on SD in Saccos was the first research null hypothesis. As a result, because E-funds transfer exhibited a substantial and relatively strong positive linear connection with Sacco SD, the null hypothesis was rejected, and the model was significant. The study concluded that E-Funds Transfer influence SD in Ng'arisha Sacco.

### *5.3. Recommendations*

The study recommended that Saccos should embrace electronic transfer of funds for their operations to enabled control queuing and helps customers to save money from their business proceedings on daily basis. In addition, prohibited money theft that arises out of keeping a huge amount of cash in the drawers, helped reduce travel costs as well as reduced insecurity due to cash money and enhanced SD in Sacco

Saccos should automate their payments to improve transparency and accountability as well as ensure effectiveness in terms of time of service and make direct payment of their services through mobile banking. Moreover, make payment of services to suppliers and creditors through electronic payment platform, issuance of loans to creditors using electronic payment platforms, enhancement of recording and reporting mechanisms in Sacco besides improvement in cash management at the Sacco. Saccos should automate their reporting mechanisms to enhance effectiveness in report generation, invoicing using electronic systems, issue receipts using electronic systems, share and disseminate our reports using electronic systems as well as audit services conducted using an electronic system and improved SD in Sacco.

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