



DETERMINANTS OF EFFECTIVE IMPLEMENTATION OF PERFORMANCE BASED BUDGET: DEVOLVED GOVERNANCE IN KENYA

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ABSTRACT

The particular objectives of this study were to establish the effect of public participation, accountability, strategic plans and monitoring and evaluation on implementation of performance based budgeting in devolved government of Meru County. The study also established the moderating effect of appropriations and disbursement on the relationship between determinants of effective implementation and performance based budgeting in devolved system of governance in Meru County. Stratified random sampling technique was used to sample 8 Meru county executive committees, 27 Meru county directors and 54 members of Meru county assembly. Questionnaire was employed to gather data and analyzed by utilizing SPSS Version 25.0. Public participation, accountability, strategic plans and monitoring and tracking explained the performance based budgeting in devolved government of Meru County Kenya. Pearson correlation indicated that public participation, accountability, strategic plans and monitoring and tracking have a significant association with the performance based budgeting in devolved governments. Regression of coefficients showed that public participation, accountability, strategic plans and monitoring and tracking have a positive and significant relationship with the implementation of performance based budgeting in devolved government. It was concluded that public participation, accountability, strategic plans and monitoring and tracking affects the implementation of performance based budgeting in devolved government of Meru County Kenya. The study recommended for specifically tailored civic education and awareness among the public regarding public participation in making performance based budget. Besides, it was found out that clear strategic goals are required in the implementation of performance based budgeting in devolved governments. The study also recommended for clear mechanisms to systematically monitor and track the implementation of performance based budgeting in devolved government. The study also recommended for clear guidelines in the appropriations and disbursement of county funds. Strict adherence to the guidelines provided by the Public financial management Act (2012) should be followed employing appropriate monitoring and tracking tools.

Key Words: Public Participation, Accountability, Strategic Plans, Monitoring and Evaluation

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INTRODUCTION

Budgeting is a process of establishing predetermined goals, the reporting of actual performance outcome and assessment of performance, benchmarking it with the predetermined goals (Nick & Mears, 2012). Organizations have developed a variety of processes and techniques designed to contribute to the planning and control of functions. Coupled to this is the budgetary control, which is universal and considered essential tool for financial planning. Budgetary control helps in providing forecast on revenues and expenditures, which are achieved through constructing a model that business, should follow. This has helped firms to enhance their internal controls and provide a comprehensive management platform for efficient and effective allocation of resources.

As Kenya enters the eight year of devolution, it is time to start examining the degree to which we are meeting the spirit and the letter of the law with respect to transparency and public participation in the devolved system. The 2010 Constitution and the 2012 Public Finance Management (PFM) Act require greater public disclosure and engagement in financial accountability than in the past. Many counties have at least partially fulfilled the legal requirement to consult with the public when preparing their budgets during the first six years of devolution. However, the quality of public forums depends to a great extent on the information available to members of the public when they

participate in them (Government Accountability Office, 2004).

County governments have used a variety modes to communicate with citizens, including local radio, newspapers, public notices, and mobile phone messages (SMS). County websites, however, provide a unique platform for people to access full budget documents throughout the year as they engage with the budget process (Altmay, 2006). The following figure illustrates the cycle of the county government process and the various documents which should be disclosed to the public to ensure effective implementation of performance-based budget (IBP, 2015). The public budget cycle provides phase as well as the document required to enhance effective implementation of the budget.

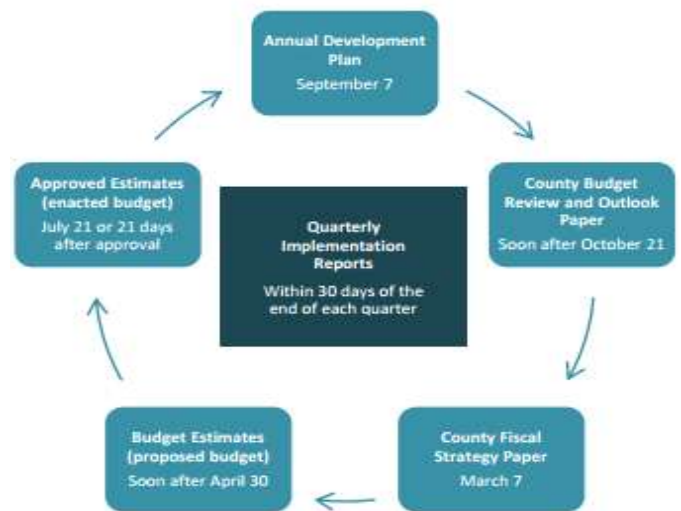


Figure 1: The public Budget Cycle
Source: IBP, Kenya open budget (2015)

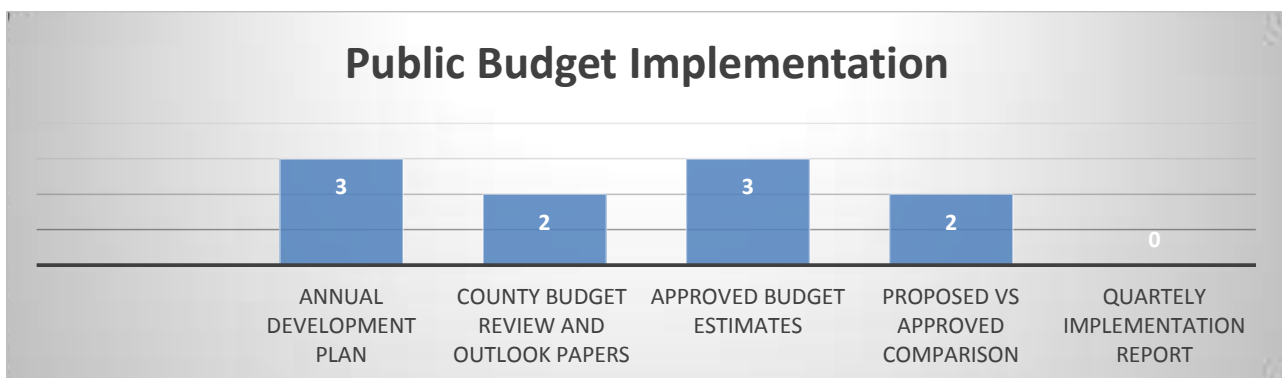


Figure 2: A graph of public budget Implementation
Source (Author, 2016)

The IBP (2016) report revealed the information of 47 county budgetary proceedings in checking whether County Integrated Development Plans, Annual Development Plans, County Budget Review and Outlook Papers, County Fiscal Strategy Papers, Budget Estimates (Proposed Budgets), Approved Estimates (Enacted Budgets) as well as Quarterly Implementation Reports; Budget documents had been published online. Despite the Constitution of Kenya and Public Finance Management Act (2012) requirement that each of Kenya's 47 counties should publish budget information during the formulation, approval, implementation, and audit stages of the budget cycle. The finding revealed that as of January 2015, only three counties (Baringo, Kitui, and Meru) had published the FY 2015/16 ADPs on their websites. Besides, it reviewed County Budget Review and Outlook Papers (CBROPs) which are a review of budget implementation during the previous year that set provisional ceilings to allow sectors to prepare their proposals for the upcoming budget. Markedly, the law requires that CBROPs be in the Assembly by late October, and published as soon as possible, thereafter. However, only Baringo and Nyamira had published CBROPs for financial year 2014/15 online (IBP, 2015).

From the above statistics, it was clear that most counties in Kenya had partially adhered to the performance-based budget (PBB). This extensively affects transparency, accountability and integrity in the counties which in turn ruins the main objective of devolution. This necessitated the study on the determinants of effective implementation of performance based budget in devolved government in Kenya.

Statement of the Problem

Kenya devolved government was implemented in 2013 with establishment of 47 devolved county government units. The aim was to enhance distribution of national resources and achieve equitable growth in all regions in the country. To achieve this, PBB was stipulated has a mechanism for effective budgetary implementation in county

government (PFM, 2012), Technically, PBB was designed to strengthen the linkage between inputs and outcomes so as to improve efficiency in public expenditure (Hager, Hobison, Wilson & Kentucky, 2001).

However, implementation of devolution in Kenya has been affected by inefficiency implementation of performance-based budget. Indeed, management of the devolution funds in the counties has also been marred by controversies such as unnecessary foreign trips, inflated tender and payment of ineligible project and pending bills despite the existence of public financial management reforms such as performance-based budget (PBB).

According to OAG (2019) the amount of pending bills for Meru county presented for special Audit as at 30th June 2018 was Kshs 2,265,112,691 in which eligible Pending Bills was Kshs 1,845,545,178, and ineligible Pending Bills stood at Ksh 419,567. As at 18th December 2019 eligible Pending Bills stood at Ksh 1,121,694,626, outstanding eligible pending Bills stood at KSh 723,850,552 and the overall outstanding Pending Bills stood at Kshs 143,418,065

The success of devolution in Meru County is dependent on proper implementation of performance-based budget. However, very little attention has been given to PBB as a tool for achieving targets in the public sector (Kiringai & West, 2002). For instance, the yearly spending execution audit report from Controller of Budget for FY 2014/2015 demonstrated that Meru County neglected to transmit the privately gathered income to the County Revenue Fund account as stipulated in Section 109(2) of the PFM Act, 2012. As indicated in report, Meru County government raised Kshs. 539.24 million from nearby sources against an objective of Kshs 588.04 million while in FY 2013/2014 the income were Kshs 499.78 million against the objective of Kshs 525.36 million.

Problems can be traced to complex budget design, inadequate capacity to implement, poor monitoring and conflict of interest in the implementing organ (Altmay, 2006). Therefore, the main objective of

the study is to evaluate the determinant of effective implementation of PBB in Meru County. Previously, similar studies were done but focused on CDF funded project (Chesiyna & Wanyoike, 2016), budgetary preparation (Mugambi & Theuri, 2014) and implementation of IFIMIS (Cherotich & Bichanga, 2016). However, this study addressed the knowledge gap based on the following specific objectives; effect of public participation, accountability, strategic plans, monitoring and disbursement of budgetary allocation on effective implementation of performance based budgeting. The findings of study would assist the county government on better financial management and governance.

Objective of the Study

The general objective of the study was to establish the determinants of effective implementation of performance based budget in devolved government of Meru County. The study was guided by the following specific objectives were;

- To establish the effect of public participation on effective implementation of performance based budgeting in devolved government of Meru County
- To determine the effect of accountability on effective implementation of performance based budgeting in devolved government of Meru County
- To establish the effect of monitoring on effective implementation of performance based budgeting in devolved government of Meru County
- To assess the effect of strategic plans on effective implementation of performance based budgeting in devolved government of Meru County
- To establish the moderating effect disbursement of budgetary allocation on the relationship between determinants of effective implementation and performance based budgeting in devolved government of Meru County

LITERATURE REVIEW

Stewardship Theory of Governance

Stewardship theory states that managers behave in the best interests of shareholders as defined by Davis, Schoorman and Donaldson (1997). Managers are not motivated by individual goals and act as stewards of the principal in order to pursue the objectives of the firm. Stewardship theories argue that the managers or executives of a company are stewards of the owners, and both groups share common goals (Davis, Schoorman, & Donaldson, 1997). Therefore, the executive management should not be too controlling. The executive management should play a supportive role by empowering executives and, in turn, increase the potential for higher performance (Hendry, 2002; Tosi, *et al.*, 2003). Stewardship theories argue for relationships between board and executives that involve training, mentoring, and shared decision making (Shen, 2003; Sundaramurthy & Lewis, 2003). This theory is relevant to the study as it advocates for leadership with integrity and accountability.

The Theory of Budgeting

Shields and Young (1993) posit that budget acts as a detector of variances between organizational objectives and performance and vital part to the umbrella concept of an effective budgetary performance. Budgets projects future financial performance which enables evaluating the financial viability of a chosen strategy. In most organizations this process is formalized by preparing annual budgets and monitoring performance against budgets (Silva & Jayamaha, 2012). Budgets reflect the financial implication of business plans, identifying the amount, quantity and timing of resource needed (Shields & Young, 1993). They form benchmarks by comparing actual results with budgeted plans and to take corrective actions if necessary (Sharma, 2012). Budgets do influence the behavior and decisions of employees by translating business objectives, and providing a yardstick against which to assess performance. Hancock (2009) considered such operational planning as the

backbone of management. A budget allows a goal and a standard of performance to be established with subsequent comparison of actual results with the created standard. It requires those involved to be forward looking rather than looking back (Hope & Fraser, 2013). Budgets make goals explicit, code learning, facilitate control and contract with external parties (Selznick, 2008). Fisher exemplified this by “linking compensation to performance measures against the budget”, thereby making goals explicit, communicating goals and thereby coding learning and clarifying performance measures for individual employees of an organization (Goldstein, 2005).

Performance Based Budgeting Model

Many state and local governments are currently struggling with fiscal stress, in some cases, the worst they have experienced in decades. Painful decisions are required regarding spending and service reductions or tax and fee increases. This appears to be an important time for citizens to play a role in helping elected officials to determine the best solutions for government and the community especially in states that have devolved their governance functions. Performance-based budgeting (PBB) also referred to as outcome budgeting is the practice of developing budgets based on the relationship between funding and

expected results. PBB improves cost-efficiency and manages effective budgeting outlays, increasing visibility into how government policies translate into spending and making systematic use of performance information (IBP, 2015).

It is important to understand the key determinants of performance budgeting arise from the inputs, outputs and expected outcomes. In the performance information chain, inputs (resources) link to outcomes (macro goals) via change from the goods or services of those outputs (deliverables) (Lu, 2007). Performance-based budgeting targets to enhance the swiftness and effectiveness of public expenditure by linking the funding of public sector organizations to the results they deliver, making systematic use of performance information. There are a number of models of performance-based budgeting that use different mechanisms to link funding to results. Some have very sophisticated features and require the support of correspondingly sophisticated public management systems, while others focus more on the basics. For instance, the government of Andhra Pradesh has employed a performance management system framework which can be of significant use to management of Kenya County government. Figure 2 presents a performance management system model (Melkers & Willoughby, 1998).

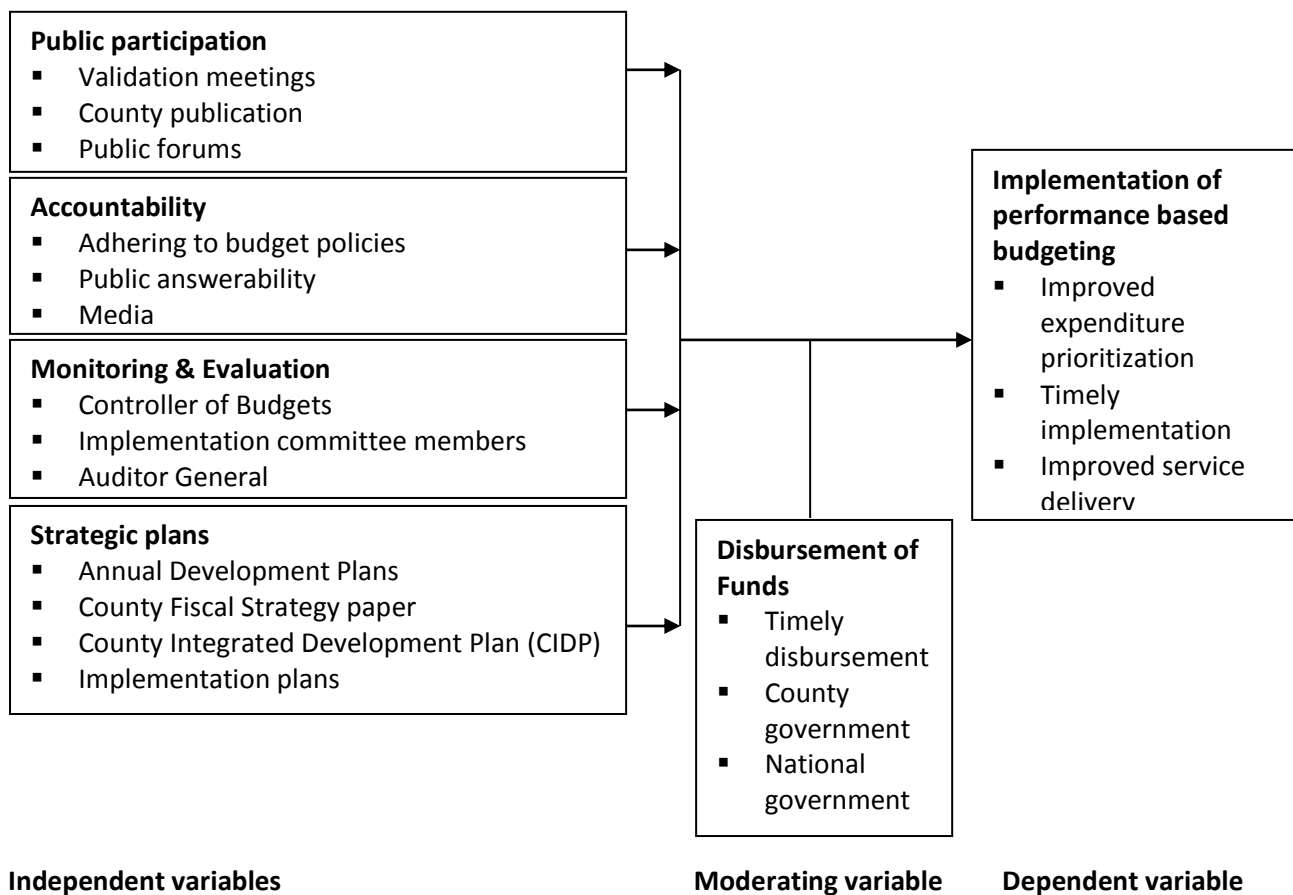


Figure 2: A performance Management Model

Source: (Hager, Hobison, Wilson & Kentucky, 2001)

The performance management system links development goals, policies, priorities, plans, programs, projects, budgets, action plans and performance towards achieving the desired Objectives. The system involves performance indicators, performance monitoring, performance measurement, performance-based evaluation, performance-based review and evidence-based policy-making. Performance monitoring is a continuous process of gathering and manipulating data to benchmark how well a project, program or policy is being executed with reference to expected results. Performance measurement refers to analysis and measurement of results in terms of

performance indicators and targets (Lu, 2007). Performance-based evaluation is a systematic assessment aimed to achieve the set objective as planned, an ongoing process. The aim of evaluation is to minimizing cost of obtaining resources. On other hand, Performance-based review involves periodic review to identify broad trends and assess the likelihood of outcomes being achieved; whether the programmers or projects are “on track”. It aims at effecting correction mechanisms to ensure that programs or projects do not deviate from the central goals and objectives for which they were created (Altmay, 2006).



Independent variables
Figure 3: Conceptual Framework
Source: Researcher, 2018

Public participation is basic in budget making and execution process. The Constitution of Kenya, 2010 highlights the significance of involving public in budget making. It advances democratic values by furnishing the rights holders with the chance to partake in basic leadership forms involving county

governance and development processes. Section 11 of the constitution, which defines devolved governments explicitly, illuminates the significance of native interest in the issues of government. Article 196 of public engagement stipulate that the devolved government should encourage open

participation, contribution in the administrative and management of public affairs (Government of Kenya, 2010). Various components of public participation should be set up in every county government (Quick & Bryson, 2016). These instruments incorporate open discussions and gatherings, and approval of budget spending as required by the County Governments Act, 2012, the Public Finance Management Act, 2012, and resident gatherings as required by the Urban Areas and Cities Act, 2011. All counties should have practical sites to communicate with the public to enhance public participation (Institute of Social Accountability, 2010).

Accountability is a pillar of effective spending execution in the county. Notwithstanding, there is no single formula for making an effective activity to promote transparency and responsibility in the budget procedure. Improving responsibility in the budget procedure may be any avenue whereby taxpayers can be assured that their money will not be wasted. Participatory budgeting fits in with a broader range of initiatives that aim to strengthen citizens' participation in government accountability (Rotich & Ngahu, 2015). Enhancing transparency and accountability in the budget process will lead to improved democratic and developmental outcomes. Budget transparency facilitates citizen monitoring of government, enabling better selection and more targeted punishment via electoral mechanisms. Hence, budget transparency and accountability can serve to empower citizens and strengthen democracy. Such democratic effects may spill over and have impact on economic outcomes as well.

Monitoring and evaluation of budget making procedures is a critical recipe in promoting accountability. Once the budgets have been implemented they need to be monitored and controlled to ensure effectiveness in aligning budgets over a defined period of time (Horngren *et al.*, 1997). A transparent approach to budget planning and implementation requires proper monitoring and control of budget process. This is

achieved through ensuring that the estimated budget does not deviate from the actual outcome, in order to take appropriate actions where necessary.

Strategy plans is the key to achieving better and effective budgetary plans (Otieno & Theuri, 2016). Since the promulgation of the 2010 Constitution, local researchers have investigated the effects of formal strategic plans on effective and successful budget implementation. They established that strategic plans influence budget making and implementation.

The constitution of Kenya 2010, under Article 228(1) set up the office of Controller of Budget (OCOB) which wound up operational on 27th August 2011. The center command of OCOB is to manage revenue as well as the spending of both county government and national government by approving, monitoring and controlling spending. The workplace was made as a free body under the constitution of Kenya to isolate money related administration capacities which include providing details regarding spending usage and controlling the budget from the auditing function. The OCOB is also mandated to promote fiscal discipline, improve accountability and transparency as well as promoting equitable allocation of resources; especially in devolved county government.

Performance-based budgeting aims to improve the efficiency of resource allocation and the effectiveness of its use in accordance with the plans set by the local government so that with the performance-based budget it is expected that the budget can be used optimally to improve community welfare and can support increased transparency and accountability in sector management public (Surianti & Dalimunthe, 2015). Performance-based budgeting is the answer to be used as a tool for measuring government performance accountability. Performance based budgeting demands synchronization between the programs and the fund and promotes accountability through proper budget planning and budget reporting. According to Arsidna, Khairul and Endah,

(2017), factors that influence the implementation of performance-based budgeting are environmental factors (social, culture, economy, politics), resource planning, the advancement of the system, the development of information and technology, and funding.

Empirical Review

Wacera (2016) conducted a study on the effect of citizen participation on budget implementation in Kenyan counties; the case study of Nyandarua County. The study adopted descriptive survey design. From the research findings, it was evident that most of the residents that go to public participation fora hail from the headquarters, Ol'Kalou, followed by Ol' Ojoro Orok Sub County revealing that public participation in Ol'Kalou Sub County is higher than in Kinangop despite the high gap in population. From the regression analysis it was clear that citizen participation was significant in predicting budget implementation.

Siala (2015) conducted a study to analyze factors that impact public participation in budget formulation in Nairobi County government. The examination embraced descriptive research plan. The discoveries of the investigation on what decentralization variables impact open cooperation uncovered that both tokenism and non-interest impact open support in spending detailing. Non participation was spoken to by a critical negative affiliation while tokenism was spoken to by huge positive weak association.

Mutuma, Ileri and Lyria (2016) led an investigation on difficulties of budget implementation in Meru County in Kenya. The examination employed descriptive design. It was revealed that there was connection between accountability and budget implementation. The difficulties of spending usage in Meru County were identified with responsibility challenges, limit on utilization of IFMIS and oversight and review work.

Kamau, Rotich and Anyango (2017) led an examination on the impact of planning process on spending execution of state enterprises in Kenya, a

case study of Kenyatta National Hospital. A descriptive research design was utilized by the examination. The examination built up that budgetary participation promotes accountability of State Corporations in Kenya. With respect to refinement, the investigation found that it without accountability significantly affects responsibility of State Corporations in Kenya.

Mathenge, Shavulimo and Kiama (2017) conducted a study on financial factors influencing budget implementation in Kenya. The study adopted descriptive research design which involves a survey of the selected County Government. The study found that monitoring, availability of financial resources and financial policies and government financial regulation affect budget implementation to a greater extent.

Gichuhi (2015) conducted a study to find the challenges faced by Murang'a County Government and the measures taken to address these challenges. The study adopted a case study research design since the research context was one county. The study findings reveal that the main challenges that face the implementation of strategy by the Murang'a County include poor strategic planning.

Otieno and Theuri (2016) conducted a study on the influence of strategic management practices on the organizational performance of the County Government of Mombasa. The study intended to establish the extent to which strategic plans influences organizational performance. Desk method of research design was adopted. It was found that strategic plans are rarely implemented due hindrances such as political interference, lack of finance and proper management practices within the County Government.

Kathungu (2016) conducted a study to investigate the effect of budget utilization on the financial performance of county governments in Kenya. The study adopted descriptive research design. The study concluded that in joint budget utilization including the Budgeted County Expenditure to the

Budgeted County Revenues, Actual County Expenditures to Actual County Revenues and County Resources to the County Poverty Index has a positive influence on the financial performance of the counties. The study recommends properly structured budget composition including experts to provide insights on the proper budgeting inclusions and consultations with periodic update of the county capital structure and how to maximize the input of donations and grants advanced.

METHODOLOGY

The study employed census research design. The major purpose of census is to reach the key player based on researcher judgments. This would help the researcher to explore the determinants of effective implementation of performance based budget in devolved government of Meru County Kenya. The target population of this study was 10 County Executive Committees, 35 Meru county government directors and 69 Members of County Assembly (MCA) (Meru County Government Report, 2016). The sampling frame of this study were 8 county executive committees, 27 county directors and members of county assembly of Meru County. This formed the units of observation for the study. The study employed structured questionnaires to collect primary data. After quantitative data was obtained through questionnaires, it was keyed into computer software called statistical package for social sciences (SPSS) version 20.0 for analysis. The statistics to be generated included both descriptive statistics and inferential statistics. A multivariate regression model technique was used to show the relationship between the independent variables to the dependent variable as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where;

Y = Effective Implementation of Performance Based Budget

X₁ = Public participation

X₂ = Accountability

X₃ = Monitoring and Evaluation

X₄ = Strategic plans

In the model, β_0 = the constant term while the coefficient $\beta_i = 1...4$ were used to measure the sensitivity of the dependent variable (Y) to unit change in the predictor variables X₁, X₂, X₃ and X₄. The error (ϵ) term capture the unexplained variations in the model.

On moderating role of disbursement of budgetary allocation, the study adopted Kenny and Baron (1986) moderating technique. Therefore, the model was as shown below;

$$Y = \beta_0 + \beta_1 X_1 * M + \beta_2 X_2 * M + \beta_3 X_3 * M + \beta_4 X_4 * M + \epsilon$$

Where;

Y = Effective Implementation of Performance Based Budget

X₁ = Public participation

X₂ = Accountability

X₃ = Monitoring and Evaluation

X₄ = Strategic plans

M = Appropriations and disbursement

FINDINGS AND DISCUSSIONS

Public participation and Implementation of performance based budgeting in devolved governments

The first objective of this study was to establish the effect of public participation on effective implementation of performance based budgeting in devolved government of Meru County. A Likert scale of 1 to 5 (1 = strongly disagree, 2 = Disagree 3 = don't know, 4 = Agree, 5 = strongly agree) was used and the mean response rate from the respondents calculated. For the purposes of interpretation 4 & 5 (agree and strongly agree) were grouped together as agree, 1 & 2 (strongly disagree and disagree) were grouped as disagree while 3 was don't know. The results of this study were as depicted in Table 1.

Table 1: Public participation and Implementation of performance based budgeting in devolved governments

Statement	Mean	SD
County always conduct public participation before preparation of Budget	3.7	1.2
The county framework provides for mechanisms for public participation in budget preparation and implementation	3.5	1.1
Members of the public attends public participated for budget preparation in the county	2.2	1.0
All the county departments' representatives are actively involved during budget preparation	3.6	1.1
There is access to the relevant materials (publications) for public participation (i.e. draft budgets, bills) for your perusal.	3.5	1.2
The county government gives timelines and venues for public participation meetings in advance	4.0	0.9
Public views are involved during budget preparation.	2.2	1.2
Members of the public are involved during budget implementation	2.1	1.0

Table 1 showed that majority of respondent agreed that county always conduct public participation before preparation of Budget, with mean score of 3.7 and standard deviation of 1.2 inferring that lion's share of respondents were consenting to the announcement. The outcomes additionally demonstrated that lion's share of the respondents concurred that the area structure accommodated instruments for open support in spending planning and usage with mean score of 3.5 and standard deviation was 1.1 implying that majority of respondents agreed to the statement. The results also showed that majority of the respondents did not agree that members of the public attends public participated for budget preparation in the county with mean score for place was 2.2 and standard deviation was 1.0 implying that majority of respondents did not agree to the statement.

Further, respondents agreed that all the county departments' representatives were actively involved during budget preparation with mean score for place was 3.6 and standard deviation is 1.1 implying that majority of respondents agreed to the statement. The study established that majority of the respondents agreed that there is access to the relevant materials (publications) for public participation (i.e. draft budgets, bills) for your perusal with mean score for place is 3.5 and standard deviation was 1.2 implying that majority of respondents agreed to the statement. Majority of

the respondents agreed that the county government gives timelines and venues for public participation meetings in advance with mean score for place is 4.0 and standard deviation is 1.0 implying that majority of respondents agreed to the statement.

Further, the respondents did not agree that public views are involved during budget preparation with mean score for place was 2.3 and standard deviation was 1.3 implying that majority of respondents did not agree to the statement. On the statement that members of the public were involved during budget implementation, most of the respondents didn't concur with mean score for spot was 2.1 and standard deviation was 1.0 inferring that dominant part of respondents didn't consent to the announcement. Further the examination looked to rate open cooperation during spending usage.

Results indicated that public participation during budget implementation in Meru County was good. Public participation is essential public in budget making and implementation process. These mechanisms include public forums and meetings, budget preparation and validation meetings as well as town hall meetings as required by the County Governments Act, 2012. In the open ended questions, majority of respondents indicated there is need for clear framework in involving public in

the implementation of implementation of performance based budgeting in devolved government. One respondent indicated,

“.....there is need for a clear framework to guide public participation in the implementation of implementation of performance based budgeting in devolved government. Public participation is essential in budget making and implementation process. These mechanisms include public forums and meetings, civic education, communication through media including radio and television and validation meetings as well as town hall meetings.”

Effective public participation requires a public institution to play its role in actualizing public participation by providing the appropriate infrastructure, including legislation, information and the actual mechanisms of participation. The results are in line with Siala (2015) who led an examination

to look at components that impact open cooperation in spending plan in Nairobi County government and set up that decentralization variables impact open interest uncovered that both tokenism and non-support impact open investment in spending definition.

Accountability and Implementation of performance based budgeting in devolved governments

The second objective of this study was to determine the effect of accountability on effective implementation of performance based budgeting in devolved government of Meru County. For the purposes of interpretation 4 & 5 (agree and strongly agree) were grouped together as agree, 1 & 2 (strongly disagree and disagree) were grouped as disagree while 3 was don't know. The results of this study were as depicted in Table 2.

Table 2: Accountability and Implementation of performance based budgeting in devolved governments

Statement	Mean	SD
There is participatory budgeting to promote accountability.	3.5	1.0
County adheres to budgetary policies during budget formulation that enhances accountability.	2.3	0.9
County respond to public queries on budget concern during preparation and implementation.	2.2	1.1
Budget preparation and implementation is open for media to enhance transparency and accountability.	3.7	1.0
Accountability in budget implementation involves answerability to the county assembly representative and to the public.	3.7	1.0
CEC are called to assembly to respond to audit queries that arises in budget implementation.	3.8	1.2
Governor is called by senate to respond to audit queries from various ministries.	4.3	0.9

On the statement that there is participatory planning to advance responsibility, by and large the respondents consented to the announcement with a mean 3.5 and standard deviation of 1.0 inferring that larger part of respondents consented to the announcement. Furthermore, on average the respondents did not agree that county adheres to budgetary policies during budget formulation that enhances accountability with mean of 2.3 and standard deviation of 0.9 suggesting that dominant part of the respondents didn't consent to the announcement. Larger part of respondents didn't concur that ward react to open questions on spending with a mean of 2.3 and standard deviation of 1.1.

The results of the study also showed that majority of respondents agreed that budget preparation and implementation is open for media to enhance transparency and accountability with a mean score of 3.7 and standard deviation of 1.0. On the statement that accountability in budget implementation involves answerability to the county assembly representative and to the public, majority of the respondents agreed to the statement with a mean score of 3.7 and standard deviation of 1.0 implying that majority of the respondents were agreeing to this statement.

Further, on the statement that CEC are called to assembly to respond to audit queries that arises in

budget implementation, majority of the respondents agreed with the statement with a mean score of 3.8 and standard deviation of 1.2 implying that majority of the respondents were agree to this statement. Finally, majority of respondents agreed that governor is called by senate to respond to audit queries from various ministries with mean score for place was 4.3 and standard deviation is 0.9 implying that majority of respondents agreed to the statement. Further the study sought to rate public participation during budget implementation. Results indicate that accountability during budget implementation in Meru County was good. In the open ended questions, majority of respondents indicated accountability must be fostered in the implementation of implementation of performance based budgeting in devolved government. One respondent indicated,

“.....to enhance accountability, there is need for the use of computerized systems to track financial process, sufficient time to understand the process and the involvement of all players in budget making and implementation particularly the public through open forums.”

Accountability is a pillar of successful budget implementation in the county. However, there is no

single recipe for creating a successful initiative to enhance transparency and accountability in the budget process. Improving accountability in the budget process may be one avenue whereby taxpayers can be assured that their money will not be wasted. The results agree with Mutuma, Ireri and Lyria (2016) conducted a study on challenges of budget implementation in the public sector the case of Meru County in Kenya and found that there is relationship between accountability and budget implementation process and that the challenges of budget implementation in Meru County were related to accountability issues.

Monitoring and tracking and Implementation of performance based budgeting in devolved governments

The third objective of this study was to establish the effect of monitoring on effective implementation of performance based budgeting in devolved government of Meru County. For the purposes of interpretation 4 & 5 (agree and strongly agree) were grouped together as agree, 1 & 2 (strongly disagree and disagree) were grouped as disagree while 3 was don't know. The results of this study were as depicted in Table 3.

Table 3: Monitoring and tracking and Implementation of performance based budgeting in devolved governments

Statement	Mean	SD
The county assembly implementation committee assists in monitoring and evaluation of budget implementation.	3.6	1.2
Controller of Budget assists in control and monitoring of implementation of budget.	3.6	1.0
Auditor General monitors and evaluates county government implementation of budgets by analyzing quarterly published reports as per public financial management Act 2012.	3.6	1.0
The county government monitoring and efficiency department does regular checks and assessment to monitor projects implementation.	3.5	0.9
Citizens and civil society organizations monitors and evaluate county government implementation of budgets by analyzing published reports.	2.1	0.9
Ward development committee assist in monitoring and evaluation of ward project to enhance budget implementation	3.5	1.1
MCA assist in monitoring and evaluation of project in county for implementation of budget	4.1	0.8

Table 3 showed that majority of respondent agreed that the county assembly implementation

committee helps with checking and assessment of spending execution, with mean score of 3.6 and

standard deviation is 1.2 inferring that larger part of respondents consented to the announcement. The outcomes additionally demonstrated that greater part of the respondents concurred that controller of Budget aids control and checking of execution of spending plan with mean score of 3.6 and standard deviation of 1.2 suggesting that lion's share of respondents consented to the announcement. The outcomes additionally demonstrated that greater part of the respondents concurred that auditor General monitors and evaluates county government implementation of budgets by analyzing quarterly published reports as per public financial management Act 2012 with mean score for place is 3.6 and standard deviation is 1.0 indicating that majority of respondents agreed to the statement.

Further, respondents agreed that the county government monitoring and efficiency department does regular checks and assessment to monitor projects implementation with mean score for place is 3.5 and standard deviation is 0.9 indicating that majority of respondents agreed to the statement. The study established that majority of the respondents agreed that citizens and civil society organizations monitors and evaluate county government implementation of budgets by analyzing published reports with mean score for place is 2.1 and standard deviation is 0.9 indicating that majority of respondents agreed to the statement.

Majority of the respondents agreed that ward development committee assist in monitoring and evaluation of ward project to enhance budget implementation with mean score for place is 3.5 and standard deviation is 1.1 indicating that majority of respondents agreed to the statement. Further, the respondents agreed that MCA assist in monitoring and evaluation of project in county for effective implementations of budget with mean

score of 4.1 and standard deviation is 0.8 indicating that majority of respondents agreed to the statement.

Further the study sought to rate budget monitoring and tracking during budget implementation. Results indicated that budget monitoring and tracking in Meru County was good. Accountability is a pillar of successful budget implementation in the county. Monitoring and control of budget process is a determinant of effectiveness, once the budgets have been implemented they need to be monitored and controlled to ensure effectiveness in aligning budgets over a defined period of time. A transparent approach to budget planning and implementation requires proper monitoring and control of budget process. This is achieved through ensuring that the estimated budget does not deviate from the actual outcome, in order to take appropriate actions where necessary. The results are in line with Mathenge, Shavulimo and Kiama (2017) who conducted a study on financial factors influencing budget implementation in Kenya and found that monitoring, availability of financial resources and financial policies and government financial regulation affect budget implementation to a greater extent.

Strategic plans and Implementation of performance based budgeting in devolved governments

The forth objective of this study was to assess the effect of strategic plans on effective implementation of performance based budgeting in devolved government of Meru County. For the purposes of interpretation 4 & 5 (agree and strongly agree) were grouped together as agree, 1 & 2 (strongly disagree and disagree) were grouped as disagree while 3 was don't know. The results of this study were as depicted in Table 4.

Table 4: Strategic plans and Implementation of performance based budgeting in devolved governments

Statement	Mean	SD
County government incorporates Annual development plans and county integrated plan in the budget.	3.8	1.0
County government budget at planning level considers expert recommendations.	3.5	1.1

County considers Annual development plan as key to achieving a better and effective budgetary estimates.	3.8	0.9
County Fiscal strategy paper is always considered as key guide for budget preparation.	3.8	1.0
County always follow county integrated development plan as a guide for budget preparation.	3.6	0.8
All stakeholders are always involved in formulating CIDP, CFSP, and ADP to guide budget preparation and implementation.	3.5	1.0
Ward strategic plans ward projects aligns with public need for effective implementation.	4.0	0.8
County Strategic plans for flagship project aligns with public need on the ground for effective implementation.	3.6	1.1

Table 4 showed that majority of respondent agreed that county government incorporates Annual development plans and county integrated plan in the budget, with mean score of 3.8 and standard deviation is 1.0 indicating that majority of respondents agreed to the statement. The results also showed that majority of the respondents agreed that county government budget at planning level considers expert recommendations with mean score of 3.5 and standard deviation is 1.1 indicating that majority of respondents agreed to the statement. The results also showed that majority of the respondents agreed that county considers annual development plan as key to achieving a better and effective budgetary estimates with mean score of 3.8 and standard deviation of 1.9 indicating that majority of respondents agreed to the statement.

Further, respondents agreed that county fiscal strategy paper is always considered as key guide for budget preparation with mean score of 3.8 and standard deviation of 1.0 indicating that majority of respondents agreed to the statement. The study established that majority of the respondents agreed that county always follow county integrated development plan as a guide for budget preparation with mean score of 3.6 and standard deviation of 0.8 indicating that majority of respondents did not agree to the statement. Majority of the respondents agreed that all stakeholders are always involved in formulating CIDP, CFSP, and ADP to guide budget preparation and implementation with mean score of 3.5 and standard deviation of 1.0 indicating that majority of respondents agreed to the statement.

The study further indicated that ward strategic plans for ward projects aligns with public need for effective implementation with mean score of 4.0 and standard deviation of 0.8 indicating that majority of respondents agreed to the statement. Majority of the respondents agreed that county strategic plans for flagship project aligns with public need on the ground for effective implementation with mean score of 3.6 and standard deviation of 1.1 indicating that majority of respondents agreed to the statement.

Further the study sought to rate strategic plans for budget implementation in Meru County. Results indicated that strategic plans for budget implementation in Meru County were good. Accountability is a pillar of successful budget implementation in the county. Strategy plans is the key to achieving better and effective budgetary plans. Strategic influences budget making and implementation. The results agree with Gichuhi (2015) who conducted a study to find the challenges faced by Murang'a County in budget making and revealed that the main challenges that face the implementation of strategy by the Murang'a County include poor strategic planning.

Disbursement of budgetary allocation and Implementation of performance based budgeting in devolved governments

The fifth objective of this study was to establish the moderating effect disbursement of budgetary allocation on the relationship between determinants of effective implementation and performance based budgeting in devolved government of Meru County. For the purposes of

interpretation 4 & 5 (agree and strongly agree) were grouped together as agree, 1 & 2 (strongly disagree and disagree) were grouped as disagree

while 3 was don't know. The results of this study were as depicted in Table 5.

Table 5: Disbursement of budgetary allocation and Implementation of performance based budgeting in devolved governments

Statement	Mean	SD
Office of controller of budget determines disbursement of money for effective county Government implementation.	3.6	1.1
County executive comply with office of controller of budget requirement for timely disbursement of budgetary allocation.	3.5	1.0
Disbursement of funds to county government by national treasury is always done in accordance with schedule prepared by national treasury.	2.3	1.2
Disbursement of funds to county government by national treasury is always done in accordance with consultation with the intergovernmental budget and economic councils.	2.2	1.1
Disbursement of funds to county government by national treasury counties is always sent at the beginning of every quarter, and no later than the 15th day from the commencement of the quarter.	2.4	1.2
The actual amounts to be disbursed in each quarter are based on the Cash Disbursement schedule.	3.7	1.2
County government always disburses money to contractors effectively after project completion.	1.3	1.3

Table 5 showed that majority of respondent agreed that office of controller of budget determines disbursement of money for effective implementation of budget, with mean score of 3.6 and standard deviation is 1.1 indicating that majority of respondents agreed to the statement. The results also showed that majority of the respondents agreed that county executive comply with office of controller of budget requirement for timely disbursement of budgetary allocation with mean score of 3.5 and standard deviation of 1.0 indicating that majority of respondents agreed to the statement. The results also showed that majority of the respondents did not agree that disbursement of funds to county government by national treasury is always done in accordance with schedule prepared by national treasury with mean score of 2.3 and standard deviation of 1.2 implying that majority of respondents did not agree to the statement.

Further, respondents did not agree that disbursement of funds to county government by national treasury is always done in accordance with consultation with the intergovernmental budget

and economic councils with mean score of 2.2 and standard deviation of 1.1 indicating that majority of respondents did not agree to the statement. The study established that majority of the respondents did not agree that disbursement of funds to county government by national treasury counties is always sent at the beginning of every quarter, and no later than the 15th day from the commencement of the quarter with mean score of 2.4 and standard deviation of 1.2 indicating that majority of respondents did not agree to the statement. Majority of the respondents agreed that the actual amounts to be disbursed in each quarter are based on the Cash Disbursement schedule with mean score of 3.7 and standard deviation of 1.2 indicating that majority of respondents agreed to the statement. The study further indicated that county government always disburses money to contractors effectively after project completion with mean score for place is 2.4 and standard deviation is 1.3 indicating that majority of respondents agreed to the statement.

Further the study sought to rate appropriations and disbursement in the implementation in Meru

County. Results indicated that appropriations and disbursement in the implementation in Meru County was bad. Budget process is motivated on appropriation by the levels of revenues collected for use. The results are in line with Mutungi (2017) who conducted a study on effects of budgeting and budgetary control on financial performance of devolved government in Kenya and found that budget appropriations influence the performance of county government projects.

Implementation of performance based budgeting in devolved governments

The study sought to determine the extent of Implementation of performance based budgeting in devolved governments in Meru County. For the purposes of interpretation 4 & 5 (agree and strongly agree) were grouped together as agree, 1 & 2 (strongly disagree and disagree) were grouped as disagree while 3 was don't know. The results of this study are as depicted in Table 6.

Table 6: Implementation of performance based budgeting in devolved governments

Statement	Mean	SD
County projects are always completed within the stipulated time.	2.3	1.1
The quality of project implemented in the county project reflects amount budgeted.	3.5	1.1
The county projects are implemented at the right cost.	2.3	0.9
The performance of county project is entirely based on budget allocated.	3.6	0.9
Enforcement of budgets implementation as planned as been achieved effectively.	2.4	1.0
County departments spend the budget allocated effectively	2.3	0.8
There is improved expenditure prioritization in the county.	3.5	0.8
There is improved service delivery in the county.	3.6	0.8

Table 6 showed that majority of respondent did not agree that county projects are always completed within the stipulated time, with mean score of 2.3 and standard deviation of 1.1 indicating that majority of respondents agreed to the statement. The results also showed that majority of the respondents agreed that the quality of project implemented in the county project reflects amount budgeted with mean score of 3.5 and standard deviation of 1.1 indicating that majority of respondents agreed to the statement. The results also showed that majority of the respondents did not agree that the county projects are implemented at the right cost with mean score for place of 2.3 and standard deviation of 0.9 indicating that majority of respondents did not agree to the statement.

Further, respondents agreed that the performance of county project is entirely based on budget allocated with mean score for place of 3.6 and standard deviation of 0.9 indicating that majority of respondents did not agree to the statement. The study established that majority of the respondents did not agree that enforcement of budgets

implementation as planned as been achieved effectively with mean score of 2.4 and standard deviation of 1.0 indicating that majority of respondents did not agree to the statement. Majority of the respondents did not agree that county departments spend the budget allocated effectively with mean score of 2.3 and standard deviation of 0.8 indicating that majority of respondents did not agree to the statement. The study further indicated that there is improved expenditure prioritization in the county with mean score of 3.5 and standard deviation of 0.8 indicating that majority of respondents agreed to the statement. It was also established that majority of the respondents agreed that there is improved service delivery in the county with mean score of 3.5 and standard deviation of 0.8.

Further the study sought to rate the implementation of performance based budget in Meru County. Results indicated that the implementation of performance based budget in Meru County were good. Performance based budgeting enables the management team to make future plan through implementation of goals and

monitoring activities to check whether they conform to the set objectives. The PBB is adopted to improve transparency, accountability and good governance in the counties. Effective implementation of performance based budgetary is an important guarantee for the effective implementation of budget in the organization. This makes the county achieve its targets and goals within the planned time frame. The presence of performance based budget enables the county government to make a good budget as a basis for performance management and standards. This can be done on a regular basis in order to compare actual performance with the budget and analyze differences in the results and take corrective measures, which involve the process of budget implementation, evaluation and control.

Correlation Analysis

Pearson's product-moment correlation coefficient (r) was used to examine the extent of correlation between the variables of study and to show the strength of the linear association between the variables in the regression. r ranges between ± 1 . Where $r = +0.7$ and above it indicates a very strong relationship; $r = +0.5$ to below 0.7 is a strong relationship; $r = 0.3-0.49$ is a moderate relationship while $r = 0.29$ and below indicates a weak relationship. Where $r = 0$ it indicates that there is no relationship (Esther- Smith, Thorge & Love, 1999). The results of correlation analysis were presented in Table 7.

Table 7: Correlation Coefficients Matrix

		Implementation of performance based budgeting	Public participation	Accountability	Monitoring and tracking	Strategic plan
Implementation of performance based budgeting	Pearson Correlation Sig. (2-tailed)	1.000				
Public participation	Pearson Correlation Sig. (2-tailed)	.670**	1.000			
Accountability	Pearson Correlation Sig. (2-tailed)	.644**	.653**	1.000		
Monitoring and tracking	Pearson Correlation Sig. (2-tailed)	.661**	.660**	.681**	1.000	
Strategic Plan	Pearson Correlation Sig. (2-tailed)	.601**	.577**	.642**	.634**	1.000
		0.000	0.000	0.000	0.000	0.000

** Correlation is significant at the 0.01 level (2-tailed).

Results in table 7 indicated that there was a strong significant and positive association between public participation and implementation of performance

based budgeting in devolved government of Meru County Kenya ($r = .670$, $p < 0.01$). Public participation is essential public in budget making and

implementation process. The Kenya 2010 Constitution provides prominence significance to public participation; it enhances democracy by advocating the rights holders with the opportunity to take part in decision making processes touching county governance and development processes.

The results also showed that there is a strong significant positive association between accountability and implementation of performance based budgeting in devolved government of Meru County Kenya ($r=.644$, $p<0.01$). Accountability is a pillar of successful budget implementation in the county. However, there is no single recipe for creating a successful initiative to enhance transparency and accountability in the budget process. Improving accountability in the budget process may be one avenue whereby taxpayers can be assured that their money will not be wasted.

Results further indicated that there was a significant strong positive association between monitoring and tracking and implementation of performance based budgeting in devolved government of Meru County Kenya ($r=.661$, $p<0.01$). Monitoring and control of budget process is a determinant of effectiveness, once the budgets have been implemented they need to be monitored and controlled to ensure effectiveness in aligning budgets over a defined period of time. A transparent approach to budget planning and implementation requires proper monitoring and control of budget process. This is achieved through ensuring that the estimated budget does not deviate from the actual outcome, in order to take appropriate actions where necessary.

Table 8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.756 ^a	.572	.565	.38442

a. Predictors: (Constant), strategic plan, public participation, monitoring and tracking, accountability

The ANOVA results were presented in table 8. The results indicated that the overall model was statistically significant. Further, the results implied that public participation, accountability, strategic plans and monitoring and tracking are good

The results also showed that there was a strong significant positive association strategic Plan and implementation of performance based budgeting in devolved government of Meru County Kenya ($r=.601$, $p<0.01$). Strategy plans is the key to achieving better and effective budgetary plans. Strategic influences budget making and implementation.

Model Regression

The results presented in Table 8 presented the fitness of model used of the regression model in explaining the study phenomena. Public participation, accountability, strategic plans and monitoring and tracking were found to be satisfactory in explaining performance based budgeting in devolved government of Meru County Kenya. This was supported by coefficient of determination also known as the R square of 57.2%. This means that project performance based budgeting in devolved government of Meru County Kenya explained 57.2% of performance based budgeting in devolved government of Meru County Kenya. Results of the model fitness back up the study by Mwaura (2010) that effective implementation of performance based budgetary is an important guarantee for the effective implementation of budget in the organization. Performance based budgeting enables the management team to make future plan through implementation of goals and monitoring activities to check whether they conform to the set objectives.

predictors of performance based budgeting in devolved governments in Kenya. This was supported by an F statistic of 77.926 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

The findings for F calculated (77.926) was also compared against the F critical value ($F_{4, 50}$) of 5.6281 calculated from the F tables. Since the F

calculated was greater than F critical (77.926) > (5.6281), the model is significant.

Table 9: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	46.064	4	11.516	77.926	.000 ^b
	Residual	34.433	233	.148		
	Total	80.498	237			

a. Dependent Variable: implementation of performance based budgeting

b. Predictors: (Constant), strategic plan public participation, monitoring and tracking, accountability

Table 10: Regression of coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.399	.161		2.487	.014
Public participation	.273	.056	.302	4.865	.000
Accountability	.171	.061	.185	2.793	.006
Monitoring and tracking	.201	.057	.234	3.538	.000
Strategic plan	.137	.052	.160	2.653	.009

a. Dependent Variable: implementation of performance based budgeting

Regression Model

$$Y = .399 + .273X_1 + .171X_2 + .201X_3 + .137X_4$$

Where

Y = Implementation of performance based budgeting in devolved governments

X₁ = Public participation

X₂ = Accountability

X₃ = Monitoring and tracking

X₄ = Strategic plan

Regression of coefficients showed that public participation and implementation of performance based budgeting in devolved government have a positive and significant relationship ($r=.277$, $p=0.000$). The results also revealed that accountability and implementation of performance based budgeting in devolved governments have a positive and significant relationship ($r=.171$, $p=0.006$). The results also revealed that monitoring and tracking and implementation of performance based budgeting in devolved governments have a positive and significant relationship ($r=.201$,

$p=0.000$). The results also showed that strategic plan and implementation of performance based budgeting in devolved governments have a positive and significant relationship ($r=.137$, $p=0.009$).

Moderation effect of disbursement of budgetary allocation on the Model

The fifth objective of the study was to establish the moderating effect disbursement of budgetary allocation on the relationship between determinants of effective implementation and performance based budgeting in devolved government of Meru County Kenya. All the independent variables were moderated by the variable to establish the moderating effect of disbursement of budgetary allocation on the relationship between determinants of effective implementation and performance based budgeting in devolved government of Meru County Kenya to give a composite (interaction term). The results presented in Table 11 showed model the fitness for a regression model after moderation.

Table 11: Model Fitness after moderation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.804 ^a	.646	.639	.35028

a. Predictors: (Constant), appropriations and disbursement, strategic plan, public participation, accountability, monitoring and tracking

The R² of the model summary before moderation was 57.2% but after moderation the R² improved to 64.6%. This implied that disbursement of budgetary

allocation improves performance based budgeting in devolved government.

Table 12: Analysis of Variance after moderation

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.033	5	10.407	84.816	.000 ^b
	Residual	28.465	232	.123		
	Total	80.498	237			

a. Dependent Variable: implementation of performance based budgeting

b. Predictors: (Constant), appropriations and disbursement, strategic plan, public participation, accountability, monitoring and tracking

A regression model was run after moderation. The results were presented in Table 13. The regression

coefficients of the variables were presented according to the effect on the overall model.

Table 13: Regression of Coefficients after moderation

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.069	.154		.446	.656
	Public participation	.249	.051	.276	4.869	.000
	Accountability	.148	.056	.159	2.641	.009
	Monitoring and tracking	.109	.053	.127	2.049	.042
	Strategic plan	.144	.047	.168	3.047	.003
	Appropriations and disbursement	.263	.038	.306	6.974	.000

a. Dependent Variable: implementation of performance based budgeting

$$Y = .069 + .249X_1 + .148X_2 + .109X_3 + .144X_4 + .263M$$

Y = Implementation of performance based budgeting

X₁ = Public participation

X₂ = Accountability

X₃ = Monitoring and tracking

X₄ = Strategic plan

M = Moderator (Disbursement of budgetary allocation)

β₀, β₁, β₂, β₃, β₄, β₅ = Regression coefficients of changes included in Y by each X value

ε = Error term which is normally distributed with a mean and variance of zero

The R² of the model summary before moderation was 57.2% but after moderation the R² improved to 64.6%. This implied that disbursement of budgetary allocation improves performance based budgeting in devolved government.

CONCLUSION AND RECOMMENDATIONS

Based on research finding it was concluded that public participation affects the implementation of performance based budgeting in devolved government of Meru County Kenya. Public participation is essential in budget making and implementation process. These mechanisms include public forums and meetings, budget preparation and validation meetings as well as town hall meetings as required by the County Governments Act, 2012. Effective public participation requires a public institution to play its role in actualizing public participation by providing the appropriate infrastructure, including legislation, information and the actual mechanisms of participation.

It was also concluded that accountability affects the implementation of performance based budgeting in devolved government of Meru County Kenya. Public accountability is the provision of information and disclosure on the activities and financial

performance of the government to the public. The government is required to increase the public accountability through the evaluation and provision of information to the public. The effect of adoption of a performance-based budgeting on the performance accountability of government agencies which are measured through the stages of the budget cycle in accordance with the principle of accountability in county financial management, starting from budget planning, budget execution, reporting budget, and performance evaluation; to create better performance and accountability of government agencies.

Based on research finding, it was also concluded that strategic plans affects the implementation of performance based budgeting in devolved government of Meru County Kenya. The implication is that strategic plan can be used as a guide in budget decision making, the plan itself should be aligned with county strategic plans. Strategic planning that does not integrate a values assessment into the process encounters severe implementation and functionality problems. The form of the strategic plan must follow the functionality of the county when preparing performance based budgeting.

The study also concluded that monitoring and tracking affects the implementation of performance based budgeting in devolved government of Meru County Kenya. County administration should enhance effectiveness and transparency by establishing a monitoring team to be involved in the process of monitoring and evaluation in budgetary control. Once the budget has been implemented they need to be monitored and controlled to ensure effectiveness by ensuring that the budget does not deviate from the budgeted expenditure with the actuals, where there is deviation it need to be addressed. Budget monitoring reports should not be late and inaccurate, these may led to annual appropriation accounts being delayed and in some respect incorrect, these adversely affects the

transparency and accountability of performance based budgets.

Finally, it was concluded that appropriations and disbursement moderates the relationship between determinants of effective implementation and performance based budgeting in devolved governments. Appropriations and disbursement improves performance based budgeting in devolved government. The county assembly members pass appropriation bills authorizing county executive to withdrawal funds from county revenue funds and approving county budget expenditures. Disbursement of funds is also an important aspect of budget implementation. Disbursement is a critical aspect of county government since development projects are modeled on capital budgeting principles and as such, all relevant cash flows associated with the undertaking must be ascertained with a fair degree of accuracy so that the desirable returns are achieved within the set time periods.

Based on the results of the findings and the conclusions drawn from the study, the various recommendations for the county administration were made.

Though public participation in budget making is clearly stipulated in the County Governments Act, 2012, public involvement in implementation of performance based budgeting remains very low. The study recommended for specifically tailored civic education and awareness among the public regarding the valuable contribution in the making of performance based budgeting. There is the need to improve the level of awareness to the public participation on the budget implementation through seminars, workshops and trainings to be organized not only to the current office bearers including accounting officers, accountants, budget officers, internal audit, clerks and members of public account/investment committee but all other stakeholders involved in budget making/execution. Public participation is another important issue since it reflects the degree of consensus and ownership

from the person involved. This calls for political goodwill in encouraging and facilitating public participation in the implementation of performance based budgeting. Further, there should be clear channels to incorporate public opinions and views regarding the implementation of performance based budgeting. The county governments should devise mechanisms for citizens to participate directly in formulating and implementing budget processes. Public participation is a fundamental part of the county governance. All individuals responsible for achieving results should be consulted in the formulation of budgets. No system of budgetary control can succeed without the mutual understanding of superiors and subordinates. The organization should communicate the outcome of budget decisions to all the relevant staff. Budgets have an important part to play in the communication of objectives, targets and responsibilities throughout the government. Participation assures full co-operation and commitment for making budgets successful.

The study recommended that for the implementation of accountability mechanisms to ensure that the implementation of performance based budgeting in devolved government is open and successful. Improving accountability is possible by facilitating the definition of the mission and goals of the county. Accountability is a pillar of successful budget implementation in the county. Improving accountability in the budget process may be one avenue whereby taxpayers can be assured that their money will not be wasted. Enhancing accountability in the budget process will lead to improved democratic and developmental outcomes. Budget accountability facilitates citizen monitoring of government, enabling better selection and more targeted punishment via electoral mechanisms. Hence, budget accountability can serve to empower citizens and strengthen democracy. Such democratic effects may spill over and impact economic outcomes as well.

The study also recommended for clear strategic plans in the implementation of performance based

budgeting in devolved governments. The implication here is that since the strategic plan is to be used as a guide in budget decision making, the plan itself should be aligned with county plans. The success of performance based budgeting will be dependent on a proper strategic plan that is aligned with county objectives. In the county government mandate, strategic plans are intended to facilitate smooth running of the county operations and development programmes. The direction and control roles are fulfilled when plans serve to guide future decisions and activities toward some consistent ends. Strategic plans are required to promote successful budget formulation and implementation in the county government.

The study recommended for clear mechanisms in monitoring and tracking the implementation of performance based budgeting in devolved government. This is possible through a well-established internal control systems, proper planning and control in the county treasuries and establishments of county budgets economic forums to put check and balances to those vested with power of execution and implementation of budgets, public accounts committee should also pass resolutions that are reasonable on any observed expenditure anomalies so as to be implemented and adopted without much resistance from the executive arm of County governments. The office of auditor general should also be willing to offer the needed advice and guidelines to correct any observed and communicated audit queries in a timely manner to avoid long stand-off between the executive and other oversight authorities like PIC/PAC, OCOB and the Senate, also for the general public to gain value for the money through the correct expenditure and implementation of budgeted projects and activities within the stipulated timeframe. The county government should enhance effectiveness and transparency by establishing a monitoring team to be involved in the process of monitoring and evaluation in budgetary controls. Once the budget has been implemented they need to be monitored and controlled to ensure

effectiveness by ensuring that the budget doesn't deviate from the budgeted expenditure with the actuals, where there is deviation, it need to be addressed. Proper budget making and implementation is one of the mechanisms that ensure that all mandates of the county government are achieved.

The study also recommended for clear guidelines in the appropriations and disbursement of county funds. Strict adherence to the guidelines stipulated in the Public financial management Act (2012) should be followed employing appropriate monitoring and tracking tools. County assembly's members pass appropriation bills to authorize county executive to withdraw funds from the county Revenue Fund and approving county budget expenditure. The study further recommended that county assembly come up with policies to assist in

monitoring budget spending, ensure budget legislation and budget plans are well executed to avoid financial performance challenges, and controlling budgets and ensure that county appropriation bills passed in a financial year determines performance.

Areas for Further Research

This study focused on the implementation of performance based budgeting in devolved governments. There may be need to conduct further study on determinants affecting project performance in devolved governments. A comparative study may be carried out to compare implementation of performance based budget among county governments using secondary data covering the period 2014-2019. This is the period devolution was implemented in Kenya.

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