

**FACTORS AFFECTING BUDGET IMPLEMENTATION IN THE MINISTRY OF
EDUCATION HEADQUARTERS, KENYA**

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DECLARATION

I assert this proposal is my original work that has not been actually published or presented for the honor of degree anywhere. I therefore assert this doesn't include any works written or published by the other individuals except where writer is dully recognized and given due reference.

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DEDICATION

This work is expended to my wife and children, my beloved siblings and my peers for the moral help and assistance all across my studies as well as in the course of undertaking this project.

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LIST OF ABBREVIATIONS AND ACRONYMS

ABB	Activity Based Accounting
CRA	Commission of Revenue Allocation
CRAA	Commission of Revenue Allocation Act
EFA	Education for All
GOK	Government of Kenya
IFAC	International Federation of Accountants
IFMIS	Integrated Financial Management Information System
KESSP	Kenya Education Sector Support Programme
MDG	Millennium Development Goals
MOE	Ministry of Education
MTEF	Medium Term Expenditure Framework
NESP	National Education Sector Plan
NGO's	Non-Governmental Organizations
NYS	National Youth Service
SWG	Sector Working Group
VAT	Value Added Tax

OPERATIONAL DEFINITION OF TERMS

Budget – It is an annual financial statement detailing the projected expenditure and anticipated government revenues for the coming financial year (Gulopenko et al., 2017).

Budget implementation – It is the method of defining public needs and determining the quality of goods and services to meet those needs through a political process through an economic analysis of the overall goals of the development plan (Kovaleva et al., 2016).

Control – Control is a planning mechanism that helps to verify mistakes in order to take appropriate action to reduce deviation from expectations and to assure that specified goals of the organization are met in a manner required (Litman, 2013).

Ministry of Education – This is a government agency accountable for academic achievement and related matters (Amman, 2018).

Planning – Planning is an analytical procedure that sets the goals of an organization and defines various alternatives through which the organization can accomplish those goals (Litman, 2013).

Staff Competence – These are limits or controls within the department which prevents one from doing what he is intending to do (Nyaoga et al., 2015).

ABSTRACT

A budget is the quantitative expression of a proposed plan of action by the management for a specified period and aid to coordination what needs to be done to implement the plan. Budget is a common accounting tool that organizations use for implementing strategies. Despite the introduction of devolution in Kenya, very little attention has been given to the budget implementation and there has been growing a concern on budgets not implemented. There have been cases of money budgeted for development projects being returned to the National treasury at the end of the fiscal year. The Ministry of Education headquarters is faced with series of imbalances in budget implementation despite the availability of the various sources of funds from the government to achieve the desired educational objectives. However, the Ministry of Education headquarters has not been able to achieve these goals. Budgets has been marred with numerous challenges rendering the budget implementation ineffective. The main objective of the study is to investigate the factors affecting budget implementation in the Ministry of Education headquarters, Kenya. The target population was 122 officers from the four (4) state departments in the Ministry of Education headquarters; 20 officers from finance unit, 20 officers from planning unit, 20 officers from accounts unit, 20 officers from supply chain management (procurement) and 42 directors spread across the directorates within the Ministry of Education headquarters who form Sector Working Group (SWG). Primary data was collected from the population using questionnaires which were distributed to the respondents. The data from the study was analyzed using qualitative techniques. The findings are presented using tables and analysis was done using Statistical Package for Social Sciences (SPSS). It was found out that planning and departmental constraint affected budget implementation in Ministry of Education headquarters. The research therefore recommended that the Ministry of Education headquarters needs to consider planning in trying to implement budget. The research also recommended that the Ministry of Education headquarters do identify and manage bottlenecks within departments in the ministry in trying to implement the budget. In an effort to accommodate future demand and to meet public expectations, Ministry of Education headquarters must take advantage of the available opportunities to secure supplemental funding. Based on the findings, control and financial constraints had no effect on budget implementation and therefore they were not a critical factor for budget implementation in Ministry of Education headquarters.

Keywords: Budget, Budget implementation, Ministry of Education headquarters, Planning, Departmental constraint, control, financial constraints.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

A budget is the quantitative expression of a proposed plan of action by management for a specified period and aid to coordination what needs to be done to implement the plan. Budget is a common accounting tool that organizations use for implementing strategies (Ndunda et al., 2015). The purpose of budgeting is to give the targets and plans financial values, making the progress easily measurable and to transform the strategic ideas into understandable operative actions (Njeru, 2015).

With view in enhancing services and welfare of the society, government should improve the quality of monetary control in particular through improving the quality of decision making and budgeting (Erlina , 2017). Budgeting is the first step in the budget implementation. Budgeting is a planning tool for controlling allocation of funds in the government (Kavanagh, 2012). Budgets are financial blueprints used to calculate the organization's plans for future operations in a time frame. Budget involves benchmarking towards assessment and review of institution's initial achievement. The goal of the budget management implementation is to optimise the allocation of public resources and expenditure to national welfare (Oketch, 2014).

The implementation phase of the budget ensures that the government's intended goals and priorities are achieved, efficient delivery of programs, accountability, operational efficiency and the removal of all forms of corruption (Shard and David, 2010). Both organizations, regardless of industry, complexity and scale, use budgets for planning and decision making to achieve their strategic objectives (Oketa, 2013). Budget is an extended-time period tool that provides huge

range of micro and macroeconomic guidelines for self-sustainable boom (Githinji, 2012). Budgets suggest ways money is allotted by means of control to various departments and key consciousness regions (Thumbi, 2012). This allows the management in making plans that allows you to reduce price and superfluous spending. For the duration of Kenya, the budget procedure lets in the general public to specific their perspectives at each of the county governments and the national authorities' level. (Palmer and Penner, 2012).

1.1.1 Budgeting implementation in Kenya's public sector

Budget implementation period in Kenyan public sector runs from 1st July to 30th June. The procedure is guided via the charter and the Public Finance Management Act of 2012. During this period, a laid down medium term expenditure framework (MTEF) budget cycle is followed in the preparation and implementation of the national budget. The ministries undertake the ministerial expenditure review to analyse the ministerial past expenditure against the ministry's outlined priorities (Public Finance Management Act, 2012). The analysis of the review sets the bench mark for the subsequent budget year and the other two forward years' activities and resources required. The sector working groups (SWG) prepares and submits the initial sector reports to the national treasury for consideration. The National Treasury then convenes sector hearings for harmonization of sector expenditure projections and advice on the way forward for the preparation of the final reports (Public Finance Management Act, 2012).

Allocation to the budget inside public quarter goals is to manipulate the scarce public resources to achieve efficiency inside the delivery of products and offerings to the wishes of the community (Rotich, 2015). The implementation is guided by the rule of law on the public finance management Act of 2012 which argues that implementation involves implementation of making plans, taking out account, filling, tracking and assessment (Voigt, 2010). Allocation of

budget in the public sector aims to manage the scarce public resources to achieve effectiveness in the provision of services to the needs of society (Mungai and Nasieku, 2013).

In implementing the Medium Term Expenditure Framework (MTEF), ministries, departments and agencies (MDA's) are required to focus on the expected outcomes of their expenditures and programmes (National Treasury, 2020). The annual budget and the (3-year) rolling Medium Term Expenditure Framework (MTEF) provides a way to evaluate the realization of the outputs and outcomes and their contribution to the overall economic growth of the economy. The first step is the establishment of national priorities which become the basis for the claim of resources, and a consistent macro-forecast of key parameters such as desired growth targets, inflation rate, exchange rate, interest rate and other macroeconomic parameters (National assembly, 2017).

The Macroeconomic Working Group analyses the macro economic situation, forecast a realistic level of available resources and determine the overall expenditures as well as other macro and sectoral parameters; This is reflected in a Fiscal Strategy Paper that is discussed with Ministries and is taken to cabinet for approval (Public Finance Management Reforms Secretariat, 2020). The Ministries participate through the Sector working Groups (SWG) where through the Ministerial Public Expenditure Reviews they are able to review their past performance, cost and prioritize their programmes (Gichana, 2011). The Ministerial reports are consolidated into a sector report that is subjected to public consultation through an implementation known as sector hearings. Thereafter the sector reports are finalized and a criterion is developed for sharing out the resources among various Ministries (Kakui, 2011).

According to the National treasury (2020), the Ministries engage in a negotiation implementation through an implementation known as sector bidding where the Ministries are

allocated funds according to priorities as well as available resources. Thereafter the Ministries then consolidated their resources to form the ministerial ceiling which they use to prepare their itemized budget (Kavoi, 2011). The Ministries submit their itemized budget which the National Treasury reviews and finalizes for submission to parliament. One major departure of Medium Term Expenditure Framework (MTEF) from the previous implementation is the issue of political buy in. At almost every other stage the budget is submitted to the cabinet for briefing and for approval. There has also been substantial engagement with the parliament at the departmental committees (Mukokoma, 2010).

1.1.2 Factors affecting budget implementation in Kenya

The Kenyan budget cycle, guided by the 2010 Constitution and enabling Public Financial Management legislation, runs throughout the financial year (Muda , 2017). Although the cycle involves both budget preparation and implementation activities, it is evident that our budget implementation is primarily driven by the preparation of elaborate budgets that are often a challenge to implement. A poorly formulated budget is often impossible to implement, while a poor budget implementation strategy renders even the best of budgets impotent (Institute of Economic Affairs, 2014).

Revenue collection also affects the exchequer's ability to release funds to appropriate expenditure lines. The Controller of Budget has consistently highlighted the delayed release of funds as a critical impediment to budget implementation (Edegbo, 2010). The 'government cash crunch' in the period to October 2015 was reported to have occasioned a revision of expenditure and priority spending. This reflects significant challenges in Kenya's liquidity management and inhibits the implementation of policies and priorities Kenya's capacity to generate sufficient revenues is critical to budget implementation. With Parliament set to consider and approve the

proposed 2016 Budget Policy Statement by 28th February, policy makers should be keen to interrogate the proposals for revenue collections as it will inevitably affect the country's ability to implement the approved budget (Baraza, 2016).

The execution of the budget has become a problem for many organizations because public institutions are expected to make reliable projections using economic metrics for the introduction of such services or for growth. Any criteria cannot be seen during budget negotiations or expense projections can dramatically change (Shad, 2010). Plan assessments are required to detect plan slip-ups. Implementation of the budget should be reviewed annually to ensure that policies are successfully applied and to recognize budgetary discrepancies (Allen and Tommasi, 2011). The fact that expenditures were not reviewed until the budget was approved was one of the problems for consumers. In terms of initial preparations, final approval, and eventual execution control, the robust budget implementation should have been efficiently administered. There are many budget planning methods, several of which exist before budget execution, others during budget phase, and after budget execution (Namazi, 2012).

In the Kenyan public sector, the budget or financial year execution cycle extends from 1st July to 30th June. During this time, the planning and execution of the national budget is accompanied by the defined medium-term spending system budget cycle (Kigundu, 2011). The Ministerial Budget Analysis is conducted by the Ministries to evaluate previous ministerial expenditures against the objectives of the Ministry as defined in the Kenya Vision 2030 or the accompanying medium-term strategy (Abebe, 2012). The review framework lays out the benchmarks for the following budget year and the plans of the following two forward years and the tools needed to execute the expected activities effectively. In executing the annual budget, the final outcomes of this implementation illustrate the lessons learned, good experience,

problems and how to minimize them. The analysis holds all investments and procedures of the line ministries in order as they must be consistent with a leading policy framework and the budget to validate the credibility of results (Solabomi and Opeyemi, 2013). Business Working Groups assemble and send to the National Treasury for review the original company findings. These sector reports are prepared from feedback originating from Medium Term Expenditure Framework (MTEF) line ministries and feedback submissions to the appropriate Ministry head office from districts or counties (Muthinji, 2010).

The National Treasury then convenes sector hearings for the harmonization of sector expenditure projections and advice on the way forward for the preparation of final reports on the Medium-Term Expenditure Framework estimates. The line Ministries then finalize on the ministerial itemized and program-based budgets in line with the guidelines arising from the Sector Working Groups (SWG) and directives of the macro working group.

Wagithi (2013) found out, while the National Treasury tried to plan ninety-five per cent (95%) of the budget available to spending groups, some of the groups never spend all of the money disbursed to them. Presence of inconsistencies relating to cash caps when released has been a major drawback. Eghe and Paul (2015) argued that under financial control, the shortcomings found are inadequate cash management, contradictory accounting practices and unreliable internal controls (Shand , 2010).

1.1.3 The Ministry of Education in Kenya

The Ministry of Education headquarters is responsible for national policies and programmes that help Kenyans access quality and affordable, primary and secondary school education, post-school training education, technical training, higher education and academic research (Ministry Of Education, 2016). The Government of Kenya is committed to implementing its international,

regional and national commitments to education. The Millennium Development Goals (MDGs), Education for All (EFA) goals, post 2015 education targets, the Sessional Paper No. 14 of 2012 on Reforming Education and Training and the Basic Education Act of 14th January, 2013, have all emphasized the need to provide quality basic education for all school going children.

The Kenya Constitution (2010) provides for free and compulsory basic education to all school going children. Articles 43 (1) (f), 53 (1) (b) and 55 (a) in Chapter 4 of the Kenya Constitution (2010) obligates both the state and the parents to facilitate quality basic education for all school going children. The National Education Sector Plan (NESP) 2013-2018 is an all-inclusive, sector-wide programme whose prime goal is: Quality Basic Education for Kenya's Sustainable Development. The sector plan builds on the successes and challenges of the Kenya Education Sector Support Programme (KESSP), 2005-2010. Sector governance, management and accountability in a decentralized setting with devolved responsibilities and diverse partnerships have been emphasized. Clear guidelines for coordination, transparency, and reporting at the national, county, sub-county and institutional levels are paramount.

The focus on improvement of education quality specifically targets: improvement of schooling outcomes and impact of the sector investment; development of relevant skills; improved learning outcomes; and improved efficiency and effectiveness in use of available resources. The Education Quality Assurance and Standards Council will develop procedures to enhance the provision of quality education (Magoha, 2018). Ministry of Education headquarters sets limits on a three-year basis for all sectors (Controller of Budget, 2015). The Ministry of Education headquarters addresses the educational needs of all schools on which the mandate implementation is build. Accumulative budgeting is done on a continuous basis and thus

projections are not centred on timeline of overall spending operations but on the availability of resources. The Ministry of Education headquarters amends budgets on basis of estimates.

According to Government of Kenya (2010), it is the responsibility of public institutions to increase the education level across the country and also chances for those within and around the institution. Government Ministries get assistance from the government via the distribution of resources to carry out their operations (Government of Kenya, 2012). Government of Kenya offers support to the Ministry of Education through funds allocation to ensure efficiency and effectiveness in the activities of the Ministry. Muli and Gladys (2016), argued that of late, the systems for budget implementation had been given much attention and more concerns have been placed on public spending. A ministry can have an effective financial system yet be unable to cater for its obligations. Budget is a tool for economic control. The procedures and the guidelines through which budgets are utilized and planned are as well beneficial. This has led to much concentration on managing the expenditure of the ministries.

1.2 Statement of Problem

Despite the introduction of devolution in Kenya in 2013, very little attention has been given to budget implementation and there has been growing a concern on budgets not being implemented. Budget implementation has been a major challenge in public institutions, county governments and national government. There have been cases of money budgeted for development projects being returned to the National Treasury at the end of the fiscal year. The Ministry of Education headquarters is faced with series of imbalances in budget implementation despite the availability of the various sources of funds from the national government to achieve the desired educational needs and objectives. However, the Ministry of Education headquarters has not been able to

achieve these goals. Budgets have been marred with numerous challenges rendering the budget implementation ineffective.

Many scholars have conducted various studies related to budget implementation. However, given that budget implementation in most counties and new developments is in the formative stage, these studies are not exhaustive. Mbindyo (2010) did a study to investigate challenges of budget implementation in local authorities. This reveals a gap with regard to level context since the study was conducted in Ministry of Education headquarters. Gachithi (2010) carried a study to establish challenges of budget implementation on public institutions. This reveals a gap with regard to institution context since the study was conducted in a Ministry and not a university set up. Mutuma et al., (2016) investigated on challenges of budget implementation in Meru county Kenya. This reveals a gap with regard to government since was carried out in a county government. Sila (2016) aimed at identifying challenges to effective implementation of the budget in Centre for Mathematics, Science and Technology Education in Africa (CEMESTIA). This reveals a gap since the study was carried out in a regional context. Wangithi (2013) did a study on factors affecting budget implementation on local authorities in Kenya. This reveals a gap since the study focused on Nyeri municipality. Wamae (2011) investigated on challenges of budgeting at the National Social Security Fund. This reveals a gap since the study focused on National Social Security Fund (NSSF). Kigochi (2013) researched on survey of operational budgeting challenges in the insurance industry in Kenya. This reveals a gap since the study focused Insurance industry. (Mathenge et al., 2018) did a study on financial factors influencing budget implementation in the counties. This reveals a gap since the study focused on county governments. Obulemire (2016), did a study on survey of budget practices in secondary schools. This reveals a gap since the study focused on secondary schools.

Many studies on budget implementation has been done. However, given that budget implementation has been a major challenge in the Ministry of Education headquarters, these studies have not been exhaustive. It is for these shortcomings that the researcher intended to evaluate the effect of Planning, to determine the effect of Control, to assess the effect of financial constraints and to determine the effect of Departmental constraints on the budget implementation at the Ministry of Education headquarters.

1.3 Study Objectives

General Objective

General objective of the study was to determine the factors affecting budget implementation at the Ministry of Education headquarters.

Specific Objectives

The specific objectives of the study were;

- i. To evaluate the effect of Planning on the budget implementation at the Ministry of Education headquarters.
- ii. To determine the effect of Control on the budget implementation at the Ministry of Education in headquarters.
- iii. To assess the effect of Financial constraints on the budget implementation at the Ministry of Education headquarters.
- iv. To determine the effect of Departmental constraints on the budget implementation at the Ministry of Education headquarters.

1.4 Research Questions

- i. What is the effect of Planning in influencing budget implementation at Ministry of Education headquarters?
- ii. To what extent does Control affect budget implementation at the Ministry of Education headquarters?
- iii. What is the effect of Financial constraints on budget implementation at the Ministry of Education headquarters?
- iv. What is the effect of Departmental constraints on budget implementation at the Ministry of Education headquarters?

1.5 Research hypothesis

H₀₁: Planning has no significant effect on budget implementation in Ministry of Education headquarters in Kenya.

H₀₂: Control has no significant effect on budget implementation in Ministry of Education headquarters in Kenya.

H₀₃: Financial constraints have no significant effect on budget implementation in Ministry of Education headquarters in Kenya.

H₀₄: Departmental constraints have no significant effect on budget implementation in Ministry of Education headquarters in Kenya.

1.6 Significance of the Study

Ministry of Education Headquarters

The Ministry of Education headquarters will gain understanding on implementation of budget and spending plans to guarantee proficient usage of public funds. This study will provide an insight into the various approaches towards budget implementation and how budgets could be used so as to ensure efficient utilization of resources. The Ministry of Education headquarters will understand the factors that affect the implementation of budget in the ministry hence enable it to deal planning and decision making to achieve their strategic objectives.

Government of Kenya

The research will be precious to government in that it will help in setting benchmark in regards to financing. The outcomes will help the legislature to think of a suitable component to precisely screen and enhance the stream of resources and their utilization.

Researchers and scholars

The study will facilitate an increase in broader understanding of the subject and it will serve as a supplementary material for potential scholars. The study will make recommendations of the areas in which researchers may consider for future studies. It will also address the gapping need for scholarly work.

1.6 Scope of the study

The study was limited to the Ministry of Education headquarters because of the researcher's convenience. The research was covering the four state departments (Sub-sectors); officers in

finance, officers in planning, who lead the budget implementation, and officers from the key directorates, accounts, supply chain management (procurement) who forms the Sector Working Group (SWG) at the Ministry of Education headquarters.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter summarizes the studies from other researchers who carried out researches on the same field of study. The findings, methods used and conclusions of research will be presented. There will be a theoretical review, an empiric review, a conceptual framework and an operationalization of variables.

2.2 Theoretical Literature Review

This part deals with the theories which are connected to the research. The main theories anchoring the study are; Theory on Capital Adequacy, Budget Cycle Theory and Theory of Budgetary Process.

2.2.1 Theory on Capital Adequacy

It originally came from the work of Anderson in 1996, which argued that budgeting implementation pushes managers to take time to create strategies, targets and goals before activities begin. Budget preparation helps management focus on the next spending month, quarter and the financial year. The budgeting implementation forces manager to assess current operating conditions and aids in forecasting and implementing changes needed (Panda and Leepsa, 2017).

Adequate availability of financial resources is one of the determinants of effectiveness. In Economics theories, resources are always inadequate they are scarce with many needs to fulfil them, therefore you cannot attain all sets of goals or plans. In order to finance its projects a

government entity or any organization need to have adequate access to financial resources, and the management should plan and set a budget before implementing the projects (Kirimi, 2012).

The organization must allocate adequate financial resources and other structures that facilitates effective implementation of projects, these resources should be both financial and physical resources. Government should avoid the temptations of allocating huge budgets amounts to unprepared new projects while ongoing ones are not funded. Only the phase of a project that can be completed in a fiscal year should be financed. Counties have been faced with inadequate funding, lack of priority in the allocation of the funds and allocating too much of its funds to the recurrent expenditure rather than the stipulated in the Public Financial Management Act (2012), of 30% to be allocated to development expenditure and the 70% to the recurrent expenditure, according to the report from the office of Controller of budget for financial year 2014/15 and 2015/16, there has an increase in uncompleted projects or abandoned across all the counties in Kenya. There is need for adequate prioritizing by counties for funding of the ongoing projects so that they can be completed in time and the areas residence achieve the value for the money on the established projects before the commencement of another new projects. If ongoing projects attract donor funding transparency and accountability will lack and the project cannot continue with the donor supports ends (Namazi , 2012).

Office of the controller of budget has also blamed the National Treasury for late disbursements of funds to the counties which either released very late at the closure of financial year or are never disbursed. On the other parts counties has failed to invest in the required infrastructure in form of internets, offices and the right manpower with the required knowledge to prudently and efficiently manage the financial resources therefore leading to lower budget

absorption and poor usage of Integrated Financial Management Information System (IFMIS) platform (Crowther and Jatana, 2014).

According to Kiringai and west (2012), delays occurs in issuing of resources due to unforeseen changes in revenue collection, emergency expenditure and unplanned activities which lender a country attracting huge amount of pending bills. Budgets have to be revised to accommodate the changes which occurs during the financial year transactions, therefore a need to have supplementary budget. Commission on Revenue Allocation (CAR) in every begging of a financial year to set a formulae for revenue allocation between the National and County government according to the poverty level, population, development level, area size indexes and come up with equalization fund which it publish in the Commission Allocation of Revenue Act (Linder and Nicolai, 2015).

In Kenya budget preparation we focus more on the expenditure side and look for ways and formulae's in forms of the Public Finance Management Act of 2012 and other legislation to raise the revenue to cover the projected expenditure, most of the time we fail to raise the targeted revenue and therefore ending up with a deficit budget and tries to come up with ways to cover the budget hole. (Adkins and Obadiah, 2015), in their research noted that forward budgets have not been based on accurate and reliable assessments of the aggregate resource envelop, which damage the credibility of budget implementation due to inconsistency in revenue forecasts as actual revenue fall short of the budgeted one necessity across the board cuts in the appropriated estimates. In the view of these, the researcher intention was to test the significant of financial availability and government financial regulations effect in the budget implementation.

Agube (2011) argued that right bureaucracy need not to violate people's crucial privileges hence should have an equal resources distribution and with shared authority. There is

application of the guideline of regulation and right transparency of public finances. Good governance is consequently essential. It is far much efficient and effective public management, proper selection and maintaining effective management and control of the regional sources. There is no proper control as misappropriation and abuse of national funds has been on rise. Recently, it has been experienced at the National Youth Service (NYS) and the Afya House scandal in Kenya. It is crucial that proper planning have equal trait as proper control. This will involve responsibility and honesty in the disbursement of resources. Income of the country has been badly used by those who do not pay taxes thus enjoying the government services for free whereas those who pay tax not benefiting from services of government.

Based on the available literature, this theory is easily applicable in budget implementation in the public sector. The theory is relevance as it will create more openness and willingness leading to increased control, flexibility and leaders will make informed decisions and formulate policies designed to implement such plans to improve service delivery hence increased knowledge will lead to better budget implementation. This theory will therefore be used in determining the effect of Control on the budget implementation at the Ministry of Education in headquarters.

2.2.2 Budget Cycle Theory

The budget cycle theory was developed by Kwan and Eisenbeis in 1995. As a rule, assignments and interests at every level of hierarchical structure of open segment may struggle with each other from the perspective of constrained assets and limited time, and different partners may likewise have clashing interests. According to Kipsang (2015), In the meantime, the yields of open administration offices are frequently hard to quantify and deliberate Information is once in a while accessible about particular sources of info and yields of administration conveyance

especially in creating nations. The spending cycle in general society area goes through three noteworthy stages (Kirira, 2011).

The primary stage is spending arranging and arrangement, which is normally done by the Department of Planning and National Development close by different players (Swainson, 2014). After the end of money related year, every administration agency develops and prescribe system plotting advancement needs and yearnings at the office level. The arrangement should profit by wide based interest by the natives. The offices yearnings are examined into a National Development Plan, which, what's more, spells out large scale strategies and projects to be actualized in a five-year time span (Kigundu, 2011). The Medium-Term Expenditure Framework (MTEF), the most recent budgetary framework in Kenya, joins arrangement making with arranging and usage of planned undertakings in a Three-year moving structure.

The real spending arrangement starts with a Treasury round which characterizes the wide parameters of the financial plan and sets use roofs to be clung to (Kinyua, 2011). This, explains the spending finish timetable, which incorporates open hearings as one of the exercises. At this stage, nationals have a chance to create and contribute issues of enthusiasm for the financial plan (Ikpefan, 2013). His recommendations from the offices are then merged with those of the line Ministries and from there on segment transactions for distribution of assets initiate. The segment hearings are managed by the National Treasury to offer direction to the members. This area hearings prompt to offering for assets, which are then designated by things in the financial plan. Once the assignments are done, the National Treasury examines every service's draft spending plan to guarantee that they keep both the rules and the roofs. The Scrutiny is additionally intended to guarantee that the distributions are steady with area needs (Murkomen, 2016).

Udom and Eze (2018) proposed that the government have to keep away from assigning large sums of money to deliberate new projects, while existing ones are not financed. Only the phase of the assignment, which can be completed in the financial year, ought to be funded. Counties were faced with inadequate assets, lack of priority in the allocation of finances and the allocation of too much of their budget to recurrent expenditure as opposed to the stipulated sum, 30% to be allotted to growth expenditure and 70% to recurrent expenditure, consistent with the file of the office of the Controller of Budget for the economic years 2014/2015 and unfinished programs or abandoned projects throughout all the counties in Kenya (Wachiuri , 2012). Adequate prioritization of the counties for the financing of ongoing projects is required, so they may be completed on time and the regions of residence gain the cost of the cash for the tasks set up earlier than the start of new initiatives. If ongoing tasks do not entice the donor funding, there may be loss of transparency and duty, and the projects cannot be retained without donor help (National Treasury, 2011).

According to Nyaudi (2015), Office of the controller of budgets also blamed the National Treasury for the past due disbursements of funds to counties which were released past due at the end of the financial year or were in no way allotted. On the contrary, the counties have not been capable of investing in the required infrastructure in the form of internets, places of work and the right man power with the abilities required to manage economic resources prudently and efficiently thereby contributing to lower budget absorption and poor use of the Integrated Financial Management Information System (IFMIS) platform (Hendra, 2015).

Nzioki (2011) posited that slow down comes up as a result of issuance of resources due to the unexpected shifts in the collection of revenue, unexpected spending and unplanned activities that lender a country to draw massive quantity of high-quality bills. The budgets should be

revised to reflect the changes that have occurred during the economic year's transactions and therefore establish the need for an additional budget (Priatno et al., 2013). The Public Finance Management Act, of 2012 provides direction on how the votes may be adjusted and the allocation between the votes. Commission of Revenue Allocation (CRA) puts down formulation for the distribution of resources country wide and county governments on the basis of poverty stage, population stage, growth degree, vicinity size indices and the equalization fund released through the National and County Governments (Sukadi, 2012).

According to David et al., (2013), the budget needs to be up to date to reflect changes that alter the structure of the financial system or where over-expenditure is inevitable. In Kenya's budget making plans, the awareness is more at the expenditure facet and searches for methods and answers in the structure of the Public Finance Management Act of 2012. Other laws are established to acquire revenue to cover predicted expenditure. Mugwagw'a (2014) noted that forwarded budgets have not been primarily based on correct and dependable checks of the aggregated useful resources which might be damaging the credibility of the finance system due to inconsistency in revenue forecasts, as actual income becomes inadequate to cater for the budgeted one (Zuhriansyah, 2013).

From the application, the theory is applicable in supporting budget implementation in Ministry of Education headquarters by developing plans, priorities and objectives prior to operations begin and also evaluate the current financial and departmental conditions and the appropriate assistance for planning and implementing changes. This theory will focus on improving the take on how the budgets need to be revised to reflect the changes that have taken place during the year hence determining the necessity for an additional plan. It will also help the directors prioritise expenditures and come up with means in the form of Acts which regulate

finances and other laws for collecting income to cover expected spending hence implementing budget. Therefore, this theory will be used in evaluating the effect of Planning on the budget implementation at the Ministry of Education headquarters.

2.2.3 Theory of Budgetary Process

This theory originated from the work of Davis, Dempster and Wildavsky in 1966. Decisions depend upon calculation of which alternatives to consider and to choose. A major clue toward understanding budgeting is the extraordinary complexity of the calculations involved. There are a huge number of items to be considered, many of which are of considerable technical difficulty. There is, however, little or no theory in most areas of policy which would enable practitioners to predict the consequences of alternative moves and the probability of their occurring. Nor has anyone solved the imposing problem of the inter-personal comparison of utilities. Outside of the political process, there is no agreed upon way of comparing and evaluating the merits of different programs for different people whose preferences vary in kind and in intensity.

Participants in budgeting deal with their overwhelming burdens by adopting aids to calculation. By far the most important aid to calculation is the incremental method. Budgets are almost never actively reviewed as a whole in the sense of considering at once the value of all existing programs as compared to all possible alternatives (Freeman et al., 2015). Budgeting undoubtedly stems from the roles adopted by the major participants. Roles (the expectations of behavior attached to institutional positions) are parts of the division of labor. They are calculating mechanisms. Incremental calculations proceed from an existing base. (By "base" we refer to commonly held expectations among participants in budgeting that programs will be carried out at close to the going level of expenditures. The widespread sharing of deeply held

expectations concerning the organization's base provides a powerful (although informal) means of securing stability.

According to Khan and Hildreth (2012), budgeting is both incremental and fragmented as the subcommittees deal with adjustments to the historical base of each agency. Fragmentation and specialization are increased through the appeals functions of the Senate Appropriations Committee (Key, 2011). This qualitative account of the budgetary process contains clear indications of the kind of quantitative models we wish to develop. It is evident, for example, that decision-makers in the budgetary process think in terms of percentages. These considerations suggest that the quantitative relationships among the decisions of the participants in the budget implementation are linear in form. (Hyde, 2013).

Budget implementation is linear in form. The attitudes and calculations of participants in budgeting seem stable over time. The prominence of the agency's "base" is a sign of stability. The roles of the major participants are powerful, persistent, and strongly grounded in the expectations of others as well as in the internal requirements of the positions. Stability is also suggested by the specialization that occurs among the participants, the long service of committee members, the adoption of incremental practices such as comparisons with the previous year, the fragmentation of appropriations by program and item, the treatments of appropriations as continuously variable sums of money rather than as perpetual reconsiderations of the worth of programs, and the practice (Smithis, 2016) of allowing past decisions to stand while coordinating decision-making only if difficulties arise. Since the budgetary process appears to be stable over periods of time, it is reasonable to estimate the relationships in budgeting on the basis of time series data (Wildavsky, 2017).

Based on the above application, the theory will be relevant in defining financial constraints in the Ministry of Education headquarters and describe how Ministry of Education headquarters identifies bottlenecks within the ministry. The theory will impact knowledge to those decision makers of the ministry and it will persuade them to make decisions on financial constraints and how to overcome them. The theory will used to assess the effect of financial constraints on budget implementation at the Ministry of Education headquarters.

2.2.4 Stakeholder's Theory and Public Participation

Freeman (1984) set up the hypothesis. The principle claims that companies have owners who profit or are affected by company behavior and whose interests are abused or respected. Traditionally, any party or individual who may control or is influenced by the accomplishment of the aims of the company is a stakeholder. The definition of stakeholders is a generalization of the notion of stakeholders that have a special claim to the business themselves (Freeman, 2010). As a community of members, the association should be considered and the association's aim should be to handle its priorities, desires and perspectives (Peters, 2014). It is assumed that this stakeholder management is fulfilled by a company's managers. Considering classes of individuals who have classifiable relationships with the company is a standard method of differentiating the various categories of stakeholders. Customers, workers, local governments, manufacturers and dealers, and owners are the major stakeholder groups (Mugambi and Theuri, 2014).

Gambo et al., (2019) argued that the theory is justified on the basis of its descriptive precision, instrumental capacity, and normative relevance in management literature. It is dependent on the descriptive consistency of a model explaining what the business is; a constellation of mutual and competitive desires of inherent value (Institute of Social

Accountability, 2010). This theory's instrumental strength is focused on the fact that it sets out a structure for analyzing the ties, if any, between stakeholder management experience and the accomplishment of different organizational success targets (Mutuma et al., 2016). Furthermore, the normative relevance is based on the recognition of the principle that stakeholders are individuals or organizations with core rights in the formal and/or substantive facets of corporate operation, irrespective of whether organization has an acceptable practical interest in them (Edet, 2019). Secondly, the idea that the needs of all parties are of inherent importance is postulated. It was on these foundations that the principle of stakeholders was applicable to the execution of the budget (Larry, 2012).

The government should have the capacity to obtain intelligence on voter preferences, in the absence of which it would be impossible to adequately distribute money (Al-Shboul et al., 2014). International government and non-governmental agencies realized more and more that the main reason of many unsuccessful development projects was and still is the lack of active, effective and lasting participation of the intended beneficiaries. It is anticipated that policy-making, public. Holding public officers accountable will require that there must be values and norms that public officials shall be required to adhere to (Mungai and Nasieku, 2013). The transparency of a county government and its elected employees guarantees that those charged with leadership roles, public offices, and public resources conform to mutually established expectations, norms, and priorities. As the foundation of democratic government, both nations have heralded the principle of popular engagement (Bessie, 2016). Citizen engagement is the mechanism that will bind services to individuals meaningfully. As the foundation of democratic government, both nations have heralded the principle of popular engagement. Democracy author Spiegel states that 'Citizen Engagement is the mechanism that will bind services to individuals

meaningfully. Participation is described by the World Bank as: ' a mechanism in which stakeholders' influence and share authority over development policies, choices and the services that concern them (Ekhaton and Chima, 2015).

The Participatory Budget has also shown that it is necessary to have successful engagement instruments and the government's determination to do anything the community chooses to cut the chains and bureaucratic walls that isolate democracy from the state, to establish an engaged and mobilized citizenship (Mawathe, 2010). People only join in procedures that are advantageous to them, except in situations where the advantages outweigh the costs involved. The advantages include opportunities to network, access to knowledge and services, personal appreciation, development in expertise and a sense in involvement and helpfulness in addressing neighborhood issues (Friyani and Hernando, 2019). In the opposite, the cost of the time needed plus the expertise and services will include the cost they would be needed to incur. Therefore, a balance must be made such that any commitment to group involvement in County Government provides a net profit for members where the poor attendance has been witnessed by the County Government's inability to do civic education or negligence of the group who do not wish to own the budget by engaging in the process of creating (Onduso, 2013).

Based on the above application, the theory will be relevant to the ministry in assessing the departmental constraints that can be the barrier in implementing the budget. The theory will impact knowledge to those decision makers of the ministry who are engaged in preparing and implementing the budget and it will persuade them to make decisions how to eliminate the constraints. The theory will be used to assess the effect of financial constraints on budget implementation at the Ministry of Education headquarters.

2.3 Empirical Review

This segment covers researches performed by other scholars across the world and locally on how the independent variables relate to the dependent variable.

2.3.1 Planning and Budget Implementation

Gatheru (2012) did a study on the effect of the budgeting process on budget variation in non-governmental organizations in Kenya. Population of this research consisted of 6,075 non-governmental organizations in Kenya which existed from 2007-2011. Data was collected through primary collection and analysed using the Statistical Package for Social Sciences software (SPSS) version 17. It was confirmed that planning of the budget, budgetary control and execution of the budget significantly impacts budgetary variance.

Kigochi (2010) surveyed the complexities of the operating budgeting system in the insurance industry in Kenya. The research was aimed at establishing the challenges for developing operating budgets for the insurance industry in Kenya and to propose solutions to major challenges. The study population consisted of 42 legally operating insurance companies in Kenya. Research instrument used was questionnaire which was personally administered and the data obtained was analysed using the Statistical Package for the Social Sciences software (SPSS). The research established that the incapability to attain the necessary benefit of new commercial enterprise, cost for maintenance of the investment, limited duration of time, non-continuous committee, the extent of competency of the planning groups, were the major challenges affecting operating budget.

The research on impact of Medium-Term Expenditure Framework (MTEF) on operational efficiency of the government Ministries in Kenya by Ochanda (2012) examined the

effects of Medium Term Expenditure Framework on the organizational effectiveness of government ministries. The research used a census survey of all government ministries in Kenya. Data was obtained through secondary data and analysis was done through Statistical Package for Social Science software. Research established that complying with Medium Term Expenditure Framework (MTEF) affected performance of government ministries in Kenya. Results found out that information was inadequate and the financial information unreliability was major challenges that affected Medium Term Expenditure Framework (MTEF).

Wamae (2014) researched on budgeting challenges affecting budgeting process at National Social Security Fund (NSSF). Study population comprised of 9 directors and 16 senior managers at National Social Security Fund who were involved in the budgeting process. Data collection was through questionnaires, observation and interviews. Study found out that National Social Security Fund (NSSF) faced challenges in budgeting process which many of those who are concerned were not committed to. The inability to attain the desired goals, improper spending, non-commitment and poor coordination affected budgeting process in National Social Security Fund.

Research by Tafa and Bessie (2016) investigated the intrinsic factors that affect budget utilization in public universities of Ethiopia in 2016. Targeted population of the study was Dilla, Wolaita, Sodo and Bule Hora universities. Descriptive statistics was used to analyse the data which was collected. It was found out that there was much improvement in allocation of the budget from time to time. Lack of appropriate clear plans and disbursements, unavailability of adequate human resource and participation, and insufficient knowledge affected budget implementation in these universities.

By reflecting on the 2012 Federal Government Spending, Kanayo and Kizito (2014) investigated the execution of the capital budget in Nigeria. The results found that just 51 percent of the overall appropriated capital spending funds were used. The output level observed is inadequate to encourage sustainable economic growth and to minimize poverty. Bad budget conception, the insufficiency of execution schedules, the quasi-release or deprive of budgeted funds, the shortage of budget performance monitoring, the lack of practical ability among Ministries, Departments and Agencies, and uncertainties in budget enactment and execution are some of the difficulties that are responsible for the low performance. The paper proposes that the Nigerian government devise a reasonable and effective budget, distribute allocated funds to the Ministries, Departments and Agencies (MDAs) at an early stage, and enhance the technological capability of Ministries, Departments and Agencies to use capital investment to boost the index of public expenditure capture.

Muli and Rotich (2016) tried to determine the influence of financial management activities on Kenya's county governments' budget execution. A descriptive analysis style was followed by the researchers. It targeted a workforce of 100 workers located at the headquarters of the county and tasked with planning and executing budgets. In order to obtain both main and secondary data, three separate data collection methods were used. To gather primary data, a formal questionnaire and interview schedule were used, while secondary data was used as a data collection reference. Results have demonstrated that budget policy offers guidance to boost performance and transparency. The cash accounting method has made the execution of budgets quick and safe. Effective implementation has been supported by internal management mechanisms, strategic preparation and well-trained personnel, although large debts have contributed to financial restrictions that have impeded implementation. Budget preparation that facilitated participation, dedicated ample time and money and prioritized programs tended to

minimize budgetary pressures and foster transparency. It was also identified that financial management pressures were induced by discrepancies in national government disbursements and income generation. These limitations lead to projects being partly executed.

2.3.2 Control and Budget Implementation

Kiama et al., (2018) performed research on financial factors influencing budget implementation in the counties. The research used descriptive research with a population of 250 personnel spread throughout all departments involved in the planning or execution of the finances. Sample size of 72 respondents was selected. Data was collected through use of questionnaires distributed to the respondents. Data was analysed through quantitative and qualitative techniques. Supervision, availability of finances, control by government and policies had an effect on the execution of the budgets.

A study on impact of medium-term expenditure framework on operational efficiency of government ministries was conducted by Kiringai and West (2012). Study sought to analyze impact of Medium Term Expenditure Framework on operational efficiency of ministries. Analysis of data was carried out through use of linear regression. Secondary data was collected. Forty (40) ministries comprising of 10 sectors in Medium Term Expenditure Framework (MTEF) was the target population. The research used census survey in all the selected ministries in Kenya. Secondary data was collected and analysed through regression analysis. The study discovered that non adherence to Medium Term Expenditure Framework ceilings has a negative effect on the overall performance of public Ministries in Kenya.

Olurankinse and Oloruntoba (2017) aimed at analyzing the effect of accountability on budget implementation in Nigeria using Ondo State Ministry of Finance as a case study. The paper adopted a survey design and secondary data which were obtained from statistical bulletin

of Ministry of Finance. The findings reveal that the coefficient of multiple determination is low in explaining the annual approved budget estimates, besides, the formulated model does not show a good fit of the total approved budget estimates due to some unforeseen occurrences that affects the measure of accountability during budget implementation. This was further justified by the t-test and F-test results. The paper recommended the use of accurate data which will be predicated on the performance of past budgets. Also, there is a need for strict observance of budget discipline by the executive to guide against extra-budgetary spending.

Mungai and Nasieku (2015) carried out a study to identify the factors affecting the execution of budgets by county governments. The study used a cross-sectional descriptive research design and used regression analysis with robust standard errors to examine the relationship between the dependent and independent variables. Findings indicated that ‘internal audit functions’, and ‘County fiscal responsibility’ were significant in determining county budget execution. Recommendations include the need facilitate effective organization and operation of internal audit functions at the county government level and need to strengthen the legal framework for anti-corruption, ethics and integrity.

The study by Kirimi (2012) sought to investigate factors that affect budget utilization government ministries in Kenya. The study adopted a cross sectional research design in which questioners were issued to finance officers in various ministries and their data analyzed using descriptive statistics and factor analysis. The findings of the study were that the ministries had documented budget that acts as a reference material on how the funds will be utilized and budgeting control procedures be maintained. The most focal factor that affects budget utilization are structural and cultural factors that exist in the ministry with the training and educational programmes coming out as the least factor that affect the utilization of budget funds in the

ministries. Within the ministry, a lack of alignment between the organizational structure and structure of performance reporting requirements, value and usefulness of performance information were found to undermine the budget utilization.

Ekhaton and Chima (2015) analyzed budget as tool of knowing the objective of public policy. Utilizing data produced from secondary sources, it was discovered that the objectives of most initiatives were never achieved in Nigeria due to severe budget deficiency at the level of the implementation and development. Delay in planning, late request and appropriation, sluggish bureaucratic system of obtaining release of funds, short fall in revenue, inadequate execution plan and, above all, corruption are important among the reasons responsible for the loss. Correspondingly, the paper proposes the path forward that includes: efficient supervision, prompt introduction of the plan by the president to the legislature, discouragement of undue campaigning by Ministries, Departments and Agencies of the National Assembly and avoidance of temptations to devote massive sums to new ventures while starving for funds for existing projects.

2.3.3 Financial Constraints and Budget Implementation

Bosire (2016) analysed the impact of the Integrated Financial Management Information System (IFMIS) on the financial fairness of Kenya at the Ministry of Foreign Affairs. The research used a target population of 40 users of Integrated Financial Management Information System (IFMIS) in the ministry. Collection of data was by use of questionnaire. It was found out that ethical conduct of the employees improved due to the implementation and introduction of IFMIS. The study also confirmed that Integrated Financial Management Information System launch impacted the overall performance of procurement in government ministries in Kenya.

A study was done by Ato (2018) on the challenges and prospects of the budget preparation and utilization in Kaffa zone. Data was collected using both secondary sources and primary data. Primary data was collected through use of questionnaire which was personally administered. It was found out that the process of budget preparation in the Kaffa zone was good though budget utilization practice was not successful. It was also established that capacity of the contractor, auditing system and also funds transfer affected utilization of the budget.

Mukokoma (2010) undertook a study on the People's budget and budget effectiveness, a case of local governments in Uganda. The goal for this analysis was to examine the involvement of state governments in budget implementation and efficacy of budget implementation as an outcome of such an involvement. The results showed involvement of local governments in the budgeting implementation is still very small and relationship between this participation and the efficacy of the budgeting implementation is very poor.

Mathenge et al. (2018) tried to classify financial variables in counties impacting the execution of the program. A descriptive analysis style was followed by the researchers. Using questionnaires circulated to the respondents, primary data was extracted from the sampled population. Both quantitative and qualitative methods were used to interpret the data from the analysis. Inferential figures, estimates and reference analysis were used to interpret the results from the study, where these indicators were correlated with current literature in order to arrive at the result of the study. The predicted result was used to determine the variables typically impact the execution of the budget in the counties. Agency theory in relation to good governance, custodianship in relation to public involvement in the execution of the budget and capital adequacy are the key theories addressed. The analysis showed that supervision, the availability

of financial services and budgetary policy and government financial control had a significant effect on budget performance.

The study by Fitriany et al. (2015) examined the factors affecting the accumulation of budget absorption at the end of fiscal year 2013. Population for study was regional government work units in the Pekalongan city which involved officers in budget, management, a technical and expenditure department. Collection of data was through primary means using questionnaire that was tended personally and picked later. The study established that budget control and execution, man power, records and administration have a major significant effect on the accumulation of budget absorption in Pekalongan City.

Macharia (2010) purposed to establish the challenges of budgeting preparation and implementation among manufacturing companies listed in the Nairobi stock exchange. The objective was to identify the challenges of budgeting among these companies. Towards this end it was important to examine the budgetary practices of the firms. To achieve this objective, the study adopted a descriptive survey research design whereby questionnaires were issued to 18 manufacturing companies listed at the Nairobi Securities Exchange (NSE). The study found that the major challenges facing budgets preparation and implementation among manufacturing companies were lack of proper monitoring and review, poor communication of the budget requirement, lack of clear policy and procedures on budgets, lack of proper co-ordination and lack of skilled personnel. Incremental (prior year) budgeting is the most widely applied method of budgeting. The study recommended that communication of the budget requirement should be encouraged and clear policy and procedures on budgets should be put in place to curb the challenges. The study suggested that a similar study be undertaken on other listed companies to augment this study's findings. In addition to the above, these companies should have time plan

and implementation team as possible solution to the budgeting challenges facing their organizations.

2.3.3 Departmental Constraints and Budget Implementation

Gachithi (2010) researched on factors that influence budget implementation in public institutions in Kenya, a study of University of Nairobi. The research used descriptive research design. Collection of data was by use of questionnaire. The research established departmental weakness and inadequate funds have affected budget implementation effectively and also the methods for appropriation of funds to each of the user department were not satisfactory.

Mwai (2013) conducted a study of factors affecting the implementation of the budget by local authorities in Kenya. The research was descriptive in nature. The target population was 71 workers distributed across all divisions. Data was obtained using questionnaires provided to the respondents. The data was analyzed using both quantitative and qualitative methods. Results were presented using tables and charts for ease of understanding and for clarification and precision. The study established that budgets were done annually and they were revised twice in a year. Lack of fluid structure and integration were the main factors that affected budget implementation.

Rotich and Ngahu (2015) researched on factors that affect the use of finances in Kenyan county governments. The annual quantity of budget is no longer utilized by the government of Kenya counties as it is returned to the National Treasury turned into pursuit of all actors within the discipline of public administration. The population consisted of thirty three (33) counties, finance and county executives within the counties. A descriptive study was adopted where the questionnaire was used to collect primary information. It was found out that there was relation

between tax compliance and budgetary utilization. The results showed that tax systems affected the use of budget in the counties which finally led to dragging improvements of the economy.

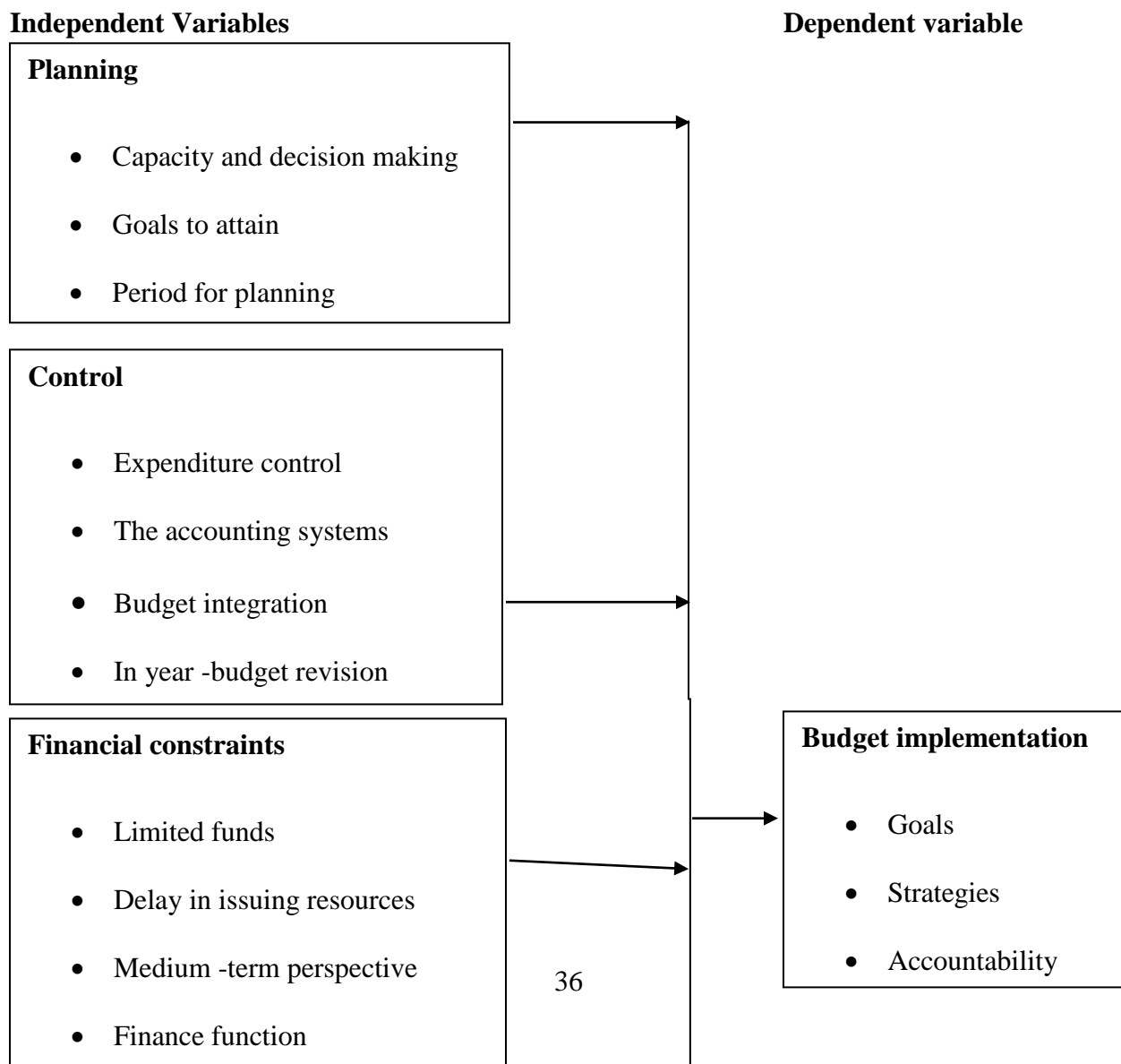
A study by Gambo et al., (2019) aimed at assessing the factors that affected budget implementation for successful delivery of PHC building facilities in northern Nigeria. The study used primary method of collection to obtain the data. The results indicated low effects of factors affecting budget implementation on the successful delivery of PHC building facilities in northern Nigeria. Similarly, linear relationships exist between budget implementation factors and successful delivery of PHC building facilities. Moreover, the study provided criteria for assessing the effects of budget implementation factors affecting successful delivery of PHC building facilities in northern Nigeria and other developing countries that are facing similar problems. The study solicited for the improvement on the budget implementation of PHC sector through adequate budget and monitoring bases for mitigating maternal mortality and morbidity rates in the rural areas of developing countries through successful delivery of PHC building facilities.

Muli and Rotich (2016) sought to establish the effect of financial management practices on budget implementation of county Governments in Kenya. It was conducted in Machakos County. The study adopted a descriptive research design. It targeted a population of hundred (100) employees based at the county headquarters and charged with budget preparation and implementation. A structured questionnaire and interview schedule were used to collect primary data while a data collection guide was used for secondary data. Results showed that budget laws provide guidelines that improve efficiency and accountability. The cash system of accounting had made implementation of budgets easy and secure. Internal control systems, financial planning and well trained staff promoted successful implementation, while high debts lead to

financial constraints that hindered implementation. Budget planning that promoted participation, was allocated enough time and resources and prioritizes projects tend to reduce financial constraints and promoted accountability. It was also established that financial management constraints were caused by delays in disbursements from the national government and under collection of revenues. These constraints lead to partial implementation of projects.

2.4 Conceptual Framework

This section makes a clear distinction between independent variables and the dependent variable of the sample and their precise measurements.



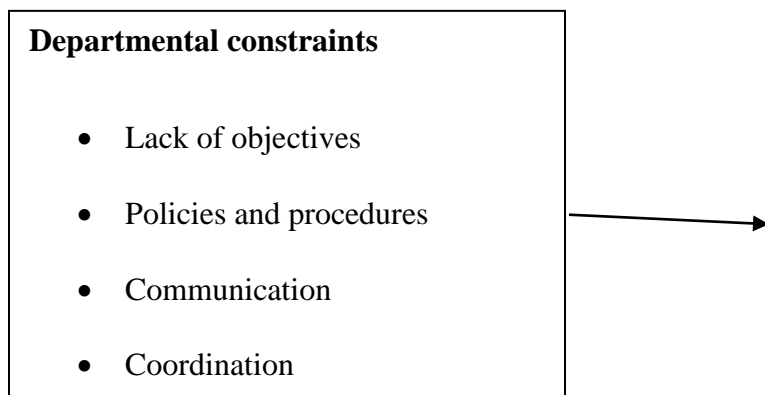


Fig. 2.1 Conceptual framework

2.5 Operationalization of Variables

Table 2.1 Operationalization of variables

Variable type	Name	Indicators	Measurement scales
Dependent	Budget Implementation	<ul style="list-style-type: none"> • Goals and objectives • Long and short-term strategies • Accountability 	Ordinal
Independent	Planning	<ul style="list-style-type: none"> • Capacity and decision making • Goals to attain • Period for planning • Budget integration 	Ordinal
	Control	<ul style="list-style-type: none"> • Expenditure control • The accounting systems • Budget integration • In year -budget revision 	Ordinal
	Financial constraints	<ul style="list-style-type: none"> • Limited funds 	Ordinal

	<ul style="list-style-type: none"> • Delay in issuing resources • Medium -term perspective • Finance function 	
Departmental constraints	<ul style="list-style-type: none"> • Lack of objectives • Policies and procedures • Communication • Coordination 	Ordinal

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The section will cover the design, study population, sample and sampling procedure, and the instrument used in the study, the validity and reliability of the instrument, the collection and analysis of the data collected.

3.2 Research Design

For the requirements of the analysis and reporting of the data, a method or procedure for collecting the data from the respondents should be used, and this descriptive is research designed. Research design is the framework of research methods and techniques chosen by researchers. The research is going to use descriptive design. This design is considered best for the study because it enables a systematic and well-organized investigation, whereas the

researcher cannot influence the study variables because they have already occurred and cannot be manipulated (Schindler, 2019).

Research design allows researchers to use research methods that are suitable for the subject matter and set up their studies up for success. The research design of the analysis therefore makes it possible to draw valid conclusions where necessary on the concept under review. Therefore, the design of the analysis helps the researcher to familiarize the results of the study of the four state departments in the Ministry of Education headquarters and evaluation of the factors affecting budget implementation in the Ministry of Education headquarters in Kenya.

3.3 Population of the study

Population relates to a group of items that have the information needed by a researcher and for which conclusions are drawn (Mugenda and Mugenda , 2012). Population also refers to a group of individuals, institutions, objects which have common characteristics that are the interest of a researcher. The selected population of hundred and twenty two (122) respondents was from the four state departments in the Ministry of Education headquarters; 22 officers from finance, 14 officers from planning who lead the budget implementation, and officers from the key directorates (9 officers from administration, 11 directors, 16 officers from supply chain management, and 50 officers from accounts) who forms the Sector Working Group (SWG). The population of the study is as follows;

Table 3.1 Study population

Target group	Study Population
Planning Unit	48
Finance Unit	74

Administration Unit	29
Directorates	36
Procurement Unit	32
Accountants	100
Total	318

Source: (Ministry of Education, Kenya, 2020)

3.4 Sample and Sampling Design

Samples should be huge sufficiently to serve the key features of a target and reachable population. Sample is a subset containing the characteristics of a large population. The goal of sample and sampling design is to collect samples that provide an accurate representation of the population. Thirty (30) or more events are needed for correlation study, and that ten percent (10%) of the reachable population is needed for descriptive studies. Because the target population is one Ministry in the Kenyan government sector, the analysis will use a survey of all respondents.

The sample size per strata was calculated as a percentage of the target sample size of 122 staffs proportionate to the percentage contribution of that stratum to the overall target population of 318 staff. The respondents were from Planning unit, Finance unit, Administration unit, Directorates, Procurement and accountants' units. Having total of 122 staff chosen for study, the study targeted thirty percent (30%) in Planning unit, thirty percent (30%) in Finance unit, thirty percent (30%) in Administration unit, thirty percent (30%) in Directorates, fifty percent (50%) Procurement and fifty percent (50%) in accountants working in Ministry of Education headquarters which arrived at 122 total number of respondents. The sampling frame of this study was as follows;

Table 3.2: Sample size

Target group	Study Population	Percentage	Sample size
Planning Unit	48	30%	14
Finance Unit	74	30%	22
Administration Unit	29	30%	9
Directorates	36	30%	11
Procurement Unit	32	50%	16
Accountants	100	50%	50
Total	318		122

3.5 Data Collection Procedures

Data collection is a procedure of collecting; measuring and analyzing accurate data. Data collection is the primary and most important step for research. The most critical objective of data collection is ensuring that the information is reliable. Primary data was obtained using drop-in questionnaires which were picked later. The questionnaire adopts a 5-likert scale which makes it possible to quantify the qualitative data, and therefore, enable the attainment of more objective results regarding the views of respondents on the different manifestations.

Simple random sampling will help in gathering information from respondents since they have satisfactory information about budgeting and the role, they play of formulating budgets, monitoring the budgets and guaranteeing full execution of the budgets at the institutions. To further increase response rate, an introduction letter from Kenya College of Accountancy (KCA) University explaining the intention of this research will be provided and the respondents will also be informed that participation in the study is voluntary, with an assurance of utmost confidentiality of gathered information and anonymity.

3.6 Research Instruments

Research instrument is a tool e.g. questionnaire designed to obtain data on a topic of interest by the researcher. Structured questionnaires using a five-point Likert scale was developed, pre-tested, and was administered by the researcher to collect data on civil society participation and the effectiveness of the budget implementation. Data was indeed be obtained by use of a questionnaire consisting of two portions. The very first portion will gather information on demographics of the participants and the second portion will gather information on the variables of the research which are dependent and independent. The standardized questionnaire will save time and encourage a simple analysis of the data. Linkert will be the measurement device to be used.

3.7 Validity and Reliability of study

Validity and reliability are concepts used to evaluate the quality of research. Validity is about the accuracy of a measure and reliability is about the consistency of a measure. The data collected will be relied upon for reliability and validity. The data was collected from people who have been involved in the budget preparation at Ministry of Education headquarters. The extent to which results are consistent over time and accurate representation of the total population under study could be repeated more than once and reproduce similar results, the data could be referred to be reliable. Validity determines whether the research truly measures what it was intended to measure or how truthful the research results were. A pilot test for the study was done on some officers from the National Treasury and Ministry of Health. The research instruments were pre-tested to confirm that they would serve the intended purpose before they were used fully to collect data. The results showed that budget implementation was affected by planning, financial

constraint, control and departmental constraint. The pre- testing was be done in the Four (4) Sector Working Group. This was done to ensure reliability of the data collection tool. After the pretest, the questionnaire was appropriately amended.

3.8 Data Processing and Analysis

Data processing is the conversion of data into a usable and desired form. Data analysis refers to the process of evaluating the data collected and making inferences. In this study data analysis will done with the help of statistical analysis package known as STATA 12.0. This package's output helped in illustrating factors affecting budget implementation in Ministry of Education headquarters.

The data will be analyzed using quantitative methods and displayed using tables, bar graphs and pie charts. Descriptive statistics was used for absolute and relative frequency, central trend measurement and dispersion. Descriptive analysis combines the use of dispersion measurements, namely standard deviation and variance, absolute and relative frequency frequencies, and central trend measurements, including mean, mode, and median. Multilinear regression analysis was used as a statistical method to estimate the correlation that exists. Multilinear regression analysis technique was used to establish the how implementation of Ministry of Education headquarters budget is affected by certain variables. The test was done at 0.05 level of significance. The study, therefore, establishes how budget implementation is challenged by specific variables. The following analytical model was used to ascertain the factors affecting budget implementation in Ministry of Education headquarters;

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

Where: -

Y = Budget implementation

X1 = Planning

X2 = Control

X3 = Financial constraints

X4 = Departmental constraints

ε = error term.

$\beta_0, \beta_1, \beta_2, \beta_3, \beta_4$ = Coefficient of Regression

3.9 Diagnostic Tests

Since the data that was collected was for a period of nine years, there was need to conduct diagnostic tests to find out whether it is free of autocorrelation, heteroscedasticity, multicollinearity and normality tests too was done before running a linear model. The aim of carrying out diagnostic test was to use it to make a judgment, enabling us to know the probability that the tests were giving the correct results of the research that was carried out. The diagnostic tests which were done on the data included normality tests, multicollinearity tests, auto- correlation tests and heteroscedasticity tests.

3.9.1 Test for Normality

The tests for normality checks whether the data set is well modeled to suit the normal distribution and to compute how likely it would be for a random variable underlying the data set to be normally distributed. Normality of the data was tested using the Shapiro – Wilk test. The normality was tested using the Shapiro-Wilk test, which also has power to detect departure from normality due to either skewness or kurtosis or both. If statistic ranges from zero to one and

figures are higher than 0.05 there is an indication that the data is normal (Razali and Wah, 2011). Shapiro-Wilk test assesses whether data is normally distributed against hypothesis that:

H₀: Sample follows a Normal distribution.

H_a: Sample does not follow a Normal distribution.

When the p-value is greater than the alpha value, then one fails to reject the null hypothesis.

3.9.2 Test for Multicollinearity

Multicollinearity is a condition in which there is a presence of huge level of correlation among independent variables. Multicollinearity increases the standardized errors providing false findings and therefore the necessity to check existence prior to testing the ordinary least square regression model. Overall importance of a regression model is that independent variables are not strongly correlated. Such a problem can be resolved through removing any of the highly correlated variables. It was tested using variance inflation factor (VIF). Multicollinearity is said to exist if the Variance Inflation Factor value is over 10.

3.9.3 Test for Autocorrelation

Autocorrelation also called serial correlation, is a situation where error term in the regression model is independent. The tests are done to check the relationship that exists between the variables under study. The study used the pair-wise correlation method to assess the autocorrelation. It was tested using Durbin-Watson test.

3.9.4 Test for Heteroscedasticity

This is a situation where the variability of dependent variable varies around across data. The study used Breusch-pagan test for heteroscedasticity. The rule is; if the P value is less than 0.05, there is heteroscedasticity.

3.10 Ethical Considerations

Before undertaking a study, the researcher acquired permission letter from the department of research and another suitable department. An introduction letter was sent to the participants stating the purpose of the study. Confidentiality and privacy of information provided by the participants was maintained and participants were given the freedom to participate freely and willingly during engagement with the by the researcher.

CHAPTER FOUR

FINDINGS AND DISCUSSIONS

4.1 Introduction

Presented in this chapter is the study findings on the factors affecting budget implementation in the Ministry of Education, Kenya. Figures and tables were used to present the findings of the study.

4.2 Presentation of data

In this study, the researcher had sampled 122 respondents from the four state departments in MOE. From these, 107 respondents filled and returned the questionnaires, which was 87.7% response rate, while only 15, did not. The information presented in this chapter, therefore, is as derived from the 107 respondents. The response rate was as illustrated in fig 4.1.

4.2.1 Response rate

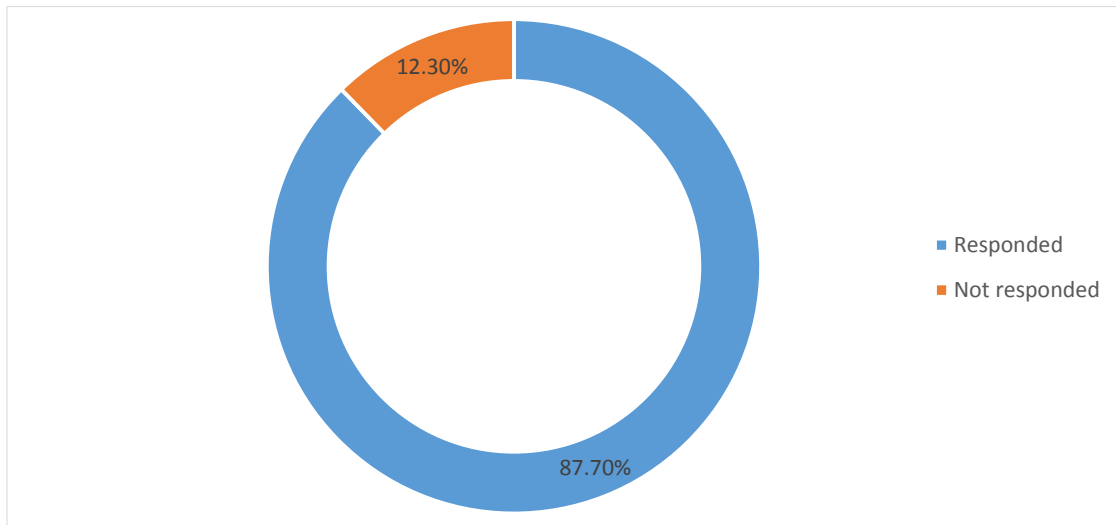


Fig.4.1Response rate

The study targeted 122 respondents who work from the four state departments in Ministry of Education headquarters. Responses were returned from 107 respondents which represented a response rate of 87.70%. Consequently, this indicated that the rate of reply was sufficient for the study. Any response of 50% and above is adequate for analysis.

4.2.2 Demographic information

Respondents' Gender

The researcher requested the respondents to indicate their gender. The section presented and discussed results of gender in the Ministry of Education headquarters. The results were as

illustrated in figure 4.2

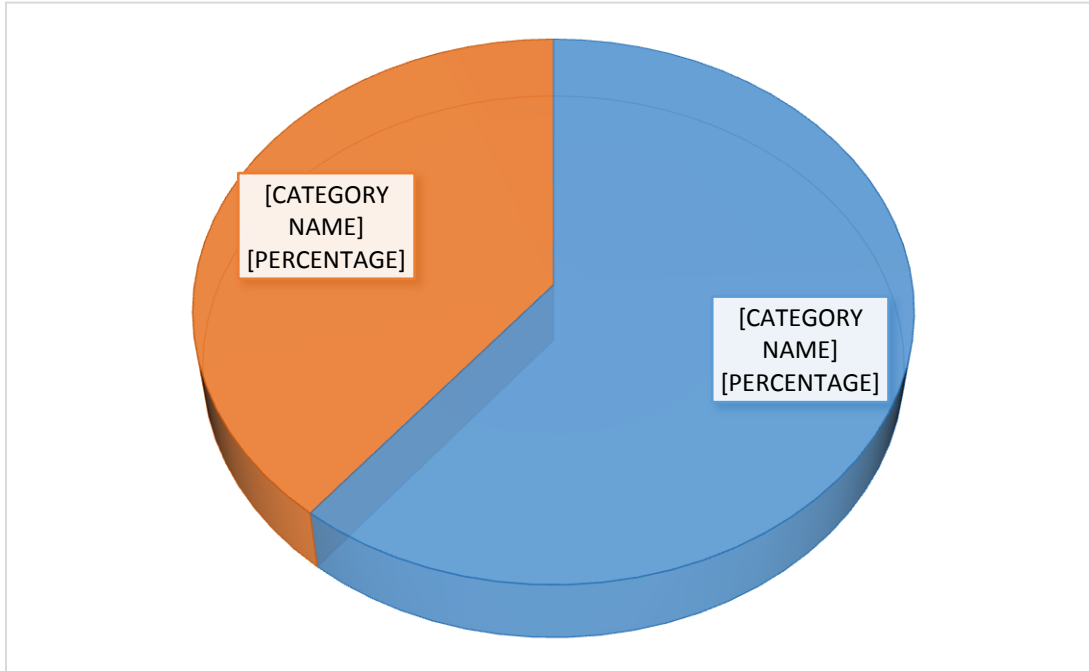


Fig 4.2 Respondents gender

Regarding gender of the respondents, Figure 4.1 showed that majority of the respondents were male (60.75%) while female were (39.25%). This indicated that male gender dominates Ministry of Education headquarters. This distribution of employees was not representative of the gender rule. It was depictive of the sector's non-compliance with the two-thirds gender rule of not having more than two thirds of one gender in employment opportunities.

Position of respondent

The researcher requested the respondents to indicate their position in the Ministry. The section presented and discussed results of position of respondents in the Ministry of Education headquarters. The results were as illustrated in figure 4.3 below

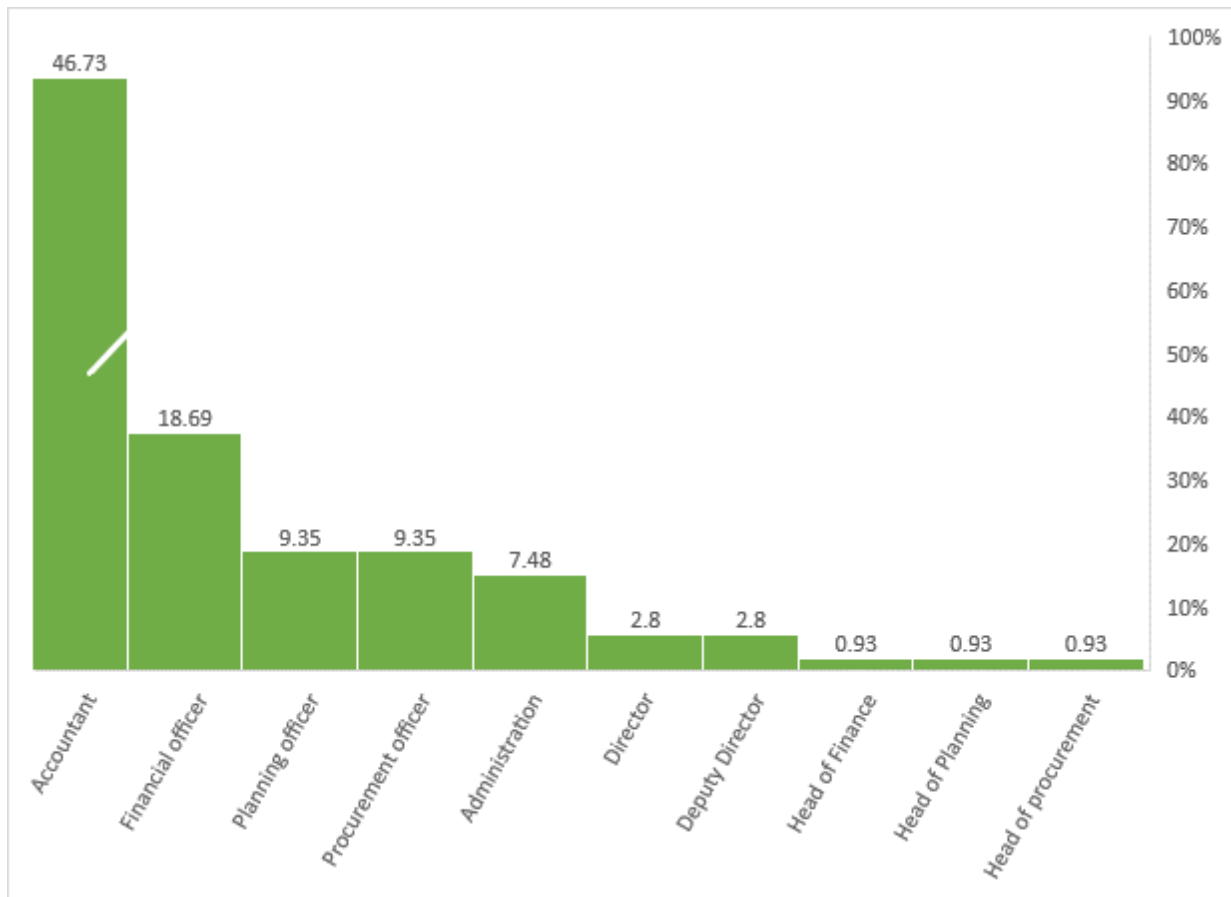


Fig. 4.3 Position of respondent

Fig. 4.3 demonstrated that majority of the respondents were accountants with 46.73%, followed by Finance Officers with 18.69%, Planning officers with 9.35%, Procurement Officers with 9.35%, Administrators with 7.48%, Directors with 2.80%, Deputy Directors with 2.80%, Head of Finance with 0.93%, Head of Planning with 0.93% and Head of Procurement with 0.93%. The results from table 4.3 indicated that most of respondents were accountants.

Duration of years in Ministry of Education headquarters

The respondents were requested to indicate the duration of years in which they have worked in the ministry. This section presented and discussed results of the period in which the respondent had been in the Ministry of Education headquarters. The results were as illustrated in figure 4.4

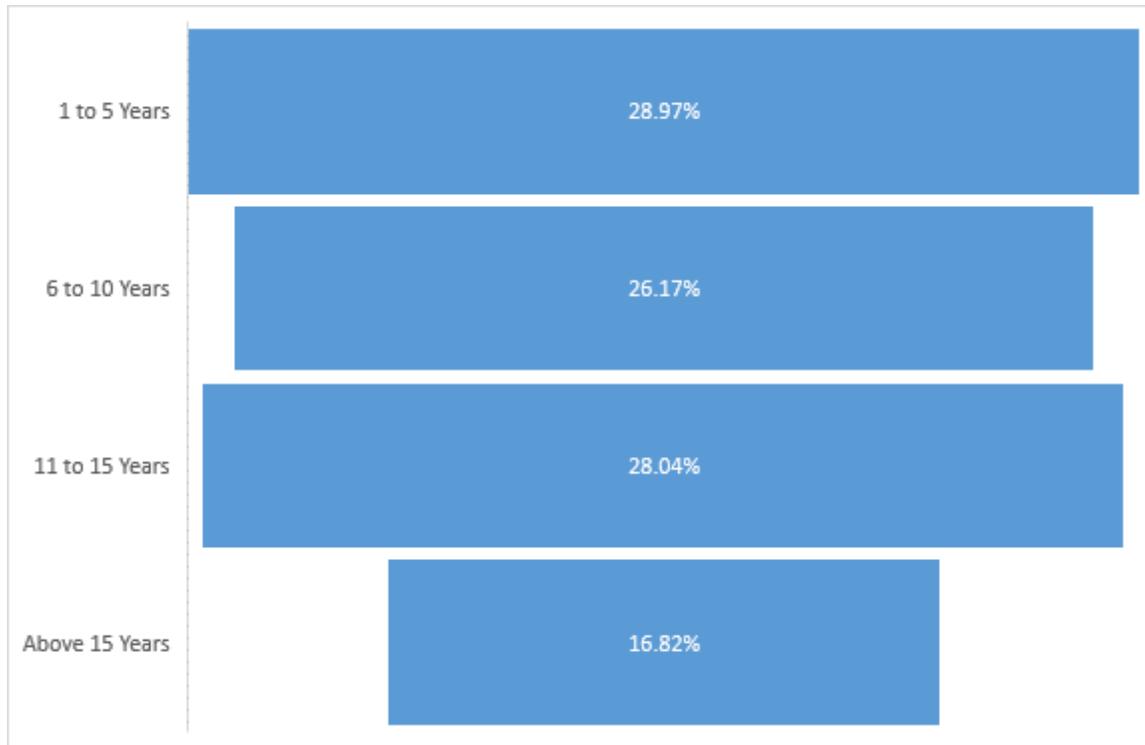


Fig.4.4 Duration worked in the Ministry of Education headquarters

In Figure 4.4, It is established that 28.97% had worked for 1 - 5 years, 28.04% had worked for 6 -10 years, 26.17% had worked for 11-15 years and 16.82% had worked above 15 years. The results from table 4.4 indicated that majority of the respondents had been in the Ministry of Education headquarters for 1-5 Years.

Department of respondent

The respondents were requested to indicate the department in which they serve in the ministry. This section presented and discussed results of the department in which the respondent serves in the Ministry of Education headquarters. The results were as illustrated in figure 4.5

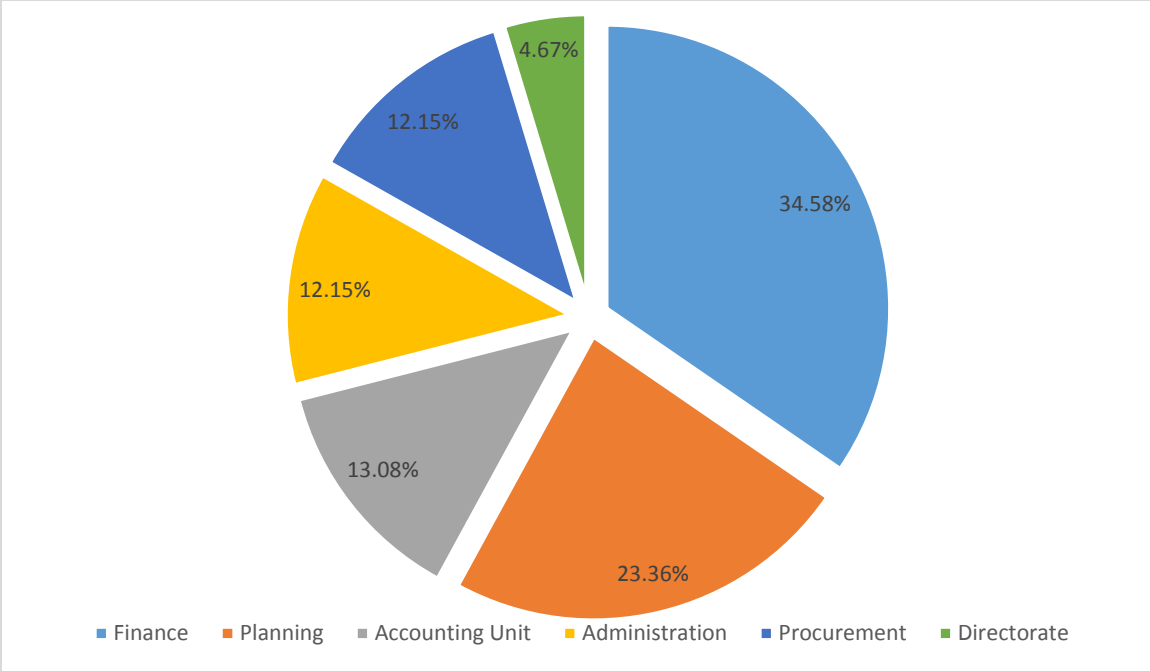


Fig.4.5 Department of respondent

In Fig.4.5, It is established that 34.58% were from Finance Unit 23.36% were from Planning Unit, 13.08% were from Accounting Unit, 12.15% were from Administration Unit, 12.15% were from Procurement Unit and 4.67% were Directorates. Majority of the respondents were in Finance Unit. The results from fig 4.5 illustrates that the respondents had worked with the ministry for long enough to give the required relevant information.

4.3 Interpretation and Analysis of Data

This presented and discussed research questions according to each objective supported by extant literature. The study aimed establishing factors that affected budget implementation in Ministry of Education headquarters. The study adopted a descriptive research design and employed primary data obtained from four state departments in Ministry of Education headquarters. The data obtained covered a period of nine (9) years; 2010 to 2019. Factors targeted included

planning, control, financial constraint and departmental constraint. Data was analyzed using Stata, with the observations being reported in tables. Diagnostic checks were conducted to verify that data was free from multicollinearity, heteroscedasticity and autocorrelation. The statistical findings were used to assess the relationship and relevance of the model.

4.3.1 Budget implementation in the Ministry of Education

The study sought to establish factors affecting budget implementation in Ministry of Education headquarters. The research participants were also requested to state whether Ministry of Education headquarters issued budget guidelines prior to preparing budgets of financial statements. The results were presented in in table 4.1 below.

Table 4.1 Budget implementation in the Ministry of Education

BudgetImplementat ion	Freq.	Percent	Cum.
Disagree	1	0.93	0.93
Neutral	16	14.95	15.89
Agree	77	71.96	87.85
Strongly Agree	13	12.15	100.00
Total	107	100.00	

From the study findings in table 4.1, 12.15% strongly agreed that the Ministry of Education headquarters issued budget guidelines prior to preparing budgets of financial statements. 71.96% agreed that the Ministry of Education headquarters issued budget guidelines prior to preparing budgets of financial statements. 0.93% of respondents disagreed that the Ministry of Education headquarters issued budget guidelines prior to preparing budgets of financial statements. 14.95% of respondents neither agreed nor disagreed with this statement.

4.3.2 Effect of Planning on budget implementation

The study sought to evaluate the effect of planning on the budget implementation at the Ministry of Education headquarters. The results were presented in table 4.2 below.

Table 4.2 Effect of Planning on budget implementation

Planning	Freq.	Percent	Cum.
Disagree	1	0.93	0.93
Neutral	16	14.95	15.89
Agree	77	71.96	87.85
Strongly agree	13	12.15	100.00
Total	107	100.00	

From the study findings in table 4.2, 12.15% of respondents strongly agreed that planning had an effect on budget implementation in Ministry of Education headquarters, 0.93% % of respondents disagreed that planning had an effect on budget implementation in Ministry of Education headquarters, another 71.96% agreed that that planning had an effect on budget implementation in Ministry of Education headquarters. 14.95% neither agreed nor disagreed with this statement.

4.3.3 Effect of Control on budget implementation

The study sought to determine the effect of Control on the budget implementation at the Ministry of Education in headquarters. The results were presented in table 4.3 below.

Table 4.3 Effect of Control on budget implementation

Control	Freq.	Percent	Cum.
Strongly disagree	11	10.28	10.28
Disagree	47	43.93	54.21
Neutral	39	36.45	90.65
Agree	10	9.35	100.00
Total	107	100.00	

From the study findings in table 4.8, 43.93% of respondents agreed that control had an effect on budget implementation in Ministry of Education headquarters, 9.35% of respondents agreed that control had an effect on budget implementation in Ministry of Education headquarters, 10.28% of respondents disagreed that control had an effect on budget implementation in Ministry of Education headquarters. 36.45% neither agreed nor disagreed with this statement.

4.3.4 Effect of Financial Constraint on budget implementation

The study sought to assess the effect of Financial constraints on the budget implementation at the Ministry of Education headquarters. The results were presented in table 4.4 below.

Table 4.4 Effect of Financial Constraint on budget implementation

Financial Constraint	Freq.	Percent	Cum.
Strongly disagree	1	0.93	0.93
Disagree	15	14.02	14.95
Neutral	38	35.51	50.47
Agree	43	40.19	90.65
Strongly agree	10	9.35	100.00
Total	107	100.00	

From the study findings in table 4.4, 40.19% of respondents agreed that financial constraint had an effect on budget implementation in Ministry of Education headquarters, 9.35% of respondents strongly agreed that financial constraint had an effect on budget implementation in Ministry of Education headquarters, 14.02% of respondents disagreed that financial constraint had an effect on budget implementation in Ministry of Education headquarters 0,93% % of respondents strongly disagreed that financial constraint had an effect on budget implementation in Ministry of Education headquarters. 35.51% neither agreed nor disagreed with this statement.

4.4.5 Effect of Departmental Constraint on budget implementation

The study sought to determine the effect of Departmental constraints on the budget implementation at the Ministry of Education headquarters. The results were presented in table 4.5 below.

Table 4.5 Effect of Departmental Constraint on budget implementation

Departmental Constraint	Freq.	Percent	Cum.
Neutral	4	3.74	3.74
Agree	73	68.22	71.96
Strongly agree	30	28.04	100.00
Total	107	100.00	

From the study findings in table 4.5, 28.04% of respondents strongly agreed that departmental constraint had an effect on budget implementation in Ministry of Education headquarters, 68.22% of respondents agreed that departmental constraint had an effect on budget implementation in Ministry of Education, 3.74% neither agreed nor disagreed with this statement. Departmental constraint was found to have a significant effect on budget implementation in MOE headquarters.

4.4 Inferential Statistics

4.4.1 Descriptive statistics

The study found it of critical value to evaluate the how budget implementation is affected by various factors, that is, planning, control, financial constraints and departmental constraints. The mean, standard deviation, minimum and maximum values were evaluated as shown in table 4.6 below.

Table 4.6 Descriptive statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
BudgetImpl~n	107	4.009346	.6064951	2	5
Planning	107	3.953271	.5559825	2	5
Control	107	2.448598	.8036901	1	4
FinancialC~t	107	3.429907	.8807389	1	5
Department~t	107	4.242991	.5110315	3	5

From table 4.6, Budget implementation had a mean of 4.01 with a standard deviation of 0.61. Planning had a mean of 3.95 and a standard deviation of 0.56, Control has a mean of 2.45 with a standard deviation of 0.80, financial constraint had a mean of 3.43 with a standard deviation of 0.88 while Departmental constraint had a mean of 4.24 with a standard deviation of 0.51. The results showed that the data was more concentrated around the mean hence the variance between the variables was small.

4.4.2 Diagnostic tests

To come up with a reliable model for this survey the researcher carried out appropriate diagnostic tests. As an outcome of the data obtained, diagnostic tests had to be conducted to ascertain the degree of normality, multicollinearity, heteroscedasticity and autocorrelation before applying it in running a regression model.

4.4.2.1 Test for normality

Normality test was done through use of Shapiro-Wilk Test. The table below showed test for normality test

Table 4.7: Test for normality

Shapiro-Wilk W test for normal data

Variable	Obs	W	V	z	Prob>z
Planning	107	0.98035	1.717	1.204	0.11438
Control	107	0.99794	0.180	-3.814	0.99993
FinancialC~t	107	0.99238	0.666	-0.906	0.81765
Department~t	107	0.98357	1.435	0.805	0.21051

When the p-value is greater than the alpha value of 0.05, then one fails to reject the null hypothesis. Table 4.7 shows the results of the Shapiro-Wilk normality test. The results showed that data came from normal distribution.

4.4.2.2 Test for Multicollinearity

This study used a variance inflation factor (VIF) to test for multicollinearity of the study variables and the results are as indicated below;

Table 4.8 Test for multicollinearity

Variable	VIF	1/VIF
Planning		
3	38.24	0.026149
4	38.50	0.025974
5	24.85	0.040249
Control		
2	9.04	0.110668
3	16.00	0.062506
4	9.78	0.102250
FinancialC~t		
2	19.05	0.052495
3	6.79	0.147309
Department~t		
4	11.05	0.090532
5	12.69	0.078824
Mean VIF	18.60	

Multicollinearity is said to exist if the Variance Inflation Factor (VIF) value is over 10. All the Variance Inflation Factor values were below 10 which was a clear indication that data was free from multicollinearity.

4.4.2.3 Test for heteroscedasticity

The study used Breusch-pagan test for heteroscedasticity. The rule was; if the P value is less than 0.05, there is heteroscedasticity.

Table 4.9: Test for heteroscedasticity

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
Ho: Constant variance
Variables: fitted values of BudgetImplementation

chi2(1) = 1.95
Prob > chi2 = 0.1627

Results from table 4.15 showed that P value was more than 0.05 ($0.1627 > 0.05$) indicating that there was no heteroscedasticity.

4.5.2 Correlation

Autocorrelation is a situation where error term in the regression model is independent. The tests were done to check the relationship that existed between the variables under study. The study used the pair-wise correlation method to assess the autocorrelation.

Table 4.8: Test for autocorrelation

	Budget~n	Planning	Control	Financ~t	Depart~t
BudgetImpl~n	1.0000				
Planning	0.8966	1.0000			
Control	0.7848	0.7863	1.0000		
FinancialC~t	0.8225	0.8506	0.9378	1.0000	
Department~t	0.7231	0.6380	0.7428	0.7089	1.0000

From table 4.8, from the study findings, there was a strong positive correlation between planning and budget implementation at ($r = 0.8966$), Control and budget implementation at ($r = 0.7848$), Financial constraint and budget implementation at ($r = 0.8225$) and departmental constraint and budget implementation at ($r = 0.7231$).

4.5 Regression Analysis

To compute the correlation between dependent variable and the independent variables, the study conducted inferential analysis, which involved Anova, regression analysis, model summary and a multiple regression analysis.

4.5.1 Analysis of variance

Analysis of variance (ANOVA) was used to check if the means of two or more groups are significantly different from each other. Analysis of variance (ANOVA) checks the impact of one or more factors by comparing the means of different samples.

Table 4.9: Analysis of variance

Number of obs = 107 R-squared = 0.8719
Root MSE = .228128 Adj R-squared = 0.8585

Source	Partial SS	df	MS	F	Prob > F
Model	33.9945758	10	3.39945758	65.32	0.0000
Planning	2.47681876	3	.825606255	15.86	0.0000
Control	.116666667	3	.038888889	0.75	0.5266
Financial~t	.533333333	2	.266666667	5.12	0.0077
Departmen~t	1.00947712	2	.504738562	9.70	0.0001
Residual	4.99607843	96	.052042484		
Total	38.9906542	106	.36783636		

From table 4.9, a large F values indicates more difference between groups than within the groups. This showed that planning had great effect budget implementation than control, financial constraint and departmental constraint.

4.5.2 Regression Output

The model examined relationship between independent and dependent variables of study.

Table 4.10 Regression model

Source	SS	df	MS			
Model	32.8996197	4	8.22490493	Number of obs =	107	
Residual	6.09103448	102	.059716024	F(4, 102) =	137.73	
Total	38.9906542	106	.36783636	Prob > F =	0.0000	
				R-squared =	0.8438	
				Adj R-squared =	0.8377	
				Root MSE =	.24437	

BudgetImplementation	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
Planning	.746823	.08194	9.11	0.000	.5842954	.9093506
Control	.0217284	.0901661	0.24	0.810	-.1571157	.2005725
FinancialConstraint	.0350711	.0913983	0.38	0.702	-.146217	.2163592
DepartmentalConstraint	.2715832	.069978	3.88	0.000	.1327821	.4103842
_cons	-.2688675	.2759561	-0.97	0.332	-.8162251	.2784902

The equation is as follows:

$$\text{Budget implementation} = -0.2688675 + 0.746823X_1 + 0.0217284X_2 + 0.0350711X_3 + 0.2715832X_4$$

The results from table 4.10 A unit change in planning resulted in 0.746823 increase in budget implementation. A unit change in control resulted to 0.0217284 increase in budget implementation. A unit change in financial constraint resulted to 0.0350711 increase in budget implementation. A unit change in Departmental constraint resulted in 0.2715832 increase in budget implementation. When there was no change in planning, control, financial constraint and departmental constraint, budget implementation was 4.274349 which depicted a positive correlation.

4.6 Test of hypotheses

H0₁: Planning has no significant effect on budget implementation in Ministry of education in Kenya

The formulated hypothesis was that planning had a significance effect on budget implementation in Ministry of Education in Kenya. To validate this, planning revealed a positive significantly regression coefficient of 0.746823 and a P- value of 0.000 at 95% level of significance. The implication of this was that analysis failed to accept the null hypothesis since our P value was less than 0.05 ($P < 0.05$) thus rejected the null hypothesis and accepted alternative hypothesis. These findings concurred with study findings by Gacheru (2012); Kigochi (2010); Tafa and Bessie (2016) and Wamae (2014) which found out that planning had an effect on budget implementation.

H0₁: Control has no significant effect on budget implementation in Ministry of education in Kenya

The formulated hypothesis was that control had a significance effect on budget implementation in Ministry of Education in Kenya. To validate this, control revealed a positive significantly regression coefficient of 0.217284 and a P value of 0.702 at 95% level of significance. The implication of this was that analysis failed to reject the null hypothesis since our P value was more than 0.05 ($P < 0.05$) thus accepted the null hypothesis and rejected alternative hypothesis. This study finding agreed with studies done by Kiama et al., (2018); Kiringai and West (2012); Olurankinse and Oloruntoba (2017) and Kirimi (2012) which established that control had an effect on budget implementation.

H0₁: Financial constraint has no significant effect on budget implementation in Ministry of education in Kenya

The formulated hypothesis was that financial constraint had a significance effect on budget implementation in Ministry of Education in Kenya. To validate this financial constraint revealed a positive significantly regression coefficient of 0.350711 and a P value of 0.702 at 95% level of significance. The implication of this was that analysis failed to reject the null hypothesis since our P value was more than 0.05 ($P < 0.05$) thus accepted the null hypothesis and rejected alternative hypothesis. This study findings agrees with study done by Bosire (2016); Ato (2018); Mukokoma (2010) and Mathenge et al. (2018) which established that financial constraint had an effect on budget implementation.

H0₁: Departmental constraint has no significant effect on budget implementation in Ministry of education in Kenya

The formulated hypothesis was that departmental constraint had a significance effect on budget implementation in Ministry of Education in Kenya. To validate this, departmental constraint revealed a positive significantly regression coefficient of 0.2715832 and a P value of 0.000 at 95% level of significance. The implication of this was that analysis failed to accept the null hypothesis since our P value was less than 0.05 ($P < 0.05$) thus rejected the null hypothesis and accepted alternative hypothesis. These concurred with study done by Gachithi (2010), Muli and Rotich (2016) and Mwai (2013) which found departmental constraint had an effect on budget implementation.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarized discussion of findings in previous chapter, study conclusions, recommendations drawn from findings, suggestions for further studies and limitations of study.

5.2 Summary

The study focused on the factors that affected budget implementation in Ministry of Education headquarters. The study gave an overview of the ministry and budget implementation in Ministry of Education headquarters and how it is implemented. The study looked at some factors that affected implementation of budget in the Ministry of Education headquarters which included planning, control, financial constraint and departmental constraint. To achieve the objectives of the study, primary data was collected by use of questionnaire. A descriptive study was used to collect data. The questions were closed ended. The respondents constituted officers from finance, officers from planning who lead the budget implementation, and officers from the key directorates (Directors, administration, supply chain management, and accounts units) who forms the Sector Working Group. Data relating to budget implementation and other aspects of the budget implementation was gathered and analyzed.

5.2.1 Planning and budget implementation

Planning had positive relationship with budget implementation in Ministry of Education headquarters. A unit change in planning resulted in increase in budget implementation. When there was no change in planning, budget implementation depicted a negative correlation. The

predictor variable of planing was found to have a significant effect on budget implementation in Ministry of Education headquarters.

5.2.2 Control and budget implementation

Control was found to no significant relationship with budget implementation in Ministry of Education headquarters. When there was no change in control, budget implementation depicted a negative correlation. The predictor variable of control was found to have no significant effect on budget implementation in Ministry of Education headquarters.

5.2.3 Financial constraint and budget implementation

Financial constraint was found to have no relationship with budget implementation in Ministry of Education headquarters. A unit change in financial constraint resulted in increase in budget implementation. When there was no change in financial constraint, budget implementation depicted a negative correlation. The predictor variable of financial constraint was found to have no significant effect on budget implementation in Ministry of Education headquarters.

5.2.4 Departmental constraint and budget implementation

Departmental constraint was also found to have a negative relationship with budget implementation in Ministry of Education headquarters. A unit change in Departmental constraint resulted in increase in budget implementation. When there was no change in planning, budget implementation depicted a negative correlation. The predictor variable of departmental constraint was found to have a significant effect on budget implementation in Ministry of Education headquarters.

5.4 Conclusion

Following the study findings, it was possible to conclude that planing and departmental constraint affected budget implementation in Ministry of Education headquarters. Control and financial constraint had no effect on budget implementation in Ministry of Education headquarters.

5.4.1 Planning and budget implementation

The first objective of the study aimed at establishing factors affecting budget implementation in Ministry of Education headquarters. The study found a positive significant relationship between planning and budget implementation in Ministry of Education headquarters. A unit change in planning resulted in in budget implementation. This showed that planning had an effect on budget implementation in Ministry of Education headquarters. Based on the findings, the study concludes that planing was a critical factor in budget implementation in Ministry of Education headquarters. The Ministry of Education headquarters needs to do proper planning so as to attain the goals of implementing the budget set.

5.4.2 Control and budget implementation

The second objective of the study aimed at determining the effect of Control on the budget implementation at the Ministry of Education in headquarters. Based on findings of the study, Control was found to have a significant relationship with budget implementation in Ministry of Education headquarters. A unit change in control resulted increase in budget implementation. This depicted that control had no effect on budget implementation. Based on the findings, the study concludes that control was not a critical factor in budget implementation in Ministry of Education headquarters.

5.4.3 Financial constraint and budget implementation

Third objective of the study was to assess the effect of Financial constraints on the budget implementation at the Ministry of Education headquarters. The findings of study revealed that Financial constraint had a positive significant relationship with budget implementation in Ministry of Education headquarters. A unit change in financial constraint resulted increase in budget implementation. This depicted that financial constraint had no effect on budget implementation. Based on the findings, the study concludes that financial constraint was not a critical factor in budget implementation in Ministry of Education headquarters.

5.4.4 Departmental constraint and budget implementation

The fourth and final objective of the study was to determine the effect of Departmental constraints on the budget implementation at the Ministry of Education headquarters. Departmental constraint was also found to have a negative relationship with budget implementation in Ministry of Education headquarters. A unit change in Departmental constraint resulted in increase in budget implementation. This showed that Departmental constraint had an effect on budget implementation in Ministry of Education headquarters. Based on the findings, the study concludes that Departmental constraint was a critical factor in budget implementation in Ministry of Education headquarters. The Ministry of Education headquarters should consider departmental constraints and work to streamline the barriers that are in withi the departmental level.

5.5 Recommendations

The research found that planning affected budget implementation in Ministry of Education headquarters. The research therefore recommended that the Ministry of Education headquarters needs to consider planning in trying to implement budget. There was a need for proper planning. Planning is the first and the most important function of management. It is needed at every level of management. Without proper planning all the activities of a ministry will be meaningless rendering the attainment of objectives merely a dream. Because of the increasing size and complexities of the ministries planning has come to assume more importance. Planning is a pre-requisite not only for achieving success but also as for surviving in a complex and competitive world. It forces organizations to look ahead and decide their future course of action so as to improve their profitability.

The research found that departmental constraint affected budget implementation in Ministry of Education headquarters. The research therefore recommended that the Ministry of Education headquarters do identify and manage bottlenecks within departmentals in the ministry in trying to implement the budget.. In an effort to accommodate future demand and to meet public expectations, Ministry of Education headquarters must take advantage of the available opportunities to secure supplemental funding. Ministry of Education headquarters have to formulate a strategy that addresses the identified issues and concerns and takes into consideration existing constraints or limitations.

5.6 Suggestions for further studies

The same research should be done in other ministries in the public sector in Kenya such a Ministry of Agriculture, the National Treasury and Planning, Ministry of Health and Ministry of

Defence among other ministries in public sector. Research should also be carried out in public secondary schools and Non Governmental Organizations working in collaboration with government sectors. This research relied on primary data to draw conclusions, the same research should be carried employing both the secondary and the primary data. This research only tested four factors affecting budget implementation in Ministry of Education headquarters yet there are many other factors that affect budget implementation. As such, research suggests more research into how other factors affects budget implementation. Future research ought to concentrate on a wider cross-section and much more globalized and broader randomized samples to validate the results of this present research.

5.7 Limitations of the study

The researcher encountered some limitation in the course of the research. These limitations included; Low response rate. Respondents had to continually be reminded and at times soft spoken in order to respond. This was because the target respondents had a very busy schedules because most of the time they are away on meetings or work outside their location. Another limitation was secrecy of the ministry documents. Every ministry has its code of ethics that restricts staff to divulge confidential information to the public. The research was constrained since detailed information on the extent to which the decision of management could have affected the budget could not be disclosed.

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APPENDICES

APPENDIX 1: QUESTIONNAIRE

APPRAISAL OF THE FACTORS AFFECTING BUDGET IMPLEMENTATION IN THE MINISTRY OF EDUCATION HEADQUARTERS

This research is purely academic and participants are guaranteed that any information they provide will all be strictly confidential. Your involvement in facilitating this research will be greatly appreciated. Please click on the box that conveys your opinion on the question.

PART I

Demographic Information

1. Gender

Male []
Female []

2. Position

Director []

Deputy Director []

Finance manager []

Planning []

Accountant []

Procurement []

2. Duration of years in Ministry of Education headquarters

1-5 []

6-10 []

10-15 []

Above 15 []

4. Department

Finance Unit []

Planning Unit []

Budget committees []

Administration Unit []

Accounts Unit []

Procurement (SCM) []

Directorate []

PART II

Section A: Budget Implementation

In each area, rank the following statements

Scale: 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4= Agree; and 5= Strongly agree.

Budget implementation	1	2	3	4	5
The Ministry of Education headquarters issue budget guidelines					

prior to preparing budgets					
All staff in Ministry of Education headquarters participates in budget preparation and discussion within their departments					
Planning is important to the success of budget implementation in Ministry of Education headquarters					
There is proper communication during the implementation of budget preparation					
Leadership provided to the subordinate managers during execution is effective					
Co-ordination among the various departments during budget execution is achieved					
The management in Ministry of Education headquarters can be able to overcome the challenges of budget implementation					
Budgeted funds are released as at and when due to ensure the bureaucratic implementation in budget implementation					
There is an independent body comprising of civil society organisation, labour unions and some persons of proven integrity to monitor budget implementation					

Section B: Planning

In each area, rank the following statements

Scale: 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4= Agree; and 5= Strongly agree.

Planning	1	2	3	4	5
All ministries, departments together with agencies make effective use of their budget allocations					
There has been deep commitment to the regulations and other budget execution policies					
There is an earlier time endorsement of a budget and discharge of resources for initiatives and programs					
The budget implementation is time consuming and expensive and may become volatile before implementation					
Budget variances hinder effective budget implementation					
Release of funds for initiatives and schemes are based on the needs of a department					

The budget contain uncertainty which hinders effective implementation					
Government interferences affects the implementation of budgets in the Ministry of Education headquarters					
The budget implementation is routine and lack meaning					
There is clear hierarchy in the administration of budgets which influences the budget implementation.					
In some period, budget include unattainable targets or standards					

Section C: Control

In each area, rank the following statements

Scale: 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4= Agree; and 5= Strongly agree.

Control	1	2	3	4	5
Internal controls are sufficient for the overall budget as well as bookkeeping procedures					
Ministry of Education headquarters has strong financial planning system which are put in place to ensure budgets are implemented					
There is a qualified team of fiscal analysts in Ministry of Education headquarters					
Ministry of Education headquarters has effective internal control systems in place					
There is proper management of finances which promotes proper budget implementation in Ministry of Education headquarters					
The budget implementation in the Ministry of Education headquarters is audited regularly					
There is a lack of systemic adjustment between the staff responsible for overseeing the budget					

Section D: Financial constraints

In each area, rank the following statements

Scale: 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4= Agree; and 5= Strongly agree.

Financial constraints	1	2	3	4	5
Insufficient funds allocated to department affect budget implementation in Ministry of Education headquarters					
Budget preparation includes putting development preferences for the Ministry of Education headquarters					
Sufficient resources are allocated to budget planning					
The method used to allocate funds to user department in Ministry of Education headquarters is unsatisfactory					
There is insufficient prompt modification of the budgeted plan by the accountable staff					
The budgetary allocation in Ministry of Education headquarters are adequate					
There is clear feedback to all workers on success in the application of the budgeting					

Section E: Departmental constraints

In each area, rank the following statements

Scale: 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4= Agree; and 5= Strongly agree.

Departmental constraints	1	2	3	4	5
There is a lack of institutional coordination between the workers responsible for monitoring the budget					
Institutional weakness could hinder effective budget implementation					
New reforms in budgeting guidelines keep on changing and come with new set of rules which take time to learn and can be a challenge to budget implementation					
Inability of user's department to utilize the allocated funds hinders effective implementation of budget					
There may be tendency by user department to adhere to budget to comply to institution requirement					
A lack of alignment between the organizational structure and structure of performance reporting requirements, the value and usefulness of performance information undermines the budget utilization					

The high degree of devolved authority and accountability to senior managers, subject to limited legal controls influences budget implementation					
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Thank you for your cooperation!