Abstract

Since the advent of devolution in 2013, Kenya has operated a two-tier government system where both national and county levels share a common public financial management architecture. However, a persistent performance gap exists: while the national government achieves an 80.76% absorption rate for development expenditure, county governments average only 34.4%. This study investigated the institutional, administrative, and managerial factors influencing budget implementation in selected county governments. The study evaluated the influence of four core operational practices finance, procurement, control, and ICT on budget implementation. Theoretically grounded in Principal-Agent Theory, Institutional Theory, and Public Choice Theory, the study employed an explanatory research design, supported by descriptive elements, within a pragmatist philosophical framework. The target population included 29,978 executive staff across six counties: Nakuru, Kericho, Narok, Baringo, Kajiado, and Uasin Gishu. Using stratified and purposive sampling, 217 high-level officials were selected, achieving a 79% response rate. Multiple Linear Regression analysis revealed that Operational Finance Practices were the only factor with statistically significant positive effect on budget implementation ($\beta = 0.119$, $p < 0.05$), while procurement, control, and ICT practices showed positive but insignificant relationships. The regression model explained 4.6% of variance in implementation outcomes. The study recommends strengthening regulatory compliance in financial operations, integrating procurement planning with budget objectives, proactive risk management, and full adoption of IFMIS and e-procurement tools. A legislative amendment to the Controller of Budget Act is proposed to mandate verifiable evidence of prior fund utilisation before new disbursements.

Keywords: *Operational Practices, Implementation, Budgets, Selected County, Governments, Kenya*