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**ABSTRACT**

*Kenya adopted IFMIS with a view to improve efficiency and effectiveness of public financial management. The design and implementation of effective IFMIS solutions is challenging and requires the development of country specific solutions to meet a number of functional and technical challenges associated with the public financial management agenda. This study sought to evaluate the success factors from the implementation of an integrated financial management information system on budgeting process in the Kenyan public sector. Specifically the study assessed the functional aspects of IFMIS on budget forecasting, budget preparation, budget implementation and monitoring and control and their success contribution on the overall budgeting process. In addition to this the study sought to add knowledge on the gaps identified from the challenges of implementing the IFMIS system the various state departments with the goal of curbing fraud, enforcing more accountability and strengthening financial control. The study relied mainly on primary data from the national government ministries and various state departments in Kenya, data that was collected using a structured questionnaire developed thematically aiming to answer the specific objectives of the study. However secondary data from other government agencies was also be used for benchmarking various parameters but also to fill in the information gap areas. The study used mainly quantitative method of data analysis employing both descriptive statistics and inferential statistics in drawing conclusions. Our findings highlighted the various success aspects of implementing IFMIS on the budgetary cycle, such as enhancing efficient management of cash flows, enhanced more scrutiny of expenditure, more adherence to legal and regulatory framework, timely decision making hence leading to more budget accountability, efficiency and effectiveness. The study also identified the various challenges such as employee's resistance to the system and capacity challenges. All in all, the study recommends that the government institute more training programs to bridge the capacity gaps in terms of skills and technological changes to fully realize the IFMIS reengineering strategy 2013-2018.*

**Key words:** Budget, Budgeting, Budget Implementation, Budget Monitoring and Control, Budget Preparation, Budget Success, Forecasting, Financial forecasting, Integrated Financial Management Information System

## **Statement of the Problem**

Budgeting process has evolved from controversies emanating from governments spending and the need to institute control on public expenditures. Therefore budgeting has been at the core of economic reform programs in most nations around the world. Budgeting has been the principle instrument in transformation and restructuring of public sector organizations (Mugwe, 2012). With the growing challenges posed by financial mismanagement and budgetary framework, the need for enhanced budget process and innovative financial management techniques are increasingly felt in developing countries and transitional economies.

Consequently, Kenya and other developing countries adopted IFMIS as a tool to re-engineer and improve public financial management. However, in 2011 WB, examined IFMIS in 51 countries and found that the design and implementation of effective IFMIS solutions is still challenging and requires the development of country specific solutions. Kenya introduced IFMIS in 2003 with a view to enhance a higher degree of data quality, improve workforce performance for improved service delivery by linking, planning, policy objectives and budget allocations (KNT, 2013). Furthermore it was to enhance reporting capabilities to support budget planning, automate the procurement process and facilitate auto-reconciliation of revenue collection and payments through automated bank reconciliation (KNT, 2013). Based on the review of critical success factors and the lessons learned from the implementation of the IFMIS Re-engineering Strategy (2011-2013), there was still a greater need for more transparency, financial discipline and accountability and in line with the regulatory framework under the Public Finance Management Act 2012.

Therefore the development of IFMIS Re-engineering Strategy (2013-2018) identified key priority areas of focus, among them was deployment of a fully functional, automated planning and budgeting system, as well as improving the accuracy and efficiency in the Government's planning and budgeting process. Still it has encounter challenges of enough human capacity, resistant of changing from manual to automated financial management systems and lack of proper integration between various government functions.

Despite these challenges, the government has continued the implementation of the integrated financial management system to both levels of government (counties and national government). In this regard, we seek to evaluate the success of IFMIS system, specifically, on the budgeting process. We hope to on build knowledge on the various budgeting component's; forecasting, budget preparation, budget implementation and budget monitoring and control, for a greater goal of enhancing a more efficient and open government.

## **Objectives of the study**

To examine the effect of integrated financial management information system on success of the budget process in the Kenyan public sector. The specific objectives were:-

- To establish the effect of budget preparation under IFMIS on the budgeting process in the Kenyan public sector.
- To assess how budget implementation under IFMIS affect the budgeting process in the Kenyan public sector.
- To analyze the effect of monitoring and control in IFMIS on the budgeting process in the Kenyan public sector.
- To determine how IFMIS forecasting affect the budgeting process in the Kenyan public sector.

## Literature review

### Theoretical Review

#### Transaction-Cost Perspective on Budgets

This theory attempts to take care of the need to do more with less of public resources, especially budget allocations. Central to the theory is that alternative methods, and attendant costs, for carrying out projects or delivery of services are examined for their merits, usually judged by the cost. The question of efficiency is still the crux here. It is easy to understand, then, that this comparison examines not only the total project cost, but also every stage of it – planning, adapting, and the evaluation of the finished task under each of the options. A key issue taken up in the literature is the merits of proceeding through the market – open competition, or in-house execution of the project. Transaction cost economics, therefore, examines also the opportunity costs, i.e. the cost of not using the alternative.

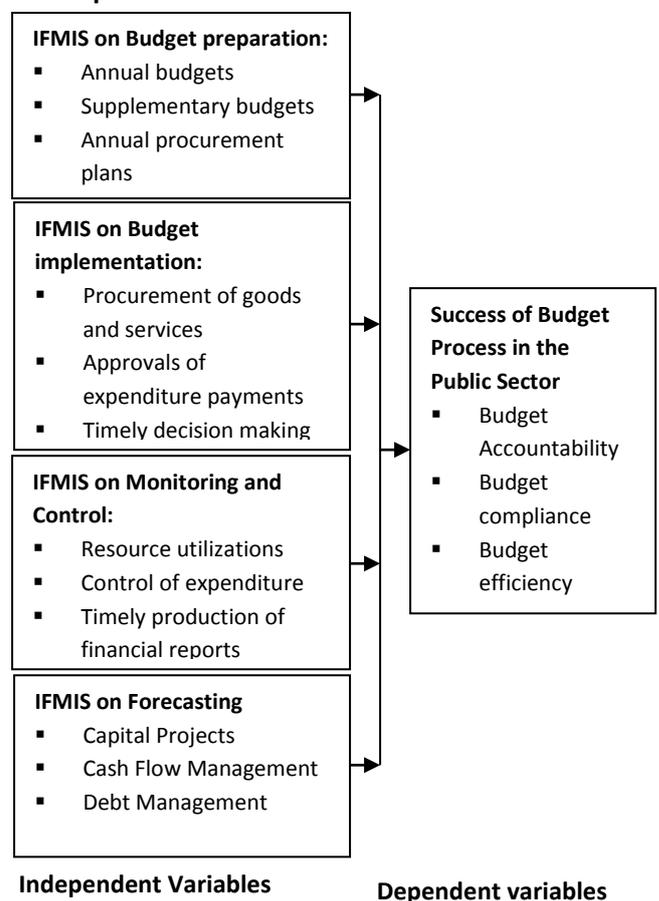
#### Meta Theory Model of Accounting Information Systems

According to (Ruchala & Mauldin, 1999), research on accounting information systems has been sourced from various disciplines, basically computer science, cognitive psychology and organizational theory. In this regard, it has been asserted that previous applications of information technology in accounting systems were mainly processes of transactions that would reciprocate the manual processes. This has led to the need of incorporating various accounting sub disciplines into more research on accounting information systems. With increased focus on the design of these systems, practicing professionals will add more value to the field and thus redefine the scope of accounting information system.

## Contingency Theory

There are various alternative theories that have been put forward for the purposes of accounting on information systems. Early contingency research, summarized by (Otley 1980), found no universally appropriate Management Accounting System (MAS) applicable to all organizations in all circumstances. Conceptual frameworks developed by (Waterhouse & Tiessen, 1978) and (Reneau & Grabski, 1987) agree that the internal and external environment and production technology are two primary categories of contingent variables to be considered in choosing an AIS.

### Conceptual Framework



**Figure 1: Conceptual Framework**

### Empirical Review

According to a study by, (WB, 2011), the interventions of the WB in the design and implementation of FMIS solutions have been reasonably successful in most countries. The

design and implementation of effective FMIS solutions is challenging and requires the development of country specific solutions to meet a number of functional and technical requirements associated with the Public Financial Management (PFM) agenda.

The systems implemented in Africa have also had challenges with (Ibrahim & Dauda, 2014) arguing out corruption challenges amid other issues. (Hendrik's, 2012) acknowledges a number of those challenges such as functional, corruption, implementation and data migration challenges. Further, (Qwabe, 2014) supports (Hendrik's, 2012) that corruption is a major factor that inhibits the effective implementation and use of the IFMS in Africa.

### **Case of Tanzania**

In the year 1994 the government of Tanzania embarked on implementing an ambitious reform programs to improve public sector financial management, which initially focused on introducing effective and efficient budget formulation and expenditure management systems and processes. Come the year 1998/1999 the government decided to introduce an integrated financial management system (IFMS) in ten selected ministries/departments/agencies. Under this system, a central server was placed at the treasury.

The benefits of the IFMS have been extensive, with the restoration of expenditure control and improved levels of transparency and accountability. The commitment control system has led to the elimination of overspending, and a substantial reduction in pending bills. A number of government bank accounts have been reduced to treasury single accounts maintained at the central bank, and the lag in reconciliation with banking data has been reduced from up to two years to automatic reconciliation on a daily basis. Comprehensive and fully reconciled fiscal data and reports are available on a continuous basis. Based on review by (OECD journal, 2006), the

Tanzania case was widely viewed as one of the most successful IFMS implemented system in Anglophone African countries due to improvement of expenditure control framework, improved capacity building through trainings, restructuring and computerization, developing and management of legislative framework and finally political and institutional support.

### **Case of Ghana**

In Ghana, the experience of the design, development, and pilot implementation of the BPEMS has not been satisfying. In the design of the BPEMS, the existing manual budget execution and accounting processes seem to have been automated to a large extent, without consideration of whether there was a better and more efficient method of achieving the required results. According (Betley, 2012), FMIS modernization was and continues to be a central pillar of the government's reform effort. However, the design and implementation of the donor assistance failed to synchronize related process and procedural reforms and change management issues designed on the basis of an assessment of the weaknesses in revenue administration.

The phased-approach to the program, with a pause after each phase for feeding the results of the evaluation of that phase into the design of the new phase, seems to have enabled the reforms to adapt to current circumstances, Greater stakeholder input into the budget process and piloting of composite budgets, which aimed to show budgetary information for districts and regions, by combining central and local expenditures in each district and region.

### **RESEARCH METHODOLOGY**

The study choose to use the descriptive survey study design for this research project. Descriptive research is usually preplanned and structured in design, thus the information collected can be statistically inferred on a population, so as to

provide a comprehensive overview of specific events experienced by individuals or groups and are based on naturalistic inquiry, and a commitment to studying something in its natural state, (Lambert & Lambert, 2012). This empirical inquiry involved collection of data using a structured questionnaires to gain a sharper understanding of how the different variables under investigation are associated, their relative significance, and identified gaps to be considered more extensively in future research.

## DATA ANALYSIS, INTERPRETATIONS AND DISCUSSION

### Budget Preparation

In this section the study sought to assess the effect budget preparation process using IFMIS system. Our areas of interest in our evaluation included; the coordination and sharing of information within various departments, the efficiency and timely preparation of annual

budgets, procurement plans and supplementary budgets. Moreover, the study also sought to evaluate the timely provision of relevant information at each stage of budget preparation. Our findings showed that across all element of budget preparation evaluated, on there was generally high endorsement of the IFMIS system contribution. Specifically 91% of the respondents concur that IFMIS has enhance a timely provision of information at every stage of the budget preparation, 90% of the respondent agree that IFMIS has enhance efficient and timely preparation of annual budget, 89% of the respondent agreed that the overall budgeting process is well coordinated through sharing of information within the different departments. 88% of the respondent agreed that IFMIS has enhance efficient and timely preparation of annual procurement plans. However when it comes to preparation of supplementary budget the result showed that 84% agreed that IFMIS had enhanced efficient and timely preparation of supplementary budgets.

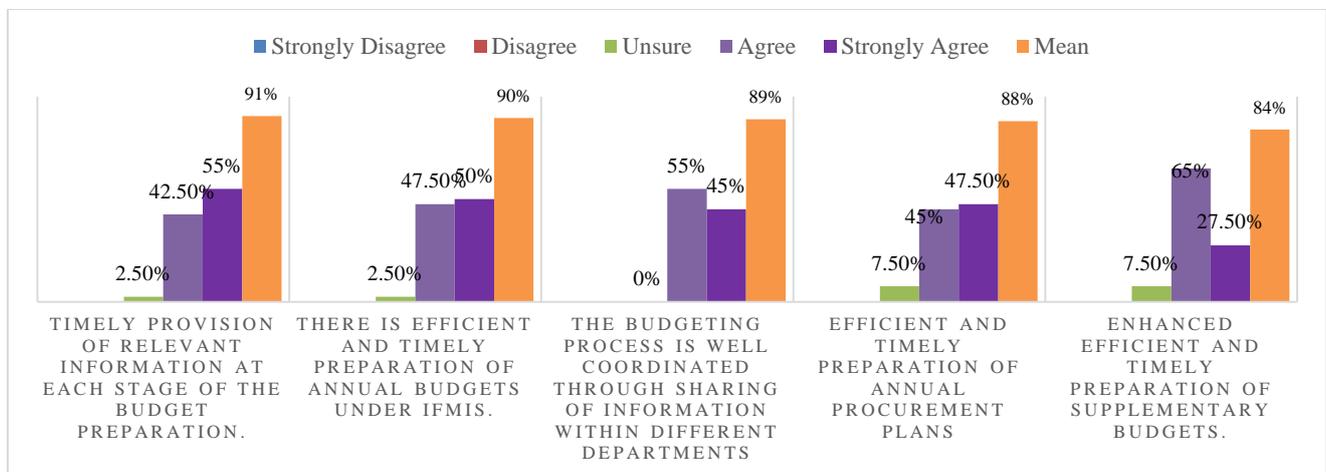


Figure 2: Budget preparation

Furthermore the finding also revealed that, the perceived successes of the IFMIS system on budget preparation had no significant association with the individuals work experience and

frequency of usage. However, there was significant association between usage of IFMIS system and the successful preparation of timely and efficient supplementary budgets.

Table 1: Budget preparation variables

Budget preparation variables	Work Experience	Frequency of Usage
	Pearson Chi-Square	Chi-Square

	values	df	Asymp. Sig. (2-sided)	values	df	Asymp. Sig. (2-sided)
Enhanced efficient and timely preparation of supplementary budgets.	.554 <sup>a</sup>	4	.968	11.963 <sup>a</sup>	4	.018
Timely provision of relevant information at each stage of the budget preparation.	3.710 <sup>a</sup>	4	.447	1.532 <sup>a</sup>	4	.821
The budgeting process is well coordinated through sharing of information within different departments	4.062 <sup>a</sup>	2	.131	2.634 <sup>a</sup>	2	.268
Efficient and timely preparation of annual budgets under IFMIS.	6.380 <sup>a</sup>	4	.173	1.546 <sup>a</sup>	4	.818
Efficient and timely preparation of annual procurement plans under IFMIS.	1.226 <sup>a</sup>	4	.874	1.076 <sup>a</sup>	4	.898

On further analysis, investigating the associations between the budget preparation process variables and the budget success variables. The study found a significant relationship between timely provisions of relevant information at each stage of budget preparation and overall budget efficiency and effectiveness. In addition, the findings also revealed a significant relationship between timely preparation of procurement plans and improved budget confidence. Our finding couldn't find a significant relationship between the remaining variables evaluated on budget preparation process and the success variables.

### Budget Implementation

The other facet of our investigation was focus on the element of budget implementation. The study

sought to evaluate the effects of IFMIS system in defining goals and objectives, enhancing timely decision making, funding of government programs as stipulated in the regulatory framework and finally the efficiency in procurement of goods and services. The findings revealed that; 91% of the respondents agreed that IFMIS has enhanced timely decision making through the production of relevant reports, 88% of the respondents agreed that funding of programs are well stipulated and executed under IFMIS, and 86% of the respondent agreed that procurement of goods and services was efficiently enhanced. In addition 85% of the respondent both agreed that IFMIs had enhanced funding of programs under the legal framework as well as clearly stipulation of goals and objectives of the budget implementation.

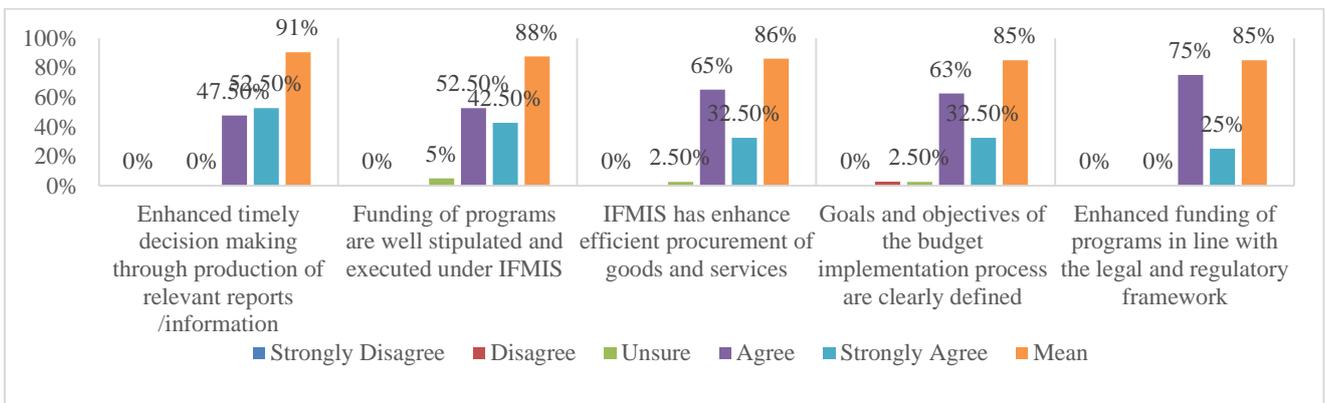


Figure 3: Budget Implementation

Further evaluation of these variable, the study showed that there was no significant relationship between budget implementation and either

individual work experience or the frequency of using the IFMIS system as shown in the table 2 below.

**Table 2: Budget implementation variables**

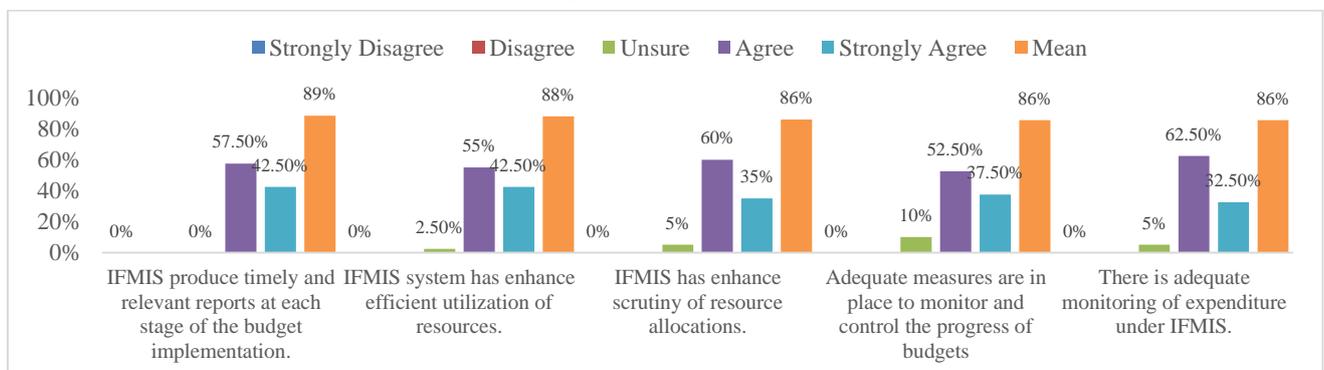
Budget implementation variables	Work	Experience	Frequency of Usage			
	Pearson Chi-Square values	df	Asymp. Sig. (2-sided)	Chi-Square values	df	Asymp. Sig. (2-sided)
The goals and objectives of the budget implementation process are clearly defined in IFMIS	3.583 <sup>a</sup>	6	.733	6.189 <sup>a</sup>	6	.402
IFMIS has enhanced timely decision making through production of relevant reports /information	.150 <sup>a</sup>	2	.928	1.241 <sup>a</sup>	2	.538
Funding of programs are well stipulated and executed under IFMIS	5.018 <sup>a</sup>	4	.285	5.145 <sup>a</sup>	4	.273
IFMIS has enhanced funding of programs in line with the legal and regulatory framework	2.057 <sup>a</sup>	2	.358	3.669 <sup>a</sup>	2	<b>.160</b>
IFMIS has enhance efficient procurement of goods and services	2.135 <sup>a</sup>	4	.711	3.326 <sup>a</sup>	4	.505

However on further analysis on budget implementation process variables and the success variables, testing for relationships between the aforementioned variables. Our findings showed a significant relationship between clearly defined goals and objectives of budget implementation and enhanced budget confidence. The findings also revealed, a significant relationship between enhanced efficient procurement of good and services with both improved budget compliance and enhanced budget confidence and credibility.

**Budget Monitoring and Control**

The study also sought to understand the process of budget monitoring and control. Here the study sought to evaluate whether IFMIS has provided for; adequate measures for monitoring of budget,

production of timely and relevant reports at each stage of monitoring, enhanced scrutiny of resource allocation, enhancing of efficient utilization of resources and finally monitoring of expenditure controls. The result from analysis of data, showed that 89% of the respondent agreed that using IFMIS system has enhanced timely and relevant reports at each stage of budget monitoring, 88% of the respondent that the system has enhanced efficient utilization of resources. Furthermore 86% of the respondent agreed that IFMIS has enhanced scrutiny of resource allocation, adequate monitoring of expenditure and there is adequate measures in place to monitor and control the progress of budgets. The figure below gives a summary of the findings.



#### Figure 4: Budget Monitoring and Control

On further investigation, the findings showed that there was no significant relationship between either budget monitoring and control process with frequency of usage or individual work experience. However there was a significant

relationship between production of relevant reports at each stage of budget monitoring and work experience. The summary of the findings are as shown in table 4.

**Table 3: Budget Monitoring and Control variable**

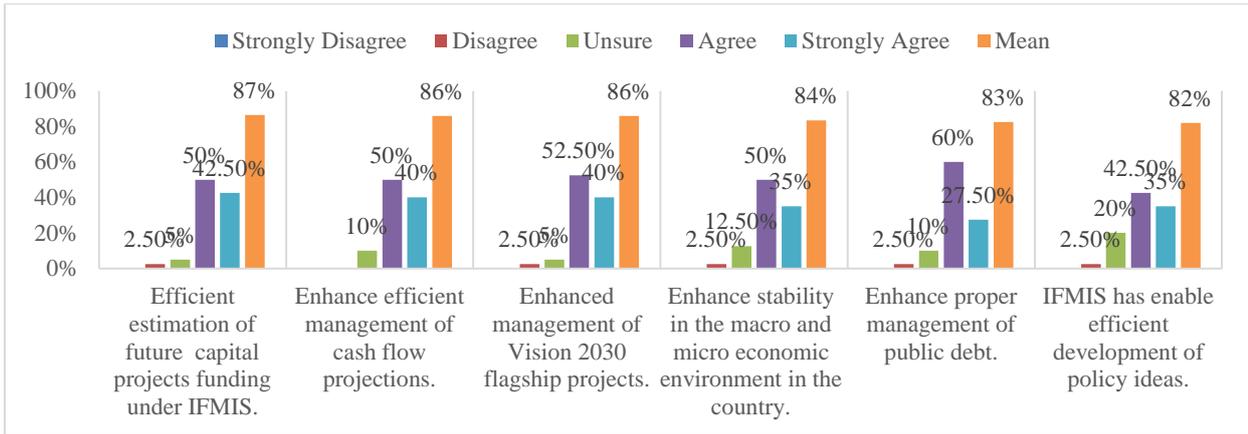
Budget Monitoring and Control variable	Work		Experience		Frequency of Usage	
	Pearson values	Chi-Square df	Chi-Square	Asymp. Sig. (2-sided)	Chi-Square values	Asymp. Sig. (2-sided)
Adequate measures are in place to monitor and control the progress of budgets	1.137 <sup>a</sup>	4	.888		4.513 <sup>a</sup>	4 .341
IFMIS produce timely and relevant reports at each stage of the budget monitoring	9.098 <sup>a</sup>	2	<b>.011</b>		3.510 <sup>a</sup>	2 .173
IFMIS has enhance scrutiny of resource allocations.	7.051 <sup>a</sup>	4	.133		1.292 <sup>a</sup>	4 .863
IFMIS system has enhance efficient utilization of resources.	6.464 <sup>a</sup>	4	.167		8.083 <sup>a</sup>	4 .089
There is adequate monitoring of expenditure under IFMIS.	6.228 <sup>a</sup>	4	.183		5.538 <sup>a</sup>	4 .236

However, on further analysis of the budget monitoring and control processes variables and the budget success variables, and testing for associations. The findings also showed that there was a significant relationship between enhance scrutiny of resource allocations and enhancing accountability in the budgeting process. Furthermore, the findings again revealed that there was a significant relationship between enhance efficient utilization of resources with both improvement of budget compliance and enhanced budget confidence and credibility. In addition our finding showed a significant relationship between monitoring of expenditure with both improvement of budget compliance and enhanced budget confidence and credibility. The other variables had no significant relationship

#### Budget Forecasting

The investigation was also directed towards elements of budget forecasting, specifically it sought to understand whether IFMIS system had;

enable efficient development of policy ideas, enhance stability in the macro and micro environment, enable efficient estimation of future capital projects funding, proper management of public debt, efficient management of cash flow projections and finally the management of vision 2030 flagship projects. The result from the study showed that 87% of the respondents were in agreement that IFMIS system has enhance efficient estimation of future capital project funding, 86% of study participants concurred that it has enhance efficient management of cash flow projections and vision 2030 flagship projects. Furthermore 84% of our study participants believed that IFMIS system has enhance the management of macro and micro environment in the country, whereas 83% were of the opinion that it has enhanced the management of public debt. Finally 82% of the respondent were of the opinion that IFMIS had enable the development of efficient policy ideas. The summary of the finding are as shown in the figure 5 below.



**Figure 5: Budget Forecasting**

Further analysis showed that there was no significant relationship between variables in budget forecasting and both work experience and

frequency of using the IFMIS system. The summary of the findings are as highlighted table 4 below.

**Table 4: Budget Forecasting Variables**

Budget Forecasting Variables	Work Experience		Frequency of Usage	
	Pearson Chi-Square values	df	Chi-Square values	df
Efficient estimation of future capital projects funding under IFMIS.	7.263 <sup>a</sup>	6	4.704 <sup>a</sup>	6
Enhance efficient management of cash flow projections.	8.024 <sup>a</sup>	6	5.385 <sup>a</sup>	6
Enhanced management of Vision 2030 flagship projects.	3.913 <sup>a</sup>	6	3.585 <sup>a</sup>	6
Enhance stability in the macro and micro economic environment in the country.	4.057 <sup>a</sup>	4	2.318 <sup>a</sup>	4
Enhance proper management of public debt.	2.946 <sup>a</sup>	6	4.103 <sup>a</sup>	6
IFMIS has enable efficient development of policy ideas.	7.108 <sup>a</sup>	6	6.930 <sup>a</sup>	6

However on further analysis, of the budget forecasting variable and the success factor variables, and testing for associations between these variables. The results showed that there was a significant relationship between efficient management of cash-flow projection with enhance accountability, improved budget compliance and an enhanced confidence and credibility to the budget. Furthermore, the findings revealed that there was a significant

relationship between; efficient development of policy ideas, enhanced stability of macro and micro economic environment, efficiency in estimation of future capital projects funding, enhance management of public debt and of vision 2030 flagship project with improved budget compliance and enhancement of confidence and credibility to the budget. The table 5 below gave a summary of the findings.

**Table 5: Budget Forecasting Variable**

Budget Forecasting Variable	Budget Accountability Chi-Square test			Budget Efficiency test		Effectiveness& Chi-Square test	
	values	df	Asymp. Sig. (2-sided)	values	df	Asymp. Sig. (2-sided)	
Efficient estimation of future capital projects funding under IFMIS.	7.945 <sup>a</sup>	6	.242	3.271 <sup>a</sup>	3	.352	
Enhance efficient management of cash flow projections.	22.826 <sup>a</sup>	4	<b>.000</b>	1.200 <sup>a</sup>	2	.549	
Enhanced management of Vision 2030 flagship projects.	10.585 <sup>a</sup>	6	.102	3.190 <sup>a</sup>	3	.363	
Enhance stability in the macro and micro economic environment in the country.	4.865 <sup>a</sup>	6	.561	3.600 <sup>a</sup>	3	.308	
Enhance proper management of public debt.	5.503 <sup>a</sup>	6	.481	2.258 <sup>a</sup>	3	.521	
IFMIS has enable efficient development of policy ideas.	10.640 <sup>a</sup>	6	.100	4.601 <sup>a</sup>	3	.203	

Budget Forecasting Variable	Budget compliance Chi-Square test			Budget confidence/credibility Chi-Square test		
	values	df	Asymp. Sig. (2-sided)	values	df	Asymp. Sig. (2-sided)
Efficient estimation of future capital projects funding under IFMIS.	19.519 <sup>a</sup>	6	<b>.003</b>	42.502 <sup>a</sup>	9	<b>.000</b>
Enhance efficient management of cash flow projections.	25.060 <sup>a</sup>	4	<b>.000</b>	17.290 <sup>a</sup>	6	<b>.008</b>
Enhanced management of Vision 2030 flagship projects.	14.857 <sup>a</sup>	6	<b>.021</b>	49.753 <sup>a</sup>	9	<b>.000</b>
Enhance stability in the macro and micro economic environment in the country.	12.839 <sup>a</sup>	6	<b>.046</b>	41.117 <sup>a</sup>	9	<b>.000</b>
Enhance proper management of public debt.	21.201 <sup>a</sup>	6	<b>.002</b>	45.427 <sup>a</sup>	9	<b>.000</b>
IFMIS has enable efficient development of policy ideas.	13.371 <sup>a</sup>	6	<b>.038</b>	42.102 <sup>a</sup>	9	<b>.000</b>

The other variables under investigation had no significant relationships.

### Success in Budgeting Process

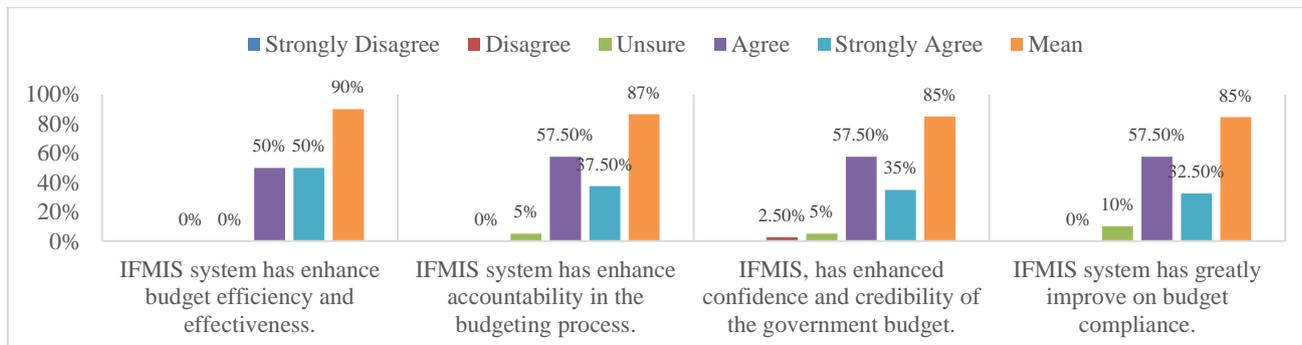
The study sought to evaluate the success of IFMIS system contribution to the budgeting cycle. Our goals for this assessment was to interrogate the overall principle that could improve accountability

in the budgeting process, promotion of budget efficiency and effectiveness, improve budget compliance thereby promoting budget confidence and credibility. The findings showed that, 90% of the respondent perceived that IFMIS system has enhance overall budget efficiency and

effectiveness, 87% perceived that IFMIS system has enhance accountability in the budgeting process, 85% of the respondents perceived IFMIS

to enhance both budget confidence and credibility and improve overall compliance as summarized in the figure below.

**Figure 6: Success in Budgeting Process**



In addition, the study also sought to identify the contribution of budget preparation variables, budget implementation variables, budget monitoring and control variables and budget forecasting variables on the overall perceived success of our budgeting process and further understand the relationships of these parameters we had evaluated. To achieve these, a variable reduction using analysis using the factor analysis so as to help in trimming the variables to a manageable number of highly correlated variables and two, to assist in building a models so as to try and explain the relative importance of each individual variable.

**Factor Analysis**

The analysis employed the use of principle component analysis and Varimax extraction method to extract components that had Eigen values of more than 1. The extraction process managed to extract nine components representing 76.4% of the total variance of all the variables under investigation, which is. The variable selected from the extraction, were highly correlated with the extraction components, which, one shows the relative strength and also reveal their relative importance with the each extracted components, to draw insights from the analysis and also to make study conclusions. The table below gives a summary of the extracted components.

**Table 6: Summary of the extracted components**

Rotated Component Matrix <sup>a</sup>									
	Component								
	1	2	3	4	5	6	7	8	9
IFMIS has enhanced efficient and timely preparation of supplementary budgets.		<b>.703</b>							
There is efficient and timely preparation of annual budgets under IFMIS.		<b>.845</b>							
There is efficient and timely preparation of annual procurement plans under IFMIS.			<b>.844</b>						
The goals and objectives of the budget implementation process are clearly defined in IFMIS							<b>.754</b>		

IFMIS has enhanced timely decision making through production of relevant reports /information								<b>.783</b>	
Funding of programs are well stipulated and executed under IFMIS								<b>.858</b>	
IFMIS has enhanced funding of programs in line with the legal and regulatory framework						<b>.850</b>			
IFMIS has enhance efficient procurement of goods and services			<b>.765</b>						
There is adequate monitoring of expenditure under IFMIS.						<b>.636</b>			
IFMIS has enhance stability in the macro and micro economic environment in the country.			<b>.788</b>						
IFMIS system has enhance proper management of public debt.	<b>.878</b>								
IFMIS has enhance efficient management of cash flow projections.	<b>.751</b>								
IFMIS has enhanced management of Vision 2030 flagship projects.			<b>.689</b>						
IFMIS system has enhance accountability in the budgeting process.					<b>.879</b>				
IFMIS system has enhance budget efficiency and effectiveness.									<b>.795</b>
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.									

From these extraction the study found out IFMIS enhance the efficient management of both cash flows and public debt. The second component had the elements that IFMIS enhanced a timely and efficient preparation of both the annual and supplementary budgets. The third component extracted was that IFMIS enhanced efficient preparation of procurement plans, and enhanced management of vision 2030 flagship projects. The fourth component extracted was that IFMIS enhanced efficient procurement of goods and services thereby enhanced stability of macro and micro economic environment. The fifth component extracted was that IFMIS enhance accountability in the budgeting process. The sixth component extracted was that IFMIS had enhanced the funding of programs in line with the regulatory framework as well as instituting adequate monitoring of expenditure. the seven

component extracted indicated that goals and objectives of budget implementation process are well and clearly defined as well as clearly stipulation and execution of funding programs. The eight components that was extracted was that IFMIS enhanced timely decision making. Finally our last component extracted was that IFMIS enhanced budget efficiency and effectiveness.

### **SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS**

In reference to budget preparation process, the study findings showed that on a more general perspective, the IFMIS system is perceived to have, enhanced timely provision of relevant information at each stage of budget preparation, that the budgeting process is well coordinated

through sharing of relevant information within various departments and that it has enhanced efficient and timely preparation of annual budgets, supplementary budgets and procurement plans. This therefore contributes to the overall budget efficiency and effectiveness. Furthermore, when it comes to budget implementation process, the findings revealed that IFMIS system was perceived to have enhanced the funding of programs to be done in line with the legal and regulatory framework, the goals and objectives of budget implementation are clearly defined especially in line with Public Financial Management Act of 2012. The budget implementation process has enhanced timely decision making process through the production of relevant reports, in addition it has enhanced efficient procurement of goods and services and that funding of programs are well stipulated and executed, thus improving both budget compliance and budget confidence and credibility.

The research findings also reveal that IFMIS is perceived to have greatly impacted on the process of budget monitoring and control by enabling the timely production of reports, enhanced scrutiny of resource allocations, that there is adequate monitoring of expenditure, there is adequate measures in place for monitoring and control processes and finally it has enhanced efficient utilization of resources thus resulting in more budgetary accountability, improving compliance and the budget confidence and credibility.

Lastly, the findings showed that the IFMIS system has also immensely impacted the process of budget forecasting by enabling efficient estimation of future capital projects funding, efficient management of cash flows projections and proper management of vision 2030 flagship projects, enhancing the stability of both macro and micro economic environment, enhanced proper management of public debt and the efficient development of policy ideas. This therefore goes a long way in improving more budgetary compliance, a greater budgetary

confidence and credibility which are budget success factors.

### **Conclusion**

In conclusion, budgetary process is an important component in improving the overall goal of enhancing efficiency and effectiveness in public finance management. The study has also shown that frequency of using the IFMIS system has shown to affect the preparation of supplementary budgets, for this reason there should be strategy targeting certain departments to fully realize the potential benefit of the system.

There is still more to be done to fully realise the benefits of the reforms in public service. The leaps made in trying to reform have not been without challenges. Some of the challenges identified in this study include; employees still being resistance to the changing system of working, capacity needs in terms of skills deficiency in using the IFMIS system, implementing a comprehensive linking all supporting department with the IFMIS system and being in tune with the technological changes and advancements. These challenges are similar to (Chebet 2013) findings from this study which sought to determine the critical success factors in implementation of the re-engineered Integrated Financial Management Information System (IFMIS) in Kenya

In spite of these challenges the overall need of improving the budget transparency has borne more benefits in service delivery, although there is still no consensus at the global level enabling condition for reforms, however, the ultimately action instituted by national government is still needed despite the challenges faced.

### **Recommendations**

From the findings, the study recommends that the following are ways through which some of the challenges can be overcome: putting in place timely and adequate training programs for all staff using the system, ensure there is sufficient

hardware and software linkages between all levels of government and enough manpower to both implement and maintain the IFMIS system, carry out user sensitization throughout the various state departments on the benefits of implementing the IFMIS system, improving the technological uptakes to deal with emerging technological challenges and advancements and assign adequate time to test and deploy systems especially in lower level of governments.

### Areas for Further Research

From the results the study found out 9 critical success factors. The study recommends a further study on the those specific factors should be done to expound on how those factors influence the successful implementation of Integrated Financial Management Information System in government ministries in Kenya. With the roll-out of IFMIS to the county government more assessment should be done to assist in future planning and implementation.

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