

Effect of Budgetary Control Measures on Financial Performance of the County Government of Kajiado

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ABSTRACT

The key factor for the successful implementation of budgeting is the unequivocal support from management and leadership. Without this support, the entire system is at risk of failure. It is crucial to follow up budgeting with effective control measures. The purpose of this study is to examine the effect of budgetary control measures on financial performance of the county government of Kajiado. The study's objectives are to: - assess the effect of budget planning, evaluate the effect of budget coordination and determine the effect of budget evaluation on financial performance of the county government of Kajiado. This study is anchored on the allocation of resource theory, expenditure theory and progressive theory of public expenditures. The study used a descriptive research design. The target population of the study were the 4,017 employees in Kajiado county government in all the four departments. The study employed stratified random sampling, to categorize the population into strata. To get the number of employees per department, the study used the sample proportionate to population technique. Then, the study used simple random sampling to select the employees. The study used the Yamane (1973) formula to arrive at the sample size of 363 respondents. Data was collected through questionnaires. A pilot study took place at Kajiado County. Questionnaires were administered to the sampled employees at the county. Data was analyzed using SPSS. Findings revealed that budget planning positively and significantly influence financial performance of the county government of Kajiado ($\beta = 0.168$, $p = 0.000$). It was noted that budget coordination positively and significantly influences financial performance of the county government of Kajiado ($\beta = 0.494$, $p = 0.000$). Results indicated that budget evaluation positively and significantly influence financial performance of the county government of Kajiado ($\beta = 0.340$, $p = 0.000$). It was concluded that Kajiado County employs a collaborative approach to budget planning, involving employees and various departments from the outset. Teamwork and consultation among departments in the budgeting process is crucial for ensuring alignment with strategic objectives and promoting ownership and accountability among stakeholders. It is recommended that efforts should be made to ensure that the budget committee is adequately resourced and empowered to fulfill its oversight role effectively. The county government of Kajiado should consider implementing cross-functional budgeting teams comprising representatives from various departments. The county government of Kajiado should implement a comprehensive review process that not only assesses expenditure performance but also evaluates the effect of budget allocations on the county's strategic objectives and service delivery.

Key Words: Budgetary Control, Financial Performance, Devolved Governments

DOI 10.35942/t71mq457

Cite this Article:

Ishimwe, N., & Abuga, I., (2024). Effect of Budgetary Control Measures on Financial Performance of the County Government of Kajiado. *International Journal of Current Aspects in Finance, Banking and Accounting*, 6(2), 31-45. <https://doi.org/10.35942/t71mq457>

1.0 Introduction

1.1 Background to the study

The performance of county governments has experienced significant shifts over time, primarily influenced by a range of technological innovations, advancements in financial systems, dynamic shifts in legal frameworks, and evolving preferences of customers (Suyanto, 2023). This evolution highlights the vital role that effective budgetary control plays, not only in ensuring the viability and competitiveness of counties, but also in driving optimal levels of performance. The infusion of technology into budgetary practices has ushered in a transformative era for performance in decentralized systems worldwide. Innovations in technology have birthed novel revenue streams, heightened efficiency and enhanced accessibility to public services (Yussuf & Abdul, 2022). These strides have contributed to better service delivery, thereby enabling a broader segment of the populace to partake in economic engagements, consequently bolstering revenue generation for public institutions.

Budgeting has long been utilized as a crucial tool for financial management and control within public entities. It serves as a means to achieve financial performance targets and is widely implemented worldwide. Budgetary control measures are considered essential for effective financial planning and performance evaluation. Habineza and Cortez (2023) emphasize that budgets facilitate regular monitoring of aggregate expenditure and provide detailed information on financial performance statements regarding resource utilization. However, it is important to note that budgets primarily focus on short-term financial goals and activities rather than long-term development plans. The budgeting process involves setting goals, reporting on actual financial performance, and evaluating performance in relation to predetermined financial targets. Neltje, Rotinsulu, Nurnajamuddin and Mas (2021) suggest that budgetary control performs a significant function in coordinating the activities of government ministries and departments by establishing financial objectives to achieve predetermined financial performance levels.

Budgetary control encompasses various activities such as budget preparation, variance analysis, financial performance evaluation, actual performance recording and implementing corrective measures to achieve the desired budgeted outcomes (Niyi & Olusegun, 2020). Budgetary control and organizational financial performance are determined through utilization of the budgets (Mbuthia & Omagwa, 2019). When budgets are primarily used as planning tools, they facilitate easier control, leading to enhance performance. The likelihood of budget planning positively effecting financial performance diminishes if budgets are predominantly used for control purposes. The budgetary control process involves authorization, preparation, implementation and evaluation (Kemunto & Cheluget, 2022). This process is instrumental in corporate financial planning, as it provides a framework for monitoring and regulating financial activities within the organization.

Globally, budgetary control systems were first used in the United States of America. This then continued to the rest of the world. In effect, the way in which public entities in the world are run has changed over time. Various reforms have been instituted by governments to ensure accountability, transparency and good governance prevails. Automated revenue collection could enhance revenue collection rates. (Egan & Haynes, 2019). According to Amaraveni and Susruth (2021), budgetary control, which deals with the administration of a firm's funds with a view to enhancing performance entails financial planning. Organisations should invest as much as possible in making funding, investment and financial policy decisions. This results in the least departure from the anticipated outcomes, which has the greatest effect on outcomes. Good budgetary control

measures improve responsibility at all decision-making levels, which improves financial performance. Selvakumar and Abima (2021) stated that in India that an enterprise is unlikely to be successful in managing money without proper budgetary control measures. Analysis of the financial performance is necessary for budgetary control.

Hoque (2021) asserted that, there has been a paradigm shift in public financial management and consequent financial performance of public entities in Australia, the United Kingdom, Europe and North America. The understanding of how government entities manage their finances enhances accountability, and good governance. The public becomes more aware of how public funds are utilized. America and Europe have been at the forefront of instituting elaborate structures and controls on the management of budgets (Nyamita et al. ,2015). Public financial management entails government budgeting, financial reporting, accountability and auditing of public funds use. Budgetary control focuses on enhancing accountability and efficiency in delivery of government services. Through improved public financial management, the financial performance of public entities is bound to improve.

In Indonesia, Sumual et al. (2021) note that the budgeting process plays a critical role in enhancing transparency and performance in public management. They also assert that internal controls, proper budgeting and public accountability have a significant association with the performance of a public institution. Government institutions should hence involve the public in financial management. Additionally, robust internal control systems must be put in place to enhance financial performance of public entities. Through these, the public will gain confidence in the public institutions and support them. Bawole and Adjei-Bamfo (2020) explain that despite the various budgetary management reforms in Africa, financial performance has not been sustainable. Social cultural factors have a function to perform in financial performance of devolved systems. In South Africa, Wishnia and Goudge (2021) explain that with the increased public demand for accountability on the utilization of public resources, budgetary control is critical in ensuring financial performance. Effective financial performance requires public participation and collaboration of all departments within government. Managers and their juniors must be trained on accountability and application of prudent budgetary controls to improve performance of public entities.

In Uganda, Kavuma et al. (2020) explain that various strategies have been adapted to enhance budgetary control to improve financial performance of state corporations. For the good performance of state entities, adequate funding and reduced government bureaucracies must be instituted to guarantee success. Government entities must be supported to grow their revenues and offer quality services to the people. All stakeholders must work together to ensure no leaks in revenue collection. Public private partnerships ought to be encouraged and supported to promote accountability and good governance in public projects. Kabuye, Kato, Akugizibwe and Bugambiro (2019) observed that budgetary control systems do not have a substantial predictive influence on achieving financial success. Consequently, organizations are more inclined to enhance their financial performance when they have effective working capital management practices in place. The study highlights that many organizations have not accorded significant attention to the development of internal control systems and the management of their working capital.

Financial performance serves as an indicator of the effectiveness of financial plans and their implementation (Lulaj, Zarin & Rahman, 2022). Traditionally, measures like profitability, revenue growth and cashflows have been used to assess financial performance. There is a growing concern among finance experts on excessive reliance on these measures. The 47 county governments in

Kenya have powers to administer devolved functions according to the constitution (Wanyonyi & Theuri, 2021). Budgeting and budgetary control systems are widely employed by these county governments as management tools to enhance accountability in the public resource usage. As per the Public Finance Management Act of 2012, county treasuries have the constitutional responsibility to prepare county fiscal strategy papers and submit them for approval to the county executive commission. These approved fiscal policy papers are subsequently forwarded to the county assemblies. County treasuries outline the fiscal plans for succeeding financial periods, thus contribute to efforts to achieve financial objectives (Majani, Mackton & Atieno, 2022). The budgeting and budgetary control process holds significant importance for all county governments in Kenya as they strive to attain their financial plans.

2.0 Literature Review

2.1 Theoretical Framework

Is composed of interrelated ideas and concepts that are derived from previously established theories. It functions as a logical framework for statements that are derived from empirical evidence or data. Elucidating phenomena and accounting for, a theoretical framework is intended to give explanations for the causes of observed occurrences. Kivunja (2018) explains that theories help researchers to come up with novel findings, promote the development of more complex theories and enhance practical actions. This research is anchored on the theory of resource allocation, expenditure theory and progressive theory regarding public spending.

2.1.1 Allocation of Resource Theory

Peteraf and Barney (2003) introduced the resource allocation theory, a pivotal concept in understanding how countries, businesses, individuals, or entrepreneurs allocate their resources through the budgeting process to achieve specific objectives. This theory acknowledges that economic resources are inherently limited, valuable, difficult to substitute, and challenging to replicate. These characteristics make efficient resource allocation a cornerstone of gaining and sustaining competitive advantages for organizations. In the corporate world, budgeting serves as a primary mechanism for distributing financial resources. Through budgeting, companies allocate funds strategically to meet predefined financial targets. This process not only helps in achieving short-term financial goals but also supports long-term sustainability and competitiveness. Therefore, understanding resource allocation and mastering the art of budgeting are essential skills for individuals and organizations seeking to thrive in the complex landscape of resource scarcity and competition.

Government entities rely on budgetary control systems as crucial tools for optimizing the allocation of their constrained economic resources (Anantadjaya, 2008). This becomes particularly vital when viewed through the lens of the invisible hand theory, a foundational economic concept. The invisible hand theory highlights the significance of competition, the dynamics of supply and demand, and the influence of individual and corporate choices in shaping resource allocation (Peteraf & Barney, 2003). The invisible hand theory suggests that in a free-market economy, resources gravitate toward their highest-value applications and areas of greatest need. This principle underscores the self-regulating nature of markets, where businesses and individuals pursuing their self-interest inadvertently contribute to overall economic efficiency. By implementing budgetary control systems, governments can better align their limited resources with the spontaneous forces of the market, facilitating the allocation of resources in a manner that benefits society as a whole and promotes economic prosperity. This theory is critical in

determining budget plans for the county government of Kajiado by providing a structured framework for resource allocation. It ensures that limited funds are distributed effectively and equitably, balancing the diverse and often competing interests of the public. Through careful prioritization and strategic planning, the theory helps to address the most pressing needs of the community while fostering sustainable development. Through promotion of transparency and accountability in financial management, budgeting enhances public trust and supports the efficient delivery of essential services, ultimately contributing to the overall well-being and growth of Kajiado County.

2.2.2 Expenditure Theory

As originally proposed by Rubin (1990), offers valuable insights into the normative aspects of budgeting and its profound influence on shaping financial policies. This theory delves into the intricate process of selecting which expenditures take precedence while others are excluded from the budgeting process. In doing so, it contributes significantly to enhancing an organization's financial performance (Posner & Blondal, 2012). Moreover, it performs a crucial role in resolving conflicts regarding the government's role in society, making budgetary control an indispensable element of the decision-making process. The core tenet of expenditure theory revolves around the idea that budgeting is not merely a mechanical task but a normative one. It goes beyond the simple allocation of resources; it involves making value judgments and policy decisions. Budgets reflect the priorities and values of an organization or government, serving as a blueprint for its financial direction. In this sense, the theory underscores the critical link between budgeting and governance, highlighting the broader implications of financial choices on society.

One of the practical applications of expenditure theory lies in its ability to shed light on the role of information within organizations. By comparing budgeted figures with actual expenditures, organizations can discern variances and understand why expenditures may deviate from predefined financial targets (Ulrich, 2008). This process empowers decision-makers with insights into the effectiveness and efficiency of their financial strategies. It also facilitates informed adjustments and policy revisions, ultimately leading to improved financial management. The county government of Kajiado can utilize expenditure theory to select activities or projects based on their desirability as expressed within the budget, thus facilitating the attainment of developmental goals. It is essential for the county government to coordinate the expenditures of various departments and prioritize urgent needs among them.

2.2.3 Progressive Theory of Public Expenditures

Initially introduced by Walker (1951), it places a strong emphasis on the critical principle of cost-effectiveness in budgeting. This theory advocates that government budgets should be grounded in financial records and guided by the application of marginal utility theory, which aids in identifying the most efficient distribution of resources (Hildreth & Zorn, 2005). The progressive theory of public expenditure holds significant relevance for the county government of Kajiado. For the county government of Kajiado, adhering to the principles of this theory is paramount. It underscores the importance of budget evaluation and performance as central pillars of financial management. The county must prioritize cost-effectiveness during its budgeting process to ensure efficient and effective service delivery to its constituents. This entails making strategic decisions based on a thorough analysis of financial data and considering the principle of marginal utility. Efficient resource allocation is pivotal for the county government to deliver value for money to its citizens. Given the inevitable constraints of limited financial resources, the county must

judiciously and optimally utilize the available funds to achieve the maximum effect. This not only serves the interests of fiscal responsibility but also directly contributes to improved financial performance and the overall welfare of the county's residents.

2.3 Conceptual framework

Independent variables

Dependent Variable

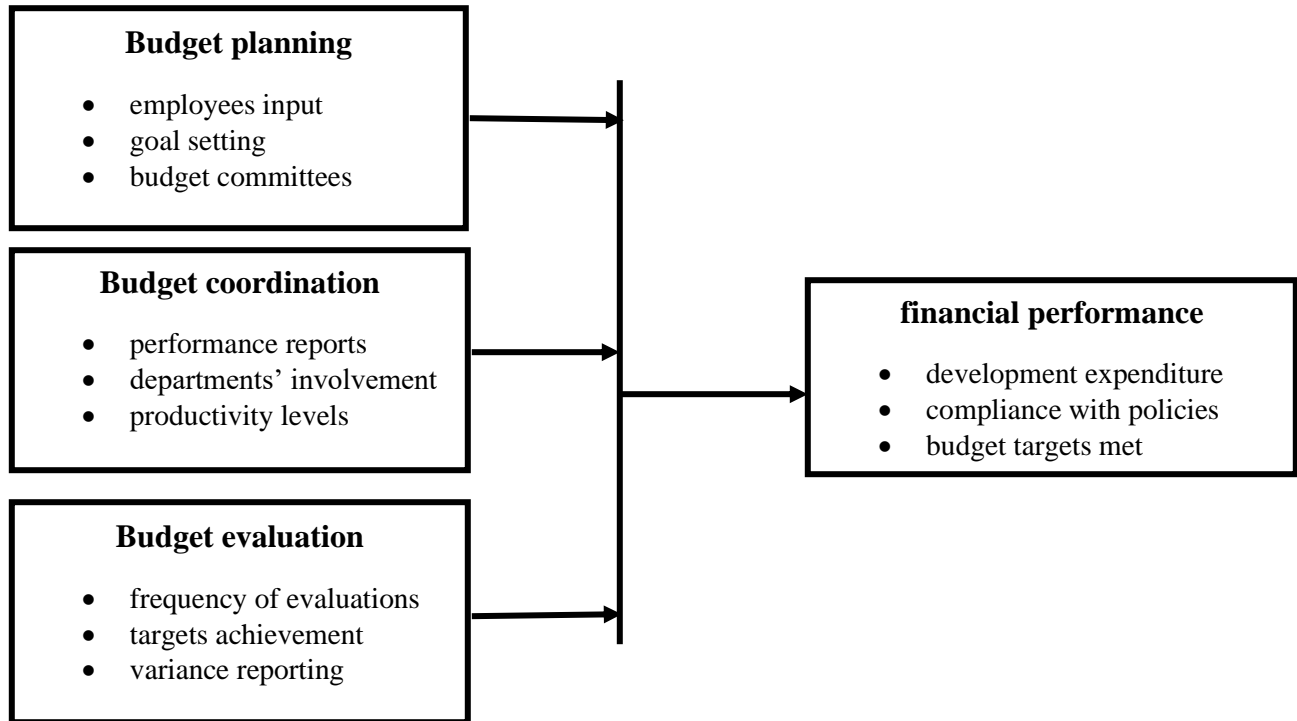


Figure 1: Conceptual framework

3.0 Research Methods

Quantitative method was used in this study. The investigation employed a descriptive research methodology. This design entails analysing and observing the variables in question in their natural state, with no deliberate changes or manipulations (Siedlecki, 2020). The major goal is to acquire the subject's comprehension while having no influence on the variables. The researcher seeks to collect relevant ideas and information on the topic. Descriptive studies are not just about collecting data; they also involve analysis, classification, measurement and data interpretation. The design helps investigate the impact of budget coordination, budget planning, and budget evaluation on the financial performance.

It was performed in Kajiado county. It is one of the 47 counties in the country. Kajiado county has 5 sub counties: Mashuuru, Loitoktok, Isinya, Kajiado North and Kajiado Central. It had a population of 1,117,840 as per the KNBS 2019 census. The county neighbors Narok, Makueni, Machakos, Taita Taveta and Kiambu. The main economic activity is farming and livestock rearing. Population is the number of people with same characteristics in a certain geographical area (Adam, 2020). The study's target population consisted of 4,017 employees from Kajiado county government's four departments. Data was collected using questionnaires. Semi-structured questionnaires were given to employees. The surveys were divided into five sections, which covered basic information on the respondents as well as variables of interest. Respondents were instructed on how to complete the

questionnaires. The surveys collected information on budget planning, budget coordination, and budget evaluation on the county government of Kajiado's financial performance. Variable indicators were provided as statements on a Likert scale. Furthermore, the researcher advised participants that their participation in the study posed no dangers.

The accuracy and consistency of the surveys were thoroughly assessed. SPSS was adopted to evaluate the data using correlation and regression analysis techniques. A descriptive analysis was done to look at these data. Every independent variable was contrasted with every dependent variable. Regression analysis was done to look at the cumulative effects of these factors. A five percent significance level was employed to assess the research variables.

4.0 Study Results

Results illustrated in Table 1.

Table 1: Correlation analysis

		Financial performance
Financial performance	r	1
	p (2-tailed)	
	N	331
Budget planning	r	.718**
	p (2-tailed)	0.000
	N	331
Budget coordination	r	.905**
	p (2-tailed)	0.000
	N	331
Budget evaluation	r	.824**
	p (2-tailed)	0.000
	N	331

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

Source: Research Data

The research findings highlight correlations between budgetary control measures on financial performance. The significance of these correlations is determined by p-values. Results showed that budget planning strongly and positively and correlated with financial performance ($r=0.718$, $p=0.000$). Budget coordination strongly and positively correlated with financial performance ($r=0.905$, $p=0.000$). It was established that budget evaluation strongly and positively correlated with financial performance ($r=0.824$, $p=0.000$).

In order to find out how Independent Variables affect the dependent variable; a regression analysis has been performed. Table 2 gives an overview of the linear regression model.

Table 2 : Model summary

R	R Square	Adjusted R Square	Durbin-Watson
.964 ^a	0.929	0.928	1.453

a. Predictors: (Constant), budget evaluation, budget planning, budget coordination

b. Dependent Variable: financial performance

Source: Research Data

The results show that r square is 0.929, which equals 92.9%. At a 95% confidence level, this suggests that the county government of Kajiado's financial performance will vary by 92.9% due to changes in budget planning, budget coordination, and budget evaluation. Other factors account for only 7.1% of the changes in Kajiado County Government's financial performance. The correlation coefficient (R) showed a strong positive association between the variables, with a correlation coefficient of 0.964.

Table 3: ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	17.072	3	5.691	1423.099	.000 ^b
Residual	1.308	327	0.004		
Total	18.379	330			

a. Dependent Variable: financial performance

b. Predictors: (Constant), budget evaluation, budget planning, budget coordination

Source: Research Data

Results indicate that there is a relationship of the variables, through a significance level of 0.000. In addition, the calculated F value was greater than the critical value of 1423.099. 2.605). It is therefore reliable that the model used in this study is valid. Consequently, the results are considered sufficient to arrive at a definitive conclusion and provide substantiated recommendations.

Table 4: Coefficients

	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	VIF
(Constant)	-0.015		-0.217	0.828	
budget planning	0.168	0.170	8.768	0.000	1.726
budget coordination	0.494	0.565	26.425	0.000	2.100
budget evaluation	0.340	0.358	17.698	0.000	1.884

a. Dependent Variable: financial performance

Source: Research Data

Assuming that the values of budget planning, budget coordination and budget evaluation remain fixed at zero, performance would remain consistently at -0.015. Variance Inflation Factors (VIF) for the three variables ,1.726,2.100 and 1.884 all fall below the threshold of 4. This indicates absence of multicollinearity. VIF indicates the extent to which the variance of the weight coefficient is inflated due to multicollinearity. It indicates the degree of correlation between each weight and the other predictors within the model. The low VIF values here suggest that the weights have limited correlation with the predictors in the model.

Findings reveal that budget planning positively and significantly influence financial performance of the county government of Kajiado ($\beta = 0.168$, $p = 0.000$). A unit increase in budget planning leads to 0.168 unit increase in financial performance of the county government of Kajiado. This aligns with findings of Chepkorir, Langat and Rugut (2021) assessed the association between performance and financial planning in Kericho county. The authors suggested setting realistic planning of revenues, alignment of expected expenditures with anticipated income and provision of training for staff involved in budget planning. Budgeting is a critical necessity for businesses and organizations globally. While the public sector has established a legal framework for financial operations, County Governments persistently encounter challenges, including stalled projects, budget shortfalls, and postponed payments to suppliers.

An evaluation of budget participation's impact on organizational performance was conducted by Indra (2021). Findings showed that concurrent transfer of authority, budgetary involvement and the clarity of budget targets all had a substantial impact on managerial performance. It was noted that budget participation significantly and favorably affected managerial performance. The clarity of targets was observed to have a positive but insignificant influence on managerial performance. Delegation of authority was found to have no effect on managerial performance. Local government organizations serve as the operational backbone of government, deriving their legitimacy from the community they serve. Consequently, the trust vested in government administrators by the community must be balanced with effective performance to ensure that services are improved and efficiently reach the community.

Public financial management is a major driver of economic development by ensuring transparent and effective revenue generation, execution and reliable planning of budget decisions. In Kenya, however, the implementation of public financial management has encountered significant problems since the inception of devolved units, despite the presence of legislative frameworks and robust institutional aimed at enhancing efficiency and effectiveness. Thus, Mwambere and Kosimbei (2022) assessed how government performance was affected by financial management. Findings revealed the establishment of a working capital management system within the County government. Taita Taveta county was found to forecast future cash flows to guide corrective actions, ensure smooth operations by guaranteeing sufficient revenue flow and maintain optimal cash balances. Ultimately, Taita Taveta government had effectively addressed the issue of liquidity regulation using the implementation of reliable systems as concluded by the study.

A budget stands as a fundamental and potent instrument in management, serving to plan and regulate the allocation of limited financial resources toward achieving organizational objectives. While much of the existing research on budgeting has concentrated on the hurdles encountered during budget preparation and utilization within the public sector, Mutuma, Ileri and Lyria (2016) assessed the challenges associated with budget implementation. There was a significant link between budget planning and performance. Challenges in budget implementation was associated with institutional constraints. It was noted that budget coordination positively and significantly influences financial performance of the county government of Kajiado ($\beta = 0.494$, $p = 0.000$). A unit increase in budget coordination leads to 0.494 unit increase in financial performance of the county government of Kajiado. Indeed, Qu and Qian (2020) quantified both quantitative and qualitative indicators of coordination of budgets in public entities. This laid the foundation for an all-encompassing indicator system designed specifically for assessing the effectiveness of rural tourism in alleviating poverty. The study revealed a positive link between budget coordination and performance.

Naji, Hashim and Mohammed (2024) highlighted the pivotal role of effective budget coordination in enhancing the budgetary process within institutions and organizations. They emphasized the potential advantages of such strategies, including heightened transparency, improved resource management, better alignment between financial and non-financial objectives, and enhanced collaboration across different sectors. The study put forth recommendations aimed at facilitating the successful implementation of these strategies. These recommendations encompassed the establishment of participatory and consultative processes, enhanced monitoring and evaluation mechanisms, bolstered training and development initiatives for staff, and the implementation of effective risk management practices. The overarching goal of this study was to continually refine the budgetary procedure and bolster the operational and financial performance of enterprises.

Budgets are essential instruments for financial management because they offer direction and control over the operations of big, diversified entities. Governments, where budgeting originated, are not the only public institutions that use these techniques. A study by Cheruiyot, Namusonge, and Sakwa (2018) evaluated how Kenyan county governments performed in relation to public financial management techniques. The study revealed that several counties in Kenya used development plans to manage their budgeting processes. However, the effective implementation of these plans, which was characterized by inadequate budget coordination, relies heavily on timely disbursement and allocation of resources. An important factor in determining how well a corporation performs is its budget. Since most businesses want to perform better, they set up different structures and processes to guarantee successful expansion. In this sense, budgets are useful instruments that provide management with data to evaluate the firm's performance and make well-informed choices about the distribution of financial resources across the various divisions within the company.

Results indicate that budget evaluation positively and significantly influence financial performance of the county government of Kajiado ($\beta = 0.340$, $p = 0.000$). A unit increase in budget evaluation leads to 0.340 unit increase in financial performance of the county government of Kajiado. This agrees with findings of Ojwang (2019), who examined how financial evaluation affects the performance of the Taita Taveta county administration. Five core objectives directed the study, each of which assessed different aspects of budgetary procedures and their effect on the functioning of devolved entities. The study's findings demonstrated high support among the majority of respondents for the premise that budgetary evaluation techniques did have a significant influence on the county's overall performance. Furthermore, respondents concurred with the notion that other practices, such as participative budgeting, budgetary monitoring and resource allocation, also played significant roles in influencing the county's performance. Further supporting these findings, regression analysis results indicated the degree of influence each of these budgetary practices had on devolved units' performance. Budgetary planning was found to affect devolved units' performance. Budgetary monitoring practice affected performance of devolved units. The study suggested that adequate resources should be allocated in a comprehensive manner that considers a variety of factors, including time as a crucial resource, financial resources, and human resources, before budgets are completed for execution. This approach aims to enhance the effectiveness of budgetary practices in achieving improved performance within devolved units like Taita Taveta county government.

Performance accountability in local government involves the allocation and execution of budgets to carry out essential tasks aimed at achieving performance indicators. The attainment of these performance targets can be tracked and realized through the implementation of performance-based

budgeting. However, to effectively implement performance-based budgeting, it requires close monitoring, control, assignment of responsibility, and ensuring accountability in the activities of government agencies. An internal control system performs a crucial role in overseeing the conduct of governance and ensuring that financial management is responsible and transparent. Governmental decision-making and action often lack the efficiency and clear direction commonly observed in commercial institutions. Unlike the straightforward line-oriented chains of command prevalent in many businesses, governments typically operate within complex administrative structures. This complexity is further compounded in post-conflict and developing settings, where a lack of knowledge and required competencies at various standards impedes the selection and implementation of effective solutions. Additionally, there is often a lack of political will to overhaul outdated systems, processes, and structures or to introduce innovative ways of operating. Consequently, challenges such as cumbersome processes, institutional inertia, incompetence, resistance to change, inadequate resources, bureaucratic hurdles, and deficient communication channels hinder the effectiveness of financial management systems.

Mwangi and Ngugi (2020) examined the determinants effecting the efficacy of public projects in Mombasa County, Kenya. Their inquiry centered on various facets including financial management strategies, stakeholder engagement, planning procedures, competency within project teams, and the processes of evaluation and monitoring. Results highlighted significant associations among planning, monitoring evaluation, project team competence, financial management practices, stakeholder involvement and financial performance. Conclusively, the research determined that project performance was notably shaped by factors such as planning, financial management practices, evaluation and monitoring processes, the competency of project teams, and the level of stakeholder engagement. To improve project performance, the study recommended hiring competent project managers with appropriate qualifications in project management to enhance management and planning processes. Additionally, it advocated for further research into other factors affecting project performance within Mombasa County and across Kenya. The study's findings were deemed valuable for government policymakers, project managers, consultants, and external stakeholders involved in public projects.

5.0 Conclusions and Recommendations

5.1 Conclusions

Kajiado County employs a collaborative approach to budget planning, involving employees and various departments from the outset. This inclusivity ensures that diverse perspectives are considered, enhancing the comprehensiveness and relevance of budget goals set during the planning phase. Additionally, the establishment of a budget committee at the outset of the budget process signifies a commitment to structured oversight and coordination, facilitating effective implementation and monitoring throughout the cycle. Furthermore, the proactive approach of budgeting for inherent risks within the budget cycle demonstrates a recognition of the dynamic nature of financial management.

Kajiado County has implemented robust practices to monitor and evaluate budget performance regularly. This commitment to transparency and accountability is commendable, as it allows for timely adjustments and informed decision-making to improve fiscal management. Moreover, the county's efforts to ascertain departmental budget productivity levels reflect a commitment to optimizing resource utilization and efficiency. Furthermore, the identification of weaknesses in the budgeting process indicates a proactive approach to continuous improvement. Additionally,

fostering teamwork and extensive consultation among departments in the budgeting process is crucial for ensuring alignment with strategic objectives and promoting ownership and accountability among stakeholders. This collaborative approach facilitates the identification of diverse perspectives and the integration of departmental priorities, ultimately leading to more comprehensive and well-informed budget decisions.

Kajiado County demonstrates a commitment to proactive budget evaluation and revenue monitoring. The county maintains financial transparency and accountability, allowing for timely adjustments and informed decision-making. The publication of variance reports comparing actuals versus budgets further emphasizes the county's dedication to fiscal oversight and performance assessment. This practice enables stakeholders to understand discrepancies and identify areas for improvement, enhancing financial management effectiveness. Moreover, the county's proactive approach to identifying new sources of income to support the budget demonstrates adaptability and innovation in revenue generation. Through the diversification of income streams, the county reduces reliance on traditional sources and strengthens financial resilience. Furthermore, the implementation of measures to cut recurrent costs underscores the county's commitment to fiscal sustainability.

5.2 Recommendations

While employees are currently involved in the budget planning process, efforts should be made to further enhance their engagement. This can include providing training and capacity-building opportunities to ensure that employees have a clear understanding of the budgeting process and their roles within it. Additionally, creating avenues for regular feedback and communication can help foster a culture of transparency and collaboration. While budget goals are set during the planning phase, clear and well-defined goals can provide a roadmap for budgetary decisions and help measure the effectiveness of budgetary allocations. The establishment of a budget committee at the beginning of the budget process is commendable. However, efforts should be made to ensure that the committee is adequately resourced and empowered to fulfill its oversight role effectively. This may include providing training on budgetary best practices and ensuring representation from key stakeholders across departments. While all departments are involved in the budget planning process, there may be opportunities to further enhance collaboration and coordination across departments. Encouraging regular communication and information-sharing can help identify synergies and potential areas for cost savings or efficiency improvements. While the county currently budgets for inherent risks in the budget cycle, it's essential to continuously evaluate and mitigate these risks throughout the budgeting process.

To maximize their utility, it's recommended to enhance the dissemination and utilization of these reports. Implementing regular review meetings involving relevant stakeholders to analyze the reports can facilitate informed decision-making and timely adjustments to budget allocations based on performance trends. While the county assesses departmental budget productivity levels, there's a need to refine the methodology to ensure accuracy and relevance. Consider adopting key performance indicators tailored to each department's objectives and aligning them with budgetary allocations. This will provide clearer insights into the effectiveness of budget utilization and identify areas for improvement or reallocation to enhance overall productivity. The identification of weaknesses in the budgeting process presents an opportunity for improvement. It's recommended to establish a structured mechanism for systematically addressing these weaknesses. This may involve conducting regular post-implementation reviews, soliciting feedback from stakeholders, and implementing corrective actions to enhance process efficiency and effectiveness

continually. The county government of Kajiado should consider implementing cross-functional budgeting teams comprising representatives from various departments. Encourage open communication, shared decision-making, and joint problem-solving to leverage diverse perspectives and foster a culture of collective responsibility towards budgetary goals. The county could consider formalizing communication channels and establishing clear guidelines for information sharing and decision-making. Additionally, provide training on effective collaboration and negotiation techniques to facilitate constructive dialogue and consensus-building among departments.


The county government of Kajiado should implement a comprehensive review process that not only assesses expenditure performance but also evaluates the effect of budget allocations on the county's strategic objectives and service delivery outcomes. This will provide valuable insights for future budget planning and resource allocation decisions. The county should enhance the dissemination of revenue performance information through regular updates and transparent communication channels. This will provide stakeholders with a clear understanding of the county's financial position and enable informed decision-making regarding budget priorities and resource allocation. The county should ensure that these reports are utilized as management tools for decision-making. The county government of Kajiado should conduct regular reviews of variance reports to identify trends, anomalies, and areas for improvement. Use these insights to adjust budgetary allocations, reallocate resources, or implement corrective actions as needed to improve financial performance. The county should conduct a comprehensive assessment of potential revenue-generating opportunities, including exploring public-private partnerships, leveraging county assets, and seeking grants or funding from external sources. The county government should conduct measures that align with the county's strategic priorities and have the potential for long-term sustainability. It's important that the county government of Kajiado continuously reviews and refines cost cutting mechanisms to ensure their effectiveness and sustainability.

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