



EFFECT OF PUBLIC FINANCIAL MANAGEMENT ON BUDGET IMPLEMENTATION IN THE PUBLIC SECTOR, A CASE OF MINISTRY OF DEVOLUTION AND ASAL

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Gamaliel, M. M.,¹ & Ali, A. I.²

¹MBA Scholar, Jomo Kenyatta University of Agriculture & Technology [JKUAT], Kenya

²Ph.D, Lecturer, Jomo Kenyatta University of Agriculture & Technology [JKUAT], Kenya

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ABSTRACT

Public financial management is characterized by different challenges such as high corruption levels, inefficiencies in management and administration, mismanagement of public resources and prioritizing the wrong initiatives and projects. There exists a gap on the link between PFM and budget implementation in the Kenyan public sector taking into consideration the importance of budget implementation as key to public sector success and service delivery as many ministries in Kenya are unable to implement their budgets effectively. In Kenya there exist gaps that have been identified after the development of the new constitution that introduced the devolved system of government which limits the effectiveness of budget implementation. The specific objectives were to assess the effect of legislative oversight and auditing practices on budget implementation in the Ministry of Devolution and ASAL. A descriptive research design was preferred in this study and the population of interest was 154 employees in the finance, planning and accounting departments. Stratified random sampling technique was used to come up with 62 respondents. The study utilized primary data in form of questionnaires and a pilot study to test reliability and validity of the questionnaire was conducted from 16 individuals. Analysis was done quantitatively by use of descriptive statistics and inferential statistics. The study concluded that Parliament plays a key oversight role at the ministry of Devolution and ASAL. The internal control mechanisms enhance budget implementation the ministry of devolution. Effective oversight and audit leads to effective financial decision at the ministry of Devolution and ASAL. The study recommended that government should therefore ensure that parliament is timely in the performance of its duties to enable the effective use of the revenue and spending processes it authorizes. The government should ensure that there is effective oversight and audit to eliminate all the chances of fraud and noncompliance at the ministry.

Key Words: *Public Financial Management, Legislative Oversight, Auditing Practices, Budget Implementation*

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INTRODUCTION

Governments worldwide have been coming up with PFM reforms to change the public sector. The vast majority of these changes are empowered dependent on the thought that the public sector firms are marred by corruption, inefficiencies, mismanagement of funds and wrong principles when it comes to the use of public funds and there is therefore need for change. PFM reforms seek to ensure that there is transparency, better performance, separation of policies and better management of the sector. These reforms also seek to fill existing gaps that has to do with poor implementation of strategies, wrong governance systems and to make a change in these organizations (Barry, 2015).

A good public financial management system guarantees that financial plan is very much utilized and the set down government arrangements and objectives are met. It additionally guarantees that tasks are proficient and compelling, transparency, services provided meets the needs of the clients and reduce corruption (Shand, 2014). Government spending can either be classified as surplus when the income surpasses consumption, shortfall budget when spending surpasses income and an adjusted budget when consumption and income are break even (Smith & Lynch, 2014). Budget execution process points at maximizing the commitment of public expenditure to national welfare. Public Finance Management Act 2012 section 35 and segment 125 gives the rules on the national and county governments' making of the budget, endorsement and utilization of the budget methods. The national treasury handles spending definition of all state associations isolated from lawmaking body and the legal executive as to division of forces as clarified inside the constitution (Kipsang, 2015).

In Australia, there are policy reforms that have affected the Australian public sector operations and structure. These reforms have been used to support budget implementation process & to enhance how efficient the operations are and ensure equitable

distribution of resources (Broughton & Chalmers, 2013).

Singapore is recognized as a key example of how reforms can change a nation. The country has developed all because of reforms and incorruptible public servants. The Singapore government had an aim to reform the public sector and to achieve efficiency in its operations to the likes of efficiency public sector operations in Scandinavian nations such as Switzerland, France and Germany among other wealthy countries (Quah, 2010).

Several countries in Africa have adopted diverse methods to ensure implementation of the PFMRs. In Liberia, reforms in the financial management of the public sector have been taken up by the Ministry of Finance and Development Planning to mitigate the declined economic growth that occurred during the civil crisis and to enhance accountability and transparency in the management of the country's resources (Onyiah, et al., 2016). The Liberian civil crisis resulted to the failure of the PFM processes, lack of human resources and collapse of the existing government functions that resulted to lack of laws and processes on how to manage the country's resources. The Liberian government in a bid to make things right came up with the 2009 PFM Act and also set up a committee to steer the PFM agenda and to be in charge of the PFM operations (Onyiah, et al., 2016).

Additional the government endorsed an Integrated Financial Management Information System (IFMIS) as a system to manage and account for the use of financial resources and to enhance the use and management of the public resources. The system was automated using innovative Information and Communication Technologies (ICT) process to allow for transparency and accountability when it came to government and public firms' operations. The need for prudent public funds management for development objectives to be achieved is emphasized in many circles. For example, while underlining the importance of favourable environment for

undertaking productive economic activities as necessary for development in Nigeria, Osborne (2016) emphasizes the need for developing nations to efficiently manage its financial resources. Further, Latema (2013) observes that having an understanding on how to manage public funds is important as it enables the development and growth of a nation, which is key if functional government are to exist in the African content.

In Rwanda public financial management reform are being set up and in a few years the reforms have led to changes in the public financial management (PFM), as can be deduced from the Public - Expenditure and Financial Accountability (PEFA Report, 2016).

In Uganda, the Government came up with a state-of-the-art project that sought the adoption of an innovative public financial management system. The IFMIS can be said to be one of the most ambitious projects that the Ugandan government has sought to implement in the most recent times (Munyambonera & Lwanga, 2015). In January 2014, the government of Uganda introduced the Integrated Personnel and Payroll System. Under the new public financial management system, the responsible accounting staff should do a verification and give authorization for each payment made in form of salaries to employees (Munyambonera & Lwanga, 2015).

In Kenya, public finance management in county and national levels is governed by the Public Financial Management (PFM) Act 2012 (Republic of Kenya, 2016). This Act details all the policies, procedures and practices that counties and national government need to adhere to when managing public funds. The objectives of the statutes governing public financial management are to ensure that existing powers are exercised in an accountable and democratic manner when it comes to collection and use of public finances (Republic of Kenya, 2016).

In Kenyan perspective, the 2010- constitution gave the PFM and fiscal decentralization as the keys to reforms in the management of public financial resources. This was in a bid to ensure that there was

efficient and disciplined use of these resources. The introduced reforms were aimed at improving the efficiency of the public service and ensure the resources available were used to meets the needs of the public (Khumalo, 2016). From the time the PFM reforms were introduced in Kenya there have been changes in the development of budget, parliamentary oversights, procurement, collection of revenue, public participation, external audit and execution of budget (Khumalo, 2016).

The Kenyan Government has been trying to encourage changes in the Public Finance Management (PFM) area since 2006. This strategy addresses gaps that have been identified after the development of the new constitution that introduced the devolved system of government, mostly relating to inadequate strategy orientation and limited ownership of the lapsed strategy, organizational and management arrangements for the program in Commercial State-Owned Enterprises. The Strategy for the revitalization of Public Finance Management System in Kenya covered was introduced between 2006 to 2011 and its implementation was characterized by a sector wide method PFMR Strategy (Njenga, Omondi & Omete, 2014).

The Ministry of Devolution and ASAL was established in January 2018 following the restructuring of the Government. It consists of two State Departments; Devolution and ASAL, both of which formed part of the defunct Ministry of Devolution and Planning from April 2013 to January, 2018. The Ministry is in charge of the Management of devolution affairs and ASAL. The functions of the Ministry are drawn from Articles 6, 187, 189 and 190 of the Constitution of Kenya, the Executive Order No. 1/2016 and the various Acts under which devolution is implemented including: Transition to Devolved Government Act, 2013; Intergovernmental Relations Act, 2012; and County Governments Act, 2012 (GOK, 2017).

Statement of the Problem

There had been a number of challenges in budget implementation which were as a result of imprudent Public Financial Management (PFM) systems. Such issues that limit budget implementation included mismanagement of public resources, corruption, inefficiencies in management and administration and prioritizing the wrong initiatives and projects. The failure to ensure budget implementation in a timely and efficient manner depletes the resources of a country and also discourages foreign and domestic investment of a country (Latema, 2013). Thus, governments are advised to use best practices in coming up with financial management reforms (PFMRs) to ensure the government agendas are attained (Latema, 2013). The reforms are undertaken to deal with challenges of failure in budget implementation such as political problems, pressure from donors, pressure from the public and regional affiliations that improve public service delivery, economic growth and living standards (Osborne, 2016).

In Kenya there had been challenges in budget implementation which are as a result of inefficiencies in fiscal policies, rampant corruption, poor use of resources and mismanagement of public resources making it necessary for reforms in the public firms (Wakhungu, 2014). The Ministry of Devolution and ASAL Kenya in particular has faced key challenges in its budget implementation key among them corruption. A case in point is where the Ministry of Devolution was accused to have blatantly misappropriated huge amounts of taxpayers' monies. The list exposed how the ministry acquired goods and services at inflated prices, with one Kaspersky security unit going for kshs. 973,780. A photocopier (Kycocera 8001) was bought at kshs. 1.45 million while a "heavy duty" photocopier cost kshs.1.38 million (Standard Newspaper, November 4th 2015).

The use of PFMRs allows to pinpoint organizations that are characterized by financial problems and also

improves economic growth. Public financial management challenges will help solve the challenges in budget implementation which are as a result of PFM systems. There exists a gap in the focus of budget implementation especially in Kenya, Kanayo (2013) focused on public financial management and fiscal results in Nigeria and pointed that literacy rate and corruption are key influences of Nigeria fiscal results. Matthias (2013) attempted to establish the public financial management changes done in developing nations and the conclusion was that the effect of PFM changes on anti-corruption factors cannot be said to be independent of factors that caused positive anti-corruption results. Locally, Muli (2016) studied effect of financial management practices on budget implementation of county governments and showed that budget laws provide guidelines that improve efficiency and accountability. From the above findings' there existed a gap on the link between PFM and budget implementation in the Kenyan public sector taking into consideration the importance of budget implementation as its key to public sector success and service delivery as many ministries in Kenya are unable to implement their budgets effectively. In Kenya there existed gaps that had been identified after the development of the new constitution that introduced the devolved system of government which limited the effectiveness of budget implementation. If PFM reforms were implemented, they could improve transparency, encourage fiscal discipline and enhance the implementation of budgets which has not been the case in Kenya. Therefore, there existed a gap as none of the named studies looked into the effect of public financial management on budget implementation in the public sector, a case of Ministry of Devolution and ASAL, therefore the current research hopes to fill the existing knowledge gap in this area.

Objective of the Study

To establish the effect of public financial management on budget implementation in the public

sector, a case of Ministry of Devolution and Arid and Semi-Arid Lands. The specific objectives were;

- To assess the effect of legislative oversight on budget implementation in the Ministry of Devolution and Arid and Semi-Arid Lands.
- To determine the effect of auditing practices on budget implementation in the Ministry of Devolution and Arid and Semi-Arid Lands.

LITERATURE REVIEW

Theoretical Framework

Agency Theory

The Agency theory is the first most important theory of corporate governance both in private and public organizations. Jensen and Meckling (1976) advanced the work of Berle and Impies (1932) to come up with the hypothesis. Agency relationship is said to be a circumstance where one party (principal) delegates another (agent) to perform administrations on their sake and gives them the specialization to create choices. The fundamental preface of this hypothesis is that those people entrusted with representation of others ought to eventually commit the corporate assets to value maximization for those they speak to. The agents are expected to work tirelessly and observe due care in making corporate choices and guarantee the interface of the principal are defended. The theory was further used in the financial and managerial accounting aspects to give the recommended risk-taking levels, come up with the best accounting control measures, actions and behaviors. When the principal is well aware of the agent actions, then he can counter the agent exploitation tactics and the agent can only act in the interest of the principle (Khemani, 2016).

The agent and the principle seek to maximize their utility motivated by non-pecuniary and pecuniary factors that lead to incentive challenges in conditions of information asymmetry and uncertainty. The agency theory points out the challenges that exist in

hierarchical situations such as the budget players who implement and make policies and thus there is need of state officers to give the best service to the public. This model also points out challenges when there is conflict between public-sector budget players when there are differing attitudes and opinions on risk between the agents and the principals (Bovaird & Loffler, 2015). This theory supports the objective of legislative oversight on the budget implementation in the Ministry of Devolution and ASAL as it was important in establishing the role of the legislators who are the agents and are charged with oversight responsibility on behalf of the public so as to ensure budget implementation.

Stakeholder Theory

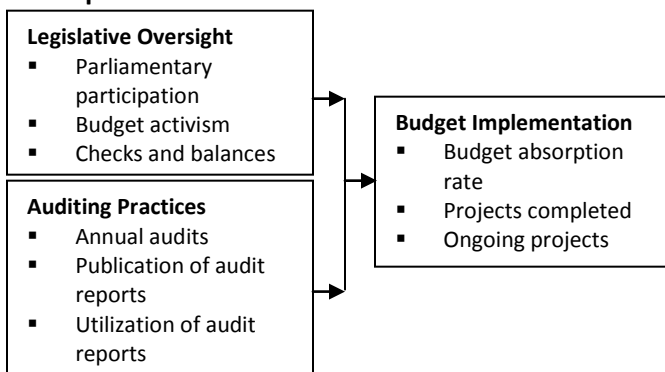
Richard E. Freeman is the one who developed the above model in 1984. This is a theory that introduces business-based approaches to the public sector administration and management. The theory defines a stakeholder as someone or group of persons who has an influence or can be affected if the firm meets or does not meet its objectives. This model gives approaches through the decision makers in the public sector can look at their environments for existing opportunities and threats. This means that proponents of the public sector and financial management reforms should look at the social economic and political environments to look out for opportunities or threats for growth so as to know where to prioritize the available resources during the policy and budget making (Freeman, 1984).

Johnson, Scholes and Whittington (2014) points out that firms' effectiveness is measured by the firm's ability to satisfy its stakeholders and its agents who have an interest in the firm. Stakeholder satisfaction is achieved when they are made part of the decision making and implementation of strategies processes. Onduso (2013) advises that the process of budget making should involve as many stakeholders as possible to ensure that the interests of all the stakeholders are taken care of during the process.

This is in line with the theory aim of balancing all the firm's stakeholders' interests. The model is made up of three aspects that are mutually related. They include the normative, instrumental and descriptive approaches. The instrumental approach points out the connection that exists between the goals of the firm. The normative aspect points out the moral guidelines needed for the implementation of policies while the descriptive approach points out the firm's behaviors and traits.

This theory supports the objective of the role of auditing practices on the budget implementation in the Ministry of Devolution and ASAL since auditors who are the agents of the stakeholders are key in enhance corporate governance in the public sector. Having a viable oversight committee in an organization may be a key step to accomplishing noteworthy execution, productivity, anticipates misfortune of incomes more so in open segment undertakings and in this way upgrading budget usage.

Conceptual Framework



Independent Variables Dependent Variables

Figure 1: Conceptual Framework

Source: Author (2019)

Empirical Review

Legislative Oversight

Ana-María, Francisco and Bernardino (2014) study used a sample of 93 nations in a bid to determine the effect of legislative budgetary oversight. According to the findings, there was a positive effect of legislative

budgetary oversight on the transparency of budgets. Other factors that affect budget transparency included political competition, the country's economic level and the existing legal systems. The findings also noted that there are numerous political, social-economic and institutional influencers the phenomenon under study.

Sheuneni (2013) research in Namibia on the effect of parliamentary consultation, debate, formulation, implementation, approval and audit roles in the budget system found that there were both internal and external factors that affected this role. Some of the factors looked into included if the members of parliament were well skilled or if they have the needed capacity and support to play their role in the budgeting process. Further, the study looked at whether the parliament was given timely information by the responsible government institutions that was also accurate and related to budget issues and if the Namibian legal system allowed parliament to adequately play their oversight role during the budgetary process.

Ehigiamusoe and Umar (2013) Nigeria based research study that used descriptive, analytical methods and a survey to collect data and analyze both primary and secondary data found that the implementation of the budget in the country was wanting. Some of the reasons for this were poor capacity among the ministries, delay of financial resources, late budget presentation and asset. Although in the country there have been oversight reforms made since 1999 there was no evidence that these reforms were working in improving budget implementation.

Shifwoka (2014) study that was based in Kenya used a correlation survey and descriptive technique to analyze data from a target population of 38 parliament-based auditors and accountants. The results of this study revealed that oversight by parliament affects the implementation of the Kenyan budget by $\beta = 0.636$ and $R^2 = 56.8\%$. Further, it was revealed that the oversight of the legislature was responsible for ensuring the government executive

accountability when it came to the use of the public resources. The factor that was shown to have the greatest effect on the budget process was the legal processes.

Auditing Practices

Unegbu (2015) study that used Chi-square tool to test the research hypothesis found that the internal audits can be efficient in the checking of corruption and fraud in the Nigeria public sector. Lack of effective oversight and audit on public sector management was noted as the lead cause to the emergence of corruption, failure to follow internal controls and procedures and making of financial decisions that were not effective leading to unsuccessful operations. It was also noted that internal audits managers should be part of management meetings so that they can be briefed on the audit policies made that can affect the meeting of the firm goals.

Mutuma (2016) studied the role of auditing practices on implementation of budget in Meru county governments. The study used cross-sectional research method and a regression model that brought out the relationship between the study variables. It was famous that the overseeing bodies of public sector ought to guarantee that there are working internal controls since it effects the performance of an organization. An audit division is exceptionally much of substance within the county government since it guarantees policies and procedures are followed. There's need for an internal review committee in counties so as to improve straightforwardness in public fund administration. It was noted that Meru District needs internal audit committee and this hamper successful budget execution. The committee is of substance in county government because it upgrades financial administration responsibility and straightforwardness within the public organizations.

Maina (2016) studied the role of auditing practices on service delivery in selected counties in Kenya: perception of members of county assembly. Descriptive study design was applied and correlation

and regression analyses to analyze the data collected. It was established that auditing helped the county by moving county officials into action on areas that are reported to have issues and that auditing in the county government is performance based. These results indicated that even though auditing is performed by the county governments by qualified personnel, the best practices in auditing such as acting against those who misappropriate funds and using audit reports for future improvements were not applied. Finally, the results of this survey indicated that effects of audit on corruption control and service delivery differ under differing governance environment.

METHODOLOGY

A descriptive research strategy was utilized for this study which allowed the researcher to induce a part of data from a small sample in a straightforward, prudent and viable way by utilization of the investigative device (Saunders, Lewis & Thornhill, 2012). The population targeted for the research was made up of 154 staff members in the finance, planning and accounting departments at the Ministry of Devolution and ASAL (Human Resource Department, Ministry of Devolution and ASAL 2018).

The analyst utilized a stratified random sampling strategy since the study population was not homogenous and in this way it was conceivable to isolate this populace into strata to induce a representative sample. To calculate the sample size of the adolescents, the Yamane's formula (1967) was employed.

$$n = \frac{N}{1+N(e)^2}$$

Where n is the sample size, N is the population size, and e is the level of precision (0.05).

$$\begin{aligned} n &= 154 / 1 + 154(0.05)^2 \\ &= 154 / 1 + 154 (0.0025) \\ &= 154 / 1.385 \\ &= 111 \end{aligned}$$

The researcher took a random sample from each stratum proportionate to the population proportion to come up with 111 respondents.

Questionnaires were used to obtain primary data. The pilot test was done to ensure that the research tool was reliable and valid, 16 participants from the study population were used for the pilot study. Descriptive statistical methods such as Ms Excel and SPSS were used to analyze the quantitative data. The researcher further employed a multivariate regression model to deduce the relationship between the factors studied here. A regression model was concluded to be useful as it is able to test the effect of these independent variables on the dependent variable.

Table 1: Influence of Legislative Oversight and Budget Implementation

Statement	Mean	Std. deviation
Parliamentary plays a key oversight role at the ministry of Devolution and ASAL	1.99	0.275
Legislature is legal obliged to ensure the authorized revenue and measures by it are well implemented	2.01	0.174
Parliament requires answerability of state officers at the ministry of Devolution and ASAL	1.96	0.233
The legislature has a budget policy development plan to enhance budget implementation	2.05	0.218
The legislature ensures the budget policy document is implemented properly and efficiently	1.94	0.283

The results revealed that most of the participants were in agreement to a great extent that the legislature ensures the budget policy document is implemented properly and efficiently as shown by a mean of 1.94, parliament requires answerability of state officers at the ministry of Devolution and ASAL as shown by a mean of 1.96, parliamentary plays a key oversight role at the ministry of Devolution and ASAL as shown by a mean of 1.99, legislature is legally obliged to ensure the revenue and measures authorized by it are well implemented as shown by a mean of 2.01 and that the legislature has a budget policy development plan to enhance budget implementation as shown by a mean of 2.05.

STUDY FINDINGS AND DISCUSSIONS

Out of the 111 questionnaires issued to the respondents 88 were filled and collected. This was a response rate of 79.3% concluded to be sufficient for the data analysis as Mugenda and Mugenda (2003) acknowledges any response rate that is higher than 70% is excellent.

Legislative Oversight and Budget Implementation

The participants were asked to indicate the extent to which they agreed with the below statements that relate to influence of legislative oversight on budget implementation.

Consistent to the study findings is Shifwoka (2014) who found that oversight of the legislature was responsible for ensuring the government executive accountability when it came to the use of the public resources. Inconsistent to the findings is Ehigiamusoe and Umar (2013) who found that legislative oversights had not been very effective in hastening budget performance.

Auditing Practices and Budget Implementation

The participants were asked to indicate the extent to which they agreed with the below statements that relate to influence of auditing practices on budget implementation.

Table 2: Influence of Auditing Practices and Budget Implementation

Statement	Mean	Std. Deviation
Ineffective oversight and audit is the major factor affecting budget implementation at the ministry of Devolution and ASAL	2.08	0.300
Ineffective oversight and audit leads to the emergence of fraud at the ministry of Devolution and ASAL	2.03	0.284
Ineffective oversight and audit leads to noncompliance with internal policies and procedures at the ministry of Devolution and ASAL	1.92	0.248
Effective oversight and audit leads to effective financial decision at the ministry of Devolution and ASAL	2.22	0.251
Internal control mechanisms enhance budget implementation the ministry of Devolution and ASAL	1.94	0.232

The results revealed that most of the participants were in agreement to a great extent that ineffective oversight and audit leads to noncompliance with internal policies and procedures at the ministry of devolution and ASAL as shown by a mean of 1.92, internal control mechanisms enhance budget implementation the ministry of devolution and ASAL as shown by a mean of 1.94, and that ineffective oversight and audit leads to the emergence of fraud at the ministry of devolution and ASAL as shown by a mean of 2.03. The respondents also agreed to a great extent that ineffective oversight and audit is the

major factor affecting budget implementation at the ministry of Devolution and ASAL as shown by a mean of 2.08, and effective oversight and audit leads to effective financial decision at the ministry of Devolution and ASAL as shown by a mean of 2.22. Similarly, Mutuma (2016) found that lack of effective internal audit hinders effective budget implementation.

Budget Implementation

The study sought to find out the status of budget implementation at the ministry of Devolution and ASAL.

Table 3: Statements on Budget Implementation

Statement	Mean	Std. Deviation
There has been efficient and effective budget execution at the ministry of Devolution and ASAL	1.93	0.274
There has been accurate and timely accounting and reporting at the ministry of Devolution and ASAL	2.09	0.539
There has been value for money for the projects at the ministry of Devolution and ASAL	2.10	0.174
Most of the projects at the ministry of Devolution and ASAL have been completed	2.06	0.434
The budget absorption rate at the ministry of Devolution and ASAL is high	2.04	0.256

Most of the participants as revealed by the results were in agreement to a great extent that there has been efficient and effective budget execution at the ministry of Devolution and ASAL as shown by a mean of 1.93, the budget absorption rate at the ministry of Devolution and ASAL is high as shown by a mean of 2.04 and that most of the projects at the ministry of

Devolution and ASAL have been completed as demonstrated by mean of 2.06. The respondents further agreed to a great extent that there has been accurate and timely accounting and reporting at the ministry of Devolution and ASAL as shown by a mean of 2.09 and that there has been value for money for the projects at the ministry of Devolution and ASAL as

illustrated by a mean of 2.10. Consistently Kiilu and Ngugi (2014) found that effective public fund management is influenced by budgeting reforms. The findings were however inconsistent to those of Onyiah (2016) who found that in Nigeria there was poor budget execution due to poor project conceptualization, design and planning.

Table 4: Correlation Analysis

		Budget Implementation (Y)	Legislative Oversight (X1)	Auditing Practice (X2)
Budget Implementation (Y)	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	88		
Legislative Oversight (X1)	Pearson Correlation	.810**	1	
	Sig. (2-tailed)	.001		
	N	88	88	
Auditing Practice (X2)	Pearson Correlation	.783**	.228*	1
	Sig. (2-tailed)	.002	.038	
	N	88	88	88

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

* . Correlation is significant at the 0.05 level (2-tailed).

The study found a strong positive correlation between budget implementation and legislative oversight, as shown by correlation factor of 0.810. This strong relationship was found to be statistically significant as the significant value was 0.001 which was less than 0.05. The findings supported Ana-María, Francisco and Bernardino (2014) findings that there was a positive effect of legislative budgetary oversight on the transparency of budgets.

The study also found a strong positive correlation between budget implementation and auditing practice as shown by correlation coefficient of 0.783,

Correlation Analysis

The study sought to find out whether there existed a significant relationship between the independents and dependent variables where Pearson correlation was used.

the significant value was 0.002 which was less than 0.05. The results supported Unegbu (2015) findings that the internal audits can be efficient in the checking of corruption and fraud in the Nigeria public sector.

Regression analysis

A multiple regression was conducted so as to determine the extent of influence of the independent variables on the dependent variables and also to determine the significance of the relationship using the p values.

Table 5: Beta Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.686	0.284		5.937	0.001
Legislative oversight	0.835	0.189	0.774	4.418	0.003
Auditing practice	0.803	0.187	0.762	4.294	0.012

$$Y=1.686+0.835X_1+0.803X_2+0.284$$

The regression equation shows that if the independent variables (Legislative oversight, Auditing practices,) were held to a constant zero, budget implementation in the public sector would be 1.686. A unit increase in Legislative oversight would lead to increase in budget implementation in the public sector by 0.835 units. The findings supported Ana-María, Francisco and Bernardino (2014) findings that there was a positive effect of legislative budgetary oversight on the transparency of budgets.

A unit increase in auditing practices would lead to a rise in budget implementation in the public sector by 0.803 units. The results supported Unegbu (2015) findings that the internal audits can be efficient in the

checking of corruption and fraud in the Nigeria public sector. At 5% level of significance and 95% level of confidence, all the variables were significant ($p < 0.05$).

Model Summary

The model summary sought to determine whether the correlation coefficient was significant at 5% significance level and also the extent that each independent variable explained the dependent variable through the coefficient of determination.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.842 ^a	.709	.685	.274

a. Predictors: (Constant), Legislative oversight, Auditing practices

The table displays R at 0.842 showing the correlation between the observed and predicted values of the dependent variable. The relationship between the two values is deduced to be average the adjusted R squared value is 0.685 meaning that 68.5% of the variation retention (dependent variable) can be

explained from Legislative oversight and Auditing practices at 95 percent confidence interval.

Analysis of Variance

An Analysis of Variance (ANOVA) was tested so as to determine whether the model was significant at a confidence level of 95%.

Table 7: ANOVA Analysis

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.73	2	5.865	13.576	0.002
	Residual	36.72	85	0.432		
	Total	48.45	87			

The table summarizes the results of the ANOVA. The table shows that the population parameters significance level was at 0.001% revealing that the data can be used to make inferences. The overall model relationship was considered significant since F calculated (13.576) is higher than the F critical (value = 3.1038) 2 d.f, 85 d.f and $0.001 < 0.05$ at 5% level of significance.

Conclusion

Parliament plays a key oversight role at the ministry of Devolution and ASAL. It is legally obliged to ensure the spending measures and revenues authorized by it are well implemented and has a budget policy development plan to enhance budget implementation and ensures the budget policy document is implemented properly and efficiently.

The internal control mechanisms enhance budget implementation the ministry of devolution. Effective oversight and audit leads to effective financial decision at the ministry of Devolution and ASAL. Ineffective oversight and audit leads to the emergence of fraud at the ministry of devolution and

ASAL as well as noncompliance with internal policies and procedures at the ministry.

Recommendations

The study revealed that Parliament plays a key oversight role at the ministry of Devolution and ASAL. The government should therefore ensure that parliament is timely performing its' legal obligation to ensure the revenues and spending measures it authorizes are well implemented.

Ineffective oversight and audit have been found to be the major factor affecting budget implementation at the ministry of Devolution and ASAL. The government should ensure that there is effective oversight and audit to eliminate all the chances of fraud and noncompliance at the ministry.

Suggestions for further studies

The study was carried out on the effect of public financial management on budget implementation in the public sector, a case of Ministry of Devolution and Arid and Semi-Arid Lands. For comparison, similar studies can be replicated in other government ministries.

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