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DETERMINANTS OF BUDGETARY ALLOCATION PROCESS IN COUNTY GOVERNMENTS IN KENYA: A CASE OF MANDERA COUNTY

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ABSTRACT
The public administration environment is becoming increasingly complex and there is also an increasing need to align society needs with the limited available resources. This requires that funds that are made available and be used for the purpose which they were provided for. In Kenya, fiscal policy in macroeconomic management has continued to be a complex area and is often characterized by increasing inflation and interest rates, budget deficits, low economic growth rates and a rising debt burden. This study sought to establish determinants of budgetary allocation process in public institutions in Kenya, and in specific with reference to Mandera County. Descriptive research design was used for the current study. The target population was 280 employees of Mandera County, 29 MCA and 904 Citizen of Mandera County. Stratified random sampling was used in selection of sample size of 292 respondents. This study sampled 67 employees, 7 MCA and 218 citizen of Mandera County. The study collected both primary and secondary data. Primary data was gathered using semi-structured questionnaires. Descriptive analysis was used, which included the use of weighted means, standard deviation, relative frequencies and percentages. Tables and other graphical presentations were appropriately used to present the data that was collected for ease of understanding and analysis. The study concluded that Citizen Participation improves budgetary allocation process in Mandera County. It also established that political interference does not improve the process of budgetary allocation. It was also concluded that citizen legal framework affects budgetary allocation process in Mandera County and budget review affects budgetary allocation process in Mandera County. The study recommended that the politicians need to encourage citizens to participate actively in the budgetary allocation process.

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INTRODUCTION

The increasing complexity of the public administration environment and the continuous need to align the needs of society with limited resources require that funds are made available for a specific purpose and used for that purpose. Public institutions all rely on the citizens of the country for their income and are therefore subject to relevant public-sector legislative and administrative processes in dealing with revenue and expenditure. Internationally, poor performance of governments has a common origin, namely weak government spending practices and accountability requires adequate capacities for managing public finances

In Kenya public sector resource allocation has been addressed in the constitution under article Article 201 of the Kenya constitution which ensures that public resource fund are properly allocated and put into proper use through the devolved government system in Kenya. Article 201 of the Kenyan constitution lays down some key public finance principles including the need to ensure that there is openness and accountability in all public financial matters and that public participation will be emphasized in the whole budget process and decision making processes. In accordance to the Kenyan constitution 2010, county governments are expected to encourage greater public participation in governance and management of county resources, which is contrary to the initial orientation, when such decisions emanated from the Central government. Another greatest challenge that has emerged from the County government is poor management of county budgets. Reports from the controller of budget and auditor general have cast a gloomy picture on the way county governments are utilizing and accounting for the county budgets.

According to the Controller of budget; Budget Implementation Review Report First Quarter, FY 2013 /2014, while some Counties had well formulated and balanced budgets, others had deficits, unrealistic revenue estimates, or allocations to unauthorized items. In addition, a total of Kshs. 27.1 billion of the total revenue available remained unspent. The low uptake of funds was assumeably attributed to the failure of most Counties to meet the conditions for the release of funds as stipulated in the Public Finance Management (PFM) Act, 2012. One of these conditions is public involvement in specific budget phases which most counties had not complied. There has been a tremendous change in the budget making calendar that calls for public participation in budge making process among other decision making initiatives and yet, there is poor engagement of citizens. County authorities also seem reluctant to embrace the aspirations of the new constitution that is, allowing and appreciating citizen's participation in decision making processes.

Although there is a consensus on generic stages of a budget cycle, a review of the literature on public financial management reform shows that there is no universally agreed definition of budget allocation (Pretorius & Pretorius, 2008). The narrowest definition confines budget allocation to the downstream activities of budget execution, control, accounting, reporting, monitoring and evaluation (Allen, Schiavo-Campo & Garrity, 2004). As an alternative definition, Rosen (2002) describes budget allocation as the taxing, spending and debt management of government, which influences resource allocation and income distribution. The spending portion covers the budget cycle, including budget preparation, internal controls, accounting, internal and external audit, procurement, and monitoring and reporting arrangements (Witt &Müller, 2006).

A strong budget allocation system is critically important in achieving the strategic goals and objectives of government and requires a series of realistic steps or platforms to accommodate multiple role players and to manage relationships. Each platform is defined in terms of improved outcomes and is the basis for launching the next stage. The budget allocation system highlights the relationships of various role players in the different components, which create the opportunity for good governance with the emphasis on public financial management capacity, accountability and responsiveness (World Bank, 2008). The system provides for collective decision-making, for citizens to express their preferences and accountability. The budget allocation system makes provision for aggregate fiscal discipline, strategic prioritization in composition of expenditure with the budget as a key instrument to implement government policies, operational efficiency in use of resources and fiscal transparency.

The result of budget allocation process is a credible budget that is a reflection of the government's policies and priorities, it is comprehensive by covering all government activities and there is full transparency of budget processes and information. The internal control system should ensure that the budget appropriations are not exceeded, that funds are spent as intended and that reliable information is produced. Finally, accounting systems provide for timely and reliable reporting at all levels of decision-making; and the export systems of external scrutiny by the legislature and by external audit, by holding political executives and management accountable, should help keep the budget on track and improve performance (Shand, 2006).

Article 201 of the Kenyan constitution lays down some key public finance principles including the need to ensure that there is openness and accountability in all public financial matters and that public participation will be emphasized in the whole budget process and decision making processes. Chapter 12 of the constitution on public finance and the Act that gives it effect, the Public Financial Management (PFM) Act 2012, have transformed the budget process in Kenya. The legal responsibility to manage finances allocated by the national government now rest with the County governments. Other institutions like the Commission on Revenue Allocation (CRA) now play a significant role in financial allocations to counties. Part IV of the PFM Act establishes County Treasuries. In a bid to build capacity and ensure smooth transition the national government is expected to second officials to the counties to assist as needed (PFM Act Article 14). The County Revenue Fund will also be established by all counties as the golden pot for all revenues received or raised by or on behalf of county governments.

The Constitution of Kenya 2010 and the Public Finance Management Act 2012, require that every county government county carry out the budget process according to the existing legal framework. Sabahi (2013) explains that the Kenyan Budget Controller on 13th August 2013 had given county governments two weeks to revise their budgets after a report from the Commission on Revenue Allocation (CRA) revealed that 25 of Kenya's 47 counties faced significant budget deficits. The controller of budget could not start releasing money to a county that had shown a very big budget deficit, because it was not clear how the deficit would be closed? She explained that if they released the allocation from the national government and the county ran out of money, it would not even be able to pay salaries.

Brookson (2000) explains that a budget model helps one get it right with budgets the first time as well as improves its quality and failure to properly plan and monitor budgets leads to their failure and therefore to avert this, there is a need to write and monitor budgets. In fulfilling this, the PFM Act (2012) stipulates all the processes, policies, the personnel required for preparation and approval of the same budget as well as the conditional ties that need to be met to come up with the budgets.

Statement of the Problem

In Kenya fiscal policy has remained the most challenging and complex area of macroeconomic management characterized by persistent budget deficits, rising debt burden, persistent low economic growth rates, high interest and inflation rates. In addition, public finance utilization and management has been poor allegedly due to among other factors, high level of corruption; poor accountability; improper procurement and tendering; over-invoicing; wasteful expenditure; lack of discipline and proper work ethics in the

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public sector; and lack of openness in the budget process (World Bank, 2012). In Kenya, public institution consumes large portions of scarce national resources and do not always use them effectively or efficiently (Ustawi, 2013).

Kiriria (2013) revealed the inability of the accounting officers to expend on their budget allocation among the specific areas which lacked transparency and accountability which government could work on for its enhancement. County government in Kenya have been faced with various problems in their budget allocation process (Ustawi, 2013). In the fiscal year 2013/14, the approved county budget was revised to Ksh 3,025,958,728 through a supplementary. The aim of the revision was to improve budget comprehensiveness in some sectors. In the fiscal year 2014/2015, the first budget approved by county assembly was not accented by the County governor, which resulted to a court case, this lead to delayed operational budgets, which resulted to Mandera County operating on VOTE on ACCOUNT (allows to utilise 50% of appropriate budget for essential service). This study seek to establish the determinants of budgetary allocation process in county government in Kenya, with reference to Mandera County.

Purpose of the Study

The purpose of the study was to establish the determinants of budgetary allocation process in county government in Kenya with special focus on Mandera County. The study was guided by the following specific objectives;

- To determine how citizen participation affects budgetary allocation process in Mandera County
- To find out the effects of political interference on budgetary allocation process in Mandera County
- To examine the effects of legal framework on budgetary allocation process in Mandera County
- To determine effects of budget review on budgetary allocation process in Mandera County

LITERATURE REVIW

Theoretical Review

The research sought to investigate on the determinants of budgetary allocation process in public institution in Kenya. It was based on the budget allocation-spend hypothesis, spend and budget allocation hypothesis and the fiscal synchronization hypothesis.

The Budget Allocation-Spend Hypothesis

As championed by Friedman (1978) indicates that government would spend all its revenues and therefore raising revenue collection would lead to higher government expenditures. Empirical results under this hypothesis tend to show unidirectional causality running from government revenues to government expenditures. On this basis, Friedman favours a reduction in budget allocation to initiate spending cuts and austerity measures.

Moreover, a plethora of studies provide support for the budget allocation and spend hypothesis and a few among such studies are: Eita and Mbazima (2008) for Namibia; Darrat (1998) for Turkey; and Fuess, *et al* (2003) for Taiwan. In the study for Turkey, Darrat (1998) employed the Granger causality test within an error correction modelling framework (Aregbeyen and Baba, 2013). Wolde and Rufael (2008) investigated the nexus of public expenditure and public revenue based on the experiences of thirteen African countries and found out the case of Ethiopia, Ghana, Kenya, Nigeria, Mali and Zambia support the budget allocation and spend hypothesis. The study utilized the Toda and Yamamoto (1995) modified version of the Granger causality test within a multivariate framework (Aregbeyen and Baba, 2013).

Spend and Budget Allocation Hypothesis

This hypothesis postulates that governments determine the level of spending and then design the budget allocation policy to accommodate the desired spending level. Advanced by Peacock and Wiseman (1961, 1979), it states that changes in public expenditure bring about changes in public revenue such that, for instance, a crisis situation

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such as wars, natural disasters or deep recession call for an immediate response by increasing the expenditure thereby increasing budget allocation levels. Such increases, however, may become permanent and hence affecting the size of government even after the crisis has passed, a situation often referred to as the displacement effect (Bhatia, 2003 and Chang, 2009).

Barro (1974, 1979, and 1986) in his extensive empirical evidence concludes that government spending is considered as an exogenous variable to which taxes adjust and further argues that the inter-temporal budget constraints require a matching increase in future budget allocation as a result of current increase in expenditures. He maintains that taxpayers are sophisticated and are rational enough to interpret the increase as delayed form of budget allocation and are expected to capitalize the future budget allocation liability. Other studies that provide support for the spend-and- allocate budget hypothesis that used different econometric techniques include the studies by: Von Furstenberg, et al (1986) for the United States of America; Hondroyiannis and Papapetrou (1996) for Greece; Wahid (2008) for Turkey; and Carneiro, et al (2004) for Guinea-Bissau.

The Fiscal Synchronization Hypothesis

It's mainly associated with Musgrave (1966) and Meltzer and Richard (1981), is based on a fiscal regime where the government outlines the amount of spending programs alongside with the revenues required. They further suggested that a government may change spending and allocation simultaneously and thus adhere to the allocation and spend and spend and allocation scenarios. Moreover, the voter compares the marginal costs and benefits of government programs when deciding the appropriate level of spending and allocation.

Empirical Review

Empirical studies of the actual effect of budget allocation process in public institution are relatively sparse. The few studies conducted do not necessarily arrive at the same conclusions. Stiefel, Rubenstein, and Schwartz (1999) analysed the relationship between the spending of public schools in Chicago and patterns of budget allocation by constructing and using adjusted performance measures. They concluded that, even though the total spending differences between low-performing schools and high-performing schools were small, there were significant differences in the distribution of discretionary spending across function. They concluded that "high performing schools average almost five percentage points more discretionary spending on instruction and less on instructional support and administration".

Kluvers (2001) surveyed municipalities in Victoria, Australia, and reported that "the question of whether budget allocation indicators, if used, had provided useful information was answered in the affirmative by an overwhelming majority of survey respondents. However, this result is tempered by the fact that only a small number of councils reported actually using budget allocation indicators". Kluvers further concluded that managers tended to use the budget allocation primarily to allocate resources or to increase productivity. Furthermore, the use of budget allocation appeared to foster a changed attitude toward planning and to influence could influence spending overtime.

Rather than relying on the survey on state budget officials, Klase and Dougherty (2008) conducted an empirical analysis using the available data for the 50 states for the years 1986-2001. Employing a fixed effect model with five budget allocation variables (three reflect different budget allocation implementation phases, and the other two reflect budget officials‟ perceptions), they found that the implementation of budget allocation has a statistically significant and positive effect on state per capita expenditures. They also found that states with budget allocation legislation tended to spend an average of $332 per capita more than states without implementation legislation.

Lee and Wang (2009) analysed the effect of budget allocation practices on spending behaviour across three countries, the United States, Taiwan, and

China (Guangdong Province) over multiple years before and after budget allocation. They reported that that budget allocation had differential impact on the spending growth rate in different countries (regions): there was a significant relationship between budget allocation and spending growth in Taiwan (coefficient of 20.103). However, the regression coefficients were negative for the United States (- 0.192) and China (-0.1903) but not statistically significant.

A more recent study by Hou, Lunsford, Sides, and Jones (2011) examined variations in budget allocation practices in 11 sample states in different time periods using a series of anonymous interviews. They concluded that budget allocation had not been fully exploited and that just a part of its design purpose had been achieved. They also concluded that budget allocation was relied on much more by the states during economic upturns than during economic downturns. Crain and O'Roark (2004) examined the impact of budget allocation innovation on state expenditures in Nigeria by using panel data from 1970 through 1997. They concluded that budget allocation did have an impact on state spending per capita by at least two percentage points, but also find that budget allocation didn't affect all state government programs equally.

Jordan and Hackbart (1999) argued that allocation decisions were hardly affected by performance reporting: "in those states undertaking performance funding, only a marginal share of the funds (estimated at 3 percent) were subject to the influence of performance evaluation". Willoughby and Melkers (2000) found that performance measurement was most essential for managerial decisions and communication purposes, even though its impact on appropriation outcomes was quite limited.

Ho (2011) conducted a case study of budget allocation exercise in the city of Zambia in the years from 2008 to 2010 to examine the budget implications of applying performance information at the sub-departmental program level. The regression results indicated that the number of performance measures in a department was significantly and positively correlated with program budget variation. However, after controlling for other factors, he also found that the number of outcome-related performance measures had significantly negative effects on program budget variation.

Nkanata (2012) undertook a study on the factors affecting the government spending of the budget allocations by the accounting officers in Kenya. The study adopted a descriptive survey design. The population of the study consisted of the 42 government ministries. The sample design employed yielded a sample of 70 respondents. The study found out that policies and procedures influence the spending of budget allocations. The legal and institutional framework is weak and need modification with the executive abusing the legal provisions for enhancing budget flexibility, whereas the legislature was found to have power to control the utilization of budget allocations. The challenges of matching budget allocations against policies create pathway for unethical practices.

Jagongo & Njagi (2013), did a study on the extent to which capital budgeting practices and procures are employed in public schools in Kenya. The study design adopted survey design. All Secondary schools in Meru North District were used in the case study. The findings in this study indicated that the initial stages of capital budgeting process are being followed in schools, but minimal implementation follows. This is supported by: -proportion of participants who showed that they normally divert funds, presence of stalled and idle projects in schools and an indication that modern appraisal techniques of capital budgeting are not highly applied.

Citizen Participation: Article 174 of the constitution gives the powers of self-governance to the people and encourages that people must participate in making decisions that will affect them and in the exercise of the state powers. Citizen participation is not a favour but a constitutional obligation that the governor must adhere to. It must however be clearly defined by the county government in agreement with the citizens to achieve satisfactory results. The governor must agree with the citizens on processes, procedures, entry levels, safeguards to citizens' decisions and guarantees that their needs and priorities will come first.

Political Interference: Stillman (2010) describes budgets as political documents reflecting through the allocation of funds, the ultimate desires, interests and power of various groups within the body politic as expressed by elective legislative bodies. In setting up annual budgets, various political participants engage in log rolling comprises and bargains to create a document that by and large mirrors the current priorities of locality, state or nation. Budgets are termed as political because first and foremost, they reflect choices about what services the government should provide and what the citizens are entitled to as members of society and determine who gets what. They also reflect the relative proportion of decisions made for local and constituency purposes and for efficiency, effectiveness and broader public goals and in relation to this it portrays the degree of importance that legislators put on to satisfy their constituents and legislators willingness to listen to interest group demands.

Legal Framework: The legal process on the budget making process at the county level is set out in the Public Finance Management Act (2012), Section 125 of the Public Finance Management Act, 2012 provides the procedure to be followed in the budget making process at the county level as outlined below: The process includes the coming up with an integrated development process which has long and short term planning goals, planning and coming up economic and financial priorities for the medium term for the nation, estimating the total of the governments revenues and expenditures, embracing the county fiscal strategy paper, coming with the county government budget estimate and giving them to the county assembly, debating and approving the budget estimates by the county assembly, enacting the required laws which are a requirement for the implementation of the county's budget, implementing the county's budget and accounting for and evaluating the budgeted revenues and expenditures for the government. This study sought to examine the effects of legal framework on budgetary allocation process in Mandera County.

Budget Review: Article 118(1) of the PFM Act provides that a County Treasury shall; (a) come up with an outlook paper and County Budget Review paper for the county for every financial year; and (b) the paper should be submitted to the County Executive Committee by the 30th September of the current year. According to Article 118(4) not later than seven days after the outlook paper and the County Budget Review has gained approval from the County Executive Committee, the County Treasury shall; (a) make arrangements for the paper to be put up before the County Assembly; and (b) after having done this as soon as possible publicize and publish the paper. Citizens must grab a copy of the Outlook Paper as part of their budget monitoring exercise to support or explain discrepancies they may have witnessed on the ground and consolidate this in the citizen's annual budget monitoring report. This study sought to determine effects of budget review on budgetary allocation process in Mandera County.

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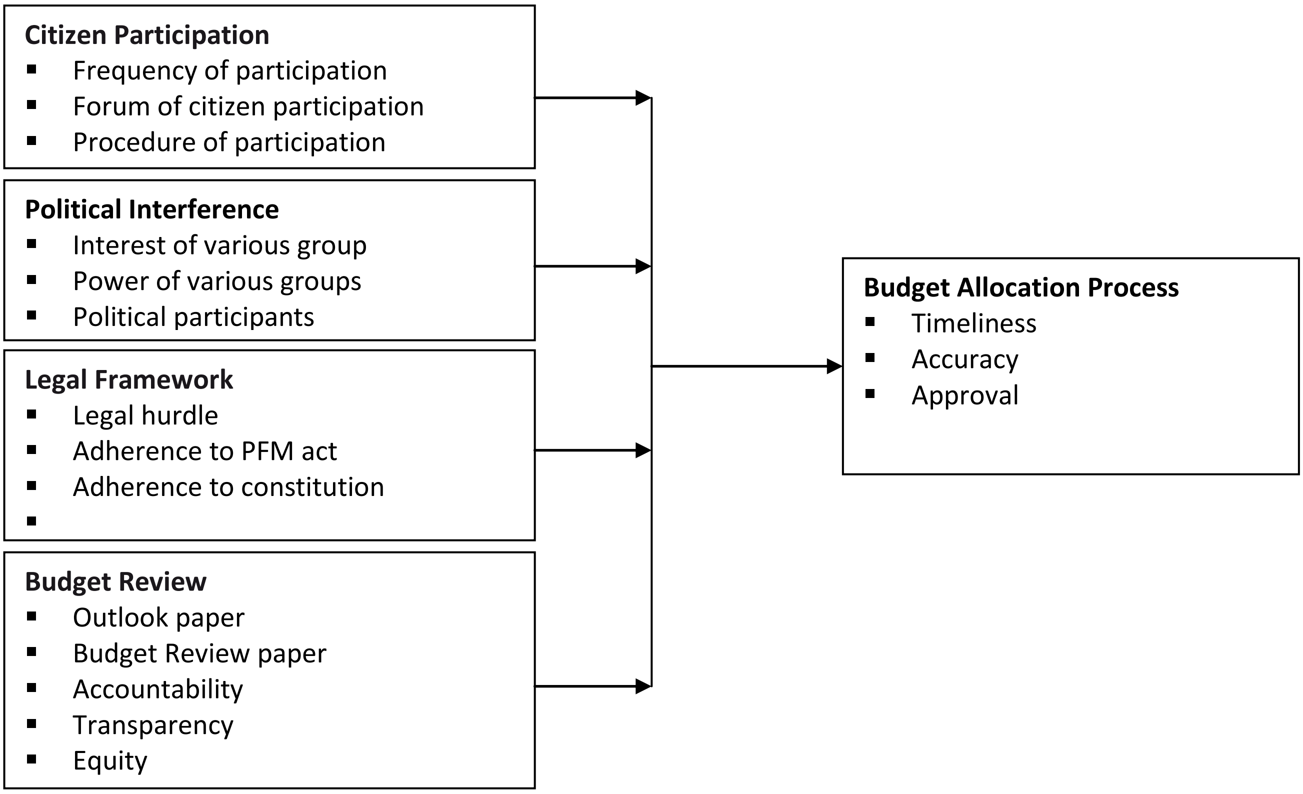

Independent Variables **Dependent Variable**

Figure 1: Conceptual Framework
Source: Author (2016)

METHODOLOGY

The study adopted a descriptive cross-sectional survey. The target population was employees of Mandera County Government, at their Head office and Citizen of Mandera County. This included both the employees at the executive and legislative arms of the County Government, who are 280 employees and 29 Members of County Assembly (MCA). The study targeted 904 citizens who participated in the budget who were involved in the public hearing on the budget preparation process in February 2016. The study used the below formula to arrive at the sample size of 292 respondents who was used in this study. Random sampling was used to select 292 respondents of the study. The selection was as follows:

$$n = Z^2 p.q \frac{N}{e^2(N-1) + Z^2 p.q}$$

Where n= the required sample size

P = proportion of population with the required characteristics of the study

Q = proportion of population without the required characteristics of the study (1-P)

N= Total population

e = accuracy level required. Standard error = 5%

Z= Z value at the level of confidence of 95% = 1.96

Therefore, the total number of respondents in this study was 292 respondents, who were involved in this study, this included 67 employees, 7 MCA and 218citizens.

The study collected both primary and secondary data. Primary data was gathered using semi-structured questionnaires where the respondents were issued with the questionnaires. Before processing the responses, the completed questionnaires were edited for completeness and consistency. Descriptive analysis was used; this included the use of weighted means, standard

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deviation, relative frequencies and percentages. The Statistical Package for Social Sciences (SPSS) computer software was used for analysis to generate data array that will be used for subsequent analysis of the data. The multiple regression equation was

$$\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon}$$

Whereby Y = Budgetary Allocation Process, X_1= citizen participation, X_2= political interference, X_3= legal framework and X_4= budget review, while β_1, β_2, β_3, β_4 and β_5 are coefficients of determination and ε is the error term. This generated quantitative reports through tabulations, percentages, and measures of central tendency.

FINDINGS

Citizen Participation

The study sought to establish whether citizen participation affects budgetary allocation process in Mandera County. From the findings, majority of the respondent shown by 78% indicated citizen participation affects budgetary allocation while 22% of the respondent indicated it doesn't affect. The study sought to establish the extent to which citizen participation affects budgetary allocation process in Mandera County. From the findings, majority of the respondent indicated that citizen participation affects budgetary to a very great extent shown by 62%of the respondent, 24% of the respondent indicated that citizen participation affects budgetary to a great extent, 8% of the respondent indicated that citizen partnership affects budgetary to a little extent while as 6% of the respondent indicated it was to a no extent at ll. The study requested the respondent to indicate their level of agreement with Statements relating to effects of citizen participation on budgetary allocation process in Mandera County.

Table 1: Statements Relating To Effects Of Citizen Participation

Statements	Mean	Std. Dev.
Citizen participation during the budget preparation delays the budget allocation process	2.97	0.585
Low citizen turn out affect the budget preparation process	2.99	0.457
Budgetary monitoring by citizen helps ensure financial control and identify where change is required.	3.61	0.902
Citizen participation requires managers to be provided with relevant, timely and accurate information appropriate to their level of responsibility	2.66	0.492
Citizen participation ensures provision of clear and consistent feedback in a timely manner	3.71	0.979
Regular citizen monitoring helps to identify changing patterns or circumstances that need corrective action	3.67	1.071

From the findings, majority of the respondents' agreed that budgetary monitoring by citizen helps ensure financial control and identify where change is required shown by a mean of 3.61, regular citizen monitoring helps to identify changing patterns or circumstances that need corrective action shown by mean of 3.67, and that citizen participation ensures provision of clear and consistent feedback in a timely manner shown by a mean of 3.71.the study further revealed that the respondents were neutral on whether citizen participation requires managers to be provided with relevant, timely and accurate information appropriate to their level of responsibility shown by a mean of 2.66, citizen participation during the budget preparation delays the budget allocation process shown by a mean of 2.97 and that low citizen turn out affect the budget preparation process shown by a mean of 2.99. The low standard deviation is an indication that the respondents held similar views. Article 201 of the constitution lays down some key public finance principles including the need to ensure that there is accountability and openness in all public financial matters and that public participation will be emphasized in the whole budget process and decision making processes.

Political Interference

The study sought to establish whether citizen political interference affects budgetary allocation process in Mandera County. From the findings, majority of the respondent indicated that political interference affects the budgetary allocation process shown by 84%, while 16% of the respondent indicated it didn't affect. The study sought to establish the extent to which political interference affects budgetary allocation process in Mandera County. From the findings the study established that political interference affects budgetary allocation to a very great extent shown by 65% of the respondents, 19% of the respondent indicated it was to a great extent, 9% of the respondent indicated that it was to a little extent while as 8% of the respondent indicated that it was to a no extent. The study sought to establish the level of agreement with Statements relating to effects of political interference on budgetary allocation process in Mandera County.

Table 2: Statements Relating to Effects of Political Interference

Statements	Mean	Std. Dev.
Member of the county assembly are hostile if they see exclusion as a threat	3.79	0.817
Member of the county assembly have a great deal of control over o the budgetary process at the county	3.41	0.776
Member of the county assembly have much power on how much power to share	3.59	0.880
Budget making process have positive effect in forcing collaboration in bureaucracies due to the nature of politicians demands	3.40	0.752
Political participation may provide information that improves technical or allocative efficiency	1.69	0.126
Political participation offers innovative solutions that would not have arisen from traditional decision-making; and raise acceptance of programmes.	2.74	0.342

From the findings, the study established that the respondent agreed that member of the county assembly have much power on how much power to share shown by a mean of 3.59 and that member of the county assembly are hostile if they see exclusion as a threat shown by 3.79. the study further established that the respondents were moderate on whether Political participation offer innovative solutions that would not have arisen from traditional decision-making; and raise acceptance of programmes shown by a mean 2.74, Budget making process have positive effect in forcing collaboration in bureaucracies due to the nature of politicians demands shown by a mean of 3.40, Member of the county assembly have a great deal of control over o the budgetary process at the county shown by a mean of 3.44. the respondents further disagreed that Political participation may provide information that improves technical or allocative efficiency shown by a mean 1.69 and that political participation offer innovative solutions that would not have arisen from traditional decision-making; and raise acceptance of programmes. The low standard deviation is an indication that the respondents held similar views. Stillman (2010) describes budgets as political documents reflecting through the allocation of funds, the ultimate desires, interests and power of various groups within the body politic as expressed by elective legislative bodies. Similarly, the budget reflects how the government redistributes wealth upward or downward through the tax system, therefore reflecting the relative power of different individuals and organizations to influence budget outcomes (World Bank, 2012).

Legal Framework

The study sought to establish whether citizen legal framework affects budgetary allocation process in

Mandera County. The study established that majority of the respondents shown by 78% legal framework affects budgetary allocation while as 22% of the respondent indicated that it doesn't. The study sought to establish the extent to which legal framework affects budgetary allocation process in Mandera County. From the finding, majority of the respondent indicated that legal framework affects budgetary to a very great extent shown by 58% , 20% of the respondent indicated that it was to a great extent, 12% of the respondent indicated that it was a little extent and 10% of the respondent indicated it was to no extent at all. The study sought to establish the level of agreement with Statements relating to effects of legal framework on budgetary allocation process in Mandera County.

Table 3: Effects of legal framework on budgetary allocation process

Statements	Mean	Std. Dev
Policies and procedures influence the spending of budget allocations	3.29	0.684
Current legal and institutional framework governing counties is weak and thus modification needed	1.85	0.055
Executive abuse the legal provisions in order to enhance budget flexibility.	3.56	0.806
Challenges of matching budget allocations against policies create pathway for unethical practices.	3.63	0.943
Presence of stalled and idle projects in counties and an indication that modern appraisal techniques of capital budgeting are not highly applied	3.29	0.684

From the findings, the respondents agreed that executive abuse the legal provisions in order to enhance budget flexibility shown by a mean of 3.56, challenges of matching budget allocations against policies create pathway for unethical practices shown by a mean of 3.63. the respondents were neutral on policies and procedures influence the spending of budget allocations and that presence of stalled and idle projects in counties and an indication that modern appraisal techniques of capital budgeting are not highly applied shown by a mean of 3.29 each case. The respondent further disagreed that current legal and institutional framework governing counties is weak and thus modification needed shown by a mean of 1.85.

Budget Review

The study sought to establish whether budget review affects budgetary allocation process in Mandera County. From the findings, the study established that majority of the respondent shown by 62% allocation budget review affects budget allocation while 38% of the respondent indicated it doesn't. The study sought to establish the extent to which budget review affects budgetary allocation process in Mandera County. From the findings, majority of the respondent indicated that the budget review affects budgetary allocation shown by 54% to a very great extent, 20% of the respondent indicated it was to a great extent, 16% of the respondent indicated that it was to a little extent while as 10% of the respondent indicated it was to a no extent at all. The study sought to establish the level of agreement with statements relating to effects of budget review on budgetary allocation process in Mandera County.

Table 4: Effects of Budget Review on Budgetary Allocation

Statements	Mean	Std. Dev.
Running a county often requires the administration to carefully plan and review the county finances	3.44	0.814
Budget review has a statistically significant and positive effect on state per capita expenditures	3.82	1.098
Budget allocation had differential impact on the spending growth rate in different countries (regions)	3.74	0.976
budget review enhances local service delivery more efficient and effective in the county	3.47	0.790

From the findings, the respondents agreed that budget review enhances local service delivery more efficient and effective in the county shown by a mean of 3.47, budget allocation had differential impact on the spending growth rate in different countries (regions) shown by a mean of 3.74 and that budget review has a statistically significant and positive effect on state per capita expenditures shown by a mean of 3.82. The respondents further were neutral on the fact that running a county often requires the administration to carefully plan and review the county finances shown by mean of 3.44. The low standard deviation is an indication that the respondents held similar views

Regression Analysis

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.788[a]	.621	.634	.06210

Adjusted R squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable. From the findings, the value of adjusted R squared was 0.634 an indication that there was variation of 63.4% on budget allocation process due to changes in citizen participation, political interference, legal framework and budget review at 95% confidence interval. This shows that 63.4% changes on budget allocation process could be accounted for by changes in citizen participation, political interference, legal framework and budget review. R is the correlation coefficient which shows the relationship between the study variables. From the findings, the study found that there was a strong positive relationship between the study variables as shown by 0.788.

Table 6: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Constant	2.302	.453		5.082	.001
	Citizen Participation	.451	.160	.198	2.819	.004
	Political Interference	.533	.126	.245	4.230	.001
	Legal Framework	.629	.145	.008	4.338	.009
	Budget Review	.400	.114	.031	3.509	.007

Using multiple regression analysis, the study sought to establish factors affecting budgetary allocation process in Mandera County. Assuming a linear relationship between the independent and the

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dependent variable and guided by OLS estimation methods, the relationship between the independent and dependent variables as presented by the regression model was tested. From the data in the above table the established regression equation was

$Y = 2.302 + 0.451 X_1 + 0.533 X_2 + 0.629 X_3 + 0.400 X_4$

Where Y= Budgetary Allocation Process, X_1= Citizen Participation, X_2= Political Interference, X_3= Legal Framework and X_4= Budget Review. From the above regression equation, it was revealed that holding citizen participation, political interference, legal framework and budget review to a constant zero, budget allocation process would be at 2.302. A unit increase in citizen participation would lead to increase in budget allocation process by a factor of 0.451, a unit increase in political interference would lead to increase in budget allocation process by a factor of 0.533, a unit increase in legal framework would lead to increase in budget allocation process by a factor of 0.629 and unit increase in budget review would lead to increase in budget allocation process by a factors of 0.400.

CONCLUSION AND RECOMMENDATIONS

Citizen participation improves budgetary allocation process in Mandera County. From the study budgetary monitoring by citizen helps ensure financial control and identify where change is required, identify changing patterns or circumstances that need corrective action, provision of clear and consistent feedback in a timely manner. The study concludes that citizen participation affects budgetary allocation process to a very great extent in Mandera County

The study established that political interference does not improve the process of budgetary allocation. The study established political interference determines on how much power to share, member of the county assembly is hostile if they see exclusion as a threat, political participation don't provide information that improves technical or allocative efficiency and that political participation, don't offer innovative solutions that would not have arisen from traditional decision-making; and raise acceptance of programmes. The study concludes that political interference affects budgetary allocation process to a great extent.

From the findings, citizen legal framework affects budgetary allocation process in Mandera County. The study revealed executive abuse the legal provisions, challenges of matching budget allocations and that current legal and institutional framework governing counties is not weak and thus modification not needed. The study concludes that Legal framework affects budgetary allocation process in Mandera County to a great extent.

From the findings budget review affects budgetary allocation process in Mandera County. From the findings, budget review enhances local service delivery, budget allocation had differential impact on the spending growth rate in different countries (regions) and that budget review has a statistically significant and positive effect on state per capita expenditures. The study concludes that budget review affects budgetary allocation process in Mandera County to a very great extent.

The study recommended that the politicians need to encourage citizens to participate actively in the budgetary allocation process. This is because citizen participation will give a clear vision and direction since the resources will end up being allocated to the felt needs of the citizen.

The studies revealed that member of the county assembly have a great deal of control over the budgetary process at the county. The study therefore recommends that politicians need to positively intervene in the budgetary process in a way that offers innovative solutions that would not have arisen from traditional decision-making.

The study finally concluded that there is need for frequent review of the budget as this will help to monitor how far the county is from achieving their goals, as well as identifying the areas that need special attention. Frequent budget review will also help in identifying what the county has achieved and hence motivate them to work even harder towards achieving their goals.

Recommendations for Further Research

The study sought to establish the establish factors affecting budgetary allocation process in public institution in Kenya with special focus on Mandera County. The study recommends that a study should be done on the challenges faced during the budgetary allocation process in the public institution in Kenya.

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