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FACTORS AFFECTING DEVELOPMENT BUDGET IMPLEMENTATION IN COUNTY GOVERNMENTS IN KENYA: A CASE OF NYANZA COUNTIES

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ABSTRACT

Effective development budgeting implementation incorporates a long-term perspective, establishes linkages to organizational goals, focuses budget decisions on results and outcomes, and promotes effective communication with stakeholders. The development budgeting process in the county government is reported to face a number of challenges, leading to non-utilized funds being returned to the national treasury. It is reported that the accumulated amount of funds is returned back to the national treasury. This unspent amount of money for development in these counties may be due to a number of factors that the current study sought to establish. The general objective was to assess the factors affecting development budget implementation in county governments in Kenya: a case of Nyanza counties. The study was guided by the following specific objectives: to establish the effect of wage bill on development budget implementation of county governments in Nyanza; to investigate the effect of fund disbursement delays on development budget implementation of county governments in Nyanza; to determine the effect of internal accountability on development budget implementation of county governments in Nyanza in Nyanza, and to assess the effect of monitoring on development budget implementation by the county government. The study was anchored by the budget cycle and stakeholders' and public participation theories. This study employed a descriptive research design, targeting 72 individuals from the various units in each county responsible for preparation and implementation of the budget in the county who was sampled using a census sampling technique. Data was collected using structured questionnaires where data was collected for a period of 30 days. The data obtained was analyzed using descriptive and inferential statistics presented using frequency distribution tables. The researcher conclusion was that if the recommendations of this study were implemented to the letter, the matter of ineffective development budget implementation and management would be addressed adequately.

Keyword: *Age Bills, Funds Disbursement Delays, Internal Accountability, Monitoring*

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INTRODUCTION

A budget is a basic and powerful tool in management and serves as a tool for planning and controlling the use of scarce financial resources in the accomplishment of organizational goals (Moolchand Raghunandan, 2012). One fundamental purpose of any government that has been in existence over the years is to allocate scarce resources to competing programs and services through the budgeting process. In practice, Kituyi and Moi (2021) opine that development budgets are rarely effectively managed. Development budgeting implementation consists of activities that include development, implementation, and evaluation of a plan for the provision of services and capital assets. As found by Samira (2018), the success and importance of development budgeting implementation relates to the identification of organizational goals, the allocation of responsibilities for achieving these goals, and consequently its execution.

The United States of America realized that of all of the functional areas of finance, the one most in need of guidance was government budgeting. This culminated in the release by the National Advisory Council on State and Local Budgeting of a set of recommended practices representing a milestone in budgeting. In one document, governments had a comprehensive set of processes and procedures that defined an accepted budget process and budget. The practices advocated a goal-driven approach to budgeting that covered the planning, development, adoption, and execution phases of the budget. Ahmad & Ahmad (2014) studied the obstacles of preparing and implementing budgets in Jordan and established the lack of understanding about the necessity of budgets and unrealistic estimations as impediments to budget preparation and execution.

A budget is an important component in county government planning and decision-making. Almost every county government in Kenya, regardless of size or complexity, relies heavily on budgets and budgetary systems to achieve strategic goals. In Kenya, the budgeting process is a cycle that starts with the issuance of the annual budget circular by the Cabinet secretary for National Treasury not later than August 30th every year (The National Treasury, 2016). The Ministerial Department Authorities (MDAs) are required to prepare budget estimates in compliance with the instructions, guidelines, and prescribed formats contained in the circular that supports program-based budgeting (PBB) and must be supported by the national government or entity’s strategic plan (PFM Act Regulations, 2015). Thereafter, public participation is held, a national budget policy statement (BPS) and a county fiscal paper strategy paper (CFSP) are prepared. This is followed by the production of budget review and outlook process papers by respective county and national treasuries. Thereafter, respective assemblies approve the finance budget (National Treasury, 2016).

The county governments, guided by the county wards equitable development bill of 2018, are required to provide a framework for equitable growth and allocation of funds in their respective wards (Kiboro, Omwenga, & Iravo,2017) Furthermore, they are required to determine the criteria for allocating specific amounts for development projects. According to the Public Finance Management Act, each county government must allocate at least 15% of its budget for development (PFM Act Regulations, 2015). Furthermore, the counties are required to provide an efficient and timely framework for the disbursement of funds for development budgets. Finally, under the public finance management act, counties are required to report and oversee the development budget to ensure resources have been utilized equitably and efficiently Charles, & Omwenga, J. (2018)..

The development budget in Counties is ideally influenced by the wage bills that are prevalent. According to Magani and Gichure (2018), many of the Counties have excess expenses that exceed the required limits outlined by the controller of budget. Therefore, a smaller percentage of the budget is available for development initiatives in the County. Orina, Obwogi, and Nasieku (2019) opine that County government have been choked with the wage bills, and currently are depended on the National government to fund development initiatives in the County. Magani (2018) argues that County governments are unable to emerge from the size of their wage bills. The controller of budget reported that the wage bill in the counties had reached a total of 139 billion (35%) of the total budget allocation for Counties.

The development budgeting process in the county government is reported to face a number of challenges, leading to non-utilized funds being returned to the national treasury. Mugambi and Theuri (2014) agree with that by stating that this affects the project implementation process as well as the realization of goals.. This problem is catalyzed by the perennial delay in the disbursement of funds from the National Treasury and frequent breakdowns of the Integrated Financial Management and Information Systems, which also continued to hamper development and were a major cause of pecuniary embarrassment to the county governments.

Statement of the problem

Devolution introduction in Kenya is observed to have brought positive contribution to development and as well certain challenges. Despite its introduction since 2013, very little attention has been given to development budget implementation and there has been growing concern about budgets not being implemented. Several authors have not agreed on the factors affecting development budget implementation. Mathenge, Shavulimo and Kiama (2017) found that financial factors contribute largely to development budget implementation. On the other hand, Gachithi (2010) opines that internal structures in the county government have negative effects on development budget implementation. These and other studies reviewed indicate that there is no agreement on factors affecting development budget implementation, which the current study seeks to ascertain.

Budget implementation has been a major challenge in public institutions, county governments, and national governments. According to the 2020/2021 Controller of Budget report, there have been cases of money budgeted for development projects being returned to the National Treasury at the end of the fiscal year, Nyanza Counties were reported to have returned an accumulated amount of Ksh13.32 billion to the national treasury (Controller of budget, 2020/2021) against a total budget of kshs.58.61 billion out of which kshs.21.64 billion was for development budget with an actual expenditure of kshs. 12.53 billion this means that development expenditure accounted for 94% of funds not spent. This unspent amount for development in these counties may be due to a number of factors related to timely allocation or disbursement and monitoring processes. Financial analysts, as cited by Karanja and Nganga (2014), report that some of these challenges are related to internal preparation and implementation. The county governments are faced with a series of imbalances in budget implementation despite the availability of the various sources of funds from the national government to achieve the desired needs and objectives. Magani and Gichure (2018), adds that development budget implementation is directly influenced by the ballooning wage bills where counties have large sizes of expenses and costs to undertake. This hinders the size of budget that is allocated for other development initiatives and furthermore showing that counties have exceed the wage bill cap of 35%.

Many scholars have conducted various related studies related to budget implementation. However, given that budget implementation in most countries and new developments are in the formative stage, these studies are not exhaustive, which the current study will seek to fill. Mbindyo (2010) did a study to investigate the challenges of budget implementation in local authorities. This reveals a gap with regard to level context since the study was conducted in the Ministry of Education headquarters. Gachithi (2010) conducted research to determine the challenges of budget implementation on public institutions. This reveals a gap with regard to institutional context since the study was conducted in a ministry and not a university set up. (2016) investigated the challenges of budget implementation in Meru County, Kenya. This reveals a gap with regard to government since it was carried out in a county government aimed at identifying challenges to effective implementation of the budget in the Centre for Mathematics, Science and Technology Education in Africa (CEMESTIA). This reveals a gap since the study was carried out in a regional context.

The contribution of the development budget across the counties is an essential component in economic growth. This is hindered by a number of factors that require keen attention, for example the average wage bill in the six counties was 49% with Kisumu county leading with 56% while Siaya had the least of 37.1% of total expenditure thus hindering development initiatives. Therefore, there is a need to have interventions in the factors affecting it. It is from these research gaps pointed out by the reviewed studies and justification of factors influencing development budget implementation that the study will seek to investigate the factors affecting development budget implementation.

Objectives of the study

The general objective of this study was to assess the factors affecting development budget implementation in county governments in Kenya: a case of Nyanza counties. The study was guided by the following specific objectives:

- To establish the effect of wage bills on development budget implementation of county governments in Nyanza.
- To investigate the effect of funds disbursement delays on development budget implementation of county governments in Nyanza.
- To determine the effect of internal accountability on development budget implementation of county government In Nyanza.
- To assess the effect of monitoring on development budget implementation of county government

The study addressed the following research hypotheses:

- **Ho_1:** There is no significant relationship between revenue wage bills and development budget implementation of county governments in Nyanza.
- **Ho_2:** There is no significant relationship between funds disbursement delay and development budget implementation of county governments in Nyanza.
- **Ho_3:** There is no significant relationship between internal accountability on development budget implementation of county government in Nyanza.
- **Ho_4:** There is no significant relationship between monitoring on development budget implementation of county government in Nyanza.

LITERATURE REVIEW

Theoretical review

The budget cycle theory

The study was anchored by the budget cycle theory, which was developed by Kwan and Eisenbeis in 1995. According to the theory, it opines that, as a rule, assignments and interests at every level of the hierarchical structure of an open segment may struggle with each other from the perspective of constrained assets and limited time, and different partners may likewise have clashing interests. According to Kipsang (2015), in the meantime, the yields of open administration offices are frequently hard to quantify and deliberate. Information about specific sources of information and yields of administration conveyance is occasionally accessible, particularly in developing nations. The spending cycle in the general society area goes through three noteworthy stages (Kirira, 2011). These stages are unique to the specific needs of an organization.

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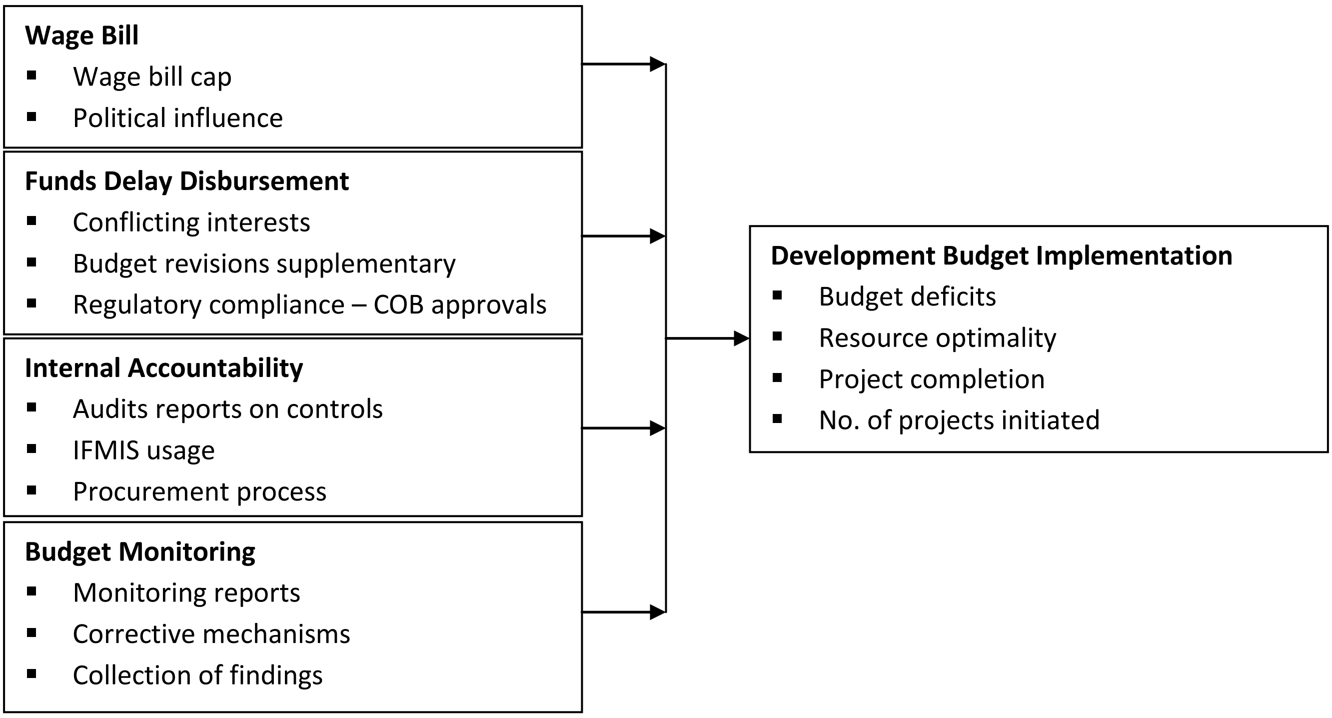
The theory is relevant to the study because it explains the stages involved in budget implementation development. County government budgets as per the National Treasurer's budget operational manual (2019) point out the cycles and processes that the project must follow or comply with. This theory will focus on improving the take on how the budgets need to be revised to reflect the changes that have taken place during the year, hence determining the necessity for an additional plan. Although the theory provides insightful information on the budget cycle and implementation, it does not fully explain the factors that influence it.

Stakeholder's Theory and Public Participation

The study will be guided by the stakeholder theory and public participation advanced by Freeman (1984). The principle claims that companies have owners who profit or are affected by company behavior and whose interests are abused or respected. Traditionally, any party or individual who may control or is influenced by the accomplishment of the aims of the company is a stakeholder. The definition of stakeholders is generalizations of the notion of stakeholders that have a special claim on the business themselves (Freeman, 2010). As a community of members, the association should be considered, and the association's aim should be to handle its priorities, desires, and perspectives (Peters, 2014). It is assumed that this stakeholder management is fulfilled by a company's managers. Considering classes of individuals who have classifiable relationships with the company is a standard method of differentiating the various categories of stakeholders. Customers, workers, local governments, manufacturers, dealers, and owners are the major stakeholder groups (Mugambi and Theuri, 2014).

Conceptual framework



Independent Variables **Dependent Variable**

Figure 1: Conceptual Framework

Wage Bill: Findings by the controller of the budget showed that 51% of the counties suffer from high wage bills which directly affect their operations. A number of causes have linked with the high wage

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bills in the county, Magani (2018) states that political influences contribute significantly to higher number of employees being employed as a reward for loyalty. Magani et al, (2018) opines that counties have inadequate wage structures that influence the amount of wages that are paid to the staff. The human resource department does not have a control tool with regards to promotion and staff establishment hence it's very possible to find more than one staff holding same position in the employment structure. Despite the controller of the budget setting a wage bill cap of 35%, many of the counties have exceeded it and have struggled to manage it.

Funds disbursement delays: Delayed disbursement of funds is a process in which payments for particular courses are not done early enough slowing down activities performance. According to a study by the by Institute of Economic Affairs (IEA), late receipt of funds from the exchequer has led to budget revisions among the devolved units leading to further delays in spending. The institute opines that within the six financial year beginning 2014/15 to 2019/20, late disbursement of funds by the treasury has led to revision of development budgets 53 times. Mutuma et al. (2016) reports that due to the complexity of the intergovernmental transfers system, counties have also been hit by numerous labour strikes by medical personnel, stalled projects including roads and markets, drug stock outage and piling pending bills owed to suppliers. These as well have affected directly development budget implementation in counties. The equitable development bill provides for efficient and timely disbursement of funds for implementation of county ward development projects.

Internal accountability: Management of the counties should consider control activities, value for money, transparency and financial reporting very important in order to achieve the objectives of financial internal accountability (Njeru, 2015). Weak internal accountability activities and lack of proper information and communication systems have encouraged collusion to fraud, loss of revenue and embezzlement of collected revenue. Internal Control Systems in accounting and auditing refers to a process of assuring achievement of an organization's objective in terms of realizing operational effectiveness and efficiency which captures aspects such as reliable financial reporting, compliance with laws and the regulation of policies (Palmer & Penner, 2012).. Internal controls are therefore looked upon more and more as a solution to a variety of potential problems in the counties including the county government. Internal audit on the other hand is meant to check through, assess and evaluate the internal financial performance of an organization. It helps an organization to accomplish its objectives by bringing a systematic, disciplined approach that evaluates and improves the effectiveness of risk management, control and governance processes. The Auditor general reports have always reported on internal control effectiveness in counties and that's why majority of the counties are stack with adverse opinion report on their financial statements. There are some cases where procurement of services and goods is done close to the financial year i.e after 30th May and this projects cannot be achieved within the desired timelines and this leads to increased pending bills that are becoming a big challenge to maintain.

Budget monitoring: One of the most effective tools for managing the finances of business activity is monitoring the annual budget. The elaboration of the budget and the control of its fulfillment and deviations contribute to setting the economic objectives (as regards income, expenses, and investments) and monitoring that the actions destined for its realization are adequate to achieve it (Palmer & Penner. 2012).. Counties must follow the public finance management act that ensures county budget is monitored. Monitoring of government spending (often called 'budget tracking') can help to ensure that funds are spent well, and not lost to corruption. Monitoring involves checking consistency, making adjustments and reporting findings (Mutuma et al, 2016). Monitoring forms part of reporting and oversight that ensure prove on the manner in which resources have been equitably distributed across wards in the county. Counties should allocate more resources to monitoring departments for easy of coordination and add value to the goal of economic development.

Empirical review

A number of global and local studies have sought to explain the association that exists between wage bill and development budget implementations. Sindani (2020) did a study that sought to establish the effect of public wage bill on public investment. This study selected 50 top public institutions where the top management was sampled by the study. Inferential statistics showed that a positive effect have a significant on public sector wage bill on public investments. The study showed that parastatals with high wage bill have lower public investments in the respective sectors.

A descriptive study was conducted by Munene (2014) which aimed at finding the relationship between public sector wage bills on the Kenya's gross domestic product. The inferential statistics showed that public wage bills predict Gross domestic products. The findings showed that the country public wage have directly affected negatively gross domestic products. The thesis qualitative findings showed that the World Bank had advised the government of Kenya to reduce its public wage bill because it hinders the growth of the gross domestic products. Correlation analysis showed an inverse negative relationship existing between public sector wage bill and gross domestic product.

Several related studies have sought to explain the extent to which delays in fund disbursements affect development budget implementations. Hendricks (2012) also examined the guidelines for effective implementation of IFMIS by the public sector of South Africa. The study sought to identify the challenges and risks involved in the implementation of the IFMIS in South Africa in disbursing funds. Some of the challenges identified in the study include lack of capacity, lack of commitment, as well as institutional and technical challenges. This affected the process of using IFMIS in distributing resources. The study also recommended capacity building programmes, stakeholder commitment, the establishment of an effective change management team, and an elaborate implementation plan for successful IFMIS adoption.

Adkins and Obadiah (2015) found out that timely disbursement of public funds was bound to positively impact the overall budget execution of an organization if well implemented. This, they pointed out, was due to some positive attributes associated with public funds that include: resources cannot be redirected or diverted to non-targeted purposes; a better approach/option in political systems undergoing leadership changes; the ability of public funds to take advantage of existing frameworks and administrative skill-sets in the government and thus attain high legitimacy among governments and further help stimulate reforms and strengthen institutions; and, synergies through reliance on existing budgetary channels used to deliver funds or benefits to the local people.

Global, regional, and local studies have sought to explain the influence of internal accountability on development budget implementations. Moolchand Raghunandan et al. (2012) conducted a study where they examined the behavioral aspects of budgeting with particular emphasis on public sector or service budgets. The study applied a simple random sampling technique to come up with the data for analysis. This was done by administering questionnaires to government employees in various departments. The researcher came up with the following findings: management accountants must recognize that accounting techniques and human relations are bound up with each other. The behavioral aspects of budgeting are significant and the management accountant has a responsibility to minimize the behavioral problems within the accounting systems for control.

A study was conducted by Mutuma (2016) on the challenges of budget implementation in the public sector: a case of Meru County in Kenya. IFMIS and

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public sector performance have drawn much attention among scholars and researchers. This study on building fiscal infrastructure in post-conflict societies found that lack of high-level commitment, ineffective project coordination, and loose project design and planning were the hindrances. The authors argued that over ten years of implementation, this system has still not been able to fully provide the expected benefits of integrated financial planning, implementation and control of public expenditure due to staff resistance and management commitment.

Few studies reviewed have sought to describe the relationship that exists between budget monitoring and development budget implementations. A study done by Santiso (2014) on legislatures and budget oversight in Latin America with an emphasis on strengthening public finance accountability in emerging economies noted serious constraints on the role of the legislature in budget oversight. The study involved countries in Latin America, including Chile, Mexico, Argentina, Peru, and Brazil, with an emphasis on the entire budget process, from budget policy formulation, approval, and execution to oversight and auditing. The study findings on the effect of parliamentary oversight on budget transparency indicated that Chile was the most transparent in budget formulation, approval, execution, oversight, and auditing of the public budget, followed by Argentia, Mexico, and finally Peru, respectively. In fact, the study further revealed that the parliamentary oversight in Peru was very deficient.

In South Africa, according to Quist, Certan, and Dendura (2008), parliamentary oversight of the budget process involves monitoring and reviewing the entire process including the broad fiscal challenges, facing then government, expenditure controls, and budgetary trade-offs that affect present and future spending. A study done by Khumalo (2016) on fiscal oversight by legislatures and the role of parliamentary budget offices reviewed international trends and innovations in budgetary oversight in the South African context and revealed that many legislatures have played only limited roles in budget formulation, review and approval. The study attributed parliaments' limited roles to a variety of factors, including a lack of expertise and technical staff, a lack of impact assessment of legislation passed by parliament, and an insufficient time frame for completing the entire budgeting process.

METHODOLOGY

This study employed a cross section research design. According to Vaske (2019) the resign involves conducting an in-depth analysis on a chosen subject to obtain relevant inferences to the study purpose. The research design was appropriate in this study because obtained comprehensive inference on the factors affecting development of budget implementation in the chosen unit of study. The study population was obtained from the 6 counties of Nyanza (Siaya, Kisumu, Homabay, Migori, Kisii, Nyamira). The target population was included key persons responsible with preparation and implementation of the budget in the county. There were 12 units in the counties that were involved with budget preparation and implementation this was according to the county budget operational manual under the national treasury of Kenya. The target population was 93 individuals from the various units in each county. Due to the small numbers of the target population the study employed a census sampling technique. Data was collected using structured questionnaires. The questionnaires were administered to the 85 respondents from the six counties.

The data collected was arranged and organized, ready for analysis. The data was coded using Statistical Package of Social Sciences (SPSS) windows version 23rd. Data obtained from the structured questionnaire was analyzed using descriptive and inferential statistics. Babbie, Wagner, and Zaino (2018) define descriptive statistics as the process of summarizing and presenting data. Descriptive statistics was involved the use of percentages, mean, standard deviation, and frequencies. Inferential statistics, as cited by Flick (2018), involve statistics that interpret data to provide meaning. Multiple regression and correlation analysis was used to analyze the quantitative data obtained in the study. The independent t-tests was used to test hypotheses at 95% significance level. The Pearson moment correlation coefficient was used to establish the association between the study variables. Multiple regression analysis was used to explain the predictive association between interest rate variables and loan accessibility. Findings from the multiple regression analysis was accepted after assumptions of linearity, co-linearity, homoscedasticity, and independence of errors have been tested. The regression model was tested as follows:

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + e \;\ldots\ldots\ldots\ldots\ldots\ldots\; 1$$

Where;

Y– Development of budget implementation (Dependent Variable)
β0 – Constant Term, (β1, β2, β3, β4) – Beta Coefficients
X1 – wage bill
X2 – Funds disbursement delays
X3 – Internal accountability
X4- Budget monitoring
e- Error term

FINDINGS AND DISCUSSION

Descriptive Analysis for Study Variables on the Likert-Type Scale

Table 1: Effect of wage bills on development budget implementation of county governments in Nyanza

Statements	SA	A	N	D	SD	Mean	STD
County wage bill caps have enabled more development budget projects being initiated.	22.2	68.4	7	2.5	0	3.79	0.898
Public participation by stakeholders has increased the number of development budget project completed.	30.9	37.5	27.2	0	4.4	3.9	0.988
Political influence have contributed deficit for the number of development budget projects implemented.	11.0	21.3	52.2	15.4	0	2.28	0.858
Wage bill structures have influenced enough funds allocated for development budget implementation.	9.6	32.4	39.7	18.4	0	3.33	0.887

Table 2: effect of funds disbursement delays on development budget implementation of county governments in Nyanza

Statements	SA	A	N	D	SD	Mean	STD
Conflict of interest in funds disbursement have brought deficit in development budgets	38	56.3	5.7	0	0	3.8	1.0
Budget revisions in funds disbursement have affected the number of development projects implemented.	30.9	37.5	27.2	0	4.4	3.9	0.90
Compliance in disbursing of funds has enabled several projects to be completed.	9.6	42.6	28.7	19.1	0	3.43	0.91
Budget accruals have led to resources not be used optimally.	17.6	25.7	36.8	19.9	0	3.41	1.00

Table 3: Effect of internal accountability on development budget implementation of county government in Nyanza

Statements	SA	A	N	D	SD	Mean	Std
Audits on development budget implementation have improved the number of the projects completed.	35.1	60.8	2.8	1.3	0	3.8	0.81
Formulation of compliance regulations for development budget implementation has increased the number of projects initiated.	30.9	33.1	34.6	1.5	0	3.93	0.85
Proper usage of IFMIS usage has reduced deficits allocated for development budget implementations.	18.4	32.4	37.5	11.8	0	3.57	0.92
Development of communication systems has enabled resources for development budget implementation be used optimally.	41.9	48.5	9.6	0	0	4.32	0.64

Table 4: Effect of monitoring on development budget implementation of county government in Nyanza

Statements	SA	A	N	D	SD	Mean	Std
Reports from monitoring development budgets have enabled more projects to be implemented.	26.3	41.1	24.1	8.5	0	2.2	0.9
Corrective mechanisms instituted by the authorities have mitigated development budget deficits.	35.3	30.1	8.13	24.3	2.2	3.72	1.24
Collection of findings for development budget implementation have aided in initiation of more projects.	24.3	59.6	4.4	9.6	2.2	3.94	0.93
Variance checking have enabled resources for development budget projects to be used optimally.	36.8	40.4	15.4	4.4	2.9	4.04	0.98

Table 5: Development Budget Implementation

Statements	SA	A	N	D	SD	Mean	Std
There is development budget deficits in my county government	55.1	17.6	22.1	5.1	0.0	3.85	0.77
The resources used for development budget implementation is always used optimally and efficiently.	3.7	16.2	31.6	32.4	16.2	3.41	1.06
Development budget projects are completed within the required specifications.	0	3.7	33.1	39	24.3	3.84	0.84
More development budget projects are initiated in the county with available conditions.	1.5	8.8	27.9	37.5	24.3	3.74	0.97

Inferential Statistics

Table 6: Correlations

Correlations		wage bills	funds disbursement delays	internal accountability	Monitoring	development budget implementation
wage bills	Pearson Correlation	1	0.541	0.503	0.503	.831**
	Sig. (2-tailed)		.454	.779	.085	.375
	N	80	80	80	80	80
funds disbursement delays	Pearson Correlation	0.541	1	-0.408	0.405	.807 **
	Sig. (2-tailed)	.454		.453	.167	.546
	N	80	80	80	80	80
internal accountability on	Pearson Correlation	0.503	-0.408	1	0.380	.820**
	Sig. (2-tailed)	.779	.453		.389	.304
	N	80	80	80	80	80
Monitoring	Pearson Correlation	0.503	0.405	0.380	1	.846**
	Sig. (2-tailed)	.085	.167	.389		.201
	N	80	80	80	80	80
development budget implementation	Pearson Correlation	.831**	.807**	.820 **	. 846**	1
	Sig. (2-tailed)	.375	.546	.304	.201	
	N	80	80	80	80	80

Regression Model summary

Table 7: Model summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.725a	0.526	0.511	0.4646

a Predictors: (Constant), wage bills, funds disbursement delays, internal accountability, and monitoring

The results in table 7 showed that all the four predictors (wage bills, funds disbursement delays, internal accountability, and monitoring) explained 52.6 percent variation of development budget implementation of county governments in Nyanza. (R squared=0.526).

ANOVA Model

The research findings in Table 8 illustrated the results on the ANOVA model.

Table 8: ANOVA Model

	Sum of Squares	**Df**	**Mean Square**	**F**	**Sig.**
Regression	31.327	4	7.832	20.7745	.000b
Residual	28.277	75	0.377		
Total	59.604	79			

a Dependent Variable: development budget implementation of county governments

b Predictors: (Constant), wage bills, funds disbursement delays, internal accountability, and monitoring

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From the results, the above-discussed coefficient of determination was significant as evidenced in F ratio of 20.7745 with p value 0.000 <0.05 (level of significance). Therefore, the model was fit to predict development budget implementation of county governments using wage bills, funds disbursement delays, internal accountability, and monitoring.

Coefficients of Estimate

The study sought to establish the significance levels of relationship between the study variables. Table 9 highlighted the results.

Table 9: Coefficients of Estimate

	Unstandardized Coefficients			Standardized Coefficients	
	B	Std. Error	Beta	t	Sig.
(Constant)	-1.354	0.509		-2.662	0.009
wage bills	0.444	0.096	0.327	4.633	0
funds disbursement delays	0.281	0.072	0.251	3.915	0
internal accountability	0.337	0.136	0.173	2.477	0.015
S monitoring.	0.329	0.062	0.345	5.292	0

a Dependent Variable: development budget implementation of county governments

CONCLUSIONS AND RECOMMENDATIONS

The current study stemmed from the realization of the research problem in literature on factors affecting development budget implementation in county governments in Kenya: a case of Nyanza counties. Empirically most of the studies on the factors affecting development budget implementation in county governments in Kenya: a case of Nyanza counties have been skewed towards use of primary data and only specific factors affecting development budget implementation in county governments in Kenya had been evaluated. Among the several studies which had been done in the Kenyan perspective majority have not examined the causal joint effect of wage bills, funds disbursement delays, internal accountability, and monitoring on development budget implementation of county governments in Nyanza.

In order to meet the overall objective and test the study hypotheses the study adopted cross-section survey research design. Stratified sampling technique was used to select a sample of 85 repondent was obtained from the 6 counties of Nyanza (Siaya, Kisumu, Homabay, Migori, Kisii, Nyamira). responsible for budget formulation and implementation being sampled using a stratified random sampling technique. Structured questionnaires were used to collect data over the course of 30 days. These gathered data were examined using descriptive and inferential statistics, which were displayed in frequency distribution tables. The researcher is confident that if the recommendations were followed to the letter after the study's conclusion, the issue of ineffective development budget implementation and administration would have been adequately handled

To conclude the study, it was revealed that the four factors influencing the rate of implementation of development projects included initiative size, allocation of funding, political interference and level of security. The size of the project determines the rate of implementation of development initiatives to a great extent.

Allocation of funds also affects the rate of implementation of development initiative to a great extent. Political interference and the level of security also affect the implementation rate of development initiatives.

The researcher recommended that counties and national government to develop a clear development plan that will reduce non-essential expenditure. This will enhance optimal development of projects. Moreover, the county should determine the optimal staffing that ensure business continuity and reduce the county wage bill. The public involvement and periodic release of county budget absorption rate report will promote prudential expenditure. The PFM Act (2012) stipulates the national government to publish implementation reports within forty-five days and the county to do the same within thirty days. The Quarterly Economic & Budget Review should be re-estimated and established the cause of variance to ensure the meaningful budget allocation, development expenditure and county revenue collection. The county budget allocation, development expenditure and county revenue collection should be monitored keenly to prevent exaggerations and poor prioritizations of the key pillars to Gross County Product. The efficiency and general utilization of budget allocation leads to effectiveness and high Gross County product. Despite clear policies and procedures, there is 43 still low budget absorption. There is urgent need for the forensic audit on the county process and structures that inform budget absorption rate and utilization of the county revenues.

Suggestions for further research

This study suggested for more research on the factors affecting development budget implementation in county governments in Kenya: a case of Nyanza counties, effect of prudential tax collection the Gross County Product and the effect of infrastructural development on the Gross County Product on the County Government in Kenya. Furthermore, there also need study effect of senate legislations on the performance of counties, effect of CRA formulation on budget allocation and performance of counties.

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