THE EFFECT OF INTEGRATED FINANCIAL MANAGEMENT INFORMATION SYSTEM ON PERFORMANCE OF EMPLOYEES IN COMMISSIONS IN KENYA

BY

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DECLARATION

This research project is a product of my own work and is not the result of anything done in collaboration with anyone else.

It has not been previously presented to any other institution. I agree that this research may be available for reference and photocopying at the discretion of University of Nairobi.

Signature…………………….. Date…………………

EBBY AFANDI OBELI **D63/78888/2015**

This research project has been submitted for examination with my approval as the University Supervisor.

Signature…………………...Date ...……………….

DR. KENNEDY OKIRO

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ACRONYMS AND ABBREVIATIONS

ANOVA	Analysis of Variance
FIRE	Financial Reporting
GoK	Government of Kenya
ICT	Information and Communications Technology
ICPAK	The Institute of Certified Public Accountants of Kenya
IEBC	Independent Electoral and Boundaries Commission
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
IPPD	Integrated Payroll and Personnel Database
IPSAS	International Public Sector Accounting Standards
JICA	Japan International Cooperation Agency
JSC	Judicial Service Commission
KPMG	KMG (Klynveld Main Goerdeler) merged with Peat Marwick
KSG	Kenya School of Government
MDAs	Ministries and State Departments
MoF	Ministry of Finance
NYS	National Youth Service
NPSC	The National Police Service Commission
PSC	The Parliamentary Service Commission
PFM	Public Finance Management
PSC	The Public Service Commission
SD	Standard Deviation
SPSS	Statistical Package for Social Sciences
USAID	United States Agency for International Development
VPN	Virtual Private Network

ABSTRACT

Kenya Government had been experiencing mismanagement of public resources for many years, this weakness resulted in desperate need to have proper and sound system that would ensure that cases of embezzlement of funds are minimized. It is on this regard that the government decided on the gradual implementation of the Integrated Financial Management Information System (IFMIS) since the year 2005 as its only system for accountability. The Government's decision for its adoption was after a team of experts had been sent to benchmark with the most successful countries in implementation of IFMIS. They had foreseen numerous advantages of the system ranging from its effectiveness, efficiency and its ability to track information to be used as audit trail that could deter fraud. Nonetheless, all these proved to be a pipe dream, because the expected benefits have been overshadowed by the challenges of the system. Even after investing huge sum of money in its implementation the country is still grappling with problem of inefficiencies in budgetary processes, expenditure control and corruption has run out of hand. This research project has tried to determine the effect of the system on the performance of employees in the state commissions. The researcher sought to find out by testing, transparency, expenditure and payment, budgetary control, efficiency monitoring and reporting post implementation of the IFMIS in the state commissions.

The adoption of IFMIS, in Kenya was an impeccable achievement towards enhancing transparency, financial innovation and accountability in the procurement phenomena and the pillars of the Kenya Vision 2030. In spite insurmountable challenges during its implementation, there has been key milestone achievements during its institutionalisation in the State Commissions, as positively hypothesised by the study's research objective underpinning the analytical models and the problem statement in question. In deed the study falsifies, the contradictions associated with IFMIS by empirically validating the positive effects in lieu of employee performance in state commissions in the republic of Kenya.

This study distinctively utilized primary data, the research instrument being questionnaires which were administered effectively to the employees of the state commissions in Kenya. Descriptive technique, use of charts, tables was applied in analysing the data and Statististical inferences obtained using SPSS was used to get the figures for variables in the study. Multi-regression analysis was used to determine the effects of IFMIS on the employee performance in the state commissions.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Many developing countries are coming up with various methods and technologies that can improve the way they manage public finance. For the past years many governments have come up with a system perceived to be solution to mismanagement of public resources. The Integrated Financial Management Information System (IFMIS) is the sole system that has been proven to promote efficiency, accountability, transparency, data security and safeguarding the assets of the public, it also has ability to reduce corruption and give information used in financial reporting. Each country has its own scope for the use of IFMIS, although this system to some extent has experienced some misgivings as has been found out in researches done in some countries that have successfully introduced this technology (Chene, 2009).

According to Dorotisnky (2003), and Rozner (2008), Integrated Financial Management Information System is an information system that has the capability to track finance related data and summarize them in order to be used in financial reporting and other related fields for the purpose of making organizational decisions. This system has been proven to have a great impact on the managerial decisions, budgetary decisions, operational decisions, economic and fiduciary responsibilities, capability to provide audit trail that can be used to detect and make a follow up on any fraudulent activities and provides data from which auditable financial statements can be prepared. Simply put, IFMIS on a greater degree is greater than a simple accounting package or system customized to meet the objectives of the institution that has adopted it, this is according to (Brown and Rodin, 2008).

The integrated financial management information system has an objective embedded in its functions to achieve the fiscal strategy and economic policies and also ensure equitable allocation and utilization of public funds across the state MDAs and counties (Cole, 2006). Some of the major drivers of adopting an IFMIS system in governments include acceleration of efficiency level in state financial operations and systems and to facilitate and enhance proper controls in expenditure and financial reporting practices and observing IPSAS requirements (PFM Act 2012).

In regard to government activities and operations, IFMIS refers to the computation of all the steps entailing the management of public finance and other accounting processes, right from the lengthy budgetary build up processes and execution, actual spending and accounting to the final preparation of financial reports, with the aid of the integrated financial management system to attain the objective of proper public funds management. This system runs on a shared platform and unique structure that has the desired compatibility for the achievement of uniformity level in the production of the required financial information. IFMIS characterised by the use of various modules and is monitored from the national treasury where there are super users stationed at a central place with the access rights to all the users in the government entities and counties, this has proven to enhance accountability amongst the users.

IFMIS functions may span from the simple preparation of ledger for accounting purpose to a more complex and all round system that involves budget and planning processes, accounting for debtors and creditors, liquidity management, encumbrances control, Asset management, procurement and purchasing, collection and management of revenue, management of employees through the payroll system (Rozner, 2008). This system's functionality is to consolidate all the related processes to give reliable information to all the users of budgetary system processes and expenditure (Diamond and Khemani, 2006). To meet the need of the government or institution this system should be able to produce reliable information on a spontaneous instance to be able achieve the level of accuracy, relevancy and reliability on which basis it is adopted.

The Government of Kenya has been spearheading various PFM reforms aimed at ensuring accountability, transparency and equality. These has been propagated by major PFM policies that touch on budgeting, procurement and purchasing, the collection of revenue among other functions in order to achieve accountability and proper financial Reporting and the Macro-fiscal framework. The international partners such as the World Bank, European Commissions, USAID, JICA have accorded support to the government of Kenya for the success in implementation of IFMIS system.

These reforms have objectives which are aimed at strengthening the PFM systems. Some of the goals include ensuring accountability, transparency, responsiveness, accuracy in providing information for financial reporting and managerial decision making. The PFM reform is also on the first lane in the fight against unnecessary spending and indulgence in corrupt deals that may result in the loss of public funds. Many researchers have come up with positive findings on systems for public finance, but to some extent there have been some shortcomings in selected areas economically. This weakness is the reason why the government insists on adoption of programmes for the reforms. Some of these reforms include automation of the Public Financial Management processes which was major achievement after the adoption of integrated financial management information system for the last fifteen years. The new system enhanced the payment system, the payroll (IPPD) and also the way the government institution manage public debt among others, have been founded on the basis that the Kenya government can handle the emergence of new technology to achieve the required minimum reforms, (Diamond and Khemani, 2006).

1.1.1 The effects of Integrated Financial Management Information System

It is quite evident that in each and every developing economic world there is need for improved ICT for the effectiveness and accuracy in handling the resources of the government. On this, Kenya has been on the first track advocating for migration from paper work to paperless work. It is basing on this that the government introduced the integrated financial information management system (IFMIS) more than a decade ago and has continued to support this system through the enhancement and empowerment of the department. IFMIS is recognized as state department and manages its own budget to foresee its activities and functions such as training of the users, organizing for benchmarking in other countries where IFMIS has been successful (Treasury Accountants General Reports, 1997).

The issue of poor performance in the financial management has been an ache – in-the bud for the government of Kenya. This has been because of lack of access to reliable and timely information required to make viable decisions. Basing on this. Director General's department was tasked to carry out a review on the Financial Management, Accounting and the role of the internal audits (KPMG/ Accountants General Report; June, 1997), sited shortcomings in the overall management of public sector financial information. This review was aimed at developing a strategic plan with a view of strengthening the systems in line with the PFM requirement; enhancing employee performance through skills development and capacity building in both national government, counties and other independent organisations such as commissions. It also enhanced the operations of public sector in order to improve on budgetary processes and expenditure control (Joseph Kimwele, 2011).

Integrated Financial Management System (IFMIS) was introduced by the government of Kenya for the first time in the year 1996 as a finance reform strategy. At its initial stage there was some resistance from Ministries and MDAs which led to its premature failure. Nonetheless, the government did not give up its push for introduction of sound financial systems in the Public Sector this resulted in reintroduction of IFMIS in the year 2005. This was meant to protect the government against unnecessary spending and sticking to the itemized budgets.

The survival of the system was backed by the international donors and business partners who insisted on accountability of the funds provided to the Government, they threatened to withdraw funding to Kenya if no proper PFM reforms were put in place. It was a capital investment for ICT which was funded partly by the government and other business partners for example World Bank and IMF. They ensured that these systems succeed therefore, they supported the government by largely providing the required technological infrastructure.

The Kenya government has scored highly on the provision of efficient ICT framework. Currently the government through the support of ICT ministry is ensuring all government institutions and counties get access to the internet the under Virtual Private Network (VPN).There has been massive funding by the government towards connections to all the Ministries and the 47 counties to ensure that they comfortably use IFMIS for example the Personnel and Pensions Database (IPPD).

To ensure that the new system is well received by the users, The National Treasury / IFMIS Department established IFMIS training school at Kenya School of Government (KSG) Nairobi in May 2012, this was meant to enhance skills and capacity building in the national government, departments and the devolved counties for the IFMIS users. The training institution provides a structured learning solution that is geared towards competency of the users. It has the ability to link the departments' priorities and objectives to workforce roles, competencies and skills. The training school has vision to become a government leader in the provisions of the professional development programmes customised for IFMIS department staff as well as IFMIS end users.(IFMIS Academy Training and Capacity Building Records).

IFMIS training academy is managed by Oracle trainers supported by the National Treasury. This was the action taken when there was evidence that the employees were resisting the system citing lack of proper technical skills, training and user participation in its implementation as the reason for sabotage that had been witnessed in the prior years. This was broadly discussed in the research done by (Joseph Kimwele, 2011). So far majority of the users have been trained on how to use the various IFMIS modules.

IFMIS was re-engineered in 2012 to provide a programme that was meant to adopt the use of policies as compared to modules. This required the incorporation of framework of end to end with full cycle. This was fundamental in that the processes were tailored to move away from module mode of implementation and functionality, to an interlinked and integrated framework which require users to know their roles matched to the defined responsibility within the domain of public finance management. This programme was a milestone since it took into consideration all the necessary processes that are relevant in the procedures as pertains the management of public resources. In addition, many considerations were made bearing in mind that some procedures in government are cumbersome and due care and keenness must be observed when changing systems. To some extent the reviews must be able to remove the old and slow processes and design their replacement, (IFMIS Re-engineering Strategic Plan (2011 –2013).

To ensure that there is equality and fairness, the government decided recently to usher in a new era of all automated systems for procurement process, right from requisition, the awarding of tenders, professional and consultancy services contract awards, to actual payments. This shift from the traditional manual to the systemised mode of purchasing resulted in faster and accurate government procurement. It also ensures the existence of accountability within the procurement units in the government, this is for the benefit of all Kenyans. The e-procurement was launched by the President and it was meant to serve as the vehicle for fighting corruption IFMIS is the only system that will liberate Kenya from the loss of public funds through corruption.

1.1.2 Employee Performance

Integrated financial management system was introduced to act as a working tool for the employees but not their replacement. It was meant to improve their performance to ensure that employees worked towards achieving high degree of competency, efficiency, accountability, ensure security for the data and the information processed. IFMIS has also exhibited great contributions on the financial reforms in the national government, counties and the state corporations and commissions. The modular packages provided by IFMIS and assigned to users through user rights enhance to a greater extent of efficiency, effectiveness accountability and transparency in running the state resources (Anti-corruption Resource Centre, 2009).

This system have proven to have a sense that can detect fraud therefore the employees working with IFMIS are very keen and avoid instances of being caught in corrupt deals. This is because the set rules and regulations and a reliable legal framework restrict the employees in engaging in any actions that may deny the public the maximum benefit of the resources. If this system is properly designed to meet the users specification and to generated the required reports, then the chances of fraudulent payments and conspiracy to perpetrate corrupt deal will be a thing of the. The uniqueness of the system exhibited in the way the users operate using secret user passwords to access the system, there are unique mode of recognising suppliers and employees to deter fraud. There are combinations of digits generated by the system to recognise each employee or supplier, this has played a major role in reducing fraudulent acts. Inter-linkage of central bank internet banking system and IFMIS has to a large extent reduced on embezzlement of public funds. Also the IPPD payroll system has gotten rid of the problem of non-existent workers in the payroll, all these features makes it to have a deterrent effect (Treasury report, 2015).

The work flows across the procurement department, finance and accounts departments. For any transaction to be initiated and completed successfully it must pass through the chain. For any corruption activity to take effect it has to involve all the users right from procurement to the cashier who makes the final payment. IFMIS leaves an audit trail that can be used in case of an investigation for suspected fraud. It has the capability of giving the details and history of a user of the system. The detection is usually detected through the audit (recent example of a case of corruption revealed by IFMIS is the NYS), this makes the system unable to timely detect and prevent major fraud in the government. In addition, for this system to be of great help on the reduction of corruption the judicial framework must be up in arms to prosecute the perpetrators of such corrupt deals.

1.1.3 The Effects of IFMS on Employee Performance

Implementation of IFMIS has proven to impact positively on the output of employees in developing countries such as Kenya. The fact that this system ensures efficiency, accountability minimizes unnecessary spending of public funds improves on the financial management of an institution (Hove and Wynne, 2010). This characteristic is exhibited in the systems ‘ability to track the financial operations which enables the management to exercise control over the institutions’ expenditure and ensure that the budget limits are strictly adhered to. This has proven to go a long way in ensuring efficiency and accountability for the public resources. According to Diamond and Khemani (2006) for the system to achieve the required efficiency level and succeed, there should be proper change management process. For IFMIS to be seen as a major tool in enhancing financial management reforms it must be well received by the employees since they are the once to use the system.

According to Barata and Cain (2001) IFMIS apart from serving as a tool in financial management, it also has other additional sub-functions embedded in it, which enables it to do the various activities as follows, it: Controls aggregate spending and the deficit; gives priority to expenditures in line with the set policies, strategies and programs on enhanced projects with an objective to achieve maximum efficiency and equity in the allocation of resources; spend within the budgets and avoid unauthorized budget reallocations, .

1.1.4 State Commissions in Kenya

The Commissions are independent organizations which were formed and regulated by the constitution of Kenya. Their mandate is clearly defined in the constitution. These commissions are the Public Service Commission (PSC), Judicial Service Commission (JSC), Independent Electoral and Boundaries Commission (IEBC), Parliamentary Service Commission (PSC), Salaries and Remuneration Commission (SRC), Teachers Service Commission (TSC), National Police Service Commission (NPSC) National Land Commission (NLC), and Commission on Revenue Allocation (The Constitution of Kenya 2010). Each of these commissions have their mandates clearly described in the constitution. For example, the Public Service Commission is mandated to handle human resource matters of the national government, commissions and counties. It has a vertical organizational structure with the chairperson at the helm deputized by the vice chairperson and seven commissioners. It oversees the functions of the county boards and advice on human resource matters with each commissioner serving as chair of the various boards. It has eight directorates and a Chief Executive Officer who serves in an equal capacity as a permanent secretary in the government ministries. (PSC Strategic Plan 2005-2008). Currently the PSC is among the government organizations that has fully implemented IFMIS in its financial management, HRM and uses it for reporting and decision making purposes. On this, the PSC scored high and was the first runners up by the ICPAK recognized Financial Reporting (FIRE) Awards for the year of reporting 2015-2016 (ICPAK FIRE awards July 2016). Apart from using IFMIS for accounting purposes the PSC also has implemented this system in the payroll management known as the IPPD.

These Commissions draws funds from the consolidated funds through the treasury’s exchequer system and are therefore required to adhere to the government systems in place.

Basing on this, they have all implemented the IFMIS systems and have to ensure they report using this system. This research was therefore set to find out how the system has affected the performance of the employees in these Commissions.

1.2 Problem Statement

It has become a big challenge to organizations to ensure that there are working financial information systems in place. Systems such as IFMIS is meant to enhance and meet the needs of the particular institution that has implemented it. The system must have the ability to overcome the changing technology challenges and enhance flexibility in both the national government and other state owned agencies and commissions. It is of essence that before any system such as IFMIS is introduced it is properly planned prior to its implementation. This will ensure that the needs of the intended users are accommodated to forestall the eventuality of system failure and resistance from employees. (Ngibuini, 2005).

According to Oliver, (2001), IFMIS has proven to provide a lasting solution to the developing countries obsolete systems for the economic infrastructure and in the way they manage their finances. There are various reasons why the users may give a new system a wide bath it could be the new system will demand that they shift from the traditional way of doing things and also harbour the fear of losing their employment once the new system is implemented. In selective cases the challenges could outweigh the advantages of the new system. To achieve the desired benefits the views of the users must be incorporated in the system development and implementation processes.

However, introduction of IFMIS has not been smooth sailing due to internal and external problems that interrupts the users and impacting negatively on their performance.

The government of Kenya has been accused of misappropriation of funds. Some of the cases such as the ministry of devolution where there was massive case of corruption involving NYS funds. The funds were pocketed by few individuals through dubious tendering and procurement of goods and services. The ministries, counties and corporations have been accused of not complying with the budget provisions, therefore the national treasury has insisted on the adherence and support of the automated IFMIS system that has the capability to control the allocation of funds, monitor the expenditure and give timely information for accountability.

Political will can be a great challenge in any country introducing new technology and system and Kenya is not exempted budgetary requirements are to some extent overlooked and therefore bringing people to task becomes difficult where politics are mixed with the management (An example of political challenge was seen in 2015 when the President gave a directive for the national government and the counties to strictly adhere to the e-procurement procedures, majority of the politicians demanded the use of old system that gave access to funds freely thus, prone to incidences of misappropriation of public funds). To some extent the office of the director general department at the national treasury may not have the ability to make an impact on state departments, counties commissions and other government controlled corporations. Therefore success of the systems is at risk of failure and sabotage.

With all these drawbacks the success of IFMIS in Kenya is at crossroads. The senior management team and the employees are doubting whether their performance will improve, this fear could accelerate the level of resistance by these group. The complexity of the system and its inability to generate all the require information in the preparation of final accounts could fault the system for lack of efficiency and effectiveness drive. Nonetheless the commissions among other government departments have no option but to implement this system and advocate for its success.

Report carried out by KPMG, (1997) postulates that despite the comprehensive effort by the government of Kenya in implementing and reengineering the system and training of the users, the IFMIS does not seem to really improve employees’ performance. This is clearly seen in the system’s failure to wholly produce the final accounts due to its inability to give the below the line accounts. In some MDAs the system is being used parallel with the old manual ledger management system as a backup. The MOF doubts this systems’ ability since it has been unable to incorporate all the components of financial reporting, despite having re-engineered and modelled with the IPSAS requirements (PFM Act 2012).this has made the treasury to have a dispute between the government and the providers of the system software. For any system introduced by the government to attain the required acceptance level, the views of the users and the management should be incorporated during its development and implementation stages.

With the aforesaid in mind, effective use of IFMIS may be at stake in spite of the huge amount of money invested in this project as the government tries to roll out this system to computerize fully its operations in the whole government institutions including the counties and the Commissions.

Nonetheless, if all required steps and procedures are carefully followed the success index for the IFMIS can be high. This is with the perception that this system can improve on the efficiency, accountability and generating timely information for decision making in the government and counties. It is with this in mind that, the research sought to determine; the effect of integrated financial management information system (IFMIS) on performance of employees in the Kenyan independent bodies, known as the Commissions.

1.2 Research Objective

To determine the effects of IFMIS on the employee performance in the state commission in Kenya

1.3 Value of the Study

The findings of this research may be beneficial to the policy makers in the government because they will be able to address what makes the system not to be effective on the performance of the civil servants by examining the identified shortcomings of the system they are currently using to make it more effective. There is need to support the system by training the users and including them in the development stage to reduce on resistance and sabotage by the stakeholders. The policy makers will use the findings for the purpose of re-engineering the system and advising other organisations on the advantages of this system. Finally, basing on the findings, the academic researchers will be able to carry out further research in this area of an integrated financial system in government and as well as on the importance of the system in private sector as will be suggested in the concluding statements of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter details out the existing theories regarding the study and supports new findings that have added to the existing knowledge. The chapter will focus on the theoretical literature relevant to IFMIS and the empirical search done by other searchers. The search is intended to demystify what makes IFMIS to be more effective on the overall performance of the Commissions in Kenya.

2.2 Theoretical Literature Review

There are several theories advanced by researchers that are related to government systems. The following is the discussion on some of them.

2.2.1 Information Theory

According to R.A. Fisher (1962), information theory is a concept that provides a basis that bears various meanings, in day to day technological reasoning. Information is a tool that is linked to communication, internal controls, data processing, and the expected output, and also represents the media. Some scholars look at it as the outcome of processing, manipulating and reorganizing data into more meaningful results that may be used for critical decisions making by the users and other deemed recipients.

The science behind Information includes its management and how it is organized, retrieved, acquired and maintained in a medium form. Any pattern that has the ability to affect the way other patterns transforms can qualify to be Information.

In this context, there is need to appreciate any pattern that can affect the way a user communicates to others. In Fisher's reasoning information is perceived to be quantity and quality exhibited in the message within the parameter in an observation. It can be calculated depending on the knowhow and functionality of the system. For numerical purposes, the Fisher information may be calculated from the normal distribution data score as the reciprocal of their second moment.

2.2.2 System Theory

According to Wang (2005), system theory can be defined as information in the assumption that information is independent of clear mind, and patterns revolving around what is known as the feedback in the system cycle. Simply put, system can be information in the sense that it is a representation of something that is perceived to be potential, even though it is not made or presented for that purpose. Another scholar Kang'ethe (2002), resonates that a system is a group of interrelated and interacting parts within a component, they function together as a team with a view of achieving their desired or perceived goal. In his observation this scholar concluded that these components must have an element of control to ensure that the intended results are achieved, this is of essence because unnecessary wastage will be minimized thus reducing on the costs.

In general terms, Information technology is a terminology used to describe any technology that assists in the process of producing, manipulating, storing, communicating, and or disseminating information. There is a wide assumption that when referring to any electronic information it is quite obvious that at some point computers and ICT techniques were involved.

Emerging Information and Communication Technology (ICT) poses a challenge that with sound systems in places such as IFMIS the vice of corruption can be controlled in public sector finance management. This is because a good system that is backed by the politicians is destined to promote transparency, equity, effectiveness, safeguarding the assets of the public and reduces chances of utility wastage.

2.3 Determinants of Firm Performance

2.3.1 ICT Support and Enhancement

The government of Kenya has been very supportive in ensuring the success of IFMIS. The ICT ministry has been very supportive on this by ensuring that all government systems users are well connected to the internet. Currently it is in the process of connecting the users through the VPN internet linkage that will enable the users to access IFMIS from anywhere.

This will be designed with the controls to curb miss-use of the system and any hacking attempts. The main objective of ICT to support component of IFMIS is to enhance the systems connectivity through the electronic process of IFMIS. ICT is the backbone that Supports infrastructural platforms that enhances the functionality of the system by reducing the problems of overload and downtimes thus enhancing efficiency and effectiveness in the financial management.

2.3.2 Capacity Building and Technical Skills

To ensure that the new system is well received by the users, The National Treasury / IFMIS Department established IFMIS training school at Kenya School of Government (KSG) Nairobi in May 2012, this was meant to enhance skills and capacity building in the national government, departments and the devolved counties for the IFMIS users. The training institution provides a structured learning solution that is geared towards competency of the users. It has the ability to link the departments' priorities and objectives to workforce roles, competencies and skills. The training school has vision to become a government leader in the provisions of the professional development programmes customised for IFMIS department staff as well as IFMIS end users.(IFMIS Academy Training and Capacity Building Records).

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2.3.3 Change Management Workshops

To avoid the problems of system premature failure and ensure it is well received by the users, it is of essence that the management communicates in good time. The employees need to be well informed on the advantages and the necessity of changing the traditional obsolete system to the more advanced and modern system. The management should organize for change management workshops where the employees will be made to understand that new systems are meant to enhance their performance and therefore they should not develop a cold shoulder towards it. This will make them to change their negative perception towards the system since the fear of losing their employment and other unknown fear factors will have been alleviated (Rozner, 2008).

2.3.4 Benchmarking with other Countries

Many countries have been perceived to have implemented IFMIS successfully. Some of the countries include Uganda, Ethiopia, Eritrea, Liberia, South Africa among others. Kenya has been organising for benchmarking in this countries, a good number of the users and ICT officers have been sponsored by the government to some of these countries to go and find out the success factors and share the same for the success of IFMIS. This has been fruitful since the government have now been able to roll out this system to all the government institutions, national and county governments. The commissions have also learned that benchmarking is a success tool and are now sending officers to other state organisations to emulate how they use the system. The Salaries and Remuneration Commission amongst the state commissions has been very successful in implementation of IFMIS and therefore other commissions have been directed to send officers to benchmark with In return other countries has also visited Kenya such as Zambia, Zimbabwe and Lesotho to learn how to make this system more effective. This contributed majorly to the acceptance of the system by the employees, the fact that other countries came from far to emulate the system has been a boost for the acceptance of IFMIS in Kenya.(www.ifmis.go.ke).

2.4 Empirical Literature Review

Many researchers have done empirical research on IFMIS and its implementation by various countries and have come up with a conclusion that there are countries where IFMIS has been successful. Some of the researches are as highlighted below.

A research by Indeje and Zheng, (2010) found the adoption of advanced systems such as IFMIS to greater extent alters the day to day operations in an organization and for that reason, it is very important for the process to be carefully managed so as to minimise chances of staff resistance. This process is the result that is brought by new organizational culture, this is as the result of change in the way the institution carries out its operations. IFMIS generally applies massive alters the operations and institutional procedures and therefore, it should be proceeded by a detailed explanations of the process, procedures, reference manuals and the necessary requirements that the system will support (Chene 2009). It is very important that the changes associated with the introduction of IFMIS should be communicated to the users so as to embrace it.

Peterson (1998) in his research argues that the management of the changes that accompany an IFMIS adoption is perceived to be the most crucial, apparently, it is the highly overlooked aspects of the reforms as per the PFM requirements. Any reform achievement boils down to the capacity of the organization's change, mechanisms for change management and how to survive while embracing change. He further warns that the stakeholders whom the system is to affect directly or indirectly may not be willing to welcome the changes in the systems of the organization. These may include but not limited to, persons with vested interest for example employees who were beneficiaries of previous systems, civil servants who sees the change as a threat to their employment and also those who resist due to the fear of the unknown factor. On this Joshi and Moore (2010) argue that the system director must be part of the team for change management so as to minimise resistance to change.

Strassman (1985) argues that resistance to advanced systems is because the employees fear that they may not be able to develop new skills and behaviors that are required to work with IFMIS. According to Miranda and Keefe (1998) the increased ambiguity may result into sabotage or just ineffective use of the new system. Management must therefore be fully committed, to dissuading the staff from resistance.

It's therefore critical that management commitment take centre stage, during introduction and implementation of new systems This is because, management commitment serves as an impetus for change by providing leadership and moral and financial support for a successful project (Murphy, 2002). Adverse results may result from management neglect and lack of commitment.

However, the capacity and technical skills of the users is an important component to effective utilization of the IFMIS system. This is because the users form the key ingredient for a successful operationalization of the system as they provide a 'human face' to the system (Kodres and Laura, 2001). In addition, IT projects should be adequate for the solution and simple to understand by the users.

2.5 Conceptual Framework

This is an essential tool in research that is meant to help any researcher to come up a brief knowledge for better understanding of the problem under investigation and to be able to communicate the same (Kombo and Tromp, 2006). It is very useful in research as it sets the foundation of how concepts are related. It explains, graphically or in narrative form, the main dimensions being studied, or the presumed relationships among them. It is derived from theory to identify the concepts included in the complex phenomena and show relationships.

The relationship among the various variables in the study is as depicted below:

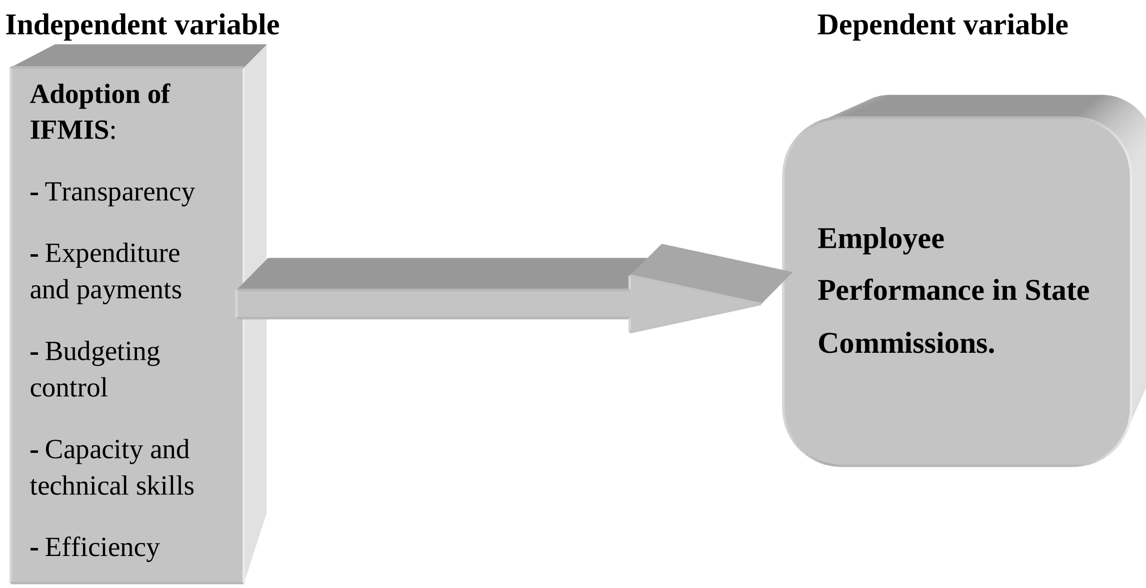


Figure 2. 1: Conceptual Framework.

The above diagram shows the expected relationship between performances of employees in Commissions of Kenya in lieu of adoption of IFMIS. According to Cho (2003), the financial management and accounting methods in both public and private sector rotates around two approaches, accrual and cash basis. All developing countries such as Kenya uses the cash basis of accounting, though many financial analysts advocate for the accrual approach which is perceived to somehow complex as compared to the simpler cash basis. This is because the accrual basis tend to give the true financial position and performance in relation to the budgets. The commissions are state organizations and therefore they use the cash basis method of accounting.

According to Nzuve (2012), when the functions of an organization are made to operate from a single shared database the managers easily use the available tools for the purpose of budgetary planning and safeguarding of the state resources. The introduction of systems provides automation of the functions of the organizations thus, enhancing accountability and efficiency. It also leads to the consistency in the manner in which the finances are controlled and minimises unnecessary expenditure by the management.

2.6 Summary of Literature Review

The adequacy of the solution of the IFMIS lies in its ability to enhance the reporting system in the national government, state departments including the commissions and counties. The system's ability to give timely information for financial reporting and decision making for the top level management has seen it succeed since it implementation over a decade ago. The viability of the system in addition to the central operation is seen in its assistance to the government in enhancing the controls of the public resources that has resulted in transparency, efficiency and accountability. These positive characteristics of the system have been seen to improve on the performance of employees and to some extent reduced on fraud (World Bank, 1994). Success of IFMIS projects together with the internal resources greatly depends on the procedure taken when outsourcing especially the technical assistance during the initial stages of development and implementation. Kenya outsourced experts from Eritrea who have been serving as the system consultants since they have vast knowledge of IFMIS having come from a country sited as a success in implementation of this system. The consultants must have great knowledge on the design, implementation, management and operations of the institution which includes accounting, budgeting, and financial management systems. According to Diamond and Khemani (2006), for any outsourced experts, it is important that they have technical knowhow on the project implementation and should be able to train the users to their level of understanding. The institution must take precaution against the engaged consultant harbouring conflicts of interest that may deny the organization its intended objectives.

The state commissions have hugely borrowed from this and have gone an extra mile to hire experts and employed desk officers from the national treasury IFMIS department. They have the responsibility to train and support the users within the specific commissions and ensure their needs are met immediately for continuity purpose. This have enhanced the performance of the employees in the stated commissions as seen in the findings of this research.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter is all about the analysis of principals of methods, rules and techniques used in any research. It is the study of how research is carried out using scientific methods in addition to various techniques applied in a systematic manner with the objective to arrive at a solution to the stated problem and also specify the model applied. The variables to be used are explained and the data sources used in the study highlighted. There are many steps adopted by the researcher in demystifying the problem in the study which are to be analysed and their meaning explained. The study is on the effects of IFMIS on the performance of employees in the state commissions in Kenya.

3.2 Research Design

This refers to the methodology specification and procedures used in accessing the information required in the research. Research design conceptualises the amicable state within which a research is carried out. This study aims at determining how IFMIS affect the performance of state Commissions in Kenya.

This study focuses on determining the effects of IFMIS on the performance of employees in state commissions in Kenya using questionnaires as the tool of data collection. (Kathuri and Pals, 1993) assert that a survey research usually uses questionnaires in order to determine the opinions, attitudes, preferences and perceptions of groups of people of interest in the research. Konthari, 2010 asserts that when preparing a research design it should be able to give more information and be more efficient in order to achieve the required validity level.

3.3 Population Target

Population in research refers to all cases of people, organization or institution which are relevant to the requirement of a given study. In this research the targeted population is the state commissions. That is, PSC, SRC, JSC, IEBC and Parliamentary Service Commission.
The sampling frame will be Senior Administrative Officers, Accountants, Auditors, Directors, Financial officers, ICT officers and HRM officers from the aforesaid commissions. The technique to be applied is the random sampling because the size of the population of these officers at state commissions is known and its proportion to the total will be determined and used for sampling purposes. Hence, the 40 sample units are based on proportionate representation of the total population.

3.4 Sample and Sample Design

The collection of data refers to protocols that must be adhered in order to ensure that data collection tools are applied accordingly (Mugenda, 2008). The study is based on both primary and secondary data. Secondary data will be obtained from IFMIS implementation review reports by the national treasury, government publications (especially the Ministry of Finance), IFMIS academy training records and other published IFMIS data by development partners (donors). The research will be based on reports available for the period between 2005-2015.

The years 2005 is when actual roll out of IFMIS was started to all government Ministries and MDAs, it was then extended to the counties with the devolved government which took effect from July 2013. Primary data will be collected using a structured self-administered questionnaire to state commissions. According to Kotler (1998) the use of self-administered questionnaire ensures high level of privacy for the responses and therefore recordes a high rate of response.

3.5 Data Analysis and Presentation

This is the calculation of various indices together with obtaining the patterns of how the variables are related in connection with the available data. The quantitative data gathered will be coded and tabulated to facilitate analysis using the descriptive statistics since this will provide simple summaries about the data in the form of graphs, charts, percentages and tables. Presentation will be done by use of graphs and charts to bring out a clear understanding of the findings to the reader.

Qualitative data will be analyzed to the best understanding of the reader using the multiple regression analysis method. According to Mugenda and Mugenda (1999), content analysis enables the researcher analyze and make interpretations of the data simultaneously as it is obtained. Mugenda and Mugenda argued that content analysis is the systematic qualitative description of the composition of the objects or materials of the study. It involves observations and detailed description of items, objects or things that comprise the study.

3.6 Data Analysis Methods

Primary data collected from the various interviewees from the state commissions in the republic of Kenya will be analysed using the multiple regression analysis method. SPSS will also be applied to compute the values for the variables of interest. The variances will be analysed using ANOVA.

This study will adopt a multiple - regression model in lieu of the model below:

$$Y=f(X) \qquad (1)$$

$$Y= \alpha + \beta X1+\beta X2 + \beta X3 + \beta X4+ \beta X5 + € \qquad (2)$$

Where: **Y**=Dependent variable (**Employees Performance of state commissions**):

X=Independent variable (**Effects of IFMIS**); whereby x= f(X1, X2, X3 Xn)

X1= **Transparency enhancement**

X2= **Expenditures and payments**

X3= **Capacity and technical skills delivery**

X4= **Efficiency in monitoring**

X5= **Budgeting controls**

α = Constant term.

β= Slope of the regression measuring the amount of the change in Y associated with a unit change in X

€= This is 5% interval confidence level (error tearm)

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This is a very fundamental chapter in any research, it underscores the concepts of data analysis results and discussions of the research study findings in lieu of the research objective and research methods. The study sought to establish the effects of integrated financial management information system on performance of state commissions of Kenya.

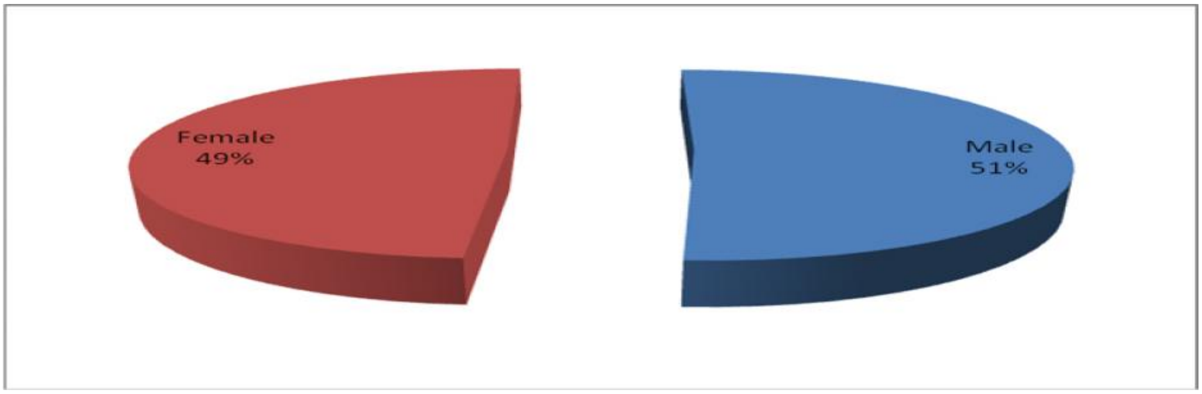
In analysing the data frequencies were applied both relative and absolute on each question as structured on the questionnaire. For the multiple responses, Likert scale constructed on a 1 to 5 points was used in estimating the means, coefficient of variations and standard deviations.

4.2 General Information

The sample frame was 40 respondents from state commissions of Kenya of which all were filled and returned in full, this was a 100% response rate. This was a commendable representation since, (Mugenda, 1999) asserts that, in any research with a 50% rate of response is perceived to be adequate for analysis and reporting; 60% is deemed to be a good outcome and above 70% is an excellent response since it will fully represent the population. It is on this assertion that the response rate for this research was considered to be excellent and satisfactory to make any viable conclusions that would meet the objective of the study.

In this research both male and female participated and the results are as tabulated below.

Figure 4. 1: Gender of Respondents



Source: Research data (2016)

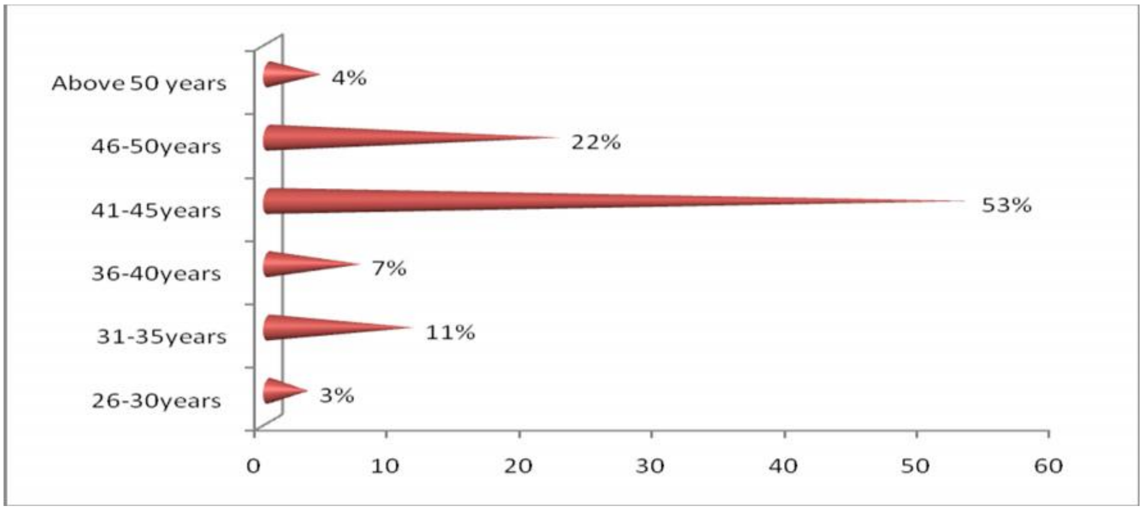
Table 4. 1: Gender of Respondents

Employees gender	Frequency (f)	Percent(%)
Male	21	51
Female	19	49
Total	**40**	**100**

The results as tabulated in Table 4.1 the many respondents that is (51%) were males while 49% were females. This is a clear indication that gender disparity exists in the commissions in Kenya.

In this study the researcher also to established the age distribution of the respondents. The outcome of collected data was analysed as shown in Figure 4.2

Figure 4. 2: Age of Respondents



Source: Research data (2016)

Table 4. 2: Age of Respondents

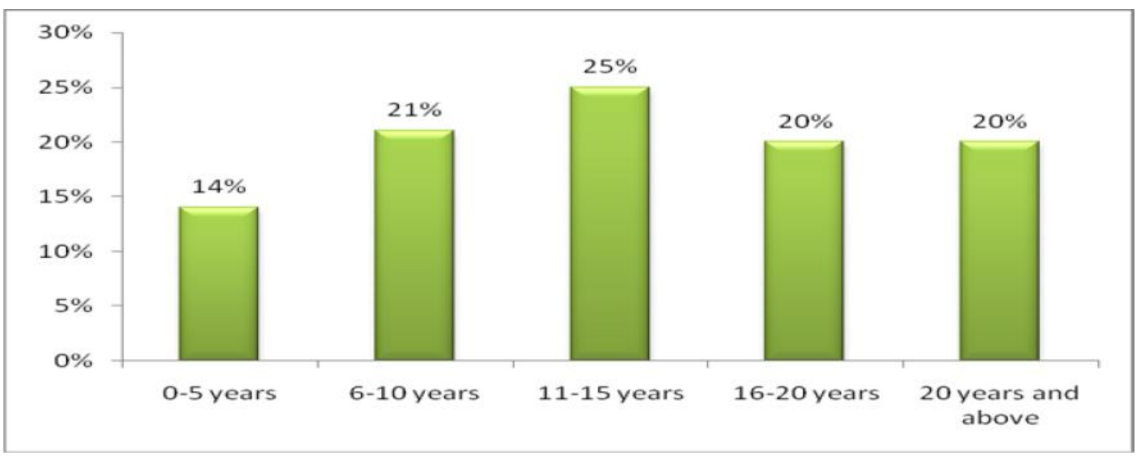
Age in years	Frequency (f)	Percent (%)
26-30	1	3
31-35	4	11
36-40	3	7
41-45	21	53
46-50	9	22
Above 50 years	2	4
Total	**40**	**100**

With respect to age distribution of those who were interviewed, figure 4.2 indicate that (53%) of the interviewees were aged 41-45 years, 22% of the respondents are within the age group 46-50 years, 11% were within the age group 31-35 years, 7% of respondents were within the age group 36-40 years and 4% were above 50 years of age. This was a clear indication that majority of the respondents were within the economic active age group of 31-35 years.

4.2.3 Work Experience

The research sought to establish respondents' working experience based on the years of service in the respective commissions. The findings are as stipulated in Figure 4.3.

Figure 4. 3: Work Experience



Source: Research data (2016)

Table 4. 3: Work Experience

Years of service	Frequency (f)	Percentage (%)
0-5	6	14
6-10	8	21
11-15	10	25

16-20	8	20
More than 20years	8	20
Total	**40**	**100**

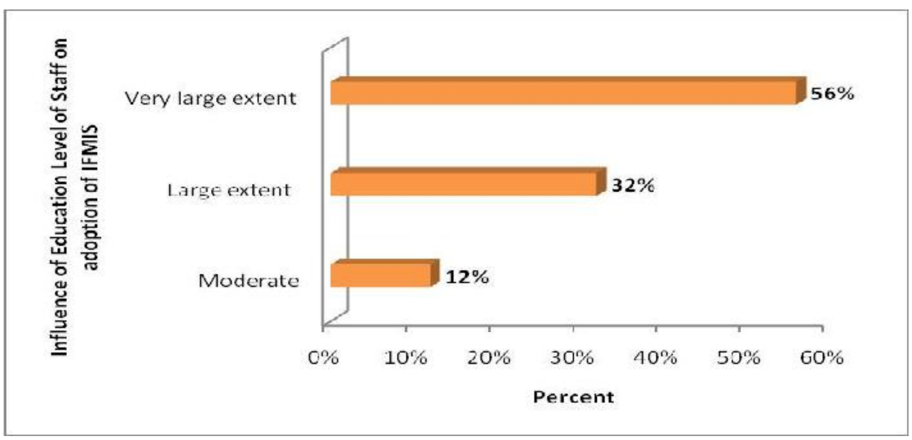
4.3 IFMIS Effects in the Kenyan State Commissions.

4.3.1 Influence of Education Level of Staff in the state commissions and the effects of IFMIS

The study sought to determine the expected effects of IFMIS in the state commissions of Kenya. In view of the responses there were eminent positive effects that IFMIS had brought about in the state commissions of Kenya.

The employees were interviewed on the effect of education level of staff in the state commissions on the use of IFMIS. The results are as outlined in the Figure 4.4 below:

Figure 4. 4: Influence of Education Level of Staff Performance in the State Commissions on the Effects of IFMIS



As per the findings, majority (56%) of the respondents were of the view that education level on performance of staff in the state commissions and the effects of IFMIS to a very large extent, followed by 32% to a large extent and only 12% said education level of staff in state commissions and the effects IFMIS moderately. Thus, there is a strong and perfect positive relation on the effects of IFMIS on the performance of staff in the state commissions of Kenya.

4.3.2 Transparency Enhancement of IFMIS by the Kenyan State Commissions

The research aimed at finding out the extent to which IFMIS enhancement has on transparency within the Kenyan state commissions.

Those interviewed were therefore asked to state the extent to which each of the components has had effects on the transparency in IFMIS in the state commissions. The responses were on a scale of 1-5 likert model and the findings tabulated herein.

Table 4. 4: Transparency enhancement of IFMIS

	$\bar{x}$	**CV.=** $\sigma / \bar{x}$	σ**(SD)**
IFMIS system is transparent by majority of the senior officers of the state commissions.	4.65	0.487	2.267
The system exposes corrupt officials thus, enhancing transparency.	4.44	0.524	2.327
Most employees resist IFMIS for fear of its transparent procedures.	1.53	1.621	2.480
The system is not clear cut due to lack of knowledge on how to use it.	4.66	0.542	2.526
The system installation stage envisages staff involvement to enhance transparency.	4.11	0.057	0.234

Source: Research data (2016)

The outcome was as tabulated in Table 4.4, majority of the state commissions interviewees were of the opinion that to a very great extent the system is not clear cut due to lack of knowledge on how to use it, IFMIS system is transparent by majority of the senior officers of the state commissions, The system exposes corrupt officials thus, enhancing transparency, The system installation stage envisages staff involvement to enhance transparency and Most employees resist IFMIS for fear of its transparent procedures as depicted by the magnitude of the various measures of central tendency tabulated above, 4.66, 4.65, 4.44, 4.11 and 1.53 respectively. In view of the employees of state commissions.

4.3.3 Monitoring Expenditures and Payments

When looking at this the research aimed at to determining the margin to which the effects of the following the variables had on the performance of employees of the state commissions in Kenya. The responses were rated on a five point Likert scale indicating to what extent respondents agree to the statements, where: 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5 is strongly agree The mean ($\bar{x}$) and standard deviations (σ) were generated from SPSS and the results are as tabulated in Table 4.5.

Table 4. 5: Monitoring Expenditures and Payments in the State Commissions

	$\bar{x}$	**CV.=** $\sigma/\bar{x}$	σ**(SD)**
The state commissions exercises expenditure control	4.63	0.971	4.496
The directors holds meetings to ensure the budget is met	4.23	0.308	1.303
There is only one AIE holder for accountability	3.63	0.808	2.933

Source: Research data (2016)

From the results of the research as indicated in Table 4.5, majority of those interviewed strongly agree that the state Commissions exercises expenditure control, The directors holds meetings to ensure the budget is met as exhibited in the calculated mean of 4.63 and 4.23 respectively. Also, most of those interviewed agreed but only to a moderate extent that there is only one AIE holder for accountability as shown by the mean score of 3.63. This implies that the state commissions exercising expenditure control and the directors holding meetings to ensure the budget is met in the state commissions had greater weights in lieu of Monitoring expenditures and payments in the state commissions.

Table 4. 6: Capacity and Technical Skills

Capacity and technical skills delivery variables	$\bar{x}$	**CV.=** σ/ $\bar{x}$	σ**(SD)**
There are qualified staffs in the state commissions to oversee the use of the system.	4.63	0.162	0.7501
The state commissions have the capacity to effectively promote the use of IFMIS system.	4.45	1.01	4.495
The state commissions allow the users to attend seminars on IFMIS regularly.	4.16	0.223	0.9278
The users are not well trained to handle IFMIS	3.89	1.498	5.827
The state commissions lack proper training programme for the use of IFMIS	3.40	1.321	4.491
The state commissions rely heavily on experts to run the system.	3.19	0.971	3.097

Source: Research data (2016)

4.3.4 State Commissions Capacity and Technical Skills

The study aimed at establishing the extent to which the variables in table 4.6 influenced the effects of IFMIS on the performance of employees in the state commissions. The responses were rated using the five - point Likert scale clearly showing the extent respondents agree to the statements, where 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5 is strongly agree. The mean ($\bar{x}$), covariance (C.V) and standard deviations (σ) were generated using the SPSS.

As illustrated in Table 4..6, many of those interviewed agreed strongly that there are qualified staff in the state commissions to oversee the application of IFMIS, The state commissions have the manpower to effectively adopt the use of IFMIS system and The state commissions allow the use to attend seminars on IFMIS regularly as postulated by $\bar{x}$ scores of 4.63, 4.45 and 4.16 in that order. Also , most of the interviewees agreed but only to a minimal extent that The users are not well trained to handle IFMIS, The state commissions lack proper training programme for the use of IFMIS and The state commissions relies heavily on experts to run the system as the inferential $\bar{x}$ scores of 3.89, 3.40 and 3.19 depicts respectively.

4.3.5 Efficiency Monitoring

The study explore in advertently the extent to which efficiency in monitoring the effects of IFMIS on the employees performance in the state commissions. Those interviewed were rated using the five - point Likert scale clearly showing extent to which interviewees agreed to the statements, where: 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5 is strongly agree.. The mean ($\bar{x}$), covariance (C.V) and standard deviations (σ) were generated using the SPSS and results are as illustrated in the table 4.7 below.

Table 4. 7: Efficiency monitoring of IFMIS

Efficiency monitoring Variables	$\bar{x}$	**CV.=** σ/ $\bar{x}$	σ**(SD)**
IFMIS has the capability to ensure efficiency in financial reports in accordance with IPSAS requirement.	4.83	0.971	4.690
IFMIS effectively monitors reports on the expenditures promptly.	4.43	1.131	5.010
The fear of using ICT is still a matter of concern if IFMIS is to be effectively used in reporting efficiently.	3.84	0.948	3.640
Most of the employees do not have accounting knowledge which is necessary in efficiency monitoring.	3.67	0.913	3.351
IFMIS is unable to give some relevant information for efficient financial monitoring.	3.63	0.308	1.118

IFMIS provides REAL TIME reports that are reliable.	4.62	1.133	5.234

Source: Research data (2016)

As indicated in Table 4.7 above, many of the participants agreed strongly that IFMIS has the capability to ensure efficiency in financial reports in accordance with IPSAS requirement, IFMIS provides real time reports that are reliable and IFMIS effectively monitors reports on the expenditures promptly in lieu of the computed $\bar{x}$ of 4.83, 4.62 and 4.43 respectively. Some of those interviewed agreed to a moderate extent that Most of the employees do not have accounting knowledge which is necessary in efficiency monitoring and reporting. Most users lack accounting background which is essential in efficiency monitoring and IFMIS is unable to give some relevant information for efficient financial monitoring in lieu of the computed $\bar{x}$ of 3.84, 3.67 and 3.63 respectively.

4.3.6 Budgeting Controls

The study aimed at determining the level to which budgetary controls in the state commissions influenced the effects of IFMIS on the employees' performance of the aforesaid. a five - point Likert scale clearly showing extent to which interviewees agreed to the statements, where: 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5 is strongly agree. The mean ($\bar{x}$), covariance (C.V) and standard deviations (σ) were generated using the SPSS and outcomes are as illustrated in the following table 4.8.

Table 4. 8: State Commissions Budgeting Controls

Budgeting Controls Variables.	$\bar{x}$	**CV.=** $\sigma/\bar{x}$	σ**(SD)**
State Commissions uses IFMIS for budgeting control process.	4.66	0.482	2.246
With IFMIS there is proper cash management control.	4.65	0.524	2.437
IFMIS restricts the expenditure within the budget limits.	4.53	0.621	2.813
The directorates activities are within the budget limits.	4.48	0.542	2.428
IFMIS allows for budgets reallocations and control mechanisms.	4.45	0.057	0.2537

Source: Research data (2016)

In view of the study outcomes as exhibited in the Table 4.8 above, majority of the state commissions respondents strongly agree that directorates activities are within the budget limits, State Commissions uses IFMIS for budgeting control process, With IFMIS there is proper cash management control, IFMIS restricts the expenditure within the budget limits, IFMIS allows for budgets reallocations and control mechanisms in lieu of the computed $\bar{x}$ scores of 4.48, 4.66, 4.65, 4.53 and 4.45 in that order.

4.4 Relationship Between the Effects of IFMIS and the Employees Performance in the State Commissions in Kenya

The study utilised a multi-regression model to empirically ascertain that there is linearity relationship between the Y=Dependent variable (Employees Performance of state commissions) and the X=Independent variable (Effects of IFMIS); operationalized into the variables of Transparency enhancement, Expenditures and payments, Capacity and technical skills delivery, Efficiency in monitoring and Budgeting controls. The researcher applied the statistical package for social sciences (SPSS V 20.0) to code, enter and calculate the values for the variables as indicated in the multiple regressions mode applied in the study.

From the figures the researcher was able to compute the Coefficient of determination (R^2) which explained the level to which any alterations in the dependent variable(Y) can be explained by the changes in the variables stated as independent or the percentage (%) of alteration in the dependent variable (Employees Performance of state commissions) that is explained stated independent variables as noted in the model of application.

Table 4. 9: Model Summary

Model	R	R Square (R^2)	Adjusted R Square	Std. Error of the Estimate
1	0.919	0.845	0.789	0.6273

Source: Research data (2016)

In observation, the five stated independent variables in the study, only explained a margin of 84.5% of the state commissions employee performance as being represented by the coefficient of determination R^2. This postulates that the unexplained variables are represented by a 15.5% rate are attributable to the performance of employees in the state commissions in the republic of Kenya. It is imperative, for prospective researchers to carry out further research in view of the unrepresentative 0.155 rate.

ANOVA Results

Table 4. 10: ANOVA of the Regression

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.434	39	1.267	9.475	.0031
	Residual	8.307	71	2.327		
	Total	**10.731**	**110**			

Source: Research data (2016)

The F critical at 5% level of significance was 3.11. Since F calculated is greater than the F critical (value = 9.475), this is a clear indication that the overall research model was significant. The significance value of 0.00311 gives a statistical significance inference in view of the multi- regression model thus, falsifying a positive perfect relationship of less than α = 0.05. This significance level means that the chances are almost zero that the results of the regression model were due to random undisclosed events instead of the true relationship in study variables.

Model Output

Table 4. 11: Beta Coefficient of Determination

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	Constant variable	1.147	0.2235		5.132	0.000
	transparency	0.786	0.0971	0.862	7.667	0.02
	Expenditures and payments	0.632	0.1032	0.7032	7.287	.011

	Capacity and technical skills	0.477	0.3425	0.4425	3.418	.018
	Monitoring efficiency	0.540	0.2178	0.5178	4.626	.024
	budgeting	0.417	0.1937	0.4037	4.685	.031

Source: Research data (2016)

Multi-regression analysis was conducted to find out the relationship between the effects of IFMIS and the employees performance as seen in the state commissions in the republic of Kenya. The below regression equation being the through put of the SPSS analysis.

$Y= \alpha + \beta X1+\beta X2 + \beta X3 + \beta X4+ \beta X5 + €$ translates to:

$(Y= 1.147+0.786X_1 + 0.632X_2+ 0.477X_3+ 0.540X_4+ 0.417X_5 + \varepsilon)$

According to the regression model postulated above, ceteris paribus of the operationalized five variables.

Performance of employees in state commissions sensitivity index is at rate 1.147. The data findings analyzed depicts that a unit increase in transparency enhancement will result to a 0.786 increase in employee performance in state commissions in Kenya. A unit increase in Expenditures and payments will result to a 0.632 increase in employee performance in Kenya. A unit increase in Capacity and technical skills will result to a 0.477 increase in employee performance in Kenya. A unit increase in Monitoring efficiency will result to a 0.540 increase in employee performance state commission in Kenya. Finally A unit increase in budgeting will lead to a 0.417 increase in employee performance state commission in Kenya.

Inferential statistics for the study rated the variables of transparency enhancement as a high qualifier to the employee performance of state commission in Kenya followed by Expenditures and payments, Monitoring efficiency, Capacity and technical skills, and budgeting respectively. At 5% significance level and 95% confidence level, all the variables significantly influence the performance of employees in the state commissions in the republic of Kenya.

CHAPTER FIVE

SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarises, concludes and recommends basing on the findings as stated in the analysis in the previous chapter the effects of Integrated Financial Management Information System (IFMIS) on the employee performance in the state commissions in the republic of Kenya.

5.2 Summary of Findings

The research results postulated a perfect positive relationship between the effects of IFMIS and the performance of employees in the state commissions studied this is an implication that there is a strong linear relationship. The independent operationalized variables through the inference statistics supported the hypothesis and the objective of the study. This was evident by the Beta Coefficient of Determination matrix generated by SPSS in lieu of transparency, Expenditures and payments, Monitoring efficiency, Capacity and technical skills, and budgeting respectively.

The study established that IFMIS effects on implementation positively influences Performance of employees in state commissions through recruiting qualified staff to oversee the general system, efficiently reporting accordance to the IPSAS requirements and ensuring proper training programmes for the use of IFMIS. In relation to budgeting the study revealed that IFMIS strongly influences employees performance through implementing proper cash controls, restricting expenditure within the budget and ensuring reallocations and control mechanisms.

In addition the study postulated some challenges in lieu of the effects of IFMIS on employees' performance in the state commissions in Kenya. For instance; the system lacking reference manuals, complexities in information processing and voluminous system components.

5.3 Conclusion

In conclusion, this research found out that various independent variables of IFMIS have positive effects on employees in the state commissions. They include; transparency, Expenditures and payments, Monitoring efficiency, Capacity and technical skills, and budgeting respectively.

The study also concludes that controls in budgeting, financial reporting, expertise, purchase ordering and cash management all have a positive and significant effect on employee performance state commissions.

The study finally concludes that that a myriad of challenges are faced in the effects of IFMIS on employees performance , most profoundly complexities in information processing and voluminous system components, legal framework in place, the system lacking reference manuals, low level project commitment, semi-illiterate workforce and inadequate synergy to motivation.

5.4 Recommendations

The study recommends adequate funding platform by the relevant government ministries. In order to harness effectiveness of IFMIS and impede eminent challenges.

The stakeholder should minimize challenges associated with IFMIS. The government of Kenya should invest enormous resources in staff facilitation and motivation for appropriate capacity building and sustainability. In addition, it should outsource competent firms and consultants to support the IFMIS institutionalization.

5.5 Limitations of the Study

The scope of the study was in view of state commission. However, we should envisage other territories including the private sector variable and the sample of the respondents at 40 may not be representative of the population in the state commissions.

The timing for the study to analyse the effect of IFMIS on employee performance in state commissions was not commensurate, there is therefore need to carryout thorough analysis and in-depth study on this case.

5.5 Suggestions for Further Research

This research focused on only five independent variables that positively had effects on the IFMIS system and the general employee performance in state commissions. There exists a myriad of knowledge gaps in this phenomenon that further research is inevitable.

The study population involved the employees of state commissions in the republic of Kenya. Further study could be undertaken by encompassing both the research instrument, in view of the primary and secondary data contemporaneously. The study could also take on a cross-sectional design by comparing analyses from local, regional and international frontiers.

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APPENDIX I: QUESTIONNAIRE

Survey Questionnaire for the employees in state commissions

This questionnaire is part of a Research Proposal being carried out by Ebby Afandi Obeli, an MSC student at the University of Nairobi. The study aims to determine the effects of IFMIS on performance of employees in state commissions

NOTES:

i. Kindly answer all questions as required to the best of your knowledge.

ii. Do not indicate your name in any part of this questionnaire.

iii. The information provided will not be disclosed to any unauthorized parties.

iv. This research is for academic purposes but the general sector results could be shared with interested stakeholders upon such as request being done in writing.

PART 1: - RESPONDENT'S GENERAL INFORMATION

(Please tick appropriately)

1. Gender: Male [ ] Female [ ]

2. Age: Under 20 years [ ] 20-25years [ ] 26-30years [ ] 31-35 years [ ]
   36-40 years [ ] 41 years and above [ ]

3. For how long have you been working in the Commission?

1 to 5 years [ ]

6 to 10 years [ ]

11 to 15 years [ ]

16 and 20 years [ ]

……… …..20 years and above [ ]

4. Do you know about IFMIS and key components?

Yes [ ] No [ ]

5. Is your department involved in the use of IFMIS for recording and accounting Transactions or for any other purpose? Yes [ ] No [ ]

6. Are you deeply involved in the usage of IFMIS in your department?

Yes [ ] No [ ]

PART 2: STAFF TRANSPARENCY ENHANCEMENT IN IFMIS

Indicate the extent to which you agree or disagree with each statement on staff stance to IFMIS.

The likert scale where, 1 – strong disagree 2 – disagree 3 – neutral 4 – agree 5 – strongly agree

	strongly disagree (1)	Disagree (2)	Neither agrees nor disagrees (3)	Agree (4)	strongly agree (5)
1. IFMIS system is transparent by majority of the senior officers of the state commissions.					
2. The system exposes corrupt officials thus, enhancing transparency.					
3. Most employees resist IFMIS for fear of its transparent procedures.					
4. The system is not clear cut due to lack of knowledge on how to use it.					
5. The system installation stage envisages staff involvement to enhance transparency.					

To what extent would you say such transparency and enhancement mentioned above affects effective of IFMIS system? Please tick where applicable.

To a greater extent [   ]   To a moderate extent [   ]   To a lesser extent [   ]

PART 3: MONITORING EXPENDITURE AND PAYMENTS.

Use the likert scale where, 1 – strongly disagree 2 – disagree 3 – neutral 4 – agree 5 – strongly agree

	strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	strongly agree (5)
1. The state commissions exercises expenditure control					
2. The directors hold meetings to ensure the budget is met.					
3. State commissions makes expenditure reports to the National treasury on a monthly basis for accountability					
4. All the activities of the directorates are pegged on the expenditures and payments.					
5. All payments are authorised by the AIE holder in the IFMIS for accountability in expenditures.					
6. IFMIS gives real time information for decision making thus enhancing accountability and effective monitoring.					
7. IFMIS functions are centralised for accountability in expenditures and payments purposes.					

8. IFMIS allows down activities thus affect accountability					
9. Introduction of IFMIS has reduced corruption					

PART 4: STATE COMMISSIONS CAPACITY AND TECHNICAL SKILLS

To what extent do you agree to the following?

	strong disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	strongly agree (5)
1. There are qualified staffs at state commissions to oversee the effective use of the system					
2. The state commissions have the capacity to effectively promote use of the IFMIS system					
3. state commissions allows the users to attend seminars on IFMIS regularly					
4. The users are not well trained to handle IFMIS					
5. The state commissions lacks proper training program for the use of IFMIS					
6. The state commissions relies heavily on experts to run the system					

PART 5. EFFICIENCY MONITORING

To what extent do you agree to the following statements on the use of IFMIS on financial reporting?

	strong disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	strongly agree (5)
1. IFMIS has capability to ensure efficiency in the financial reports in accordance to IPSAS requirement					
2. IFMIS effectively monitors reports on the expenditure promptly					
3. The ICT phobia is still an issue if IFMIS is to effectively be used in reporting efficiently.					
4. Most users lack accounting background which is essential in efficiency monitoring.					
5. IFMIS is unable to give some relevant information for efficient financial monitoring.					
6. IFMIS provides REAL TIME reports that are reliable					
7. IFMIS has the capability to wholly give the information required for financial reporting and auditing purposes					

PART 6. BUDGETING CONTROLS

	strong disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	strongly agree (5)
1. State commissions strictly uses IFMIS for budgeting control purposes					
2. With IFMIS there is proper cash management controls.					
3. IFMIS restricts the expenditure within the budget limit.					
4. The directorates activities are within the budget limits					
5. IFMIS allows for budget reallocations and control mechanisms.					
6. IFMIS sticks to the cash flow and procurement plan for budget sustainability and controls.					

PART 7. FUNCTIONALITY AND INTERNAL CONTROLS

Functionality is concerned with the way the IFMIS works and meets the demands of the users. It covers access and use and focuses on the integrated digital devices that are available to users. Access covers who, where and when users can access IFMIS.

In a scale of 1-5 where: 1 – strong disagree [ ] 2 – disagree [ ]

3 – Neutral [ ] 4 – agree [ ] 5 – strongly agree [ ]

To what extent do you agree to the following statements?

1. Access is available to all appropriate users at any time (24 hours), from anywhere **………**

2. Access is available to all appropriate users at any time, from anywhere, with any suitable personal device **………**

3. Relevant security is built into access rights with a single logon **………**

APPENDIX II: STATE COMMISSIONS

Public Service Commission **PSC**

Salaries and Remuneration Commission **SRC**

Judicial Service Commission **JSC**

Independent Electoral and Boundaries Commission **IEBC**

Parliamentary Service Commission. **PSC**

Teachers Services Commission **TSC**

Commission on Revenue Allocation **CRA**

National Police Service Commission **NPSC**