

**CHALLENGES TO EFFECTIVE IMPLEMENTATION OF THE
BUDGET IN THE PUBLIC SECTOR: A CASE STUDY OF
CEMASTE A**

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DECLARATION

This project is my original work and has not been presented for a degree in any other University

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DEDICATION

This study is dedicated to my family for their constant encouragement and for being patient enough to see me go through my academic struggle thus realizing my long cherished dream.

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TABLE OF CONTENTS

DECLARATION.....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENT	iv
LIST OF FIGURES	ix
LIST OF TABLES	x
LIST OF ABBREVIATIONS	xi
DEFINITION OF TERMS.....	xii
ABSTRACT.....	xiii
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background to the Study.....	1
1.1.1 Budget Implementation	3
1.1.2 Budget Implementation in public sector.....	5
1.1.3 Budget Implementation in public sector in Kenya	6
1.2 Statement of the Problem.....	7
1.3 General Objective of the Study.....	9
1.3.1 Specific Objectives of the Study	9
1.4 Value of the Study	9
CHAPTER TWO: LITERATURE REVIEW.....	11
2.0 Introduction.....	11
2.1 Theoretical Literature Review	11
2.1.1 Budget Cycle Theory.....	11
2.1.2 Agency Theory	12

2.1.3 Institutional theory.....	14
2.1.4 Stewardship theory	14
2.2 Conceptual Framework.....	15
2.3 Empirical Studies	16
2.4 Summary	22
CHAPTER THREE: RESEARCH METHODOLOGY	24
3.0 Introduction.....	24
3.1 Research Design.....	24
3.2 Target Population.....	24
3.3 Data collection	25
3.3.1 Data reliability and validity	26
3.4 Data Analysis	26
3.4.1 Conceptual Model.....	27
3.4.2 Analytical Model	28
3.5 Diagnostic tests	28
3.5.1 Test of Significance	28
3.5.2 Normality.....	29
CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION.....	30
4.1. Introduction.....	30
4.2. Response Rate	30
4.3. Demographic Information.....	30
4.3.1. Respondents Gender	30
4.3.2. Respondents Functional Position.....	31

4.3.3. Duration of Working in the Institution	32
4.3.4. Awareness on the Existence of a Budget.....	33
4.3.5. Staff Opportunity in Preparation of Budgets	34
4.3.6. Time Given for Budget Preparation	35
4.3.7. Appropriate Time Duration for Budget Preparation.....	36
4.3.8. Final Decision on Budget Proposals.....	37
4.4. Budget Preparation and its Importance.....	38
4.5. Budget Implementation.....	40
4.6. Challenges to Effective Budget Implementation	41
4.6.1. External Factors	41
4.6.2. Structural factors.....	42
4.6.3. Cultural Factors	44
4.6.4. Employee Behavioral Factors.....	45
4.6.5. Training and Education	46
4.7. Tests of Normality	47
4.8. Inferential Statistics	48
4.8.1 Regression Analysis	48
4.9. Discussion of Findings.....	52
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS ..	54
5.1 Introduction.....	54
5.2 Summary of Findings.....	54
5.2.1. Best Practices in Budget Planning and Implementation.....	54
5.2.2. Challenges to Effective Budget Implementation.....	54

5.3. Conclusion of the Study.....	55
5.4. Recommendations.....	56
5.5. Suggestion for Further Studies.....	57
REFERENCES.....	58
APPENDICES.....	63
APPENDIX I: LETTER OF INTRODUCTION.....	63
APPENDIX II: QUESTIONNAIRE.....	64

LIST OF FIGURES

Figure 2.1: Conceptual Framework	16
Figure 4.2. Respondents Gender	31
Figure 4.3. Respondents Functional Position	32
Figure 4.4. Duration of Working in the Institution.....	33
Figure 4.5. Awareness on the Existence of a Budget	34
Figure 4.6. Staff Opportunity in Preparation of Budgets.....	35
Figure 4.7. Time Given for Budget Preparation	36
Figure 4.8. Appropriate Time Duration for Budget Preparation	37
Figure 4.9. Final Decision on Budget Proposals.....	38

LIST OF TABLES

Table 4.1. Budget Preparation and its Importance.....	39
Table 4.2. Budget Implementation.....	40
Table 4.3. External Factors	42
Table 4.4. Structural factors.....	43
Table 4.5. Cultural Factors.....	44
Table 4.6. Employee Behavioral Factors	45
Table 4.7. Training and Education.....	46
Table 4.8. Shapiro-Wilk Test of Normality	47
Table 4.9. Model Summary	49
Table 4.10.ANOVA of the Regression.....	49
Table 4.11. Coefficient of Determination.....	50

LIST OF ABBREVIATIONS

AG	Auditor General
AIE	Authority to Incur Expenditure
CEMASTEА	Centre for Mathematics, Science and Technology Education in Africa
EDPR	Economic Development Policy and Research
ERS	Economic Recovery Survey
GDP	Gross Domestic Product
IEA	Institute of Economic Affairs
IFMIS	Integrated Financial Management Information System
IPAR	Institute for Policy Analysis and Research
KENAO	Kenya National Audit Office
MOE	Ministry of Education
MoFPED	Ministry of Finance, Planning and Economic Development
MTEF	Medium Term Expenditure Framework
PAC	Public Accounts Committee
PEFA	Public Expenditure and Financial Accounting
PFM	Public Financial Management
PIC	Public Investment Committee
PRSP	Poverty Reduction Strategy Paper
TSC	Teachers Service Commission
OECD	Organization of Economic Commission Development
MOF	Ministry of Finance

DEFINITION OF TERMS

Absorption -To use up or payout or consume. It is also to spend tax revenue on government operations.

Accounting Officers- the person appointed by treasury and charged with the duty of accounting for any services in respect of which money has been appropriated by parliament or any person to whom issues are made from the exchequer account.

Budgets -a quantitative expression of a plan of action prepared in advance of the period to which it relates.

Tax payer - This is a person who pays a tax or is subject to taxation.

The Government -Whether County, National, is merely a tool for the people to protect themselves and their private property.

The Society -It is a designed group of people who have lived together long enough to become organized and to consider themselves and be considered as a unit more or less distinct from other human units.

ABSTRACT

The principle goal of the study was to recognize the difficulties to viable spending execution in the Public Sector. The particular targets were to distinguish the reasons for poor spending ingestion limit in the general population segment and to determine best practices to enhance assimilation limit of affirmed government assets to better open administration conveyance. The scientist utilized a contextual analysis show. This is a sort of research configuration used to portray a definite investigation of a solitary social unit. Kothari (1990) characterizes a contextual investigation as an extremely prominent type of subjective examination and it includes a watchful and finish perception of a social unit, the unit can be a man, a family, an establishment or the whole group. The objective populace of the study was one hundred (100) staff that handles planning and execution of spending plan at Center for arithmetic, science and innovation training in Africa. The study was an overview where information was gathered from all the staff from target staff at the Center. So as to expand on the perspectives went for setting up the difficulties of spending execution in general society area, maybe a couple representative (s) of the senior administration level was chosen from each of office and areas and controlled with an organized survey. Finished polls were altered for culmination and consistency. A substance investigation and unmistakable examination were utilized. Content examination was utilized to investigate the respondent perspectives about difficulties in spending usage. The information was altered for precision, consistency, fulfillment and masterminded coding. A PC program SPSS was utilized to dissect the substance examination where a few conclusions past the organized inquiries were investigated. SPSS is a PC bundle that can be utilized to create frequencies, illustrative insights, tables and diagrams. The study found that financial plan is utilized to gage the focuses procedures, strategies and goals. The study set up that the need of maintaining stringent straightforwardness and responsibility has influenced usage of spending plans. The concentrate additionally found that an absence of arrangement between the authoritative structure and structure of execution reporting prerequisites, the esteem and helpfulness of execution data undermines the spending usage. The concentrate advance built up that social components contribute the most to the difficulties to compelling spending usage in the Public Sector. At 5% level of importance and 95% level of certainty, outside variables, basic components, social elements, representative behavioral elements, and preparing and training were all critical, difficulties to compelling spending execution in the Public Sector. The concentrate likewise presumed that an absence of arrangement between the authoritative structure and structure of execution reporting necessities, the esteem and value of execution data undermines the spending usage. The study suggested that Public part in Kenya ought to embrace a legitimate observing and survey of the planning procedure. The spending arranging procedure ought to incorporate every one of the divisions. The monetary allowance ought to be imparted to all offices and to all staffs. This will ease usage of the monetary allowance consequently diminishing spending change.

CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

A financial plan is a money related arrangement or projection of the incomes and consumptions of an individual or foundation over a particular timeframe (generally one year). In Kenyan open segment, the spending usage period or the money related year keeps running from 1st July to 30th June. Amid this period a set down medium term expenditure framework (MTEF) spending cycle is followed in the readiness and usage of national spending plan.

Proceeding with spending weight is driving associations to reconsider their present administration conveyance models and create activities that diminish expenses and increment effectiveness. As Atkinson (1993) notes a standout amongst the most noticeable and profoundly advertised financial difficulties confronting the operational spending plan is the decrease in the buying force of the acquisitions spending plan. A hefty portion of the reference regions referred to (Horngren, 1981, Moore and Jaedlicke (1976) and Atkinson, 1993) manage the difficulties of upholding for and apportioning the assets frantically required even with increasing expenses and desires, particularly with the new cost-focus identified with electronic assets. It is, in any case, critical to address the bolster part that the financial backing can play in meeting the test of extending accessible assets inside the spending limitations once the monetary allowance has been resolved.

The study is moored by spending cycle hypothesis, organization hypothesis, institutional hypothesis and stewardship hypothesis. Office hypothesis is a relationship that exists where one gathering follows up for the benefit of another. In spending plan a slack connection exists where Managers purposefully takes an interest to make slack, while others contend that troughs through expectation lessens the slack in their financial plans. Organizations might be viewed as settled propensities that shape "the guidelines of the amusement in a general public" (North, 1993, p. 3). The organization of propensities is viewed both as a result and as a procedure mirroring the force of sorted out interests and the on-screen characters who activate them (Covaleski et al., 1993).

Spending usage has turned into a test to numerous foundations since Public organizations are required to make precise conjecture for the execution of specific projects or improvement utilizing monetary parameters (Premchand, 1995). A few needs may not be for seen amid spending proposition or cost gauge may change fundamentally. Spending surveys is expected to distinguish foul up in spending plans. Spending usage ought to be looked into occasionally to guarantee projects are executed viably and recognize monetary differences. One of the difficulties to clients was that financial plans were not assessed once the monetary allowance was affirmed. The proficient spending procedure ought to have been administrated successfully regarding beginning arranging, last endorsement, and ensuing checking of execution (Weetman, 2006). There are a few techniques for setting up a financial plan, some emerge before actualizing the financial plan (pre-arrange), others amid the spending time frame, and some after this usage (post-organize).

The difficulties in spending plan were spending proposition arranged by various division did not get 100 percent endorsement; they were investigated and looked into before they got last endorsement. Extending access and enrolment development has constrained CEMASTEAs administration to give more prominent examination to the utilization of CEMASTEAs assets and to know about spending use (Shattock, 2010). Spending usage turned into a troublesome circumstance for an organization because of decrease of prior demand and the consumption is high. The roofs are for the most part underneath the overall rate of swelling, it powers administration to actualize interior cuts on exercises and in ways that don't bargain efficiency (Kiringai and West, 2012). The establishment works in an aggressive and testing environment, and to guarantee it remains a market pioneer obliges assets to put resources into cutting edge strategies. Planning encourages asset designation despite focused requests (Shattock, 2010).

1.1.1 Budget Implementation

The essential worry amid the execution of the monetary allowance is to guarantee the satisfaction of the money related and financial parts of the expenses. The budgetary errands incorporate spending the sums for the reasons determined, minimizing reserve funds, staying away from omissions as well as a surge of consumption toward the end of the monetary year. The monetary errands comprise of guaranteeing that the objectives of projects have been accomplished. It is wanted to accomplish these two purposes by budgetary controls practiced by the association and the spending divisions (Ross and Segal, 2003).

The budgetary and monetary assignments are rendered operational through the managerial procedure that includes four noteworthy interrelated periods of work: a distribution framework under the consumption is controlled by arrival of assets, supervision of the procurement of merchandise and enterprises to guarantee esteem for the cash spent, a bookkeeping framework that records an association's exchanges and gives a structure to the investigation of the suggestions and a reporting framework that allows an occasional evaluation of the real execution of the arrangements.

Neither of these stages can be performed in detachment of the other and their relationship, similar to others in the general spending procedure, is advantageous. The worries in every one of these stages are three: to guarantee lawful responsibility, to accomplish proficient utilization of asset and to guarantee the adaptable utilization of assets and to guarantee the adaptable utilization of assets by maintaining a strategic distance from the immobilization of assets (Rose-Ackerman, 1996). The budgetary procedure by its exceptionally nature includes the designation of assets to a couple and the dissent of many solicitations, and there is a commitment that the individuals who are allocated finances really spend them.

Legitimate Budgeting is a key achievement figure for most organizations, yet it is an agonizing procedure that takes an excess of time and exertion. Two key variables that impact planning procedure are the level of incomes gathered and the accessibility of outside assets to cross over any barrier occasioned by deficit in incomes.

At the point when incomes miss the mark concerning the anticipated level then spending usage is influenced to the degree that the uses must be diminished either in capital or working venture subsequently influencing administration conveyance (Heller, 2005). Outer assets as stipends figured into the spending taking after responsibility by contributors additionally bring setback if not regarded. The administration may neglect to discharge finances or discharge supports late in the money related year in this way influencing take off of tasks. What's more, the planned sum might be influenced by financial matters variables, absence of spending precision, absence of assets, absence of observing and assessment in this way influencing administration conveyance in NGOs (Pollitt, 2004).

1.1.2 Budget Implementation in public sector

The significance of planning in the general population divisions of both creating and created nations is past level headed discussion. Open division spending plans serve three large scale points; they go about as apparatuses of responsibility; devices of administration; and instruments of financial approach (Otley, 1980; Premchand, 1983). All the more by and large, planning fills numerous needs that are imperative to open part administration. It is an instrument for arranging, planning, sorting out and controlling exercises (Henley et al., 1992) and can improve correspondence in associations (Coombs and Jenkins, 1991), and it might likewise serve as a political device (Wildavsky, 1986).

The capacity of directors to organize budgetary use as indicated by nearby needs should be improved under a decentralized administration structure (Kaplan and Atkinson, 1998).

The planning writing proposes that financial plans frame a vital reason for budgetary control. At the crudest level, add up to yearly consumption ought not surpass the financial plan. To accomplish association wide control, a similar necessity can be connected to use on and inside administrations, and to discrete use things, (Premchand, 1983).

Planning has prevailing in numerous nations including New Zealand, Australia, Singapore, Netherlands, Norway, Sweden, USA, Canada, Mauritius, Rwanda and South Africa additionally bombed in others like Sri Lanka and Thailand (Sach, 2008). In Canada for instance, even where there is solid initiative and clear responsibility, full execution bringing about a genuine change in administration culture obliges seven to ten years (GOK, 2006).

1.1.3 Budget Implementation in public sector in Kenya

In Kenyan open segment, the spending execution period or the budgetary years keep running from 1st July to 31st June. Amid this period a set down medium term use structure spending cycle is followed in the arrangement and execution of national spending plan. The Ministries attempt the Ministerial Expenditure Review to examine the clerical past consumption against the service's needs as laid out in the Kenya's Vision 2030 or comparing medium term arrange. The investigation of the audit sets the seat marks for the ensuing spending year and the other two forward years' exercises and the assets required to effectively undertaking the arranged exercises. The final products of this procedure highlights the lessons learnt, great practice, difficulties and how to relieve them in the usage of the yearly spending plan. The survey keeps all the line services

consumptions and exercises in line as they should be adjusted to a managing strategy archive and the monetary allowance in this manner discovering the respectability of execution.

The sector working groups (SWG) get ready and submit introductory division reports to the treasury for thought. These segment reports are set up from sources of info that emerge from line services MPERs and information entries from areas (old framework) or Counties (new frameworks) to the significant Ministry base camp. Treasury then assembles division hearings for the harmonization of segment consumption projections and exhortation in transit forward for the planning of definite reports on the MTEF gauges. The line services then conclude on the clerical organized and program based spending plans in accordance with the rules emerging from the SWG and orders of the full scale working gathering. This program construct spending plan is readied situated in light of the rules as set by particular round from the treasury and other managing strategy archives i.e. the Kenya vision 2030 or the medium term arrange. Software engineers highlighted in these archives are organized in the financing and clear timetables given to achieve the program.

1.2 Statement of the Problem

Spending usage is the genuine execution of the financial plan and use of assets to the arranged exercises. However throughout the years, it has been noticed that open area spending usage process is hampered by different difficulties. In particular, government units are noted to collect a ton of sit still money at the conclusion of the monetary year

with genuine ramifications on administration conveyance and open venture consumption influencing accomplishment of advancement objectives of the Government. The disappointment of bookkeeping officers to spend the planned assets backs off financial and social development of the nation. Also, the high intrigue charges brought about in the red financing, and the inability to spend a lot of distributed assets implies citizens are being made to convey extra financing trouble even after they have made sufficiently accessible assets to execute all administration arranges. The concentration of this concentrate consequently is to set up the difficulties repressing Budget usage handle. The exploration focused on the difficulties to viable execution of spending plans in the general population division. While this is not another idea in the worldwide stage, little has been done to assess/decide the variables that most likely influence the successful use of planning in Kenya.

Throughout the years, open area establishments have worked on a deficiency spending plan. This has constrained the establishments to decrease the designation to the client division and hence the execution of the financial backing has been a test to people in general segment organizations. The subsidizing level from the legislature was horribly downplayed throughout the years. Open area foundations needed to utilize support produced inside to finish a portion of the administration started ventures to the detriment of other basic exercises. The approach of discharging repetitive and advancement store to open foundation has been an obstruction to productive organization of establishment operation.

Spending usage is an overall issue. In Kenya, observational studies have been completed, Murrison (2001) did a study of planning practices among the significant British non-administrative associations in Kenya and the degree to which spending plans are utilized as instrument of administration control, Ndiritu (2007) conveyed a contextual investigation on the adequacy of 7 money planning at Telkom Kenya, Muthinji (2009) did a contextual investigation on the difficulties of spending usage at Commission of Higher Education. So far studies done don't concentrate on difficulties of spending execution in CEMASTEIA. This examination along these lines connects a clear research hole by noting the question: what are the challenges to effective budget implementation in the Public Sector a case study of CEMASTEIA?

1.3 General Objective of the Study

The general objective of the Study is to identify the challenges to effective budget implementation in the Public Sector.

1.3.1 Specific Objectives of the Study

1. To identify the causes of poor budget absorption capacity in the public sector.
2. To ascertain best practices to improve absorption capacity of approved government funds to better public service delivery.

1.4 Value of the Study

To the Kenya Government, the examination would be precious to government organizations in that it would give an understanding into the different methodologies towards planning and difficulties of spending plans to guarantee proficient usage of

assets. The study would be helpful to the administration in policymaking with respect to administrative necessities of Ministries and Departments. The outcomes will help the legislature to think of a suitable component to precisely screen and enhance the stream of assets and their utilization. The discoveries of the exploration would give a few bits of knowledge to the administrative body and the legislature everywhere on the difficulties confronting the planning procedure inside the Ministries and thus empower making of auspicious and suitable intercessions to relieve the dangers.

To the academicians, the examination would give a valuable premise whereupon promote concentrates on planning in the general population segment could be directed. This examination would make a commitment to the scholarly writing on the field of planning in Kenya where next to no is thought about its structure and application.

The study will likewise be valuable to the strategy producers to define approaches which can be adequately actualized in the use of the spending designations to the bookkeeping officers. The study will likewise give an understanding to partners on how the bookkeeping officers work and the difficulties they confront in the use of the legislature dispensed assets.

This study will help improvement accomplices in knowing the different instruments through which they can practice their control. Improvement accomplices will likewise profit as they will have the capacity to decide the bookkeeping officers' administration of their gifts and allows for successful and productive utilize.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This section outlines the studies from different analysts who have completed their exploration in a similar field of study. The particular territories canvassed in this study hypothetical survey, theoretical system, experimental studies and synopsis of the study.

2.1 Theoretical Literature Review

The Theoretical audit tries to set up a portion of the commitments that are ascribed to different analysts, creators and researchers and are important to spending planning and execution.

2.1.1 Budget Cycle Theory

As indicated by Dehn et al (2002), most open areas have numerous level structures with various errands. As a rule, assignments and interests at every level of hierarchical structure of open segment may struggle with each other from the perspective of constrained assets and limited time, and different partners may likewise have clashing interests. In the meantime, the yields of open administration offices are frequently hard to quantify and deliberate Information is once in a while accessible about particular sources of info and yields of administration conveyance especially in creating nations. The spending cycle in general society area goes through three noteworthy stages.

The primary stage is spending arranging and arrangement, which is normally done by the Department of Planning and National Development close by different players (i.e.

Ministry of Planning and Devolution). After the end of money related year, every administration agency's develops and prescribe system plotting advancement needs and yearnings at the office level. The arrangement should profit by wide based interest by the natives. The offices yearnings are examined into a National Development Plan, which, what's more, spells out large scale strategies and projects to be actualized in a five-year time span. The Medium Term Expenditure Framework (MTEF), the most recent budgetary framework in Kenya, joins arrangement making with arranging and usage of planned undertakings in a Three-year moving structure. The real spending arrangement starts with a Treasury round which characterizes the wide parameters of the financial plan and sets use roofs to be clung to. This, bury alia, explains the spending finish timetable, which incorporates open hearings as one of the exercises. At this stage, nationals have a chance to create and contribute issues of enthusiasm for the financial plan.

The recommendations from the offices are then merged with those of the line Ministries and from there on segment transactions for distribution of assets initiate. The segment hearings are managed by Treasury to offer direction to the members. This area hearings prompt to offering for assets, which are then designated by things in the financial plan. Once the assignments are done, Treasury examines every service's draft spending plan to guarantee that they keep both the rules and the roofs. The Scrutiny is additionally intended to guarantee that the distributions are steady with area needs.

2.1.2 Agency Theory

Agency theory The Principal-Agent (Agency) theory bolsters advancement of planning. The exemplary office hypothesis idea was produced by Berle and Means in 1932. The theory clarifies why clashes exist between principals (shareholders/proprietors) and their operators (administrators) prompting to office costs. It goes for lessening data asymmetry so that both the important and operator read from a similar script through the risk of approvals and the likelihood of motivating forces.

Agency theory is created around the idea of authoritative connections between two gatherings with clashing destinations, i.e. principals and operators. The target in organization hypothesis is to structure the authoritative relationship between these gatherings with the goal that specialists take activities to expand the welfare of principals. This depends on standard vital specialist models including supervision Kofman and Lawaree,(1993 and 1996) and Khalil and Lawaree, (2006).The National Treasury has control over line services and should speak to people in general premium. Region/Local Governments, Ministries and Public offices can be viewed as operators of the National Treasury (the primary) since they are required to deliver a specific level of open yield including the nature of this yield in return for their spending appointment. This need has been connected with three essential global advancements i.e. democratization, devolution and open consumption administration changes.

2.1.3 Institutional theory

Institutional theory has its birthplace from the work of scholars a great many years prior. Business analyst and Social scholar Max Weber concentrated on the ways administration and organizations were coming to command our general public with his thought of the iron confine that wild systematization made. Notwithstanding, the incorporated viewpoint originated from the work of Scott (1995), where he expressed that "the foundation gives steadiness and intending to a (hotel's social conduct).

Institutional theory concentrates on the more profound and stronger determinants of financial performing artists' conduct. It considers the procedures by which structures, including plans; standards, standards, and schedules, get to be set up as definitive rules for social conduct and reaches out to clarify financial connections between a few monetary units of investigation. Distinctive parts of institutional hypothesis clarify how these components are made, diffused, received, and adjusted over space and time; and how they fall into decay and neglect. In planning it gives a typical benefit of bookkeeping. asset arranging and dealing, disguising and assembling power, ecological change, authoritative change (Covaleski et al, 2003).

2.1.4 Stewardship theory

Stewardship theory has its underlying foundations in brain science and humanism and was intended for scientists to look at circumstances in which officials as stewards are propelled to act to the greatest advantage of their principals (Donaldson and Davis, 1989 and 1991). It is another idea that exclusive dates from the late 80s. Stewardship and open

administration starts with an evaluate of market based changes that have significantly reshaped people in general administration worldwide amid the previous two decades. While it is kept up that these changes were important and have brought about numerous positive results, the focal contention is that the market hypothesis whereupon they are fabricated is not sufficiently vigorous to grasp the full scope of open segment exercises, for example, administration and guarding open premium. Stewardship is introduced as an option model that scaffolds advertise approaches, fundamentally relevant to value-based administrations, and more extensive open part duties. Stewardship is an extremely old thought that is being rediscovered in many quarters. Stewardship is not a system or procedure that would he be able to quickly connected, nor is it recommended that it is a solution for all sicknesses. Or maybe, it is a method for doing things that gives a compass instead of recommends a course. Stewardship can address productivity issues. In any case, it goes past self-premium, and all the more significantly, gives the conditions to administration security over a long stretch, something that the market display does not do (Armstrong and Associates, 1997).

2.2 Conceptual Framework

The Conceptual Framework above gives a portrayal on how the factors are identified with each other. The factors characterized here are the free (logical) and the reliant (reaction) variable. A free factor impacts and decides the impact of another variable. The free factors in this study are outer elements, basic variables, social elements, worker behavioral components, and preparing and training. Subordinate variable is that

component which is watched and measured to decide the impact of the autonomous variable. The reliant variable is spending execution.

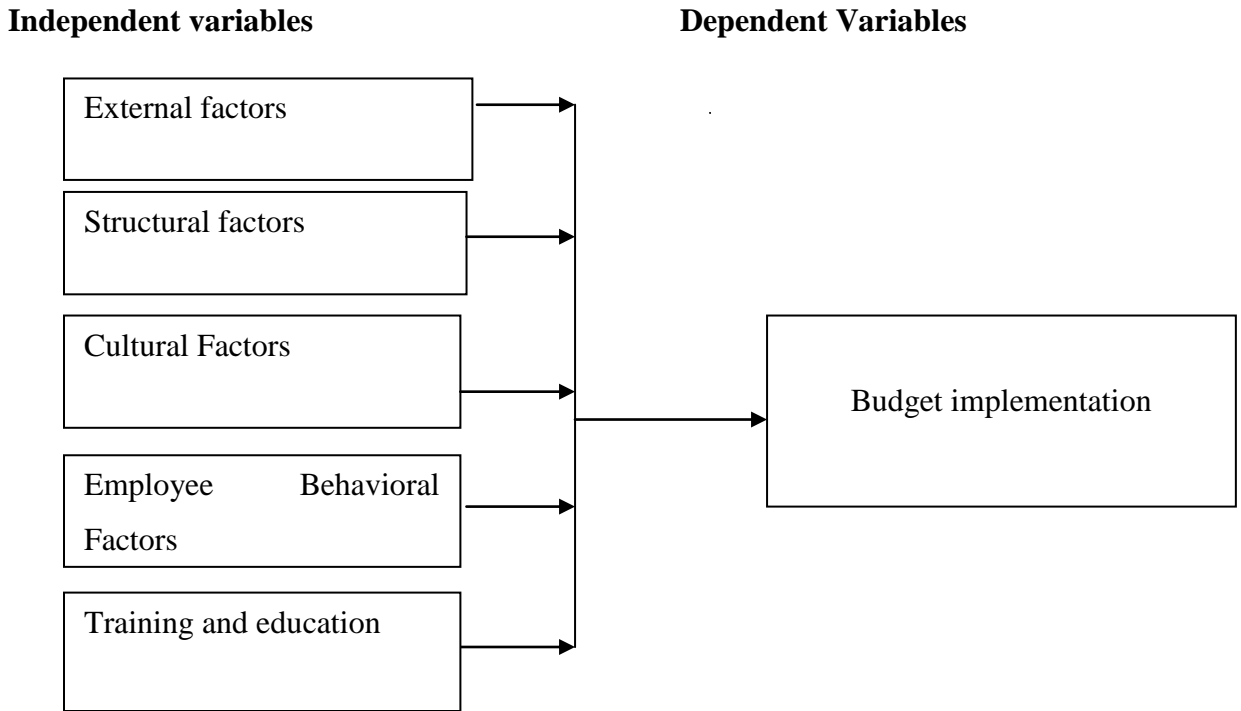


Figure 2.1: Conceptual Framework

2.3 Empirical Studies

Muleri (2001) in his overview of planning practices among the real British non-administrative improvement associations in Kenya states that most associations have received planning methodologies and rationalities that are present day and can act to lessen money related bungle. As indicated by Andrews and Hill (2003), while most states in the United States are actualizing planning changes, few demonstrate any confirmation of direct change coming about because of such changes either as far as the advancement of, or reaction to, new execution based motivators, or portions that are connected to

execution. Their clarification is that planning is actualized notwithstanding customary methodologies and contends that it ought to rather be executed as a substitution of, not expansion to, prior budgetary administrations.

A study led by Ambetsa (2004) of planning practices by Commercial carriers working at Wilson Airport, Nairobi showed that the difficulties confronted were spending assessment insufficiencies, absence of full investment of all people in the readiness of the financial plan and absence of top administration bolster. The issue is not whether to set up a financial plan, but instead how to do it adequately.

As indicated by Blondal and Kim (2006), the Thailand encounter demonstrates that the conventional spending procedure was exceedingly unified and added to solid total financial teach. Notwithstanding, it was watched that keeping in mind the end goal to enhance allocative and operational proficiency of open consumption, the level of centralization ought to be diminished. Second test is the readiness of the officials: According to Blondal and Kim (2006), the administrators must will and ready to re-apportion assets among their different offices (organizations). They reasoned that particular activities are called for to reinforce this capacity in line services and that thought ought to be given to the reallocation of assets among offices being one of the execution criteria for services and their senior officials.

Kraan (2007), in his article; Program Budgeting in Organizational of Economic Commission Developed nations, looked to investigate courses in which nations can

change their spending order to concentrate more on results. He watched that in the most recent two decades, various OECD nations have renamed their focal government spending plan with the end goal of approval. These activities were for the most part enlivened by the longing to move toward a more results-situated basic leadership prepare. Exchange offs between government exercises can be better evaluated and the monetary allowance can be better directed towards political destinations if the detail arrangement depends on yields: administrations created, money exchanges conveyed and controls executed. This suggests the financial backing must be ordered by ranges or projects. He presumed that automatic details are portrayed by related destinations ("result" targets) or even a solitary extreme goal of all yields financed by the detail. An automatic arrangement is thought to be more strong of the allocative (need setting) capacity of the financial plan than an order which is generally in view of sources of info. Australia, France, the Netherlands, Sweden and the United Kingdom offer great cases of renamed spending plans in view of fundamentally automatic criteria.

Bourdeaux (2008), in her paper; *The Problem with Programs: Multiple Perspectives on Program Structures in Program - Based Performance-Oriented Budgets* watched that as of now, planning is being affected by thoughts encompassing execution based planning, a change that concentrations both on execution measures or results and on administrative entrepreneurialism. She inferred that the hypothesis behind execution based planning is that administrators ought to be considered responsible for results, yet ought to likewise be permitted to move contributions as required keeping in mind the end goal to accomplish these outcomes. Execution based planning has gotten to be interlinked with program

planning due to the natural thought that projects are the level at which supervisors ought to be offered adaptability to accomplish comes about. Florida really alludes to its change as "Execution Based Program Budgeting". In Africa, most nations are embracing planning as their type of execution based spending plan. Nations that have grasped the change incorporate South Africa, Tanzania, Ethiopia and Mali.

As indicated by Robinson (2009), Mali executed planning in 1997 in a staged approach beginning with a couple of services and finishing every one of the services a couple of years after the fact. The financial plans are however sent as an attach to the primary spending plan and have yet to wind up a reason for the affirmed spending plan. In Ethiopia planning was presented in 2005 on a pilot premise in three services and the quantity of services has been continuously extended from that point forward. In South Africa, planning was presented in late 1990s with its presentation completely joined with that of MTEF and has been joined by proceeds onward the review side to execution review. Planning has been executed at the focal and local government levels and is viewed as one of the better usage of planning. Slovenia received an enormous detonation approach where after only one year of pilot work, the priest chose to set up a program structure for the entire government and reflect them in the spending reports.

In Kenya, there are few studies which have been finished with respect to buget usage. Obulemire (2006) led a study of planning practices in Secondary schools where he found that spending boards and interdepartmental examination gatherings were the most utilized planning apparatuses with less accentuation on conceptualizing. He promote affirms that

top administration support, clear and reasonable objectives, impact of outside environment on accessibility of assets and the key arrangement were key components to consider. What's more, inability to consider inspiration of workers and investment by all staff in the planning procedure was a test.

Wamae (2008) did a study was on difficulties of planning at NSSF. The point of the study was to set up the difficulties of planning procedure and the difficulties confronted when attracting up a financial plan to be utilized by an association and how association can adequately confront the planning challenges. From the study the specialist found that that the association confronted challenges when drawing up spending plan and the greatest test included on responsibility, different head of division did not consider spending plan important prompting to giving yearning spending plans which would wind up not accomplishing target, prompting to dissensions from the board. The scientist presumed that planning was extremely compelling at NSSF as they filled their need helping with control, utilized as a methods by which administration conveys to others level of office. The Researcher included that the way toward planning at NSSF confronted a few difficulties which were powerlessness to accomplish the required estimation of business, insufficient power to spend in spite of allotment, cost expansion, poor interest and poor co-appointment of the work out. The analyst prescribes, that all units in the association ought to be required in the spending readiness and enough time is allotted to get ready.

Kigochi (2008) did a study on Survey of operational Budgeting Challenges, in the protection Industry in Kenya. The study overviewed the difficulties of operational planning framework in the protection business in Kenya. The study looked to draw out the difficulties in detailing operational spending plans in the protection business in Kenya and to propose answers for the significant difficulties. The destinations of the study were to decide the difficulties confronted while figuring an operational spending plan in the protection business in Kenya furthermore to set up the adequacy of those operational spending plans. This study was engaging in nature and the specialist utilized the review strategy. The number of inhabitants in this study comprised of 42 right now authorized insurance agencies in Kenya. Information for the study was gathered utilizing an organized survey. The information gathered was then dissected with the assistance of Excel Spreadsheets.

From the discoveries, the scientist found that operational spending plans were powerful in the protection business as they filled their need of anticipating the future, helped with control, went about as a methods by which administration conveys to different levels of division, went about as a method for execution examination furthermore it spurred representatives to improve. The concentrate likewise found that the difficulties confronted while detailing the operational spending plans were failure to accomplish the required estimation of new business, administration of securing and support costs, time imperatives, fancy for solace spending plans, absence of congruity in the board of trustees, fitness levels of planning groups, non-adherence to the set down spending plans by divisions, absence of sufficient power to spend in spite of portion, non-

accomplishment of the principle beat line wage workers, cost variance or swelling on costs, need or poor interest, poor coordination of the work out, estimation of a few components was troublesome (estimations) and now and again it is firm to changes/conformities furthermore it was costly as a control/checking apparatus.

2.4 Summary

Planning is one of the crucial basic leadership forms in associations. Amid Budget definition and usage, authorities decide the part of the Organization's assets that the chief of every unit will be approved to spend. Spending plans frequently build up execution objectives for the unit as far as costs, incomes, as well as Production (Little et al., 2002). This is a compact and precise summation of the Importance of the planning capacity inside the lion's share of associations. Spending plans are utilized as a part of varying degrees and for various purposes crosswise over various enterprises. A few ventures utilize planning as a control of uses, where different organizations utilize spending capacities as an instrument for arranging, a method for correspondence, or as an objective to gauge execution. The advantages of planning were not minimized in spite of the wellspring of introductory subsidizing (open assets, citizen reserves, shareholder speculations or secretly gained monies). Despite the fact that associations foundation planning positions in various ways, all associations advantage from its utilization, and planning capacities play out a critical system in an association's hierarchical design corporate and business achievement relies on upon it. The above writing survey reveals insight into the utilization of spending plans as an arranging, observing and control instrument. Be that as it may, these studies were essentially bound to cutting edge

nations, and exceptionally constrained proof is accessible on budgetary practices in creating nations. Ambetsa (2004) prescribes that further research be done on planning in Kenya. The specialist proposed to ponder the difficulties of planning in the general population segment in Kenya with a particular reference on the administration organizations and in this way, add to filling that crevice in learning.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This section exhibits the examination outline and technique that was utilized to do the exploration. It displayed the examination plan, the populace, information gathering, information investigation, legitimacy and unwavering quality. This part sets out different stages and stages that were followed in finishing the study. In this stage, most choices about how research was executed and how respondents were drawn closer, and in addition when, where and how the examination was finished.

3.1 Research Design

The scientist utilized a contextual investigation show. This is a kind of research configuration used to depict a point by point investigation of a solitary social unit. Kothari (1990) characterizes a contextual investigation as an exceptionally mainstream type of subjective examination and it includes a watchful and finish perception of a social unit, the unit can be a man, a family, an establishment or the whole group. This strategy puts more accentuation on the full examination of a predetermined number of occasions or conditions and different interrelations. The outline was useful in satisfying the goals of the study since it gave inside and out experiences on how or why addresses that are gotten some information about contemporary arrangements of occasions.

3.2 Target Population

The target government institution i.e. CEMASTE A was identified as a public institution under ministry of education and on basis of MTEF sector groups for budgeting of

parastatal and government agencies under the ministry. The study focused the population into three groups that is CEMASTEА staff that handle budgets, Ministry of education staff seconded to CEMASTEА and Teachers Service Commission seconded to CEMASTEА.

The target population of the study was one hundred (100) staff that handles preparation and implementation of budget at Centre for mathematics, science and technology education in Africa. Most of the target staff are in finance and accounts department, administration, procurement, budget implementation committees, project supervisors, budget approval committees and human resources parameters with greater precision.

3.3 Data collection

The study was a survey where data was collected from all the staff from target staff at the Centre. In order to maximize on the views aimed at establishing the challenges of budget implementation in the public sector, one or two employee (s) of the senior management level was selected from each of department and sections and administered with a structured questionnaire. The poll was isolated into two sections. The initial segment was mostly broad data both individual and establishment. This empowered the analyst to know the way of the procedure inside the foundation, while the second part was on difficulties of planning where the factors under scrutiny were centered around. These factors were spending arranging and control, impact of correspondence and accessibility of assets, political and government impedance and spending precision among others.

The survey was managed utilizing drop and pick later technique. The surveys contained both open and close-finished inquiries. The nearby finished inquiries gave more organized reactions to encourage substantial suggestions. The open-finished inquiries gave extra data that won't have been caught in the close-ended questions. Secondary data sources were employed through the use of previous documents or materials to supplement the data received from questionnaires and information from these secondary data sources are periodically released by the National Treasury and Planning departments through statistical documents, The National Treasury website; Kenya National Bureau of Statistics publications, The Treasury Budget speeches, Treasury Website and other Research projects from scholars.

3.3.1 Data reliability and validity

The data collected was relied upon for reliability and validity. The data was collected from people who have been involved in the Budget preparation at the centre. Other source of information was historical record which was kept by the institution and was reputed to be good because the researcher could quote the source so that reader could seek for more information if necessary. The degree to which results are predictable after some time and precise representation of the aggregate populace under study could be rehashed more than once and imitate comparative results, the information could be alluded to be solid.

A pilot test was done on some staff to guarantee the legitimacy of the information. The examination instruments were pre-tried to affirm that they would fill the expected need

before they were utilized completely to gather information. Corrections to the poll were made where vital.

3.4 Data Analysis

Before processing the responses, the finished surveys were altered for culmination and consistency. A substance investigation and unmistakable examination were utilized. Content investigation was utilized to break down the respondent perspectives about difficulties in spending usage. The information was altered for exactness, consistency, fulfillment and orchestrated coding. A computer programme SPSS was used to analyze the content analysis where some opinions beyond the structured questions were analyzed. SPSS is a computer package that can be used to generate frequencies, descriptive statistics, tables and graphs. The data was presented using statistical measures pie charts, bar graphs, frequency tables and graphical presentations. Further, to examine whether there is a difference in the factors that influence budget implementation, analysis was conducted on the key factors in the Centre. Descriptive statistics were used in the presentation and analysis of empirical results.

3.4.1 Conceptual Model

The relationship among the variables is estimated using a function:

$$\mathbf{Ev} = \mathbf{f}(\mathbf{C}) \quad (1)$$

Bi= Budget implementation

C =Challenges facing Budget implementation

3.4.2 Analytical Model

Multilinear regression analysis technique will be used to establish the how implementation of public sector budget is affected by certain variables in Kenya. The test will be done at 0.5 level of significance. The descriptive statistics included; mean value, standard deviation, simple percentages and frequency counts. The study, therefore, establishes how budget implementation is challenged by specific variables.

$$\text{Where; } Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$$

Where:-

Y= Budget implementation measured by mean score from the questionnaire

X₁=External factors measured by mean score from the questionnaire

X₂=Structural measured by mean score from the questionnaire

X₃=Cultural Factors measured by mean score from the questionnaire

X₄=Employee Behavioral Factors measured by mean score from the questionnaire

X₅=Training and education measured by mean score from the questionnaire

α = Regression coefficient / Intercept

β = Regression coefficient / Slope

ε = Error Term

3.5 Diagnostic tests

3.5.1 Test of Significance

Pearson product correlation coefficient will be used to determine the strength of the relationship between budget implementation (dependent variable) and external and internal factors (independent variable (s)). These inferential tests will be conducted at

95% confidence level. The result obtained will be tested for correlation co-efficient; the higher the correlation co-efficient the stronger the relationship between variables.

3.5.2 Normality

As part of exploratory data analysis (EDA), tests for normality of distribution of the response variable will be conducted. Normality of the data will be tested using the Shapiro –Wilk test. The significance level for this study will be $\alpha = 5\%$, for $P \geq 0.05$ normality will be assumed while for $P < 0.05$ deviation from normality will be assumed.

CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION

4.1. Introduction

This part involves examination and discoveries of the study as set in the exploration destinations and philosophy. The study discoveries are displayed on the difficulties to compelling usage of the financial plan in general society division: a contextual analysis of Cemastea.

4.2. Response Rate

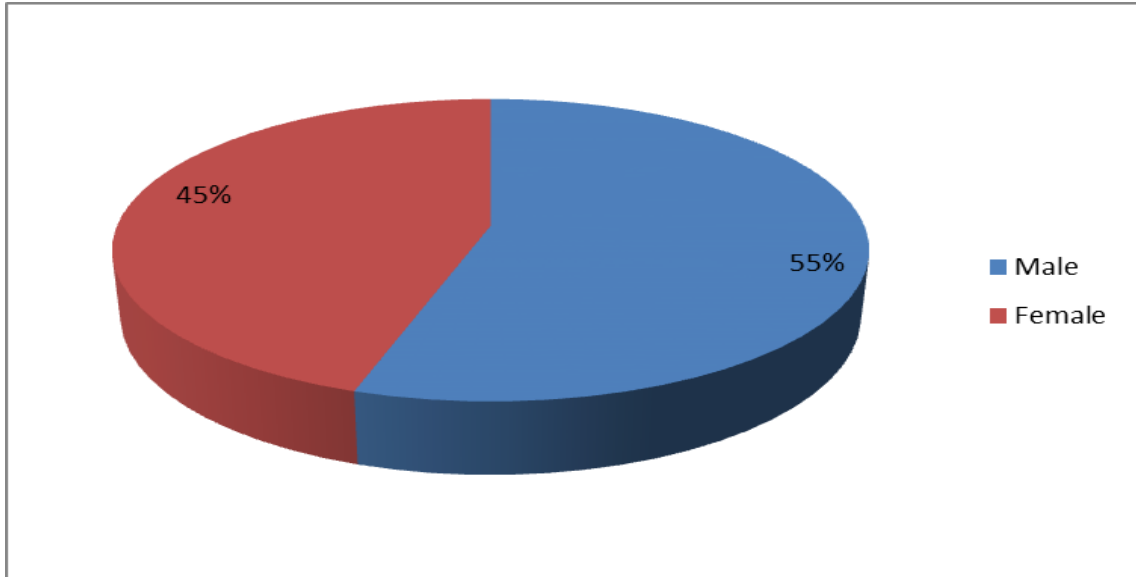
The information gathering instruments, surveys were sent to 100 staff at the Center for arithmetic, science and innovation instruction in Africa. Out of the 100 polls sent, just 90 surveys were sent back completely finished making a reaction rate of 90%. This was in accordance with Mugenda and Mugenda (2003) who proposed that for speculation a reaction rate of half is sufficient for investigation and reporting, 60% is great and a reaction rate of 70% and over is magnificent. This reaction rate was certify to the information gathering system, where the scientist in person controlled polls and reminds the respondents to fill in the surveys and picked the filled surveys later on.

4.3. Demographic Information

4.3.1. Respondents Gender

The respondents were kindly asked to indicate their gender. The findings were as shown in the figure below

Figure 4.2. Respondents Gender



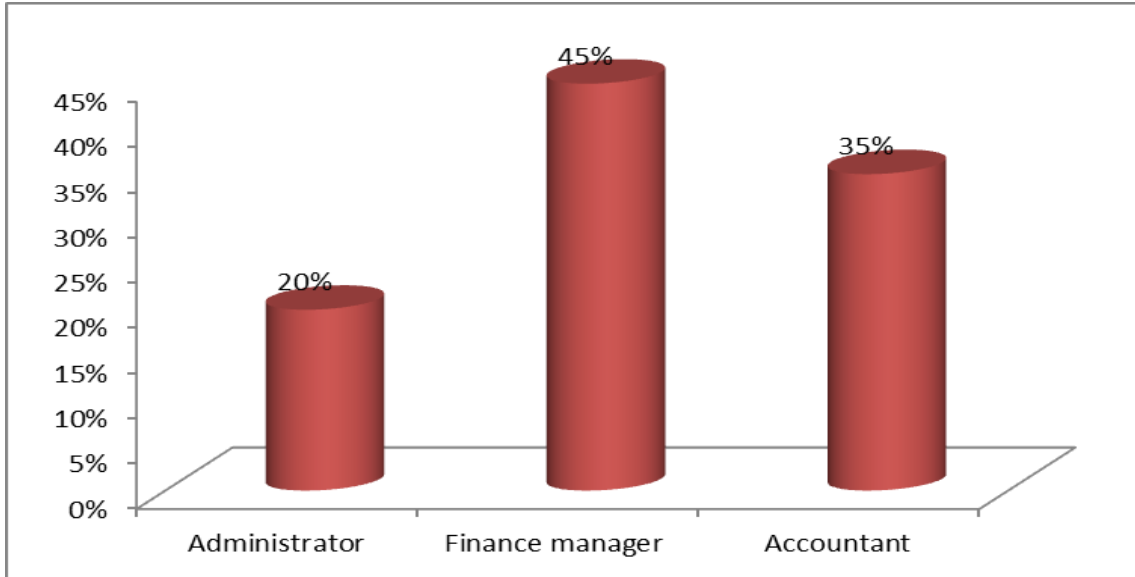
Source: Author (2016)

From the findings above, majority (55%) of the respondents were male while 45% were female. This depicts that majority of the respondents in Centre for mathematics, science and technology education in Africa were males.

4.3.2. Respondents Functional Position

The respondents were kindly requested to indicate their functions position in the organization. The findings were as shown in the figure below

Figure 4.3. Respondents Functional Position



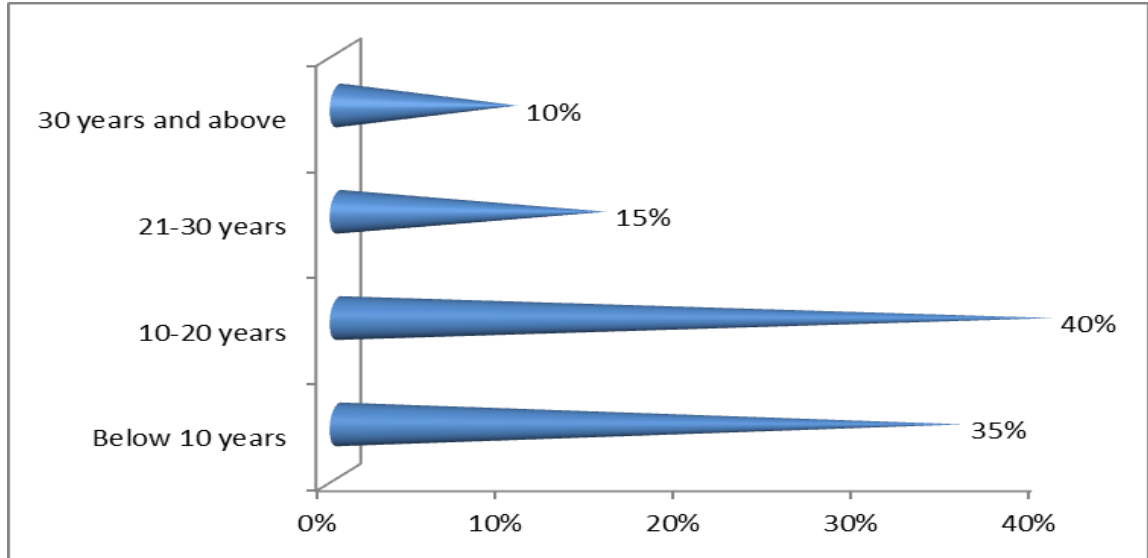
Source: Author (2016)

According to the findings most (45%) of the respondents held finance manager position, 35% indicated accountant, while 20% indicated administrator. This depicts that most of the respondents were finance manager.

4.3.3. Duration of Working in the Institution

The study sought to establish the duration of time the respondents had worked in the institution. The findings were indicated in the figure below

Figure 4.4. Duration of Working in the Institution



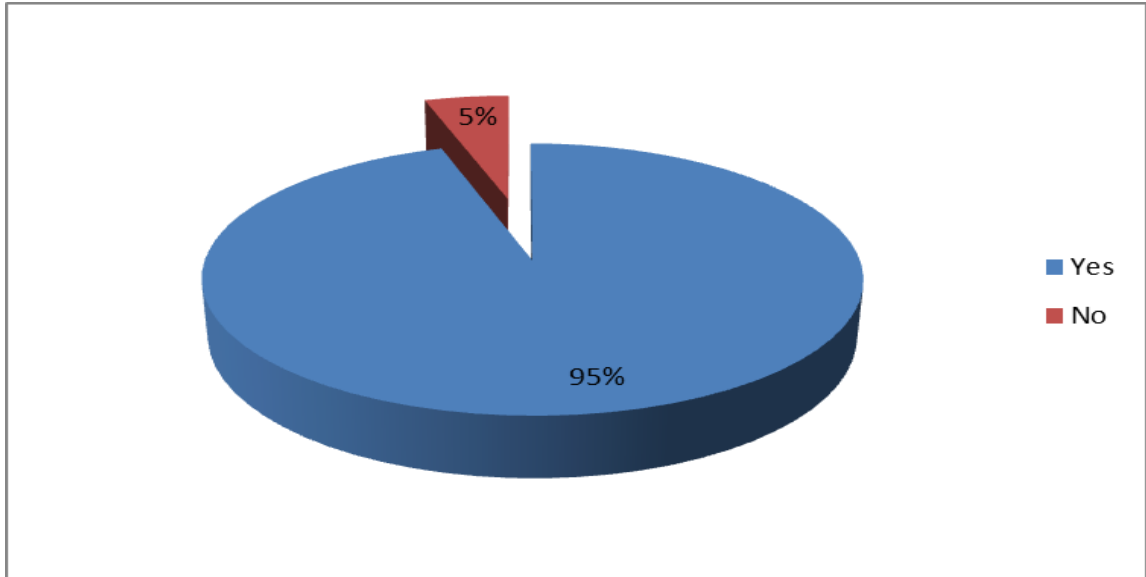
Source: Author (2016)

From the findings 40% of the respondents indicated they had worked in the institution between 10-20 years, 35% indicated below 10 years, 15% indicated between 21-30 years, while 10% indicated 30 years and above. This depicts that most of the respondents had worked in the institution longer enough to gain experience in budgeting.

4.3.4. Awareness on the Existence of a Budget

The respondents were requested to indicate whether they were aware that the institution had a budget. The findings are shown in the figure below

Figure 4.5. Awareness on the Existence of a Budget



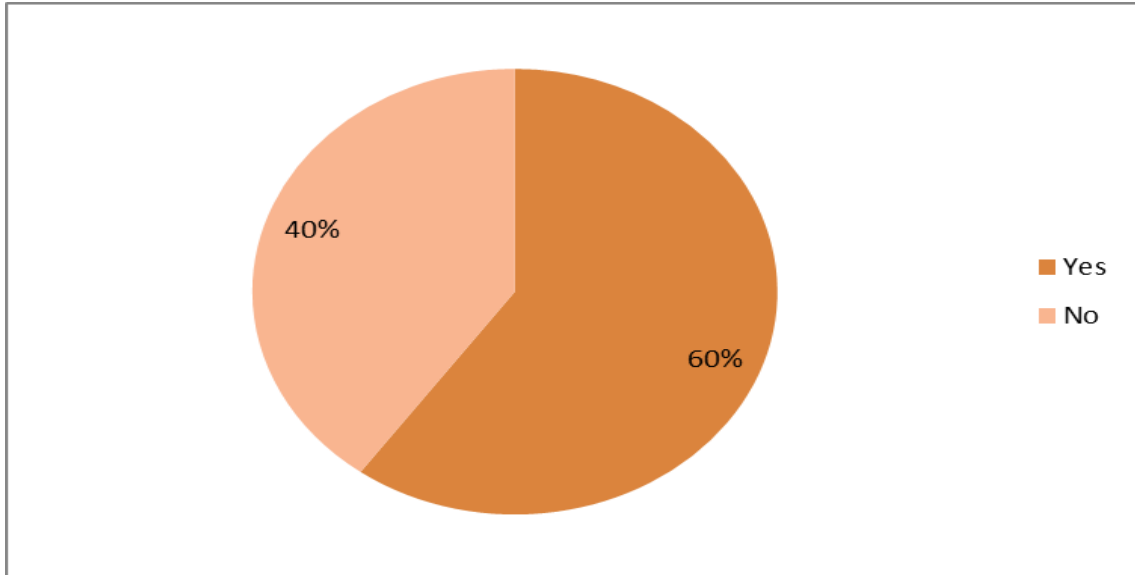
Source: Author (2016)

From the findings above, majority (95%) of the respondents indicated they were aware of existence of a budget in the institution while 5% were of contrary opinion. This depicts that majority were aware of existence of a budget in the institution.

4.3.5. Staff Opportunity in Preparation of Budgets

The study sought to establish whether the staffs were given opportunity during preparation of budget. The findings were indicated in the figure below

Figure 4.6. Staff Opportunity in Preparation of Budgets



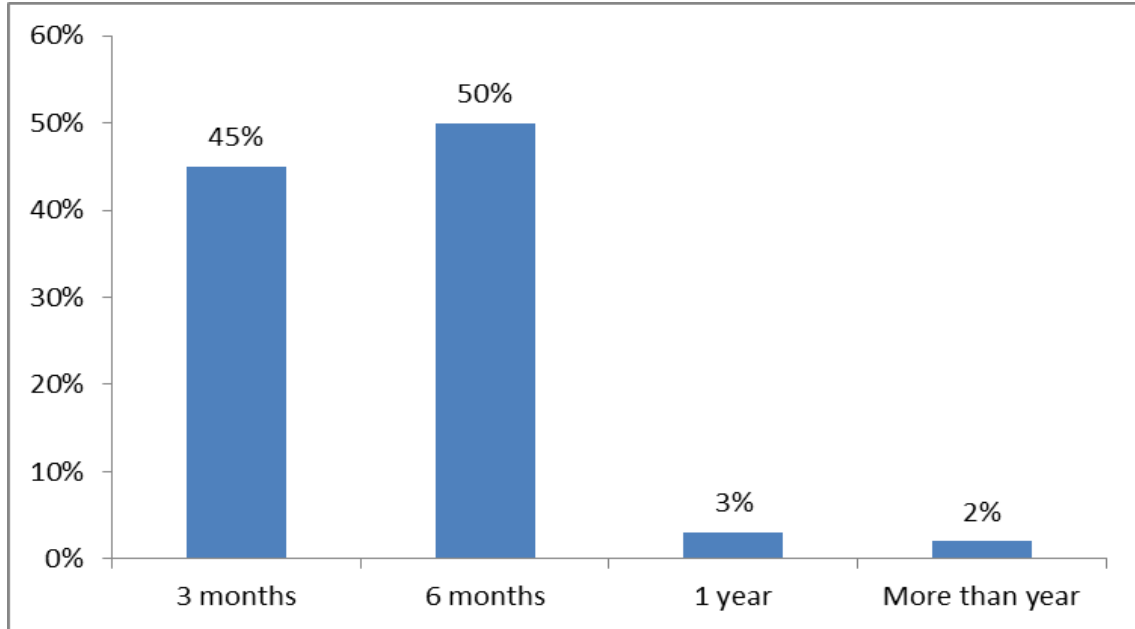
Source: Author (2016)

From the findings majority (60%) of the respondents indicated that the staffs were given opportunity during preparation of budget while 40% were of contrary opinion. This depicts that staff were given opportunity in budget preparation as they had knowledge on budget preparation.

4.3.6. Time Given for Budget Preparation

The respondents were requested to indicate the time given for heads of department to prepare budget. The findings are shown on the figure below

Figure 4.7. Time Given for Budget Preparation



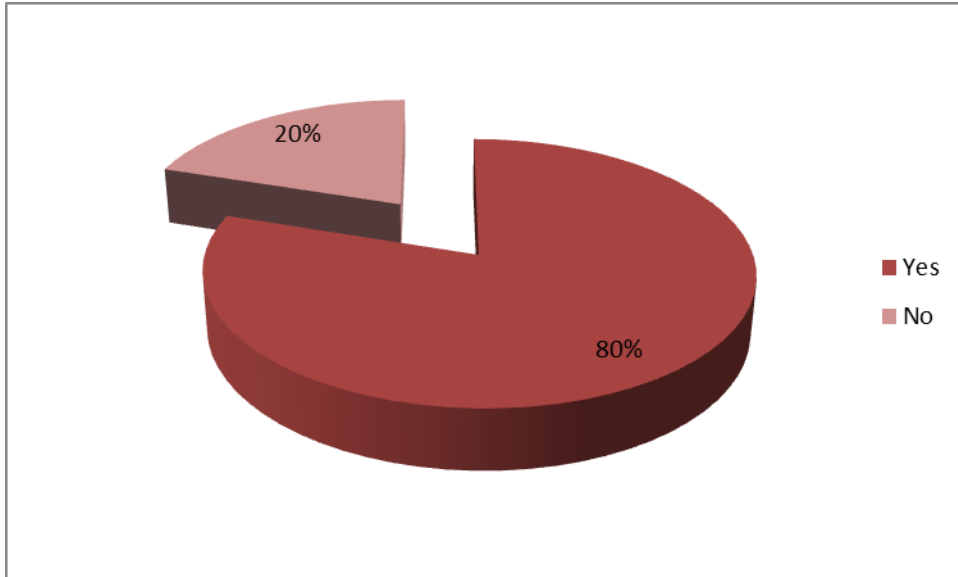
Source: Author (2016)

From the findings majority (50%) of the respondents indicated that the time given for heads of department to prepare budget was 6 months, 45% indicated 3 months, 3% indicated 1 year, while 2% indicated more than one year. This depicts that head of department were given ample time to prepare the budget.

4.3.7. Appropriate Time Duration for Budget Preparation

The study sought to find out whether the budget process at CEMASTEAM takes appropriate time duration to preparations. The findings are shown below

Figure 4.8. Appropriate Time Duration for Budget Preparation



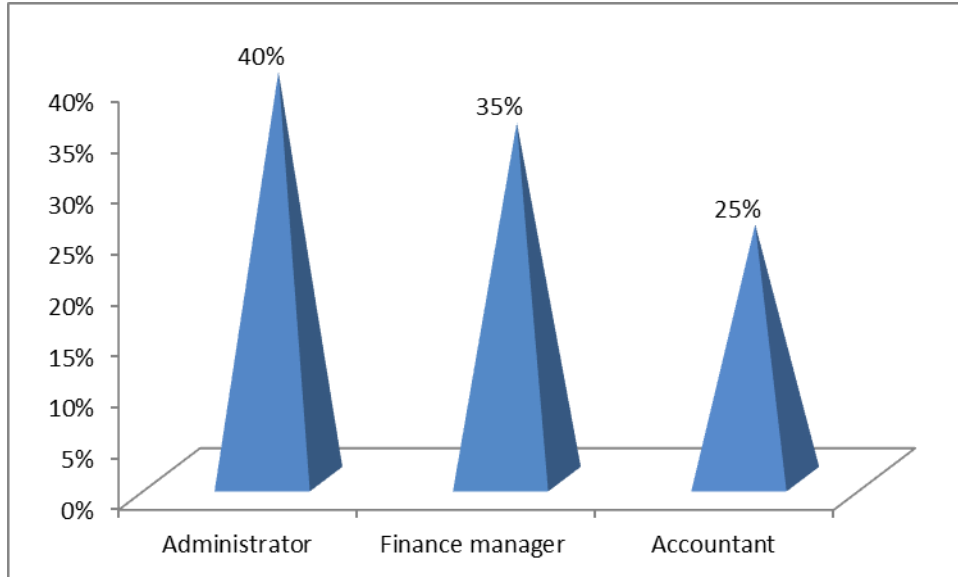
Source: Author (2016)

Form the findings majority (70%) of the respondents indicated that the budget process at CEMASTEА takes appropriate time duration to preparations while 30% were of contrary opinion. This depicts that the budget process at CEMASTEА takes appropriate time duration to preparations.

4.3.8. Final Decision on Budget Proposals

The respondents were requested to indicate who makes the final decision on budget proposals. The findings were shown in the figure below

Figure 4.9. Final Decision on Budget Proposals



Source: Author (2016)

Form the findings 40% of the respondents indicated that the administrator makes the final decision on budget proposals, 35% indicated finance manager while 25% indicated the accountant. This depict that the administrator makes the final decision on budget proposals.

4.4. Budget Preparation and its Importance

The respondents were requested to indicate the level of agreement concerning budget preparation statements and their relevance for the institution during the process of budget preparation. The responses were placed on a five Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The findings were as shown below

Table 4.1. Budget Preparation and its Importance

Statements	Mean	Std. Dev.
Budget preparation is important for projection purposes	4.01	0.1987
All staff need to be involved in budget preparation	3.49	0.2213
Budget are used to control resources of the Centre	3.99	0.3654
They are used to communicate to other levels in the departments	3.65	0.1128
Budget are used to judge performance and therefore an anchor to performance contracting	4.09	0.4351
Budgets can be used for monitoring and evaluations	3.70	0.2256
Budget are used to gauge the centers strategies , policies and objectives	4.12	0.3127
Budgets affect all staff and public	3.25	0.1298
Budgets should be understood by everybody	2.99	0.3347

Source: Author (2016)

From the findings, the respondents agreed that budget are used to gauge the centers strategies, policies and objectives (mean=4.12), followed by budget are used to judge performance and therefore an anchor to performance contracting (mean=4.09), budget preparation is important for projection purposes (mean=4.01), budget are used to control resources of the Centre (mean=3.99), budgets can be used for monitoring and evaluations (mean=3.70), and that they are used to communicate to other levels in the departments (mean=3.65). In addition, the respondents agreed to a moderate extent that all staff need to be involved in budget preparation (mean=3.49), budgets affect all staff and public (mean=3.25), and that budgets should be understood by everybody (mean=2.99). This depicts that budget are used to gauge the centers strategies, policies and objectives.

4.5. Budget Implementation

The respondents were requested to indicate the level of agreement concerning budget implementation. The responses were placed on a five Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The findings were as shown below.

Table 4.2. Budget Implementation

Statements	Mean	Std. Dev.
The Centre issues budget guidelines prior to preparing budgets	3.55	0.4567
Training is important for purposes of budget implementation	3.89	0.1921
All staff participates in budget preparation and discussion within their department	3.19	0.3897
Direction and Planning are important to the success of budget implementation	4.02	0.4112
There is proper communication during the process of budget preparation	3.42	0.2367
Top management should provide Leadership provided to the subordinate managers during budget execution is effective	3.60	0.1236
Coordination among the various departments during budget execution is achieved	2.87	0.2225
The management can be able to overcome the challenges of budget implementation	2.76	0.3278

Source: Author (2016)

From the findings the respondents agreed that direction and planning are important to the success of budget implementation (mean=4.02), followed by training is important for purposes of budget implementation (mean=3.89), top management should provide Leadership provided to the subordinate managers during budget execution is effective (mean=3.60), and that the Centre issues budget guidelines prior to preparing budgets

(mean=3.55). The respondents further agreed to a moderate extent that there is proper communication during the process of budget preparation (mean=3.42), all staff participates in budget preparation and discussion within their department (mean=3.19), coordination among the various departments during budget execution is achieved (mean=2.87), and that the management can be able to overcome the challenges of budget implementation (mean=2.76). This depicts that direction and planning are important to the success of budget implementation.

4.6. Challenges to Effective Budget Implementation

This section presents findings on challenges to effective budget implementation. The findings are presented in subsequent sections.

4.6.1. External Factors

The respondents were requested to indicate the extent to which external factors affect effective budget implementation. The responses were placed on a five Likert scale ranging from 1 (very low extent) to 5 (Very great extent). The findings were as shown below.

Table 4.3. External Factors

Statements	Mean	Std. Dev.
Government interferences affects budget implementation	3.66	0.2267
The need of upholding stringent transparency and accountability has affected utilization of budgets	4.21	0.3987
Reviews, expenditure cuts and alternative policies by the government affects budget utilization	4.12	0.2218
Government guidelines on budget implementation are effective	3.40	0.4456
Government pressure and changes the policy attention from technical and allocative efficiency to macroeconomic activities causes poor absorption	3.80	0.2134

Source: Author (2016)

From the findings the respondents indicated to a great extent that the need of upholding stringent transparency and accountability has affected utilization of budgets (mean=4.21), followed by reviews, expenditure cuts and alternative policies by the government affects budget utilization (mean=4.12), government pressure and changes the policy attention from technical and allocative efficiency to macroeconomic activities causes poor absorption (mean=3.80), and that government interferences affects budget implementation (mean=3.66). The respondents further indicated to a moderate extent that government guidelines on budget implementation are effective (mean=3.40). This depicts that the need of upholding stringent transparency and accountability has affected utilization of budgets.

4.6.2. Structural factors

The respondents were requested to indicate the extent to which structural factors affect effective budget implementation. The responses were placed on a five Likert scale

ranging from 1 (very low extent) to 5 (Very great extent). The findings were as shown below.

Table 4.4. Structural factors

Statements	Mean	Std. Dev.
Ministerial and Top management interference on the annual plans affects budget implementation	3.64	0.1789
The high degree of devolved authority and accountability to senior managers, subject to limited legal controls influences budget utilization	3.77	0.2165
A lack of clear hierarchy in the administration of budgets affects the budget implementation	3.55	0.1988
A lack of alignment between the organizational structure and structure of performance reporting requirements, the value and usefulness of performance information undermines the budget utilization	4.05	0.3214
A lack of the top management support affects the budget absorption	3.50	0.2678
A lack of effective communication to all staff on the progress of the budgeting implementation	3.45	0.3001

Source: Author (2016)

From the discoveries, the respondents showed, as it were, that an absence of arrangement between the authoritative structure and structure of execution reporting necessities, the esteem and convenience of execution data undermines the spending use (mean=4.05), trailed by the high level of lapsed power and responsibility to senior supervisors, subject to restricted legitimate controls impacts spending use (mean=3.77), clerical and Top administration obstruction on the yearly arranges influences spending usage (mean=3.64), a lack of clear hierarchy in the administration of budgets affects the budget implementation (mean=3.55), and that a lack of the top management support affects the budget absorption (mean=3.50).

The respondents further indicated to a moderate extent that a lack of effective communication to all staff on the progress of the budgeting implementation (mean=3.45). This portrays an absence of arrangement between the hierarchical structure and structure of execution reporting prerequisites, the esteem and value of execution data undermines the spending usage.

4.6.3. Cultural Factors

The respondents were asked for to show the degree to which social components influence viable spending execution. The responses were placed on a five Likert scale ranging from 1 (very low extent) to 5 (Very great extent). The findings were as shown below.

Table 4.5. Cultural Factors

Statements	Mean	Std. Dev.
Employees being accountable for their actions	2.89	0.2234
Responsiveness to government directive	3.50	0.3489
Delivery of services fairly and impartially lack of focus on achieving results and managing performance	3.59	0.2817

Source: Author (2016)

From the findings the respondents indicated to a great extent that delivery of services fairly and impartially lack of focus on achieving results and managing performance (mean=3.59), and that responsiveness to government directive (mean=3.50) are cultural factors that influence effective budget implementation. The respondents further indicated to a moderate extent that employees being accountable for their actions are another cultural factor that influences effective budget implementation. This depicts that delivery

of services fairly and impartially, lack of focus on achieving results and managing performance affect effective budget implementation.

4.6.4. Employee Behavioral Factors

The respondents were requested to indicate the extent to which Employee Behavioral factors affect effective budget implementation. The responses were placed on a five Likert scale ranging from 1 (very low extent) to 5 (Very great extent). The findings were as shown below.

Table 4.6. Employee Behavioral Factors

Statements	Mean	Std. Dev.
Lack of accountability on the part of employees	3.87	0.3214
Failure to present information on budget progress to facilitate scrutiny by other relevant government agencies	4.14	0.2998
A lack of clear performance indicators to base the actual results	3.56	0.2700

Source: Author (2016)

From the findings, the respondents indicated to a great extent that failure to present information on budget progress to facilitate scrutiny by other relevant government agencies affect effective budget implementation (mean=4.14), followed by lack of accountability on the part of employees (mean=3.87), and a lack of clear performance indicators to base the actual results (mean=3.56). This depicts that failure to present

information on budget progress to facilitate scrutiny by other relevant government agencies affect effective budget implementation.

4.6.5. Training and Education

The respondents were requested to indicate the extent to which Training and education affect effective budget implementation. The responses were placed on a five Likert scale ranging from 1 (very low extent) to 5 (Very great extent). The findings were as shown below.

Table 4.7. Training and Education

Statements	Mean	Std. Dev.
There exist a lack of proper training to employees on the functioning and implementation of the budgets	3.88	0.1998
As a result of a lack of adequate training, there is no positive feeling on the budget among the staff	3.50	0.2018
A lack of staff adjustment to change resulting from the budget implementation affects the success of the same budget	3.75	0.2234

Source: Author (2016)

From the findings, the respondents indicated to a great extent that there exists a lack of proper training to employees on the functioning and implementation of the budgets (mean=3.88), followed by a lack of staff adjustment to change resulting from the budget implementation affects the success of the same budget (mean=3.75), and that as a result of a lack of adequate training, there is no positive feeling on the budget among the staff (mean=3.50). This depicts that there exists a lack of proper training to employees on the functioning and implementation of the budgets.

4.7. Tests of Normality

Utilization of inferential parametric measurable methods requires that the suspicions of such trial of typicality are tried. This is to help the graphical tests to be performed about the typicality of the information to check for skewness and kurtosis coefficients. This test affirms whether the information takes after a typical circulation or not. On the off chance that the typicality is not accomplished, the outcomes may not portray the genuine picture relationship among the factors. In this study, typicality was tried utilizing Kolmogorov-Smirnov Test and the Shapiro-Wilk Test. The Shapiro-Wilk Test is more suitable for little specimen sizes (< 50 tests), however can likewise handle test sizes as substantial as 2000. Hence, this study utilized the Shapiro-Wilk test as our numerical method for evaluating ordinariness. In the event that the Sig. estimation of the Shapiro-Wilk Test is more noteworthy than 0.05, (P-esteem test measurement) the information is typical. In the event that it is underneath 0.05, the information altogether veers off from an ordinary conveyance.

Table 4.8. Shapiro-Wilk Test of Normality

Variables	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
External factors	.288	250	.331	.747	250	.401
Structural factors	.364	250	.331	.656	250	.401
Cultural Factors	.309	250	.331	.742	250	.401
Employee Behavioral	.329	250	.331	.703	250	.401
Training and education	.285	250	.331	.678	250	.401
Budget implementation	.284	250	.331	.748	250	.401

a. Lilliefors Significance Correction

Source: Field data (2016)

The discoveries portray that, the hugeness values for the Shapiro-Wilk tests were 0.401 for External components, Structural variables, Cultural Factors, Employee Behavioral Factors, and Training and instruction each. For the Kolmogorov-Smirnov tests, the centrality qualities were 0.331 for External variables, Structural components, Cultural Factors, Employee Behavioral Factors, and Training and instruction each. This infers since the p-esteem is more noteworthy than the picked alpha level of 0.05 then we neglect to dismiss the theory in light of that the information originated from an ordinarily dispersed populace. The aftereffects of the tests are in this way of ordinarily disseminated populace.

4.8. Inferential Statistics

The concentrate promote connected numerous relapses to build up the how usage of open division spending plan is influenced by specific factors in Kenya.

4.8.1 Regression Analysis

The specialist directed a different relapse investigation in order to test relationship among factors (independent) on the compelling spending execution in the Public Sector. The researcher applied the statistical package for social sciences (SPSS) to code, enter and figure the estimations of the numerous relapses for the study. Coefficient of assurance discloses the degree to which changes in the needy variable can be clarified by the adjustment in the free factors or the rate of variety in the reliant variable (difficulties to successful spending usage in the Public Sector) that is clarified by all the five

autonomous factors (External components, Structural elements, Cultural Factors, Employee Behavioral Factors, and Training and instruction).

Model Summary

Table 4.9. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.797	0.635	0.592	0.043

Source: Author (2016)

The five free factors that were contemplated, clarify just 63.5% of the difficulties to compelling spending usage in the Public Sector as spoke to by the R². This along these lines implies that different components not concentrated on in this exploration contribute 36.5% of the difficulties to successful spending usage in the Public Sector. Along these lines, assist research ought to be led to examine the difficulties to powerful spending usage in the Public Sector.

ANOVA Results

Table 4.10. ANOVA of the Regression

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	110.24	5	22.048	9.475	.0031
	Residual	221.07	95	2.327		
	Total	331.31	100			

Source: Author (2016)

The importance esteem is 0.031 which is under 0.05 in this manner the model is factually centrality in anticipating how the difficulties (External variables, Structural elements, Cultural Factors, Employee Behavioral Factors, and Training and instruction) influence spending execution out in the open segment. The F basic at 5% level of noteworthiness was 2.327. Since F ascertained is more noteworthy than the F basic (esteem = 9.475), this demonstrates the general model was huge.

Table 4.11. Coefficient of Determination

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.127	0.2235		5.132	0.000
	External factors	0.652	0.1032	0.1032	7.287	.000
	Structural factors	0.587	0.3425	0.1425	3.418	.000
	Cultural Factors	0.445	0.2178	0.1178	4.626	.000
	Employee Behavioral Factors	0.339	0.1937	0.0937	4.685	.000
	Training and education	0.319	0.1675	0.0567	3.998	.000

Source: Author (2016)

Multiple regression analysis was conducted as to determine the effect of career development programs on employee retention in international nongovernmental organizations in Kenya and the five variables. As per the SPSS generated table below, regression equation

$(Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon)$ becomes:

$(Y = 1.127 + 0.652X_1 + 0.587X_2 + 0.445X_3 + 0.339X_4 + 0.319X_5 + \epsilon)$

As indicated by the relapse condition set up, considering all elements (External variables, Structural elements, Cultural Factors, Employee Behavioral Factors, and Training and instruction) steady at zero, the difficulties to viable spending execution in the Public Sector will be 1.127. The information discoveries broke down additionally demonstrated that taking all other autonomous factors at zero, a unit increment in External variables will prompt to a 0.652 increment in the difficulties to compelling spending execution in the Public Sector; a unit increment in Structural elements will prompt to a 0.587 increment in the difficulties to powerful spending usage in the Public Sector, a unit increment in Cultural Factors will prompt to a 0.445 increment in the difficulties to viable spending execution in the Public Sector, a unit increment in Employee Behavioral Factors will prompt to a 0.339 increment in the difficulties to successful spending execution in the Public Sector while a unit increment in Training and instruction will prompt to a 0.319 increment in the difficulties to viable spending usage in the Public Sector.

This construes social components contribute the most to the difficulties to viable spending usage in the Public Sector. At 5% level of noteworthiness and 95% level of certainty, External variables, Structural elements, Cultural Factors, Employee Behavioral Factors, and Training and instruction were all huge, difficulties to viable spending execution in the Public Sector.

4.9. Discussion of Findings

The study found that financial plan is utilized to gage the focuses systems, arrangements and goals. This concurs with a study by Ross and Segal, (2003) who attested that the money related errands of spending plan incorporate spending the sums for the reasons indicated, minimizing funds, maintaining a strategic distance from omissions as well as a surge of use toward the end of the budgetary year. The monetary assignments comprise of guaranteeing that the objectives of projects have been accomplished. It is planned to accomplish these two purposes by budgetary controls practiced by the association and the spending divisions. The concentrate promote set up that bearing and arranging are vital to the accomplishment of spending execution. This concurs with a study by Rose-Ackerman, (1996) who contended that the budgetary and monetary errands are rendered operational through the authoritative procedure that includes four noteworthy interrelated periods of work: a distribution framework under the use is controlled by arrival of assets, supervision of the securing of products and enterprises to guarantee esteem for the cash spent, a bookkeeping framework that records an association's exchanges and gives a structure to the investigation of the suggestions and a reporting framework that allows an intermittent examination of the genuine usage of the arrangements.

The study set up that the need of maintaining stringent straightforwardness and responsibility has influenced usage of spending plans. The concentrate additionally found that an absence of arrangement between the authoritative structure and structure of execution reporting necessities, the esteem and helpfulness of execution data undermines the spending usage. The concentrate facilitate set up that conveyance of administrations

decently and fair-mindedly, absence of concentrate on accomplishing comes about and overseeing execution influence viable spending usage. This concurs with a study by Wamae (2008) who in his study on difficulties of planning procedure and the difficulties confronted when drawing up a financial plan set up that association confronted challenges when drawing up spending plan and the greatest test included on duty, different head of office did not consider spending plan important prompting to giving eager spending plans which would wind up not accomplishing target, prompting to protests from the board.

The study likewise found that inability to present data on spending advancement to encourage investigation by other significant government offices influence powerful spending execution. Likewise the study found that there exists an absence of legitimate preparing to representatives on the working and execution of the financial plans. This concurs with a study by Kigochi (2008) who stated that difficulties confronted when figuring and usage of the operational spending plans were absence of legitimate worker preparing, failure to accomplish the required estimation of new business, administration of obtaining and upkeep costs, time imperatives, want for solace spending plans, absence of progression in the board, skill levels of planning groups, non-adherence to the set down spending plans by offices, absence of satisfactory power to spend in spite of distribution, and non-accomplishment of the fundamental top line salary workers.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of findings, conclusion and recommendations of the study in line with the objective of the study. The research sought to establish the challenges to effective implementation of the budget in the public sector: a case study of CEMASTEIA.

5.2 Summary of Findings

5.2.1. Best Practices in Budget Planning and Implementation

The study found that budget is used to gauge the centers strategies, policies and objectives. The study further established that direction and planning are important to the success of budget implementation.

5.2.2. Challenges to Effective Budget Implementation

The study set up that the need of maintaining stringent straightforwardness and responsibility has influenced use of spending plans. The concentrate additionally found that an absence of arrangement between the hierarchical structure and structure of execution reporting prerequisites, the esteem and handiness of execution data undermines the spending use. The concentrate assist built up that conveyance of administrations reasonably and unbiasedly, absence of concentrate on accomplishing comes about and overseeing execution influence viable spending usage. The study also found that failure to present information on budget progress to facilitate scrutiny by other relevant government agencies affect effective budget implementation. In addition the study found

that there exists a lack of proper training to employees on the functioning and implementation of the budgets.

The study further established that cultural factors contribute the most to the challenges to effective budget implementation in the Public Sector. At 5% level of significance and 95% level of confidence, external factors, structural factors, cultural factors, employee behavioral factors, and training and education were all significant, challenges to effective budget implementation in the Public Sector.

5.3. Conclusion of the Study

The study inferred that course and arranging are essential to the accomplishment of spending usage. The concentrate likewise inferred that an absence of arrangement between the authoritative structure and structure of execution reporting necessities, the esteem and value of execution data undermines the spending use. The concentrate encourage presumed that conveyance of administrations reasonably and unbiasedly, absence of concentrate on accomplishing comes about and overseeing execution influence viable spending usage. In additionally the study concluded that failure to present information on budget progress to facilitate scrutiny by other relevant government agencies affect effective budget implementation. Finally the study concluded that there exists a lack of proper training to employees on the functioning and implementation of the budgets.

5.4. Recommendations

The study makes the following recommendations:

1. Public sector in Kenya should adopt a proper monitoring and review of the budgeting process. The budget planning process should include all the departments. The budget should be communicated to all departments and to all staffs. This will help ease implementation of the budget hence reducing budget variance.
2. Head of departments and their assistants who come up with the budget should ensure they review the trends of past years and extrapolate them into the future to make revenue/expenditure projections.
3. Organizations should prepare budgets which are all inclusive for the sake of reducing budget variance during utilization.
4. The human resource department needs to hire skilled staffs that are able to plan a good budget and implement it. This will help to transform the public sector to reduce the budget deficit.
5. Organizations should also invest in training on budget planning and implementation. The targeted community should also be encouraged to participate in the governance of the organizations. This will increase the psyche of the people.
6. Policy makers should come up with a law that allows and encourages community participation and access to information.

5.5. Suggestion for Further Studies

The study focused mainly on the challenges to effective implementation of the budget in the public sector: a case study of CEMASTEAM. A similar study could be undertaken on other related organizations in a different geographical area with different cultures. The respondents should also be broadened to include mid and lower level staff. The study was conducted only on CEMASTEAM. A similar study could be done on the other organizations to compare the outcome with that of CEMASTEAM. Still a similar study could be undertaken on NGOs which use other parameters in budgeting. The results can then be used to compare with the outcome of this study.

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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

Dear respondent,

**MBA RESEARCH ON CHALLENGES TO EFFECTIVE BUDGET
IMPLEMENTATION IN PUBLIC SECTOR: A CASE OF CENTERA FOR
MATHEMATICS , SCIENCE AND TECHNOLOGY EDUCATION IN AFRICA
(CEMASTE A)**

I am a postgraduate student at the School of business, University of Nairobi. I Am carrying out a research on the challenges facing budget implementation in public sector. The topic of the research is challenges to effective budget implementation in public sector: A case study of Centre for mathematics, science and technology education in Africa (CEMASTE A)

In order to carry out this study your feedback and suggestion is highly recommended. I kindly request you assist filling in the attached Questionnaire.

The Information you give will be treated with strict confidence and will be used for academic purpose only.

Your assistant toward this is highly appreciated.

Thank you.

Bradon Musyoki Sila
MBA Student, University of Nairobi

APPENDIX II: QUESTIONNAIRE

Kindly answer the following questions by ticking the appropriate box: [√]

PART A: GENERAL INFORMATION

1. What is your gender?
Male [] Female []

2. What is your functional position?
Administrator []
Financial Manager []
Accountant []
Other specify []

3. How long have you worked with the institution?
Below 10 years []
10-20years []
21-30years []
30 ears and above []

4. Are aware that the institution has a budget?
Yes[] No[]

5. Are staffs given opportunity during preparation of budgets?
Yes [] No []

6. What is the time given for heads of department to prepare budget?
3 months []
6 months []
1 year []
More than 1 year []

7. Do you think the budget process at CEMASTEА takes appropriate time duration to preparations?
Yes [] No []

8. Who makes the final decision on budget proposals?
Top Management []
Budget Committee []
Finance Officer []
Other specify []

PART B: SPECIFIC QUESTION TO RESEARCH

I. BUDGET PREPARATION AND ITS IMPORTANCE

Budgets have a number of purposes; indicate how important you think that each of the following is relevant for the institution in budget preparation. Using a rating scale of 1 to 5 please indicate the importance of the statement on the budget preparation:

Strongly agree Agree Neutral Disagree strongly disagree
5 4 3 2 1

Statement	5	4	3	2	1
Budget preparation is important for projection purposes					
All staff need to be involved in budget preparation					
Budget are used to control resources of the Centre					
They are used to communicate to other levels in the departments					
They are used to judge performance and therefore an anchor to performance contracting					
Budgets can be used for monitoring and evaluations					
Budget are used to gauge the centres strategies , policies and objectives					
Budgets affect all staff and public					
Budgets should be understood by everybody					

II. BUDGET IMPLEMENTATION-GENERAL INFORMATION

Using a rating scale of 1 to 5 please indicate the importance of the statement on budget implementation:

Strongly agree Agree Neutral Disagree Strongly disagree
5 4 3 2 1

	5	4	3	2	1
The Centre issues budget guidelines prior to preparing budgets					
Training is important for purposes of budget implementation					
All staff participates in budget preparation and discussion within their department					
Direction and Planning are important to the success of budget implementation					
There is proper communication during the process of budget preparation					
Top management should provide Leadership provided to the subordinate managers during budget execution is					

effective					
Coordination among the various departments during budget execution is achieved					
The management can be able to overcome the challenges of budget implementation					

III. CHALLENGES TO EFFECTIVE BUDGET IMPLEMENTATION

Using a rating scale of 1 to 5 please indicate the importance of the statement on the challenges of budget implementation:

5- Very great extent. 4- Great extent, 3-Moderate extent, 2-Low extent, 1- Very low extent

External Factors

External factors	5	4	3	2	1
Government interferences affects budget implementation					
The need of upholding stringent transparency and accountability has affected utilization of budgets					
Reviews, expenditure cuts and alternative policies by the government affects budget utilization					
Government guidelines on budget implementation are effective					
Government pressure and changes the policy attention from technical and allocative efficiency to macroeconomic activities causes poor absorption.					
Structural					
Ministerial and Top management interference on the annual plans affects budget implementation					
The high degree of devolved authority and accountability to senior managers, subject to limited legal controls influences budget utilization					
A lack of clear hierarchy in the administration of budgets affects the budget implementation					
A lack of alignment between the organisational structure and structure of performance reporting requirements, the value and usefulness of performance information undermines the budget utilization					
A lack of the top management support affects the budget absorption					
A lack of effective communication to all staff on the progress of the budgeting implementation					

Cultural Factors					
Employees being accountable for their actions					
Responsiveness to government directive					
Delivery of services fairly and impartially rack of focus on achieving results and managing performance					
Employee Behavioral Factors					
Lack of accountability on the part of employees					
Failure to present information on budget progress to facilitate scrutiny by other relevant government agencies A lack of clear performance indicators to base the actual results					
Training and education					
There exist a lack of proper training to employees on the functioning and implementation of the budgets					
As a result of a lack of adequate training, there is no positive feeling on the budget among the staff					
A lack of staff adjustment to change resulting from the budget implementation affects the success of the same budget					

1. Please indicate any other challenges experienced during budget implementation in your institution (if any)

.....
.....

Thank you for your time.