

Determinants of Integrated Financial Management Information System Performance in Public Sector Organizations: A Survey of the County Government of Bungoma

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Abstract: IFMIS has been promoted as a core component of public financial reforms in many developing countries. The purpose of this study was to analyze the determinants of IFMIS performance in public sector organization (County Government of Bungoma). Specific objectives were: To determine the effect of staff capacity on IFMIS performances in the County Government of Bungoma; To examine the effect of management support and commitment on IFMIS performance in the County Government of Bungoma; To evaluate the effect of exchequer release on IFMIS performance in the County Government of Bungoma and; To determine the effect of political and governance system on IFMIS performance in the County Government of Bungoma. The study used descriptive research design. The population of interest was 90 staff working and interacting directly with IFMIS in various departments of the County government of Bungoma. The heads of departments, their assistants and supervisors as well as other officers were involved in responding to the research questions. This study mainly used primary data that was collected using questionnaires. The questionnaire included structured and unstructured questions and were administered through drop and pick later method. Data collected was quantitative in nature. The descriptive statistical tools was used by the researcher to describe the data and determine the extent used. This included frequency distributions, tables, figures, percentages, means and standard deviations. Further, regression analysis was used to analyze the relationship between determinants of integrated financial management information system performance in the county government of Bungoma. The study found out that there was no significant difference between staff capacity, skills and knowledge, management support, exchequer release and political and governance systems and the performance of IFMIS in the County Government of Bungoma. The study recommended that both the national and the county governments should capacity build its staff on IFMIS so as to enable the staff to gain the right competencies and skills and knowledge necessary, support them and put in place checks and controls for better performance of IFMIS.

Keywords: Staff capacity, Management support, Exchequer release, political and Governance.

1. INTRODUCTION

Background:

Financial management system refers to the operation of those systems and processes designed for budget making and budget implementation; the maintenance of accounting system which records financial decisions, flows and transactions,

and the auditing of all aspects of these accounts Pollitt (2008). Financial management information systems (FMIS) on the other hand is the computerization of public expenditure management processes including budget formulation, budget execution, and accounting with the help of a fully integrated system for financial management of line ministries and other government spending agencies, Diamond & Khemani (2005). In most developing countries (DCs), budget execution and accounting processes are either manual or supported by very old and inadequately maintained software applications, McKinney, (2004). The consequent lack of reliable and timely revenue and expenditure data for budget planning, monitoring, expenditure control and reporting has negatively impacted on budget management. The results have been poorly controlled commitment of government resources, often resulting in a large buildup of arrears (pending bills), excessive borrowing, pushing up interest rates and crowding out private-sector investment; and misallocation of resources, undermining the effectiveness and efficiency of service delivery. In response, most governments have made substantial investments in capacity building and technology for the development of IFMIS Dener & Min (2013).

McKinney (2004), identifies three main activities relate to financial management. Firstly, it determines the scope and content of fiscal policies; which is a process in which agency, community or relevant political parties set forth programs and provide the appropriation or resources required to accomplish them. Secondly, it establishes general guidelines and standards to ensure that funds are spent honestly and wisely to achieve publicly determined purposes. Thirdly, it provides organizational structures and controls to effectively carry out fiscal duties and responsibilities. Because of integration requirements, the FMIS is commonly characterized as an integrated financial management information system Diamond & Khemani (2005). According to Beschel and Ahern (2012), integrated financial management information systems (IFMIS) can facilitate timely and accurate reporting; allow internal controls to be exercised through the IFMIS, and therefore support more consistent compliance; and allow central agencies to oversee budget execution by line ministries, therefore facilitating the devolution of responsibilities to front line managers while retaining information at the centre. Beschel and Ahern (2012) made the observation that governments have sought to develop either a sophisticated fully integrated IFMIS or a simple customized IT system to support budget execution. They highlight that the fully integrated IFMIS approach has been followed by the Republic of Yemen, Syria, Jordan, Egypt, South Africa and Sierra Leon. Khan and Pessoa (2010) also assert that development partners also encourage governments to implement these systems in the expectation that such systems would lead to a significant improvement in the governments' capacity for fiscal management and reporting. Diamond and Khemani (2005) for instance narrated that in the late 1990s, the Tanzanian government decided to introduce an Integrated Financial Management System in the selected government agencies. Under this system, a central server was placed at the treasury to which users were connected by a dedicated network. Also work stations were provided for each of the agencies from which they could access the system. Each agency had its own database held in the omnibus database in the central server. Agency's transactions automatically update the database in real time, and thus the general ledgers reflect the real position of balances at any particular point. By the end of the year 2000 there were over 500 users of the system at more than 85 sites throughout Tanzania. The system has now become the generic public sector financial management system used by the entire public sector.

According to Watkins and Dorotinsky (2011), comprehensive FMIS projects take a minimum of 6-7 years to complete (including the project design, procurement, development of information systems, and capacity building) and countries typically undergo at least one election cycle within this period. Elections may have a significant impact on such reform projects due to changes in key management positions and priorities. Another challenge to Public Financial Management (PFM) reform program is weak capacity among the technical staff charged with managing the PFM system, and poor remuneration and incentive structures that discourages the civil service from performing well, Simson Sharma & Aziz (2011). In Kenya, The National Treasury (2013) acknowledges that public financial management by government has gone through fundamental changes in the past decade, and is still under transition. The Government of Kenya has identified public financial management reforms as the key drivers to efficient public service delivery and creation of wealth and employment, ensuring that the government and its departments raise manage and spend public resources in an efficient and transparent way with the aim of improving service delivery.

Diamond and Khemani (2005) observed that since 1997, the government of Kenya has been implementing a project for the strengthening of government finance and accounting functions to improve financial management, accountability, and transparency of public funds. During the first two phases over the first three years, a number of diagnostic reviews were

conducted and a Financial Management Information Systems Strategy was developed. Following a procurement delay of almost two years, a contract for the purchase of the software implementation was finally awarded during late 2002. The pilot phase started with the setting up of core procurement and accounting modules in the treasury as well as two pilot ministries during 2003/2004. One of the major reform initiatives rolled out by the government of Kenya was the automation of public financial management processes through the establishment of Integrated Financial Management Information System (IFMIS). According to (Ministry of Finance, 2013), IFMIS was first launched in 2003 in Kenya and the IFMIS Re-engineering Strategic Plan (2011-2013) was launched in 2011. The Ministry of Finance (2013) defines IFMIS as an automated system that interlinks planning, budgeting, expenditure management and control, accounting, reporting and audit. It is intended to ensure a higher degree of data quality, improve workforce performance for improved business results and link planning, policy objectives and budget allocations. It is also intended to enhance reporting capabilities to support budget planning, automate the procurement process such as requisition, tendering, contract award and payment. Further, it is also intended to facilitate auto-reconciliation of revenue and payment, automated revenue collections and automated bank reconciliation.

Public Finance Management (PFM) Reform:

As African countries continue their journey of growth and development, pressure on governments to deliver basic services and improve living conditions for their people is steadily mounting. One of the factors often touted as being imperative to improving overall governance and the lives of citizens in general is Public Finance Management (PFM) reform. In the past, PFM reform in Africa has often been driven by the need to comply with the requirements of international donors and development partners. Increasingly, though, African governments are seeing the broader value in improving the management of their public finances. Without the basic PFM reform building blocks highlighted above, an effective implementation of an IFMIS is unlikely. These reforms are required to ensure that the data recorded by the IFMIS is reliable and useful to the government.

What is an IFMIS:

An IFMIS is a standardized monitoring and reporting system, which consolidates all the information needs of a government into one information database. It facilitates consistent recording and reporting of information, to enable a government to take macro decisions that affect the country as a whole. IFMIS would integrate across several disciplines. This could include budget, payroll and HR management, procurement, financial reporting and performance information (non-financial reporting on key performance indicators). The level of integration would depend on the needs and maturity of the individual government's PFM system. Monitoring the financial performance of individual government institutions by National Government is a challenge as many intuitions may have their own legacy finance functions and systems in place. The integrated information will allow governments to be more transparent about their processes and increase accountability. An integrated system would also facilitate effective "whole of government" reporting and preparation of consolidated financial statements. The standardization of information across government institutions can also contribute to fighting corruption, by incorporating both preventive and detective controls, including exception reporting and trend and data analyses. In summary, an IFMIS provides government with reliable management information to assist with decision-making. The information is also easily accessible, as the information is centralized into one database. The more integrated the IFMIS the more valuable and useful the information and reports generated from the system would be.

The Public Sector in Kenya:

In Kenya, PPOA states that public procurement system has been undergoing transformation consistent with the global trend since the mid-1990s (RoK, 2010). Owegi&Aligula (2006) argue that previous to these reforms, the legal framework governing public procurement was very amorphous, providing conducive environment for the perpetration of various ill practices in public procurement including the endemic corruption that characterized the system. The introduction of the Integrated Financial Management Information Systems (IFMIS) in public procurement is a noble idea to drive e-procurement as a reform measure, but only if it is implemented in a transparent, accountable manner and to its fullest with adequate relevant administrative structures and resources deployed to support the process (Owegi et al, 2006).

According to the Accountant General Department's service charter, the IFMIS software was procured in 1998 to provide modern systems for effective financial management and accounting (RoK, 2009). However, the process of implementing has been slow because, out of thirteen modules, only three have been partially configured and operating in few

Millennium Development Agendas (MDAs), a factor that has remained retrogressive force to the procurement reforms initiative that has been on for close to two decades. Reform initiatives in Kenya have centered on making the government procurement process more efficient, essentially by blocking the legal loopholes believed to be avenues for waste and rent seeking in the system. The development of IFMIS started in 1998. In February 2011, the Ministry of Finance (now The National Treasury) formulated the IFMIS Re-engineering strategic plan 2011-2013 which provided strategic direction for the re-engineering, rebranding and re-packaging of IFMIS. Its main objective is to improve the efficiency and effectiveness of the processes, involved in management of public funds. The ultimate goal of IFMIS is to enhance the quality of public service delivery by providing timely and accurate financial and accounting information across both the National and County Governments. One of the components of IFMIS is the Procure to pay (P2P) as an automated procurement process from requisition, tendering, contract award to payment. Consequently, much effort has been devoted in bringing together existing procurement regulations and directives into a single document, the Public Procurement and Disposal Act, (PPDA), 2005 (Njiraini & Moyi, 2006). However, streamlined legislation and IFMIS roll out have seemingly failed to sufficiently reform and improve the performance of public procurement in Kenya (Owegi and Aligula, 2006).

In Kenya, the government structure can be split into two namely, administrative and economic structures. The government ministries derive their mandate from the Constitution of Kenya, which provides for proper budgetary and expenditure management of government financial resources. As a main function, the Ministries are charged with the responsibility of formulating financial and economic policies. The ministries are responsible for developing and maintaining sound fiscal and monetary policies that facilitate socio-economic development in all the government sub sectors. The government Ministries coordinates government departments in the preparation of the annual national budget. It is the responsibility of the Ministry to initiate and guide all departments to prepare their ministerial budgets. The purpose of this study is to determine the factors affecting IFMIS performance in public sector organization.

Statement of the Problem:

The Re-engineering of the Integrated Financial Management Information System (IFMIS) was initiated in 2011, and guided by the Strategic Plan for the period 2011- 2013 to provide a structured methodology to stabilize the existing IFMIS while facilitating the development of a comprehensive IFMIS which would allow the government to realize the full benefits of a fully integrated end-to-end financial management information system (National Treasury, 2013). However, it is not clear from publicly available documents what quantitative efficiency gains IFMIS has so far yielded. Surveys of IFMIS experiences in other developing countries such as Ghana, Tanzania and Uganda have yielded mixed results (Allen, 2009). Beschel and Ahern (2012) reports that while there are some small successes to-date, sophisticated IFMIS projects have been problematic. A research undertaken by the World Bank (2011) in 51 countries found that the design and implementation of effective FMIS solutions is challenging and requires the development of country specific solutions to meet a number of functional and technical requirements associated with the public financial management agenda. Reviewing the experiences regarding the application of IFMIS to developing countries, Wescott, Bowornwathana and Jones (2009) noted that IFMIS can facilitate recurrent/capital budget integration and improve accounting and reporting systems, but only if the country's budget and accounts classification is reformed and the system is appropriately phased and adapted to a country's capacity to maintain it.

To realize full acceptance of IFMIS reengineering strategy in Kenya by key stakeholders, it is important to show evidence of the significance of the system in management of public finance. One study by Wamuyu (2013) on the effect of IFMIS on public financial management and service delivery in selected government ministries reported significant improvement in both public financial management and service delivery in government ministries in Kenya. While this study by Wamuyu offers some pointers to the specific gains accrued since the implementation of IFMIS in government ministries, the 5 performance metrics used were not clearly specified, hence the need to conduct another study. Conrad (2013) also undertook a study to evaluate the implementation of IFMIS by the national government of Kenya. However, the research specifically focused on the extent of IFMIS adoption by the national government of Kenya, the challenges or constraints

in the adoption of IFMIS in the national government and the drivers of IFMIS adoption. It was found in this study that exchequer budget release of funds not coinciding with the manual funds release process was a challenge. This finding implied that the research on the impact of IFMIS on public financial management was not conclusive. Of particular acknowledgement in the study by Conrad was that IFMIS was still new in Kenya and data from local sources of literature was not readily available, implying the need for more studies locally. Therefore, knowledge gap still exists as concerns the usage of specific metrics that denote performance impact of IFMIS on the management of public finance. Responding to Watkins and Dorotinsky's (2011) recommendation for future studies to explore the impact of FMIS introduction on public financial outcomes such as timely reporting and better decision making, this study seek to use quantitative metrics in the evaluation of determinants of IFMIS on the management of public finance by The County Government of Bungoma and other government agencies.

Objectives of the Study:

General objectives:

The main objective of this study was to analyze the determinants of IFMIS performance in the County government of Bungoma.

Specific objectives of the study:

The study was guided by the following specific objectives;

1. To determine the extent to which staff capacity affects IFMIS performances in the County Government of Bungoma.
2. To examine the extent to which management support and commitment affect IFMIS performance in the County Government of Bungoma.
3. To evaluate the extent to which exchequer release affects IFMIS performance in the County Government of Bungoma.
4. To determine the extent to which political and governance system affect IFMIS performance in the County Government of Bungoma.

Research Questions:

The study was guided by the following research questions;

1. What is the effect of staff capacity, skills and knowledge to the performance of IFMIS in the County Government of Bungoma?
2. What is the effect of management support and commitment to the performance of IFMIS in the County Government of Bungoma?
3. What is the effect of exchequer release on the performance of IFMIS in the County Government of Bungoma ?, and
4. What is the effect of political and governance system on the performance of IFMIS in the County Government of Bungoma?

Hypotheses:

1. H_{01} Staff capacity does not have a significant effect on performance of IFMIS.
2. H_{02} Management support and commitment does not have a significant effect on performance of Bungoma County Government.
3. H_{03} Exchequer release does not have a significant effect on performance of Bungoma County Government
4. H_{04} Political and governance systemnot have a significant effect on performance of Bungoma County Government.

Justification of the study:

The findings of the research study would be useful to the employees and other users of the procurement exercise in the process of understanding the laid down principles and practices of the effective procurement exercise which would bring

the desired results in the end. The research study would be helpful to the procurement personnel both in the private sector and the public sector. The findings of the study would also be significant to the government ministries in Kenya as well as other public offices. The findings would provide the information on the effects of the implementation of integrated financial management information system on procurement performance of the Kenyan Government Ministries on addressing the governance issues that have significantly affected the procurement function of state ministries in terms transparency, accountability, corruption, fraud, efficiency and effectiveness. The findings of this research would benefit both finance and procurement professions and the certified procurement body by adding to the body of knowledge of public procurement performance. The findings of this research would benefit the procurement profession and the certified procurement body by adding to the body of knowledge of public procurement performance. The study in addition would be of use to the scholars and academicians who want to have knowledge on the effects of IFMIS on procurement performance as well as general operation of state corporations.

2. LITERATURE REVIEW

Introduction:

This chapter explores and critics' available literature related to financial management information systems. The chapter explores theoretical and empirical literature regarding the effects of IFMIS on financial reporting in public sector organizations, the effect of IFMIS on financial transaction processing in public sector organizations and the effect of IFMIS on financial control and governance of public sector organizations.

Theoretical framework

This study utilized theories applicable to financial management information systems implementation and use. Theories identified include;

System theory:

In Systems theory, Wang (2005) refers to information in the sense that assuming information does not necessarily involve any conscious mind, and patterns circulating (due to feedback) in the system can be called information. In other words, it can be said that information in this sense is something potentially perceived as representation, though not created or presented for that purpose. According to Kang'ethe (2002), a system is a group of related and interacting components, which work together to achieve a desired purpose or set of objectives. The writer further observes the need to have control elements to ensure that the process gives the desired level of out-put and avoid or reduce wastage. The need for efficiency and effectiveness therefore brings forth another need of ensuring harmony and synergy between the human resource as the core resource that controls other resources on the one hand and the other tools of trade, in particular modern ICT on the other hand so as to realize the objectives of office secretarial management. There is therefore the clear need to understand the perception of human resource and areas with potential for conflict in the course of interaction between the human resource and modern ICT. When computer and communication technologies are combined, the result is information technology systems, or "InfoTech". Information technology is a general term that describes any technology that helps to produce, manipulate, store, communicate, and/or disseminate information. Presumably, when speaking of information technology as a whole, it is noted that the use of computers and information are associated.

Emerging Information and Communication Technology (ICT) can play an important role in fighting corruption in public finance systems by promoting greater comprehensiveness and transparency of information across government institutions. As a result, the introduction of IFMIS has been promoted as a core component of public financial reforms in many developing countries. Yet, experience shows that IFMIS projects tend to stall in developing countries, as they face major institutional, political, technical and operational challenges. Case studies of more successful countries indicate that factors supporting successful implementation include clear commitment of the relevant authorities to financial reform objectives, ICT readiness, sound project design, a phased approach to implementation, project management capability, as well as adequate resources and human resource capacity allocated to the project (Chena, 2009).

Meta Theory Model:

According to Ruchala and Mauldin (1999), research on accounting and finance information systems has been sourced from various disciplines, basically computer science, cognitive psychology and organizational theory. In this regard, it has been asserted that previous applications of information technology in finance and accounting systems were mainly processes of transactions that would reciprocate the manual processes. This has led to the need of incorporating various accounting sub disciplines into more research on finance and accounting information systems. With increased focus on the design of these systems, practicing professionals will add more value to the field and thus redefine the scope of accounting information system. The changing nature of the information systems has brought about the need for an organized way of doing things. Meta theory is the integration and the synthesis of technical orientations, cognitive as well as the overarching model into the research on IFMIS. The Meta theory has helped in addressing the IT limitations that are imminent and addressed in previous researches such as the failure to recognize the task to which IT is being applied, the failure to recognize the adaptive nature of the artificial phenomena, the failure to account for the design science in the actual field research and the failure to direct the act of making or choosing the necessary decisions and treating all the transactions in an equal manner (Gorry and Scott-Morton, 1971).

According to Reneau and Grabski (1987) information systems in finance and accounting are used by accountants and other key decision makers that employ the accounting information or make use of the accounting data. The Meta theory model is built on past frameworks on the management information systems. Technology is very pervasive and an essential component in accounting tasks and changes work processes very efficiently. This is well recognized in the accounting theory. There are many research methods that are being employed to look into the problems inherent in finance and accounting information systems and accounting problems. This is evident in managerial accounting where field work, experimental work and analytical works address the relationships that exist between management information systems and accounting. The Meta theory model starts with a task focus and also suggests a process that matches between task and the alternatives for system design and various levels of analysis. It also suggests contingency factors, organizational factors and technological factors have an influence on the aspect of task performance.

Contingency Theory;

There are various alternative theories that have been put forward for the purposes of accounting on information systems. According to Macintosh (1981), there is a new IT theory that embraces the concept of macro organizations, technology and the human information processing systems. Earlier on, the contingency theory and possible relationship of the context control of the organization and structures of accounting. Widener (2004) and Gerdin and Greve (2004) looked into the various forms of contingency. Traditionally, accounting has served as the major supplier of information for decision-making. Bedford (1961), Simon (1954) and Sathe (1978), in their study of centralization versus decentralization discussed the need for an accounting system to consider the decision making process. Caplan (1966) and several other authors have discussed the need to consider the relationship between the decision making process and accounting system. Caplan (1966) defined the management accounting process as an information system whose major purposes are (i) to provide the various levels of management with data which will facilitate the decision-making function of planning and control and (ii) to serve as communication medium within the organization.

The contingency theory has been used for identification, analysis and the evaluation of the factors that affect the design of accounting information systems and financial information systems. The conceptual framework has been coined to explore how management accounting relates with the features of the organization. Since the early days of modern information technology, many people have suggested that IT will have a profound effect on the accounting profession. Elliot (1992), in his article, "Accounting Horizons", claimed that Information Technology is changing everything. Elliot (1992) uses the third wave imagery to predict the impending and significant changes in accounting practice, education and research.

Conceptual framework:

From the literature review, the various effects of the implementation of integrated financial management information system on performance of public sector in Kenya and government Ministries in particular form the conceptual framework in this study. The independent variables in this study are top management support, employee commitment, training/capacity building, Political and governance system and Exchequer release, while the dependent variable is performance shown in figure 2.1 below.

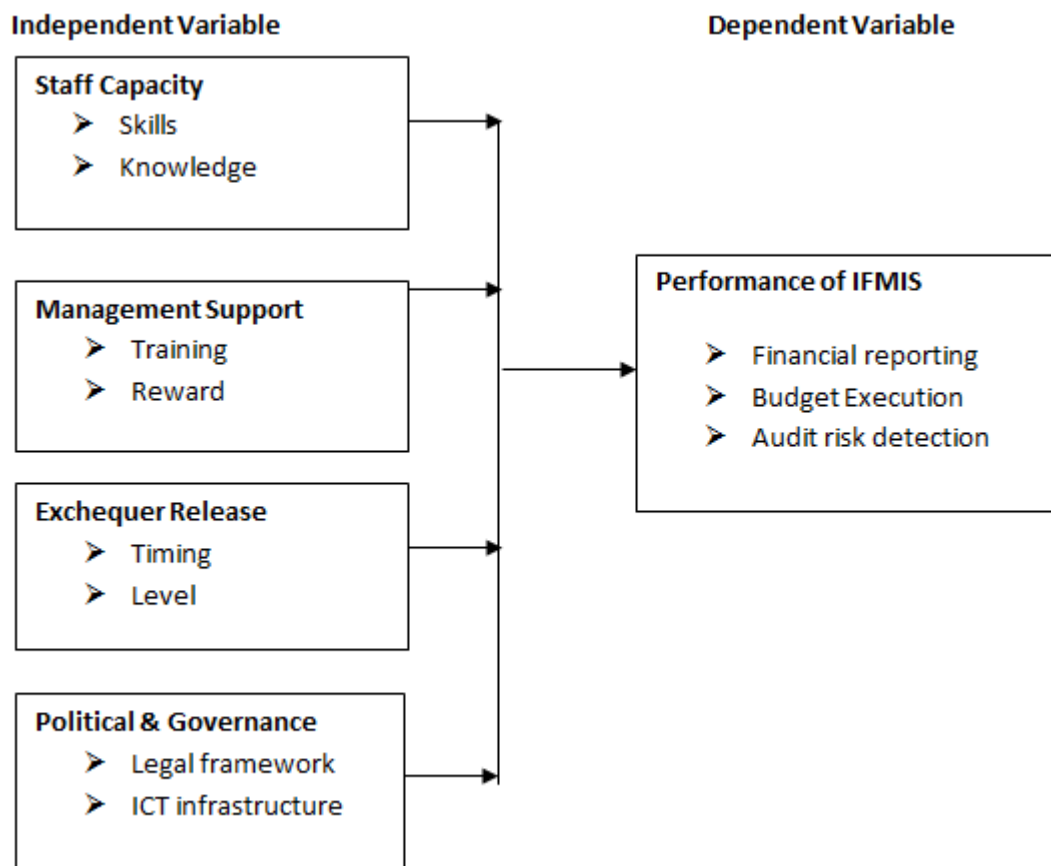


Figure 2.1 Conceptual framework

Review of variables:

Financial Performance:

According to Munene, (2014) financial performance is a measure of an organization's earnings, profits, appreciation in value as evidenced by the rise in the entity's share price (Asimakopoulos, et al., 2009). Measures of financial performance fall into two broad categories: investor returns and accounting returns. The basic idea of investor returns is that, the return should be measured from the perspective of shareholders e.g. share price and dividend yield. Accounting returns focus on how firm earnings respond to different managerial policies e.g. ROE and ROA (Alan, 2008). However, since this study was based on a county government it focused on return on assets (ROA). ROA is used separately to measure a firm's financial performance (Griffin and Mahon, Waddock and Grave and Roman and Agle). ROA is defined as the ratio of net income after tax to total assets, and ROE is defined as the ratio of net income after tax to outstanding capital. In this study IFMIS performance was determined by percentage reduction of financial reporting time, efficient budget execution and percentage increase in audit risk detection.

Staff capacity, skills and knowledge:

The Government of Kenya has experienced problems with the new managers hired by the Government. The overarching concern being local capacity and know how has always been and is still the major issue. In general the implementation phase has not progressed well primarily because of clearly limited involvement and some neglect of the system by the main players including the ministry of finance, accountant general and pilot ministries. There is need that introduction of an IFMIS be accompanied by strong commitments, sufficient manpower and financial resources, widespread internal support and an agenda for effective change management (World Bank, 1994). The conclusion from the World Bank and Department for International Development, indicate that only 21% of IFMIS projects were successful and that out of the 21% successful only 6% of the projects were considered sustainable (Dorotinsky, 2003).

Capacity building is a major factor affecting the success of IFMIS implementation, especially in developing countries Chene (2009). An IFMIS comprises more than only implementing a project; it also means planning for capacity building. A comprehensive training programme is therefore vital for the success of the project and should be compiled as early as possible. Training is essential to unlocking client readiness and is the best way to ensure sustainability of a system Vickland&Nieuwenhuij (2005). According to Maake (2007), the challenges that South Africa faces include access to appropriate IT skills as well as appropriate functional skills by user departments. South Africa faces significant human capital development challenges in building the capacity required by an IFMIS. The shortage of skilled ICT people in the country is exacerbated by the emigration of highly skilled ICT personnel and other professionals to developed countries, and from the public to the private sector Farelo& Morris (2006).

In order to build the necessary capacity, it is important to create a learning environment early in the project and to treat the whole process as a learning opportunity with training being part of an ongoing process. Training should be provided to senior managers, technical staff and end users, and should teach users how to use the new system and how it affects business processes. Diamond and Khemani (2006), however, argue that the training will not only include training in the use of the IFMIS for the respective operations and functions, but will also entail training in the new legal and regulatory framework, the new codes and classifications, and the new business procedures put in place. A well-defined training program will also assist in building capacity and help build confidence amongst users who, through the process, are reassured that there will be some constants amidst the change. Given the nature of institutions and organizations, capacity building is a never-ending process. It needs to be ongoing and permanent Rodin-Brown (2008).

Management support and commitment:

Hendriks, C.J (2012), indicated that when implementing an IFMIS, strong project management is critical for the success of the initiative Vickland&Nieuwenhuijs (2005). Project management entails more than managing the technical aspects of implementation. It also involves project planning methodologies to plan, implement and monitor the project, with project management responsibilities clearly identified. An adequate project implementation team should therefore be established, ideally comprising a project manager, a public finance economist, a qualified accountant, a change management or training specialist, an IT-system specialist and a logistics specialist Chene (2009). At the same time, the program manager must have the necessary managerial and leadership skills to direct and co-ordinate diverse activities executed by a wide range of specialists. The team should strive to adhere to the project implementation plan, but there should be flexibility to address inevitable changes, with approval through a program governance structure.

In order to fulfill this role, the National Treasury in South Africa set up a dedicated IFMIS project office composed of the following specialist functions: project management, systems engineering, domain specialists and information technology Van Deventer (2003). The Program Management Office (PMO) works with the IFMIS Program Managers to monitor the execution of the project schedule and the budget. It is responsible for the development and implementation of policies and processes for the project. Project planning in the PMO is guided by the Project Management Body of Knowledge (PMBOK) framework and uses detailed project planning procedures derived from the Projects in Controlled Environments (PRINCE2) project management method. According to O'Sullivan (2008), the focus of this methodology is on the production of specific deliverables which ensure that planning and execution are based on measurable outputs that deliver strategic value.

Political and governance system:

The subsequent IFMIS Re-engineering Strategic Plan (2013-2018) was developed informed by the progress of implementation and the changes in the government structure. The focus of the second strategic plan was to ensure optimal use of the system in national and county governments in contribution towards efficient and effective management of public funds. This strategic plan also addresses the objectives of Public Financial Management Reforms (PFMR). This phase of implementation is on-going, with concurrent implementation of the IFMIS Security solution. In addition, greater emphasis has been placed on the support for the optimal utilization of all financial modules and generation of financial reports from the system.

Capacity building for IFMIS users in national and county governments through the IFMIS Academy is on-going, with measures initiated to transition the IFMIS training to the Kenya School of Government. Further to the election held in March 2013 which brought in place the county government system, there is no empirical data that indicated the effect of

change of political system to the performance of IFMIS. This study therefore explores the relative effect of change of a political and governance system to the performance of IFMIS.

Critique of relevant literature:

According to USAID (2008) report, integrated financial management information system is an information system that tracks financial events and summarizes financial information. Generally it refers to the use of information and communication technology in financial operations to support management and budget decisions, fiduciary responsibilities and the preparations of financial reports and statements. In the government realm, IFMIS refers more specifically to the computerizations of PFM process from budget preparation and execution to accounting and reporting with the help of an integrated system for financial management of line ministries, spending agencies and other public sector operations. The principal element that “integrates” an IFMIS is a common, single, reliable platform database (or a series of interconnected databases) and from which all data expressed in financial terms flow (Casals, 2004).

Since 1990, governments around the world have been executing major technological limitations in order to take advantage of the potential of emerging information and communication technology. IFMIS enhances effectiveness and transparency of the system by computerizing the process in which public financial resources are managed. However, the results from international experience with IFMIS, including World Bank have been so far quite mixed. While some countries have improved on transparency of public financial management processes, many other countries were found that their reforms have not been fully successful in combating corruption. This is according to E-Transparency Conference organized by Institute for Development and Policy Management Report (IDPM) 2003. The report further stated that IFMS consists of several sub-systems which plan, process and report public financial resources. The basic sub-systems include accounting, budgeting, cash management, debt management and related core treasury systems. In addition to this basic set of core sub-systems, countries have often chosen to enhance their IFMIS with non-core systems such as revenue collection (tax and customs), procurement management (often called e-procurement), asset management, human resource and payroll systems and pension and solid security system (IDPM, 2003).

Barry (2001) says that the level of complexity of IFMIS is much higher than other ICT-based government reforms due to inherent complication of public financial management system. It involves not only ministry of finance but also all line ministries and other multiple spending units. However, integrated public financial management system is quite a challenging task and requires multiple conditions to be satisfied for successful implementations of long term sustainability. Even though ICT automates the tasks involved in performing business processes such as purchase requisitions, quotations, quotations analysis, and preparation of local purchase orders, deliveries and goods receipts. With IFMIS programs changes the way government International Journal of Social Sciences and information is captured, summarized and communicated and the benefits of these advances should not be underestimated. The introduction of IFMIS system should not just be seen as a technology fix, since simply automating tasks that did not need to be carried out in the first place rather IFMIS implementation should be seen as a public financial reform that affects how things are done across government ministries and parastatals (Diamond and Khemani, 2005).

O’Fallon & Butterfield, (2005) noted that empirical review is the author’s review of information and theories currently available concerning the topic under study in order to demonstrate the author’s through understanding of the topic which he/she is conducting research. Further, it shows that the problem being studied had not been done before in the way proposed by the researcher According to Lund (2006) in a study investigating the importance of human capital on the firms' absorptive capacity using an estimation of an ordered probity model including 1544 firms from the manufacturing and service industry in Denmark showed that the share of highly educated employees, application of human resource management practices within the firm, and development of a closer relationship with both vertically related actors and knowledge institutions, is not only positively correlated with the ability to innovate but also negatively correlated with the degree of innovative imitation. Finally, work experience among managers, heads of departments, and employees at the managerial level is negatively associated with the ability to innovate for science-based and ICT intensive firms, thus indicating the importance of updating the skills of the employees in these high-tech sectors. According to Arthur (1994) on a study on the impact of strategic human resource management on organizational success case study of the public sector and multiple goals. He found out that the performance of organizations is the focus of intensive research efforts. How well an organization performs its mission and accomplishes its goals of program service delivery is of paramount concern.

According to Sanwal (2007) in a study on a study of modern, knowledge based organizations he states that ideal settings for the application of strategic human resources management practices. Inasmuch as their competitive advantage is attributable to their people techniques which focus on people should prove to be directly linked to measures of organizational success. Civil service systems are designed to integrate the multiple values pursued by the public sector. While these rules can inhibit the adoption of progressive personnel practices, they are not the necessarily rigid barriers to change.

The public sector has been the venue of many experiments and innovations in recent years. Social service agencies (such as those in studied here in (North Carolina) are indeed knowledge based organizations. According to Theodore Lowi's (1972) policy typology, social services represent an effort at redistribution. While the agencies possess a professional, social science knowledge base, their redistributive objective remains controversial. In addition, the beneficiaries of this redistributive transfer from the haves to the have-nots are a politically marginalized segment of society (Mosher, 1968; Meier, 1987). Capacity building is a major factor affecting the success of IFMIS implementation, especially in developing countries (Chêne 2009). An IFMIS comprises more than only implementing a project; it also means planning for capacity building. A comprehensive training programme is therefore vital for the success of the project and should be compiled as early as possible. Training is essential to unlocking client readiness and is the best way to ensure sustainability of a system (Vickland&Nieuwenhuijs, 2005). According to Maake (2007), the challenges that South Africa faces include access to appropriate IT skills as well as appropriate functional skills by user departments. South Africa faces significant human capital development challenges in building the capacity required by an IFMIS. The shortage of skilled ICT people in the country is exacerbated by the emigration of highly skilled ICT personnel and other professionals to developed countries, and from the public to the private sector (Farelo& Morris, 2006). The adoption and effective use of information and communication technologies (ICT) has the potential to yield significant benefits in the least developed countries (LDCs), which are recognized as the most vulnerable in the international community (Gregor, 2010). The aim of this study was to investigate strategies to advance the use of ICT in the public sector in LDCs, with the aim of improving services and outcomes for government and citizens. A multilevel framework for analysis was developed, consistent with a structuration type theoretical approach. A meta-analysis of data gathered in a UN study of e-government readiness was performed, focusing on the developing countries that have greatly improved their relative positions recently. In general, the findings support the multi-level approach.

Imran (2007) puts forward that at the national level, a low level of economic development, poor infrastructure and political unrest are inhibitors of public sector ICT progress. At a base level, access by individuals and organizations to ICT tools and IT-related education is necessary for e-government to be feasible. Some strategies were observed to be linked to progress with e-government across a number of developing countries: leadership and willingness to initiate change within the government sector, an incremental, step-by-step approach to development, and some sensitivity to local and cultural need Chapman (2004) in a study titled: system failure: Why governments must learn to think differently recommended to start small at a realistic level and progressively expand the program through the various layers of government. The first step consists of identifying an experimental entry level system limited to a pilot site, such as the Ministry of Finance, and to gradually consolidate and expand it to other institutions and levels of government. The system can then be successfully rolled out in phases once it has been tested and proven in this initial controlled environment. Change management and training of end users are important components of the roll-out strategy.

Wilson (2007) found that government regulation and policies can help ensure may be insufficient to achieve desired policy outcomes for example, in universal access which in the end contributes towards the growth of the sector. Wilson notes that many countries have established a regulatory authority separate from government and in charge of regulatory mechanisms to promote the use of ICTs such as licensing strategies, spectrum allocation, interconnection settlements, dispute resolution, among others. While many countries have begun reform through the establishment of a regulatory authority and allow competition, they may not have simplified licensing procedures which in the process affect investment in ICT. A number of developing countries still charge high license fees, limiting competition. Some countries also have multiple service specific licenses, which are increasingly outdated given technological convergence, with inter-modal competition between platforms (International Telecommunication Union (ITU), 2012). ITU observes that a sound regulatory environment and stable institutions are the key factors driving ICT investment.

There is immense of literature on implementation and development of ICT in public sector by the governments. In addition, there are many factors that lead to IFMIS projects delay and completion in various countries as well as in Kenya. According to Maake (2007) the three most significant factors that adversely impact implementation of IFMIS projects in public sector include competence of personnel, legal framework and ICT infrastructure. In his study, Maake (2007), the challenges that South Africa faces include access to appropriate IT skills as well as appropriate functional skills by user departments. South Africa faces significant human capital development challenges in building the capacity required by an IFMIS. The shortage of skilled ICT people in the country is exacerbated by the emigration of highly skilled ICT personnel and other professionals to developed countries, and from the public to the private sector (Farelo& Morris, 2006). Additionally, according Chene (2009), Capacity building is a major factor affecting the success of IFMIS implementation, especially in developing countries. Further, the shortage of skilled ICT people in the country is exacerbated by the emigration of highly skilled ICT personnel and other professionals to developed countries, and from the public to the private sector (Farelo& Morris, 2006). Finally, Imran (2007) puts forward that at the national level, a low level of economic development, poor infrastructure and political unrest are inhibitors of public sector ICT progress. At a base level, access by individuals and organizations to ICT tools and IT-related education is necessary for e-government to be feasible. However, the studies failed to capture the actual determinants that influence effective implementation of ICT and IFMIS in public sector which this study seeks to explore.

Research Gap:

Some Previous studies have adequately described the numerous drivers and barriers for implementation of IFMIS but no work has been published in the Kenya with regard to the determinants of performance of IFMIS in the Kenyan government. The review of the relevant research in the field shows that scholars focused either on challenges and conducted their analysis from a single perspective or investigate them by looking at only one of the aspects of their application effects and positive side of implementing IFMIS in public sector (Maake, 2007; Farelo& Morris, 2006; Chene,2009; Sanwal 2007, Rose & Grant,2009). According to International Telecommunication Union (ITU), (2012) observes that a sound regulatory environment and stable institutions are the key factors driving ICT investment. Gerster Consulting, (2008) also recommended that African Governments and their international partners create and support enabling environments, consisting of both ICT-specific regulatory frameworks and an overall policy framework that promotes sound economic and political governance However, these studies were not conducted on in Kenya which is a unique field by itself. This study therefore sought to fill the gap by looking at the determinants of integrated financial management information system performance in public sector organizations, a survey of the county government of Bungoma.

3. RESEARCH METHODOLOGY

Introduction:

This chapter presents the research methods that were used to answer the study objectives. Specifically, the chapter discusses the research design, the population of the study, sample and sampling procedure, data collection and concludes with the data analysis methods.

Research Design:

The study used descriptive research design. Descriptive research design involved measuring a set of variables as they exist naturally Gravetter&Forzano, (2011) and seeks to provide answers to immediate questions about a current state of affairs Matthews &Kostelis, (2011). According to Denscombe (2007), descriptive design emphasizes on producing data based on real world observation through a purposeful and structured approach. Descriptive research design was used because of its ability to provide a snapshot of the current state of affairs .A population is the total set of elements about which a researcher wishes to make some inferences; where population elements refer to the subject on whom the measurement is being taken Cooper & Schindler, (2005). According to the Directorate of Human Resource in the County Government of Bungoma records (2015), there are approximately 90 employees working who have direct interface with IFMIS. This represents the population of the study. The target population comprised of staff working in the Finance, Accounts, Procurement and Audit departments, and user departments.

Sampling frame:

Saunders, Lewis and Thornhill (2009) define the sampling frame as the complete list of all the cases in the population from which a probability sample is drawn. In this study, the sampling frame was the entire population of the target staff. Table 3.1 shows the sample size

Table 3.1 Sample Size

| Department | Total Population |
|---|------------------|
| Ministry of finance and Economic planning | 25 |
| Ministry of Roads, Transport, Infrastructure and Public Works | 6 |
| Ministry of Gender and Culture | 6 |
| Ministry of Environment, Natural Resources, Water and Tourism | 6 |
| Ministry of Education, Youth and Sports | 6 |
| Ministry of Public Administration | 6 |
| Ministry of Agriculture, Livestock, Fisheries and Cooperative Development | 6 |
| Ministry of Housing and Sanitation | 6 |
| Ministry of Trade ,Lands, Urban/Physical Planning, Energy and Industrialization | 6 |
| Ministry of Health | 6 |
| The Office of county secretary | 6 |
| The County Assembly | 5 |
| Total | 90 |

Sample and Sampling technique:

Denscombe (1998) says that the sample ought to be carefully selected to represent the population adequately with the researcher ensuring that the subdivisions entailed in the analysis are accurately catered for. Since the target population was small, a census technique was used instead of sampling. This is where all the elements in the population are included in the sample (Saunders et al., 2009) Sample size may be defined as a small section of a part that represents the larger whole Saunders et al., (2009). Gill and Johnson (2010) argue that an adequate sample size depends on several issues. Gill and Johnson (2010) adds that what is important is not the proportion to the research population that gets sampled, but the absolute size of the sample selected relative to the complexity of the population, the aims of the research and the kinds of statistical manipulations that will be used in data analysis. Denscombe (2007) concurs with this argument and adds that adequacy of sample size depends on a number of factors connected with the research which need to be borne in mind and weighed upon by the researcher in the process of reaching a decision about the necessary size of the sample. That is, the absolute size will depend on the complexity of the population and the research questions being investigated. For the purpose of this study, a sample size of 90 respondents, representing 100% of the target population was used for the study.

Data collection Instruments:

The Data was collected using a structured questionnaire. Saunders et al. (2009) defines a questionnaire as a general term that includes all data collection techniques in which each person is asked to answer the same set of questions in a predetermined order. In this study, the questions sought answers to the research questions and the respondents were provided with a list of close-ended questions based on each specific objective. The research instrument were designed using measurement variables such as nominal, ordinal, interval and ratio scales as recommended by Kothari (2004). Denscombe (2007) stated that nominal data come from counting things and placing them into a category. Like nominal data however, ordinal data are based on counts of things assigned to specific categories, but, in this case, the categories stand in some clear, ordered, ranked relationship. This means that the data in each category was compared with data in the other categories as either being higher or lower, more or less, among other examples. In this study, the questions seeking responses regarding the views of respondents about the effect of IFMIS were constructed using Likert's 4 Point Scale. This was guided by the specific research questions.

Data collection procedure:

Buchanan and Bryman (2007) observed that organizational researchers can rarely approach respondents directly with requests to participate in their studies. The Buchanan and Bryman (2007) argued that permission typically has to be obtained first from a senior management gatekeeper, who may often refer such requests to other senior colleagues and in some instances to a management committee or board. In turn, once a general warrant to proceed has been granted, they explain that unit or department managers may then have to be approached with further requests to access —their staff in a particular manner. The Buchanan and Bryman (2007) further submit that individual respondents can, of course, refuse to collaborate despite that cascade of management concessions. According to them, this layering of permissions has at least two consequences for the researcher. First, this can delay the start of data collection; second, it can compromise research objectives and methods. They add that permission may be constrained in terms of the topics that can be investigated, the questions that can be asked, the materials that can be collated, and the timing and manner in which data collection is allowed to unfold. In view of this, the researcher sought necessary permission to conduct the study from the Chief Officer Finance in the county government of Bungoma. Once the authority was granted, a pre-test of the research instrument was undertaken on 5 respondents from the target population to ascertain the suitability of the tool. The purpose of pre-testing the instrument was to ensure that items in the instruments are stated clearly and have the same meaning to all respondents (Mugenda&Mugenda, 2003). This enabled the researcher to refine the questionnaire for objectivity and efficiency of the process.

Pilot study:

The questionnaire was designed on the basis of the specific objectives of the study and pretested, to ascertain their suitability, before the final submission to the selected respondents. This was intended to enable the researcher fine tune the questionnaire for objectivity and efficiency of the process. A pilot test was carried out at a department in the county government of Bungoma.

Validity:

Validity is the degree to which the empirical measure or several measures of the concept accurately measure the concept (Orodho, 2005). It is the extent to which an instrument measures what it is set to measure (Wiersma, 1985). The data collection tools were constructed in close consultation with university supervisors and later piloted to ensure validity.

Reliability:

Reliability concerns the degree to which a particular measuring procedure gives similar results of a number of repeated trails (Orodho, 2005). Reliability of the instruments was ascertained using the Cronbach's coefficient alpha (Cronbach, 1946) to test for the internal consistency of the scales to be used in measuring the variables. These findings were used to fine-tune and ensure the efficacy of the questionnaire to collate reliable data prior to the actual study to enable the generalize-ability of the study findings.

Data Analysis:

The collected primary data was analyzed using Statistical Package for Social Science (SPSS) version 20. A regression analysis was conducted on the data set to determine the effect of IFMIS on the financial performance (FP) of the County government of Bungoma. The correlation coefficient (r) and the coefficient of determination (R^2) of the data set (for each determinant of financial performance) was calculated to determine the causality relationship between IFMIS and financial performance. Other tests that were carried out on the model include test of Normality, Durbin Watson Test of Serial Correlation, Test of Heteroskedasticity and Test of Model Specification. The findings from the analysis were organized, summarized and presented using tables, so as to achieve the objectives of the study as well as answer the research question. For the purpose of this study the following linear regression equation was used: $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$

Where:

Y= Measures of financial performance

β_0 = the constant

X_1 = Staff capacity

X_2 = Management, support

e= error term

4. RESEARCH FINDINGS AND DISCUSSIONS

Introduction:

This chapter dealt with data analysis, presentation and discussion which have been discussed under thematic and sub-thematic sections in line with the study objectives. The thematic areas included staff capacity, management support and commitment, exchequer release and political and governance systems on integrated financial management information system performance in the County Government of Bungoma.

Questionnaire return rate:

The study was interested in establishing response return rate since the return rate determines the quality of data collected and significance of the study findings to an existing population. This was presented as in table 4.1.

Table 4.1 Sample population and response rate

| Category | Dispatched | Percentage |
|--------------|------------|--------------|
| Dispatched | 90 | 100.00 |
| Returned | 80 | 88.89 |
| Total | | 88.89 |

Results from table 4.1 revealed that there was a return rate of 88.89%. This is majorly attributed to the researcher's accurate timing of scheduled meetings that were organized by the County Government Officials. In this way the instruments were collected from the respondents well after they were through with them. The few cases of non-return were present as regards the nature of staff involved. At the time of the study some staff members were on leave, attending trainings, workshops, seminars while others had retreated for special assignments outside Bungoma County Government and hence could not be reached.

Demographic characteristics of respondents:

The study sought to identify the demographic characteristics of respondents as it was likely that they influenced the integrated financial management information system performance in the county government of Bungoma and this was achieved by studying respondents' gender, age bracket and length of time served in the current institution.

Gender of Respondents:

The study sought to determine the gender of respondents since gender was likely to influence the integrated financial management information system performance in the county government of Bungoma and the findings are shown in table 4.2.

Table 4.2: respondents gender

| Description | Frequency | Percentage |
|--------------------|-----------|--------------|
| Gender Male | 50 | 62.5 |
| Female | 30 | 37.5 |
| Total | 80 | 100.0 |

Results from Table 4.2 revealed that majority of employees were male as indicated by 50 (62.5%). The findings therefore show that majority of male respondents were employed with the county government of Bungoma and work with the IFMIS, therefore more male participated in the study as compared to their female counter parts.

Age of Respondents

Thereafter the study investigated age brackets of the respondents involved IFMIS performance in Bungoma County and respondents were asked to indicate the age bracket they belonged and results were as follows in table 4.3;

Table 4.3 Ages of Respondents

| Description | No. of Years | Frequency | Percentage |
|--------------|--------------|-----------|--------------|
| Age Bracket | 21- 30 | 15 | 18.8 |
| | 31-40 | 25 | 31.3 |
| | 41- 50 | 35 | 43.8 |
| | Above 50 | 5 | 6.1 |
| Total | | 80 | 100.0 |

Results from table 4.3 revealed that majority of respondents in the study were aged from between 41- 50 years, 35 (43.8%), followed by those within 31 – 40 years, 25 (31.3%), 21 – 30 years, 15 (18.8%), and lastly those above years, 5 (6.1%). This implied that most of the employees interacting with IFMIS in County Government of Bungoma were aged between 41- 50 years and this implied that most have worked for long hence have more years of experience with the performance of IFMIS.

Duration of Service in the Current Institutions:

The study moreover sought to establish as a factor, the duration the employees have served in the current institutions as this would likely indicate their practical skills development in the application of IFMIS and the results were as shown in table 4.4;

Table 4.4 Duration of Service in the Current Institutions

| Duration | Frequency | Percentage |
|--------------|-----------|--------------|
| 1 to 3 yrs | 40 | 50.0 |
| 4 to 7 yrs | 20 | 25.0 |
| 8 to 11 yrs | 15 | 18.8 |
| Above 11 yrs | 5 | 6.2 |
| Total | 80 | 100.0 |

Results from table 4.4 revealed that majority of participants in the study had served in the current institution for 1 to 3 years as indicated by 40 (50%) scored, they were followed 4 to 7 years who by 20 (25%), those who had worked for 8 to 11 years were 15 (18.8%), while those who worked for 11 and above years were 5 (6.2%). Therefore majority of respondents had worked for 1 to 3 years that also correspondents with the introduction of IFMIS in the County Governments in Kenya, Bungoma County inclusive.

Staff capacity, skills and Knowledge and performance of IFMIS:

In this study, regression was used to analyze the relationship between of staff capacity, skills and knowledge on the performance of IFMIS in the county government of Bungoma. This method was used because it is flexible and can forecast dependent variable from a set of predictors that may be discrete (Fabowale et al, 1995). The researcher in this study, sought to establish the relationship between staff capacity, skills and knowledge and relationship between staff

capacity, skills and knowledge on the performance of IFMIS in the County Government of Bungoma. This method was used because it was flexible and could forecast dependent performance of IFMIS in the County Government of Bungoma. Thus each variable was correlated and regressed individually at 95% confidence interval with employee performance.

The first objective sought to determine the effect of staff capacity, skills and knowledge on the performance of IFMIS in the county government of Bungoma. To answer this objective, the respondents were asked to tick against their level of agreement using a Likert scale of **SA** = Strongly Agree, **A** = Agree, **D** = Disagree and **SD** = Strongly Disagree. Table 4.5 shows the study findings.

Table 4.5 Effect of Staff Capacity, Skills and Knowledge on the Performance of IFMIS in the County Government of Bungoma

| CATEGORY | SA F % | A F % | D F % | SD F % | TOTAL F % |
|---|-----------|----------|----------|-----------|---------------|
| Staff capacity, skills and knowledge contribution to high performance of IFMIS Employee collaboration | 4050 | 25 31.3 | 1012.4 | 56.3 | 80 100 |
| Staff capacity, skills and knowledge has no contribution to performance of IFMIS | 5 6.3 | 15 18.8 | 25 32.5 | 3543.6 | 80 100 |
| Staff ICT competence skills leads to high performance of IFMIS | 4556.3 | 2531.3 | 810.0 | 22.4 | 80 100 |
| Staff ICT competence skills has no contribution to high performance of IFMIS | 56.3 | 1012.4 | 3037.5 | 3548.8 | 80 100 |

Results in Table 4.5 on staff capacity, skills and knowledge contribute to high performance of IFMIS indicated that 50% of respondents strongly agreed, 31% agreed, 12.4% disagreed while 6.3% strongly disagreed on the statement. This showed that majority of respondents strongly agreed to the statement that staff capacity; skills and knowledge contribute to high performance of IFMIS in Bungoma County. The study also revealed that 56.3% of respondents strongly agreed that staff ICT competence skills led to high performance of IFMIS, 31.3% agreed, 10% disagreed while 2.4% strongly disagreed. This showed that majority of respondents strongly agreed that staff ICT competence skills leads to high performance if FMIS in Bungoma County.

Summary of Regression between Key Variables:

In this study, regression was used to analyze the relationship between the determinants of IFMIS performance in the County government of Bungoma. This method was used because it is flexible and can forecast dependent variable from a set of predictors that may be discrete (Fabowale et al, 1995). The researcher in this study, sought to establish the extent to which each variable affect IFMIS performance. Thus each variable was correlated and regressed individually at 95% confidence interval with employee performance.

Regression between staff capacity, skills and knowledge on IFMIS performance:

The regression analysis was conducted to describe the strength of relationship between staff capacity, skills and knowledge on IFMIS performance in the County Government of Bungoma as shown by the p-values from the study findings below.

Staff capacity, skills and knowledge contribution to high performance of IFMIS, Employee collaboration is (27.46, p-value= 0.01), Staff capacity, skills and knowledge has no contribution to performance of IFMIS was (30.91, p-value0.02), Staff ICT competence skills leads to high performance of IFMIS was (42.81, p-value 0.02) and Staff ICT competence skills has no contribution to high performance of IFMIS was (39.3, p-value 0.02). This result indicates that there is a significant association between staff capacity, skills and knowledge and performance of IFMIS in the County Government of Bungoma. It can therefore be deduced that there was no significant difference between staff capacity, skills and knowledge and the performance of IFMIS in the County Government of Bungoma.

The study findings are similar to earlier studies that asserted that capacity building is a major factor affecting the success of IFMIS implementation, especially in developing countries Chene (2009). An IFMIS comprises more than only implementing a project; it also means planning for capacity building. A comprehensive training program is therefore vital for the success of the project and should be compiled as early as possible. Training is essential to unlocking client

readiness and is the best way to ensure sustainability of a system Vickland&Nieuwenhuij (2005). According to Maake (2007), the challenges that South Africa faces include access to appropriate IT skills as well as appropriate functional skills by user departments. South Africa faces significant human capital development challenges in building the capacity required by an IFMIS. The shortage of skilled ICT people in the country is exacerbated by the emigration of highly skilled ICT personnel and other professionals to developed countries, and from the public to the private sector Farelo& Morris (2006).

In order to build the necessary capacity, it is important to create a learning environment early in the project and to treat the whole process as a learning opportunity with training being part of an ongoing process. Training should be provided to senior managers, technical staff and end users, and should teach users how to use the new system and how it affects business processes. Diamond and Khemani (2006), however, argue that the training will not only include training in the use of the IFMIS for the respective operations and functions, but will also entail training in the new legal and regulatory framework, the new codes and classifications, and the new business procedures put in place. A well-defined training programme will also assist in building capacity and help build confidence amongst users who, through the process, are reassured that there will be some constants amidst the change. Given the nature of institutions and organizations, capacity building is a never-ending process. It needs to be ongoing and permanent Rodin-Brown (2008).

5. SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Introductions:

This chapter brings out the summary of the study findings based on research objectives, the conclusion, recommendations and areas for further research.

Summary of findings:

In this sub section the research outlines summary of findings based on objectives of the study. The study sought to investigate the determinants of integrated financial management information system in the county government of Bungoma. The first objective sought to determinethe effect of staff capacity, skills and knowledge on IFMIS performance in the County Government of Bungoma and the findings showed a significant association between staff capacity, skills and knowledge and performance of IFMIS in the County Government of Bungoma, shows the odd ratio for Staff capacity, skills and knowledge contribution to high performance of IFMIS Employee collaboration is (27.46, p-value= 0.01), Staff capacity, skills and knowledge has no contribution to performance of IFMIS was (30.91, p-value0.02), Staff ICT competence skills leads to high performance of IFMIS was (42.81, p-value 0.02) and Staff ICT competence skills has no contribution to high performance of IFMIS was (39.3, p-value 0.02). This result indicates that there is a significant association between staff capacity, skills and knowledge and performance of IFMIS in the County Government of Bungoma.

Conclusions:

The study sought to investigate the determinants of integrated financial management information system in the county government of Bungoma.

The first objective sought to determine the effect of staff capacity, skills and knowledge on IFMIS performance in the County Government of Bungoma and the findings showed a significant association between staff capacity, skills and knowledge and performance of IFMIS in the County Government of Bungoma, It was therefore be deduced that there was no significant difference between staff capacity, skills and knowledge and the performance of IFMIS in the County Government of Bungoma. The study findings are similar to earlier studies that asserted that capacity building is a major factor affecting the success of IFMIS implementation, especially in developing countries Chene (2009). An IFMIS comprises more than only implementing a project; it also means planning for capacity building. A comprehensive training programme is therefore vital for the success of the project and should be compiled as early as possible. Training is essential to unlocking client readiness and is the best way to ensure sustainability of a system Vickland&Nieuwenhuij (2005). According to Maake (2007), the challenges that South Africa faces include access to appropriate IT skills as well as appropriate functional skills by user departments. South Africa faces significant human capital development challenges in building the capacity required by an IFMIS. The shortage of skilled ICT people in the country is exacerbated by the

emigration of highly skilled ICT personnel and other professionals to developed countries, and from the public to the private sector Farelo & Morris (2006).

Recommendations:

On the basis of the findings and conclusions above, this section presents the recommendations of the study. The county governments should capacity build its staff on IFMIS so as to enable the staff to gain the right competencies and skills and knowledge necessary for better performance of IFMIS in public sector organizations. The county government management should support the entire staff involved in the implementation of IFMIS by motivating its staff through reward for effective management of IFMIS. The national government through the exchequer release should timely release county government funds to the enable the system holder to effectively implement the IFMIS in public sector organizations. The changes in political and governance structures in both national and county governments should have checks and controls for proper implementation of IFMIS in the public sector organizations.

Areas for Further Study:

It is therefore further recommended that a similar study is to be carried in other counties so as to compare the study findings and devise more strategies for effective implementation of IFMIS in public sector organizations. The effect of IFMIS implementation on the legal, legislative and policy frameworks in place.

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