International Journal of Management and Commerce Innovations ISSN 2348-7585 (Online)
Vol. 5, Issue 2, pp: (194-209), Month: October 2017 - March 2018, Available at: www.researchpublish.com

Influence of Public Participation on Budget Implementation by Kenyan City Counties

[1]Geofrey Abwao Magani, [2]Joseph Gichure

[1,2] Department of Commerce and Economic Studies, Jomo Kenyatta University of Agriculture & Technology, Nairobi-Kenya

Abstract: **The objective of the study was to examine the influence of public participation on budget implementation by Kenyan city counties. The study was based on resource-based theory and stakeholder theory of management.. In addition, the study relied on an ex-post-facto descriptive research design with a survey method to determine the relationships between the dependent and independent variables. Structured questionnaires were used to collect data which was then cleaned, coded and scrutinized thoroughly for completeness. Secondary data was also obtained from the County Integrated Development Plans and financial reports for each of the studied city counties. The researcher collected primary data from the treasuries, directorates of economic planning, budget offices, IFMIS departments and sectoral departments of Nairobi city county, Mombasa city county and Kisumu city county respectively. The data was analyzed using SPSS version 24. Statistical measures such as means, percentages and standard deviation were used to interpret the data. The researcher also performed both a linear regression analysis and a Spearman correlation analysis to show the relationships between the study variables and the findings presented in tables. The study revealed strong positive and statistically significant correlation between public participation with budget implementation indicating that budget implementation was significantly influenced by active public participation in the entire budget execution process. However, the study established the need for more members of the public to participate more actively in budget making and execution. The results of the study were considered pivotal to the national government, the legislature, national treasury, county governments and respective sectoral departments, the Commission for Revenue Allocation, the office of the controller of budget, the public, budget implementation oversight agencies and county chiefs as it highlights important correlates of effective budget execution.**

Keywords: **Public participation, Budget Implementation, Public Finance Management Reforms.**

1. INTRODUCTION

1.1 Background to the Study:

Governments from all over the world have been implementing reforms affecting the public sector organizations. The reform agenda has been widely promoted on grounds that the public sector is organized on wrong principles, inefficiencies, corruption and poor management of public funds thus the need for reinvention and institutional renewal. Besides, the pursuit of reforms in many parts of the world is centered on, among other functions, enhancing transparency in governments, separation of policy and management functions, enhancing performance, and devolution of government activities (Guthnrie, Olson, & Christopher, 1999). According to Wakhungu (2014) reforms are put in place to address gaps that have been identified, especially regarding the devolved systems of government, inadequate strategy orientation and lapsed strategy as well as to build on institutional transformation. The public financial management reforms adopted in Kenya are organized around key thematic areas including: resource mobilization; resource allocation; public participation; IFMIS Re-Enginering; Fiscal decentralization; Independent Oversight and external audits as well as Budget execution, Accounting and reporting. This sudy ought to establish the influence of public participation on budget implementation by the Kenyan city counties which include Nairobi city county, Mombasa City county and Kisumu city county. Budgets have become necessities in every aspect of human or organizational life without which, the personal or organizational interests, aspirations, goals and objectives can hardly be achieved. According to Ahmad and Ahmad (2014) the budget is the basis of financial planning that helps to monitor, control and guide national economy towards planned development and ensures efficient and effective resource utilization.

The budget is detailed quantitative estimation of an organization's expenses and revenues, or internal and external cash flows for a specified future period, reflecting the gains, interests, and expectations (Khan, & Hildreth, 2002). It is an effective tool for planning, coordination, monitoring, controlling resource movements, decision making, performance evaluation and communication. The success of any organization depends on how effectively and efficiently the budget is planned and executed. However, budget implementation is challenging to many public organizations since such institutions are required to make accurate forecasts for the execution of certain programs and development projects using economic parameters (Gachithi, 2010). Besides, the implementation of such budgets can be difficult, especially when unforeseen needs or costs cause fluctuations in the flow of resources. In such cases, it is very necessary to conduct budgetary reviews to identify budget variances and to ensure effective implementation. Studies have been done on budget preparation, implementation and reforms (Onyiah, Ezeamama, & Ugwu, 2016; Ahmad, & Ahmad, 2014; Gachithi, 2010; Kiilu, & Ngugi, 2014).

Ahmad, & Ahmad (2014) studied the obstacles of preparing and implementing budgets in Jordan and established the lack of understanding about the necessity of budgets and unrealistic estimations as impediments to budget preparation and execution. Onyiah, Ezeamama, & Ugwu, (2016) studied Nigerial budget implementation reforms and established that poor project conceptualization, design and planning practices impacted resource management and that poor budget implementation constrained the achievement of development goals as evidenced by many abandoned projects. Mkasiwa (2013) opines that the problems related to budget implementation can best be addressed through budgetary reforms under New Public Management (NPM) framework that entails Performance Budgeting (PB) and incorporates planning into the entire budgeting process. Such problems include fund disbursement delays, budget execution delays, wrong prioritization, operational inefficiencies, misappropriation of resources, lack of capacity and corruption. Effective budget implementation requires much focus on the organization's performance indicators and management systems to address the implementation problems. According to Kiilu and Ngugi, (2014) effective budget implementation helps improve the comprehensives of budget operations, building better links between annual allocations and medium-term policy objectives. In Kenya, Budget implementation by the county governments follow the approval of each county's supplementary budget. In order to finance the budget, the Kenyan counties expect to receive finances raised from equitable share of revenues raised nationally, conditional and unconditional grants and to generate local revenues. When it comes to execution, each county entrusts economic sectors (ministries) with the duty to deliver services that meet the needs of the citizenry. Such sectors of the economy vary from county to county and are established by law depending on the public needs for which the county governments are expected to serve.

Kenyan City Counties:

According to the Urban Areas and Cities Act 2011, a city is any area conferred the status of a city while a city county refers to a city which is also a county (National Council for Law Reporting (NCLR), 2012). In Kenya, the County Governments Amendment Act supplement number 34 of 2016 outlines three incorporated and gazetted city counties including Nairobi City county, Mombasa city county and Kisumu city county. These, among other counties are devolved governments that operate with autonomy yet they draw some interdependence with the national government. There are a total of 47 county governments in Kenya out of which only the aforementioned three counties are classified as city-counties. The devolved governments were established to address among other issues, inequitable distribution of resources, accountability issues, enhance public participation in public policy issues, to hasten socio-economic empowerment of the citizens, enhance equity in regional and national development. The counties emerged as a result of reforms in governance to address the needs and interests of the people. However, all the county governments, including the city counties, have their budgets largely funded by the equitable share of national revenues from the national government, additional allocations (conditional or unconditional) from the national government's share of revenues, locally generated resources, debt financing, grants, foreign investment partners and donors. The county governments often prepare their consolidated annual budgets, budget policy documents, fiscal policy papers and the corresponding implementation plans which are submitted to the national government whereupon the Commission on Revenue Allocation (CRA) allocates resources to the counties. The CRA in consultation with other stakeholders thus reviews and evaluates the budget proposals and allocates resources equitably to the county governments based on such parameters as county population, contribution to the national cake, poverty levels, land area covered by the county and fiscal responsibility among other factors. In this regard, the CRA formular for revenue allocation to the county governmets considers the said parameters and that guide the sharing of state resources. The CRA formula for revenue allocation is as follows:

$$CA_i = 0.45PN_i + 0.26ES_i + 0.18PI_i + 0.08LA_i + 0.02FE_i + 0.01DF_i$$

Where: CA = Revenue Allocated to county; I = County 1, 2, ... 47; PN_i = Revenue Allocated to a county on the basis of population factor; ES_i = Revenues allocated to a county on the basis of Equal Share factor. This is shared equally among the 47 counties; PI_i = Revenue allocated to a county on the basis of Poverty Factor; LA_i = Revenue allocated to a county on the basis of the Land Area Factor; FE_i = Revenue allocated to a given county on the basis of Fiscal Effort; DF_i = Revenue allocated to a given county on the basis of Development Factor. Once the revenues are allocated and disbursed to the counties, the devolved governments execute their respective budgets independently. While the budgetary allocations vary depending on the socio-economic factors, it has been witnessed that the performance achievements also vary per county. Table 1 shows the annual revenue allocations made to the Kenyan city counties for the entire period that the county governments have been operational from the financial year 2012/2013 to the financial year 2016/2017. The said budgetary allocations were meant to cater for among other things, recurrent and development expenditure. In particular, the CRA itemized the allocations to such areas as level five hospitals, refurbishment of county offices, leasing of equipment, free maternal health care, compensation for use fees foregone, fuel levy fund, emergency fund.

Table 1.1: Total Allocations to County Governments (Equitable & Conditional Transfers)

County/ Financial Year	Mombasa City County Ksh	Nairobi City County Ksh	Kisumu City County Ksh
FY 2012/2013	257,348,388	551,081,044	275,559,579
FY 2013/2014	4,347,575,931	9,896,236,826	4,866,678,745
FY 2014/2015	4,876,499,637	12,945,531,236	5,416,106,404
FY 2015/2016	5,920,733,428	13,633,213,384	6,334,176,498
FY 2016/2017	6,309,693,626	14,614,500,87	6,811,407,625
TOTAL	**21,711,851,011**	**51,640,563,367**	**23,703,928,851**

Source: (Commission on Revenue Allocation, 2016).

1.1 Statement of the Problem:

The government of Kenya has undertaken various reforms to enhance the effectiveness of PFM. These initiatives are founded on legislations and Acts of parliament that are subjected to review time and again. Among the thematic areas on which public financial management reforms are organized, Public participation in budgeting is widely promoted considering that the public sector has been organized on wrong principles, faces corruption, fiscal inefficiencies, misappropriation of resources and poor management of public funds thus the need for reinvention and institutional renewal. In fact, public sector development has been focusing more on finances while paying little attention to the role of ublic participation on effective public financial management. For instance, the Kenyan county governments have been reporting dismal performance evidenced by low absorption of recurrent and development budget estimated at 39.8% and 26.1% respectively despite the expected absorption rate of 50.0%. Besides, a report from the office of the controller of budget indicates that out of the Ksh. 119.29 billion issued by the Exchequer for half of the financial year 2014/2015, only Ksh.103.7 billion were utilized yet part of the expenditure could not be accounted for. For such reasons, public participation is encouraged to enhance transparency, increase fiscal discipline, enhance economic performance, and devolution of government activities to address the gaps identified especially inadequate strategy orientation and lapsed development strategy in county governments. In tandem, studies have been done on PFMRs (Francesco, 2013; Kiilu, & Ngugi, 2014; Njenga, Omondi, & Omete, 2014). Francesco (2013) studied the reform of the public administration of Singapore while Kiilu and Ngugi (2014) examined the effect of public financial management reforms on effective managemet of public funds in Kenya. Njenga, Omondi and Omete (2014) also assessed the correlation between PFMR and economic performance of the kenyan public sector. None of these studies focused on the influence of public participation on budget implementation by Kenyan city county governments hence the need for the preset study.

1.2 Objective of the Study:

1. To determine the influence of public participation on budget implementation by Kenyan city counties

1.3 Research Hypothesis:

1. **H_0:** Public participation does not significantly influence budget implementation by Kenyan city counties

1.4 Significance of the Study:

This research study examined the influence of public participation on budget implementation by city counties in Kenya to the citizenry. This study was considered useful, not only to the Kenyan city counties, but to all the 47 county governments in Kenya as its recommendations will guide the achievement of efficient and effective budget implementation. The study was also taken to be pivotal to the national government from where resources are allocated and disbursed, the office of the controller of budget and county chiefs as it highlighted important correlates of effective budget implementation. Besides, scholars and researchers in the field of finance stand to benefit from the study as it builds critical literature on budgeting and public financial management.

1.5 Scope of the Study:

This study was conducted in all the incorporated Kenyan city counties including Nairobi city county, Mombasa city county and Kisumu city county and involved employees from each county's treasury, budget offices, directorate of economic planning per county, IFMIS officers as well as accountants in charge of budget formulation and execution from the various sectors of the said county governments. The study was done over a six-month period beginning April, 2017 to September, 2017.

1.6 Limitations of the Study:

The study was limited by the heightened political activities ahead of the august 8^{th} general elections. Considering the political tension that ensued after the announcement of the presidential results, movement across the counties wasn't an easy affair and hence the collection of the filled questionnaires was constrained to some extent. Given the varying sectoral arrangement of each city counties, the researcher noted that the research settings were not purely homogeneous and hence chose to use a judgmental sampling technique to select the study participants. The researcher also noted and suspicion on the part of a few respondents regarding the purpose of the study and fear of victimization. As such, the researcher clarified to the respondents that the required data were meant for academic purposes only and the participants were assured of utmost confidentiality regarding their identities. Besides, the interpretation of the study findings was confined to the data provided by the respondents and the secondary data obtained from financial reports and the findings were generalized and construed to relate to all the Kenyan city counties.

2. LITERATURE REVIEW

2.1 Theoretical Review:

2.1.1 Stakeholder Theory:

The stakeholder theory was developed by Richard E. Freeman in 1984 as an approach that seeks to introduce business-based ideas to the management and administration of the public sector. According to this theory, a stakeholder refers to a person or group who can affect or be affected by the achievement of the organization's objectives. The theory presents an approach by which public decision-makers scan their environments in search of opportunities and threats. In this regard, budget participants and public financial management reforms implementation agents undertake detailed environmental scan on the social, political and economic sectors in search of opportunities and threats to growth and development in order to prioritize the appropriation of public resources across various elements of the public budget policy. According to Gomes (2006) an organization's effectiveness is measured by its ability to satisfy not only the stakeholder, but also the agents who have a stake in the organization. This satisfaction comes when the stakeholders are sufficiently engaged and involved in organizational decision-making and policy implementation. As Onduso (2013) observes, the entire budgeting process should enlist the input and participation of as many stakeholders as possible for the organizational executives to keep the interest of all stakeholders aligned in the same direction since theory's core function is to balance the interests of all stakeholders. The theory has three aspects that mutually support each other. These are the instrumental approach, normative approach and descriptive approach. The instrumental approach identifies the connection between organizational goals while the normative approach identifies the moral guidelines for operations and policy implementation as the descriptive approach explains organizational characteristics and behaviours (Donaldson & Preston, 1995).

2.1.2 Resource-Based Theory:

The resource-based view is a widely cited and an influential management theory that explains the internal sources of an organization's sustained competitiveness. The theory has been established from its prime foundation by Penrose, who provides a logical explanation of the causal relationships between organizational resources, production capability and overall performance. According to Ross, Westerfield and Jaffe (2009) the theory is chiefly concerned with organizational efficiency and innovative utilization of resources. In the case of the context of this study, there are a total of 47 counties in

Kenya which even though all of them are classifiedas county governments, they are endowed with uniquely varying resources, operate in different settings to serve varied the needs of the Kenyan citizenry and exhibit varying performances. In fact, the proponent of this theory avers that the productive resources controlled by organizations could vary significantly from one entity to another and in the same sense organizations are perceivably fundamentally heterogeneous even if they are in the same industry or category. This theory further views resources and products generated by the said resources as two sides of the same coin. Among the most important resources any organization requires to gain competitive advantage are intellectual capital, financial resources and firm-specific assets which of course have to be inimitable, tacit in nature, synergistic and not substitutable. This theory postulates that every organization that seeks to achieve excellent performance must be able to assemble and exploit an appropriate combination of the said resources. In the context of budget execution by the Kenyan city counties, this makes it possible for policy stakeholders, budget staff, county leadership, economic planners, project implementors and other stakeholders to understand how the available resources can be utilized to improve organizational performance.

2.2 Empirical Review:

2.2.1 Public Participation:

In pursuit of every government's development agenda, there are a number of stakeholders who are involved and thus encouraged to participate actively in matters of socio-economic and political progression. According to Irvin and Stansbury (2004) public participation in public decision making, governance and public service is an exercise undertaken not only in the United States of America, but as well in many other countries all over the world. The idea behind public participation in the undertakings of governmental development agenda is based on the belief that public involvement produces a more public-preference decision-making by the administration and a better appreciation of the larger community among public. However, it could as well help to stem the deterioration public trust evidenced by widespread hostility toward government entities.

A study done by Irvin and Stansbury (2004) on the worth of citizen participation in decision-making provides a litmus test for agencies to consider in allocating resources of public interest. The study reviews the citizen participation literature from a global perspective and analyzes key considerations for determining whether public participation can be relied upon as a policy-making mechanism. The study argues for increased public participation in government decision-making owing to a number of benefits that accrue including; reduced dissent, increased public trust, and enhanced development. According to Blahna and Yonts-Shepard (2008) in their study of public involvement in resource planning in the USA, an evaluation of the public involvement methods used in U.S forest service land management planning is undertaken. The study observes that public participation in resource utilization and government administrative policy-making is entrenched in every congressional act as per the constitutional requirement. The study findings indicate that some goals of public participation are not met due to barriers such as complex and technical planning process, lack of agency guidance on conducting interactive public involvement and internal power struggles that affect policy making and implementation. The study thus suggests substantive, interactive public participation and social impact assessment to ensure the interests of all parties are taken into account.

In tandem, Tanaka (2007) also conducted another study in USA on engaging the public in national budgeting and observed that successfully engaging the public in national budgeting does not solely solve the complicated budget and fiscal policy dilemmas but is an important part of the strategy to encourage good government practices and politically viable, yet responsible fiscal policies. The study notes that active public involvement makes citizens more knowledgeable about government, public policy, they become less cynical in their attitudes towards government and can thus exercise meaningful oversight. In addition, Piper and Lieres (2008) also conducted a study that sought to establish the corellation between citizen participation and local governance in South Africa drawing from the participatory budgeting in Brazil's Porto Alerge. The study sought to assess whether formal public participation has made local governance more democratic and made the delivery of public services more efficient. The study findings indicate the existence of a negative correlation between between citizen participation and service delivery, suggesting that much has not been achieved in terms of budget execution. Some of the reasons pointed out for the failure of public participation in enhancing budget implementation are poor policy implementation, a lack of political will and commitment to community participation by political elites and poor design of public participation institutions.

Mulindwa (2013) conducted a study on participatory budgeting in a decentralized local government framework in Uganda using Wamala District local government as a study site to explore the implementation of participatory budget and its outcomes. Considering the exercise of participatory rights by the citizens, the study used a purposive sampling strategy to collect data from the adult Ugandan citizens in Wamala District and established an inability of the participatory budgeting to achieve its goals due to a number of reasons, including poor power relations, inadequate locally raised revenues and citizens' lack of knowledge, skills and competencies in public sector financial management. The study suggests public empowerment to enable citizens exercise their civil, social, political and economic/financial citizenship rights and responsibilities effectively. In Kenya, Mugambi and Theuri (2014) conducted a study centered on the challenges encountered by county governments in budget preparation in Kenya using Kilifi County as a case study. The study sought to establish whether the devolved governments adhere to proper planing and budget preparation procedures and the extent to which political influence affect budget preparation process. The study relied on a descriptive analysis and found out that the county governments adhere to the budget preparation procedures. However, it emerged that the high political influence and public participation affected the budget preparation process, hence the suggested need for enhanced public participation at the county level. The high level of political participation was observed to affect the budget process by increasing time spent and prioritization of projects within the budget. The study also recommended that publicity be enhanced and views of the public be incorporated in the budget by the treasury staff. This was in tandem with the observation made by Wacera (2016) in a study to assess the effect of citizen participation on budget implementation in Kenyan counties.

2.2.2 Budget Implementation:

According to Ahmad and Ahmad (2014) the budget is the basis of financial planning that helps to monitor, control and guide the national economy towards planned development and ensures efficient and effective resource utilization. The budget is detailed quantitative estimation of an organization's expenses and revenues, or internal and external cash flows for a specified future period reflecting the gains, interests, and expectations (Khan, & Hildreth, 2002). It is an effective tool for planning, coordination, monitoring, controlling resource movements, decision making, performance evaluation and communication as it helps in utilization of the available human, financial and physical resources. The success of any organization depends on how effectively and efficiently the budget is planed and executed. However, budget implementation is challenging to many public organizations since such institutions are required to make accurate forecasts for the execution of certain programs and development projects using economic parameters (Gachithi, 2010). Besides, implementation of such budgets can be difficult, especially when unforeseen needs or costs cause fluctuations in flow of resources. In such cases, it is very necessary to conduct budgetary reviews to identify budget variances and to ensure effective implementation. A number of studies have been done on budget preparation, implementation and reforms (Onyiah, Ezeamama, & Ugwu, 2016; Kiilu, & Ngugi, 2014; Andrews, 2010 and Scheers, Sterck, & Bouckaert, 2005).

Scheers, Sterck, and Bouckaert (2005) examined the result-oriented financial management reforms using lessons from Australia and Britain with a critical focus on result-based budgeting and reporting. The study evaluated the influence of parliamentary control, political accountanbility, the role of managers, political decision-making process, financial control and critical factors of success or failure on budget execution. The study recommended sufficient attention to education and training as a means of enhancing the competencies of the persons involved in the budget execution exercixse, a good monitoring system and further recommended periodic budgetary evaluation and adjustments for efficient and effective budget execution. Andrews (2010) studied how far PFMRs have come in Africa, focusing on the strength of PFM systems in 31 governments. The study examined the patterns of strengths and weaknesses across the countries' PFM systems and established that budgets are made better than they are executed citing that the budget implementation practice lags behind the creation of processes and laws. This implied that the budget preparation processes are comparatively stronger than budget execution and oversight and thus recommended adjustments in reform approach.

Onyiah *et al* (2016) analyzed the impact of the budget implementation and control reforms of the federal government of Nigeria on resource management, level of productivity and efficiency as well as personnel and overhead costs. The study relied on an ex-post facto descriptive research design and used a structured 5-point Likert scale questionnaires to collect data from accountants and economists in the federal civil service. The findings of the study revealed that poor project conceptualization, design and planning practices by ministries, departments and agencies impacted resource management and that poor budget execution constrained the achievement of development goals as evidence by many abandoned projects. The study further concluded that the budget being a veritable tool for planning, controlling, communicating, decision-making and value creation, the government should ensure that all ministries, departments and agencies abide strictly by the budget implementation reform strategies. It was also noted that the effectiveness of Medium Term Revenue Framework (MTRF), Medium Term Expenditure Framework (MTEF) and other budgetary reform strategies of the federal government are achievable through budget discipline, yet a lot still need to be done on financial and performance audit of budgetary allocations, timely publication and implementation of the audit reports (Onyiah, *et al*, 2016).

Kiilu and Ngugi, (2014) studied the effect of public financial management reforms on effective management of public funds in Kenya using the National treasury as a case. The study relied on a descriptive research design using a stratified random sampling technique and a regression model to determine the relationships between the identified variables. The study established that procurement reforms greatly influenced effective public fund management followed by budgeting reforms and adoption of IFMIS. It was noted in the study findings that effective budget implementation helps improve the comprehensiveness of budget operations, building better links between annual allocations and medium-term policy objectives. In addition, the study also recommended that budget implementation should focus on the organization's performance indicators, management systems and involve all stakeholders in order to tackle execution impediments such as fund disbursement delays, budget execution delays, wrong prioritization, operational inefficiencies, misappropriation of resources, lack of capacity and corruption.

2.3 Conceptual Framework:

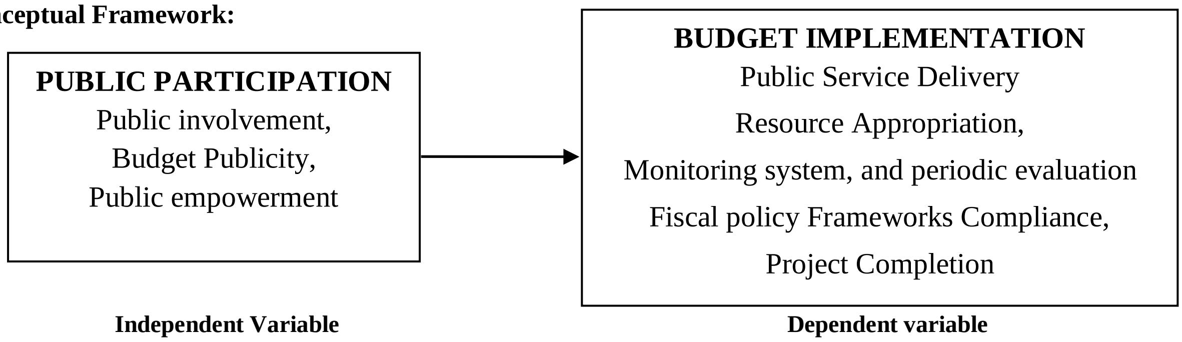

Figure 2.1: Conceptual Framework

2.4 Research Gaps:

Piper and Lieres (2008) conducted a study in South Africa relating citizen participation and local governance and observed a negative correlation between citizen participation and service delivery. Mulindwa (2013) also conducted a study on participatory budgeting in a decentralized local government framework in Uganda and suggested public empowerment to enable citizens exercise their civil, social, political and economic/financial citizenship rights and responsibilities effectively. However, this study was done in a rural setting and its findings may not be peculiar to the sub-national governments in the cities.

3. RESEARCH METHODOLOGY

3.1 Research Design:

The researcher used an ex post facto descriptive research design to study the influence of Public Participation on Budget Implementation by Kenyan city counties.

3.2 Target Population:

The target population of the study comprised 55 respondents from the county treasuries, budget offices, county public service office, directorate of economic planning, IFMIS department and sectoral accountants for Nairobi, Mombasa and Kisumu city county governments respectively.

3.3 Sample Size and Sampling Procedure:

According to Weiers (2011) a sample is a representative subset of the whole population while sampling procedure refers to the process of selecting the sample. The study used a sample of 36 respondents from the city counties.

3.4.1 Sampling Frame:

The sampling frame consisted of respective county economists, sectoral accountants as well as county budget office employees since they are the officers involved in the budget policy formulation, execution and financial reporting. Table 3.1 shows the detailed statistics of the sampling frame used.

Table 3.1: Sampling Frame

County Department	Nairobi City County	Mombasa City County	Kisumu City County	TOTAL
Sectoral Accountants	13	10	11	34
Budget Office	3	3	3	9
County Treasury	2	2	2	6
County Economist	1	1	1	3
IFMIS in charge	1	1	1	3
Target Population	**20**	**17**	**18**	**55**
Sample size per County	**13**	**11**	**12**	**36**

3.4.2 Sample Size Determination:

The sample size was determined by the use of Narssiuma's formula which is shown below.

$$n = \frac{N * C^2}{C^2 + (N-1)e^2}$$

(n= sample size, N=Population size, ĕ= tolerable error (5%), C=coefficient of Variation (0.5))

$$n = \frac{55 * 0.5^2}{0.5^2 + (55-1)0.05^2}$$

n=36

3.4.3 Sampling Procedure:

The researcher used a judgmental sampling technique to select respondents for the study. The main consideration for determining the sample size was to ensure that the study represents the entire population while at the same time keeping the research manageable. The respective county economists, heads of budget offices, treasury employees, IFMIS officers, county public service accountants and various sectoral accountants were therefore eligible to be sampled.

3.4 Data Collection Instruments:

The researcher used structured questionnaires with closed-ended questions to collect data from the sampled respondents from across the counties' sectors, county economists, heads of budget office and sectoral accountants for each of the three city counties. The questionnaires were administered via a drop-and-pick method and were supplemented with interview schedules for to obtain more detailed and specific data on the correlates of budget implementation. Besides, the researcher also relied on data from budget policy documents, fiscal strategy papers, periodic financial reports and budget outlook papers from each of the city counties.

3.5 Pilot Study:

A Pilot test is a mini-study done in preparation for the main study. As Welman & Kruger (1999) note, the pilot study is important in detecting possible errors in the measurement procedures, identification of unclear questions in the questionnaire and determining the validity and reliability of the data to be collected. In this study, employees from Nakuru County treasury and budget office were used for the pilot test. SPSS version 20 was used to analyze the pilot data to determine the validity and reliability of the data research questionnaire (Kothari, 2004).

3.5.1 Validity of Research Instrument:

According to Golafshani (2003) validity is concerned with whether the research measures what it is intended to measure or rather how true the research findings are. Robson (2002) identifies some unsystematic threats to reliability which include unforeseen happening before or during data collection, participants' refusal to cooperate and change of behavior of the participants. To guarantee validity, the researcher conducted both face validity and content validity tests on the instrument to ensure the objectives were clearly defined to operationalize the study expectation.

3.5.2 Reliability of Research Instrument:

Reliability refers to the degree at which a researcher's data is free from error and hence yields consistent findings (Saunders et al, 2009). The data should be consistent over time to be an accurate representation of the population under study. Robson (2002) identifies five sources of unsystematic threats to reliability: factors due to interviewer error, unfavorable conditions under which measurements are made factors caused by the research subject, instrument reliability and data processing reliability. However, the researcher did a pilot study to test the extent to which the instrument can be relied upon. To ensure reliability of the instrument, careful wording and formatting of content was done. In this study, the researcher carried out the pilot study at Nakuru County Treasury and Cronbach alpha (α) with a reliability threshold ($\alpha \geq 0.7$) was deemed fit and acceptable to test the internal consistency of the instrument.

3.6 Data Collection Procedure:

The researcher obtained permission from the county administration and sought guidance on the appropriate approach to data collection. The researcher then administered the data collection instruments to the respondents by hand delivery. The researcher also conducted interviews to obtain first-hand information from judiciously selected IFMIS departmental respondents and also utilized treasury reports, budget implementation reports, fiscal strategy documents, county outlook papers and other relevant financial reports.

3.7 Data Processing and Analysis:

Once the researcher collected the required data, the returned questionnaires were cleaned, coded properly and subjected to thorough scrutiny to ensure completeness. The data was analyzed using both descriptive and inferential statistics to determine the relationship between the variables. The researcher used SPSS version 24 to analyze the collected data. Descriptive statistical measures such as percentages, means and standard deviation were used to interpret the study findings. In addition, the researcher did run a linear regression analysis and a Pearson Correlation analysis to show the relationship between public participation and budget implementation. Besides the descriptive interpretation, the researcher used tables to present the findings of the study. In addition, the researcher relied on ANOVA to test the hypotheses and the coefficient of correlation was also used to validate the research hypotheses. The following regression equation was used to determine the influennce of public participation on the budget implementation:

$$Y = \beta_0 + \beta_1 X_1 + \hat{e}$$

Where:

Where:	Y	=	Budget Implementation
	a	=	Constant
	βi	=	Coefficients to be estimated
	X_1	=	Public Participation
	$\hat{e}$	=	Error term

4. FINDINGS AND DISCUSSIONS

4.1 Response Rate:

According to Schwarz (2013) a response rate represents the number of units in the net sample expressed as a percentage of the units in the gross sample. In this study, the researcher administered all the 36 questionnaires out of which 31 questionnaires were returned and cleaned and only 30 questionnaires were used in the analysis. Therefore, considering the count of all the returned questionnaires relative to those issued, a response rate of 86.1% was registered.

4.2 Respondents' Profile:

The researcher examined the respondents' profiles in terms of their educational levels, prior work experience in management of public finance, budget policy as well as their experience at present work stations in the respective city counties where they are involved in undertaking budgetary issues.

4.2.1 Respondents Education Levels:

The researcher sought to establish the academic qualifications of the respondents from whom the research data were obtained. Table 4.1 shows the distribution of the respondents according to their educational levels

Table 4.1: Distribution of Respondents by Education Levels

Respondents' Education Level	Frequency	Percent
Professional Course	1	3.3
Diploma	5	16.7
Degree	17	56.7
Masters and Above	7	23.3
Total	**30**	**100.0**

From table 4.1, the study found out that only 3.3% of the respondents had professional qualifications, while 16.7% have diploma have qualifications. Moreover, the study also established that 56.7% of the respondents have attained undergraduate degree qualifications and that 23.3% of them have masters and above qualifications implying that quite an overwhelming majority of the staff serving in budget policy and execution offices of the city county government departments are sufficiently qualified.

Findings of the Study Variables:

The researcher studied the influence of public participation on budget implementation by Kenyan city counties. Considering the numerous PFMRs, including IFMIS Re-engineering, parliamentary oversight, fiscal decentralization among others, the researcher narrowed down to public participation while the dependent variable was budget implementation by Kenyan city counties. Table 4.2 shows the descriptive statistics obtained from the results of the study.

Table 4.2: Descriptive Statistics for Public Participation

Statements	SA%	A%	I%	D%	SD%	Mean	Std. Dev
Public involvement produces a more public-preference decision-making and better appreciation of the devolved government	43.3	33.3	10.0	6.7	6.7	4.00	1.203
Goals of public participation in the entire budget process are met and citizen views are properly incorporated in the budget policy	13.3	40.0	20.0	26.7	0.0	3.40	1.037
The county embraces substantive interactive public participation and social impact asessment to cosider the interests of all parties	40.0	36.7	13.3	10.0	0.0	4.07	.980
Effectively public budgeting engagement solves the complicated budget and fiscal dilemmas and encourages good governance	30.0	50.0	13.3	6.7	0.0	4.03	.850
The citizens are knowledgeable about the county government, public policy and thus exercise meaningful oversight	6.7	36.7	23.3	26.7	6.7	3.10	1.094
There is sufficient political will and commitment to public input	6.7	36.7	23.3	20.0	3.3	3.43	1.104
Members of the public are empowered to exercise their civil, social, political and economic/financial citizenship rights	13.3	50.0	23.3	13.3	0.0	3.63	.890
The high level of political participation is time-consuming and affects prioritization of projects within the budget	23.3	23.3	23.3	26.7	3.3	3.37	1.217

The study findings indicate that the respondents strongly agreed (mean = 4.00; Std dev = 1.203) that public involvement produces a more public-preference decision-making and better appreciation of the devolved government as observed by Irvin and Stansburry (2004). In addition, the participants also agreed (mean = 3.40; Std dev = 1.037) that through effective public involvement in budgeting, the goals of public participation in the entire budget process are met and citizen views are properly incorporated in the budget policy. In addition, the study revealed that the respondents strongly concurred (mean = 4.07; Std dev = 0.980) that the city counties embrace substantive interactive public participation and social impact assessment to consider the interests of all parties as suggested by Blahna and Yots-Shepard (2008) and also agreed (mean = 4.03; Std dev = 0.850) that the effective public budgeting engagement solves the complicated budget and fiscal dilemmas and encourages good governance. However, it was noted that a lot more time need to be set aside for the public input. More financial and on-financial resources need to be allocated for publicity and the hosting of more interactive public forums to enhance citizen participation in budget formulation and execution.

However, there were divergent views (mean = 3.10; Std dev = 1.094) indicating that citizens are not sufficiently knowledgeable about the county government, public policy and thus hardly exercise meaningful oversight. On the same note, low public response was observed considering low turnout by the members of the public during budgeting forums requiring public participation. It also emerged from the results of the study that the respondents had divergent opinion (mean = 3.43; Std dev = 1.104) on the political will and commitment to public input when it comes to budgeting and budget implementation. In addition, the study findings indicate that the respondents revealed (mean = 3.63; Std dev = 0.890) that whereas members of the public are empowered to exercise their civil, social, political and economic/financial citizenship rights, many others still need to be empowered and sensitized to participate very actively in budgeting and execution activities. Going by the outcome of the analyzed data, the study also found out (mean = 3.37; Std dev = 1.217) that the respondents observed that the high level of political participation is time-consuming and thus affects prioritization of projects for execution within the budget.

Descriptive Analysis of Budget Implementation:

The analysis in this section is in line with the dependent variable which sought to establish the perceptions held by the respondents regarding budget implementation by the Kenyan city counties. Table 4.3 shows the descriptive results.

Table 4.3: Descriptive Statistics for Budget Implementation

Statements	SA%	A%	I%	D%	SD%	Mean	Std. Dev
The county budget policy helps in performance evaluation and communication on available financial and non-financial resources	16.7	73.3	3.3	6.7	0.0	4.00	.695
There is sufficient attention to education and training to enhance the competencies of the persons involved in budget execution	3.3	56.7	26.7	13.3	0.0	3.50	.777
There exist good monitoring systems for periodic budgetary evaluation and adjustments for efficient and effective policy execution	13.3	43.3	30.0	13.3	0.0	3.57	.898
Poor project conceptualization, design and planning practices by ministries and county departments impact expenditure execution	23.3	46.7	23.3	0.0	6.7	3.80	1.031
Poor budget execution hinders the achievement of development goals as evidence by many abandoned projects	53.3	40.0	6.7	0.0	0.0	4.47	.629
All ministries, departments and agencies strictly comply with the budget implementation reform framework	0.0	13.3	50.0	36.7	0.0	2.77	.679
Medium Term Revenue Framework, Medium Term Expenditure Framework and other budgetary reform strategies of the county government are achievable through enhanced budget discipline	16.7	70.	10.0	3.3	0.0	4.00	.643
Comprehensive budget operations help in building better links between annual allocations and medium-term policy objectives	23.3	63.0	10.0	3.3	0.0	4.07	.691
The county leadership often addresses delays in fund disbursement, lack of capacity and rectifies wrong prioritization of resources.	0.0	40.0	23.3	26.7	10.0	2.93	1.048

The results of the study revealed that the respondents strongly held the view (mean = 4.00; Std dev = 0.695) that county budget policy helps in performance evaluation and communication on available financial and non-financial resources. As noted in the findings of Sceers, Sterck and Bouckaert (2005), the respondents also agreed (mean = 3.50; Std dev = 0.777) that there is sufficient attention to education and training to enhance the competencies of the persons involved in budget execution. The study findings also indicate that the respondents agreed (mean = 3.57; Std dev = 0.898) there exist good monitoring systems for periodic budgetary evaluation and adjustments for efficient & effective policy execution. However the findings revealed (mean = 3.80; Std dev =1.031) that poor project conceptualization, design and planning practices by ministries and county departments impact expenditure execution as revealed by Onyiah *et al.* (2016). Among other factors that influence budget execution, the respondents pointed out to cash flow problems, late initiation of procurement process and hence late initiation of development projects, IFMIS issues, delays in fund disbursement, corruption and lack of political goodwill. It also emerged that the respondents strongly agreed (mean = 4.47; Std dev = 0.629) that poor budget execution hinders the achievement of development goals as evidence by many abandoned projects.

In concurrence with the Annual County Governments Budget Implementation Review Report for the financial year 2015/2016, the recurrent expenditure by Nairobi City County accounted for 129.4% of funds released for recurrent activities while development expenditure accounted for 1,772.8% of the funds released for development activities. Moreover, the expenses on personnel emoluments during that financial year ammounting to Ksh 13.47 billion translated to 56.2% of the total expenditure contrary to the 35% limit set by the Public Finance Management Act requirement at the time. Kisumu city county spent Ksh 4.61 billion on recurrent expenditure representing 82.3% of the annual recurrent budget which was a decline from 86.6% the previous financial year. The development expenditure for Kisumu county during the FY 2015/2016 recorded an absorption rate of 45.3% down from 47.4% attained the previous financial year. During the same period, Mombasa city county county spent Ksh. 3.99 billion representing 69.1% of emoluments and 1.2% decline from the records of the previous fiscal period, yet it still surpassed the limits set by the PFM Act then (Controller of Bugdet, 2016). Table 4.4 presents the detailed budget execution data for the three Kenyan city counties.

Table 4.4: Annual County Governments Budget Expenditure Implementation

	City County	FY 2013/14 Ksh	FY 2014/15 Ksh	FY 2015/16 Ksh	FY 2016/17 Ksh (First 9 Months)
Actual Recurrent Expenditure (Ksh)	Mombasa	5.1 Billion	5.62 Billion	5.77 Billion	4.08 Billion
	Nairobi	15.1 ’’	18.72 ’’	19.78 ’’	13.65 ’’
	Kisumu	2.9 ’’	4.99 ’’	4.61 ’’	3.48 ’’
Actual Development Expenditure (Ksh)	Mombasa	0.112 Billion	2.04 Billion	2.77 Billion	1.49 Billion
	Nairobi	1.9 ’’	2.3 ’’	4.17 ’’	1.48 ’’
	Kisumu	0.5063 ’’	1.51 ’’	1.83 ’’	1.13 ’’
Development Expenditure Absorption Rate	Mombasa	2.4%	65.7%	82.4%	37%
	Nairobi	25%	33.5%	52.9%	12.9
	Kisumu	4.0%	47.4%	45.3%	36.5%

Source: Office of the Controller of Budget

Besides, the study findings revealed that the respondents indicated (mean = 2.77; Std dev = 0.679) an objection and indifference to the view that all ministries, departments and agencies strictly comply with the budget implementation reform framework. The results further indicated that the respondents agreed (mean = 4.00; Std dev = 0.643) that Medium Term Revenue Framework, Medium Term Expenditure Framework and other budgetary reform strategies of the city county governments are more achievable through enhanced budget discipline. It also emerged from the findings that the respondents opined (mean = 4.07; Std dev = 0.691) that comprehensive budget operations help in building better links between annual allocations and medium-term policy objectives. The study also established (mean = 2.93; Std dev = 1.048) that the participants had the perception that the government leadership does not always address delays in fund disbursements, lack of capacity and occasionally rectifies wrong prioritization of resources to meet the varied needs of the stakeholders. According to the findings of the study, the respondents indicated that some of the factors that influence budget execution relate to cash flow problems, late initiation of procurement process and hence late initiation of development projects, IFMIS issues, delays in fund disbursement, corruption and lack of political goodwill among others.

Inferential Analysis:

This study majorly emphasized on how public participation influence budget implementation. Correlating public participation with Budget Implementation enabled the researcher to determine the relationships between each independent variable and the dependent variable of the study.

Relationship between Active Public Participation and Budget Implementation

This section outlines the results of correlation analysis between Active Public Participation and Budget Implementation (Table 4.5). The findings are interpreted and further discussed exhaustively.

Table 4.5: Correlation between Public Participation and Budget Implementation

		Budget Implementation
Public Participation	Pearson Correlation	.645**
	Sig. (2-tailed)	.000
	N	30

**. Correlation is significant at the 0.05 level (2-tailed).

The study revealed that the relationship between public participation and Budget Implementation was strong, positive and statistically significant ($r = 0.645$; $p < 0.05$). It further indicated that public participation in the entire budget process enables the city counties to understand the needs of the citizens, take into account their expectations and interests in establishing budgetary priorities and hence influences budget execution for the common good of the people. However, the study established the need for more members of the public to participate more actively in budget making and execution. These views concurred with the findings of Blahna and Yonts-Shepard (2008) which recommended substantive, interactive public participation and social impact assessment to ensure the interests and expectations of the people are factored in in the entire budgeting process.

Relationship between Public Financial Management Reforms and Budget Implementation:

This study assessed how public participation influenced budget implementation by the Kenyan city counties. Tables 4.6, 4.7 and 4.7 show the results of the multiple regression analysis.

Table 4.6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.645[a]	.416	.395	.35972

a. Predictors: (Constant), Public Participation

Table 4.6 provides a detailed overview of the results of coefficient of determination (r^2) and correlation coefficient (R). The results of (r^2 = 0.416) and (R=0.645) reflected a strong positive correlation between the Public participation and Budget Implementation by the Kenyan City Counties.

Table 4.7: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	2.583	1	2.583	8.316	.000[b]
1	Residual	3.623	28	.129		
	Total	6.206	29			

a. Dependent Variable: BI
b. Predictors: (Constant), Public Participation

Table 4.7 presents the findings of analysis of variance (ANOVA) which indicates that the Public Financial Management Reforms significantly influenced Budget Implementation by the Kenyan City counties ($F = 8.316$; $p < 0.05$) at 95% degree of confidence. These findings were based on the adoption of PFMRs to enhance budget execution by the devolved governments with specific interest in the Kenyan city counties.

Table 4.8: Results of Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.035	.373		5.449	.000
	Public Participation	.453	.101	.645	4.468	.000

a. Dependent Variable: Buget Implementation

The outcomes of the regression analysis (Table 4.8) were interpreted using the following regression function: $Y = \beta_0 + \beta_1 X_1 + \hat{e}$ where Y and X_1, represented Budget Implementation and Public Participation. The regression results were therefore interpreted as follows: $Y = 2.035 + 0.453X_1$. These findings implied that the null hypothesis was rejected ($t = 4.468$; $p < 0.05$). In sum, the study revealed that budget implementation was significantly influenced by public participation.

5. SUMMARY OF FINDINGS, CONCLUSSIONS AND RECOMMENDATIONS

The study also revealed that the city county governments permit budget activism and parliamentary participation in the entire budget process. Even though the county assemblies have a duty to ensure all revenues and spending measures authorized are fiscally sound, matches the needs of the citizenry and that the budget is implemented properly and efficiently a considerable number of the respondents remained indifferent on this view noting that oversight functions carried out always deter executive tendency towards dictatorship and inequitable distribution of resources. The respondents indicated that the city county governments emphasize transparency in formulation, approval, execution, oversight and auditing of the public budget. On active public participation, the study showed that that public involvement produces a more public-preference decision-making and better appreciation of the devolved governments and that the goals of public participation in the entire budget process are met and citizen views are properly incorporated in the budget policy. In addition, the study revealed that the city counties embrace substantive interactive public participation and social impact assessment to consider the interests of all parties considering that the effective public budgeting engagement solves the complicated budget and fiscal dilemmas and encourages good governance. However, it emerged that citizens are not sufficiently knowledgeable about the county government, public policy and thus hardly exercise meaningful oversight. It also appeared that the respondents had divergent opinion on the political will and commitment to public input and that whereas members of the public are empowered to exercise their civil, social, political and economic/financial rights, many others still need to be empowered and sensitized to participate very actively in budgeting and execution activities. Also, the participants observed that high level of political participation is time-consuming and thus affects prioritization of projects for execution within the budget.

The results of the study revealed that county budget policy helps in performance evaluation and communication on available financial and non-financial resources and that there is sufficient attention to education and training to enhance the competencies of the persons involved in budget execution. It also emerged that there exist good monitoring systems for periodic budgetary evaluation and adjustments for efficient & effective policy execution. However the findings revealed that in some cases, poor project conceptualization, design and planning practices impact expenditure execution and that poor budget execution hinders the achievement of development goals as evidence by many abandoned projects. Among other factors that influence budget execution, the respondents pointed out to cash flow problems, late initiation of procurement process and hence late initiation of development projects, IFMIS issues, delays in fund disbursement, corruption and lack of political goodwill. Besides, the study findings indicated some objection and indifference to the view that all ministries, departments and agencies strictly comply with the budget implementation reform framework. The results further indicated that the Medium Term Revenue Framework, Medium Term Expenditure Framework and other budgetary reform strategies of the city county governments are more achievable through enhanced budget discipline. It also emerged that comprehensive budget operations help in building better links between annual allocations and medium-term policy objectives. It also emerged from the respondents' perception, that the city counties and national government leaderships do not always address delays in fund disbursements, lack of capacity and occasionally rectifies wrong prioritization of resources to meet the varied needs of the stakeholders in a timely manner. However, a number of changes in budget execution were witnessed including; adherence to the PFM Act 2012, instituting the sectoral budget groups, enhanced oversight and public participation in the entire budget process.

5.1 Conclusions:

The conclusions in this section were made in context of the stated objectives of the study. In line with the study objective, it revealed that the relationship between public participation and Budget Implementation was strong, positive and statistically significant. It further indicated that active public participation in the entire budget process enables the city counties to understand the needs of the citizens, take into account their expectations and interests in establishing budgetary priorities and hence influences budget execution for the common good of the people. It is on this basis that th study recommended enhanced public participation through adequate publicity and engagement in various public for a organized by the counties and sub-county and ward levls to enable more people to participate actively.

5.2 Recommendations:

The recommendations made herein were based on the study findings in relation to the existing literature. According to the findings presented in the previous chapter, the following recommendations were imperative: First, it recommended that the county gvernments, the relevant county assembly committees, parliament and other oversight organizations should come up with more stringent measures and approaches to enhance better public involvement and oversight of the county budget execution to ensure efficient public service delivery. It also recommended that to avoid counties returning a lot of unutilized resources to the exchequer, it is necessary to properly utilize the available resources to provide for the public interests and that members of the public be called upon to participate more actively in budget formulation and execution.

5.2 Areas of Further Studies:

Considering that there are a total of seven areas under which public financial management reforms are organized, studies should as well be done to unearth the effectiveness of public oversight in budgeting, external audits and e-procurement on budget execution by city counties. Studies should also be done to unearth the interrelation between adoption of the PFMR and performance of all counties in rural areas in Kenya.

REFERENCES

[1] Ahmad, A., & Ahmad, B. (2014). Obstacles of Preparing and Implementing the Budgets in Jordan. *Interdisciplinary Journal of Contemporary Research in Business*, 6(2), 104-113.

[2] Aiginger, K., Cramme, O., Ederer, S., Liddle, R., & Thillaye, R. (2012). Reconciling the Short and Long Run Goverace Reforms to Solve the Crisis and Beyond. *European Policy Brief*, 1-13.

[3] Andrews, M. (2010). How Far Have Public Financial Management Reforms Come in Africa. *Harvard Kennedy School Working Paper Series*, 1-72.

[4] Bagaka, O. (2008). Fiscal Decentralization in Kenya: The Constituency Development Fund and the Growth of Government. *20th Annual Conference of the Association for Budgeting and Financial Management, October, 23-28, Chicago*, pp. 1-40.

[5] Blahna, D. J., Yonts-Shepard, S. (2008). Public Involvement In Resource Planning: Toward Bridging the Gap between Policy and Implementation. *Society and Natural Resources*, 2(1), 209-227.

[6] Borland, J. (2001). Microeconomic Reform in Australia-An Introduction. *University of Melbourne*, 1-11.

[7] Bovaird, T., & Loffler, E. (2009). *Public Management and Governance.* London: Routledge.

[8] Brunson, T. (2017). Public Financial Management Reform. *Ministry of Finance and Development Planning, Republic of Liberia*, 1-10.

[9] Commission on Revenue Allocation, Kenya. (2016). Total Allocations to County Governments (Equitable and Conditional Transfers) in Ksh.

[10] Donaldson, T. & Preston, L. E. (1995). "The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications. *Academy of Management*, 65-91.

[11] Francesco, B. B. (2013). The Reform of the Public Administration in Singapore: A Model to Folow in Italy. *Italia Ministry of Agricultural, Food and Forestry Policies. Munich Personal RePEc Archive*, 1-16.

[12] Gachithi, E. W. (2010). The Challenges of Budget Implementation in Public Institutions: A Case Study of University of Nairobi. *Unpublished Research Project. University of Nairobi*, 168.

[13] Gomes, R. C. (2006). Stakeholder Management in the Local Goverment Decision-Making Area:Evidences from a Triangulation Study with the English Local Government. *Brazilian Administrative Review*, vol. 3(1), pp. 46-63.

[14] Griesse, J., & Deroose, S. (2014). Implementing Economic Reforms - are EU Member States responding to European Semester Recommendations? *ECFIN Economic Brief* , 37(2014), 1-9.

[15] Guthnrie, J., Olson, O., & Christopher, H. (1999). Debating Developments in New Public Management: The Limits of Global Theorising and Some New Ways Forward. *Financial Accountability and Management*, 15(3) & (4).

[16] Guthrie, J. (2005). *International Public Financial Maagement Reform: Progress, Contradictions, and Challenges.* Greenwich Conn: Information Age Publishers.

[17] Irvin, R.E., & Stansbury, J. (2004). Citizen Participation in Decisio Making: Is it Worth the Effort? *Public Administration Review*, 64(1), 55-66.

[18] Republic of Kenya. (2016). County Governments Amendment Act supplement number 34 of 2016. Kenya Gazette Supplement No. 43 (Acts No. 1).

[19] Khan, A. & Hildreth, W. B. (2002). *Budget Theory in the Public Sector.* London: Quorum Books.

[20] Kiilu, M. R., & Ngugi, K. (2014). Effect of Public Financial Management Reforms in the Effective Management of Public Funds in Kenya: A Case Study of the National Treasury. *European Journal of Business Management*, 2(1), 161-169.

[21] Mkasiwa, T. A. (2013). Implementation of Budgetary Reforms in Tanzania: Policy Brief No. 6. *Tanzania Country Level Knowledge Network*, 1-20.

[22] Mugambi, K. W., & Theuri, F. S. (2014). The Challenges Encountered By County Governments in Keya During Budget Preparation. . *IOSR Journal of Business and Management*, 16(2), pp. 128-134.

[23] Mulindwa, S. K. (2013). Thne Process and Outcomes of Participatory Budgeting in A Decetralized Local Government Framework: A Case in Uganda. *Unpublished Thesis, Birmingham Business School. University of Birmingham*, 1-183.

[24] Namazi, M. (2013). Role of the Agency Theory in Implementing Management's Control. *Journal of Accounting and Taxation*, vol. 5(2), 38-47.

[25] National Council for Law Reporting. (2012). Urban Areas and Cities Act. *Laws of Kenya* , 1-31.

[26] Njenga, A. N., Omondi, M. M., & Omete, F. I. (2014). Financial Management Reforms and Economic Performance of Public Sector in Kenya. *International Journal of Business and Management*, 6(31), 148-161.

[27] Onduso, E. A. (2013). The Effect of Budgets on Financial Performance of Manufacturing Companies in Nairobi County. *Unpublished thesis. University of Nairobi*, 1-93.

[28] Onyiah, A. I., Ezeamama, N. N., Ugwu, J. N. & Mgbodile, C. C. (2016). Nigerian Budget Implemetation and Control Reforms: Tool for Macro Economic Growth. *British Journal of Economics, Management & Trade*, 11(2), 1-13.

[29] Parham, D. (2002). Microeconomic Reforms and the Revival in Australia's Growth in Productivity and Living standards. *Conference of Economists*, (pp. 1-29). Adelaide.

[30] Piper, L. & Lieres, B. V. (2008). Inviting Failure: Citizen Participation and Local Governance in South Africa. *Citizenship DRC Special Issue*, 1(1), 1-22.

[31] Quist, R. E., Certan, C., & Dendura, J. (2008). Republic of South Africa Public Expenditure and Accountability. *European Commission Delegation South Africa*, pp. 8-16.

[32] Rajasekar, S., Philominathan, P., & Chinnathambi,V. (2013). Research Methodology. Bharathidasan University. India.

[33] Scheers, B., Sterck, M., & Bouckaert, G. (2005). Lessons from Australian and British Reforms in Results-Oriented Financial Management. *OECD Journal of Budgeting*, 5(2), 133-162.

[34] Schwarz, G. (2013). Response Rate in European Business Tendency Surveys. *Australian Institute of Economic Research*, 1-54.

[35] Tanaka, S. (2007). Engaging the Public in National Budgeting: A Non-Governmental Perspective. *OECD Journal on Publishing*, 7(2), 139-177.

[36] Wacera, D. C. (2016). Effect of Citizen Participation on Budget Implementation in Kenyan Counties: A Case Study of Nyadarua County. *Unpublished Thesis. University of Nairobi.* 1-72.

[37] Wakhungu, D. (2014). Impact of Public Finance Management Reforms on Financial Performance of Commercial State Owned Enterprises in Kenya. *Unpublished Research Project. University of Nairobi*, 1-60.