Abstract: The purpose of the current research was to establish the effect of Project specific factors on performance of Nyandarua County government projects in Kenya. The target population consisted of 384 finance officers in all development projects that were completed in the financial year 2016/2017 in Nyandarua County. Using simple random sampling method 80 respondents were selected from the target population. The data collection was administered using questionnaires designed to obtain accurate information from respondents. The data collected was analyzed using quantitative techniques. The mean, standard deviation, percentages, Pearson’s correlation coefficient and multiple regressions were used to determine the relationship between the variables. The findings were presented using tables, charts and graphs. The study established that overall project specific factors had a statistically significant effect on performance of Nyandarua county government projects. Specifically, access to funding, budgetary control and training on financial management had statistically significant effect on performance of Nyandarua county government projects. The study therefore concluded that project specific factors including access to funding, budgetary control and training on financial management had a statistically significant effect on performance of projects implemented by county government of Nyandarua. The recommendations to the leadership of Nyandarua county government were; to improve funding to projects, ensure stronger budgetary controls and ensure the finance managers are well trained on issues of public financial management ensuring the improvement in performance of projects being implemented by the county government.

Keywords: Credit Reference Bureau, Customer Repayment Behaviour, Credit Default Rate.

I. INTRODUCTION

Globally, national and county governments fund and implement various projects across different sectors such as infrastructure, agriculture, health care and education among others with the object of improving service delivery and enhancing economic development. The success of these projects is largely pegged on a number of factors rather than a single factor. It is not clear on project specific factorsthat determine the performance of development projects. Such influences as political goodwill, local and international non-governmental bodies, the society and financial resources can affect project performance in county government funded projects or even national projects (Saisi, Ngahu & Kalio, 2015).

Worldwide, the completion of a project is based on time, budget controls and deliverables. During the implementation phase, most of government funded projects are hindered by financial constraints. Inadequate finance is one of the major causes of delay in completion of projects in many countries in the world. Therefore, the research showed that adequacy of funding is key to completion of projects (Flaman et al., 2001). According to Zagorsky (2007), adequate and timely funding is fundamental for the success of a project. Where projects are underfunded or untimely funded, project performance is affected and therefore the completion on time is also affected. Financial difficulties in terms of insufficient funds to pay for materials, budgetary controls, financial training, wages and machinery in government sponsored projects often cause delays.

According to Kyalo and Muturi (2015) the Kenyan government has been funding projects in a bid to realize development goals by 2030. In addition, partnerships with international donors have further aided the funding of the projects. The study shows that poor relationship between the Kenya government and donors has resulted in poor performance of the projects.
This can result in delays in completion of the projects and affect their performance. Timeliness in payment of contracts influence the completion of government funded projects in Kenya. According to Jojina (2011), project performance is based on the success of the earlier stages of the project such as planning and implementation. Poor project preparations can adversely affect their performance. Local Authority Transfer Funded (LATF) projects are not completed as planned in Kenya due to poor preparedness caused by poor coordination and access to funding, lack of fairness in the allocation and distribution of funds and political influence. As such the benefits that could be accrued from the completion of the projects especially in the education and transport sectors are not realized. Performance of government projects is hindered by lack of proper training of staff in financial management as they often get involved in cash handling, constraints in budgetary allocations by concerned authorities and bureaucratic procedures used. These projects stall wherever the national and county governments do not allocate funds for the completion of the projects in time leading to their abandonment. Out of 71 projects funded by the government in Kenya in the fiscal year 2013/14, only 6 were successfully completed on time. It is observed that among many factors government allocation of funds is critical to project performance and completion (Monyoncho, 2015). According to Saisi, Ngahu and Kalio (2015), access to capital for infrastructure projects is crucial to project performance. Financial resources allocation by county governments in Kenya greatly affects the project performance. The amount allocated to a development project significantly affects project completion time hence its performance. The research showed that adequacy of funding, timely funding and budgeting largely influence completion of government funded projects.

In Kenya there is the national government which is composed of 47 counties each county with its own semi-autonomous governments. Each county is independent of the other and their individual roles are set by the Constitution of Kenya. The counties have devolved functions from the national government. These functions are carried out under different departments within the counties. Many of these functions involve development projects within the counties that are aimed at improving the livelihoods of the Kenyan citizens. Every county government has a County Integrated Development Plan (CIDP). This plan, according to the Commission for the Implementation of the Constitution spells out among other things, major capital projects. These projects are supposed to have their own budgets clearly outlining the source of funding (CIC, 2014). County governments undertake various projects in every financial year, therefore clear documentation of projects ensure that each project performance is monitored at every stage. These performance records are kept as reference materials that are used in guiding the county government to allocate funds to avoid stalling of projects. Proper allocation of funds and accessibility of these funds by county finance managers ensure smooth performance of county projects. Many of these projects that are funded by the county government are clearly managed by county staff (Robert, 2010). According to CIC (2014), county governments are allowed to undertake long-term borrowing for development projects. These projects must have proper controls to ensure that the funds are well utilized. This process is clearly stipulated in every county finance procedures. Citizen participation in these development projects is essential to ensure accountability and transparency in monitoring the performance of the projects.

1.1 Statement of the Problem:

There are many functions that have been devolved to the county governments since they were incepted in 2013. Many of these county government departments carry out these functions on their own by accessing funding from the county revenue fund to not only cater for the recurrent budget but also to fund various development projects (Keng’ara, 2014). Many of the development projects access funding across all the counties in Kenya (Oyalo, 2015). However, there have been complaints of stalled projects, projects taking long to complete, poorly implemented projects, and indeed white elephant projects. The reasons behind these problems remain highly subjective due to scanty reference materials for finance managers, lack of proper documentation and lack of training on financial management for the concerned stakeholders (Monyoncho, 2015). Fugar (2010) investigated the causes of delays in construction projects in Ghana with the results showing that financial factors were the causes of delay of building construction projects in Ghana. Haseeb (2011) on problems of projects and effects of delays in the Construction Industry of Pakistan observed that government construction projects in Pakistan are frequented by delays mainly caused by changes in design for construction and access to development funding from concerned government departments. Sunjka and Jacob (2013), on the causes and effects of project delays in Niger Delta in Nigeria, noted that insufficient funding and lack of strict budgetary controls compromises project execution. Given that projects funded by the county government are geared towards delivering better services to the people at the grassroots, failure to address the highlighted challenges is bound to result in far-reaching negative implications to the people in the counties as they are directly affected by development projects which have not been completed. Therefore completion of these projects yields improved living standards for the communities concerned. It is therefore necessary to find out how financial factors affect performance of development projects in County Governments.
in Kenya. The current study sought to establish the effect of project specific factors on performance of county government projects in Kenya with special focus on Nyandarua county government projects.

1.2 Objective of the Study:

To evaluate project specific factors affecting performance of County Government projects in Kenya. Specific Objectives included:

1. To find out how access to funding affects performance of Nyandarua County Government projects
2. To determine how budgetary controls affect performance of Nyandarua County Government projects
3. To examine how training on project finance managers affects performance of Nyandarua County Government projects.

II. LITERATURE REVIEW

2.1 Theoretical Review:

Agency Theory: Agency theory was proposed by Meckling and Jensen in 1976. The theory states that there exists potential conflict between principal and the agents. This conflict is usually referred to as principal-agency relationship. Conflicts result from differing vested interests between the agent and the principal where each party seeks to maximize their utility by all means. According to Jensen (1986) shareholders or owners require payouts for their investment which reduces internal resources controlled by managers. Given that managers are compensated and remunerated on the premise of accounting returns, they are incentivized to manipulate information to favour projects with poor net present value (NPV) if they are required to provide immediate returns. This leads to potential loss in value of public entities and projects. Relative to agency theory, the desire for high rewards encourages managers to manipulate, overestimate or underestimate indicators in order to make them more achievable. This is to the detriment of the value of the project, for instance, by drafting low budgets or setting inefficient debt targets. In the same light, Jensen and Meckling (1976) hold that the agency costs of separating ownership from control ought not to be excessive as long as factors such as competition, executive labour market and incentive plans are designed to minimize the self-interest of managers. In respect to financial factors affecting performance of county government projects in Kenya and regarding the agency theory, the county government acts as the principal while the project financial manager acts as the agent. There is the likelihood of the county government to have projects completed within the shortest time possible and within low budgets given the financial constraints facing devolved governments.

Resource Based View Theory: The theoretical foundation of RBV dates back to the year 1950 when Penrose’s viewed organization as a pool of resources and articulation of the same by Penrose, 1995. The RBV consider the resources of a firm as being a fundamental predictor of a firm’s competitive advantage and performance. Whereas resources can be categorized in different ways, for instance tangible and intangible, tangible resources facilitate execution of business process while the intangible resources are the ones that might result in competitive advantage by allowing organizations to incorporate unique and valuable practices (Ray, et al., 2004; Barney, 1991). As noted by Barney (1991), RBV is based on two assumptions of resources being heterogeneously distributed across organizations and the non-transferability of productive resources from one organization to another without incurring cost. Thus, given the two assumptions, RBV holds that only an intangible resource that is valuable, rare, hard to imitate and without strategically equivalent substitutes is critical in sustaining a firm’s competitiveness (Barney, 1991). Within projects, RBV is critical in that project management practices are based on tangible and intangible resources (DeFillippi & Arthur, 1998; Fernie, et al., 2003). For instance, resources that are tangible in project management include the use of codified methodologies, templates, tools and techniques that are readily available across the discipline (Crawford, et al., 2006; Jugdev & Mathur, 2006). On the other hand, project management intangible resources include leadership, teamwork etc that might contribute towards competitive advantage (Hunt, 1997; Killen, et al., 2012; Jugdev & Mathur, 2006). Thus, given leadership and teamwork are valuable, rare, and imperfectly imitable resources, these resources are expected to have an effect on project outcomes. In terms of applicability, RBV is criticized due to lack of consensus in the uses of various definitional terms such as capabilities, assets, resources and competences. In addition, RBV is criticized on the basis of whether it can be tested due to lack of methodology to measure intangible resources (Barney, et al., 2011). Resource Based View theory is relevant for the current research on effect of financial factors on performance of Nyandarua county government projects since one aspect of financial factors being considered is access to funding for projects. Finances are a tangible resource that is
required for successful implementation of county government projects. The financial resources identified by the resource based view theory should be organized through project resources planning to ensure achievement of project outcomes and attain competitive advantage of the projects. The theory is thus appropriate for this study as it helps in identifying key resources in terms of finances whose use can be well planned to achieve project outcomes expected by project stakeholders.

2.2 Empirical Review:

Access to Funding and Performance of Projects: A study by Odeh (2002), on studying causes of construction delays in traditional contracts in Jordan pointed out that financing and payment difficulties were some of the major impediments to completion of projects in time. The study established that contractors in residential projects in Jordan faced delays in completion due to other factors as access to funding and the technical knowhow of finance managers in handling their projects funds. Another study was carried out by Haseeb et al. (2011) on problems of projects and effects of delays in the Construction Industry of Pakistan and observed that government construction projects in Pakistan are frequented by delays mainly caused by changes in design for construction and access to development funding from concerned government departments. The study established that issues related to funds acquisition and payment problems hindered successful completion of government construction projects in Pakistan. Aftab et al. (2014), on studying significant factors causing time overrun in construction projects of peninsula Malaysia found that financial difficulties of the owner and the contractor caused time overruns. The study suggested that easy access to funding in projects makes performance of the projects easier. This therefore implies that funds should be made available whenever needed in a project for it to be completed in time.

Study by Fugar (2010) looked into delays in building construction projects in Ghana. The study particularly investigated the causes of delays in construction projects in the country. Clients, consultants and contractors and government financial managers participated in the study. The study used semi-structured interviews to obtain primary data. The results showed that financial factors were the causes of delay of building construction projects in Ghana. More so difficulty in accessing bank credit and fluctuation in prices of materials hampered completion of projects in scheduled time. It was recommended that there should be a specialized commercial bank where contractors would easily obtain credit in case of liquidity challenges. A study by Owolabi, et al. (2014), investigated the causes and effect of delay on building construction project delivery time in Nigeria. The professionals in the construction industry were selected for the study. These were quantity surveyors, architects, engineers, contractors among others. Questionnaires were used to collect data from the respondents. It was established that there were a myriad of factors that influenced completion of projects on time and most important among them was access to funds to finance the projects to completion. Kikwasi (2012), on the causes and effects of disruptions in construction projects in Tanzania indicated that funding problems hindered completion of the projects in the country. The study showed that if government departments availed funds whenever needed, the projects were completed in time but if the funds were not availed in time the projects either stalled or are being carried out at a slower pace or whenever funds are allocated. Research by Saisi, Ngahu and Kalio (2015), determined financial factors influencing successful completion of construction projects in public universities in Kenya. The study employed descriptive research design. The employees in management, project management, accounts, finance and auditing departments were targeted. The study used a structured questionnaire to obtain data from the respondents. The study findings revealed that financial constraints delayed construction projects in the institutions. Access to infrastructure funds largely and significantly influenced the performance of the projects as it reduced the completion times significantly.

Budgetary Controls and Performance of Projects: A study by Tseng, Lin and Sundrarajan (2005), on management of cost overrun risk in project funding allocation showed that projects are subject to cost overrun risk since the funding allocation may not match project cost. Projects always compete for fund allocation in any government department and optimum funding allocation is essential for competing projects. Critical analysis of project size, riskiness, interdependency of the projects, risk preference and minimizing cost overrun risk are required for estimating of project costs. According to Shah et al. (2011), while looking into socio-technical factors affecting implementation of enterprise resource planning in Pakistani firms, noted that the support from top organizational management in form of resource allocation in terms of finance is key to ensuring project success. It was also observed that the government allocates huge chunks of funds to prioritized projects that yield maximum benefits to the society such as road projects. However that study noted that there has been failure of public development projects in the country occasioned by such factors as poor governance and constrained budgets. It was noted that the lack of stringent budgetary controls in public project funding allocation cause delays in project completion and also result in hiking of costs.
Another study carried out by Sunjka and Jacob (2013) on the causes and effects of project delays in Niger Delta in Nigeria, noted that insufficient funding and lack of strict budgetary controls compromises project execution. Inadequate release of funds coupled with inadequate cash flow was noted to lead to delay in delivery of materials and equipment to the construction site and therefore compromising of project completion. Woka and Miebaka (2014) established that lack of budgetary controls occasioned delay and abandonment of development projects. As such it was noted that allocating reasonable funds to development projects is key to minimizing project delay and abandonment as various government allocations such as constituency development fund aim to improve the welfare of the citizens in Kenya. Additionally, a study (Kibebe & Mwirigi, 2014) noted that implementation of the projects funded by constituency development funds stall or are abandoned and therefore do not live up to their promise. In their study of the factors influencing effective implementation of constituency development fund projects, the authors noted that the process of allocation of funds at the constituency level lacked transparency as the decisions on allocation are based on political patronage. As such, it is noted that projects stall. Maina (2013) established that the Kenyan government had indeed increased budget allocation to the road-subsector in a bid to ensure that the country is well networked to boost economic development. However the study noted that despite the allocation by the National government, road projects in Kenya continue to be plagued with cost overruns, delay in completion and stalled projects due to budgetary controls and lack of adequate financial management awareness.

Study by (Monyoncho, 2015) also sought to establish the determinants of government funded construction projects implementation in Lamu County in Kenya where the study used census design and descriptive survey. The construction engineers, county employees, construction supervisors and project managers were the participants of the study. Questionnaires were used to collect data. The findings indicated that budgetary controls were important in project implementation in the county. It was recommended that the government should allocate sufficient funds in order to enhance successful implementation of construction projects in the county.

Planning is the establishment of a predetermined course of action within a predicted environment (Kerzner, 2003). Kerzner further asserts that the planning process must be systematic, flexible, disciplined and capable of accommodating input from diverse functions. The planning process is most effective when iterated and occurs throughout the life of the project. Indeed, every phase of the project processes require substantial planning. Subsidiary plans for each stage are integrated into the overall project plan. The final comprehensive plan will define the project’s execution, its monitoring and control and closure (PMI, 2013). Well prepared plans include subset that explains the management of scope, requirements, schedule, cost, quality, risk, resources, process improvement and stakeholders.

Financial Management Training and Performance of Projects: Financial management in the performance of a project is crucial to its success and therefore staff should be well trained in this area to ensure cost effective and timely completion of projects. Indeed, it is noted that training in financial management is fundamental to performance of project activities that are key to ensuring that the project is delivered within the preset budget (Kamwana & Muturi, 2014). A report on project monitoring and reporting in Canada documents that projects can be a risky venture for local governments and therefore government entities should have policies and procedures that anchor project performance, monitoring and mitigating risks. Such policies and mitigation measures can improve financial accountability and enhance operational effectiveness. The report emphasizes on training on financial management, budget controls and project planning in order to minimize risks. (Government Finance Office Association, 2007). Study by Ojo (2009) delved into efficient financial management in local governments in Nigeria. The study aimed to provide a framework for efficient training in financial management to local governments in Nigeria. In the study, it was established that availability of adequate funds coupled with efficient financial management are key to ensuring timely execution and completion of development projects by local government. The author established that the use of budget, rational approach in allocating resources and other budgeting methods such as incremental approach, zero-based budgeting and planning-programming and budgeting system and more so auditing can be used by local governments in their activities to enhance financial management.

According to Ngesa (2012) the Kenyan government in partnership with other bodies such as the World Bank invests heavily in infrastructure development. However, it is noted that the development projects are never completed on time and more often than not result to cost overruns and later abandonment. While looking into institutional factors that affect timely completion of infrastructural projects in Kenya, the author noted that transparency and accountability in relation to procurement, financial management on overall project management process is key to ensuring project success. It was also established that financial planning is crucial to project completion and should therefore be adhered to.

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Kimani (2013), government funded projects in Kenya such as constituency development fund are aimed at alleviating poverty and igniting development at constituency level. As such the author sought to determine the effect of fund management practices on financial performance of constituency development fund funded water projects in Nakuru County. Cross sectional survey design was used. Managers of constituency development fund funded water projects were targeted. The study findings illustrated that training in financial management practices such as cash management positively influenced performance of the water projects in Nakuru County. Study by Kung’u and Mwangi (2014) noted that good financial management practices enhance financial performance of constituency development fund funded water projects in Kenya. This can be achieved by commitment to the projects, preparing adequately for the projects and good trainings through seminars and workshops on the importance of the finance department in the success of any project. According to Kamwana and Muturi (2014), good financial management practices entail such principles as sustainability, accountability and transparency which has not been the case for government agencies in Kenya especially in their projects. The authors sought to examine the effect of financial management on performance of World Bank funded projects in Kenya. The Kenya power and lighting company was the focus of the study. Employees of the company were targeted. It was observed that financial training, financial planning, monitoring of funds, instituting financial controls and more so financial evaluation enhanced performance of the projects.

III. METHODOLOGY

3.1 Research Design, Target Population And Sampling:

This study adopted a descriptive research design. A descriptive research design attempts to describe any possible behavior, attitudes, values and characteristics. In this study the target population comprised of all the 384 finance officers in the completed Nyandarua County Government projects in Nyandarua County in the financial year 2016/2017. Using the Nassiuma’s (2008) formula, the sample size was determined as follows:

\[ n = \frac{NC^2}{C^2 + (N - 1) e^2} \]

where: \( n \) represents Sample Size, \( N \) represents Target Population, \( C \) represents Coefficient of Variation (21% ≤ C ≤ 30%), \( e \) represents Precision Level (2% ≤ e ≤ 5%)

Therefore:

\[ n = \frac{384 \times 0.25^2}{0.25^2 + (384 - 1) 0.025^2} \]

\[ n = 79.5 \]

\[ n = 80 \]

3.2 Research Instruments and data collection:

Primary data was collected mainly through the use of questionnaires main data collection instrument to collect data from the 80 finance officers of different projects. The structured questions were in form of a five point likert scale. The method chosen for administration of questionnaires was drop and pick method. The respondents filled in their views and returned the questionnaires within a deadline that was set for the questionnaires to be ready for analysis in time. The questionnaires were collected back after one week for analysis.

3.3 Data Processing and Analysis:

The researcher first verified the completeness of the filled questionnaires to ensure that only the appropriately filled ones were considered in the analysis. The Statistical Package for Social Sciences (SPSS) version 20 was used to facilitate data analysis. The collected data was then analyzed using mean, standard deviation, frequencies and percentages. Pearson’s correlation coefficient and multiple regressions were also used to determine the relationship between the variables. The results of the analyses were presented in tables and charts. The statistical model shows the mathematical relationship between the independent variable (financial factors) and dependent variable (performance of Nyandarua county government projects). The model was useful to the study as it enabled the researcher to estimate the coefficients of the independent variables and to establish the causal effect relationship between independent and dependent variables. The following multiple regression model (1) was adopted.
\[ Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon \]  

Where:

- \( Y \) represents Project Performance
- \( \beta_0 \) represents Constant
- \( X_1 \) represents Access to capital
- \( X_2 \) represents Budgetary controls
- \( X_3 \) represents Financial management training
- \( \varepsilon \) represents Error term
- \( \beta_1, \beta_2, \beta_3 \) represent Regression Coefficients

The effect of project specific factors on performance of Nyandarua county government projects was examined using F-test, ANOVA and t-test at 5% level of significance. The f-test and t-test were generated by performing multi regression analysis.

IV. RESULTS AND DISCUSSIONS

4.1 Pilot Study and Response Rate:

Out of the 80 questionnaires issued among the various respondents in Nyandarua County Government, 65 were returned and were useable for the study accounting for 81% response rate. The value of Cronbach’s Alpha was 0.752 which is above the threshold of 0.7 thus the questionnaire used in the study was reliable enough in measuring the content it was to measure with high degree of reliability hence the questionnaire could give similar results if used repeatedly in different studies.

4.2 Descriptive Analysis:

Demographic information: Majority (69.23%) of the respondents had worked in Nyandarua County Government for more than 3 years indicating that there is low staff turnover by financial managers in the county government of Nyandarua as most of them have been with the organization for many years hence they could employ their long years of experience to improve performance of Nyandarua county government. Concerning age of respondents, majority of the respondents (61.53%) were aged above 35 years hence most of the finance managers are younger and can utilize their energy and youthfulness to improve the performance of county government of Nyandarua. It is also clear from the results that majority (63.0%) of the respondents were male while 37.0% were female implying that the county government human resource department has met the one third gender rule stipulated in the constitution. Majority of respondents had either a diploma or first degree hence this implies they have got necessary basic academic qualification required to carry out their duties as finance managers in the county government of Nyandarua.

Access to Funding: the study sought to determine the extent to which access to funding was an issue of importance in explaining performance of Nyandarua county government projects. All the measures were on a five point Likert Scale where; 1=strongly disagree, 2= Disagree, 3=Not sure, 4=Agree, 5=strongly agree. These results are as summarized in Table 1

<table>
<thead>
<tr>
<th>Statements</th>
<th>SA %</th>
<th>A %</th>
<th>N %</th>
<th>D %</th>
<th>SD %</th>
<th>n</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The county government is able to access large amounts of funds to finance investment projects.</td>
<td>69</td>
<td>31</td>
<td>0</td>
<td>0</td>
<td>65</td>
<td></td>
<td>4.692</td>
<td>.465</td>
</tr>
<tr>
<td>The funds are accessed frequently.</td>
<td>65</td>
<td>35</td>
<td>0</td>
<td>0</td>
<td>65</td>
<td></td>
<td>4.692</td>
<td>.465</td>
</tr>
<tr>
<td>There are stringent requirements that must be met in order for the county government to access funding for development projects.</td>
<td>60</td>
<td>40</td>
<td>0</td>
<td>0</td>
<td>65</td>
<td></td>
<td>4.692</td>
<td>.465</td>
</tr>
<tr>
<td>The purpose of the funds is paramount in enabling the county government to access funds.</td>
<td>31</td>
<td>20</td>
<td>29</td>
<td>20</td>
<td>65</td>
<td></td>
<td>3.615</td>
<td>1.127</td>
</tr>
</tbody>
</table>

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There are regulations that govern how county governments can access funding for development projects. County governments have diverse sources of funding.

The results in Table 1 indicate the responses of the financial managers on various statements about access to funding at Nyandarua County. The respondents were asked to evaluate different statements relating to access to funding. Generally, it is evident that access to funding is a major factor that explains the level of performance of projects implemented by the county government of Nyandarua.

**Budgetary Control:** The researcher also wanted to establish the extent to which budgetary control was being practiced by finance managers in managing projects under Nyandarua county Government. The respondents were required to rate a number of responses given on Likert scale. The data collected and associated analysis is given in table 2.

**Table 2: budgetary Control**

<table>
<thead>
<tr>
<th>Statements</th>
<th>SA %</th>
<th>A %</th>
<th>N %</th>
<th>D %</th>
<th>SD %</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The county government establishes budgets for all projects</td>
<td>81</td>
<td>19</td>
<td>0</td>
<td>0</td>
<td>65</td>
<td>4.184</td>
<td>.391</td>
<td></td>
</tr>
<tr>
<td>The county government has specific budget centres mandated to draft project budgets.</td>
<td>22</td>
<td>31</td>
<td>29</td>
<td>9</td>
<td>65</td>
<td>3.461</td>
<td>1.199</td>
<td></td>
</tr>
<tr>
<td>Resources are allocated according to the needs and scope of each project</td>
<td>9</td>
<td>71</td>
<td>9</td>
<td>0</td>
<td>11</td>
<td>65</td>
<td>3.676</td>
<td>1.032</td>
</tr>
<tr>
<td>Budgetary controls are selective in development projects</td>
<td>72</td>
<td>28</td>
<td>0</td>
<td>0</td>
<td>65</td>
<td>4.723</td>
<td>.450</td>
<td></td>
</tr>
<tr>
<td>The budgetary controls are geared towards controlling costs</td>
<td>28</td>
<td>63</td>
<td>9</td>
<td>0</td>
<td>0</td>
<td>65</td>
<td>4.184</td>
<td>.583</td>
</tr>
<tr>
<td>Funds are spread to the entire development project periods.</td>
<td>52</td>
<td>39</td>
<td>0</td>
<td>9</td>
<td>0</td>
<td>65</td>
<td>4.338</td>
<td>.888</td>
</tr>
</tbody>
</table>

Table 2 shows the data presentation and analysis of responses about statements on budgetary control being practiced by finance managers in Nyandarua County in the management of county projects. Generally, it is evident that budgetary control is an important practice that is essential in management of county government projects as evidenced by majority of respondents who supported different statements on budgetary control.

**Training on Financial Management:** The researcher also sought to establish the extent to which training on financial Management for the finance managers in charge of different projects was being applied in Nyandarua county government. A likert scale was utilized for this purpose with statements that were rated by the respondents in the study. The results are presented in table 3.

**Table 3: Training on Financial Management**

<table>
<thead>
<tr>
<th>Statements</th>
<th>SA %</th>
<th>A %</th>
<th>N %</th>
<th>D %</th>
<th>SD %</th>
<th>n</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is training on financial management to all finance managers</td>
<td>40</td>
<td>60</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>65</td>
<td>4.4000</td>
<td>.49371</td>
</tr>
<tr>
<td>Training helps in financial reporting in development projects</td>
<td>51</td>
<td>11</td>
<td>20</td>
<td>18</td>
<td>0</td>
<td>65</td>
<td>3.9385</td>
<td>1.21033</td>
</tr>
<tr>
<td>Training in financial management to project finance managers help in the performance of development projects</td>
<td>49</td>
<td>51</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>65</td>
<td>4.4923</td>
<td>.50383</td>
</tr>
<tr>
<td>Cash management is highly emphasized in trainings to finance managers by the county government has sound internal training mechanisms for all projects managers.</td>
<td>71</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>29</td>
<td>65</td>
<td>4.1231</td>
<td>1.37509</td>
</tr>
<tr>
<td>The county government complies with the Public Procurement and Disposal Act in offering trainings among other financial services</td>
<td>69</td>
<td>31</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>65</td>
<td>4.6923</td>
<td>.46513</td>
</tr>
</tbody>
</table>
Table 3 shows the results of the responses on the statements about training on financial management for the finance managers attached to Nyandarua county government. Majority of respondents agreed with statements about training on financial management as practiced by Nyandarua county government in the management of projects. This is evidenced further by majority of mean responses being above 4 with the exception of one statement.

4.3 Performance of County Government Projects:

The researcher was also interested in establishing the extent to which Nyandarua county government projects performed. This was also evaluated using likert scale where the respondents were required to rate the statements given.

Table 4: Performance of County Government Projects

<table>
<thead>
<tr>
<th>Statement</th>
<th>SA %</th>
<th>A %</th>
<th>N %</th>
<th>D %</th>
<th>SD %</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>County projects show great performance on completion</td>
<td>40</td>
<td>60</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>65</td>
<td>4.4000</td>
<td>.49371</td>
</tr>
<tr>
<td>Projects are completed according to the budget</td>
<td>58</td>
<td>42</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>65</td>
<td>4.5846</td>
<td>.49662</td>
</tr>
<tr>
<td>County government projects were evaluated regularly</td>
<td>40</td>
<td>36</td>
<td>11</td>
<td>13</td>
<td>0</td>
<td>65</td>
<td>4.6000</td>
<td>.49371</td>
</tr>
<tr>
<td>County government projects often meet required performance standards</td>
<td>20</td>
<td>70</td>
<td>5</td>
<td>5</td>
<td>0</td>
<td>65</td>
<td>4.2000</td>
<td>.40311</td>
</tr>
<tr>
<td>The project deliverables are often measured and records kept</td>
<td>60</td>
<td>40</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>65</td>
<td>4.6000</td>
<td>.49371</td>
</tr>
<tr>
<td>The project deliverables are often measured and records kept</td>
<td>29</td>
<td>51</td>
<td>9</td>
<td>11</td>
<td>0</td>
<td>65</td>
<td>4.2923</td>
<td>.45836</td>
</tr>
</tbody>
</table>

Table 4 presents results of data analysis about the responses on statements about the performance of Nyandarua county government projects. Performance of Nyandarua county government projects was generally agreed upon by majority of respondents who supported the statements by either strongly agreeing or just agreeing. This is exemplified further by mean responses of above 3 simplifying the county government projects performed well as reported by county finance managers.

4.4 Correlation Analysis:

In this subsection correlation analysis using the Karl Pearson Correlation was done to first determine the degree of multicollinearity between the independent variables and also show the degree of their association with the dependent variable separately and the resulting correlation matrix given in Table 5

Table 5: Bivariate Pearson Correlation Coefficient

<table>
<thead>
<tr>
<th></th>
<th>AF</th>
<th>BC</th>
<th>TFM</th>
<th>PER</th>
</tr>
</thead>
<tbody>
<tr>
<td>AF</td>
<td>1</td>
<td>-.331*</td>
<td>.259*</td>
<td>.429*</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.007</td>
<td>.037</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>65</td>
<td>65</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td>BC</td>
<td>-.331**</td>
<td>1</td>
<td>.410**</td>
<td>.382**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.007</td>
<td>.001</td>
<td>.002</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>65</td>
<td>65</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td>TFM</td>
<td>.259*</td>
<td>.410**</td>
<td>1</td>
<td>.301*</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.037</td>
<td>.001</td>
<td>.015</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>65</td>
<td>65</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td>PER</td>
<td>.429**</td>
<td>.382**</td>
<td>.301*</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.002</td>
<td>.015</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>65</td>
<td>65</td>
<td>65</td>
<td>65</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed). *. Correlation is significant at the 0.05 level (2-tailed).

Independent Variables: Access to Funding (AF), Budgetary Control (BC) and Training in Financial Management (TFM) and Dependent variable: performance of county government projects (PER)

The results in Table 5 show the correlation between financial factors variables and performance of Nyandarua county government projects. Access to funding was moderately positively and significantly correlated with performance of county government projects in Nyandarua county ($r=0.429$, $p=0.00$, $\alpha = 0.05$). Budgetary control was significant and positively
correlated with performance of county government projects in Nyandarua county\( (r=0.382, \ p=0.002, \ \alpha=0.05) \). The correlation between training in financial management and performance of county government projects in Nyandarua county was significant and strong positively correlated \( (r=0.301, \ p=0.015, \ \alpha=0.05) \).

### 4.5 Regression Analysis:

The study used simple OLS Regression analysis that was multiple in nature as there were three independent variables. Multiple regression analysis involved calculation of coefficient of determination \( (R^2) \), Analysis of Variances \( (ANOVA) \) and regression coefficients.

#### Table 6: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.786(^a)</td>
<td>.619</td>
<td>.586</td>
<td>.15192</td>
</tr>
</tbody>
</table>

\(^a\) : Predictors: (Constant), Access to Funding, Budgetary Control and Training in Financial Management

In table 6, the overall correlation coefficient \( (R) \) between independent variable (financial factors) and performance of Nyandarua county government projects was 0.786. This means that there was a strong positive relationship between financial factors and performance of Nyandarua county government projects. Furthermore, table 6 indicates that the model explains only 58.6 % of the variations in performance of Nyandarua county government projects as shown by adjusted \( R^2 \) of 0.586. Hence 41.4% Variations in performance of Nyandarua county government projects is explained by other factors not included in the model.

#### Table 7: Analysis of Variances

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>2.208</td>
<td>5</td>
<td>.442</td>
<td>19.137</td>
</tr>
<tr>
<td>Residual</td>
<td>1.362</td>
<td>59</td>
<td>.023</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3.570</td>
<td>64</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^b\) : Independent Variable: Access to Funding, Budgetary Control and Training in Financial Management

According to table 7 the overall significance of the model was 0.000 with an F value of 19.137. The level of significance was lower than 0.05 and this means that financial factors show statistically significant effects on performance of Nyandarua county government projects.

#### Table 8: Coefficients of Independent Variable

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.809</td>
<td>.803</td>
<td>.325</td>
<td>2.254</td>
</tr>
<tr>
<td>AF</td>
<td>.085</td>
<td>.024</td>
<td>.325</td>
<td>3.538</td>
<td>.001</td>
</tr>
<tr>
<td>BC</td>
<td>.231</td>
<td>.082</td>
<td>.264</td>
<td>2.825</td>
<td>.006</td>
</tr>
<tr>
<td>TFM</td>
<td>.842</td>
<td>.147</td>
<td>.536</td>
<td>5.728</td>
<td>.000</td>
</tr>
</tbody>
</table>

\(^a\) : Dependent Variable: performance of Nyandarua county government projects  
\(^b\) : Independent Variables: Access to Funding (AF), Budgetary Control (BC) and Training in Financial Management (TFM)

Table 8 further shows the coefficients of independent variables (Access to Funding, Budgetary Control and Training in Financial Management), the values of \( p \) and values of \( t \). The model was thus estimated as shown in equation (2).

\[
Y = 1.809 + .085 \text{ AF} + .231 \text{ BC} + .842 \text{ TFM} \]

The estimated model equation (2) simplifies the causal effect relationship between financial factors and performance of Nyandarua county government projects. The value 1.809 is the intercept term of the model showing the level of performance of Nyandarua county government projects when the independent variables in the model are held constant at zero. Access to funding had a statistically significant effect on performance of Nyandarua county government projects \( (\beta_1)\).
From the findings of the study, the following conclusions were made: Given positive correlation between access to funding and performance of Nyandarua county government projects and the significant effects of the same, the study concluded that access to funding has a statistically positive effect on performance of Nyandarua county government projects and that performance of the county projects can be improved through improving the movement and delivery of adequate timely financial resources to the projects. Given a positive relationship between budgetary control and performance of Nyandarua county government projects and significant effect of the same, it was concluded that budgetary control has a statistically significant positive effect on performance of county government projects. The causal effect relationship implies that the county government can improve the performance of its projects by tightening budgetary controls and ensuring all expenditures on projects is done according to the preceding budgets. Finally, the positive association between training on financial management and significant effect of the same as given by regression analysis, it was concluded that training on financial management has significant positive effect on performance of county government projects and is very essential for improving performance of the same. Imparting relevant financial management skills on finance managers leads to improved performance of projects of the county government.

From the findings of the study and conclusions made, the study makes a number of recommendations. Given positive correlation and significant effect of access to funding on performance of Nyandarua county government projects, the leadership of Nyandarua county government should ensure that they deliver adequate funds to their ongoing projects to ensure the finance managers have enough funds to run projects. Additionally, the funding should be received at the right time without any delays. The county government can achieve this by allocating all necessary financial resources required for each project and depositing the funds in a special account for each project and there should be no reallocation of the funds to other projects. This will ensure projects run smoothly without running out of funding. The county government should also ensure there is sustainability in funding by finding own sources of revenue generation in addition to what is provided by the national government. Given a positive correlation and significant effect of budgetary control on performance of projects implemented by the county government of Nyandarua, the leadership of Nyandarua county government should put in place strong budgetary controls. The county assembly must ensure that the county government has a budget for each major project and that the finance executive officer has put in place adequate controls especially in expenditure which must be based on the budgets. Any expenditure outside the budget for each project must be approved by county assembly after submission of supplementary budget. The auditor general should also do thorough examination of county government books of accounts to ensure there are strong controls at the county government that discourages embezzlement of county funds. Further, the finance managers recruited should be competent so as to be able to institute strong and stiff budgetary controls.

The positive association and significant effect of training on financial management on performance of Nyandarua county government projects, shows that training on financial management is very essential for improving performance of projects under the county government. The leadership of Nyandarua county government should ensure that their employees in the finance department have adequate knowledge and skills necessary to manage county government projects. One way to ensure competence of finance managers apart from recruiting qualified employees is through organizing periodic training on financial management for the county finance officers. The trainings should be delivered by relevant training partners who are competent in issues of financial management in the public sector. The trainings being delivered should be relevant and very specific to the county government working environment to ensure application of skills acquired. Prior to training, the county government human resource department should carry out training needs assessment to ensure employees are only trained based on county government needs as well as needs of individual employees. The current study was confined to the effect of financial factors on performance of Nyandarua county government projects. The study was limited to three financial factors namely; access to funding, budgetary control and training on financial management. Future studies should be carried in wider populations covering more county movements. Other studies should also be carried out in other county governments to establish if the findings hold in those environments. Future studies should also include more financial factors in addition to the three covered in the current study.
REFERENCES


[47] Zagorsky, J. L. (2007). Do you have to be smart to be rich? The impact of IQ on wealth, income and financial distress. *Intelligence, 35,* 489-501.