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EFFECT OF INTEGRATED FINANCIAL MANAGEMENT INFORMATION SYSTEM (IFMIS) ON FINANCIAL PERFORMANCE OF COUNTY GOVERNMENT IN KENYA

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ABSTRACT

Integrated Financial management information systems (IFMIS) is the computerization of public expenditure management processes including budget formulation, budget execution, and accounting with the help of a fully integrated system for financial management of central government ministries, county governments and other spending agencies. The general objective of this study was to establish the effect of IFMIS on financial performance of County governments in Kenya. The specific objectives were to determine how integrated budgeting system, procurement information system, reporting information system and revenue collection information system affects financial performance of County Governments. The target population of the study included 208 employees of Coastal County Government and a sample of 137 employees taken to be a representative of all employees in Coastal Kenya who use IFMIS. Descriptive survey was used to collect both primary and secondary data. Structured questionnaires were distributed targeting 137 Coastal Kenya County Government employees. The data collected was analyzed with the help of Statistical Package for Social Scientists (SPSS) version 21. Descriptive analysis was done using frequency distributions, percentages, mean and standard deviation to summarize results on individual variables. Inferential analysis was done using correlation and multiple regression models in order to establish the linear relationships between one or more variables and to test the significance of the relationships between the dependent and independent variables. The results were presented in tables and inferences drawn at 95% level of confidence. Results showed that there was a strong positive correlation between use of integrated budgeting system and financial performance of County Governments. Results showed that there was a strong positive correlation between use of procurement information system and financial performance of County Governments. Results showed that there was a strong positive correlation between use of reporting information system and financial performance of County Governments. Results showed that there was a strong positive correlation between use of revenue collection information system and financial performance of County Governments. It was concluded that integrated budgeting system improves credibility and confidence of the budget by ensuring that it is detailed and transparent with all the financial reports adequately prepared. Procurement information system enhanced procurement process that ultimately led to efficiencies in resource utilization. Reporting information system improved expenditure management and control. Finally, it was concluded that revenue collection information system ensured transparency and accountability of collected county revenue. It was recommended that the county management should always embrace IFMIS in budgeting process. In order to improve the procurement process within county level there is need to

continually embrace procurement information system. In order to enhance financial reporting process within county, there is need to encourage compliance on policies governing the system. The county governments should ensure that the revenue collection information system is well integrated and efficient so as to increase the revenue collection as this was found to work better than old revenue collection methods.

1.0 BACKGROUND OF THE STUDY

An integrated financial management information system (IFMIS) for public funds management has been found to be a very crucial tool for economic growth and development by ensuring that government is able to mobilize revenue, manage, and appropriate scarce public resources in an effective and in an efficient fashion with a main target of enhancing service delivery to the citizens (Langat, 2016). However, Public finance management (PFM) practices have in the past been characterized by problems in revenue mobilization and lack of transparency and accountability in the utilization of scarce public funds These and other problems have given rise to persistent increases in budget deficits, public debts, and poor performance of the Kenyan economy hence the need for adopting effective finance management systems (Shah, 2016).

One of the significant changes set out on, is the robotization of Public Financial Management measures. The presentation of the Integrated Financial Management Information System (IFMS) has been started on the acknowledgment that the administration can successfully use existing and developing innovation to improve the movement of changes and the board of money (GOK, 2016). The Integrated Financial Management Information Systems (IFMIS) was first presented in Kenyan public division by the previous service of fund and the now National Treasury in 1998, while directing of the framework in different services was in 2003.

The framework was Enterprise Resource Planning (ERP) programming dependent on prophet. The ERP programming was an association wide application that coordinated activities through a unified information base framework, that got to by the clients utilizing a protected organization. The Integrated Financial Management and Information System (IFMIS) framework was first dispatched in 2003 in different divisions in the Kenyan government. This anyway presented just restricted modules, with other money related administration measures staying manual. IFMIS Re-designing was hence regarded important to acquaint a full cycle end-with end coordinated methodology for proficient and successful public budgetary administration and administration conveyance to general society (Langat, 2016).

Before the turn out of IFMIS, government money related administration measures were looked by various difficulties and shortcomings; Lack of convenient and important monetary data for powerful dynamic was one of the significant obstacles looked by the budgetary supervisory crew at the National Treasury (GoK, 2017). The legislature money related administration activities were additionally portrayed by utilization of manual and semi-mechanized frameworks while performing routine and frequently dreary errands of arranging, getting ready spending gauges, manual acquisition and installment framework using manual vote books, manual revealing and capacity of data which couldn't be recovered effortlessly (Chado, 2015).

1.1 Integrated Financial Management Information Systems

The Integrated Financial Management Information Systems (IFMIS) is a PC based data framework that modernizes different parts of spending arrangements and bookkeeping activities in Government Ministries, Departments and Agencies (MDAs) and as of late the 47 County governments. Maringa (2019) sees that there is an overall understanding that a completely working IFMIS can improve administration by creation of ideal money related data that bookkeeping and budgetary chiefs and different clients can use on their standard capacities to figure spending plans, and successfully oversee public assets through brought together depository activities.

Reneau and Grabski (2017) contends that IFMIS can decrease political issues and moderate degenerate practices and misrepresentation. The properties of IFMIS can run from computerization of record bookkeeping capacities to an itemized framework covering money the executives, planning, and records payable, money due, duty control, obligation the board, income the executives, obtainment and buying, resources the board, risk the executives and finance.

Langat (2016) states that a viable and solid IFMIS ought to have the option to screen money related exchanges and occasions, record and sum up them such that it can give important budgetary data. Maringa (2019) further demand that IFMIS performs a larger number of capacities than common bookkeeping framework and is designed to work and address the requirements of the clients as per the particulars of the operational condition wherein the framework is actualized. As per GoK (2017), IFMIS involves the utilization of budgetary data and interchanges innovation for public money related administration and it offers supports to monetary administration through mechanization of spending arrangement, income assortment, and ideal readiness of significant budgetary reports and explanations.

1.2 Financial Operations of County Governments

Bookkeeping and monetary data is the result of information prepared from different source records created during business exchanges. These source records may incorporate however not restricted to installment vouchers, unique receipts, solicitations, and nearby buy request (LPO), Local Service Order (LPO), and books of unique passage. These records must be tried to decide their exactness by the assistance of a preliminary parity in planning of last monetary records. Cherono (2016) states that a decent monetary framework, requires a helpful lawful and administrative system just as all around prepared, propelled, able and gainful workforce. The IFMIS framework fuses further extent of information quality which thus improves workforce execution henceforth boosting association development.

Bookkeeping and budgetary administration rehearses are guided by the standards of straightforwardness, responsibility, consistency, dependability and adaptability. These standards serve to reinforce bookkeeping and monetary frameworks and hence empowering viable and effective allotment and usage of money related assets in the public part (Cherono, 2016). IFMIS mechanizes the design and creation of key money related reports accordingly boosting administrative monetary control prerequisites. Also, at the snap of a catch, a chief can give itemized, solid and convenient money related data in consistence with the necessities of parliament, prosecutorial organizations, inner examiners and office of the Auditor General. Execution of controls in IFMIS framework improves the way toward recording, bookkeeping, breaking down and announcing practice by making opportune and precise monetary reports accessible to the individuals who need it in an arrangement that is reliable with standard bookkeeping and budgetary administration revealing practices (Chado, 2015).

A solid, proficient and powerful PFM requires consistence with existing lawful and administrative systems. Furthermore, very much prepared, gifted, equipped and beneficial public assistance laborers serve to fortify the framework. Public money related administration changes are the key drivers of improved help conveyance. Further, they uphold riches creation through proficient income assortment rehearses and expanded work for residents. IFMIS is intended to share bookkeeping and budgetary data just as improving the nature of such data. Therefore, it has been noted to be a vital and successful apparatus for a few budgetary and bookkeeping cycles, for example, income assortment, planning, reviewing, bookkeeping and depository the board (Cherono, 2016). The framework is intended to permit just approved clients inside the IFMIS organization to get to it and perform explicit commitments and activities dependent on the rights gave. IFMIS can produce various kinds of monetary reports to address the different activities, for example, income the board, routine tasks, bookkeeping tasks, depository capacities, financing and planning (Langat, 2016).

Chado (2015) contend that IFMIS in county governments budgetary activities involve a few stages which are reproduced from single purpose of information section broadly acknowledged as the fundamental prerequisite to achieve continuous monetary information or financial control. This arrangement may utilize useful organized methodology for all budgetary administration capacities under one umbrella with the end goal of straightforwardness, precision and practicality. US Agency for International Development control considered capacity of planning in PFM. This showed the mind boggling set of different elements of County government that might be upheld by IFMIS. These incorporate the run of the mill capacities that make up the PFM cycle, from spending detailing to spending execution and survey, to review and assessment of money related execution and results (International Monetary Fund (IMF), 2019).

The administration of Kenya has for quite a while been a lot of worried over the persevering terrible showing in money related administration because of absence of solid and ideal data for dynamic (GoK, 2017). A survey by the division of bookkeeper general at the public depository, budgetary administration, bookkeeping frameworks and part of reviews uncovered shortcomings in the administration of money related data. The survey zeroed in on the need to build up a key arrangement pointed toward improving the monetary administration frameworks; aptitudes and limit inside the legislature money related tasks units. It additionally inspected how idealness of budgetary data, whenever improved, could frame the reason for improving control of consumption against spending plan (Chado, 2015).
The legislature of Kenya showed a drive to address the deficiencies of the monetary announcing framework and to guarantee great administration. The IMF completed a review in government bookkeeping in mid-1993 followed by an indicative report supported by the World Bank; this prompted presentation of IFMIS. The fundamental goal of this undertaking was to automate the entire bookkeeping and inspecting framework in the nation. The thought behind automating the entire framework was age of precise and dependable budget reports; to screen monetary shortage; to figure stream of money; to oversee public obligation and to accomplish powerful budgetary controls (Karanja and Nganga, 2015). The old bookkeeping framework needed idealness, exactness and above all straightforwardness. Records of any association, huge or little, are the most significant device for checking the debasement by watching out for incomes and all the more critically to give the general internal image of the association to the partners which causes them take educated choices (Cherono, 2016).

1.3 IFMIS and Financial Operations of County Governments

The PFM Act (2012) states that the National Treasury is vested with the duty of giving appropriate budgetary and consumption the executives of government money related assets (Kenya Institute for Public Policy Research and Analysis (KIPPRA), 2018). In this acknowledgment, the National Treasury has been consistently endeavoring to improve monetary administration frameworks through different change programs, pointed toward expanding straightforwardness, responsibility, just as responsiveness of County money related assets to upgrade quality assistance conveyance to meet the nations advancement needs.

The National Treasury in Kenya has assumed an essential part in improving and fortifying the utilization of money related administration frameworks. It has built up various Public Financial Sector Reforms Programs which were expected to improve admittance to money related data, improve responsibility and upgrade straightforwardness through ongoing installments handling and review trails. The National Treasury's exertions have yielded positive reaction of public assets and assets usage. Administration conveyance to the general population has extensively improved, in this manner adjusting the public help towards the advancement needs of the Kenyan legislature of the day (KIPPRA, 2018).

The Kenyan government executed IFMIS to fortify government money and bookkeeping activities. Wamalwa (2018) announces that IFMIS frameworks are intended to improve availability of value money related data that is imperative to the different cycles in open budgetary administration, for example, examining exercises, bookkeeping, and treasury the board and planning. The current investigation thusly means to decide the impact of IFMIS on money related activities of the different province government in Kenya.

2.0 Statement of the Problem

In the past, Budget utilization and accounting processes in Ministries, Departments and Agencies (MDAs) in Kenya were either manual or had tailor-made systems based on their unique operations and organization culture. The MDAs had stand-alone accounting systems which performed various Accounting operations including; budgeting, revenue receipting, and payment processes, monitoring of vote allocations, Reconciliations and financial reporting (Cherono, 2016). However, according to the Accountant Generals Report of 2017, these stand-alone systems had challenges that included; Poor accounting record management, delayed submission of financial reports, poor accountability of funds, over expenditure and inefficiency (GoK, 2019).

In the last decade, Kenya has seen a lot of development in the application of ICT. According to Bwisa and Bilali (2015), government should embrace the application of management information systems for effectiveness and efficiency of its operations. Singh and Bhanagar (2016) affirmed that there are significant improvements through the use of ICTs in delivering government services to the citizenry in majority of third world countries. Njiru (2017) suggested that a fully functioning IFMIS can improve governance by providing real-time financial information that managers can use to monitor programs effectively, formulate budgets, and manage resources. Kaindi (2017) notes that IFMIS improves credibility and confidence of the budget by ensuring that it is detailed and transparent with all the financial reports adequately prepared. Ngahu and Mburu (2015) revealed that IFMIS plays a critical role in increasing efficiency in financial controls by developing comprehensive, reliable, relevant and timely financial financial information, through an integrated financial management and accounting system.

In spite of the positive impact of IFMIS in public sector performance, various studies have noted challenges in its implementation. Aminatu (2015) notes that the implementation of IFMIS is a failure in most countries as a result of inadequate capacity building and over zealousness of these nations. Matavire *et al*. (2016) found that perceived value of information technology, leadership, project fragmentation, task co-ordination and public participation were among the major impediments that made e-Government to be unsuccessful in South Africa. Cherotich and Bichanga (2016) revealed that most counties in Kenya did not manage change to IFMIS effectively; the technological infrastructure for the roll out to the sub counties had not been availed; some aspects of human capital development had not been adequately addressed; and the political class is not supportive of IFMIS and the counties have not allocated enough resources towards IFMIS infrastructural development. In view of the foregoing, this study therefore seeks to analyze how the IFMIS system affects the financial performance of county governments in Kenya.

3.0 RESEARCH OBJECTIVES

3.1 General Objective

The general objective of this study was to establish the effect of IFMIS on financial performance of County governments in Kenya.

3.2Specific Objective

To achieve the broad objective, the research study was guided by the following specific objectives:

i. To determine how integrated budgeting system affects financial performance of County Governments.
ii. To establish how procurement information system affects financial performance of projects in County Governments.
iii. To determine how reporting information system affects financial performance of County Governments.
iv. To determine how revenue collection information system affects financial performance of County Governments.

4.0 Research Hypotheses

The researcher tested the following null hypothesis:

i. **H_{01}:** Integrated budgeting system does not significantly affect financial performance of county governments in Kenya.
ii. **H_{02}:** Procurement information system does not significantly affect financial performance of county government in Kenya.
iii. **H_{03}:** Reporting information system does not significantly affect financial performance of county government in Kenya.
iv. **H_{04}:** Revenue collection information system does not significantly affect financial performance of county government in Kenya.

5.0 LITERATURE REVIEW

5.1 Stewardship Theory

The stewardship theory, as developed by Davis, Schoorman and Donaldson (1997) illustrates situations in which managers hold motives that are aligned with the objectives of their principals rather than pursue their individual goals. The advocates of this theory argue that managers acting as stewards behave in a collective manner because they are trying to accomplish the goals of the organization as a whole (Kingi & Ibrahim, 2019). Stewardship theory brings convergence between the agency theory assumptions that agents will serve their self-interest at the expense of the principal. The theory assumes that managers behave in a trustworthy manner and focus on the betterment of the organization regardless of the managers' interest. Stewardship theory seeks to understand conditions under which agents are less likely to base their actions on self-interest, but rather pursue collective goals or act as stewards to the interest of their principals (Keay, 2017).

The choice of this theory is justified because it underscores the role of budgeting using IFMIS in promoting a stewardship mentality among the civil servants in the county governments. Budgeting using IFMIS ensures collective, pro-organizational behavior in which a higher value is placed on goal convergence than on agent self-interest. It ensures effective allocation and utilization of public resources in a manner that promotes the collective interests of the public. Budgeting using IFMIS ensures all the decisions that will be taken by the county leadership will be to provide value for money in all county financial engagements and increase the financial performance of the county (Kingi & Ibrahim, 2019).

5.2 Resource Dependency Theory

Resource dependence theory, developed by Pfeffer and Salanick in 1978, is based on the principle that an organization must engage in transactions with other actors and organizations in its environment in order to acquire resources (Malatesta & Smith, 2015). Although such transactions may be advantageous, they may also create dependencies that are not. Resources that the organization needs may be scarce, not always readily obtainable, or under the control of uncooperative actors. The resulting unequal exchanges generate differences in power, authority, and access to further resources. An organization may come across opportunism challenge when in a situation of bargaining with few organizations. To avoid such dependencies, organizations need to develop strategies (as well as internal structures) designed to enhance their bargaining position in resource-related transactions (Archibald, 2017).

Procurement using IFMIS increases the bargaining power of county governments in resource-related transactions. Through IFMIS county governments are in a position to attract bids from many organizations which enhances their bargaining position. The various suppliers will compete among themselves providing the county governments' access to quality and cost-effective resources through selection of the lowest bidder. The county governments are also able to acquire enough information about the various suppliers which enhances the quality of procurement decisions. The IFMIS system also minimizes the challenge of opportunism from the suppliers who might be thinking of defrauding the county government.

5.3 Agency Theory

The Agency theory, developed by Jensen and Meckling in 1976, is based on the concept of the principal agent relationship. In this relationship, a principal appoints an agent to execute tasks on behalf of the former and delegate decision making authority to the later. The principal delegates economic functions and assets in their control to the agent who is supposed to operate them on behalf of the principal (Samira & Ogilo, 2018). The under-lying premise of this theory is that those individuals tasked with representation of others should ultimately commit the corporate resources to value maximization for those they represent. The agents are expected to exercise due diligence and care in making corporate decisions and ensure the interests of the principal are safeguarded.

Agency theory is based on the assumption that agents have more information than principals and that this information asymmetry adversely affects the principal‘s ability to monitor effectively whether their interests are being properly served by agent‘s (Samira & Ogilo, 2018). Due to the information asymmetry between the principal and the agent, a conflict of interest can arise whereby the agent makes decisions and policies or take actions aimed at self-benefits without considering what value such decisions, policies or actions have on the principal’s interests. The principal can only observe outcome but cannot measure efforts by the agents or differentiate the effects of efforts from other factors affecting service delivery.

Agency theory when applied to the context of this study, views County governments as a series of agency relationships between the owners of economic resources (public) and managers (civil servants) who are charged with using and controlling those resources. Financial reporting through IFMIS was therefore, introduced to enhance information sharing to the public and ensures that the agents/civil servants who are charged with using and controlling public resources deliver quality services in an effective, efficient and economic manner. Financial reporting through IFMIS is useful in reducing agency problems as long as the component can systematically lessen information asymmetry between the public and county governments.

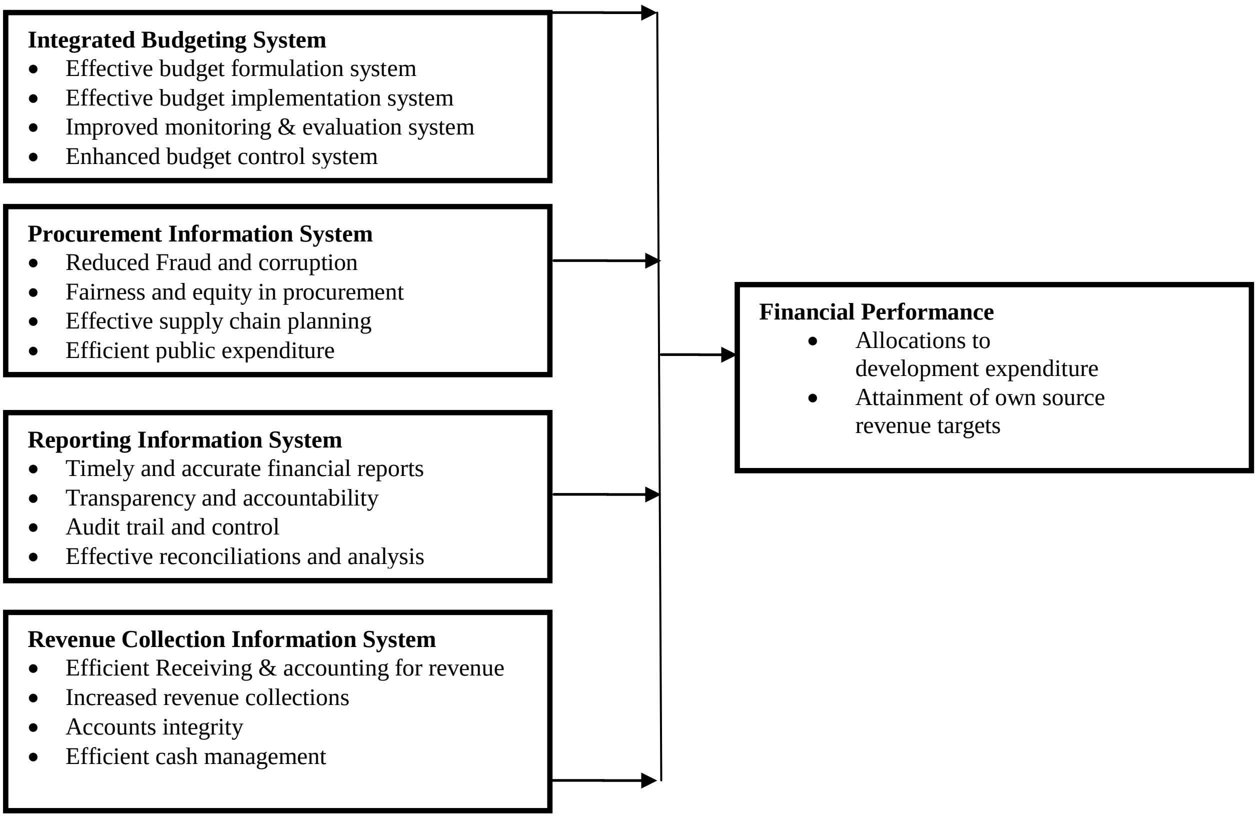
5.4 Resource Based Theory

Resource Based Theory, developed by Barney in 1991, prescribes that organizations position themselves strategically based on their resources and capabilities rather than their products and services (Ndovu & Ng’ang’a, 2019). The theory emphasizes that resources which are rare, valuable, inimitable, and non-substitutable can provide sources of sustainable competitive advantages. The theory exemplifies the idea that an organization’s internal resources can become a direct source of sustained competitive advantage for the organization. Therefore, managers should look inside the organization to find the sources of competitive advantage through the use of internal resources.

The underlined principle of this theory is that internal resources are the fundamental forces in organizations. This theory is significant for this study in advocating for the role of own source revenue as an internal resource that can be utilized by county governments in influencing financial performance. Revenue collection through IFMIS enhances the capability of county governments in mobilizing local revenue which is a critical source of funding for their budget. Increased revenue collection will consequently lead to improved financial performance of county governments.

6.0 Conceptual Framework

Figure 2.1: ***Conceptual Framework***



Independent variables **Dependent variable**

7.0 Review of Variables

7.1 Integrated Budgeting System

Plan to Budget segment in IFMIS is centered around giving organized structure to advancement of altogether utilitarian mechanized arranging and planning framework, pointed toward lifting up the precision and honesty in Government arranging and planning measure. Plan to Budget (P2B) is a coordinated cycle and framework that associates arranging, strategy targets, and spending assignment (GoK, 2015).

IFMIS offer a spending arrangement sub-framework which depends on a Medium-Term Expenditure Framework (MTEF). Besides it likewise accommodates a spending execution and use the board sub-framework to track and record for incomes and uses. It normally incorporate a bookkeeping framework, a money the executives framework to follow the income, a dedication control framework to follow responsibilities, a guide and obligation the board framework for screen of outside guide and obligation, lastly a finance framework. For consistency purposes, presentation of a uniform Chart of Accounts to catch receipts, consumptions, and duties is required. Detailing and evaluating sub-frameworks to guarantee straightforwardness, responsibility, and consistence with the spending plan and with existing guidelines that oversee public money related consumption (GoK, 2015).

7.2 Revenue Collection Information System

Income to Collect (R2C) part gives functionalities for assortment, recording, arrangement, and detailing of public income. It involves income money the executives beginning from age, assortment, recording of income and circulation of assets to offices and services. The accentuation is on full turn out and actuation of the bank compromise measure, the exchequer discharge measure, money determining and money situating measure, and the obligation the board cycle, re-engineer the exchequer discharge cycle to oblige for making of the Single Treasury (GoK, 2015).

One of the most significant discovery of IFMIS is the effect that it can have on debasement, by expanding the danger of identification in light of proficient cycle and clear review trail. An all around planned IFMIS framework can arrange number of highlights that may make it simpler to recognize inordinate installments, extortion and robbery. These may incorporate, computerized distinguishing proof of exemptions to ordinary tasks, examples of dubious exercises, robotized cross-referring to of individual ID numbers for misrepresentation, cross-referring to of benefit inventories with gear buy to wave to burglary, mechanized money dispatch rules and discovery of apparition laborers (in the public assistance (Cherono,2016).

7.3 Procurement Information System

The objective of obtain to pay (P2P) segment is to empower a start to finish computerized measure that begins at age of acquirement plans, to the real acquisition of products and enterprises, to installment of providers for merchandise or administrations conveyed to the substances. Subsequently, the center obtainment cycles will have been completely mechanized. The cycle contains acquisition arranging, provider the board, demand the executives, citation the board, buy request the board, products receipt, invoicing and installments control, stock observing, contract the board, compromises, and usage of a record the board framework (Mutua, 2018). The principle point of P2P is building up a smooth and smoothed out obtainment and installment framework at all administration substances levels that computerizes the acquisition and installment cycle and expands control and checking over the whole life pattern of an acquirement exchange measure, from acquisition intending to installment (Onami, 2017).

According to Cherono (2016), the objective of money related chiefs, including reviewers and bookkeepers, is to utilize an association's scant assets as effectively as could reasonably be expected. They accomplish these goals by gathering payables as quickly as time permits, affecting installments at the most recent time permitted by agreement or law, guaranteeing that satisfactory assets are accessible for routine tasks and accepting great utilization of open doors to collect the most elevated addition on reserves not utilized for current exercises. Onami (2017) states that so as to wisely control the administration's income and evade overdue debts from pilling up, it is critical to follow the pipeline of future installments. Acquisition is a typical wellspring of defilement and misappropriation of public assets and accordingly acquirement frameworks should incorporate controls meant to distinguish and relieve degenerate practices by use IFMIS.

7.4 Reporting Information System

Record to Report (R2R) properties of IFMIS incorporates all exercises of refreshing and upkeep of the overall record, the compromise of sub records to the overall record and shutting of books. It likewise includes recording, control and writing about fixed resources at both National and County level. It is a demonstrated secure two-route interface with Central Bank of Kenya (CBK) for precise, exceptional data on the substances money related standing and the arrangement of legal reports continuously (GoK, 2015). IFMIS permits clients found anyplace inside the IFMIS organization to pick up passage to the framework and recover data they need. Different reports can be created to address distinctive planning, financing, depository, income, bookkeeping, review and routine administration concerns (Maringa, 2019).

Karanja and Nganga (2015) contends that IFMIS job is to interface, amass, cycle, and afterward create data to all clients in the spending framework consistently. All clients in the framework, subsequently, should have the option to get to the framework, and to recover the particular data they have to do their various obligations. The opposite is additionally evident, if the FMIS doesn't give the ideal data it will stop to satisfy its focal capacity as a framework. IFMIS recording of data into a coordinated framework that utilizes regular qualities empower clients to utilize the framework and concentrate the particular data they have to do various tasks.

Different reports can be delivered from IFMIS that incorporate monetary records, sources, and employments of assets, cost reports, degrees of profitability, receivables and payables reports, income projections, spending differences, and execution reports of various types. The frameworks have libraries containing assortments of several standard reports. The administration can utilize this data to design and detail spending plans, break down outcomes against spending plans and plans, oversee money adjusts, track the status of obligations and receivables, track the utilization of fixed resources, track the exhibition of explicit divisions, and make fundamental redresses as needs be (Muehle and Ochieng, 2014).

8.0 METHODOLOGY

8.1 Research Design

Research design represents the methods to be adopted for collecting the data and the techniques to be used in their analysis. Research design is the blue print for the collection, measurement and analysis of data and includes an outline of what is to be done from writing the hypothesis and its operational implications to the final analysis of data. It implies how research objectives were reached and how the problems encountered in the research were tackled (Wamiori 2019). The study adopted a descriptive research design. According to Langat (2016), descriptive research is used to obtain information about the status of the phenomena to describe what exists with respect to variables in a situation, by asking individuals about; their perceptions, attitudes, behavior, or values. The research data collection tools were use of questionnaire and observations as the sources of primary and secondary data respectively.

The study adopted both cross-sectional research design and descriptive survey design. Cross-sectional studies are designed to collect data once over the same period of time, the data is analyzed then reported while descriptive survey design is designed to collect data from a sample with a view of analyzing them statistically and generalizing the results to a population (Kihara, 2016). Using cross-sectional design, the researcher was able to obtain research data over the same period of time. While descriptive research design was used to establish the cause and effect relationship between the dependent variable (Firm Performance) and the independent variables. The methodology used in this study compared favorably with that of previous empirical studies (Nganga, 2017). Langat (2016) argues that surveys are appropriate for research questions about self-reported behaviors, attitudes, self-classification, knowledge, expectations and characteristics, and are strongest when the answers that people give to questions asked measures variables.

8.2 Target Population

A population is defined as total collection of elements about which we wish to make some inferences (Kungu, 2015). Sekaran and Bougie (2016) views population as the entire group of individuals, events, or objects having common observable characteristic. The targeted population of this study was the 208 accounting officers, procurement officers and finance officers in the Headquarters of County Governments in Coastal Kenya that included Mombasa, TaitaTaveta, Kwale, Kilifi, Lamu and Tana River. The employees in the County Headquarters were chosen because they interact with IFMIS on a fairly routine basis.

Table 3.1 Target Population

County	Population Frequency	Percentage (%)
Mombasa	52	25.0
TaitaTaveta	36	17.3
Kwale	26	12.5
Kilifi	44	21.2
Lamu	21	10.1
Tana River	29	13.9
Total	**208**	**100.0**

Source: County Government Human Resource Department (2020)

8.3 Sample Size and Sampling Technique

Kilungu (2015) asserts that the procedure for drawing a sample as consisting of the following steps: defining the population, identifying the sampling frame, selecting a sampling procedure, determining the sample size, selecting the sample units and collecting data from the sampled units. Sampling from the population is a very important process in research because it can be quite impractical to be able to survey the entire population. The study sample accounting officers, procurement officers and finance officers in the Headquarters of County Governments in Coastal Kenya. The sample size illustrates the list of all population units from which the sample is selected (Rahi, 2017).

To obtain a sample size the researcher used the Yamane's formula. A sample population of 137 was arrived at by calculating from the target population with a 95% confidence level and an error of 0.05 using the Yamane's formula below.

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

Where n is the sample size, N is the population size, and e is the level of precision (0.05).

$$
\begin{aligned}
n \quad &= 208/\ 1+ 208(0.05)^2 \\
&= 208/1+ 208(0.0025) \\
&= 208/1.52 \\
&= 137
\end{aligned}
$$

The researcher then took a random sample from each stratum proportionate to the population proportion to come up with 136 respondents. The analyst utilized a stratified random sampling strategy since the study population is not homogenous and, in this way, it is conceivable to isolate this population into strata to induce a representative sample. Erik and

Marko (2011) point out that stratified random sampling methods was preferred as it is able to give an estimate of the population under study with better precision and provides a sample that is more representative of the population.

Table 3.2 Sample size

County	Target population	Percentage	Sample size
Mombasa	52	25.0	34
TaitaTaveta	36	17.3	24
Kwale	26	12.5	17
Kilifi	44	21.2	29
Lamu	21	10.1	14
Tana River	29	13.9	19
Total	**208**	**100**	**137**

8.4 Data Processing, Analysis and Presentation

Data analysis is the application of reasoning to have a better understanding of the data that has been gathered with the aim of determining consistent patterns and summarizing the relevant details revealed in the investigation (Kiaritha, 2015). As soon as the data is collected, the questionnaires were edited for accuracy, consistency, and completeness. Qualitative data was organized into thematic areas for easier interpretation, common items were obtained in data collected and clustered according to research objectives to identify variables that depict general concepts of the study. The data was then be coded, assigned labels to variables categories and entered into the computer. Data was analyzed through descriptive and inferential statistics where the Statistical Package for Social Sciences (SPSS), was be used for quantitative data.

9.0 DATA ANALYSIS, RESULTS AND DISCUSSION

Descriptive Analysis

Table 4.3

9.1 Integrated Budgeting System Effect on Performance

	N	Mini	Maxi	Mean	Std. Dev
Does IFMIS promote performance based budget?	98	2.00	5.00	4.14	0.70
Through use of IFMIS there is improved expenditure management and control.	98	2.00	5.00	4.04	0.94
IFMIS promotes monitoring and evaluation of budget performance.	98	2.00	5.00	4.06	0.94
IFMIS allows for optimal allocation of funds to projects.	98	2.00	5.00	4.24	0.87
Adherence of budget preparation guidelines is enhanced through use of IFMIS	98	2.00	5.00	4.16	0.96
Does use of IFMIS promote credibility of the budget making process	98	2.00	5.00	3.80	0.85

Procurement Information System Effect on Performance

Respondents were asked to indicate their level of agreement with the following statements assessing on how use of procurement information system affects financial performance of County Governments.

Descriptive results show that majority of the survey participants agreed that transparency and openness is enhanced through use of IFMIS in procurement (mean = 4.30 std dev=0.86), IFMIS has increased value for money (VLM) procurement (mean=4.27 std dev=0.81) and that Procurement through IFMIS is timely and cost effective (mean=4.18 std dev=0.92) These findings concur with contention by Onami, (2017) assert that the main aim of P2P is developing a smooth and streamlined procurement and payment system at all government entities levels that automates the procurement and payment process and increases control and monitoring over the entire life cycle of a procurement transaction process, from procurement planning to payment.

Further the study established that fairness, competitiveness and equity is observed through IFMIS procurement (mean =4.07 std dev =0.91). IFMIS has increased adherence to laws and guidelines like PPAD Act 2015 (mean = 4.00 std dev =1.08) and that there is reduced cases of fraud and corruption through use of IFMIS (mean =3.77 std dev =1.03) similar empirical findings observations were made by Cherono (2016) notes that IFMIS improves credibility and confidence of the budget by ensuring that it is detailed and transparent with all the financial reports adequately prepared.

Table 4.4 ***Procurement Information System Effect on Performance***

	N	Mini	Maxi	Mean	Std. Dev
Fairness, competitiveness and equity is observed through IFMIS procurement	98	2.00	5.00	4.07	0.91
Procurement through IFMIS is timely and cost effective	98	2.00	5.00	4.18	0.92
There is reduced cases of fraud and corruption through use of IFMIS	98	2.00	5.00	3.77	1.03
IFMIS has increased adherence to laws and guidelines like PPAD Act 2015	98	2.00	5.00	4.00	1.08
IFMIS has increased value for money(VLM) procurement	98	2.00	5.00	4.27	0.81
Transparency and openness is enhanced through use of IFMIS in procurement	98	2.00	5.00	4.30	0.86

Reporting Information System Effect on Performance

Respondents were asked to indicate their level of agreement with the following statements assessing on how reporting information system affects financial performance of County Governments. From the findings majority of the respondents agreed that IFMIS features ensures check and balances as well as internal controls measures (mean = 4.13 std dev =0.87), results further established that there is a clear audit trail in IFMIS which improves efficiency (mean =4.09 std dev =0.96) and that IFMIS enables county employees to generate timely customized reports for internal and external consumption (mean =3.99 std dev =0.16). These findings concur with observations made by Candemir Singh and Bhanagar (2016) accounting and financial managers and various users can use on their routine functions to formulate budgets, and effectively manage public funds through centralized treasury operations.

Further the study established that IFMIS enables employees to do cost based analysis of county projects and services and that transactions and data reconciliation can be done in real-time through use of IFMIS (mean = 3.96).Similar observations were made by Karanja and Nganga (2015) argues that IFMIS role is to link, accumulate, process, and then generate information to all users in the budget system on a continuous basis. Descriptive findings show that the ease of use of IFMIS allows for easy data capture and safe custody of records (mean=3.91 std dev =0.18) these findings go hand in hand with observations made by Muehle and Ochieng, (2014) that the management can use this information from IFMIS to plan and formulate budgets, analyze results against budgets and plans, manage cash balances, track the status of debts and receivables, track the use of fixed assets, track the performance of specific departments, and make necessary corrections accordingly.

Table 4.5 ***Reporting Information System Effect on Performance***

	N	Mini	Maxi	Mean	Std. Dev
IFMIS enables me to do cost based analysis of county projects and services	98	2.00	5.00	3.96	.09
The ease of use of IFMIS allows for easy data capture and safe custody of records	98	2.00	5.00	3.91	.18
IFMIS features ensures check and balances as well as internal controls measures.	98	2.00	5.00	4.13	0.87
There is a clear audit trail in IFMIS which improves efficiency.	98	2.00	5.00	4.09	0.96
Transactions and data reconciliation can be done in real-time through use of IFMIS	98	2.00	5.00	3.96	.05
IFMIS enables me to generate timely customized reports for internal and external consumption.	98	2.00	5.00	3.99	.16

Revenue Collection Information System Effect on Performance

Respondents were asked to indicate their level of agreement with the following statements assessing on how revenue collection information system affects financial performance of County Governments. Majority of the survey participants agreed that IFMIS has enabled county to meet its annual revenue targets (mean = 4.10 std dev =0.84), IFMIS ensues transparency and accountability of collected county revenue (mean = 4.03 std dev =1.00) and that IFMIS has reduced revenue fraud (mean = 4.02 std dev =0.94). These findings concur with observations made by Cherono, (2016) IFMIS is instrumental in enhancing financial and accounting processes such as revenue collection, budgeting, auditing, accounting and treasury management.

Further the study established that collected revenue has been rising steadily due to IFMIS use (mean = 3.99 std dev =1.02), low transaction cost through use of IFMIS (mean =3.86 std dev =0.23) and that IFMIS enables timely collection recording and submission of County revenue (mean = 3.73 std dev =0.14) Similar projection were made by GoK, (2015) that a well-designed IFMIS system make it easier to detect excessive payments, fraud and theft.

Table 4.6 ***Revenue Collection Information System Effect on Performance***

	N	Mini	Maxi	Mean	Std. Dev
IFMIS enables timely collection recording and submission of County revenue.	98	2.00	5.00	3.73	0.14
Collected Revenue has been rising steadily due to IFMIS use.	98	2.00	5.00	3.99	1.02
IFMIS ensues transparency and accountability of collected county revenue	98	2.00	5.00	4.03	1.00
IFMIS has enabled county to meet its annual revenue targets.	98	2.00	5.00	4.10	0.84
IFMIS has reduced revenue fraud	98	2.00	5.00	4.02	0.94
Low transaction cost through use of IFMIS	98	2.00	5.00	3.86	1.23

Financial Performance

Respondents were asked to indicate their level of agreement with the following statements assessing effect of IFMIS utilization on financial performance of County Governments. Majority of the survey participants agreed that IFMIS has improved the absorption rate in the county by ensuring compliance with the budget thus enhancing financial performance (mean =4.09 std dev =0.12), IFMIS system has assisted in allocating adequate resources on the county government development projects without biased opinions (mean = 4.05 std dev =1.02) and that IFMIS has enhanced the attainment of own source revenue targets in the county (mean =4.03 std dev =0.03). These findings concur with observations made byNjiru (2017) suggested that a fully functioning IFMIS can improve governance by providing real-time financial information that managers can use to monitor programs effectively, formulate budgets, and manage resources.

Descriptive findings revealed that participants agreed that IFMIS modules have improved on the financial management of allocations and public expenditure management in the County (mean = 4.02 std dev =0.04), Linked IFMIS modules have reduced misappropriation of public funds in the County through un-approved expenditures (mean = 3.90 std dev =.03) and that The system has enabled timely expenditure on County's core activities hence reduction of occurrence of pending bills at the end of the financial year (mean =3.88 std dev =0.99). Similar empirical findings observations were made by Kaindi (2017) notes that IFMIS improves credibility and confidence of the budget by ensuring that it is detailed and transparent with all the financial reports adequately prepared.

Table 4.7 ***Statements Relating to Financial Performance***

	N	Mini	Maxi	Mean	Std. Dev
IFMIS has improved the absorption rate in the county by ensuring compliance with the budget thus enhancing financial performance	98	2.00	5.00	4.09	.12
IFMIS has enhanced the attainment of own source revenue targets in the county	98	2.00	5.00	4.03	.03
The system has assisted in allocating adequate resources on the county government development projects without biased opinions.	98	2.00	5.00	4.05	1.02
IFMIS modules have improved on the financial management of allocations and public expenditure management in the County.	98	2.00	5.00	4.02	.04
Linked IFMIS modules have reduced misappropriation of public funds in the County through un-approved expenditures.	98	2.00	5.00	3.90	.03
The system has enabled timely expenditure on County's core activities hence reduction of occurrence of pending bills at the end of the financial year.	98	2.00	5.00	3.88	0.99
The system has reduced the number of audit queries on un-planned expenditure by various units in the County.	98	2.00	5.00	3.98	0.93

9.2 Inferential Analysis

After the descriptive analysis, the study used inferential statistics (Pearson correlation and regression test) to predict the linear association between the predictor variables and explanatory variables as well as in determining the strengths of association in the model.

Correlation Analysis

In order to confirm the relationship between study variables and financial performance of County Governments the study used Pearson moment correlation to determine the relationship. From Table below, results show a positive correlation between integrated budgeting system and financial performance of County Governments was established by a correlation factor of 0.447. This positive relationship was found to be statistically significant as the p value was 0.000 which was less than 0.05. The findings go hand in hand with the conclusion made by Onami, (2017) IFMIS improves credibility and confidence of the budget by ensuring that it is detailed and transparent with all the financial reports adequately prepared.

The study also found a strong positive correlation between procurement information system and financial performance of County Governments as shown by correlation coefficient of 0.403; the significant value was 0.000 which was less than 0.05. These findings concur with the conclusion made by Chado, (2015) that fully functioning procurement information system can enhance governance by production of timely financial information.

The study found a positive correlation between reporting information system and financial performance of County Governments as shown by correlation coefficient of 0.430. The significant value was 0.000 which is less than 0.05. These findings concur with observations made by Candemir Singh and Bhanagar (2016) accounting and financial managers and various users can use on their routine functions to formulate budgets, and effectively manage public funds through centralized treasury operations.

The study found a positive correlation between revenue collection information system and financial performance of County Governments as shown by correlation coefficient of 0.405. The significant value was 0.000 which less than 0.05. Similar projection was made by GoK, (2015) that well-designed IFMIS systems make it easier to detect excessive payments, fraud.

Table 4.8 ***Correlations results***

		Financial Performance	Integrated Budgeting System	Procurement Information System	Reporting Information System	Revenue Collection Information System
Financial Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	98				
Integrated Budgeting System	Pearson Correlation	.447**	1			
	Sig. (2-tailed)	.000				
	N	98	98			
Procurement Information System	Pearson Correlation	.403**	.147	1		
	Sig. (2-tailed)	.000	.150			
	N	98	98	98		
Reporting Information System	Pearson Correlation	.430**	.335**	.147	1	
	Sig. (2-tailed)	.000	.001	.148		
	N	98	98	98	98	
Revenue Collection Information System	Pearson Correlation	.405**	.193	.137	.262**	1
	Sig. (2-tailed)	.000	.057	.177	.009	
	N	98	98	98	98	98

Regression Test

In this study, a multiple regression analysis was conducted to test the influence among predictor variables. The research used statistical package for social sciences (SPSS V 21.0) to code, enter and compute the measurements of the multiple regressions. The model summary is presented in the table below. The study used coefficient of determination to evaluate the model fit. The adjusted $R^{2,}$ also called the coefficient of multiple determinations, is the percent of the variance in the dependent explained uniquely or jointly by the independent variables. The model had an average adjusted coefficient of determination (R^2) of 0.419 and which implied that 41.9% of the variations on financial performance of County Governments are explained by the independent variables understudy (integrated budgeting system, procurement information system, reporting information system and revenue collection information system).

Table 4.9 ***Model Summary***

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.665[a]	.443	.419	.59021

The study further tested the significance of the model by use of ANOVA technique. From the ANOVA statics, the study established the regression model had a significance level of 0.000% which is an indication that the data was ideal for making a conclusion on the population parameters as the value of significance (p-value) was less than 5%. The calculated value was greater than the critical value (18.473> 4.49) an indication that integrated budgeting system, procurement information system, reporting information system and revenue collection information system all had a significant effect on financial performance of County Governments. The significance value was less than 0.05 indicating that the model was significant

Table 4.10 ***Summary of One-Way ANOVA results***

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	25.740	4	6.435	18.473	.000[b]
	Residual	32.396	93	.348		
	Total	58.136	97			

Critical value = 4.90

In addition, the study used the coefficient table to determine the study model. As per the SPSS generated output as presented in table below, the equation ($Y = \beta_0 + \beta_1 A_1 + \beta_2 A_2 + \beta_3 A_3 + \beta_4 A_4 + \boldsymbol{\varepsilon}$) becomes:

Y= 1.103+ 0.566 + 0.545+ 0.432+ 0.575

From the regression model obtained a unit change in use of integrated budgeting system while holding other factors constant would enhance financial performance of County Governments by a factor of 0.566. These findings concur with the conclusion made by Chado, (2015) that fully functioning IFMIS can enhance governance by production of timely financial information.

Results show that a unit change in use of procurement information system while holding the other factors constant would enhance financial performance of County Governments by a factor of 0.545. These findings concur with the study findings by GoK, (2015) that an integrated financial management information system (IFMIS) for public funds management is a very crucial tool in proper procurement and thus enhancing service delivery to the citizen.

Results show that unit change in use of reporting information system while holding the other factors constant would enhance financial performance of County Governments bya factor of 0.432. These findings concur with observations made by Candemir Singh and Bhanagar (2016) accounting and financial managers and various users can use IFMIS information on their routine functions to formulate budgets, and effectively manage public funds through centralized treasury operations.

Finally test regression show that a unit change in revenue collection information system while holding the other factors constant would enhance financial performance of County

Governments by a factor of 0.575, Similar projection were made by GoK, (2015) that a well-designed IFMIS system make it easier to detect excessive payments, fraud.

Table 4.11 ***Coefficients***

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	1.103	.542		2.035	.045
Integrated Budgeting System	.566	.169	.279	3.355	.001
Procurement Information System	.545	.147	.294	3.718	.000
Reporting Information System	.432	.160	.228	2.698	.008
Revenue Collection Information System	.575	.185	.252	3.104	.003

Hypothesis Test

The significant value for integrated budgeting system is 0.001 which is less than 0.05. Since the P-value of 0.005 is less than 0.05 the null hypothesis which stated that integrated budgeting system does not significantly affect financial performance of county government in Kenya is therefore rejected. The implication is that there exists a significant positive relationship between integrated budgeting system and financial performance of county governments in Kenya.

Assessment between use of procurement information system and organizational performance showed that a positive significant relationship existed. The significant value for procurement information system coefficient table is 0.000 which is less than 0.05. Since the P-value of 0.001 is less than 0.05 the null hypothesis which stated that procurement information system does not significantly affect financial performance of county governments in Kenya is therefore rejected. The implication is that there exists a significant positive relationship between use of procurement information system and financial performance of county governments in Kenya.

The significant value for reporting information system coefficient table is 0.005 which is less than 0.05. Since the P-value of 0.008 is less than 0.05 the null hypothesis which stated that reporting using reporting information system does not significantly affect financial performance of county government in Kenya is therefore rejected. The implication is that there exists a significant positive relationship between use of reporting information system and financial performance of county governments in Kenya.

The significant value for revenue collection information system coefficient table is 0.003 which is less than 0.05. Since the P-value of 0.005 is less than 0.05 the null hypothesis which stated that revenue collection information system does not significantly affect financial performance of county government in Kenya is therefore rejected. The implication is that there exists a significant positive relationship between use of revenue collection information system and financial performance of county governments in Kenya.

9.3 Discussion of the Findings

Results show that a unit change in use of integrated budgeting system while holding the other factors constant would enhance financial performance of County Governments by a factor of 0.566. Results also revealed that IFMIS allows for optimal allocation of funds to projects (mean = 4.24 std dev =0.87), adherence of budget preparation guidelines is enhanced through use of IFMIS (mean = 4.16 std dev =0.96) and that IFMIS promote performance based budget (mean = 4.14 std dev =0.70). These observations concur with the projects made by GoK, (2015) that an integrated financial management information system (IFMIS) for public funds management is a very crucial tool in ensuring appropriate budgeting of public resources in enhancing service delivery to the citizen.

The study also found a strong positive correlation between use of integrated budgeting system and financial performance of County Governments (correlation coefficient = 0.447; the significant value = 0.000) Further it's was established that IFMIS promotes monitoring and evaluation of budget performance (mean = 4.06 std dev =0.94), through use of IFMIS, there counties have realised improved expenditure management and control (mean = 4.04 std dev =0.94) and that IFMIS promote credibility of the budget making process (mean = 3.80 std dev =0.85). These findings concur with the conclusion made by Chado, (2015) that fully functioning IFMIS can enhance governance by production of timely financial information.

Results showed a positive correlation between use of procurement information system and financial performance of County Governments (correlation factor = 403. P- value =0.00) Descriptive results transparency and openness is enhanced through use of IFMIS in procurement (mean = 4.30 std dev=0.86), IFMIS has increased value for money (VLM) procurement (mean=4.27 std dev=0.81) and that procurement through IFMIS is timely and cost effective (mean=4.18 std dev=0.92) These findings concur with contention by Onami, (2017) assert that the main aim of P2P is developing a smooth and streamlined procurement and payment system at all government entities levels that automates the procurement and payment process and increases control and monitoring over the entire life cycle of a procurement transaction process, from procurement planning to payment.

Regression results show that further adoption of procurement information system while holding other factors constant would enhance financial performance of County Governments by a factor of 0.545. These findings concur with the conclusion made by Chado, (2015) that fully functioning procurement information system can enhance governance by production of timely financial information. Further the study established that fairness, competitiveness and equity is observed through IFMIS procurement (mean =4.07 std dev =0.91), IFMIS has increased adherence to laws and guidelines like PPAD Act 2015 (mean = 4.00 std dev =1.08) and that there is reduced cases of fraud and corruption through use of IFMIS (mean =3.77 std dev =1.03) similar empirical findings observations were made by Cherono (2016) notes that IFMIS improves credibility and confidence of the budget by ensuring that it is detailed and transparent with all the financial reports adequately prepared.

Results found a positive correlation between reporting information system and financial performance of County Governments (correlation coefficient of 0.430 significant value =0.00) also it was established that IFMIS features ensures check and balances as well as internal controls measures (mean = 4.13 std dev =0.87), results further established that there is a clear audit trail in IFMIS which improves efficiency (mean =4.09 std dev =0.96) and that IFMIS enables me to generate timely customized reports for internal and external consumption (mean =3.99 std dev =0.16). These findings concur with observations made by Candemir Singh and Bhanagar (2016) accounting and financial managers and various users can use on their routine functions to formulate budgets, and effectively manage public funds through centralized treasury operations.

Regression results showed that unit change in use of reporting information system while holding the other factors constant would enhance financial performance of County

Governments bya factor of 0.432, also IFMIS enables employees to do cost based analysis of county projects and services and that transactions and data reconciliation can be done in real-time through use of IFMIS (mean = 3.96).Similar observations were made by Karanja and Nganga (2015) argues that IFMIS role is to link, accumulate, process, and then generate information to all users in the budget system on a continuous basis.

Descriptive findings show that the ease of use of IFMIS allows for easy data capture and safe custody of records (mean=3.91 std dev =0.18) these findings go hand in hand with observations made by Muehle & Ochieng, (2014) that the management can use this information from IFMIS to plan and formulate budgets, analyze results against budgets and plans, manage cash balances, track the status of debts and receivables, track the use of fixed assets, track the performance of specific departments, and make necessary corrections accordingly.

Inferential statistics from regression tests show that there exists a significant positive relationship between revenue collection information system and financial performance of county governments in Kenya. The study found a positive correlation between revenue collection information systemand financial performance of County Governments (correlation coefficient = 0.405, significant value =0.000). Descriptive evidence also showed that IFMIS has enabled county government to meet its annual revenue targets (mean = 4.10 std dev =0.84), IFMIS ensues transparency and accountability of collected county revenue (mean = 4.03 std dev =1.00) and that IFMIS has reduced revenue fraud (mean = 4.02 std dev =0.94). These findings concur with observations made by Cherono, (2016) IFMIS is instrumental in enhancing financial and accounting processes such as revenue collection, budgeting, auditing, accounting and treasury management.

Further the study established that collected revenue has been rising steadily due to IFMIS use (mean = 3.99 std dev =1.02), low transaction cost through use of IFMIS (mean =3.86 std dev =0.23) and that IFMIS enables timely collection recording and submission of County revenue (mean = 3.73 std dev =0.14) Similar projection were made by GoK, (2015) that a well-designed IFMIS system make it easier to detect excessive payments, fraud and theft.

The study established that use of IFMIS had a positive impact on financial performance of County Governments. precisely, IFMIS has improved the absorption rate in the county by ensuring compliance with the budget thus enhancing financial performance (mean =4.09 std dev =0.12), IFMIS system has assisted in allocating adequate resources on the county government development projects without biased opinions (mean = 4.05 std dev =1.02) and that IFMIS has enhanced the attainment of own source revenue targets in the county (mean =4.03 std dev =0.03). These findings concur with observations made by Njiru (2017) who suggested that a fully functioning IFMIS can improve governance by providing real-time financial information that managers can use to monitor programs effectively, formulate budgets, and manage resources.

Descriptive findings revealed that participants agreed that IFMIS modules had improved on the financial management of allocations and public expenditure management in the County(mean = 4.02 std dev =0.04), Linked IFMIS modules have reduced misappropriation of public funds in the County through un-approved expenditures (mean = 3.90 std dev =.03) and that The system has enabled timely expenditure on County's core activities hence reduction of occurrence of pending bills at the end of the financial year (mean =3.88 std dev =0.99). Similar empirical findings observations were made by Kaindi (2017) notes that

IFMIS improves credibility and confidence of the budget by ensuring that it is detailed and transparent with all the financial reports adequately prepared.

10.0 CONCLUSIONS AND RECOMMENDATIONS

10.1 Conclusions

The study concluded that integrated budgeting system significantly affected financial performance of county government in Kenya. Integrated budgeting system improves credibility and confidence of the budget by ensuring that it is detailed and transparent with all the financial reports adequately prepared.Integrated budgeting system allows for optimal allocation of funds to projects, adherence of budget preparation guidelines and that monitoring and evaluation of budget performance also enhanced monitoring and evaluation of budget performance.

The study concluded that using procurement information system significantly affected financial performance of county governments in Kenya. Procurement information system enhanced procurement process that ultimately led to efficiencies in resource utilization. This was realized through enhanced transparency and openness, making of timely and cost effective budgetary decisions, reduced fraud and corruption.

The study concluded that reporting information system significantly affected financial performance of county government in Kenya. Reporting information system improved expenditure management and control.Reporting information systemenables county employees to generate timely customized reports for internal and external consumption andmanagement can use this information to plan and formulate budgets. Further, they can analyze results against budgets and plans, manage cash balances, track the status of debts and receivables, track the use of fixed assets, track the performance of specific departments and make necessary corrections accordingly.

The study concluded that revenue collection information system significantly affected financial performance of county government in Kenya. Revenue collection information system ensured transparency and accountability of collected county revenue, low transaction cost through use of IFMIS and timely collection recording and submission of County revenue. Finally, the revenue collection information system is instrumental in enhancing financial and accounting processes such as revenue collection, budgeting, auditing, accounting and treasury management.

10.2 Recommendation

The county management should always embrace IFMIS in budgeting process. This will help to develop most feasible plan that if well executed can bring economic development in the counties.

In order to improve the procurement process within county level there is need to continually embrace procurement information system as this system was found to enhance transparency and accountability in the whole process.

In order to enhance financial reporting process within county, there is need to encourage compliance on policies governing the system. This will again help to enhance the reliability of financial information which is key in making financial related decision.

The county governments should ensure that the revenue collection information system is well integrated and efficient so as to increase the revenue collection as this was found to work better than old revenue collection methods.

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