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Budgetary Controls and Performance of Selected County Assemblies in Rift Valley Region, Kenya

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Abstract: *County assemblies in Kenya are required by the Constitution to carry out very important functions of representation, legislation, and oversight. However, several county assemblies have reportedly underperformed particularly on the basis of the aforesaid dimensions. Moreover, there are challenges faced in the process of controlling and implementing budgets at county levels in Kenya. Against this backdrop, the present study examined the influence of budgetary controls on performance of county assemblies in Kenya. The study was guided by agency cost theory, which provided important insights into the aspects of budgetary controls and performance. A cross-sectional survey research design was adopted. The 177 members of Nakuru, Uasin Gishu, Samburu, and Laikipia county assemblies constituted the accessible population alongside the heads of finance departments of these assemblies. The unit of observation was a sample of 123 MCAs obtained using stratified random sampling technique as well as all the 4 budget department heads. A structured questionnaire was used to collect data. Statistical Packages for Social Sciences assisted in data analysis. The aforementioned analysis took the form of descriptive and inferential statistics. Findings established that budgetary controls ($t = 4.619$; $p < 0.001$) had a statistically significant influence on the performance of county assemblies. The study concluded that budgetary controls have substantial influence on the performance of county assemblies. It is recommended that, County assemblies should make regular or timely cash flow projections. This would enable them to forestall any challenges that might be occasioned by a mismatch between cash requirements and cash disbursed to them. Due to the concluded negative implications of large budget variance, it is recommended that county assemblies should ensure that such variance is always maintained at the very minimum.*

Key words: *Budgetary Controls, Performance, County Assemblies*

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1. Introduction

Budgeting encompasses the managerial process of preparing, implementing and operating budgets, budgetary control and other associated procedures (Ion & Criveanu, 2016). This process is an essential component in planning managerial policies, cash flows, and expenditures. Therefore, budgeting is a fundamental factor in the operations of organizations and institutions both in the public and private sectors (Khrutsky & Gazmaiunov, 2007). Borrowing from arguments of various authors, the budgeting process can be inferred to be an activity or chain of events that include budget planning, budget preparation, budget approval, budget execution, budget control, and budget review (Gulpenko, Tumashik, Filiasova, & Ritman, 2017). Basically, the budgeting process is defined as a systematic business activity that involves the systemic development, implementation and evaluation of a plan in the offering of services and capital assets, where it incorporates fixed resources exemplified by time or money over a given period to realize desired financial targets. One of the key budgeting principle is efficiency, where expenditure on execution of the budgeting process is not supposed to surpass the economic benefits accruing from the use of a budget as an instrument of planning and control (Gulpenko et al., 2017).

Budgetary controls involve the practice of regular analysis of the actual and planned income and expenditures (Badruldeen, 2021). It is a vital tool for controlling costs and ensuring that an organization is incurring sustainable expenditures. Budgetary controls are essential in establishing actual budgetary positions, comparing actual results to budgeted figures and performing variance calculations and analysis. Effective budgetary controls enables organizations to reduce costs and improve the quality of services based budgetary allocations.

Reduction in costs leads to attainment of optimal results hence desirable performance. Organizations and other entities are always in constant search for performance. Consequently, they are ever striving to achieve or improve their performance. Oftentimes, they seek to measure the realized performance (Ion & Criveanu, 2016). Organizational performance is operationalized by several key metrics which include effectiveness, efficiency, productivity, earning capacity, profitability, economy, and competitiveness among other indicators. Organizations are nowadays challenged to meet their performance in terms of interests, values as well as expectations (Ion & Criveanu, 2016). Notably, the budgeting process which must be adhered to both the national and county governments is prescribed in the Public Finance Management Act, 2012 (Republic of Kenya, 2012b). The budgeting process is described as a timely process which follows the financial calendar that begins July 1 and ends June 30 of each year. The performance of the county governments is reflected in the timely uploading of their budgets on the county websites as a culmination of active participation of stakeholders in the process of budget making. This in cognizant to the postulation that the inputs of stakeholders from various sectors in the budgeting process are pertinent (Njuguna, Wangia, Wainaina, & Ndavi, 2020).

The County Government Act mandates each county in Kenya to formulate a plan that aid in development, hence anchoring all budgeting and spending (Republic of Kenya, 2012a). The respective county treasuries communicate the indicative budget ceilings to different sectors through the approved County Budget Review (Republic of Kenya, 2016). All the stakeholders involved in preparation of the budget make the estimates of the revenues and expenditures of the devolved governments. Relative to the budgeting process, the County Fiscal Strategy Papers once adopted is submitted to the respective county assemblies which are expected to keenly look at the estimates prior to their approval by the County Executive Committee for Finance. Upon its approval, the aforesaid assemblies enact an appropriation law and other pertinent laws necessary in the implementation of the budget, after which the process of the budget implementation begins (Institute of Economic Affairs, 2014).

County Budget Operational Manual provided by the National Treasury indicates that the calendar of the county budgets is aligned to and dependent on the national budget process (Republic of Kenya, 2014). The manual also emphasizes on the voluntary participation of the public in the county's budget process. The aforesaid manual further outlines the annual budget circular issued by respective County Treasuries. The circular must include a schedule for budget preparation outlining the completion dates for various processes, and the methodology for reviewing and making projections for revenues and expenditures. It also involves major policy issues and areas to be taken into account in budget preparation as well as any other information pertinent to the process of budgeting (Republic of Kenya, 2014).

2. Statement of the Problem

The challenges associated with the budget implementation are demonstrated in the difficulties faced in tracking the track activities in implementation process (Njuguna, et al., 2020). The constraints in revenue collection against a backdrop of over-ambitious revenue projection as well as inadequate technical capacity demonstrated by low staffing dedicated to budgeting constitute other challenges that affect county-level budget implementation and associated practices (Njuguna, et al., 2020. It is indicated that the performance of county assemblies in Kenya is just moderate (Kaberia, Senaji, & Rintari, 2021). In 2019, some county assemblies like Bomet County Assembly had sponsored only 8 bills, Machakos County Assembly 7 bills, Kwale County Assembly 5 bills, and Kiambu County Assembly 4 bills demonstrated significantly poor legislative performance (Republic of Kenya, 2019). Although it is acknowledged there are challenges touching on the budget implementation and that the performance of a majority of county assemblies in Kenya, at best, is moderate, the nexus between the aforesaid implementation and performance is hardly empirically investigated. The hitherto empirical studies have left clear research gaps with regard to the budgetary controls and performance of county assemblies in Kenya. For instance, a study by Kaberia, et al, (2021) examined managerial ties and performance of county assemblies in Kenya, yet, it did not address budgeting controls. Another study on budgetary process related it to financial performance of county governments (Kibunja, 2017). However, it did not address the overall performance of the aforementioned assemblies. In respect of the identified knowledge and research gaps, this study sought to bridge the gap by investigating the budgetary controls and how they influence performance of county assemblies in Kenya.

3. Objective of the Study

The objective of the study was to evaluate the influence of budgetary controls on performance of selected county assemblies in Rift Valley region, Kenya.

4. Literature Review

According to the Chartered Institute of Management Accountants (CIMA), budgetary control is defined as the establishment of budgets that link the responsibilities of executives to the policy requirements as well as the continuous comparison of actual spending to the budgeted results. In brief, budgetary control is a technique that compares actual results to the budgets. These controls are important in that they demonstrate variance analysis which is a basis for performance appraisal. They also facilitate taking of remedial action in response to the aforesaid variance. Moreover, the budgetary controls improve the allocation of scarce resources in an organization. Therefore, such controls are crucial since they significantly contribute towards organizational performance (Badruldeen, 2021).

Budgetary control primarily establishes budget for various tasks within an organization and also spell out the responsibility centres in line with the budgetary policy (Badruldeen, 2021). It is the prerogative of these controls to ensure that to monitor the flow of funds and also control the revenue and expenditure of an organization. There are three key ratios for budgetary control, that is, activity ratio, capacity ratio, and efficiency ratio. Activity ratio demonstrates the level of activity that is achieved over a specified period of time. This ratio is determined by comparing the standard hour's equivalent to the goods and/or services that are produced as a proportion (percentage) of budgeted hours (Smith, 2007). Capacity ratio refers to the level of budgeted hours of the actual utilized capacity. In other words, the ratio is a proportion of the actual working hour for the budgeted period relative to the maximum possible working hour. Efficiency ratio outlines the level of efficiency that is realized in production. Budgetary controls are aimed at combatting fraud and other misappropriations of funds. At parliament level, the budgetary committee is tasked with putting in place sound budgetary controls (European Union, 2022).

The parliamentary performance can be measured using a scorecard. Such a scorecard can be employed to measure intra-country parliamentary performance. Performance of parliaments is mainly on the dimensions of representation, legislation, and oversight. The foregoing is alluded to the fact that, in any democracy, the institution of parliament undertakes three basic functions, which include representation, lawmaking (legislation), and oversight. From representation perspective, the parliament is the channel (institution) through which citizens (electorate) take part in the governance of the country through the elected representatives. With regard to lawmaking, the parliament is mandated with debating and scrutinizing the draft legislations and/or bills it initiates or proposed by the executive. Its performance can then be measured on the basis of the legislated bills (Bosley, 2007).

Legislative performance is operationalized by the amount of time taken to debate a given legislation in the parliament (Doyle, 2018). For instance, the number of minutes taken to debate bills or the proportion of bills debated in a period of, say not more than 30 min, compared to all the debated bills. Another metric is the number of bills passed over a specified period of time, for instance, within the life of parliament. Another indicator is the time taken to pass bills. For instance, the number of bills passed in a period of less than five minutes in the life of parliament. The legislative efficiency which is a performance measure of the parliament is a proportion of the total number of bills adopted (sum of bills adopted that are introduced in the current year, and those adopted but were introduced in the previous years) against the number of bills introduced during the present year. Therefore, measurability of the legislative performance should cover several years for comparison and accuracy purposes (Shenga, 2014). Conceptual framework on Figure 1 shows the relationship between budgetary controls and performance of county assemblies.

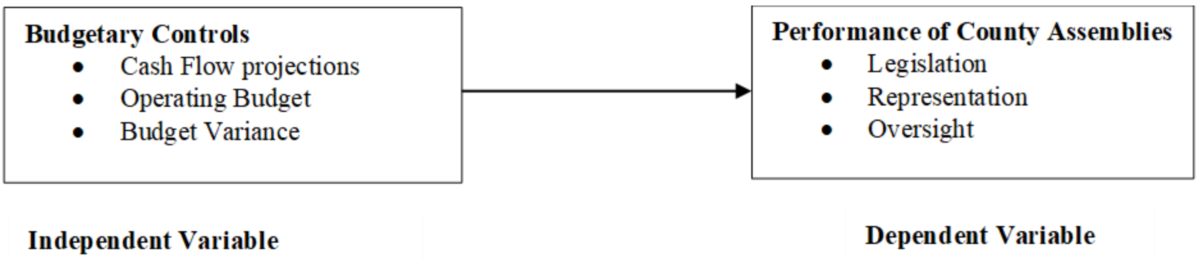

Figure 1: Conceptual Framework

Budgetary controls are indicated by cash flow projections, operating budget and Budget variance. They influence the performance of County Assemblies which is indicated by legislation, representation and oversight.

Agency cost theory holds that there is cost implication brought about by the conflict between the agent and principal particularly when the former pursue their interests to the detriment of the welfare of the principal (Jensen & Meckling, 1976). According to the theory, there exists an agency relationship between one party known as the principal or principals and another party named the agent or agents that is engaged by the former to perform a given task on the behalf of the principal. The agency relationship involves delegation to the agent of some authority to make decisions (Jensen & Meckling, 1976). It is asserted that, given that managers are compensated on the basis of accounting profits, they are incentivized to manipulate information or favour projects or activities that have poor net present value as long as they provide immediate profits (Dogan & Smyth, 2002). In the implementation of budget, there is an agency relationship between the budget implementers and the drafters of budget. This is supported by earlier works which indicated that the theory is applicable in budget preparation and implementation in local government (Marwan, Gt, Ananda, & Djazuli, 2017). In the context of county assemblies, the budget and/or finance officers are tasked with ensuring that the county assembly budget is implemented in accordance with the laid down laws and regulations set out by the budget committee. It would be of interest to establish how the aforementioned officers implement the budget and whether or not they prioritize their interests to the detriment of the respective county assemblies. The foregoing can be achieved through application of sound budgetary controls as well effective monitoring of the budget implementation.

Past studies on budget budgetary controls and performance, particularly touching on legislatures have been reviewed. A survey that was concerned with the Latin America and the Caribbean (LAC) was interested in the capacities of parliaments in the budget process and how such capacities could be strengthened (Santiso & Varea, 2013). The objective was to examine how the LAC parliaments could be strengthened. Desk analysis was adopted. The survey findings indicated that parliaments lack both institutional and technical capacity to exercise their budgetary powers. It was also revealed that the establishment of parliamentary budget offices (PBOs) could play a role in strengthening the effectiveness and accountability of the LAC's parliaments in the budget processes. The legislatures of Anglophone Caribbean countries oftentimes have public accounts committees in addition to finance and budget committees instead of PBOs common in the Latin American parliaments. According to the survey results, the committees in Caribbean countries had a tendency of exercising more post control over the budgetary execution as opposed to the Latin American presidential systems. It was concluded that parliaments could strengthen their impact on the budgeting process not just by enhancing their budgetary powers (controls) but also through improved institutional capacity to exercise the aforesaid powers in a more responsible and effective manner.

A study conducted in Hargeisa Somaliland analyzed the effectiveness of budgetary control techniques on organizational performance (Ifrah, Kerosi, & Ondabu, 2015). The objective was to examine the effect of budgetary control (zero-based budgeting, variance cost analysis, and responsibility accounting) on the performance of Dara-Salaam Bank. Descriptive and retrospective research designs were adopted. The research involved a total of 70 banks staff as respondents. Primary as well as secondary data were collected and analyzed. According to the obtained findings, responsibility accounting, variance analysis, and zero-based budgeting led to improved budgetary controls hence positively affecting organizational performance parameterized by productivity and efficiency. It was recommended that the bank staff ought to be trained on budgetary control techniques.

A study by Ngugi (2015) empirically examined the relationship between budgetary control and performance of Constituency Development Fund (CDF) in Machakos County, Kenya. The objective was to assess how budgetary control and performance of the CDF related. A descriptive design was adopted. A semi-structured questionnaire was used to collect data. It was revealed that control of budgets was crucial in translating strategic plans into action. Budgetary control was also established to be important in allocation of resources since it improved the aforesaid process. It was concluded that proper planning and monitoring of budgets, participative budgeting, budget analysis, and budget control positively impacted the performance of CDF projects.

A study by Mutungi (2017) determined the effects of budgeting and budgetary control on financial performance of devolved governments in Kenya. The objective was to examine the effect of budgeting and budgetary control on financial performance of county governments. Quantitative descriptive research design was adopted. All the 47 county governments in Kenya were targeted. It was established that there existed a positive and strong relationship between budgeting and budgetary control, and financial performance. The study did not apparently focus on county assemblies and also failed to address budgetary controls relative to performance of county assemblies. A study conducted in Kwale, Kenya examined the effect of budgeting process on financial performance of the county government (Samira, 2018). The objective was to examine the relationship between the budgeting process and financial performance. It was revealed that the budgeting process impacted financial performance of the County Government of Kwale. Although budgetary control was one of the variables that were assessed relative to financial performance, the study fell short of examining the overall performance particularly with regard to county assemblies in Kenya.

A related study focused on managerial ties and performance of county assemblies in Kenya (Kaberia, Senaji, & Rintari, 2021). The objective of the study was to assess the relationship between managerial ties and performance (legislation, oversight and representation) of county assemblies in Kenya. A descriptive design was adopted. A survey of 98 respondents drawn from 46 county assemblies in Kenya. Descriptive and inferential statistics were used to analyze the collected data. According to the study findings, the performance of the county assemblies was moderate while managerial ties were weak. There was a negative significant relationship between institutional ties and performance of the aforesaid assemblies. However, the study did not link performance of the county assemblies to the implementation of budget.

Research gaps were identified from the empirical studies. A study by Ngugi (2015) on budgetary controls revealed that the said controls were crucial in resource allocation. However, the budgetary controls were not linked to organizational performance. A related study indicated that budgetary control and financial performance had a significant relationship (Mutungi, 2017). Besides not relating budgetary control to organizational performance, the study did not apparently focus on county assemblies and also failed to address budgetary controls relative to performance of county assemblies. Samira's (2018) study noted that the budgeting process affected financial performance of the county assembly. Although budgetary control was one of the variables that were assessed relative to financial performance, the study fell short of examining the overall performance particularly with regard to county assemblies in Kenya. Another empirical study by Kaberia, et al, (2021) revealed existence of a significant relationship between institutional ties and performance of county assemblies. However, the study did not link performance of the county assemblies to the budgetary controls. The current study established the relationship between budgetary controls and performance of County Assembles.

5. Research Methodology

A cross-sectional survey research design was adopted. Cross-sectional research describes a study of a specific phenomenon or phenomena at a given point in time (Saunders, Lewis, & Thornhill, 2009). In other words, it presents a snapshot of the situation or situations. The present study sought to describe the issues pertinent to the budgetary controls and performance of county assemblies as at the time period when the data were collected. The fact that quantitative methods are associated with survey studies (Creswell, 2014) further informed their adoption in this study which employed a cross-sectional survey design. The 177 members of Nakuru, Uasin Gishu, Samburu, and Laikipia county assemblies constituted the accessible population alongside the heads of finance departments of these assemblies. The unit of observation encompassed a sample of 123 MCAs obtained using stratified random sampling technique as well as all the 4 budget department heads. A structured questionnaire were used to collect data. The questionnaire was first pilot tested before its use in data collection for the full-scale study. The Statistical Package for Social Sciences assisted in data analysis. The aforementioned analysis took the form of descriptive and inferential statistics. Inferential analysis incorporated correlation and regression analysis. The following regression model was adopted:

$Y = \beta_0 + \beta_1 X_1 + \varepsilon$

Where;

Y represents 'performance of county assemblies'
β_0 represents 'constant'
X_1 represents 'budgetary controls'
ε represents 'precision level or margin of error'
β_1 represent 'regression coefficients of independent variable'

6. Results

This section outlines the key descriptive and inferential findings pertaining to the influence of budgetary controls on performance of selected county assemblies in Kenya.

6.1 Influence of Budgetary Controls on Performance of Selected County Assemblies

The study sought to describe the influence of budgetary controls on performance of selected county assemblies in Kenya. Results are illustrated on Table 1.

Table 1: Descriptive Statistics for Budgetary Controls

Propositions	SD (%)	D (%)	NS (%)	A (%)	SA (%)	Mean	Std. Dev
County assemblies have an operating budget.	0	0	0	41 (41.4)	58 (58.6)	4.59	.495
County assemblies are able to make cash flow projections.	0	0	0	53 (53.5)	46 (46.5)	4.46	.501
County assemblies usually encounter a variance in their budgets.	0	0	0	54 (54.5)	45 (45.5)	4.45	.500
The operating budget is implemented by a selected team comprising MCAs and few staff from finance/budget department.	0	0	0	57 (57.6)	42 (42.4)	4.42	.497
Cash flow projections are made at least once every year.	0	0	19 (19.2)	39 (39.4)	41 (41.4)	4.22	.750
The budget variance is large enough to compromise budget implementation in county assemblies.	2 (2.0)	16 (16.2)	0	51 (51.5)	30 (30.3)	3.92	1.066
Cash flow projections have improved budget implementation.	0	0	53 (53.5)	23 (23.2)	23 (23.2)	3.70	.826
Composite score						**4.25**	

On issues concerning budgetary controls, the opinions of the surveyed MCAs and finance/budget heads are as demonstrated in Table 1. It was observed that, the respondents generally and with minimal variation strongly agreed that county assemblies had an operating budget (mean = 4.59; std dev = 0.495). As demonstrated by the composite score of 4.25, the respondents were largely unanimously in agreement on all issues pertinent to budgetary controls. All of them either concurred or were in strong agreement (agree/strongly agree = 100.0%) that county assemblies were able to make cash flow projections; county assemblies usually encountered a variance in their budgets; and that the operating budget was implemented by a selected team comprising MCAs and few staff drawn from the finance/budget department. Although 19.2% of the respondents were indifferent regarding the assertion that cash flow projections were made at least once every year, the rest either agreed (39.4%) or strongly agreed (41.4%) with the proposition. A majority of the respondents either agreed (51.5%) or strongly agreed (30.3%) that the budget variance was large enough to compromise budget implementation in the county assemblies. However, 18.2% of the respondents at least disputed the assertion. It is worth noting that, most (not sure = 53.5%) of the respondents remained neutral regarding the proposition that, cash flow projections had improved budget implementation.

Table 2: Descriptive Statistics for County Assemblies' Performance

Propositions	SD (%)	D (%)	NS (%)	A (%)	SA (%)	Mean	Std. Dev
County assemblies' performance is measured in terms of the number of bills it legislates.	0	0	0	52 (52.5)	47 (47.5)	4.47	.502
The county assemblies adequately represent the electorate as reflected in the number of sittings attended by respective MCAs.	0	0	0	57 (57.6)	42 (42.4)	4.42	.497
Comparatively, the number of bills debated and successfully passed has been on the rise for the past 5 years.	2 (2.0)	24 (24.2)	0	47 (47.5)	26 (26.3)	3.72	1.161
There are cases of significant absenteeism from the chambers observed among MCAs	1 (1.0)	27 (27.3)	0	43 (43.4)	28 (28.3)	3.71	1.180
County assemblies perform splendidly in their oversight role of the executive arm of the county governments.	18 (18.2)	31 (31.3)	0	50 (50.5)	0	2.83	1.238
There is a set target of the number of bills that each county assembly should debate and pass every year.	41 (41.4)	58 (58.6)	0	0	0	1.59	.495
Composite score						**3.46**	

Regarding the performance of county assemblies of Laikipia, Samburu, Uasin Gishu, and Nakuru, the views of respective MCAs and heads of finance/budget department are as shown in Table 2. The respondents generally agreed that performance of county assemblies was measured in terms of the number of bills they legislated (mean = 4.47; std dev = 0.502); and that the county assemblies adequately represented the electorate as reflected in the number of sittings attended by respective MCAs (mean = 4.42; std dev = 0.497).

The views of the respondents varied quite significantly with regard to the assertion that the number of bills debated and successfully passed had comparatively been on the rise over the past 5 years (std dev = 1.161), and that there were cases of significant absenteeism from the chambers observed among MCAs (Std Dev = 1.180). It was revealed that 50.5% of the MCAs and finance/budget heads agreed that county assemblies performed splendidly in their oversight role of the executive arm of the county assemblies. The rest of the respondents either disagreed (31.3%) or strongly disagreed (18.2%) with the assertion. On average, the respondents disputed that there was a set target of the number of bills that each county assembly should debate and pass every year (mean = 1.59; std dev = 0.495).

6.2 Correlation Analysis

Spearman's rank correlation was used to demonstrate the correlation between budgetary controls and performance of county assemblies. The relevant results are illustrated in Table 3.

Table 3: Spearman Rank Correlation Analysis Results

		Performance of County Assemblies
Budgetary Controls	Correlation Coefficient	.423**
	Sig. (2-tailed)	0.001
	n	99

Correlation analysis results revealed that budgetary controls ($r_s = 0.423$; $p < 0.01$) had significant relationship with performance. These results implied that when budgetary controls were strengthened and M&E improved, the performance of the county assemblies in terms of representation, legislative, and oversight roles, was likely to realized substantial improvement.

6.3 Simple Linear Regression Analysis

The study employed simple linear regression analysis to determine the extent to which budgetary controls influenced the performance of county assemblies. The pertinent results are illustrated in Tables 4, 5 and 6.

Table 4: Model Summary of Budgetary Controls against Performance of County Assemblies

Model	r	r Square	Adjusted r Square	Std. Error of the Estimate
1	.425[a]	.180	.172	.28910

a. Predictors: (Constant), Budgetary Controls

The results shown in Table 4 ($r^2 = 0.180$) indicate that 18.0% of variation in the organizational performance of county assemblies could be explained by budgetary controls put in place by county assemblies. These results implied that, to a large extent, budgetary controls were crucial to the performance of county assemblies of Laikipia, Samburu, Nakuru, and Uasin Gishu.

Table 5: ANOVA of Budgetary Controls against Performance of County Assemblies

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.783	1	1.783	21.334	.001[b]
	Residual	8.107	97	.084		
	Total	**9.890**	**98**			

a. Dependent Variable: Performance
b. Predictors: (Constant), Budgetary Controls

The results shown in Table 5 ($F_{1,97} = 21.334$; $p < 0.05$) were statistically significant at 5% significance level. This meant that the relationship between budgetary controls and organizational performance was significantly linear. The sample data thus fitted the simple linear regression model ($Y = \beta_0 + \beta_1 X_1 + \varepsilon$) connecting the two study constructs. As a result, the model was used to determine the influence of budgetary controls on performance of county assemblies.

Table 6: Regression Coefficients of Budgetary Controls against Performance

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.365	.461		2.963	.004
	Budgetary Controls	.488	.106	.425	4.619	.001

a. Dependent Variable: Performance

The results shown in Table 6 ($Y = 1.365 + 0.488X_3$) meant that a change of 0.488 unit of budgetary controls led to 1 unit change in organizational performance while other factors were held constant. The effect of budgetary controls on organizational performance of county assemblies was established to be statistically significant at 5% significance level ($t = 4.619$; $p < 0.05$). Therefore, budgetary controls influence performance of selected county assemblies in Rift Valley region, Kenya.

7. Conclusion

Each of the surveyed county assemblies was concluded to have an operating budget. It was also concluded that the assemblies had the requisite capacity to make cash flow projections, encountered variance in their budgets, and that their operating budgets were implemented by a selected team of MCAs and finance/budget staff. The study concluded that some county assemblies made cash flow projections at least once annually while others did not. The large budget variance reported by some county assemblies had the probability of compromising the implementation of the budget. It was also concluded that budgetary controls were significantly influential on the organizational performance of county assemblies of Laikipia, Samburu, Uasin Gishu, and Nakuru.

8. Recommendation

County assemblies are advised to be making regular or timely cash flow projections. This would enable them to forestall any challenges that might be occasioned by a mismatch between cash requirements and cash disbursed to them. Due to the concluded negative implications of large budget variance, it is recommended that county assemblies should ensure that such variance is always maintained at the very minimum.

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