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**Impact of Factors Affecting Programme Based Budgeting Performance in
Government Organisations in Kenya.**

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Abstract

Purpose: The purpose of the study was to establish the factors affecting programme based budgeting performance in public organization in Kenya.

Materials and methods: In this study a descriptive survey design was used. Target population include administrators with authority to incur expenditure (AIE Holders), Finance officers, economists, accountants, auditors- internal and external totaling to a population of 247 officers. The researcher used a questionnaire to collect primary data. The SPSS (version 20) computer software aided the analysis. Descriptive statistics was employed to analyze the data. An odd's ratio regression model was applied to determine the relative probability of importance of each factor variable.

Results: The study findings indicated that there are adequate policies and procedures guiding PBB budgetary process, stakeholders views and expert opinions are well sought in the development of policies and procedures and the budgetary policies and procedures are not donor forced ideologies but accepted negotiated domestic instrument. Results further indicated that there are adequate laws that make it mandatory for all stakeholders' consultation on budgetary process for the budget to be legitimate, adequate awareness forums and sensitization programmes are undertaken by treasury to sensitize public on budget.

Recommendations: The study recommends that the public organizations should ensure that they have effective budget policies and procedure in place and followed to the letter. It is also recommended that firms should invest enough resources to ensure that their objectives and goals are met without constraints.

Key words: *programme based budgeting, performance, government organisations*

1.0 INTRODUCTION

1.1 Background of the Study

The government through budgeting drives the economic policy to intended goals and objectives as per its economic strategic blue print. It serves numerous socio-economic purposes by allocating resources in ways that promote growth and equity (Hirst & Lowy, 2006). The “Budgeting System” concerns the decisions how much money to spend and what to spend it on. Through the budgeting system, the government determines the allocation of the resources among the agencies and these decisions resulting affect the nation as a whole. Since the 19th century, the evolution of budgeting has influenced the practice of resource allocation and use in all countries. However, budgets in developing countries have not been as effective as they should be (Anderson & Lanen, 2009). While many countries differ in the magnitude of their budgetary problems, there has been increased acceptance by governments that the structure of the budget process and institutions influence budgetary results. This is why the agenda to reform the budgeting system, in order to achieve a durable budgetary condition, has been given such a high priority in many countries including Kenya (Frucot & Shearon, 2005).

1.1.1 Programme Based Budgeting

Programme based budgeting is a budget based on programmes that bring together expenditures with a shared objective which, for most programmes, refers to the outcome which the programme aims to achieve. It uses performance criteria as a basis for budget allocations. (GOK, 2011). It was introduced in the civil service in the year 2007, being a continuation of several reform programmes the government of Kenya has been undertaking since year 2000 in an effort towards achieving efficiency and effectiveness in delivery of public goods and services (Chenhall, 2006).

1.1.2 Government Financial Reforms Agenda

Treasury circular number 17/ 2009 on the preparation of budget stated the importance of reforming the budget process to conform to Programme based budget (PBB) so as to guarantee fundamental, long-term objective of efficiency and effectiveness in public spending (Gikonyo, 2013). The enactment of Fiscal Management Act, 2009 required Ministries/Departments to come up with outputs and outcomes which they will ultimately defend before the departmental committees of parliament. Treasury circular number 6/2009 emphasized that the National Assembly new standing orders, require a budgetary policy statement that is consistent with Programme Based Budgeting (PBB) and thus no submissions will be considered by the treasury without the Programme- Based Budget. The accounting officers under the new standing orders will be required to defend their budget proposals before the Parliamentary Budget Committee and the departmental committees in strict adherence of these new rules (Kiringai& West, 2012). Treasury circular number 17/2009 articulates the importance of budgetary reforms as stimulating growth and creating jobs, reducing poverty, enhancing food security and protecting the livelihoods of the poor and the most vulnerable members of the society (KDS, 2010). Emphasis were, maintenance of stable macroeconomic environment and creating an enabling environment for business, developing of key infrastructure facilities and public works country wide to stimulate growth, create employment and reduce poverty, promotion of equitable regional and social development for stability, environmental

management and food security and enhancing governance, transparency and accountability in the delivery of public goods and service (KNBS, 2012).

1.1.3 Ministry of Interior and Coordination of National Government

The ministry of interior and national coordination is one of the most sensitive ministry in terms of policy formulations, operations and it's virtuously everywhere geographically in terms of administrative oversight and representation. The ministry key programmes for financial years 2010/11-2012/13 were security services, policy formulation and coordination, immigration services, population registration programme, campaign against drug and substance abuse and government printing service (KMPND, 2012). Performance is bench-marked against above programmes. Outcomes from these programmes directly affect the common citizenry either positively or negatively depending on whether outcome is good or bad.

The ministry's service charter for 2012/13 describes the vision of the ministry is to be a leading agency in the provision of leadership and governance for Kenya's prosperity and thereby providing strategic leadership policy direction, a secure environment and set the agenda for achieving socio-economic and political development of our people (Ndiritu, 2013).

1.2 Statement of the Problem

Programme Based Budgeting (PBB) is anticipated to be result oriented and expected to be judged on the basis of outcomes on tangible outputs and outcomes of all public programs (Petrei, 2008). The result oriented tool of management, aimed at improving transparency, accountability and efficiency in the allocation of resource with an overall purpose of ensuring that citizens derive maximum value from public spending. In spite of these efforts, there are many challenges affecting delivery of goods and services to the citizens despite being highly taxed. The public oversight bodies, the auditor general and controller of budget have constantly raised issues with high level wastage and unaccountability of public money and low absorption of development funds (Milani, 2007). The auditor general report for financial year 2012 states that over 300 billion was either unaccounted for or misappropriated resulting to wastage approximating to third of public funds budgeted for the year. (GOK, 2013) In Kenya, the Ministry of Interior and Coordination of National Government prepare performance budgets every fiscal year detailing programmes/activities it intends to achieve especially in its core functions of administration and internal security which ensures sustainability of peace, enabling environment for work, business and trade which are integral for economic development and growth. The organization failure in Kenya is attributed to weak organization controls and foundation which is key to budget making. This results from administrative malfunctioning, unbiased influence and undue political interference. This lead to poor financial controls those impacts negatively to budget formulation and execution. (Oyugi, 2010)(GoK, 2012). There are numerous causes of liquidity problems, budget deficits, or even non-utilization of budgeted funds. These poor controls lead to integrity issues of misappropriation and misallocation of funds to unintended purposes. The over expenditures and under expenditures is clear indication of weak controls system. Poor estimation of realizable revenues lead to poor programme planning that impacts negatively in programme implementation where forecasts are poor that results to distorted over or under revenues and under or over expenditures on budgeted programmes. The level of ownership goes down due to high

levels of blame games. (KDS, 2010) As a result the Ministry cannot live up to its responsibility of being partners to the central government in the development effort.

The government failure to implement fully its programmes denies citizens their share of economic services derived from economic activities (Ndiritu, 2013). It is an accepted wisdom that implementation of programme based budgeting can influence the financial efficiency and effectiveness of government hence improved general performance. However, the oversight reports indicates differently where outcomes are far below expectations. Auditor general report for year 2012 indicates a third of budgetary allocation for the year was unaccounted and misappropriated whereas Controller of budget indicates for the same period that the government was only able to absorb partly 42 percent of budgeted development funds (GOK, 2013).

1.3 Objective of the Study

1.3.1 Specific Objectivities

The specific objectives of this study were to;

- i. To find out the effects of policy guidelines on the programme based budgeting performance in public organization in Kenya
- ii. Determine the effect of stakeholder's participation on the programme based budgeting performance in public organization in Kenya
- iii. Establish the influence of budget implementation capacity on the programme based budgeting performance in public organization in Kenya
- iv. Access the effect of institutionalized oversight body's on the programme based budgeting performance in public organization in Kenya
- v. Evaluate the role of finance on the programme based budgeting performance in public organization in Kenya

2.0 LITERATURE REVIEW

2.1 Concept of Programme Based Budgeting

According to Yanxia and Mensah (2012) there is little published empirical research on the real economic effects of PBB budgeting in government; nevertheless it is accepted wisdom that the implementation of an appropriate budgetary system can influence the financial efficiency and or effectiveness of government. The traditional line item budget was limited as it focused on what is to be bought. The expenditure on each item was broken out in categories of expenditure such as salaries, materials, supplies and goods and services bought. The line item budget kept track on how much you spend on what. While the simplest to prepare, it does not provide any information regarding activities and functions of a programme, department or a ministry. This is where programme based budget policy was desirable (Robinson & Last 2009).

2.2 Theoretical Review

This part of theoretical review entails an understanding of theories behind budget making process that is anchored in systems and institutional theories that require resources in terms of finance, human capital and hence the budgetary theory. These theories interlink and relate to provide required synergy for any performance approach (Johnson & Robinson, 2004). Agency theory explains the relationship between agents and principals hereto referred as government and its citizens. Social scientists and economists have come up with possible functional dynamics that may create conflicts impacting on performance where principals exert pressure for goods and services where agents compete for self interest and status quo.

2.2.1 Systems Theory

The systems theory consists of various components or sub-systems which must function together for the whole system/plan to work. This implies that if one sub-system fails, the whole system is put in jeopardy (Hirst & Lowy, 2006). For instance for small businesses to operate effectively, it should have capacity to formulate, implement and evaluate its strategies. Systems theory helps managers to look at the organization more broadly and the concept of consensus management and decision making in organizations in small organizations rely on a systems approach. Three key administrative mechanisms that an organization can use to cope with uncertainty in the environment include: the design of the organizational structure (decentralization); design of control systems (budget evaluation style); and selection of managers (Gist, 2004). The foundation of systems theory is that all the components of an organization are interrelated, and that changing one variable might impact many others, or if one sub-system fails, the whole system is put in jeopardy. Organizations are viewed as open systems, continually interacting with their environment. They are in a state of dynamic equilibrium as they adapt to environmental changes.

2.2.2 Institutional Theory

According to DiMaggio, systems and developed cultural practices get easily adapted or imposed by individuals and organizations. Institutional environment and cultural practices strongly influence the development of formal structures in an organization. Innovative structures that improve technical efficiency from time to time in the organizations are eventually legitimized in the environment. Ultimately, over time, innovations reach a level of legitimization where failure to adopt them would be an act of irrationality and negligence. These forming trends compel new and existing organizations to adopt the structural form even if the form doesn't improve efficiency.

2.2.3 Agency Theory

The Principal-Agent (Agency) theory also supports development of budgeting. The classic agency theory concept was developed by Berle and Means in 1932 (Phelps, 2006). The theory explains why conflicts exist between principals (shareholders /owners) and their agents (managers) leading to agency costs. It aims at reducing information asymmetry so that both the principal and the agent read from the same script through the threat of sanctions and the possibility of incentives.

2.2.4 Stewardship Theory

Stewardship theory demands those in executive positions to subdue their interest for the benefit of others. It is a psychology and sociology phenomena that is expected to motivate stewards to work for a cause that largely benefits others (Yang & Callahan, 2005). It is a new concept that only dates from the late 80s. Stewardship and public service begins the art that demands high levels of accountability, transparency and openness in all public dealings. This approach is contained in the wide range of reforms in the public service seen in the recent past. However critics argue that foundation built is not robust enough to embrace the full range of public sector activities such as governance and guarding public interest. Stewardship is presented as strong cornerstone in change management expected to trigger growth to double digits but aspects of integrity, accountability, and openness is not a choice but a road the government must take (Premchand, 2004).

2.2.5 Theory of Budgeting

Anderson and Lanen (2009) came with emerging trends of budget theory and policy-making; that proves that progress has been achieved, often on modest fronts and with reasonably simple techniques. A key component in budget theory has been the differentiation between micro budgeting and macro budgeting and the inherent conflicting tension between them. Macro budgeting wide range decision that covers all sectors, aggregates revenues and apportion budget share from top to down. Micro budgeting intermediate level decisions on agencies, programs, and line-items, usually made from the bottom up.

2.3 Conceptual Framework

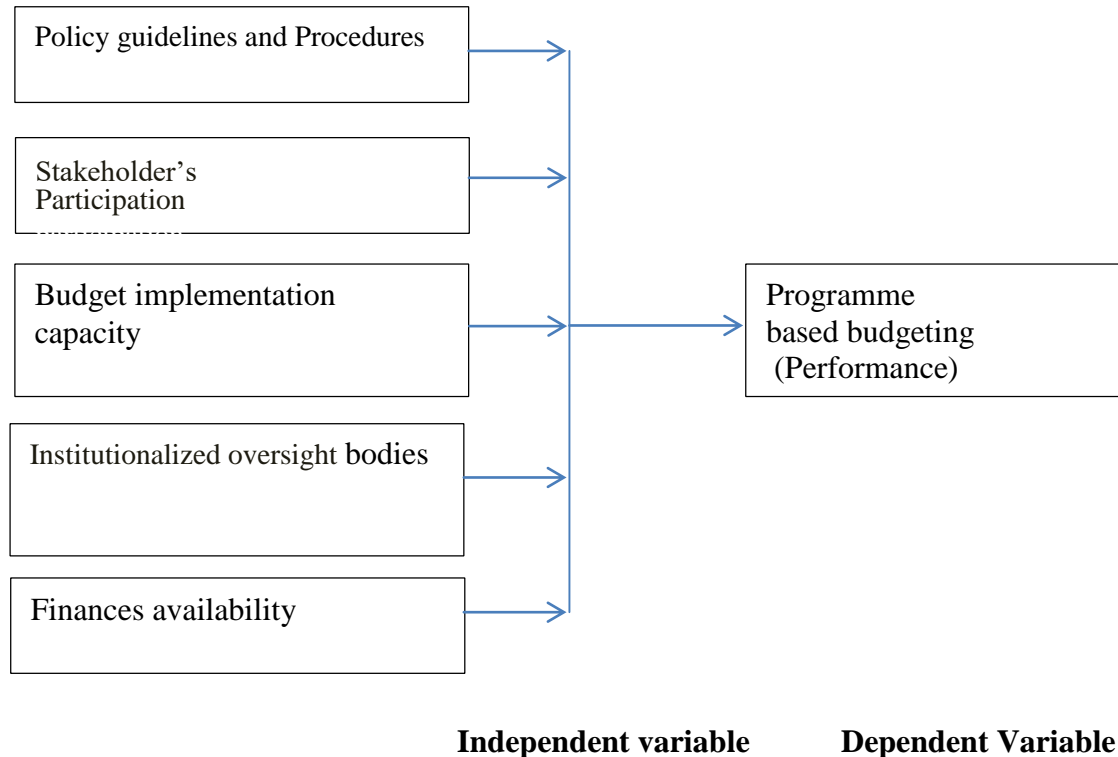


Figure1: Conceptual Framework

2.4 Empirical Literature

Kraan (2007), in an article for Program Budgeting in OECD countries, explored ways in which countries can reform their budget classification to focus more on results. The findings were that a number of OECD countries had reclassified their budgets which had been authorized by their states. Outcomes were found to be based on very strong foundations guarded jealously by firm regulations and procedures that made execution of programmes more exiting and viable. This implied that, budget has to be classified according to output areas or programs. He concluded that programmatic line items are characterized by related objectives or even a single ultimate objective of all outputs financed by the line item. Budget made on programmatic classification is considered to be more supportive of the allocated resources (priority-setting) function of the budget than a classification which is largely based on inputs. Australia, France, the Netherlands, Sweden and the United Kingdom offer good examples of re-classified budgets based on mainly programmatic criteria. Boudreaux (2008) states that budgeting is being influenced by ideas surrounding performance-based budgeting, a reform that focuses both on performance measures or outcomes and on managerial entrepreneurialism. She argues that in performance-based budgeting, managers

should be held accountable for results, but be given a free hand to shift inputs as needed in order to achieve these results.

3.0 RESEARCH METHODOLOGY

In this study a descriptive survey design was used. Descriptive statistics was employed to analyze the data. Tables and other graphical presentation as appropriate were used to present the data collected for ease of understanding and analysis. This generated quantitative reports through tabulations, percentages and measures of central tendency. Target population for this study included administrators with authority to incur expenditure (AIE Holders), Finance officers, economists, accountants, auditors- internal and external totaling to a population of 247 officers. The target population is classifiable in 4 different strata and their sizes are manageable for study. Factor analysis was undertaken with the help of computer software (SPSS version 20). The analysis was helpful in representing the interrelationships among a set of continuously measured variables. An odd ratio regression model will be used to test the significance of the influence of the independent variables on the dependent variable.

4.0 DATA ANALYSIS

4.1 Response Rate

Table 1 presents the response rate of the respondents. The number of questionnaires that were administered was 177, out of these a total of 101 questionnaires were properly filled and returned while 76 were not returned. This represents an overall successful response rate of 57.1%. According to Babbie (2004) a response rate above 50% is acceptable. Therefore a response rate of 57.1% is good

Table 1: Response Rate

	Targeted	Administered	Respondent	%Response
Accountant	93	71	32	45.1%
Admin/AIE	31	21	14	66.7%
Auditors/External	28	15	11	73.3%
Auditors/Internal	25	17	12	70.6%
Econ/Plan	22	17	13	76.5%
Finance	16	13	8	61.5%
Procurement	32	23	11	47.8%
	247	177	101	57.1%

4.2 Demographic Information

4.2.1 Gender of the Respondents

Figure 2 shows that a majority (65%) of the respondents was male and 35% were female. The findings imply that public organizations are a male dominated field. According to Ellis, Cutura, Dione, Gillson, Manuel and Thongori (2007), in spite of women being major actors in Kenya's economy, and notably in agriculture and the informal business sector, men dominate in the formal sector citing the ratio of men to women in formal sector as 0.74: 0.26.

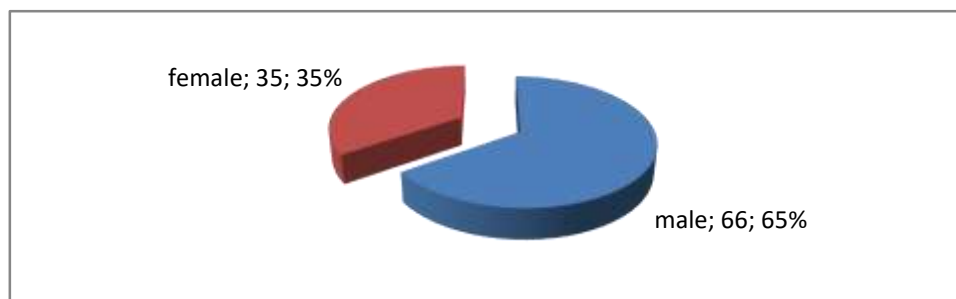


Figure 2: Gender of the Respondents

4.2.2 Designation in the Ministry

Table 2 indicates that 33.7% of the respondents were accountants, while 14.9% were AIE holders and a tie of 12.9% indicated internal and external auditors.

Table.2: Profession / Designation in the Ministry

Profession	Frequency	Percent
AIE holder	15	14.9
Economist	12	11.9
Finance Officer	7	6.9
Accountant	34	33.7
Internal Auditor	13	12.9
External Auditor	13	12.9
Procurement Officer	6	5.9
Total	100	99
Missing	1	1
Total	101	100

4.2.3 Length of Employment

Results on Figure 3 indicate that 26% of the respondents had been in service for a period of between 1-4 years while 25% indicated over 17 years and 22% indicated between 5-8 years. The findings

imply that the employees had been in their positions for more than one year therefore able to understand the programme based budgeting performance in the organization.

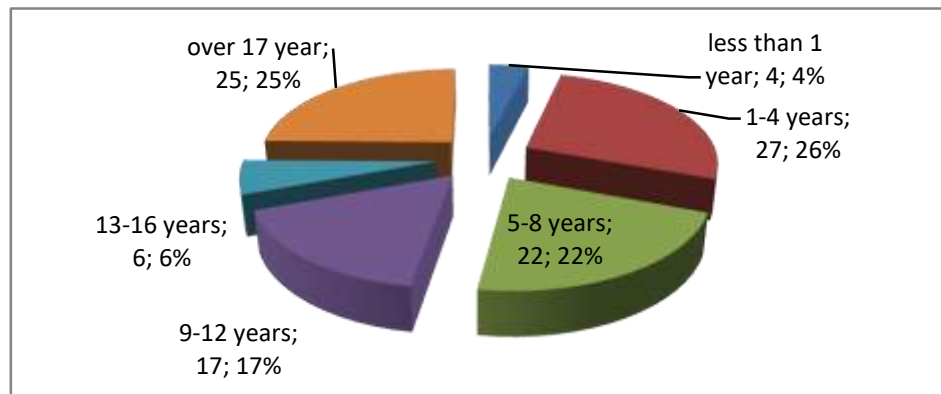


Figure 3: Length of Employment

4.2.4 Role in the Department

Table 3 indicates that 35% of the respondents were supervisors while 33.7% of the respondents were technical assistants and 19.8% were head of departments. **Table 3: Role in the Department**

Role	Frequency	Percent
H.O.D	20	19.8
Supervisor	36	35.6
Technical	34	33.7
Others	11	10.9
Total	101	100

4.2.5 Terms of Service

The respondents were asked to indicate the terms of service in the organization. Table 4 indicates that 96% of the respondents were on permanent basis and 1% on contractual and temporary terms.

Table 4: Terms of Service

Terms of Service	Frequency	Percent
Permanent	97	96
Temporary	1	1
Contractual	1	1
Others	2	2
Total	101	100

4.3 Descriptive Results

4.3.1 PBB Outcomes

The study sought to find out whether outcomes have been attained as outlined for each of the programme based on the respondents' observation and experience for financial year 2012/13. Table 5 shows that 62.4% of the respondents indicated that security services were achieved, 52.5% indicated that national campaign against drug and substance abuse were achieved and 57.4% indicated that Government printing services were achieved. Fifty five point four percent of the respondents indicated that correctional services were achieved, while 58.4% indicated that betting control and licensing services were achieved and 42.6% indicated that population registration programme were achieved. In addition, 52.5% of the respondents indicated that immigration Services were achieved and 48.5% indicated that policy formulation and coordination were achieved. The mean score for responses in this section was 3.48 which indicated that majority of the respondents agreed that the programmes based budgeting outcomes were achieved.

Table 5: Programme Based Budgeting Outcomes

Statement	Not Highly Achieved	Not Achieved	Do Not Know	Achieved	Highly Achieved	Likert Mean
Security services	1.0%	24.8%	5.0%	62.4%	6.9%	3.5
National campaign against drug and substance abuse	4.0%	20.8%	12.9%	52.5%	9.9%	3.44
Government printing services	0.0%	15.8%	16.8%	57.4%	9.9%	3.61
Correctional services	0.0%	17.8%	18.8%	55.4%	7.9%	3.53
Betting control and licensing services	1.0%	9.9%	21.8%	58.4%	8.9%	3.64
Population registration programme	2.0%	23.8%	23.8%	42.6%	7.9%	3.31
Immigration Services	1.0%	15.8%	23.8%	52.5%	6.9%	3.49
Policy formulation and coordination	1.0%	23.8%	23.8%	48.5%	3.0%	3.29
Average						3.48

4.4 Budget Policies and Procedures

4.4.1 Descriptive Results for Budget Policies

The first objective of the study was to find out the effects of policy guidelines on the programme based budgeting performance in public organization in Kenya. Table 6 shows that 85% of the respondents agreed that there are adequate policies and procedures guiding PBB budgetary

process, 65.7% agreed that stakeholders views and expert opinions are well sought in the development of policies and procedures and 69.3% agreed that budgetary policies and procedures are not donor forced ideologies but accepted negotiated domestic instrument. In addition 65% of the respondents agreed that officers involved in budgetary process are adequately consulted and sensitized on development of policies and guidelines, 54% agreed that policies and guidelines are strictly adhered and complied with by budget makers and implementers on the budgetary process and 65.4% agreed that there was adequate harmonization and interlinks among the budgetary policies and guidelines vis a vis other policy guidelines like Vision 2030, millennium development goals ,IFMIS, MTEF e.t.c. The mean score of responses for this section was 2.36 which indicate that majority of the respondents agreed with the statements regarding budget policies and procedures in public organizations.

Table 6: Descriptive Results for Budget Policies

Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Likert Mean
There are adequate policies and procedures guiding PBB budgetary process	24.0%	61.0%	9.0%	4.0%	2.0%	1.99
Stakeholders views and expert opinions are well sought in the development of policies and procedures	15.2%	50.5%	18.2%	12.1%	4.0%	2.39
Budgetary Policies and procedures are not donor forced ideologies but accepted negotiated domestic instrument	12.9%	56.4%	23.8%	5.0%	2.0%	2.27
Officers involved in budgetary process are						

like Vision 2030, millennium development goals ,IFMIS, MTEF e.t.c							
Average							2.36
adequately consulted and sensitized on development of policies and guidelines Policies and guidelines are strictly adhered and	8.0%	57.0%	18.0%	16.0%	1.0%		2.45
complied with by budget makers and implementers on the budgetary process There is adequate	7.0%	47.0%	25.0%	17.0%	4.0%		2.64
harmonization and interlinks among the budgetary policies and guidelines vis a vis other policy guidelines	11.9%	53.5%	19.8%	13.9%	1.0%		2.39

The study sought to find out whether the respondents thought policies and procedure assist the government in achieving its programme based budget performance. Table 7 indicates that 86.1% of the respondents thought that the policies and procedure assist the government in achieving its programme based budget performance.

Table 7: Policies and Procedures

Policies and Procedure	Frequency	Percent
No	13	12.9
Yes	87	86.1
Total	100	99
Missing	1	1
Total	101	100

4.5 Stakeholders Participation

4.5.1 Stakeholder Participation Descriptive Results

The second objective of the study was to determine the effect of stakeholder's participation on the programme based budgeting performance in public organization in Kenya. Table 8 indicates that 74.3% of the respondents agreed that there are adequate laws that makes it mandatory for all stakeholders consultation on budgetary process for the budget to be legitimate, 56.3% agreed that adequate awareness forums and sensitization programmes are undertaken by treasury to sensitize public on budget and give them an opportunity for the inputs and 29.8% agreed that citizens understands their rights and are competent and literate to make valuable contributions to budget decision making process. Forty two point five percent of the respondents agreed that executive arm of the government and legislature make well informed decision purely for the interests of the citizens and 29.7% agreed that budgetary proposals is a true representation of the citizens and have very strong ownership of it. The mean score of responses for this section was 2.77 which indicate that majority of the respondents agreed with the statements regarding stakeholder participation on the programme based budgeting performance in public organizations. The findings imply that stakeholder participation is a key driver in programme based budgeting performance in public organizations.

Table 8: Descriptive Results for Stakeholder Participation

Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Likert Mean
There are adequate laws that makes it mandatory for all						

stakeholders consultation on budgetary process for the budget to be legitimate	23.8%	50.5%	9.9%	12.9%	3.0%	2.21
Adequate awareness forums and sensitization programmes are undertaken by treasury to sensitize public on budget and give them an opportunity for the inputs	13.9%	42.6%	20.8%	18.8%	4.0%	2.56
Citizens understands their rights and are competent and literate to make valuable contributions to budget decision making process	5.0%	24.8%	29.7%	31.7%	8.9%	3.15
Executive arm of the government and legislature make well informed decision purely for the interests of the citizens	6.9%	35.6%	33.7%	19.8%	4.0%	2.78
Budgetary proposals is a true representation of the citizens and have very strong ownership of it	3.0%	26.7%	36.6%	21.8%	11.9%	3.13
Average						2.77

The respondents were asked to indicate whether they think that all stakeholders are actively and responsibly involved in PBB budgetary decisions. The study findings indicate that 57.4% of the respondents indicated that the stakeholders were not actively and responsibly involved in PBB budgetary decisions.

Table 9: Stakeholder Participation

Stakeholder Participation	Frequency	Percent
No	58	57.4
Yes	36	35.6
Total	94	93.1
Missing	7	6.9
Total	101	100

4.6 Budget Implementation Capacity

4.6.1 Budget Implementation Capacity Descriptive Results

The third objective of the study was to establish the influence of budget implementation capacity on the programme based budgeting performance in public organization in Kenya. Table 10 indicates that 88.1% of the respondents' budget implementers have the prerequisite qualifications, experience and skills required in terms of academic, professional qualifications and work experience, 60.4% agreed that implementers exercise code of good practice and fiscal transparency and ensure strict adherence to budgetary policies and guidance and 69.3% agreed that implementers are regularly appraised of government budgetary reform agenda and participatory approach ensure their views are always incorporated. Fifty two percent of the respondents agreed that budget implementers are competitively recruited and work independently and professionally without undue influence from other quarters and 29.7% agreed that budget implementers are well compensated and cannot be easily tempted to compromise their integrity. The mean score of responses for this section was 2.52 which indicate that majority of the respondents agreed with the statements regarding budget implementation capacity on the programme based budgeting performance in public organizations. The findings imply that budget implementation capacity is a key driver in programme based budgeting performance in public organizations.

Table 10: Descriptive Results for Budget Implementation Capacity

Statement	Strongly agree	Agree	Neutral	Dis-agree	Strongly disagree	Likert Mean
Budget implementers have the prerequisite qualifications, experience and skills required						

in terms of academic, professional qualifications and work experience	29.7%	58.4%	6.9%	4.0%	1.0%	1.88
Implementers exercise code of good practice and fiscal transparency and ensure strict adherence to budgetary policies and guidance	12.9%	47.5%	25.7%	12.9%	1.0%	2.42
Implementers are regularly appraised of government budgetary reform agenda and participatory approach ensure their views are always incorporated	8.9%	60.4%	16.8%	12.9%	1.0%	2.37
Budget Implementers are competitively recruited and work independently and professionally without undue influence from other quarters	5.0%	47.0%	24.0%	21.0%	3.0%	2.7
Budget implementers are well compensated and cannot be easily tempted to compromise their integrity	1.0%	28.7%	27.7%	30.7%	11.9%	3.24
Average						2.52

The respondents were asked to indicate whether they think budget implementers achieve the objectives of PBB budget. Table 11 indicates that 52.5% indicated that budget implementers did not achieve the objectives of PBB budget

Table 11: Budget Implementation Capacity

	Frequency	Percent
No	53	52.5
Yes	43	42.6
Total	96	95
Missing	5	5
Total	101	100

4.7 Institutionalized Oversight Bodies

4.7.1 Institutionalized Oversight Bodies Descriptive Results

The fourth objective of the study was to access the effect of institutionalized oversight body's on the programme based budgeting performance in public organization in Kenya. Table 12 indicates that 78% of the respondents agreed that officers in oversight bodies have the prerequisite qualifications, experience and skills required in terms of academic, professional qualifications and work experience to perform their oversight responsibilities competitively, 65% agreed that there are sufficient legal framework to ensure their findings and recommendations are implemented and enforced and 57.4% agreed that oversight bodies, the auditor general and parliament are completely independent, hence oversight reports are of high integrity, free from any undue influence and resonate with public interests as their watch dog. Fifty four point five percent of the respondents agreed that parliament as representative of the people ensure budget proposal meets integrity standards and is implemented to the letter and failures are reprimanded or punished and 43.9% agreed that public officers in the oversight bodies are well compensated and motivated and are not easily tempted to compromise their integrity. The mean score of responses for this section was 2.48 which indicate that majority of the respondents agreed with the statements regarding institutionalized oversight bodies on the programme based budgeting performance in public organizations. The findings imply that institutionalized oversight bodies is a key driver in programme based budgeting performance in public organizations.

Table 12: Institutionalized Oversight Bodies Descriptive Results

Statement	Strongly agree	Agree	Neutral	Dis agree	Strongly disagree	Likert Mean
Officers in oversight bodies have the prerequisite qualifications, experience and skills required in terms of						
academic, professional qualifications and work experience to perform their oversight responsibilities competitively	18.0%	60.0%	13.0%	9.0%	0.0%	2.13
There are sufficient legal framework to ensure their						
findings and recommendations are implemented and enforced	10.0%	55.0%	19.0%	16.0%	0.0%	2.41
Oversight bodies, the auditor general and parliament are						
completely independent, hence oversight reports are of high integrity, free from any undue	5.9%	51.5%	30.7%	9.9%	2.0%	2.5

influence and resonate with public interests as their watch dog						
Parliament as representative of the people ensure budget proposal meets integrity standards and is implemented to the letter and failures are reprimanded or punished	2.0%	52.5%	26.7%	16.8%	2.0%	2.64
Public officers in the oversight bodies are well compensated and motivated and are not easily tempted to compromise their integrity	4.1%	39.8%	37.8%	16.3%	2.0%	2.72
Average						2.48

The respondents were asked to indicate whether they think budget oversight bodies are effective in their budgetary oversight roles. 13 shows that 48.5% of the respondents indicated that budget oversight bodies are effective in their budgetary oversight roles.

Table 13: Institutionalized Oversight Bodies

	Frequency	Percent
No	46	45.5
Yes	49	48.5
Total	95	94.1
Missing	6	5.9
Total	101	100

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Findings

Results indicated that the PBB outcomes had been partially achieved. This was supported by responses from over 50% of the respondents who indicated that security services, national campaign against drug and substance abuse, Government printing services, immigration Services, correctional services and betting control and licensing services were achieved. The mean score of responses for this section was 2.36 which indicated that budget policies and procedures were a key determinant in programme based budgeting performance in public organizations. The study findings indicated that stakeholder participation is a key driver in programme based budgeting performance in public organizations. The findings imply that budget implementation capacity is a key driver in programme based budgeting performance in public organizations.

5.2 Conclusions

From the study, it was possible to conclude that the PBB outcomes were partially achieved this is because all the programmes (security services, national campaign against drug and substance abuse, Government printing services, immigration Services, correctional services and betting control and licensing services were achieved) had been achieved to only 50% level and some even lower than 50%. However, population registration programme and policy formulation and coordination were achieved to a low extent.

Based on the study findings it was possible to conclude that there was effective and good policy guidelines in place on the programme based budgeting performance in public organization in Kenya. Results led to the conclusion that there are adequate policies and procedures guiding PBB budgetary process, stakeholders views and expert opinions are well sought in the development of policies and procedures and the budgetary policies and procedures are not donor forced ideologies but accepted negotiated domestic instrument which led to improved programme based budgeting performance in public organization in Kenya. The study also concludes that budget policies and procedures were statistically significant in explaining programme based budgeting performance in public organization in Kenya. This implies that budget policies and procedures influenced programme based budgeting performance in public organization in Kenya positively.

5.3 Recommendations

The study recommends that the public organizations should emphasize on PBB since it gives the citizens better information about budget and offers platform for improved results and accountability, platform of improved efficiency and reduction of wastage, offers a platform for performance information to enhance decision making on setting priorities and targets.

The study recommends that the public organizations should ensure that they have effective budget policies and procedure in place and followed to the letter. From the other hand, the organizations

should follow more systematic approach in their selection processes in order to recruit the most innovative budget implementers to ensure a high success rate.

It is also recommended that firms should invest enough resources to ensure that their objectives and goals are met without constraints. Specifically, they should have adequate fiscal formulation , preparation and execution, as well as financial accounting, auditing and reporting policies and accurate forecasting of budgetary resources that makes revenue forecast to equate expenditure forecast as per the budget statement in every fiscal year.

The study further recommends that staff competence be emphasized in the organizations as it has an effect on the overall achievement of its goals and objectives. Therefore the management is urged to ensure that career growth, training and development on reward and motivation are emphasized. Finally, the study recommends that the management ensures that employees are satisfied on job design and responsibilities, working environment and remuneration to avoid temptations concerning integrity issues.

5.5 Areas for Further Research

Arising from the findings and the gaps in the study a replica study is recommended in private organizations in order to test whether the conclusions of this study will hold true. Future studies should apply different research instruments like focus group discussions to involve respondents in discussions in order to generate detailed information which would help improve programme based budgeting performance and implementation process.

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