EFFECTS OF INTEGRATED FINANCIAL MANAGEMENT SYSTEM ON FINANCIAL PERFORMANCE OF COUNTY GOVERNMENTS OF KILIFI

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Abstract

The study focused on analyzing impact of the Integrated Financial Management System (IFMIS) on performance of Kilifi County government. In this perspective, the study therefore investigated the effect of timely reporting on expenditure through management system, the influence of IFMIS on effective procurement system, the effect of cash management system as well as the impact of budget planning in the County. The statement of the problem focused on need to improve resource management at Kilifi county through establishment and strengthening of IFMIS system. In this regard, auatomation of Kilifi County processes through IFMIS was key to redefine county resource management and develop new models as well as formulate regulations and policies as a strategy to mainstream IFMIS across county departments. This will result to efficient governance by providing real time financial information and enhance transparency and accountability, reducing political discretion and acting as a deterrent to corruption and fraud. The study adopted descriptive survey design followed by data collection from 121 out of 130 respondents. Collected data through questionnaires captured through a 5-point Likert scale. Descriptive statistics using means and standard deviation was analyzed. Inferential statistics was conducted through regression coefficient model to analyze the relationship selected dependent and independent variables. Analyzed data was presented in form of tables and charts. The results suggest that establishment of IFMIS had effect on timely reporting of expenditures, effective procurement, cash management as well as budgeting. The study concluded that strengthening mainstreaming of IFMIS in Kilifi County could improve financial performance by 67%. Additional research should be conducted to analyse other variables influencing County financial performance.

Kewwords: *IFMIS, timely reporting expenditures, effective procurement, cash management, budgeting*

INTRODUCTION

An integrated financial management system (IFMS), also known as integrated financial management information system, is an IT-based budgeting and accounting system that manages spending, payment processing and reporting for governments and other entities. Betz, (2016) defined Financial Management Information System or Integrated Financial Management Information System (IFMIS) as a system that is trailing circumstances based on finances and encapsulates data of the same. Hendriks (2013) asserted that Integrated Financial Management Information System is an information system that has the capability to track finance related data and summarize them in order to be used in financial reporting and other related fields for the purpose of making organizational decisions. Casals (2009) notes that the term "IFMIS" generally refers to the application of ICT in commercial processes to help management in budget decisions, preparation of financial reports and statements and also fiduciary responsibilities. Omondi, (2016) putting IFMIS on a greater degree is greater than a simple accounting package or system customized to meet the objectives of the institution that has adopted it.

The Government of Kenya has been spearheading various PFM (Public Financial Management) reforms aimed at ensuring accountability, transparency and equality. IFMIS is a process of computerization of Public Financial Management (PFM) processes, from preparation and execution of budgets to accounting and reporting with the help of a system integrated for financial management of spending agencies, line ministries, and other public sector operations (GoK, 2011). A strong PFM system is considered to be a catalyst for growth and development of the economy as it aid in warranting that the government in collaboration with its sections are capable to accomplish, promote and use community wealth in an extra competent and obvious way with the purpose of enhancement of provision of services (Ajayi & Omirin, 2007).

Integrated Financial Management System was introduced by the government of Kenya for the first time in the year 1996 as a finance reform strategy. At its initial stage there was some resistance from Ministries that led to its premature failure. Nyandemo and Kongere (2010) affirm that the government of Kenya has for a long time been very much concerned over the persistent poor performance in financial management due to lack of reliable and timely information for decision making. A review by the Department of Accountant General at Treasury- Financial management, Accounting systems and Role of audits, revealed weaknesses in the management of financial information (Nor-Aziah & Scapens, 2007).IFMIS was expected to be a great breakthrough for Kenya's development by ensuring visibility and accountability in the entire procurement process. IFMIS was meant to protect the government against unnecessary spending.

Akinyi, (2016) proposed poor performance in the financial management has been a problem in the government of Kenya, this is due to lack of access to reliable and timely information required to make viable decisions. Director General's department was tasked to carry out a review on the Financial Management, Accounting and the role of the internal audits (KPMG/ Accountants General Report; June, 1997), sited shortcomings in the overall management of public sector financial information. The review was aimed at coming up with a strategic plan with an aim of strengthening the systems in line with the PFM requirement; enhancing employee performance through skills development and capacity building in both national government, counties and other independent organizations such as 5 commissions(Reforms, 2013). It also enhanced the operations of public sector in order to improve on budgetary processes and expenditure control.

Hove and Wynne (2010) implementation of IFMIS has shown a positive impact on the output of employees in developing countries such as Kenya. The system ensures efficiency, accountability, minimizes unnecessary spending of public funds and improves on the financial management of an institution. Diamond & Khemani (2006) affirm, for the system to achieve the required efficiency level and succeed, there must be proper change management process, for IFMIS to be seen as a major tool in enhancing financial management reforms it must be well accepted by the employees Yeboah, (2015)argued, IFMIS apart from serving as a tool in financial management, it also controls aggregate spending and the deficit; gives priority to expenditures in line with the set policies, strategies and programs on enhanced projects with an objective to achieve maximum efficiency and equity in the allocation of resources; spend within the budgets and avoid unauthorized budget reallocations.

Statement of the Problem

The major challenge encountered by developing countries towards economic empowerment is the mismanagement of resources. For long, this been attributed to the fact that developing countries have not adopted the use of appropriate information technology systems to help in automated management of resources. Therefore, there is need to adopt an already established information management system - IFMIS across all the 47 county governments in Kenya, Kilifi County being one of them. There is a strong belief that using IFMIS has potential to contribute towards financial performance among Counties as a result of real-time data on financial transactions as well as strengthening utilization of procedures and regulations. According to a study conducted by Njonde and Kimanzi (2014), it was established that there is compelling in financial reporting, budgeting and other inside control parameters. According to Wamunyu (2003), IFMIS has contributed to improvement to financial performance in government sectors. Chumba (2014) appeared agree with other studies by noting that IFMIS provides a tried and true framework able to generate precise, convenient, consistent and complete financial reports timely leading to promt decision making and other undertakings. Mburu and

Ngahu (2013) reported that county governments have found it difficult to provide an accurate, complete, and transparent account of their financial position and this lack of information has hindered transparency and the enforcement of accountability in many county government. Most previous studies focused on successful implementation of IFMIS system with little focus on its effect on financial management. The study is seeking to fill existing knowledge gaps on previous studies on IFMIS. The current study aims to establish the effect of Integrated Financial Management Systems on financial performance of County Governments a case study of Kilifi County.

Objectives of the study

i. To examine the influence of expenditure control of IFMIS on performance of Kilifi county government in Kenya.
ii. To examine the influence of effective procurement of IFMIS on performance of Kilifi County Government in Kenya.
iii. To examine the influence of cash management of IFMIS on performance of Kilifi county government in Kenya.
iv. To determine the influence of budget planning of IFMIS on performance of Kilifi county government in Kenya.

LITERATURE REVIEW

Theoretical Review

Meta Theory

Meta theory was put in place to enhance understanding of information systems within the socio technical systems. The theory as described by Gorry and scolt – Morton (1971,) may be integrated to explain many disciplines but this study's main focus will be on how it is related to information system management. Meta theory is the integration and synthesis technical orientations, cognitive as well as the overarching model related to integrated information systems and explain how they operate (Mungai & Madara, 2006). The theory holds that contingency factors. Organizational factors and technological factors influence greatly on the performance of various tasks. The theory will thus help in the understanding of limitations involved in IT such as failure to recognize the task to which the IT is being applied and the adaptive measure (Wainaina, 2014). The theory is relevant to the study in order for the IFMIS tasks to have an impact on the task performance of county government's procurement, budget planning, and expenditure management, technical and reporting to be well coordinated. In addition it helps in addressing the technical challenges that may arise in adoption of new information systems.

Technology Acceptance model

This study is the technology Acceptance model (TAM). This model is an information systems theory that models how users come to accept and use a technology. The TAM was initially proposed by Davis in 1986. It comprises two beliefs, the perceived usefulness and the perceived ease of use of the application which determines attitude to adopt new technologies.

The TAM suggest that when users are presented with a new technology, a number of factors determine their decision about how and when they will use it. This is a theoretical framework designed where it proposes a relationship between users' acceptance of new information system and the users' perceptions of the ease of use and usefulness of the information system. This theory is relevant to the study in that IFMIS uses technological model to perfom its functions of using computer and networking environment.

System Theory

Mayers (2004), concepts and techniques of systems theory are important in financial management for a number of reasons. First, they are the bases for the development of computerized information systems, found in all types of organizations today. An organization systems analysis is an integral part of the planning and development of a computerized information system; and modern auditing today includes in its valuations a systems review. In order to meet today's operating challenges, regional and local governments are turning to ICT to enhance the services for residents, businesses and visitors, and improve internal efficiencies by lowering costs and increasing productivity (Ngugi and Mugo, 2012). This theory ensures that the system's infrastructure is maintained and that the system is meeting its objective. Thus this theory is relevant to the study in IFMIS.

Conceptual Framework

According to Kombo and Tromp (2006), a concept is an abstract or general idea inferred or derived from specific instances. A conceptual framework is a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation. Mugenda and Mugenda (2003), define a conceptual framework a hypothesized model identifying the model under study and the relationship between independent and dependent variable. In this study, the independent variables include expenditure control, effective procurement, cash management, and budget planning. The dependent variable is the County performance.

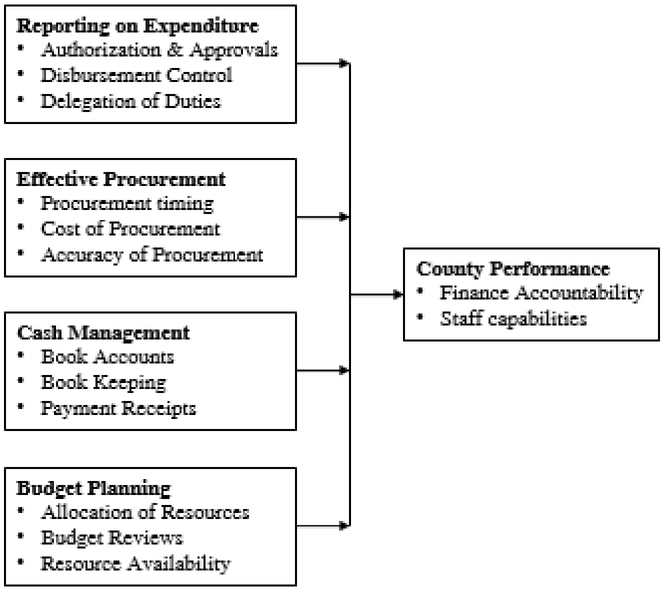

Figure 2.2: Conceptual Framework

Empirical Review

Olali and Nyamwange (2015) conducted a study on integrated financial management information system adoption and public procurement performance in Kenya. The study used a descriptive research design. The study findings concluded that budgeting planning, expenditure control and cash management all have a positive and significant impact on procurement performance in Kenya. The study findings further recommended that the ministries should fully commit itself to see that the implementation of IFMIS is running smoothly in order to ensure there is good performance management.

Expenditure control is an important element of budget execution and financial resource management accountability system. Through effective expenditure control system, counties will not only be able to maintain high level of fiscal discipline but will also be able to implement planned activities within the approved appropriations. Expenditure control includes elements such as administrative and financial sanctions, ascertaining availability of budgets, recording and segregation, Proper recording and processing, verification and certification and finally approving and disbursing payment.

Muthama (2016) studied effects of cash management practices on operational performance of selected public hospitals in Kisii County, Kenya. The success of enterprises largely depends on a number of factors including sound cash management practices (Attom, 2014). The essence of cash management is to ensure positive cash flow for smooth business operation (Abioro, 2013). Brealey, Myers, & Allen (2008) documented that the underlying objective of cash management is having enough cash available as and when it is needed, and that sound cash management involves better timing of expenditure decisions, earlier collection and banking of revenue, and more accurate forecasts of cash flows. This helps minimize the cost of any borrowing that is necessary and facilitates investing surplus funds to achieve the best return overall.

Okwena, Okioma, & Onsongo (2011) studied on the effect of proper budget planning on the financial performance perspectives from small and medium scale business enterprises in Kisii Municipality. The study findings established that majority of small and medium scale enterprises use single entry book keeping system followed by those that use both single and double entry book keeping system. The preparation of budget assists managers in the planning of borrowing and investment and if also facilitates the control of expenditure. Birt et al., (2011) explained that the preparation of the cash budget in a given business requires a detailed forecast of cash receipts and cash disbursements. A budget system enables managements to plan, coordinate, control and evaluate their activities at their basic levels in a more effective way. Budget system is therefore a scheme anticipated to deliver better success in achieving proficiency in the institute.

Integrated financial management system was introduced to act as a working tool for the employees but not their replacement. IFMS was meant to improve employees' performance by ensuring that employees' works towards achieving high degree of competency, efficiency, accountability, ensure security for the data and the information processed. IFMIS has shown great contributions on the financial reforms in the national government, counties and the state corporations and commissions. According to Anti-corruption Resource Centre, 2009 The IFMIS modular packages assigned to users through user rights enhanced efficiency, effectiveness accountability and transparency in running the state resources to greater extent.

Research Methodology

The study used a descriptive research design to collect primary data from responents working in Kilifi County in departments of finance and planning. The study sample size of 121 was calculated according to Yamane (1967) formula at 95% confidence level. Primary data were collected through the use of structured questionnaire on targeted response giving each respondent a duration of 7 days to fill and return the questionnaire. The source of secondary data was through review of varoious approved financial documents/records in accordance with (Mugenda, 2008). Data curating involved, data cleaning at entry point, coding and entering on MS- Excel spread sheet ready for analysis. During analysis, data was then exported to IBM SPSS Statistics for Windows, Version 21.0 (IBM Corp, 2014), where the data was analysed. The regression model used was constructed through the equation; $Y = \beta0 + \beta1X1 + \beta2X2 + \beta3X3 + \beta4X4 + \varepsilon$ Where: Y = financial performance; $\beta0$ = constant; βi = regression coefficients; $X1$ = electronic budgeting; $X2$ = automated cash management; $X3$ = electronic procurement; $X4$ = automated financial reporting; ε = error term.

Ethical Considerations

The researcher obtained formal consent from every respondent and research permit from National Commission fo Science, Technology and Innovation (NACOSTI) before conducting the study. Any other ethical concerns were addressed at this stage.

FINDINGS

Influence of IFMIS on timely reporting on expenditures of Kilifi county government in Kenya.

The descriptive statistics of how timely reporting affects expenditure performance of Kilifi County Government are provided in Table 4.5.

Table 1: Timely reporting on expenditure

Statement	M	SD
The IFMIS system utilize closing procedures during preparations of expenditure statements and accounts	3.81	0.89
Support automatically generated expenditure statements/accounts monthly	4.04	0.92
Support financial account adjustment and adhere to appropriate regulatory standards like Public Sector Accounting Standards	4.21	0.95
Tracking of expenses are time done for information generation and dispersion	4.18	0.92
The county has effectively adopted IFMIS for processing its expenditure transactions.	4.12	0.91
Adoption of IFMIS has shortened the period for preparation of expenditure	4.08	0.90
Timely financial reports submitted have enhanced the	4.03	0.89
Average Score	**4.07**	**0.91**

Source: Research Data (2023)

The average score of 4.07 as presented in Table 4.5 reveal that effective timely reporting affected expenditure performance of Kilifi County Government which slightly deviated from the mean by 0.91. This finding is consistent with the findings of another study on firm performance carried out by Khan and Abd Rahim (2016). The respondents strongly agreed on the statement that timely financial reports submitted have enhanced the County expenditure performance (M=3.81, SD=0.89). The respondents agreed on the statements that tracking of expenses are time done for information generation and dispersion (M=4.18, SD=0.92), the county has effectively adopted IFMIS for processing its financial transactions (M=4.12, SD=0.91), the system apply period closure procedures and methods of generating financial accounts and periodic management (M=3.81, SD=0.89) and that support financial account adjustment and adhere to appropriate regulatory standards like Public Sector Accounting Standards (M=4.04, SD=0.92). This findings are consistent with Martinez-Ferrero's (2018) study which investigated the effects of expenditure timely reporting quality on organisations: The respondents indicated to a moderate extent that Adoption of IFMIS has shortened the period for preparation of expenditure financial statements (M=4.12, SD=0.91). The findings contradict Aigienohuwa and Uniamikogbo's (2021) study, which examined the profitability and timeliness of financial reports in Nigerian quoted companies and discovered a significant relationship between profitability and timeliness of financial reports in Nigerian quoted companies.

Influence of effective procurement of IFMIS on performance of Kilifi County Government in Kenya.

Table 2: Effective Procurement

Statement	M	SD
Kilifi County has installed appropriate procurement system in place	4.6	0.95
IFMIS has led to timely and efficient procurement process through proper procurement channels	4.3	0.93
IFMIS has helped control procurement disclosure information from unauthorized persons	4.4	0.94
Use of IFMIS to monitor procurement processes has increased risks of detecting procurement malpractices	4.2	0.91
Use of IFMIS has enhanced operational confidence with procurement process among service providers	4.3	0.92
Use of IFMIS has impacted implementation time for county projects at Kilifi County	4.2	0.91
Average Score	**4.3**	**0.93**

Source: Research Data (2023)

From table 4.2 above, the average score of 4.3 was obtained indicating IFMIS has a direct impact on effective procurement process at Kilifi County although there was slight mean deviation of 0.93. This findings are in correlation with another separate study conducted by Mironiuc and Cherson (2015), which found out that introduction of proper audited procurement systems played key role in improving operational efficiency of procurent in any organization. The participating respondents strongly agreed on the statements that generally, Kilifi County has installed appropriate procurement system in place (M=4.6, SD=0.95). This is consistent with another study conducted by Koros (2020) that Nandi County and other 31 counties in Kenya hads already established IFMIS in procurement process. Respondents also agreed to the statement that IFMIS has led to timely and efficient procurement process through proper procurement channels (M=4.4, SD=0.93). The study noted that, organizations that had already established automated procurement systems cut down the duration needed to complete one procurement cycle by 60%. Respondents also agreed to the statement that; IFMIS has helped control procurement disclosure information from unauthorized persons (M=4.4, SD=0.94). The study showed that, automation of procurement process with technologies such as IFMIS could contribute up to 91% improved efficiency in all procurement processes as well and managing resource utilization effectively. He also noted however that, regular audit of such automated systems is required to prevent the system from hacking as well as infiltration of programmed bugs/viruses that can work against organisation's intented use. Respondents also conqured with the statement that; Use of IFMIS has enhanced operational confidence with procurement process among service providers (M=4.3, SD=0.92). A separate study by Luke (2018), he established that organizations with automated procurement systems boosted confidence of employee leading to improved output. This was also attributed to high retention of employees by a nother study conducted by Amboko (2020) which noted that, automation of propcurement systems contruibuted up to 56% retention of employees since about 40% of employees in major organizations are fired as aresult of human errors. Respondents also agreed to the statement that; Use of IFMIS has impacted implementation time for county projects at Kilifi County (M=4.2, SD=0.91).

Influence of cash management of IFMIS on performance of Kilifi county government in Kenya

The descriptive statistics of cash management of Kilifi County Government are provided in Table 3.

From Table 4 below, the mean of 3.77 shows that IFMIS utilization at Kilifi County has influence on cash management although there was aslight deviation from the mean by 0.58. According to a separate study conducted by Turel (2016), the study revealed that one key indicator of cash management is timely generation of financial staements. Whether one chooses to call time parameter a variable or objective or a key attribute for accounting cash staements, it is evidence that disclosure guidelines and regulations of accounting princioples agrees that timely generation of financial statements is essential to cash management in any operational firm.

Table 3: Cash Management

Statement	M	SD
IFMIS has expanded the viability and proficiency of government spending programs.	3.17	1.17
Adoption of IFMIS has upgraded proficient assignment of assets		
Adoption of IFMIS has enhanced audit trails for financial performance monitoring and	3.96	0.39
evaluation	4.01	0.54
The County has enhanced development absorption rate in its expenditure	3.87	0.46
The use of IFMIS has significantly improved information security which reduces the risk of corruption and improved the reliability of the information system.	3.99	0.41
IFMIS monitoring and evaluation influences financial performance of the county government	3.64	0.51
Score Average	**3.77**	**0.58**

Source: Research Data (2023)

In this study, participating respondents strongly agreed with the statement; the use of IFMIS has significantly improved information security which reduces the risk of corruption and improved the reliability of the information system (M=3.99, SD=0.41) and that adoption of IFMIS has enhanced audit trails for cash management monitoring and evaluation (M=4.01, SD=0.54). Findings by Williams (2016) revealed that accurate cash management reporting eased financial management process such as valuation, tax filing, audit processes as well as improving efficiency in completion of all necessary financial simplifies tax, valuation, and auditing processes, reducing the time required to complete necessary financial management assignments and compliance. The respondents also agreed on the statements that; adoption of IFMIS has upgraded proficient assignment of assets (M=3.96, SD=0.39). This findings are in line with a separate study carried out by Omina (2019) which revealed that proper cash management resulted to efficient utilization of company's assets and its resources with minimal supervision. In addition, IFMIS monitoring and evaluation influences financial performance of the county government (M=3.64, SD=0.51) as also agreed by another study conducted by Albooth (2020) which shows that monitoring and evaluation is a key component of proper cash management especially during audit process. Furthermore, respondednts also agreed that Kilifi County has enhanced development absorption rate in its expenditure (M=3.17, SD=01.17) and that the use of IFMIS has led to reduction of wastage of Kilifi County government resources (M=4.11, SD=0.99). A separate study conducted by Axson (2018), revealed that cash management is faced key challenge of decision making among the top management team especially when operating on scarce or limited resources.

Influence of budget planning of IFMIS on performance of Kilifi county government in Kenya.
The descriptive statistics of budget planning of Kilifi County Government are provided in Table 4

Table 4: Budget Planining

Statement	**M**	**SD**
Reduction in the duration used to prepare budgets for Kilifi County government	3.87	0.66
Reduction in the variances of the budget versus the actual budget figures in Kilifi County government	3.79	0.71
Improvement in the level of transparency of budgeting in the county		
Improvement in resource allocation in the county	3.99	0.80
Average Score	3.78	0.69
	3.86	**0.72**

Source: Research Data (2023)

From Table 4 above, the mean of 3.86 shows that IFMIS utilization at Kilifi County affect budgeting activities although there was aslight deviation from the mean by 0.72. The effect of IFMIS on budgeting at Kilifi County is a key parameter for resource utilization and management. For instance, proper budgeting translates to efficient operationalization of any financial firm. According to Audol (2017), budget is the most key indicator of how resources are either being properly utilized or missmangeged. In this study, respondents agreed to to the statement; Reduction in the duration used to prepare budgets for Kilifi County government (M=3.87), SD=0.66). According to study carried out by Alonzo (2017), the study found out that IFMIS has helped reduce time taken to do budgeting by 71% and also reduced other budgeting expenditure related to meetings and allowances by 64%. Respondents also agreed to the statement; Reduction in the variances of the budget versus the actual budget figures in Kilifi County government (M=3.79), SD=0.71). Furthermore, respondents also agreed to the statement; Improvement in the level of transparency of budgeting in the county (M=3.99), SD=0.80). According to Bromth and Tyrel (2018), integrating IFMIS into budgeting component has played a critical role to show discrepancies between projected budgets versus the actual budgets as shown in this study. This has contributed to transparency and accountability within organisations therefore enhancing confidence in financial management. Lastly, respondents agreed to the statement; Improvement in resource allocation in the county (M=3.78, SD=0.69). According to Smith (2015), the key component of resource allocation is budgeting where it is able to project the required resources to accomplish tasks set by any organization. This study agree with another study carried out with Friend and Adam (2018) who demonistrated how useful the budget is when allocatin resources to government departments in Ghana.

Finally the regression model result summary in Table 6 below indicated that introduction of IFMIS as a dependent variable in operationalization of Kilifi County Government is significant (*Beta* = 0.921, *p*=0.002). This implies that, IFMIS had impact on all other four independent variables namely; timely reporting, effective procurement, cash management and budgeting.

Table 5: Regression Analysis

Variable	**Beta**	**Std. Error**	**t**	**Sig**
Constant/IFMIS	0.921	1.851	2.613	0.002
Timely Reporting	0.644	1.729	3.874	0.000
Effective Procurement	0.111	0.965	2.168	0.001
Cash Management	0.714	1.638	1.952	0.009
Budgeting	0.966	1.124	2.888	0.003

Source: Researcher 2023

This findings shows that when timely reporting financial matters, effective procurement, cash management and budgeting activities are constant the performance of Kilifi County woul be at 0.002 (99.8%). This findings further reveal that improved timely reporting by a single unit would lead to 3.874 unit increament efficiency at Kilifi County, increase in effective procurement by one unit will result to increase in 2.168 increament in procurement efficiency, increase in proper cash management by one unit will lead to increase in 1.952 unit increase in cash management efficiency while increase in by one unit in budgeting will result to increase in 2.888 units efficiency in budgeting and other budget related activities.

Therefore, from the regression model above, the regression equation formed was as follows:

$Y = 0.644 + 0.644X_1 + 0.111X_2 + 0.714X_3 + 0.966X_4$

Y – Financial Performance
X_1 – Timely reporting
X2- Effective Procurement
X3 – Cash Management
X4- Budgeting

From the findings, effective procurement recorded a coefficient of t=2.168, *P-value* = 0.009<0.05 when regressed against IFMIS as the dependent variable. These results showcase that IFMIS implementation at Kilifi County has a direct positive impact on effective procurement process since the *p value*=0.000 was stastically significant. The findings correlate with a separate study conducted by Bukenya (2014) who studied the importance of effective procurement process in Uganda and noted that the effective IFMIS implemented had a positive impact on procurement processes including adherence to progure guidelines as well as instilled confidence among suppliers. Cash management recorded a coefficient of t=1.952, *P value*=0.009<0.05 when regressed against the independent variable (IFMIS). These findings agree with a study carried out by Kai-Ju (2017) who focused on cash management downstream across seven international agencies and revealed that cash management downstream is a long and risk process that requires proper automated processes such as IFMIS. Budgeting as another independent variable recorded a coefficient of t=2.888, *P value*=0.003<0.05 when regressed against the IFMIS as the dependent variable which showed statistical significance. Meaning, budgeting process has had improvement as a result of Kilifi County Implementing IFMIS system as a borrowed leave from the central government. These finding is also in tandem with another study conducted by Somathilake and Ranathunga (2021) that focust on anaylizing budgeting processes from 11 government departments in Zimbabwe. The study established good planning and budgeting in departments that had established good automated budgeting systems incomparison to those that lacked automated management systed.

CONCLUSIONS

The study concluded that the implementation of IFMIS at Kilifi County government has played a critical role in improvement of overall performance regarding timely reporting of expenditures, effective procurement, cash management and budgeting. As a result its impotant to note that IFMIS must be fully utilized across departments effectively to get best of it especially on resource management.

The study also concluded that effective procurement process is key to resource utilization and cornerstone for all projects if success has to be realized. Therefore, Kilifi County government should mainstream IFMIS through all procurement processes and capacity-build its start on operationalization of the system.

The study further concluded that IFMIS is responsible for cash management resulting to efficient cash utilization and control of corruption. In this regard, the County government of Kilifi has embedded IFMIS in cash management effectively and benefits are being realized as showcased through projects/activities.

The study lastly concluded that utilization of IFMIS in budgeting is efficient and has tresulted to early budget planning and projections as well as streamlining resource utilization. In addition, it gives continuous monetary information regarding budget utilization and projects for both revenue and expenditures. It is good to note that Kilifi county has effective IFMIS embedded in budgeting system.

RECOMMENDATIONS

This study recommended that Kilifi County must improve timely reporting on expenditures across all departments in order to attain consistency regarding its growing expenditures. In addition, regular expenditure reports released must be certified by authorized persons to curb cases of misinforming the public. The government should consider automation of entire IFMIS systems to enable expenditure statements to be directly send to target officers electronically so as to reduce time and cost of printing such staments.

The study recommended that Kilifi County should invest in capacity-buiding procurement personenels on complete automation of IFMIS and link it directly with both supliers and banks to ensure complete cycle. This will further curb any incidences of corruption that might evade the system. This should be implemented in close collaboration with ICT department to ensure no cases of penetrations by software hackers.

The study recommended that Kilifi County embedded IFMIS system to other daily operationals to ensure all financial records are timely capatured and cash statements released electronically on daily basis. Through this initiative, the County government should be able audit their daily expenditures and revenues.

The study recommended that Kilifi County should strengthen IFMIS systems beyond project budgeting and rather mainstream it at departmental level to ensure all departments make their budgets/projects theough the system. This will help ccurb corruption as well as mismanagement of resources at implantation level.

SUGGESTIONS FOR FURTHER STUDIES

This study suggest that further studies should be conducted focusing on other variables apart from timely reporting on expenditures, effective procurement, cash management and budgeting. This will give broad suggestions and data leading to concrete conclusions that can enhance financial performance of IFMIS in Kilifi County.

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