

**THE EFFECT OF PUBLIC PARTICIPATION ON THE BUDGETING PROCESS IN  
KENYA: A CASE OF MOMBASA COUNTY GOVERNMENT**

**BRIAN KIPCHIRCHIR KANDIE**

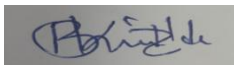
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**DECLARATION**

I declare that this applied research project or proposal is my original work and that it has not been presented in any other university for academic credit

Signature:  Date: 29/05/2020

Name of student: Brian Kipchirchir Kandie

**SUPERVISOR'S DECLARATION**

I confirm that the work reported in this applied research project was carried out by the candidate under my supervision.

Signature:  Date: 29/5/2020

Name of supervisor: Prof. Abraham K. Waithima

AFRICA NAZARENE UNIVERSITY

NAIROBI, KENYA

## **DEDICATION**

Dedicated to my family.

## **ACKNOWLEDGEMENTS**

I would like to acknowledge my supervisor Prof. Abraham Waithima for providing professional guidance on development of this project, secondly my parents David Barboi and Alphine Barboi for their guidance and support throughout my studies. To my friends for taking their time to proof-read and gives their valuable input.

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## ABSTRACT

Participation is a process through which stakeholders' input and share control over development initiatives, decisions and resources which affect them. The concept of public participation in the budgeting process has been extensively examined by scholars. Various scholars are all in agreement that participation of stakeholders in the budgeting process adds value. This study sought to establish the effect of public participation on the budget preparation process in Kenya: a case of Mombasa county government. The specific objectives of the study were to establish the effect of public participation on budgetary allocation in Mombasa County, to determine the impact of public participation on budgetary implementation in Mombasa County, to determine how public participation enhances budgetary monitoring in Mombasa County and to determine the impact of public participation on budgetary review in Mombasa County. The study adopted a descriptive research design since the study intended to gather quantitative and qualitative data that would describe the effect of public participation on the budget preparation process in Mombasa County. The target population composed of employees of Mombasa County Government. This included both the employees on permanent and temporary contract employment which is 3800 employees. The study sampled 570 employees who were drawn from all cadres of staff. The study collected both primary and secondary data. Descriptive statistics were used to summarize the data. This included percentages and frequencies; tables and other graphical presentations were used for ease of understanding and analysis. The study conducted Pearson Correlation Analysis to predict the relationship between public participation and budget preparation process in Mombasa County. The study findings revealed that enhanced citizen participation promoted budgetary allocation in Mombasa County and that well-planned citizen involvement programs related the expectations of the citizens and the planner. There exists a positive relationship between public involvement in budgetary monitoring process and quality in budget preparation process, monitoring data derived from public involvement processes provided a critical perspective for making decisions in planning, budgeting, and management and that public involvement in budgetary implementation process allowed for adequate recording of appropriations, revisions in appropriations, transfers between appropriations, apportionment, and that community involvement is as a critical element of reputable governance. The study concluded that public involvement in budgetary review process, budgetary allocation process and in budgetary implementation promoted quality in budget preparation process in Mombasa County. Based on the findings the study recommended that, the county governments needed to fully engage the societies in budgetary preparation process, the move would enable the government to effectively plan and manage its financial resources, support and implement various programs and projects for development bases on priority. County governments needed to periodically carry out budget review. County governments should pay greater attention on budgetary allocation process as this would ensure that those sufficient funds were allocated to every program thus avoiding project deadlocks, and that county governments needed to have an efficient and proper system of accounting to be established so that the information required for the proper implementation for the budgetary control would be available on time. In future there is need to conduct an assessment on effect of citizen participation and service delivery in devolved government.

## DEFINITION OF TERMS

- Budget Allocation** Is the process of resource levels organizations, governments are committing to various departments, projects, programmes.
- Budget Preparation** This is the pragmatic budget calendar during which an organisation or government sets to fit realities of budgetary entries as well as good budgeting requirements.
- Budget Monitoring** It's essential to avoid surprise shortfalls or illegal budget deficits at the end of a fiscal year thus budget close monitoring is essential through enforcement of legal structures on budget spending.
- Budget review** This is the compilation of different reviews as well as information from other unaudited sources where the finance team of a specific organisation or government equates its fiscal availability of revenue to support different projects or departments' request for finances and budgeting.
- Priority based budgeting (PBB)** is a priority-driven approach to government budgeting, which identifies the most important strategic priorities and allocates resources to those programs or services with the highest ranking.
- Public Engagement** The involvement of external stakeholders (public) in governmental budgetary decision-making processes
- Public Participatory** Is a process of democratic deliberation and decision-making, and Budgeting type of participatory democracy, in which ordinary people decide how to allocate part of a municipal or public budget.

**ABBREVIATIONS AND ACRONYMS**

<b>DDC</b>	District Development Committee
<b>DDO</b>	District Development Officer
<b>FCS</b>	Foundation for Civil Society
<b>GOK</b>	Government of Kenya
<b>IPMA</b>	International Project Management Association
<b>MPD-ESA</b>	Municipal Development Partnership for East and Southern Africa
<b>NCC</b>	Nairobi City Council
<b>NGOs</b>	Non-Governmental Organization
<b>NSEGPR</b>	National strategy for Economic growth and Poverty reduction
<b>SPSS</b>	Statistical Package for Social Sciences
<b>UNDP</b>	United Nations Development Programme
<b>USA</b>	United States of America

## **CHAPTER ONE: INTRODUCTION AND BACKGROUND OF THE STUDY**

### **1.1 Introduction**

This chapter includes the background, statement of the problem, purpose, objectives, research questions, significance, scope, assumptions, limitations and delimitations and the conceptual framework of the study.

Implementation of the Budget is governed by public expenditure rule and thus the manner in which public funds are managed is critical for targets to be realised. According to (Patterson, 2009) organisations should use budgeting process to motivate workforce in order to increase their work output and productivity, participative budgeting is employed frequently when lower management level and to management within companies are linked to budgeting process and implementation.

Public participation in budgeting review process is only successful in situations where their commitment and willingness existed from civil society organizations and political leaders in ensuring allocation of state resources. However, for participation public participation in budgeting review exercise to take place, various issues are still subject to under debate. Among these issues include governance structure, resource availability and responsibilities and opposition group that fight the participation exercise forcefully (Goldfrank, 2005).

Monitoring process provides the raw information to answer some managerial questions that may arise. However, monitoring process itself, it is not a walk in the park. Evaluation subjects, raw data for utilisation and thus giving the management, real time information on quality and value. Project Evaluation process also ensures that learning process occurs, questions that arise get immediate answers, recommendations are also made, and improvement measures are suggested (Bremser, 1988). In the absence of precise

monitoring, the evaluation council would lack reliable basis, raw material to necessarily work with will run out, and be partial to the realm of assumption.

Efficiency in allocation is observed as the extent to which the quality of services delivered by the state match the public preferences. It's perceived that during public participation, county governments can gain better knowledge and understanding of public preferences and therefore its management vary services to meet public demands (Patterson, 2009)

## **1.2 Background of the Study**

Public participation in the governance processes is globally encouraged in most democratic countries. The participation of the public in the budgeting process has been underscored as an important aspect in development (Bernier, 2001). Public participation started a while ago in other countries such as New York Municipal research Bureau, USA in 1900 where the public participated in resource allocation. When the public and their non-traditional political organizations participate directly in budgeting decisions, they assume ownership of the national budget knowing that their concerns have been taken into account (Family Court Services, 2008).

Participation is a word that has become very common following the failure of top-down, centralized development policies in past years. The major failures of the ideologies involve a planner core, centre outwards and top-down view of rural development. Chambers (1989) argued that, the 1970/1980 ideologies started with ecumenists not with people, with macro not the micro with the view from the office not from the field, and in effect their ideas tend to be uniform, standard and universal. Thus, although beneficiary participation occupies a prominent place in development, attempts to achieve high level of participation have received much less record.

According to Gow and Vansant (1983), development could not be realized unless the public participated in the politics of their countries, and for participation to succeed; redistribution of power must be accompanied by simultaneous building of local capacities. All in all, public participation does not happen automatically, in first place, target population must be motivated, persuaded and reminded about their potential to help themselves, accountable and holding others accountable.

Mukandala (2004) noted that; the purpose of the County government is to transfer authority to the people. The county governments have the right of decentralization and power to participate and involve people in the planning and implementation of development programs within their respective areas throughout the county. A County government has the responsibility for social development and public services provision in their jurisdiction. They play FCS a role in the facilitation and maintenance of law and order and deal with issues of national importance such as education, health, water, roads and agriculture. County governments constitute a unitary governance system all over the country based not only on elected officials but also on professional administration (Wilson, 2011). Despite these efforts to decentralize, little is known about the effective participation of the public in the budgeting for county government. Although citizens play a key role in management and development of public related resources, recent study by Challigha, 2016) indicate that Kenyan citizens were not fully participating in various plans and programs because little trusts that their opinion would be factors in overall plan.

Kenya's score on the Open Budget Index shows that the government provides the public with minimal information on the government's budget and financial activities during the course of the financial year. This makes it difficult for the public to participate in the budgeting process as well as holding the government accountable for its management of the public's funds (Open Budget Index, 2016). It is also difficult to assess budget performance in Kenya once the budget year is over a year-end report is not published, preventing comparisons between what was budgeted and what was actually spent and collected. However, Kenya does make its audit report public in a timely fashion, though it does not provide much information on whether the audit report's recommendations are successfully implemented. Access to the highly detailed budget information needed to understand the government's progress in undertaking a specific project or activity remains limited.

### **1.2.1 Participatory Budgeting Concept**

There is no single definition of participatory budgeting. The definition differs greatly from one place to the other depending on the local context and conditions. On a County government level, participatory budgeting could be defined as a process whereby communities work together with elected representatives and officials to develop policies and budgets in order to meet the needs of the community (Novy, & Leubolt, 2005). At an expert group meeting on participatory budgeting organized by MDP-ESA in November 2005, participants defined participatory budgeting as "a cyclical process by which the public and sub-national governments widen mechanisms for promoting civic engagement in identifying local needs, deciding preferences as well as the implementation, monitoring and evaluation of the budget taking into account expenditure requirements and the available income resources" (Gibson, Mitton, Martin, Donaldson, & Singer, 2006).



Participatory budgeting was first introduced in Porto Alegre, in Brazil in 1989 by a Workers Party. Brazil was known to be one of the most unjust societies in the world where the level of poverty was well above the norm for a middle-income country. It is now applied in six states of Brazil and has been embraced in Africa, Asia, and Europe. Wherever it has been implemented, participatory budgeting has expanded the public hope, empowered excluded members of society, redefined rights, deepened democracy and stimulated civil society (Santos, 2008).

Expectations from participation in budget formulation of governance as a whole do vary from person to person. For some, participation increases public accountability, reduces corruption and bureaucratic sclerosis, and provides better (local) inputs to public policy (World Bank 1997 and 2001). For others, participation is a fundamental right that stands at the centre of democratic governance and human development (UNDP 2002: 51). And yet others see empowered participation as part of a new inclusionary and redistributive project that presents an alternative to both market and statist model of development. It is indeed right to conclude that participation, direct or indirect through community is key in democratizing the state, rationalizing decision making, and it helps to provide space and a voice for socially, economically and politically marginalized populations in policy making (Franck, 2012).

One of the most beneficial aspects from the implementation of Participatory budgeting is the synergy it creates with the strategic plan of a local authority. The integration of these two processes is key for achieving a proper and effective coordination between the strategic goals and long-term investment objectives for locality. Once it is institutionalized, it becomes an effective instrument to guarantee the implementation of the overall strategy (Goldfrank 2007).

Participatory budgeting has the potential to benefit various stakeholders and public administration as a whole. Effective participatory budgeting benefits the public and the county government. Benefits to the public include improved governance, empowerment of the public, enhanced communication and information sharing and deepened local democracy among others. On the other hand, the county government benefit includes and is not limited to increased public ownership, creation of a common vision, facilitate capacity building and enhance legitimacy (Shah, 2010).

Stakeholder participation and especially the general public in budgeting preparation and implementation are important because it establishes the necessary sense of ownership among the stakeholders. According to Goldfrank (2007) the general public tend to resist new ideas if they are imposed on them without proper consultation. The International Project Management Association (IPMA) annual publication (2012), recognize the importance of considering public's budgeting process, adding that Interaction with government people determines the success and viability government funded sustainability.

### **1.3 Statement of the Problem**

Budget has traditionally been considered the exclusive domain of the technocrats, economists and accountants (Policy Forum, 2009). Basically, the budget is about the public's money. Unfortunately, the process of deciding how to spend the money and controlling where it is supposed to go is very difficult for the public to access. Much of the relevant information is not provided to the public, and much of the information that is available is extremely difficult to understand. Therefore, most of the public do not have the opportunity to engage with the budget process. Furthermore, many official processes of budget process such as the preparations of annual government priorities, release of budget

guidelines and ceilings by the Ministry of Finance, dates and deadlines for budget preparations, the requirement of public's participation are closed to the general public.

While many countries are advocating the importance of engaging the public to participate in budget process, few have strictly adhered to this. In Kenya, although policy and guiding documents such as Constitution of the United Republic of Kenya (1977), Decentralization by Devolution (D by D), The National Strategy for Economic Growth and Poverty Reduction (NSEGPR) and the Kenya Development Vision 2030 all insist on the engagement of the public but it has remained very weak at all levels (Hakielimu, 2006). The guiding documents for budget process are published in English language only and are produced in few copies, something that present a challenge for public participation. The difficulties of accessing budget guidelines present a challenge to both the public and local leaders who would facilitate the budgeting process for the public to contribute the ideas of what they see as a priority for the government to address.

In some Counties in Kenya, bottom-up planning that engaged the public was ad-hoc while in some other Counties actual planning was being done by the County management teams hence minimum or no public participation at all (Policy Forum, 2016). "Policy making is top down and dominated by donors, investors and bureaucrats in that order" was the conclusion (Mukandala, 2005), the author reiterated the importance to support state and popular institutions which perform oversight functions. Despite the progress in the transition process, the author identified weaknesses in raising the popular voice in the public arena although there is a growing openness and less shyness to voice demands by the people. To this end, no research has been done on the effect of public participation on the budgeting process in Kenya: a case of Mombasa County Government

#### **1.4 Purpose of the study**

The purpose of this study was to investigate the effect of public participation on the budgeting process in Kenya: a case of Mombasa County Government.

#### **1.5 Objectives of the study**

- i. To examine the effect of Public participation in budget preparation process in Mombasa County.
- ii. To determine the effect of public participation on budget allocation in Mombasa County
- iii. To establish the role of public participation on budget review in Mombasa County
- iv. To find out the effect of public participation on budget monitoring in Mombasa County

#### **1.6 Research Questions**

This study was guided by the following questions;

- i. How does public participation impact the budget preparation process in Mombasa County?
- ii. How does public participation affect the budget allocation process in Mombasa County?
- iii. How does public participation influence budget review process in Mombasa County?
- iv. What is the effect of public participation on budget monitoring in Mombasa County?

#### **1.7 Significance of the Study**

The outcome of this study will be valuable to the various Stakeholders. Stakeholders are defined as “any group or individual who can affect or is affected by the achievement of the

organization's objectives" (Freeman, 2004). The public are key stakeholders in the community. The lack of public engagement in the county government budgetary process results in decision-making that is not aligned with the values and priorities of stakeholders. This situation negatively impacts trust in the County government and its leaders. A change is needed to re-establish trust and to address the pervasive situation in which the public, employees, and others with a vested interest are not engaged in identifying the spending priorities of their local unit of government. The study outcome will enable the County government top officials to rethink and begin to engage the public to foster trust between the public and their leaders.

This research is significant because it contributes to the literature by generating new knowledge related to PBB and public engagement. The understanding gained through this research enriches the relevant literature by exploring PBB and how it can be used effectively by government leaders. Additionally, this study aims to discover the ways in which reframing dialogues and focusing on values and priorities can provide guidance for budget expenditures.

### **1.8 Scope of the Study**

The Scope of study covered the upper and lower limits of the area to be studied (Simon, & Goes, 2013). This study sought to investigate on the effect of public participation on the budgeting process in Kenya: a case of Mombasa County Government the study was undertaken in Mombasa County. Various participants including the county senior officers, county residents, and county junior employees were involved. Data gathering processing and reporting took one month.

### **1.9 Delimitations of the Study**

According to Simon, & Goes, (2013) study delimitations are the control factors that the researcher chooses to narrow the scope of the study. In this case the study laid acute parameters that ensured the study population was carefully selected. The researcher also ensured there was sufficient time and financial resources that would ensure the research process proceeded well up to completion. Expertise opinion would also be sought where necessary to guide the process.

### **1.10 Limitations of the Study**

The study was likely to encounter various limitations that would hold back access to information sought by the study. Firstly, full cooperation from the staff in Mombasa County was not certain. For that reason, the researcher requested for authorization from the authority, as well as, other administrators who oversaw various departments involving the organization.

Secondly, there was concern that the study would be influenced by staff who would give subjective opinions about participatory budgeting; however, the researcher minimized such opinions by encouraging respondents to be as objective as possible and through the avoidance of leading questions.

Thirdly, some the staffs were unwilling to provide feedback due to their busy daily schedules. However, the researcher talked to the respondents and gave them time to complete the questionnaires which were collected at an agreed time. Fourthly, the researcher considered the data that would be obtained would be sensitive. This limitation was overcome by assuring them that the research project was solely for academic purposes and that data confidentiality would be upheld.

### **1.11 Assumptions of the Study**

This study was based on the assumption that public participation on the budgeting process was being carried out in Mombasa county where respondents held certain views on its effectiveness in achieving the intended objectives. The respondents were willing to give just and honest views on the research questions within the limited time of two weeks. The study also assumed that sample size selected for this study was a true reflection of the entire population and the research tool considered for this study was able to measure appropriately and adequately the variables under investigation.

### **1.12 Theoretical Framework**

The aim of this research was to determine the effects of public participation on the budgeting process, with a special focus on Mombasa County. The study was hedged on conflict theory mediated negotiation and democratic theory game theory.

#### **1.12.1 Conflict Theory and Public Policy**

Karl Marx is considered as the fore founder of social conflict theory, which is a key component of the four key paradigms of sociology. Conflict theory holds the assumption that “conflict is always multidimensional in nature although the distinction between can be drawn to different sources. Because of this, conflict resolution and management, exerts efforts that focus on strong collaboration, identification of characteristics, methods of resolving conflicts in economic development, and building consensus (Mills, 1991). Conflict theory identifies five necessary pre conditions for any collaboration to be to successful (Tajfel, & Turner, 2014): Stakeholders must recognize their interdependence, Solutions can only be realized if indifferences are huddled in an openly and creative manner, Joint ownership of decisions does exist, Stakeholders must accept communal responsibility, and collaboration should be a growing process. The Conflict theory also

asserts that; preconditions laid may be challenging to adopt and implement due to natural diversity of conflicts. However, to resolve any conflict, parties require must have a consensus and satisfaction with overall outcome with disregard to personal-interest (Lulofs, & Cahn, 2000)

Proponents of conflict theory such as Petrocelli, Piquero, and Smith, (2013) argue that successful devolution does require a general societal consensus on the roles and limits of the union, regional, and local orders of government. In communally divided societies, however, devolution often requires high levels of central redistribution to fend off regional revolts. But such policies defeat key benefits of devolution because they generate economic inefficiency and political instability. Successful devolution also requires devolved jurisdictions having a critical mass of people, economic activity, and wealth to realize devolution's benefits, especially allocate efficiency, therefore devolution should follow certain rules of congruence.

All political systems revolved around challenges and conflict. The Positive impacts of conflicts mentioned include: development of a higher sense of identity, excellent placement of priorities and better provision of legal ground for re-organizing, looking for preventive actions, better management and dispute resolution protocols (Hill, & Hupe, 2002).

In the current context, conflict would play the role of lens to keep an eye on government actions and activities. Conflict acts as the major feature of partnership currently being experienced by the government, and other players who include the NGO and the private sector. The arising complexities require highly qualified toolkit loaded with practical management skills in area of public involvement and conflict resolution. In such kind of partnership, every participant should identify the key cause of conflict such as contradictory value or systems, unclear structures, data managing issues, interrelationship factors and behaviour. Negative impact of conflict can cause disunity among the partners; deviation



from the set priorities may result to unproductiveness, poor utilization scarce resources, death of the coalition, and sometimes may totally prevent realization of the focused change (Tajfel, & Turner, 2014).

Clearly planned public involvement programs should manifest the expectations of both the planner and the public (Lulofs, & Cahn, 2000). Arnstein's "hierarchy of public participation" can aid the planners in establishing his perceptions of a program's idea and at the same time compare his idea with the expected perceptions of the public involved. In successful public engagement programs, the disparity linking the planner's expectations and those of participant's expectations should be minimal. If expectations are diverse, then conflict is possible. This conflict is destructive to the planning procedure (on top of the organization's reputation), and to the connection between the planner and the participants. Frequently, it is preventable since its source emanates from disagreement on expectations but not on conflicting demands (Lulofs, & Cahn, 2000).

Conflicts do exist in various places, example of such places include; in workplaces, within households and in social and political gatherings (Gurr, Goldstone, Bates, Epstein, Lustik, Marshall, & Woodward, 2010). Conflicts trigger a new course of interaction and relation among persons emanating from their differences. Conflicts should not be viewed as bad news. Positive ideas, relations and organizational improvements can emanate from conflict situations provided those conflicts handled with a lot care and great attention, poor conflicts resolution process will consequently result to situations.

Conflict is heightened as a result of every person sticking to certain aspirations and goals (Gurr, et al., 2010). In other words, this shows that conflicting agendas can trigger conflict

between county governments and national government. According to Adler, conflicts can emanate where vision and goals override each other or from competition and dependency for scarce resources (Adler, 2008). Conflict is also defined as process within individual persons or groups of persons may feel or perceive other groups or individuals or have already frustrated or are almost about to frustrate objectives, beliefs or goal (Gurr, et al., 2010).

The Conflict management process has of recent become a key concern especially within organizations. Conflicts due to indifferences can have an effect on decision-making process in county government due to public officers' personal interests. The decision-making process can have impacted either in positive or negative way (Lulofs, & Cahn, 2000). Critical examination of public understanding on devolution process is necessary in budgetary development process. Misunderstandings on devolution process may lead to low expectations by leaders and also low levels involvement by the public.

This apparently creates gap between the state leaders and members of the society thus hindering development processing the counties. Alternatively, understanding brings in high expectations from the appointed leaders and escalates public participation in the development course. This study will seek to borrow the concepts of conflict theory and in public policy to examine the effects of public participation on the budget preparation process in Mombasa County.

### **1.12.2 Mediated Negotiation and Democratic Theory**

The genesis or rather the foundation of Mediated negotiation and democratic theory is in United States of America back in 1960s. This arose from public quest on guidance on decision-making process in the country. The areas that posed this public quest were transparency and accountability levels in the process of decision-making especially in the

political field. This led to the development of the highest measures that guided public participation in governance while at the same time guarding public access to state credentials to the lowest point. After a period, the courts gave an interpretation of the law that gave an allowance to the public to be the assumed beneficiary and bear the effects of burdens from public decisions made that directly affected them.

Nonetheless, this social equality (democracy) accorded by the courts has resulted to extreme legal challenges, delays and high cost to decisions making (John & Joseph, 2003). Currently there exists a higher demand from the members of the public for greater transparency as well as accountability levels, specifically in decision making procedure during their involvement in the budgeting process. Ensuring transparency and accountability through public participation is conflicting itself because some participants may think that the budget preparation process could take longer while on the other hand the public may feel side-lined if their constitutional right to be involved in budget making process is not respected (John & Joseph, 2003). In quest to develop a reliable leeway and solve the conflicting interest, the study will borrow some concepts enshrined in Mediated negotiation and democratic theory to establish the role of public participation on the budget preparation process in Mombasa County.

### **1.12.3 Game Theory**

The game theory avails analytical tools necessary for building strategic connections among between parties. The game theory employs a simple numerical model to investigate complex social relations to demonstrate all potential and associated risks with cooperative behaviour between participants who may be distrustful, (Goldfrank, 2007). This theory simulates real-life situation in five key elements: first is the player who is also referred to as decision maker, strategies that are available every player, rules and regulations that

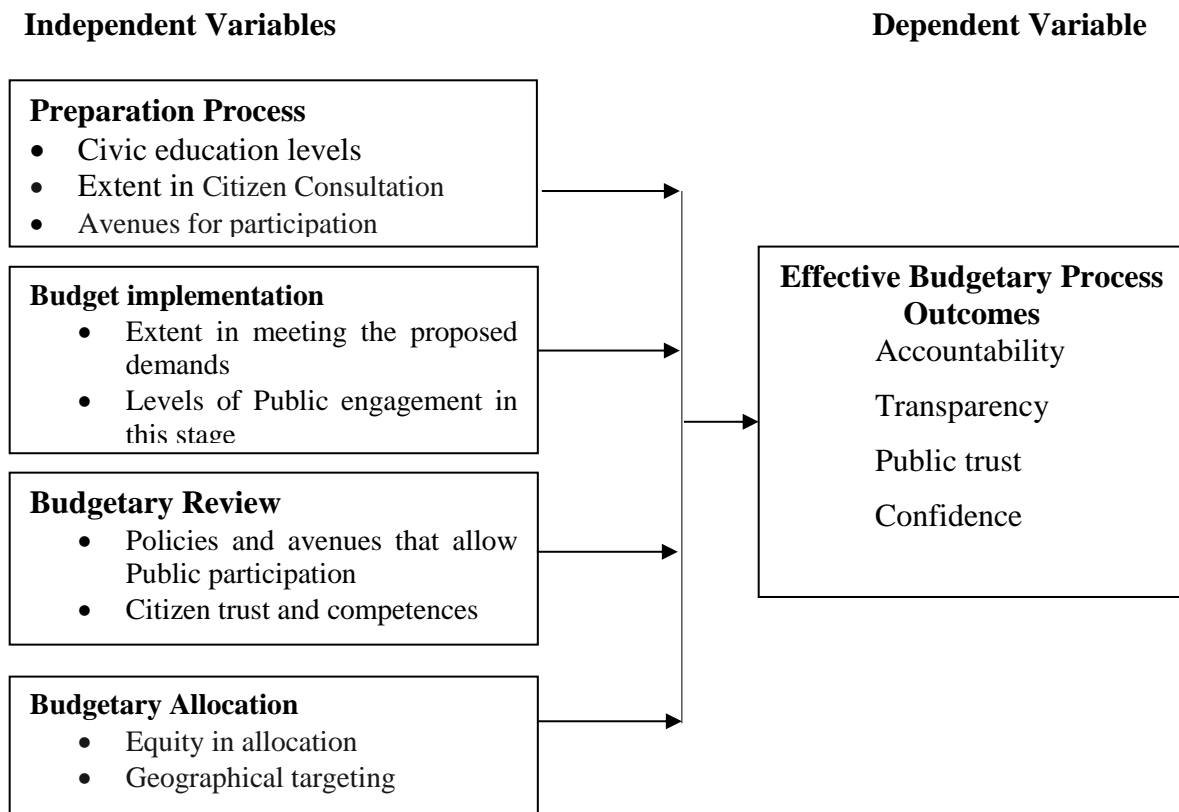
govern the players' behaviours; expected outcomes, each of which is a consequence of a choice employed by a player at a given time during the game; and payoffs accrued by every player as an effect of any possible game outcome, (Smith, 2013).

This theory further assumes that every player will utilize best strategies that help him achieve the best outcome out of the compelling situation. In practical life situation, persons pursue their personal interest at the expense of others thus triggering to competition or conflict (Myerson, 2013). It portrays the potential emanating from cooperation that may produce equally beneficial results and at the same time it demonstrates the possible difficulties linked with untrustworthy participants who may be tempted to solely pursue their personal interests. The game theory advocates that individuals should be willing to overlook and abandon high payoffs. The game theory assumes that all the stakeholders in the devolved system of government will pursue common management strategies with view to achieve the best outcome in budgeting process, therefore this study finds the game theory applicable in analysing the impact of public participation in the budget making process (Shubik, 2006).

### **1.13 Conceptual Framework**

The Conceptual framework is short system of concepts (variables) which the investigator develops and operationalizes in view to achieve the research objectives, Mugenda & Mugenda, (2003). A variable is a concise measure takes different values in subject, Mugenda & Mugenda, (2003). Independent variables can be explained as variables that researchers manipulate so as to establish its impact on another variable, (Kombo & Tromp 2006), maintains that independent variable also referred to as instructive variables if the assumed change significantly causes of changes the dependent variable; the dependent variable attempt to show influence arising from independent variable Mugenda & Mugenda, (2008). This is chat in figure 2.1 below explains the interdependency between

the two variables. The independent variables in this study are budget implementation budget monitoring, budgetary allocation and budgetary review and while the dependent variable is the budget preparation process.



**Figure 1:1: Conceptual Framework.**

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

The chapter two reviews in detail literature published by scholars, this chapter also explores information and other publications that are related to the area of the study. Precisely section examined views of various authors and scholars and on factors affecting effective participatory budgeting in Kenya. Particularly, the sub sequent sections covered the review

on existing empirical literature and critical re-examination of literature and finally the review on existing research gap.

## **2.2 Review of Literature**

### ***2.2.1 Public Participation in Budget Preparation Process***

Budget Implementation of is one of the most essential activity that occurs during the financial year, at a given point every institution must perform this action for it cuts across all organisational departments. Implementation of the Budget is a governed by public expenditure rule and thus the manner in which public funds are managed is critical for targets to be realised. Evidence show that corporations have expressed considerable interest in preparation of long-range plans, in a research involving 500 companies in the United States, Srinivasan, (2012), reached to conclusion that properly crafted strategic plans aided in decision making that are important, global, risky, and complex divestments. In another similarly study, Scott, (2006) established that a considerable number of organisations employed complex corporate plans and corporate fiscal plans in their budget structures. (Powell, 1992) also found that having a strategic plan in place was crucial to companies but this varied between industry of specialisation. Poor planning and lack of control on projects results to implementation of deferent plans that are not budgeted.

Lack of employee Participation in budge preparation process de -motivates employees in course of achieving the budgeted goals. According to (Robinson, 2006) organisations should use budgeting process to motivate workforce in order to increase their work output and productivity. According to Roberts, (2014), in his research argues that, awarding of bonus and employee promotion in workplace, both positively correlated with meeting of budget prospects. Wang, (2011) established that participative budgeting is employed

frequently when lower management level and to management within companies are linked to budgeting process and implementation.

### ***2.2.2 Public Participation in Budgetary Allocation***

Efficiency in allocation is observed as the extent to which the quality of services delivered by the state match the public preferences. It is viewed as the extent to which public needs expressed in proposal are captured and addressed in decisions as well as in the final services delivered to the public. It's perceived that in the course of public participation, county governments can gain better knowledge and understanding of public preferences and therefore its management vary services to meet public demands (Scott, 2006). Further, in situations in presence of numerous options, members of the public can exert pressure by seeking jurisdictions for their needs to be met successfully. The competition that results together with fear of revenues less is likely to prompt county governments to be keener in resource allocation in order to satisfy the public demand in their authority (Callanan, 2005). In this current, study allocative efficiency will be measured as extent to which count services delivered match public preferences and the level of public's satisfaction with service quality.

Equality in resource allocation must factor in the environmental and demographic factors in delivery services particularly to the most needy in the society. This should include targeting the vulnerable and marginalized people in the society who have already been ignored. It means that public contributes to the development in respect of their abilities; however, resource allocation is based on level of neediness in the society. Even though Callanan, (2005) maintain that genuine decentralization leads to equity, other scholars argue that local community participation, attached with equalization can salvage the problem. In this current research, equity is assessed as the extent to which the participant's

voice and preferences of the marginalized people are integrated in the process of decision making.

Scholars like Oakley (2011) maintain that public participation cannot be simply be proclaimed or longed for, it begins with realization the powerful, multi -dimensional and in several occasions, anti-participatory negative forces that usually dominate over lives of the public simply because such forces do not disappear easily. Midgley (2006) states that, “the impracticality and rhetoric of the idea of authentic involvement needs to be united with a realistic evaluation of the likely outcome”. Midgley further argues that “if the serious problems of poverty and deprivation in developing countries are to be effectively dealt with, concentrated action by the government will barbequed. The public do not have the required resources to solve these challenges through their efforts alone, Participation is extremely desirable however, the poor in the society can’t survive on rhetoric and idealism” (Midgley, 2006).

Van Rooyen (2003) maintains that in order for the public participation program to succeed, a cordial working connection must be established between the stakeholders and the local government. The author further indicates that participation should be stresses beyond “mere” demands linked with the protesting political groups by developing participatory programme that calls for total engagement. Alongside this background, Midgley (2006) advocates for a realistic and proper concept of involvement that is based on close relationship between the governments and civil societies. Midgley (2006) believes that one of the major elements in the promotion of the public participation is the concept of institutional structure. This author state that “local community participation denotes the creation of policies and procedures that promotes democracy in decision making at the county level and the engagement of the public these procedures to a level that people



consider them as a very normal way of conducting community activities” (Midgley, 2006). Oakley (2011) observes community participation as a platform of empowering local people by ensuring development of their skills, competencies and abilities, therefore enabling them to bargain for service delivery and local development or equipping local residents with skills that enable them to make their own decisions that call for development, that match with their needs.

### ***2.2.3 Public Participation in Budgetary Review***

Goldfrank (2007) investigated the adoption of public participation in budgeting process in the USA. The author observed that public participation in budgeting process was only successful in situations where their commitment and willingness existed from civil society organizations and political leaders in ensuring allocation of state resources.

The political climate was conducive, and the public expressed and gave their opinions freely. Resources for development were available to finance development projects suggested by members of the public in the budgeting course. Legal structures were put in place to provide legal support to public participation in the budgeting exercise. There existed high levels of transparency in accounting; and the county government programs were reliable and effective.

Owing to the above realization, the author concluded that “the structural design aspects that eventually aided the development of democracy in Porto Alegre, included a high level of public engagement in decision-making process. Various issues subject to debate, and lack of formal governance structure were dependent upon a devolved national state that provided sufficient resources and responsibilities to the local government and a formed a weakly established local opposition group that failed to fight the participation exercise forcefully” (Goldfrank, 2005). The findings are in line with Goldfrank and Schneider’s

(2006) who observed that adoption of public participation is a political choice that remains subject to opposition by other political organizations.

#### ***2.2.4 Public Participation in Budget Monitoring***

Monitoring process provides the raw information to answer some managerial questions that may arise. However, monitoring process itself, it is not a walk in the park. Evaluation subjects, raw data for utilisation and thus giving the management, real time information on quality and value.

Project Evaluation process also ensures that learning process occurs, questions that arise get immediate answers, recommendations are also made, and improvement measures are suggested (Bremser, 1988). In the absence of precise monitoring, the evaluation council would lack reliable basis, raw material to necessarily work with will run out, and be partial to the realm of assumption.

As the song puts it, "it's impossible for an individual to have one in the absence of the other." A monitoring platform shouldn't be designed without a clear understanding on how the information will finally be evaluated and utilised. Monitoring methods among other numerous sanctions suggested in the 1980s and 1990s developed and even today remains a relevant and are progressively utilised (Armstrong, 1996).

According to Masango (2002) community involvement is as a critical element of reputable governance. This author further argues that through continuous communication process between governors and locals, the requirements and goals of the public will be put into consideration. By adhering to that, county governments will be satisfying their constitutional responsibility of representing, the basic demands of the local communities. Houston et al. (2000) further notes that community engagement in county government procedures provides the necessary conditions for the development of strong power base in

other elected internal structures of county government. This kind of situation presents the potential that can give rise to conflict between the disagreeing parties.

Pillay (2006) terms this kind of situation as the “two democratic traditions”, specifically parliamentary democracy and grassroots democracy. The main difference among the two social democracies, according to Pillay, there are those in the right arm (they include those in government positions and possess political and firm control that is apprehended by the masses in from below hierarchy) and persons who are positioned on the left arm (group of persons who support mass involvement in determining guidelines related to growth and progress without necessarily being exposed to the control held by the leaders (Pillay, 2006).

It is the sharp differences existing between the two groups that the situation necessitates the for the following public participation aspects to occur: An attitude transformation: understanding, humility, patience and flexibility (Oakley, 2004). These Facilitator aspects are crucial for participation like in political support, devolution, reputable leadership, well-defined roles for government and nongovernmental organizations in the practice of boosting participation. A well-defined approach for participation for Locals should be

### ***2.2.5 Effective Budgetary Process Outcomes***

By adopting effective methods in the budgetary process, both the Local Government and the public are assured of positive and progressive outcomes. The first thing to focus on should be Community ownership of projects. The intended target community and in our case study the Mombasa county residents gets the satisfaction of knowing that the projects implemented are ‘theirs’ giving them a sense of ownership hence they participate and involve themselves more with the project than otherwise (Pillay 2006).

The second focus should be on projects completion on time. This is because the public is more centralised and involved in these projects, little time is wasted on mitigation and re-

allocation of funds hence most of these projects are completed on time saving time, energy and resources.

Another major focus is on respecting community priorities. The public sets its own priorities in that it decides what projects comes first and which comes last thus their priorities are respected in matters of the budget allocation of resources. Finally, Value for money should be considered. When projects are completed in time, no resources or time is wasted, and a community's priorities are respected, then that community gets a value for its money from these projects (Pillay, 2006).

#### **2.4 Critique of Existing Literature**

Several number of research studies have been conducted in developed countries, for example the Spain Italy, United Kingdom, and Germany (Ebdon, et al, 2012). Achievement in these countries has been linked to three main features: The presence of democracy at very grassroots; evidence that extra resources are allocated to marginalized areas with poor infrastructure than places with a high life quality. Residents' contributions to the budgeting exercise are considered in the final budget; therefore, residents believe that they have total control budgeting process and implementation as well. Ebdon, et al (2012) in his study, compared public involvement in public management in China, Brazil and in United States of America.

Considerable number of third world countries has a legal framework that call for public participation in public planning as well as in budgeting process (Hope & Chikulo, 2010). The 1993 Constitution of South Africa comprises of provisions that are meant to ensure public participation in county government activities (Shall, 2007). Nonetheless, the whole idea had been crippled by several challenges that include; lack of clear communication systems, diverse educational background that makes it difficult interpreted documents

organized by technocrats, diversity in social economic status and minor conflicts existing between technical staff and leaders from political divide and the recurrent shortage of basic resources (Moore, 2007).

Krylova did a study focusing on Ukraine's knowledge on public participatory in budgeting exercise, revealed that failure by state government to mobilize public, lack of materials necessary for training, and information irregularity among the main players in the budget development process were blameable for low participation of public in the budgeting exercise. Krylova's (2007) remarks are consistence with Fölscher's (2007) observations in Bangladesh, Indonesia, Thailand and in Philippines, that public involvement in decision making can improve service delivery up to the requirement of residents and thus generate supplementary resources for development. The two further agree that conditions that assist effective public participation included: effective information sharing; combination several resolution mechanisms; increasing awareness, educating the beneficiary's stakeholders; providing of incentives to all participants; and establishment of clear guidelines for participation in decision making exercise. Fölscher recommended that clear strategies need to be in place before adopting participatory budgeting.

From the above examination, both concluded that public participation in budgeting exercise can only be successful if the following necessary conditions do exist: a legal policy framework that demands for public engagement, legal policy that provides certain degree of independence to county governments and accessibility to all necessary budget data; social organizations that vibrant are in a position to mobilize public to participate in the budgeting development process; and technical staff and county government officials who are dedicated and eager to engage the public in the process of decision making especially in resource allocations. Their findings concur with the research findings by Shah (2007) from other republics.

## **2.5 Summary of Literature**

To allow the government to fairly respond to the various needs of the Kenyan people, decentralization of government functions is indispensable. Through devolution, county governments system has already been created, thus allowing close contact between local government and the community members. Public participation in affairs of county government has of late become an issue of main concern because it is one of the basics encapsulated by democratic system.

The current change to county governance and delivery of service in all the forty-seven county governments, takes over the functions of revenue rising from the 175 preceding local authorities that were responsible for delivery of services in urban areas and other range of other governance functions. It is anticipated that the employees of local authorities have been absorbed into the local governments. The County governments have also take over the role of service delivery responsibility which currently being performed by the employees devolved ministries currently under watch of counties including, agriculture, health, land among others (TFDK, 2011). For this reason, this study seeks to determine the effect of public participation on the budget preparation process in Mombasa County.

## **2.6 Knowledge Gaps**

Devolution improves local development via promotion of democratic and responsible exercise of state power; encouraging national unity by acknowledging diversity; giving power of self-governance to the public and enhancing the involvement of the people exercising of the leadership powers of the government especially on deciding on issues affecting them; acknowledging the constitutional right of local communities to administer their own matters and to further their local development; granting protection and respecting the rights and interests of minorities as well as the marginalized groups; advocating for

social change, promoting economic development, provision of accessible services all over the country; ensuring fair sharing of state and local resources all over Kenya; facilitating the devolution of government organs (like government ministries), their associated functions and services, from the national government, resulting to enhanced checks and balance and clear separation of roles and powers. This study seeks to establish effect of public involvement on the budget preparation process in Mombasa County.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.0 Introduction**

This chapter outlines the research methodology that was adopted by study. The chapter further highlights the study design, targeted population, sampling procedures, data collection process and instruments to be employed and how data shall be analysed and presented.

### **3.1 Research Design**

Research design forms the basic plan that shows an overview of all the activities that are required to accomplish an investigation. This study adopted a descriptive research approach given that the research intends to gather both quantitative and qualitative information that helped establish the effect of public participation on the budgeting preparation process in Kenya: a case of Mombasa County Government. According to Mugenda and Mugenda (2003) descriptive research can be utilized to obtain information relating to the present status of any phenomena and describe "what currently exists" with reverence to variables or circumstances surrounding the situation. This research considers this design as appropriate given that it enabled the gathering of reliable information that evidently describe the effect of public participation on the budget preparation process in Mombasa County.

### **3.2 Research Site and Rationale**

This study was carried out in Mombasa County. Being a perennial underperformer in county funded community development projects in Kenya, Mombasa County is therefore considered one of the counties where lack of accountability in public funds has been compromised. It is therefore hoped that the study findings about the improvement variables offered useful insights to the public and other stakeholders within the county regarding



their influence on budgeting participation. The knowledge gained through the research, apart from adding to new frontier of knowledge in the county management helped in making policy decisions at the county level with an aim of improving accountability and thus development outcomes. The study took approximately 24 weeks to write the proposal, collect data and to analyze.

### 3.3 Target Population

Target population as defined by Frederic (2010), is a universal set of the study of all members of real or hypothetical set of people, events or objects to which an investigator wishes to generalize the result. The target populations were the employees of Mombasa County Government. This included both the employees on permanent employment which totals to 3800 employees (Mombasa County HRM department 2017). The employees were categorized as follows in Table 3.1.

**Table 3.1: Target Population**

<b>Category</b>	<b>Target Population</b>
Top Management	324
Middle Management level	1416
Lower management level	2060
<b>Total</b>	<b>3800</b>

**Source: Mombasa County HRM department (2017)**

### 3.4 Sample Frame

A sampling frame is a comprehensive list of all sampling units from which a sample can be selected, (Kombo & Tromp 2006). Sampling frame composed of 3800 employees working in all level of management in Mombasa County Government.

### 3.5 Sample size and Sampling Technique

A sample is a small group obtained from accessible population, (Mugenda & Mugenda, 2003). Sampling is the procedure a researcher uses to gather people, places or things to study, (Kombo & Tromp, 2006). Sampling technique is the process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of characteristics found in the entire group, (Orotho & Kombo, 2002). Stratified sampling was applied in carrying out the study as per the categories, then random sampling was used to select the respondents in each strata, a sample of 15% of the total population was therefore used to sample 570 respondents who constituted the sample population for the study, according to Gay 1983 as cited by Mugenda & Mugenda, (2003) for descriptive studies at least 10% - 30% of the total population is enough. Stratified random sampling ensures inclusion, in the sample, of sub groups, which otherwise would be omitted entirely by other sampling methods because of their small number of population, (Mugenda & Mugenda, 2003).

$$n = N(r)$$

Where N is the total population,

n is the sample size

r is the sample rate (% age)

**Table 3.2: Sample Size**

<b>Category</b>	<b>Target Population</b>	<b>Ratio</b>	<b>Sample size</b>
Top Management	324	15%	49
Middle level Management	1416	15%	212
Lower management level	2060	15%	309
<b>Total</b>	<b>3800</b>	<b>15%</b>	<b>570</b>

**Source: Researcher (2018)**

### **3.6 Data collection procedures**

The study gathered both primary and secondary information. Primary data was gathered with an aid of semi-structured questionnaires where the participants were requested to fill with the research tool. The research tool (Questionnaires) was preferred because it is effective in data gathering and allows respondents to express much of their views regarding the study problem. According to Festing (2007) the data gathered from questionnaires are free from biases and investigators' influence which means that this study collected accurate and valid data. Secondary data was obtained from county published reports that touch on the budgeting process in County Government of Mombasa.

### **3.7 Research Instruments**

The researcher with assistance of trained research assistants administered questionnaires to each element of the sample population. The questionnaire was formulated and tested with a few members of the population for supplementary improvements. This was conducted to enhance the validity and accuracy of data that is to be gathered.

#### ***3.7.1 Piloting of Research Instruments***

The researcher conducted a pilot study to pre-test and validate the research instrument. According to Somekh, and Cathy (2005) validity is the degree by which the sample of test

items represents the content the test is designed to measure. Mugenda and Mugenda (1999) contend that the usual procedure in assessing the content validity of a measure is to use a professional or expert in a particular field.

To ascertain the validity level of the researcher sought opinions of professionals in the field of research. This enabled the necessary revision and amendment of the research tool thereby enhancing validity and reliability. Reliability refers to the consistency of measurement and is frequently assessed using the test–retest reliability method (Walliman, 2001). Reliability is increased by including many similar items on a measure, by testing a diverse sample of individuals and by using uniform testing procedures.

### ***3.7.2 Validity of Findings***

Validity is the degree to which results obtained from the instruments represent the phenomenon under study (Mugenda & Mugenda, 2003). Validity indicates the degree to which an instrument measures what it is supposed to measure; the accuracy, soundness and effectiveness with which an instrument measures what it is intended to measure (Kothari, 2014). In this study, face and construct validity was determined by search of expert opinion from supervisor and other experts in the field of education and management. A pilot study was conducted 10 individuals from neighboring Kilifi County from whence the coefficient of validity was determined. Thus, suggestions made by the university experts and pilot group were incorporated in the instrument prior to administering it to the targeted respondents. Besides, the researcher applied content validity as part of construct validity to validate research instruments. Content validity is provided by adequate coverage of investigation questions guiding the study (Cooper & Schindler, 2003). The average content validity Index (CVI) formula was used to capture adequate and representative sets of items taped the content.

$$\text{Content Validity Index} = \frac{\text{Number of items declared valid}}{\text{Total number of items}}$$

### ***3.7.3 Reliability Research Instruments***

The study selected a pilot team of 10 individuals from Kilifi County to test the reliability of the questionnaire. This was achieved by first grouping the elements according to their management level. The researcher also considered gender equity and environmental background of pilot population. The pilot information was not incorporated in the actual research. The pilot study gave room for pre-testing of the research questionnaire. The clearness of the research instrument to the respondents was revealed so to improve the questionnaires reliability. The pilot research enabled the investigator to familiarize with the study environment and the administration process and identifying areas that may require change or rectification. The pilot study results aided in rectifying inconsistencies from the questionnaire to capture the intended data.

### **3.8 Data Analysis and Presentation**

The researcher examined carefully all completed questionnaires and document analysis recorded on sheets. Gathered Data that was Quantitative in nature was analysed using Statistical Package for the Social Sciences (SPSS Version 20) and presented using means, standard deviations, percentages, and frequencies. Some of the processed data was displayed by use of bar charts, pie-charts graphs and in prose-form. Analysis involved calculation of total responses, computing variations in response together with interpreting and reporting the data in line with the objectives of the study and assumptions via use of SPSS. Content analysis was to analyse data that was in qualitative form. According to Baulcomb, (2003), content analysis employed a set of classification for making suitable and replicable inference from data to their milieu.

The study conducted Pearson correlation analysis to predict the relationship between public participation and budget preparation process in Mombasa County. Correlation analyses were performed to determine if any variables are correlated. The Pearson correlation coefficient ( $r$ ) was used to identify the magnitude and the direction of the relationships between variables. For example, the value can range from  $-1$  to  $+1$ , with a  $+1$  indicating a perfect positive relationship,  $0$  indicating no relationship, and  $-1$  indicating a perfect negative or reverse relationship (as one grows larger, the other grows smaller).

### **3.9 Ethical Consideration**

The study upheld utmost precaution while administering the research instruments to the selected respondents to ensure that their privacy rights were upheld. Prior to real administration of the questionnaires, an introduction on the purpose of the research was made to all respondents in the language which they understood best. The research first sought the permission of the respondents prior to study. To guarantee confidentiality, the participants' names were left anonymous. Further, respondents were not coerced into the exercise at any level. The study results were presented without any manipulation or influence by the researcher in any way.

## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION**

### **4.1 Introduction**

This chapter discusses the interpretation and presentation of the findings obtained from the field. The chapter presents the background information of the respondents and findings of the analysis based on the objectives of the study. Descriptive statistics and inferential statistics were used to discuss the findings of the study.

### **4.2 Response Rate**

The study targeted a sample size of 85 respondents in collecting data out of which 76 filled in and returned the questionnaires making a response rate of 89.4% as shown in table 4.1. Mugenda and Mugenda (2003) assert that response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. Based on the assertion, the response rate was considered to excellent.

**Table 4.3: Response Rate**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Responded	76	89.4
Not responded	9	10.6
<b>Total</b>	<b>85</b>	<b>100</b>

Source: Research data, (2018)

#### **4.2.1 Respondents Background Information**

The study started by analysing the respondents' background information. Specifically, the research sought information on respondent's age, gender and highest educational qualifications.

#### **4.2.2 Distribution of Respondents by Age**

Various age groups are perceived to hold diverse opinion/ views concerning particular subject. Therefore, in view of gathering deferent opinion from these groups, respondents were required to indicate their age category. The findings are presented in Table 4.2

**Table 4.4: Age Category**

<b>Age</b>	<b>Frequency</b>	<b>Percentage</b>
20-25 years	9	11.8
26 to 30 years	15	19.7
31 to 35 years	16	21.1
36 to 40 years	17	22.4
41 to 45 years	9	11.8
46 to 50 years	7	9.2
Above 50 years	3	3.9
<b>Total</b>	<b>76</b>	<b>100.0</b>

Source: Research data, (2018)

Results obtained show that, most of the respondents (22.4%) were aged between 36 to 40 years, 21.1% respondents were aged between 31 to 35 years, and 19.7% respondents were aged between 26 to 30 years 11.8% respondents either were aged 20-25 years or 41 to 45 years, 9.2% respondents were aged between 46 to 50 years whereas 3.9% respondents were aged between above 50 years. Drawing from these findings, it's evident that respondents of various age sets were fairly involved in this study implying that data was fairly gathered from all age groups.

#### 4.2.3 Distribution of Respondents by Gender



Survey participants requested the respondents to indicate their gender category. This was sought in view of ensuring fair engagement of respondent in respect to their gender. The findings are presented in Table 4.3

**Table 4.5: Gender Category**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>
Male	46	60.5
Female	30	39.5
<b>Total</b>	<b>76</b>	<b>100.0</b>

Source: Research data, (2018)

The study findings revealed that majority of the respondents as shown by 60.5% were males whereas 39.5% of the respondents were females. This implies that both genders were fairly engaged in this research and therefore implying that the findings of this research did not suffer from gender biasness.

#### 4.2.4 Highest Level of Education

Individual's level of education is perceived to ability to understand and interpret subjects, in view of analysing respondent's ability to respond to the study topic, respondents were required to indicate their highest level of educational qualifications. The findings are presented in Table 4.4

**Table 4.6: Highest Level of Education**

	<b>Frequency</b>	<b>Percentage</b>
Postgraduate	16	21.1
Degree	25	32.9
Diploma	23	30.3
Form four	12	15.8
<b>Total</b>	<b>76</b>	<b>100.0</b>

Source: Research data, (2018)

The findings of this revealed that most of the respondents as shown by 32.9% of the respondents held bachelor's degrees, 30.3% of the respondents were holders of college diploma certificates, 21.1% the respondents were holders of post graduate degrees whereas 15.8% of the respondents held secondary school certificate. This implies that, respondents were well educated which means that they were in a position to respond to research questions with ease.

#### ***4.3.1 Public Participation in Budget Preparation***

The study sought to establish the extent to which respondents agreed with the following statements relating to budget preparation process. Results are presented in Table 4.5

**Table 4.7: Statements relating to Budget Preparation Process**

Statement	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree		Mean	Std Dev
	F	%	F	%	F	%	F	%	F	%		
1. Public involvement in budget preparation process limits the amount of time organisations spend thus creating and effectively managing capital resources	0	0	0	0	6	7.9	39	51.3	31	40.8	4.33	0.62
2. I understand the concept of public participation in integrated budget preparation process	0	0	0	0	7	9.2	38	50.0	31	40.8	4.32	0.64
3. In the last two years, you have participated in budget preparation process at your constituency level	0	0	0	0	0	0	37	48.7	39	51.3	4.31	0.50
4. The constitution provides for mechanisms for public participation in county budget preparation process	0	0	0	0	10	13.2	47	61.8	19	25.0	4.12	0.61
5. Given a chance, I would participate (again) budget preparation process at my constituency	0	0	0	0	4	5.3	46	60.5	26	34.2	4.29	0.56
6. Public involvement in Budget preparation enables the organisation to save for expected and unexpected emergency costs.	0	0	0	0	8	10.5	39	51.3	29	38.2	4.28	0.64
7. Budget preparation enables county government to plan and manage if financial resources to supports and implement various programs and projects for development.	0	0	0	0	10	13.2	30	39.5	36	47.4	4.34	0.70
<b>Composite Mean</b>											4.28	0.61

Source: Research data, (2018)

From Table 4.above, with the first statement, it was noted that 39(51.3 %) respondents agreed that Public involvement in budget preparation process limits the amount of time organisations spend thus creating and effectively managing capital resources, 31(40.8%) strongly agreed to the statement while 6 (7.9%) participants a held moderate opinion with the statement. The item had a mean of 4.33 with a low standard deviation of 0.62, which is higher than the composite mean of 4.28 with standard deviation of 0.61, implying that public involvement in budget preparation process has positive in on performance of budget preparation process. This also means that involving the public in budgetary preparation process enabled the county government to first address the most urgent issues based on citizen priority. These findings concur with observations made by Oakley (2011) observes public participation programmes empowers local citizens to bargain for service delivery and local development.

With the second statement, it was noted that majority of the 38 (50.0 %) respondents agreed that they fully understand the concept of public participation in integrated budget preparation process, 31 (40.8 %) strongly agreed to the statement while seven (9.2 %) respondents held a moderate opinion with the statement. The item had a mean of 4.32 with a low standard deviation of 0.64, which is higher than the composite of 4.28 with standard deviation of 0.61, implying that public awareness on their role in budget preparation process has positive impact on performance of budget preparation within county levels. This also means that creating awareness to citizens and encouraging them to take proactive role led to improved accountability and transparency on the overall process of budgetary planning and execution. These findings concur with observations made by Wilson, (2011) alludes that despite efforts to decentralize, little is known about the effective participation of the public in the budgeting for county government.

With the third statement, it was noted that majority 39 (51.3%) of the respondents strongly agreed that in the last two years, majority had participated in budget preparation process within their constituency level, while 37 (48.7%) held moderate opinion with the statement. The item had a mean of 4.31 with a low standard deviation of 0.50, which is higher than the composite mean of 4.28 with standard deviation of 0.61, implying that involving of citizens in finance planning every year had a positive influence on overall budgeting process. This also means that the budget preparation committee was keen to observe citizen views in the overall process. These findings contradict the observations made by Challigha,

(2016) who indicate that Kenyan citizens were not fully participating in various plans and programs because little trust that their opinion would be factors in overall plan.

Assessment on the fourth statement, it was noted that 47(61.8%) respondents agreed that the constitution provides for mechanisms for public participation in county budget preparation process, 19 (25.0%) strongly agreed to the statement while 10 (13.2%) held moderate opinion with the statement. The item had a mean of 4.12 with a low standard deviation of 0.61, which is higher than the composite mean of 4.28 with standard deviation of 0.61, implying that utilization of public participation avenues granted by the constitution enhanced budget preparation process. This also means that county governments have a power to participate and involve people in the planning and implementation of development programs within their respective areas throughout the county. These findings go hand in hand with conclusion by Van Rooyen (2003) maintains that in order for the public participation program to succeed, a cordial working connection must be established between the stakeholders and the local government.

Results on the fifth statement, revealed that 46 (60.5%) respondents agreed that given a chance, majority would participate (again) budget preparation process at their constituencies, 26 (34.2%) strongly agreed to the statement while 4 (5.3%) held moderate opinion with the statement. The item had a mean of 4.29 with a low standard deviation of 0.56, which is higher than the composite mean of 4.28 with standard deviation of 0.61, implying that willingness by the public to participate in budget preparation process was high and this led to quality allocation of resources. These findings support the findings by Oakley (2011) public participation in budgeting process was only successful in situations where stakeholder commitment and willingness was high, and thus recommending that reinforcement of the spirit through legal structures that support to public participation in the budgeting exercise.

Results on the sixth statement revealed that 39 (51.3%) respondents agreed that public involvement in budget preparation enables the organisation to save for expected and unexpected emergency costs. 29(38.2 %) strongly agreed to the statement while 8 (10.5 %) held moderate opinion with the statement. The item had a mean of 4.28 with a low standard deviation of 0.64, which draw with composite mean of 4.28 with standard deviation of 0.61, implying that there is positive relationship between public involvement in budget preparation organisational ability to save for expected and unexpected emergency costs.

This also means that the public must be motivated, persuaded and reminded about their potential to help county governments to remain accountable in implementation of development plans. These findings concur with the study findings by Shah, (2010) effective participatory budgeting benefits the public and the county government.

Results on the seventh statement, revealed that 36 (47.4%) respondents agreed that budget preparation enables county government to plan and manage if financial resources to supports and implement various programs and projects for development. 30 (39.5%) strongly agreed to the statement while 10 (13.2%) held moderate opinion with the statement. The item had a mean of 4.34 with a low standard deviation of 0.64, which is higher than the composite mean of 4.28 with standard deviation of 0.61, implying that there is positive relationship between quality in budget preparation and organisational allocation of financial resources that support implementation of various programs and projects for development. This also means that Interaction with all interested parties determines the success and viability government funded sustainability. The findings concurs with Project Management Association (IPMA) annual publication (2012), recognize that that a well-planned citizen involvement programs relate the expectations of the citizens and the planner.

#### ***4.3.2 Public Participation in Budgetary Allocation***

This section investigated the relationship between public involvement in budgetary allocation and budget preparation process.

The study sought to establish whether public involvement in budgetary allocation affects the budget preparation process in Mombasa County.

**Table 4.8: Public involvement in budgetary allocation process**

<b>Opinion</b>	<b>Frequency</b>	<b>Percent</b>
Yes	60	78.9
No	16	21.1
<b>Total</b>	<b>76</b>	<b>100.0</b>

Source: Research data, (2018)

From the research findings, majority of the respondents as shown by 78.9% agreed that public involvement in budgetary allocation affects the budget preparation process whereas 21.1% of the respondents were of the contrary opinion. This implies that public involvement in budgetary allocation affects the budget preparation process. The findings are in support of the assertion by Abel and Stephan (2000) stakeholder participation in Budget preparation process help identify future revenue and expenditure trends that may have an immediate or long-term influence on government policies, strategic goals, or community services.

**Table 4.9: Extent to which public involvement in budgetary allocation affects the budget preparation process**

<b>Extent</b>	<b>Frequency</b>	<b>Percent</b>
Very great extent	27	35.5
Great extent	33	43.4
Moderate extent	7	9.2
Little extent	9	11.8
<b>Total</b>	<b>76</b>	<b>100.0</b>

Source: Research data, (2018)

The study sought to determine the extent to which public involvement in budgetary allocation affects the budget preparation process in Mombasa County, from the research findings, most of the respondents as shown by 43.4% indicated that public involvement in budgetary allocation affects the budget preparation process in Mombasa County to a great extent, 35.5% of the respondents indicated to a very great extent 11.8% of the respondents indicated to a little extent whereas 9.2% of the respondents indicated to a moderate extent, this implies that public involvement in budgetary allocation affects the budget preparation process in Mombasa County to a great extent. the findings concurs with the assertion by Russell and Vidler (2000) stakeholder participation in budget preparation process allows for

improved decision-making in maintaining fiscal discipline and delivering essential community services.

The study sought to determine the extent to which respondents agreed with the following statements relating to effects of public involvement in budgetary allocation on the budget preparation process in Mombasa County

**Table 4.10: Public Involvement in Budgetary Allocation**

Statement	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree		Mean	Std Dev
	F	%	F	%	F	%	F	%	F	%		
1.The purchase orders and bills should be matched regularly against the budgetary allocation to ensure sufficient funds exist for the remainder of the budget year	0	0	0	0	4	5.3	49	64.5	23	30.3	4.25	0.54
2.Insufficient revenues might require the need to reduce budgetary allocations in order for expenditures not to exceed revenues at the end of the budget year	0	0	0	0	4	5.3	47	61.8	25	32.9	4.28	0.56
3.In order to carry out budgetary control, it is necessary to formulate a fully co-ordinated detailed plan in both financial and quantitative terms for a forthcoming period	0	0	0	0	7	9.2	41	53.9	28	36.8	4.28	0.62
<b>Composite Mean</b>											4.27	0.57

With the first statement, results show that 49 (64.5%) respondents agreed that purchase orders and bills should be matched regularly against the budgetary allocation to ensure sufficient funds exist for the remainder of the budget year, 23(30.3%) strongly agree with the statements. while 4(5.3%) were of the moderate view with the statement. The item had



a mean of 4.25 with a low standard deviation of 0.54, which is higher than the composite mean of 4.27 with standard deviation of 0.57, implying that budgetary control is a continuous process which helps in planning and coordination. These findings are in support of the assertion by Cogan (2006) that well-planned citizen involvement programs relate the expectations of the citizens and the planner.

With the second statement, results show that 47 (61.8%) respondents agreed that insufficient revenues might require the need to reduce budgetary allocations in order for expenditures not to exceed revenues at the end of the budget year, 25 (32.9%) strongly agree with the statements. while 4(5.3%) were of the moderate view with the statement. The item had a mean of 4.28 with a low standard deviation of 0.56, which is higher than the composite mean of 4.27 with standard deviation of 0.57, implying that Budget participation can have a positive effect in forcing collaboration in bureaucracies due to the nature of citizen proposals. This also means that Participation can provide information that improves technical or allocative efficiency; offer innovative solutions that would not have arisen from traditional decision-making; and raise acceptance of programmes. These findings concur with observations made by Moynihan, (2007) Budget participation can have a positive effect in forcing collaboration in bureaucracies due to the nature of citizen proposals.

With the third statement, results show that 41(53.9%) respondents agreed that in order to carry out budgetary control, it is necessary to formulate a fully co-ordinated detailed plan in both financial and quantitative terms for a forthcoming period, 28(36.8%) strongly agree with the statements. while 7(9.2%) were of the moderate view with the statement. The item had a mean of 4.28 with a low standard deviation of 0.56, which is higher than the composite mean of 4.27 with standard deviation of 0.57, implying that budgetary control ensures the fact that the budget is properly followed and an organization attains the

predetermined growth. These findings concur with observations made by Hope & Chikulo, (2010) stakeholders' involvement in budgeting process enhances accountability and transparency.

#### ***4.3.3 Public Participation in Budgetary Review***

The study sought to establish whether public involvement in budgetary review influence the budget preparation process in Mombasa County.

**Table 4.11: Effect of public involvement in budgetary review**

<b>Opinion</b>	<b>Frequency</b>	<b>Percent</b>
Yes	63	82.9
No	13	17.1
<b>Total</b>	<b>76</b>	<b>100.0</b>

Source: Research data, (2018)

From the study findings, majority of the respondents (82.9%) agreed that public involvement in budgetary review influence the budget preparation process whereas 17.1% were of the contrary opinion. this implies that public involvement in budgetary review influence the budget preparation process.

This research sought to determine the extent to which public involvement in budgetary review influence the budget preparation process in Mombasa County.

**Table 4.12: Extent to which budgetary review influence the budget preparation process**

<b>Extent</b>	<b>Frequency</b>	<b>Percent</b>
Very great extent	29	38.2
Great extent	35	46.1
Moderate extent	7	9.2
Little extent	5	6.6
<b>Total</b>	<b>76</b>	<b>100.0</b>

Source: Research data, (2018)

From the research findings, most of the respondents as shown by 46.1% indicated that, citizen involvement in budgetary review affect budget preparation process in Mombasa County to a great extent, 38.2% of the respondents indicated to a very great extent 9.2% of the respondents indicated to a moderate extent whereas 6.6% of the respondents indicated to a little extent, this implies that citizen involvement in budgetary review affects budget preparation to a great extent.

Respondents were requested to indicate their level of agreement with the following statements that relating effects of public involvement in budgetary review on the budget preparation process in Mombasa County.

**Table 4.13: Statements that assessing on effects of public involvement in budgetary review**

Statement	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree		Mean	Std Dev
	F	%	F	%	F	%	F	%	F	%		
1. Budgetary review on a monthly basis helps to identify and make correction on overspending or modification to the budget if needed.	0	0	0	0	3	3.9	42	55.3	31	40.8	4.37	0.56
2. Waiting until the end of the year to make corrections could have a negative effect on the final budget outcome.	0	0	0	0	7	9.2	46	60.5	23	30.3	4.21	0.60
3. Budgetary review in an organisation enables effective management of its cash flow and identify the needs to be achieved in the next budgeting period	0	0	0	0	3	3.9	38	50.0	35	46.1	4.42	0.57
Lack of local community involvement budgetary review had led to lack of accountability and corruption in the process	0	0	0	0	11	14.5	42	55.3	23	30.3	4.16	0.65
<b>Composite Mean</b>											4.29	0.60

Source: Research data, (2018)

From Table above, with the first statement, it was noted that 42 (55.3%) respondents agreed that Budgetary review on a monthly basis helps to identify and make correction on overspending or modification to the budget if needed, 31(40.8%) strongly agreed to the statement while 3 (3.9%) participants a held moderate opinion with the statement. The item had a mean of 4.37 with a low standard deviation of 0.56, which is higher than the composite mean of 4.29 with standard deviation of 0.60, implying budget review plays an integral part of any organizational operations as it helps to assure the proper utilization of budget and help to keep a close check on the deferent activities. This also implies that Budgetary review in an organization enables effective management of its cash flow and identify the needs to be achieved in the next budgeting period. These findings concur with the conclusions by Goldfrank and Schneider's (2006), although budgets may be normally developed may be normally prepared, it's goals and objectives should be periodically reviewed for appropriateness

With the second statement, results show that 46 (60.5%) respondents agreed that waiting until the end of the year to make corrections could have a negative effect on the final budget outcome, 23 (30.3%) strongly agreed to the statement while 7 (9.2%) participants a held moderate opinion with the statement. The item had a mean of 4.21with a low standard deviation of 0.60, which is higher than the composite mean of 4.29 with standard deviation of 0.60, implying that frequent budgetary review had a positive impact on overall budgeting preparation process. This also means that openness in review process is associated with changes in resource allocation, delivery of public services, and governance and development outcomes. These findings concur with observations made by Pillay (2016) budgetary review enhances credit worthiness of an organization.

With the third statement, results show that 38 (50.0%) respondents agreed that budgetary review in an organisation enables effective management of its cash flow and identify the needs to be achieved in the next budgeting period, 35 (46.1%) strongly agreed to the statement while 3 (3.9%) participants held a moderate opinion with the statement. The item had a mean of 4.42 with a low standard deviation of 0.57, which is higher than the composite mean of 4.29 with standard deviation of 0.60, implying that frequent budgetary review had a positive impact on overall budgeting preparation process. Therefore governments should systematically collect, maintain, monitor, and analyze information gained from public involvement activities, these findings go hand in hand with observations made by Heimans (2002) points out that participation reduces corruption and clientelism, as well as that participation leads to citizens having more trust in institutions.

With the third statement, results show that 42(55.3%) respondents agreed that lack of local community involvement budgetary review had led to lack of accountability and corruption in the process, 23 (30.3%) strongly agreed to the statement while 11 (14.5%) participants held a moderate opinion with the statement. The item had a mean of 4.16 with a low standard deviation of 0.65, which is higher than the composite mean of 4.29 with standard deviation of 0.60, implying that frequent budgetary review had a positive impact on overall budgeting preparation process. This also means that budget should be compiled with the participation of whoever will be responsible for its control and performance. These findings support the study findings by Tajfel, & Turner, (2014) the outcome of any budget decisions should be communicated to all relevant stakeholders.

#### ***4.3.4 Public Participation in Budgetary Monitoring***

The study sought to establish whether public involvement in budgetary monitoring influence the budget preparation process in Mombasa County.

**Table 4.14: Effect of public involvement in budgetary monitoring**

<b>Opinion</b>	<b>Frequency</b>	<b>Percent</b>
Yes	62	81.6
No	14	18.4
<b>Total</b>	<b>76</b>	<b>100.0</b>

Source: Research data, (2018)

From the study findings majority of the respondents (81.6%) agreed that public involvement in budgetary monitoring influence the budget preparation process whereas 18.4% were of the contrary opinion. this implies that public involvement in budgetary monitoring influence the budget preparation process.

This research sought to determine the extent to which public involvement in budgetary monitoring influence the budget preparation process in Mombasa County.

**Table 4.15: Extent to which public involvement in budgetary monitoring influence the budgeting process**

<b>Extent</b>	<b>Frequency</b>	<b>Percent</b>
Very great extent	30	39.5
Great extent	25	32.9
Moderate extent	14	18.4
Little extent	7	9.2
<b>Total</b>	<b>76</b>	<b>100.0</b>

Source: Research data, (2018)

From the research findings, most of the respondents as shown by 39.5% indicated that, public involvement in budgetary monitoring influence the budget preparation process in Mombasa County to a very great extent, 32.9% of the respondents indicated to a great extent, 18.4% of the respondents indicated to a moderate extent whereas 9.2% of the respondents indicated to a little extent, this implies that public involvement in budgetary monitoring influence the budget preparation process in Mombasa County to a great extent.

The findings are in line with the study findings by Goldfrank (2007) that well-planned citizen can assist the planner in determining his or her perceptions of a program's purpose and compare this with the anticipated perceptions of citizen participants

Respondents were requested to indicate their level of agreement with the following statements that relating to effects of budgetary monitoring on the budget preparation process in Mombasa County.



**Table 4.16: Effects of budgetary monitoring on the budget preparation process**

Statement	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree		Mean	Std Dev
	F	%	F	%	F	%	F	%	F	%		
	1. I have trust in Budgetary monitoring process	27	35.5	41	53.9	8	10.5	0	0	0		
2. People with higher trust on the budgetary monitoring process participate more effectively.	0	0	0	0	0	0	38	50.0	38	50.0	4.50	0.50
3. People with lower trust on the budgetary monitoring process participate more effectively	28	36.8	38	50.0	10	13.2	0	0	0	0	1.76	0.67
4. public involvement in ensures effective monitoring of budget performance requires that managers are provided with relevant, timely and accurate information appropriate to their level of responsibility	0	0	0	0	0	0	46	60.5	30	39.5	4.39	0.49
5. County management should provide clear and consistent feedback in a timely manner about underlying causes and effects of budget variations.	0	0	0	0	4	5.3	40	52.6	32	42.1	4.37	0.59
6. Regular monitoring of expenditure is essential; not just to verify expenditure against target but also to identify changing patterns or circumstances that need corrective action	0	0	0	0	0	0	38	50.0	38	50.0	4.50	0.50
<b>Composite Mean</b>											<b>3.55</b>	<b>0.57</b>

Source: Research data, (2018)

The findings are in supports the findings by public involvement in budgetary monitoring Masango (2002) allows for adequate recording of appropriations, revisions in appropriations, transfers between appropriations, apportionment, etc adding that community involvement is as a critical element of reputable governance.

With the first statement, results show that 41 (53.9%) respondents strongly disagreed that they have trust in budgetary monitoring process, 23 (30.3%) strongly disagreed to the statement while 8 (10.5%) participants a held moderate opinion with the statement. The item had a mean of 1.75 with a low standard deviation of 0.64, which is lower than the composite mean of 3.55 with standard deviation of 0.57, implying increased participation county budgeting process consequently led to increased public trust. This also means that enhanced participation is a crucial way for citizens to recognize and assert their duties as citizens and vital members of the community. These findings support the research results by Marshall, & Woodward, (2010), that participation is valuable because it provides an opportunity to gather input and encourages two-way.

With the second statement, results show that 38(50%) respondents either agreed or strongly agreed that people with higher trust on the budgetary monitoring process participate more effectively. The item had a mean of 4.50 with a low standard deviation of 0.50, which is lower than the composite mean of 3.55 with standard deviation of 0.57, implying that in most cases the public were given a chance to give their comments during public participation. This also means that public participation in budgetary monitoring provides information to the citizens with which to question government performance and demand responsiveness. Adler, (2008) Public participation helps citizens to monitor extent in effecting of their suggestions on development programmers.

With the third statement, results show that 38 (50.03%) respondents disagreed that people with lower trust on the budgetary monitoring process participate more effectively, 28 (36.8%) strongly agreed to the statement while 10 (13.2%) participants held a moderate opinion with the statement. The item had a mean of 1.76 with a low standard deviation of 0.67, which is lower than the composite mean of 3.55 with a standard deviation of 0.57, implying that there was discrimination during public participation. These findings go hand in hand with observations made by John & Joseph, (2003) that public officials should ensure that the public resources are managed in a transparent manner in order to inspire trust among the public.

With the fourth statement, results show that 46(60.5%) respondents agreed that public involvement in ensuring effective monitoring of budget performance requires that managers are provided with relevant, timely and accurate information appropriate to their level of responsibility, 30(39.5%) strongly agreed to the statement. The item had a mean of 4.39 with a low standard deviation of 0.49, which is higher than the composite mean of 3.55 with a standard deviation of 0.57, implying that Citizen Participation is relevant at each stage of the budget process: resource allocation, budget execution and budget evaluation. This also means that Ebdon, et al (2012), budget participation can influence governments even where they have not embraced direct involvement of citizens in decision-making.

With the fifth statement, results show that 40 (52.6%) respondents agreed that County management should provide clear and consistent feedback in a timely manner about underlying causes and effects of budget variations., 32(42.1%) strongly agreed to the statement while 4 (5.3%) participants held a moderate opinion with the statement. The item had a mean of 4.37 with a low standard deviation of 0.59, which is higher than the composite mean of 3.55 with a standard deviation of 0.57, These findings support the research results by

Houston et al. (2014) governments should explain how public involvement has made a difference in plans, budgets, and performance, and gather public feedback on how successful the process has been through the public's eyes. The findings are in supports the findings by public involvement in budgetary monitoring Masango (2002) allows for adequate recording of appropriations, revisions in appropriations, transfers between appropriations, apportionment, etc adding that community involvement is as a critical element of reputable governance

With the sixth statement, results show that 38 (50.0%) respondents either strongly agreed or agreed that regular monitoring of expenditure is essential; not just to verify expenditure against target but also to identify changing patterns or circumstances that need corrective action. The item had a mean of 4.16 with a low standard deviation of 0.65, which is higher than the composite mean of 3.55 with standard deviation of 0.57, implying that extensive representative of the general public a should involve meaningful discourse that affects public decision-making. This also means that regular budget monitoring will improve the government's credibility and trust within the community. These findings support the research results by Hope & Chikulo, (2010) budgetary monitoring process can influence governments even where they have not embraced direct involvement of citizens in decision-making.

#### ***4.3.5 Public Participation in Budgetary Implementation***

The research sought to establish whether public involvement in budgetary implementation affect the budget preparation process in Mombasa County.

**Table 4.17: Effect of public involvement in budgetary implementation**

<b>Opinion</b>	<b>Frequency</b>	<b>Percent</b>
Yes	69	90.8
No	7	9.2
<b>Total</b>	<b>76</b>	<b>100.0</b>

Source: Research data, (2018)

From the study findings majority of the respondents (90.8%) agreed that public involvement in budgetary implementation affect the budget preparation process in Mombasa County whereas 9.2% were of the contrary opinion. This implies that public involvement in budgetary implementation affect the budget preparation process in Mombasa County.

This research sought to determine the extent to which public involvement in budgetary implementation affect the budget preparation process in Mombasa County

**Table 4.18: Extent to which public involvement influence budgetary implementation**

<b>Extent</b>	<b>Frequency</b>	<b>Percent</b>
Very great extent	26	34.2
Great extent	20	26.3
Moderate extent	10	13.2
Little extent	20	26.3
<b>Total</b>	<b>76</b>	<b>100.0</b>

Source: Research data, (2018)

From the research findings, most of the respondents as shown by 34.2% indicated that, public involvement in budgetary implementation affect the budget preparation process in Mombasa County to a very great extent, 26.3% of the respondents indicated to a great extent, 13.2% of the respondents indicated to a moderate extent whereas 26.3% of the respondents indicated to a little extent, this implies that public involvement in budgetary implementation affect the budget preparation process in Mombasa County to a great extent

The research sought to establish the extent to which respondents agreed with the following statements relating to effects of budgetary implementation in Mombasa County

**Table 4.19: Statements relating to effects of budgetary implementation process**

Statement	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree		Mean	Std Deviation
	F	%	F	%	F	%	F	%	F	%		
1.An efficient and proper system of accounting should be established so that the information required for the proper implementation for the budgetary control can be available on time	0	0	0	0	0	0	38	50.0	38	50.0	4.49	0.50
2.During budgetary implementation, a proper organisational chart should be prepared properly, clearly depicting the responsibilities and duties of each level of executive	0	0	0	0	0	0	45	59.2	31	40.8	4.41	0.49
3.A budget key factor should be assessed before preparing other functional budgets to ensure that other functional budgets are capable of fulfilment.	3	3.9	0	0	0	0	26	34.2	47	61.8	4.50	0.86
4.A budget manual, an important document in relation to the budgetary control	0	0	0	0	9	11.8	29	38.2	38	50.0	4.38	0.69
<b>Composite Mean</b>											<b>4.45</b>	<b>0.64</b>

Source: Research data, (2018)

With the first statement, results show that 38 (50%) respondents either agreed or strongly that an efficient and proper system of accounting should be established so that the information required for the proper implementation for the budgetary control can be

available on time. The item had a mean of 4.49 with a low standard deviation of 0.50, which is higher than the composite mean of 4.45 with standard deviation of 0.64, implying that participation on budgetary control helps in finding out the deviations from the predetermined standards. These findings contradict the observations made by Oakley, (2014) that public participation can slow down the budgetary process, especially when the government lacks (expert) personnel and/or funds, which leads to “delays in the passage of the budget.

With the second statement, results show that 31 (40.8%) respondents agreed that during budgetary implementation, a proper organisational chart should be prepared properly, clearly depicting the responsibilities and duties of each level of executive, while 31 (40.8%) strongly agreed to the statement. The item had a mean of 4.41 with a low standard deviation of 0.49, which is higher than the composite mean of 4.29 with standard deviation of 0.60, implying that budgetary process should be carried out according to an established pattern and strictly defined rules. These findings concur with observations made by Rubin (2006:140), the budgetary process requires clearly defined neutral rules that providing a forum for the articulation, discussion and resolution of necessary policy issues.

With the third statement, results show that majority of the 47(61.8%) respondents agreed that lack of local community involvement budgetary review had led to lack of accountability and corruption in the process, 23 (30.3%) strongly agreed to the statement while 3 (3.9%) participants strongly disagreed with the statement. The item had a mean of 4.50 with a low standard deviation of 0.86, which is higher than the composite mean of 4.29 with standard deviation of 0.60, implying that community involvement budgetary review had a positive impact on overall budgeting preparation process. These findings concur with observations made by Ott et al. (2016) citizens who have obtained “complete, accurate, timely and understandable budget information” can “contribute to the more

efficient collection of public funds and supply of public goods and services, thus increasing accountability of the Government and local government authorities and reducing opportunities for corruption.

With the fourth statement, results show that majority of the 29 (38.2%) respondents agreed that budget manual is an important document in relation to the budgetary control, 29 (38.2%) agreed to the statement while 9(11.8%) participants were of moderate with the statement. The item had a mean of 4.38 with a low standard deviation of 0.69, which is higher than the composite mean of 4.45 with standard deviation of 0.69, implying that financial reporting should provide information to determine whether current-year revenues were sufficient to pay for current-year services, This also means that budget manual should provide information to assist users in assessing the service efforts, costs, and accomplishments of the governmental entity. These findings concur with observations made by TFDK, (2011) that demonstrating compliance with the approved budget, the financial reporting system must control the use of financial resources and ensure that budgetary appropriations and allocations are not exceeded.



## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMENDATIONS**

### **5.1 Introduction**

This chapter presents the study summary, conclusions and recommendations based on the study findings. The objectives of this study were to investigate the effect of public participation in budget preparation process in Mombasa County, to assess the effect of public participation on budget allocation in Mombasa County, to establish the role of public participation in budget review in Mombasa County and to establish the effect of public participation in budget monitoring in Mombasa County.

### **5.2 Discussions**

#### ***5.2.1 Public Participation in Budget Preparation Process***

In line with the first research question, the findings of this study revealed that public participation in budgetary allocation process affects the quality in budget preparation process in Mombasa County to a great extent.

Evidence gathered further that, in order to carry out budgetary control, it is necessary to formulate a fully co-ordinated detailed plan in both financial and quantitative terms for a forthcoming period, insufficient revenues might require the need to reduce budgetary allocations in order for expenditures not to exceed revenues at the end of the budget year and that the purchase orders and bills should be matched regularly against the budgetary allocation to ensure sufficient funds exist for the remainder of the budget year. The findings are in support of the assertion by Cogan (2006) that well-planned citizen involvement programs relate the expectations of the citizens and the planner.

### ***5.2.2 Public Participation in Budgetary Allocation***

The study revealed that, citizen involvement in budgetary review affect budget preparation process in Mombasa County to a great extent. The findings are in support of the assertion by Oakley (2011) that Information derived from public involvement processes provides a critical perspective for making decisions in planning, budgeting, and management.

Descriptive results further reaffirm that budgetary review in an organisation enables effective management of its cash flow and identify the needs to be achieved in the next budgeting period budgetary review on a monthly basis helps to identify and make correction on overspending or modification to the budget if needed waiting until the end of the year to make corrections could have a negative effect on the final budget outcome and that lack of local community involvement budgetary review had led to lack of accountability and corruption in the process. The findings are in concurs with Oakley, (2004) that budgetary review in an organization enables effective management of its cash flow and identify the needs to be achieved in the next budgeting period.

### ***5.2.3 Public Participation in Budgetary Review***

In line with the third research question, this study revealed out that public involvement in budgetary monitoring influence the budget preparation process in Mombasa County to a great extent. findings are in support of the assertion by Van Rooyen (2003) county governments should explain how public involvement has made a difference in plans, budgets, and performance, and gather public feedback on how successful the process has been through the public's eyes.

Further the study revealed that county management should provide clear and consistent feedback in a timely manner about underlying causes and effects of budget variations.

budget review plays an integral part of any organizational operations as it helps to assure the proper utilization of budget and help to keep a close check on the deferent activities. This also implies that budgetary reviews in an organization enables effective management of its cash flow and identify the needs to be achieved in the next budgeting period. These findings concur with the conclusions by Goldfrank and Schneider's (2006), although budgets may be normally developed may be normally prepared, its goals and objectives should be periodically reviewed for appropriateness.

#### ***5.2.4 Public Participation in Budget Monitoring***

The study noted that very few respondents who have trust in Budgetary monitoring process; people with lower trust on the budgetary monitoring process participate more effectively. The findings are in line with the study findings by Goldfrank (2007) that well-planned citizen can assist the planner in determining his or her perceptions of a program's purpose and compare this with the anticipated perceptions of citizen participants.

Evidence gathered via descriptive analysis show that people with higher trust on the budgetary monitoring process participate more effectively in budgetary monitoring process. Regular monitoring of expenditure is essential; not just to verify expenditure against target but also to identify changing patterns or circumstances that need corrective action and that public involvement in ensures effective monitoring of budget performance requires that managers are provided with relevant, timely and accurate information appropriate to their level of responsibility. The findings are in supports the findings by public involvement in budgetary monitoring Masango (2002) allows for adequate recording of appropriations, revisions in appropriations, transfers between appropriations, apportionment, etc adding that community involvement is as a critical element of reputable governance.

### **5.3 Summary of the main Findings**

The Study finds that good public participation in budget preparation process can help governments be more accountable and responsive and can also improve the public's perception of governmental performance and the value the public receives from the government and that lack of employee Participation in budge preparation process de - motivates employees in course of achieving the budgeted goals

Results confirm fair involvement of public in budget preparation process in Mombasa County, public participation in budgetary preparation process enabled the Mombasa government to first address the most urgent issues based on citizen priority, also descriptive evidence disclosed that public awareness on their role in budget preparation process encouraged their willingness to partake in budget preparation within county governments and that creating awareness to citizens and encouraging them to take proactive role led to improved accountability and transparency on the overall process of budgetary planning and execution.

Assessment on budgetary allocation revealed that the County government of Mombasa partially involvement in general public in budget allocation planning process. Public participation in budgetary allocation process helps in identification of future revenue and expenditure trends that may have an immediate or long-term influence on government policies, strategic goals, or community service and that stakeholder participation in budget preparation process allows for improved decision-making in maintaining fiscal discipline and delivering essential community services.

Evidence suggests that citizen involvement in budgetary review affects budget preparation to a great extent, citizen participation in Budgetary review enables effective management of its cash flow and helped in identifying the needs to be achieved in the next budgeting period, public participation reduces corruption in county governments, it also encouraged trust and process ownership and that citizen participation in budget review plays an integral part of any organizational operations as it helps to assure the proper utilization of budget and help to keep a close check on the deferent activities.

Public involvement in budgetary monitoring process affected budget preparation process in Mombasa County to a great extent, although participation in county budgeting monitoring process consequently led to increased public trust implying that there was discrimination during public participation in Mombasa County. Public participation in budgetary monitoring provided information to the citizens with which to question government performance and demand responsiveness and that public participation in Mombasa County helps citizens to monitor extent in effecting of their suggestions on development programmers.

The findings of this study also uncover that public involvement in budgetary implementation affect the budget preparation process in Mombasa County to a great extent, the key factors of the budget should be assessed before preparing other functional budgets to ensure that other functional budgets are capable of fulfilment, efficient and proper system of accounting should be established so that the information required for the proper implementation for the budgetary control can be available on time, during budgetary implementation, a proper organisational chart should be prepared properly, clearly depicting the responsibilities and duties of each level of executive, budget manual, an important document in relation to the budgetary control.

#### **5.4 Conclusions**

Drawing from the study findings this study concludes that, public participation in budgetary allocation process affects the quality in budget preparation process in Mombasa County. Enhanced citizen participation promoted budgetary allocation in Mombasa County and that well-planned citizen involvement programs relate the expectations of the citizens and the planner. The study concludes that public involvement in budgetary review process promoted quality in budgetary utilisation process, public involvement also helped to identify and make correction on overspending or modification to the budget if needed therefore. Public involvements in budgetary review process enables effective management of its cash flow and identify the needs to be achieved in the next budgeting period.

The Study concludes that here exists a positive relationship between public participation in budgetary monitoring process and quality in budget preparation process, monitoring Information derived from public involvement processes provides a critical perspective for making decisions in planning, budgeting, and management. The study concludes that public involvement in budgetary implementation process affects the quality in budget preparation process in Mombasa County to a great extent. Public involvement in budgetary implementation process allows for adequate recording of appropriations, revisions in appropriations, transfers between appropriations, apportionment, etc and that that community involvement is as a critical element of reputable governance.

#### **5.5 Recommendations on Policy and Practice**

Based on the findings the study recommends that, the county governments need to fully engage the societies in budgetary preparation process, this will enables the government to effectively plan and manage its financial resources and supports and implement various programs and projects for development bases on priority.

County governments need to periodically carry out budget review, this will help to identify and make correction on overspending or modification to the budget if needed.

County governments should pay greater attention on budgetary allocation process as this will ensure that those sufficient funds are allocated to every program thus avoiding project deadlocks.

The study recommends that county governments need to have an efficient and proper system of accounting should be established so that the information required for the proper implementation for the budgetary control can be available on time

Proper organizational chart should be prepared properly; clearly depicting the responsibilities and duties of each level of executive thus the study concludes that enhanced citizen participation will positively affect implementation process.

### **5.6 Areas of Further Research**

The study sought to determine the impact of citizen participation in the budget preparation process. This study recommends that in-depth study should be done to understand the link between citizen participation and service delivery in devolved government.

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## APPENDICES

### Appendix I : Questionnaire Cover Letter

Brian Kipchirchir Kandie

Africa Nazarene University,

PO Box 53067-00200.

Nairobi.

20<sup>th</sup> March 2018

Dear Sir/ Madam,

Ref: Request for data

I am a postgraduate student at Africa Nazarene University doing my master's in Business administration majoring in Finance. I am conducting a research on the effect of public participation on the budgeting process in Kenya: a case of Mombasa County Government.

To be able to carry out this study, your cooperation and timely feedback will be highly appreciated. I kindly request you to give me the opportunity to administer questionnaires to the staff members regarding the above subject. The information gathered will be used purely for academic research and will be treated with utmost confidence.

I will avail the final report upon your request.

Yours Faithfully,

Brian Kipchirchir Kandie

## Appendix II: Questionnaire

Kindly ticks in the space provided ( ) the correct answer or supply the required information where, required, please specify and elaborate.

### Part A: Respondents Information

1. Name..... (Optional)
2. Age of the respondent
  - 20-25 years ( )
  - 26 to 30 years ( )
  - 31 to 35 years ( )
  - 36 to 40 years ( )
  - 41 to 45 years ( )
  - 46 to 50 years ( )
  - Above 50 years ( )
3. Gender of the respondent?
  - Male ( )
  - Female ( )
4. What is your highest level of education?
  - Postgraduate ( )
  - Degree ( )
  - Diploma ( )
  - Form four ( )

### PART B: PUBLIC PARTICIPATION IN BUDGET PREPARATION

5. What is your level of agreement with the following statements relating to Budget preparation process? Scale 1=strongly agree 2= agree 3= moderate 4= disagree 5=strongly disagree

Statement	1	2	3	4	5
Public involvement in budget preparation process limits the amount of time organisations spend thus creating and effectively managing capital resources					
I understand the concept of public participation in integrated budget preparation process					
. In the last two years, you have participated in budget preparation process at your constituency level					

The constitution provides for mechanisms for public participation in county budget preparation process					
Given a chance, I would participate (again) budget preparation process at my constituency					
Public involvement in Budget preparation enables the organisation to save for expected and unexpected emergency costs.					
Budget preparation enables the organisation it enables the government to plan and manage if financial resources to supports and implement various programs and projects for development.					

### **PART C: BUDGETARY ALLOCATION**

6. Does public involvement in budgetary allocation have impact on the budget preparation process in Mombasa County?

Yes [ ]

No [ ]

7. To what extent does public involvement in budgetary allocation affects the budget preparation process in Mombasa County?

Very great extent [ ]

Great extent [ ]

Moderate extent [ ]

Little extent [ ]

No extent [ ]

8. What is your level of agreement with the following statements relating to effects of Public involvement in budgetary allocation on the budget preparation process in Mombasa County? Scale 1=strongly agree 2= agree 3= moderate 4= disagree 5=strongly disagree

Statement	1	2	3	4	5
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public involvement in budgetary allocations should be routinely monitored to ensure the amounts budgeted are sufficient to meet expenditures					
The purchase orders and bills should be matched regularly against the budgetary allocation to ensure sufficient funds exist for the remainder of the budget year					
Insufficient revenues might require the need to reduce budgetary allocations in order for expenditures not to exceed revenues at the end of the budget year					
In order to carry out budgetary control, it is necessary to formulate a fully co-ordinated detailed plan in both financial and quantitative terms for a forthcoming period					

#### **PART D: BUDGETARY REVIEW**

9. Does public involvement in budgetary review influence the budget preparation process in Mombasa County?

Yes [ ]

No [ ]

10. To what extent does public involvement in budgetary review influence the budget preparation process in Mombasa County?

Very great extent [ ]

Great extent [ ]

Moderate extent [ ]

Little extent [ ]

No extent [ ]

11. What is your level of agreement with the following statements that relating effects of public involvement in budgetary review on the budget preparation process in Mombasa County? (Scale 1=strongly agree 2= agree 3= moderate 4= disagree 5=strongly disagree)

Statement	1	2	3	4	5
Budgetary review on a monthly basis helps to identify and make correction on overspending or modification to the budget if needed.					
Waiting until the end of the year to make corrections could have a negative effect on the final budget outcome.					
Budgetary review in an organisation enables effective management of its cash flow and identify the needs to be achieved in the next budgeting period					
Lack of local community involvement budgetary review had led to lack of accountability and corruption in the process					

#### **PART E: BUDGETARY MONITORING**

12. Does public involvement in budgetary monitoring affect the budget preparation process in Mombasa County?

Yes [  ]

No [  ]

13. To what extent does public involvement in budgetary monitoring affect the budget preparation process in Mombasa County?

Very great extent [  ]

Great extent [  ]

Moderate extent [  ]

Little extent [  ]

No extent [  ]

14. What is your level of agreement with the following statements that relating to effects of budgetary monitoring on the budget preparation process in Mombasa County? Scale 1=strongly agree 2= agree 3= moderate 4= disagree 5=strongly disagree.

15.

<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Public involvement in Budgetary monitoring helps ensure financial control and identify where change is required.					
I have trust in Budgetary monitoring process					
People with higher trust on the budgetary monitoring process participate more effectively.					
People with lower trust on the budgetary monitoring process participate more effectively					
public involvement in ensures effective monitoring of budget performance requires that managers are provided with relevant, timely and accurate information appropriate to their level of responsibility					
County management should provide clear and consistent feedback in a timely manner about underlying causes and effects of budget variations.					
Regular monitoring of expenditure is essential; not just to verify expenditure against target but also to identify changing patterns or circumstances that need corrective action					

### **PART C: BUDGETARY IMPLEMENTATION**

16. Does public involvement in budgetary implementation affect the budget preparation process in Mombasa County?

Yes [ ]

No [ ]

17. To what extent does public involvement in budgetary implementation affect the budget preparation process in Mombasa County?

Very great extent [ ]

Great extent [ ]

Moderate extent [ ]

Little extent [ ]

No extent [ ]

18. What is your level of agreement with the following statements that relating to effects of budgetary implementation on the budget preparation process in Mombasa County?  
(Scale 1=strongly agree 2= agree 3= moderate 4= disagree 5=strongly disagree)

<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
An efficient and proper system of accounting should be established so that the information required for the proper implementation for the budgetary control can be available on time					
During budgetary implementation, a proper organisational chart should be prepared properly, clearly depicting the responsibilities and duties of each level of executive					
A budget key factor should be assessed before preparing other functional budgets to ensure that other functional budgets are capable of fulfilment.					
A budget manual, an important document in relation to the budgetary control					

**Thank you for your time**


**Appendix IV: NACOSTI PERMIT**

**THIS IS TO CERTIFY THAT:**  
**MR. BRIAN KIPCHIRCHIR KANDIE**  
**of AFRICA NAZARENE UNIVERSITY,**  
**84619-80100 MOMBASA, has been**  
**permitted to conduct research in**  
**Mombasa County**

**on the topic: THE EFFECT OF PUBLIC**  
**PARTICIPATION ON THE BUDGETING**  
**PROCESS IN KENYA: A CASE OF**  
**MOMBASA COUNTY GOVERNMENT**

**for the period ending:**  
**19th December,2019**

**Permit No : NACOSTI/P/18/22261/25449**  
**Date Of Issue : 19th December,2018**  
**Fee Recieved :Ksh 1000**



*[Signature]*  
**Director General**  
**National Commission for Science,**  
**Technology & Innovation**

**THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013**

The Grant of Research Licenses is guided by the Science, Technology and Innovation (Research Licensing) Regulations, 2014.



**REPUBLIC OF KENYA**

**CONDITIONS**

1. The License is valid for the proposed research, location and specified period.
2. The License and any rights thereunder are non-transferable.
3. The Licensee shall inform the County Governor before commencement of the research.
4. Excavation, filming and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
5. The License does not give authority to transfer research materials.
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Email: dg@nacosti.go.ke, registry@nacosti.go.ke

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