

**EFFECTS OF CONSTITUENCY BUDGET PROCESS ON PERFORMANCE  
OF EDUCATION PROJECTS WITHIN NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND IN KENYA: A CASE OF  
NDHIWA CONSTITUENCY**

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Africa Nazarene University**

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## DECLARATION

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

Beatrice Anyango Otieno

Signed.....

Date.06/4/2022

## SUPERVISOR'S DECLARATION

This research was conducted under my supervision and is submitted with my approval as the University Supervisor.

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Signed. 

Date.06/4/2022

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**DEDICATION**

This research project is dedicated to Nicholas, Andy and Abel; my constant sources of inspiration.

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## ABSTRACT

This study sought to explore the effects of constituency budget process on the performance of education projects within National Government Constituencies Development Fund (NGCDF) in Ndhiwa constituency. Specifically, the study sought to examine the effects of budget planning, budget coordination, budget control, and budget evaluation on the performance of NGCDF education projects. The study used descriptive survey research design and correlation to explore the effects of budgeting process on performance of NGCDF secondary school projects. Descriptive research survey methodology was adopted using a target population of 322 and a sample size of 74 respondents chosen through stratified random sampling, and drawn from 52 secondary schools in the 7 wards in Ndhiwa constituency. The data was collected using a questionnaire with closed ended questions to elicit desired responses. The resulting quantitative data were analysed descriptively using percentage frequencies, mean, and standard deviation. Inferentially, Pearson Correlation Coefficient and multiple regression analysis were used as tools of analysis to test for relationships among various variables. The findings were presented in prose form and by using tables and figures. From the study findings, majority of the respondents strongly agreed that different components of budget planning, budget coordination, budget control, and budget evaluation affect the performance of NGCDF education projects in Ndhiwa Constituency. Each of the predictor variables had a p-value of less than 0.01, which indicated that there is a significant relationship between each independent and the dependent variable. It was hypothesised that the budget process variables (budget control, budget coordination, budget planning, and budget evaluation) have no significant relationship with the performance of NGCDF education projects. However, the findings obtained indicates that there is a significant relationship between the independent variables and the dependent variable, at p values that are less than 0.01, consequently, the null hypotheses were rejected. Therefore, all the independent variables in this study are strong determinants of performance of NGCDF education projects. It is recommended that NGCDF committee engages all stakeholders in the budgeting process, paying greater attention to budgetary planning, coordination, control and evaluation processes, as this will ensure that it allocates sufficient funds to every education project to avoid project failures. The current study only engaged 74 respondents limiting the chances of generalising the findings obtained to other settings. Future studies adopting a quantitative study design should include larger samples. Also, including a qualitative aspect in future studies is recommended to gain more insights on the issue of budgeting process and its effects on the NGCDF project outcome.

## DEFINITION OF TERMS

**Budget Control:** Involves ensuring that the budget as set out does not overshoot its ceiling

**Budget Coordination:** The process of development of various documents used in the budget implementation

**Budget Evaluation:** involves the process of monitoring the budget implementation as well as auditing the use of funds as set out in the budget objectives.

**Budget Planning:** This involves the process of setting the budget objectives whereby various stakeholders are involved through public participation to capture their aspiration in the budget before execution.

**NGCDF** -The National Government Constituencies Development Fund (NG-CDF) is established under the National Government Constituencies Development Fund Act, 2015 (as amended in 2016) with main objective of poverty reduction at the grassroots level and a means for reduction of regional disparities in development.

**NGCDFC**- a committee charged with the responsibility of allocation funds to various projects.

**Project Performance-** The degree to which the implemented projects achieve it set objectives as determined by project budgeted cost, timelines, quality and stakeholders satisfaction.

**LIST OF ABBREVIATIONS**

<b>BOM</b>	Board of Management
<b>BQ</b>	Bills of Quantity
<b>CDF</b>	Constituencies Development Fund
<b>CIMA</b>	Chartered Institute of Management Accountants
<b>IMF</b>	International Monetary Fund
<b>KNBS</b>	Kenya National Bureau of Statistics
<b>NGCDF</b>	National Government Constituencies Development Fund
<b>NGCDFC</b>	National Government Constituencies Development Fund committee
<b>NGO</b>	Non-Governmental Organizations
<b>PMC</b>	Project Management Committee
<b>TMS</b>	Top Management Support

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1. Introduction**

This chapter presents the background information of the proposed study. The problem of the proposed study, the research objective, scope and limitation of the study are discussed.

#### **1.2. Background of the Study**

A well-functioning public sector has been described as that which delivers quality public services consistent with their citizen's expectations (Shah, 2007). However, many developing countries suffer from unsatisfactory and often dysfunctional governance systems including inappropriate resource allocation, inefficient revenue systems leading to weak delivery of vital public services. Consequently, formal performance measurement programs are being used to evaluate how well public projects and programs operate as way of dealing with such inefficiencies and improve on public project performance (Roque, Marly, & Carvalho, 2013).

As a concept, project budget management is the process of administering and overseeing the finances related to the business of the project. As such, it comprises of the process of coming up with the total project budget as well as understanding the individual cost elements and logistics of the budget. In practical terms, it's prudent to view project budgeting process as an ongoing organisational affair and not just as a cost estimate function. Such a perspective is desirable given the tendency of costs to fluctuate, circumstances to change and project elements derailment (Wachaiyu, 2016).

Project performance has equally received a great interest from practitioners and academicians. As observed by Turner, Keegan, and Crawford (2000) project-oriented organisations are those entities whose business is conducted primarily through project or

as organisation which although is project oriented mainly towards recurring activities or operation project are an integral part of their work.

This assertion agrees with Kadama (2007) who views project-oriented organisation as those organisations that generates results in response to specific customers' requests by structuring projects around some temporary assemblies of inside specialised personnel and do business in a given period of time. In kenya, NGCDF is one such organizations, that were created to fund government projects focused on improving the social and economic growth of the country. National Government Constituencies Development Fund (NGCDF) as currently designed funds national government function of education and national security. To this end not less than 2.5% of the national government share of ordinary revenue is allocated yearly. More than 50% of this revenue is intended for the education sector. It is thus expected that the fund will contribute significantly towards improving the quality of infrastructure and education services, in different constituencies across the country.

Despite the Fund being in existence for more than 15years, Ndhiwa constituency have largely inadequate and incomplete physical infrastructure leading to low retention rate in schools. Consequently, research findings indicate that only 12% of the adult population in the constituency have secondary school education a fact that researcher attribute to inadequate learning facilities. It is also reported that school retention is as direct correlation with adequacy of school physical infrastructure. For a constituency that covers more than seven wards the impact of poor education is devastating. Poor education has significant effects on the literacy levels in the region, that equally impact negatively on social and economic development.

Ndhiwa NG-CDFC has received funding from NGCDF Board for all the previous financial years and the funds have mainly been used in the following areas with percentages varying from year to year depending on the budget ceiling, NGCDF Board guide and priorities of the wards: Bursary, education, sports environment, rural access roads and provisional administration (Obwari, 2013). Significant amount of funds is allocated from the CDF kitty to finance education-related projects in different schools in all the constituencies in Kenya.

### **1.2.1 Project Performance**

Dong, Neufeld, and Higgins (2009) describe performance as the ability to operate efficiently, profitability, survive, grow and respond to environmental opportunities and threats. This assertion is given more credence by Andy and Elson (2002) who aver that such abilities presumably include timely completion and delivery of quality projects, in addition to paying staff and suppliers of services promptly. This study used capability metric to determine performance of projects undertaken by the NGCDF in Ndhiwa constituency.

Many projects have been reported to experience time and cost overruns in addition to failing to meet user's expectations. Ndhiwa constituency currently has many incomplete school projects in spite of the fact that there inadequate physical learning facilities required to realise the government policy of 100% transition from primary to secondary education. Education project performance in this research implies a situation where projects funded in various schools are delivered within budgeted cost, time and quality

### **1.2.2 Budget Process.**

A budget, as espoused by Dunk (2007), refers to a summary of various items, their projected expenditure and proposed means of financing them for a specific period of time. Consequently, the process of budget making comprises of four major aspects as expounded by the World Bank in 2007, as coming up with fiscal targets as well as the level of

expenditures in line with the aforesaid targets and formulation of expenditure policies. This is in addition to allocating resources in a manner that conforms to policies and fiscal targets as well as enhancing operational efficiency by addressing performance bottlenecks.

A study by Mora and Triana (2018) showed that a budget has a planning, control, coordination and performance evaluation functions, as such, an effective budgetary process should take into consideration the aforementioned functions. Apart from the above functions of the budget, Dahana and Ermwati (2020) have also reported that there are several other objectives of budgeting, and that the functions vary among organisations, or projects. Budgeting process is mostly regarded as a system that enables the different management functions accomplish their goals and objectives, consequently the functions of a budgetary process are also dependent on the goals and objectives that a business seeks to achieve.

#### **1.2.2.1. Budget Planning**

Budget planning is the process by which governments produce budgets. An effective budget pursues three main objectives: maintaining fiscal discipline, allocating resources in accordance with policy priorities and efficiently delivering services. Participatory budgets are becoming more popular in many public organisations since participating in the budget process will encourage a sense of ownership from the taxpayer's perspective.

#### **1.2.2.2 Budget Coordination**

Joshi and Abdulla (1995) state that a budget acts as a channel of communication and coordination when it communicates related information that will enable stakeholders to coordinate their activities more efficiently. The process of budgeting is often preceded by the crafting of organisational policies, definition of fiscal targets consisting of objectives and priorities, and communication of all the relevant rules for preparing the budget proposals as well as expenditure ceilings to participating stakeholders (Mishra, 2014). The



budgets are then put together by consolidating estimates generated from the different units of the budget entity which are then submitted to the approving authority for approval after which is executed.

### **1.2.2.3 Budget Control**

The Chartered Institute of Management Accountants (2005) in the book, CIMA official terminology, defines the concept of budgetary control and budgets as the establishments of budgets relating to responsibility of executives of a policy and the continuous comparison of actual results with the budgeted results either to secure by individual action the objective of the policy or provide the basis for its revision.

As observed by Carr and Joseph (2010), effective implementation of budgetary control systems is an important guarantee for effective implementation of budgets. Moreover, budgetary controls provide greater effectiveness in achieving organisation efficiency (Chenhall and Langfield-Smith, 1998). The study looked at budget implementation and budget reporting under budget controls.

### **1.2.2.4. Budget Evaluation**

Budget evaluation is the last stage in the budget process where there is an evaluation of whether public resources have been used appropriately and effectively. For this stage to support effective and efficient use of public resources, assessments of the budget implementation and its impact must include assessments by bodies that are independent and that have sufficient capacity and resources to perform their task.

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

In order to realise its stated policy of 100% transition from primary to secondary education, the Kenyan government spends about 50% of its 2.5 % national budget for NGCDF on education related projects yearly. As such disbursements of the fund are expected to

promote more access to quality education in nearly all parts of the country (Nyaguthii & Oyugi, 2013; Said & Gakuu, 2020, Katoo, 2011). Consequently, every constituency sets a considerable amount of funds from the NGCDF kitty to implement various projects in different schools across the country (Kung'u & Gachunga, 2017).

Studies shows that Ndhiwa constituency only has 12 % of adult residents with secondary education, 66% primary education and about 22% with no formal education, majority being found in Kwabwai and Pala wards (KNBS & Society for International Development, 2013). It has been established that secondary education has positive correlation with skills acquisition and improved livelihood; however, the schools in this constituency continue to lag behind in provision of the requisite facilities for learners' retention and acquisition of secondary education (Ochieng, 2015).

More than 15 years after the inception of the NGCDF fund, it was expected that nearly all schools in all constituencies have the basic facilities and enhanced access to quality education services. Despite the fact that the constituency has received all the allocated funds and initiated a number of projects in many secondary schools through the kitty, there are still a lot of complaints about incomplete projects and cases of poor construction workmanship. This contributes to under-enrolment and poor retention in secondary schools. The study aimed at determining the effects of budget process on performance of education projects in this constituency.

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

The purpose of the study was to explore the effect of budget process on the performance of National Government Constituency Development Funded education projects within Ndhiwa constituency.

## **1.5 Research Objectives**

### **1.5.1. General Objectives**

To explore the effect of budget process on the performance of National Government Constituency Development Funded education projects within Ndhiwa constituency

### **1.5.2. Specific Objectives**

- i. To examine the effects of budget planning on the performance of NGCDF education projects in Kenya.
- ii. To assess the effects of budget coordination on the performance of NGCDF education projects in Kenya.
- iii. To establish the effects of budget control on the performance of NGCDF education projects in Kenya.
- iv. To determine the effect of budget evaluation on the performance of NGCDF education projects in Kenya.

## **1.6. Research Hypothesis**

The study sought to test the following hypothesis:

- i. There is no significant relationship between budget planning and performance of National Government Constituency Development Fund (NGCDF) education projects in Kenya
- ii. There is no significant relationship between budget coordination and the performance of NGCDF education projects in Kenya
- iii. There is no significant relationship between budget control and performance of NGCDF education projects in Kenya

- iv. There is no significant relationship between budget evaluation and performance of NGCDF education projects in Kenya

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

The findings of the study were important for policy formulation. Such policies improved the effectiveness and efficiency in the utilisation of NGCDF funds not just in Ndhiwa constituency but across the country. The project management committee, Fund Account Managers, the school BOMs and the NGCDFCs benefitted from the findings of this study.

The findings were of significance for development of theories and improvement of practice, which will inform how projects performance can be improved especially in project budgeting, time management, quality management and stakeholder's satisfaction. The findings of the study formed a basis for further studies in different context, including exploring the issue in other constituencies that may have reported similar challenges.

### **1.8. Scope of the study**

The study was undertaken in Ndhiwa constituency. As such the researcher only explored the effects of budgeting process on the performance of NGCDF education projects in secondary schools within Ndhiwa constituency.

### **1.9. Delimitation of the Study**

This study was delimited to Ndhiwa constituency, which still has only 12% of its adult residents with secondary education, a fact attributed to due to lack of education physical infrastructure. The stud explored the effects of budget process on the performance of NGCDF education projects in Ndhiwa constituency. The performance of other kinds of projects initiated by CDF in Ndhiwa constituency were not be explored. Also, while analysing the issue of budget process and its role in the performance of the projects, the researcher only focused on budget coordination, budget planning, budget control and

budget evaluation as the major aspects of the budget process, other aspects were not be included in the study.

#### **1.10. Limitation of the Study**

The information and data needed on the budget process were drawn from the NGCDF office in the constituency and the PMCs in each of the schools involved in the study. In instances where such data and records were not well maintained, there was a challenge in the acquisition of the needed information. However, triangulation of data was considered as an option in ensuring the rights records on the budget process are attained.

The study also relied on information from the members of the BOMs in the assessment of the performance of the projects. There was a possibility that some of the respondents held back critical information, however, the researcher addressed the challenge by employing observation as another method of assessing the performance of the projects within the school. The study was also limited to one constituency; thus, the results could not be generalised to other settings.

#### **1.11. Assumption of the Study**

Assumptions are beliefs in a proposed study that are necessary to conduct a research. The researcher assumed that the target respondents availed accurate information on the performance of the projects that have been initiated in the chosen schools. Also, the researcher assumed that the project implementation committee availed all the records on the budget process of the chosen projects included in the study.

#### **1.12 Theoretical Framework**

Theories are formulated to explain, predict, and understand phenomena and, in many cases, to challenge and extend existing knowledge, within the limits of the critical bounding assumptions. The theoretical framework is the structure that can hold or support a theory of

a research study. The theoretical framework introduces and describes the theory, which explains why the research problem under study exists.

### **1.12.1 Stakeholder Theory**

The theory was put forward by Edward Freeman in 1984, originally detailing the Stakeholder Theory of organisational management and business ethics that addresses morals and values in managing an organisation. A Stakeholder Approach identifies and models the groups which are stakeholders of a corporation, and both describes and recommends methods by which management can give due regard to the interests of those groups. Moreover, stakeholder theory is a view of capitalism that stresses the interconnected relationships between a business and its customers, suppliers, employees, investors, communities and others who have a stake in the organisation. The theory argues that a firm should create value for all stakeholders, not just shareholders.

This theory was deemed relevant to this study since, projects have various stakeholders whose interests and stakes must be managed effectively and accordingly if projects are to meet their stated objectives. Moreover, all stakeholders must share the same vision if the project is to be delivered on time, in budget and to the required quality. Educational project stakeholders include the community hosting the school, the students, the teaching and non-teaching staff as well as the constituency project management committee. All these stakeholders must attempt to align their interests together if the project objectives are to be met. It helped the researcher to understand the budget coordination, control and evaluation process, being cognisant of the interests of various actors.

### **1.12.2 Complexity theory**

Complexity Theory founded by Stephen Wolfram (1987) and whose leading proponents is Stuart Kauffman and John Holland was used to explain the interactions among various

actors involved in the education projects in Ndhiwa constituency. As Holland puts it, complex systems are constantly revising and rearranging their building blocks as they gain experience. Moreover, it recognises that there is no master controller of any system and that coherent system behaviour is generated by the competition and cooperation among the present actors.

This study used the lenses provided by complexity theory to navigate through the complex relationships existing among the identified actors in project work. In addition, it allowed the researcher to better understand systems as diverse as cells, human beings, forest ecosystems, and organisations, which are only partially understood by traditional scientific methods (Zimmerman et al., 2001). While it represents a relatively nascent field of study, it spans across a wide variety of disciplines in the physical, biological, and social sciences, and has profound implications for the way we think about and act within the world (Schneider & Somers, 2006).

Organisations have complex structures in that they are dynamic networks of interactions, and their relationships are not aggregations of the individual static entities. They are adaptive; in that the individual and collective behaviours mutate and self-organise corresponding to a change-initiating micro-event or collection of events. This theory draws from research in the natural sciences that examines uncertainty and non-linearity. Complexity theory emphasises interactions and the accompanying feedback loops that constantly change systems. While it proposes that systems are unpredictable, they are also constrained by order-generating rules. This approach advocates forming a "culture of trust" that "welcomes outsiders, embraces new ideas, and promotes cooperation.

This theory was deemed appropriate given that there are different entities that are involved in the educational projects being funded by the constituency development fund. These

entities are distinct and work independently in a complex environment to achieve the project objective. It helped the researcher to elucidate some light on the complex budget planning process. It also helped in simplifying the complex relationships involved in budget planning and budget control process.

### **1.12.3 Iron Triangle Theory**

Barnes (1959) in the theory proposed the iron triangle consisting of cost, time and quality as a significant model to illustrate the importance of change to the project performance. According to the theorist, project time refers to the scheduling of the project within the stipulated time bound by the completion agenda. Cost refers to the resources and budget of the project. Project cost, according to the theory, is bounded by the scheduling of the expenditure. Project quality is an integral dimension of the project management is supported by the iron triangle. According to the iron triangle theory all changes, issues and risks should be assessed against the triangle and their impact on the critical objective weighed up. Proper identification of the project constraint is recommended for the adoption of effective change strategies that ensured a successful outcome is attained.

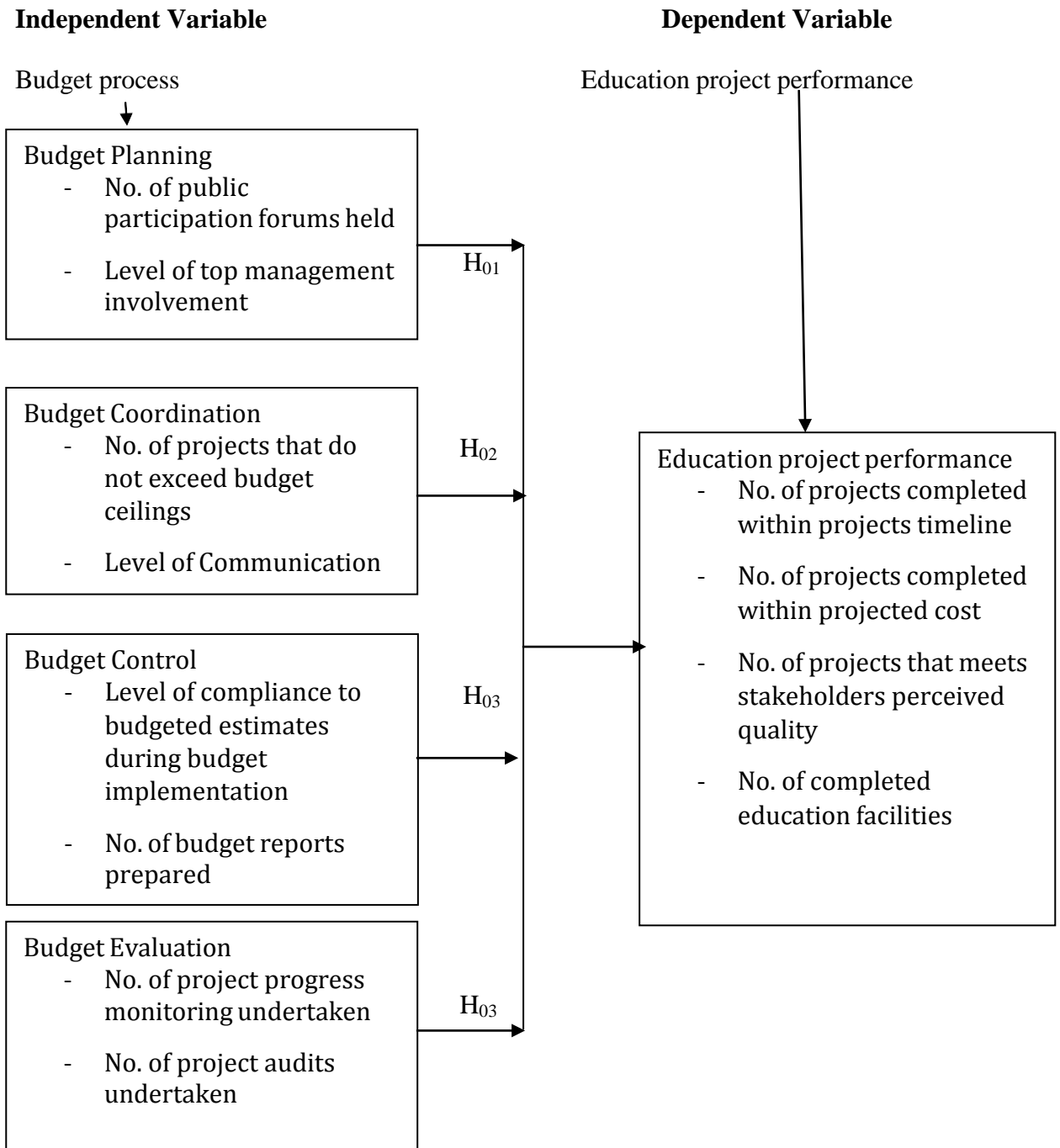
This theory is deemed relevant since for NGCDF education projects to realise the intended purpose, they must be undertaken within budget, timeline and to the satisfaction of the stakeholders. It helped the researcher to understand the budget planning, coordination, control and evaluation process.



### 1.13. Conceptual Framework

**Figure 1.1: Conceptual Framework**

The conceptual framework is based on a general key hypothesis that [1] Budget planning, [2] budget coordination, [3] budget control and [4] budget evaluation is directly related to NGDCF education project performance.



## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1. Introduction

This chapter presents the critical review of literature on the proposed research topic. The section gives a discussion of past literature on the concept of budget processing and its effects on the outcome of projects. The discussion culminates in the identification of the research gap that the proposed study seeks to fill.

##### 2.1.1 National Government Constituencies Development Fund

The National Government Constituencies Development Fund (NG-CDF) is established under the National Government Constituencies Development Fund Act, 2015 (as amended in 2016) with main objective of poverty reduction at the grassroots level and a means for reduction of regional disparities in development. According to the NGCDF Act of 2015, the NGCDF fund comprises of an annual budgetary allocation of 2.5% of the government revenue. This amount has increased over the years due to increase in revenue collection. From the said amount NGCDF is expected to implement various projects at the constituency levels, while maintaining and running various NGCDF offices across the country.

#### 2.2. Review of the Literature

The desire by the public to be part of the distribution and allocation of resources of the society has for a long time dogged the mind of the very citizens as well as their representative world over. As evidenced by the explanation of Frederick Cleveland, one of the major founders of New York Municipal Research Bureau, in the early 1990s, it was clear that governments ought to be at the centre of listening to people's inputs, and continues with the high efficiency. As Kelly and Riverbank (2003) highlight, Cleveland

stressed that it is the role of voters and elected representatives to ensure the government of the day is run effectively with highest level of transparency.

As posited by Baskin et al. (2010), Constituency Development Fund (CDF) is a policy tool that dedicates public money to benefit specific political subdivisions through allocation and spending decisions. The author argues that CDFs appear to be politically driven development initiatives and a majority of them across the developing world appear to rest generally on the held political calculus which centrally placed politicians bring home development resources to the local communities and groups in exchange for political support. As the world economies grow and attain strong economic and political systems, devolving of funds to the grassroots is critical to further promote the growth of the economies.

Constituency Development Funds (CDF) is one of the strategies employed by developing countries to iron out the regional imbalances in development caused by patronage politics (Elbadawi & Randa, 2003; Government of Kenya, 2003). Through the CDF program, countries in the developing world have initiated projects in many sectors including education, water, agricultural services, healthcare, security and electricity to fight poverty at the grassroots and to improve the development of the regions (Ngacho & Das, 2014). Countries such as Guinea, Ghana, Jamaica, and Kenya among others have adopted the concept of CDF to promote grassroots development. However, the operations of CDF in most of the regions have remained controversial. Issues of development priorities, efficient use of resources and the extent through which service delivery can be made accountable have been reported as contentious (Mitullah, 2015). Consequently, many countries are focusing on the evaluation of the issues and identifying suitable strategies that can be employed to improve their management.

Kenya is one of the countries that have responded to the issue of poverty and inequality in development through the establishment of various decentralised financial mechanism (Samwel, Emmanuel, & Sylvester, 2015). Most notable policy initiated by the Kenyan Government to alleviate poverty and reverse regional disparities is the Constituency Development Fund (CDF). Since its inception in the year 2003, the CDF programme in Kenya has been applauded for promoting essential development programs at the grassroots to ensure there is equitable distribution of resources (Tero, 2014). The aim of the fund is to improve security and promote education in all parts of the country and ensure development is endorsed in remote areas that never benefited from the national government budgeted funds. Through the NGCDF fund, the Kenyan government aim to control imbalances in regional development. The fund targets all constituency-level development national government projects, especially those that aim to combat poverty at the grassroots level.

### **2.2.1 Project Performance**

Project oriented organisation can be viewed as an entity whose business is conducted primarily through projects or as an organisation which although, it's oriented mainly towards recurring activities or operations, projects are integral parts of their work (Turner, Keegan & Crawford, 2000). As observed by Bonghez and Goigoroiu (2013), there needs to be synergy between organisational strategy and projects, programs and portfolios if the projects are to generate value for the stakeholders and remain sustainable. This view is supported by Dong, Neufeld, and Higgins (2009) who underscore the fact that a definition of project performance must include measurement metrics such as assessing the performance of the project manager using quality, time and cost constraints.

Regarding the performance of the project manager, Kezner (2010) cautions that this approach works best where the project manager is responsible for the realisation of the project objectives. Kung'u and Gachunga (2017), on their part, suggested five areas to look to when determining project success or failure. These include; project schedule, quality, cost, stakeholder satisfaction and conformance to the business case. In the case of projects funded by NGCDF, there is no substantive project manager, with the whole project being managed by the project management committee whose membership consists of various stakeholders. This situation creates a gap in the manner in which projects organisational structure most suitable for realising the project objective is missing. It appears that the funded projects are implemented in a manner that is not in strict conformity with Kezner's (2010) view.

The attainment of a desirable project performance is dependent on whether the project is executed within the cost budget, and the stipulated time for project approval, design and implementation. A successful outcome is also reported when the implemented project meets the required technical standards of quality, fitness for purpose, functionality, safety and environmental protection (Ngacho & Das, 2014). The attainment of a high performance is also evident when all the stakeholders, especially the intended beneficiaries are satisfied with the project outcome. Such a high level of project performance according to Tero (2014) results in the effective attainment of the project objectives and reduces the chances of risky events to occur.

Across the globe, the performance of a project is based on time, budget control and deliverables. Adequate funding is key to the completion of projects. Ideally, adequate and timely funding is critical in fostering the attainment of a successful project outcome. Where projects are under-funded, the project's completion is delayed and overall performance of the project affected negatively. In Ghana, studies exploring the issue of

project performance have focused on cost, time and quality as the major determinants of success. Frimpong, Oluwoye, and Crawford (2003) in their study postulated that when there are delays and cost overruns, a project cannot be successfully completed. Similarly, studies done in Nigeria have reported that the lack of sound funds and the fraudulent practices observed in the implementation of development projects led to low performance of government projects. Apparently, underhand practices and corruption resulted in cost-overrun, delays in project completion and release of poor-quality projects most of which did not meet the intended goals.

In Kenya, the performance of development projects is mostly measured through project cost quality, customer or stakeholder satisfaction, achieving the project goals or timeliness. Tero (2014) reported that the success of any project is dependent on whether it is completed on time, within the stipulated budget. Said and Gakuu (2020) while adding to the two variables, Frimpong, Oluwoye and Crawford (2003) also reported that besides cost and time, the quality of the project was also a significant measure of success. According to Malala, Ndolo, and Njagi (2015), the attainment of the project goals and the level of satisfaction of the stakeholders involved in the implementation of the project, specifically, the intended beneficiaries of the project also determined whether a successful outcome was obtained or not. This informs the inclusion of cost, time, quality and satisfaction of the stakeholders as major determinants of the project performance variables. Several studies have looked at critical success factors contributing to project success (Wachaiyu, 2016). In spite of such success factors being identified across industries, many projects still miss not just on timely delivery but also on budget. Consequently, Wandera and Sang (2017) underscore the important role of control, clarity of goals, management support and communication in improving project performance.

### **2.2.2. Budget process on the performance of NGCDF education projects**

Budget is a detailed plan that outlines the acquisition and use of financial resources for a given period in the execution of various activities and projects (Dahana and Ermwati, 2020). The role of a budget according to Mora and Triana (2018) is to promote a mechanism for effective planning and control of resources in an organisational setting. Budget process refers to the approach adopted in the implementation of a budget as a control and management tool. Dahana and Ermwati (2020) asserted that the process of budgeting entails the activities implemented towards the attainment of the goals and objectives of the budget. The primary goals of budgeting are planning, facilitation of communication, coordination, allocation of resources, control of profits, and evaluation of performance. Similar sentiments have been echoed by Mora and Triana (2018) who reported that a budget has a planning, control, coordination and performance evaluation functions, as such, an effective budgetary process should take into consideration the aforementioned functions.

Budgeting as a function is traceable to the 1800's to the government of the United States of America. Moreover, the role of budgeting in the public sector began in the 1920s as a means to control the state tax earnings and expenses. Budgets and budgeting appear to embrace both normatic and behavioural approaches. The latter aiding in understanding the effectiveness or lack of it while the former explaining the preparation and use of the budget (Kabue, 2015). Commercial entities for a long time saw budgeting more as a cost control and cash monitoring tool rather than a planning tool. As a consequence, the early days of budgeting emphasised more on the control function rather than the planning role.

The full integration of budgeting as a function in most commercial set ups is traceable to the 1950s beginning in the US, before spreading the European firms. Today,

however, almost every organisation across the globe has some form of budgeting. Accordingly, there are various types of budgets including responsibility budgets; a budget designed to judge the performance of an individual segment or manager, capital budget, that is planned for operating budgets and financial budget, that which is meant for managing financing plans and the master budget which comprises both the financing and planned operating budgets.

Norton and Elson (2002) view the national budget as a document that once approved by the legislature, authorises the government to raise revenues, incur debts and effect expenditures in order to achieve certain goals. The authors aver that budgets determine the origin and application of public financial resources, playing a central role in the process of government fulfilling its political, economic, social, legal and administrative function. Consequently, there is almost a consensus that public expenditure management is a political process rather than a technocratic process. As such, politics of budgeting imply examining the ways in which the distribution of power within the process affects the subsequent distribution of public resources.

Accordingly, unequal power balance may be expressed by inclusion or exclusion or proximity by different social groups to the decision-making process. Moreover, power plays a significant role in the legitimation of knowledge and in determining who has access to information, which guides decision-making. The authors observe that the prevailing balance of interest and pressures in any system of public expenditure management is unlikely to reflect a pro poor, gender equitable orientation. In the case of NGCDF funded projects even though project identification appears to follow bottom-up approach, the issue of unequal power balance cannot be ruled out completely as most of the proposed projects either never get funded or are partially funded.



### **2.2.2.1. Budget planning on the performance of NGCDF education projects**

Budgeting is a planning and control system. Planning is determining the activities to be accomplished to achieve objectives and goals. Planning is needed so that company can operate its departments and segments successfully. It looks at what should be done, how it should be done, when it should be done and by whom.

According to International Monetary Fund (1997), budget planning and preparation are at the heart of good public expenditure management. Moreover, a fully effective public expenditure management system requires fiscal and financial discipline to control aggregate expenditure for affordability purpose, an effective means of achieving resource allocation that reflects expenditure policy priority, effective delivery of public services and minimisation of the financial cost to the budgetary management. As a process, budget preparation has designated organisational and individual responsibilities clearly defined (Solveig, 2016). Consequently, the budget preparation process is established and controlled by legal and regulatory framework. As such a sound budget must be comprehensive, transparent and realistic.

IMF (1997) asserts that effective public expenditure must have at its centre, cash planning and management plan. This aims at keeping within the budgeted expenditure in cash terms and the cash planning and management as a tool prevents unanticipated borrowing that might disrupt monetary policies and help identify the need for in year remedial fiscal action. Consequently, the cash planning and management tool must recognise the time value and opportunity cost of cash, enables the line ministries and spending agencies to plan expenditure effectively, be forward looking, responsive, comprehensive and plan for liquidation of both short- and long-term cash liabilities.

As observed by Kabue (2015) paraphrasing Emsley (2001), as a process, budget involves the creation and implementation of organisational objectives, as a result of

which the organisation is better placed to utilise the available resources to actualise its objectives. Noting that the budget process includes planning, implementation, control, monitoring and evaluation, Kibunja (2017) in the study titled, “Budgetary process and financial performance of Muranga County Government”, reported that there is a significant relationship between budgetary process and financial performance. Given that there is no evidence a study looking at the effects of budget process and performance education projects in Ndhiwa Constituency has ever been done, the proposed study seeks to fill such a gap.

Other authors like Kavulya (2006), view budget planning to involve identifying, costing and allocating revenue to the resources and activities that allow the objectives of the organisation to be achieved. The author opines that essential preliminaries established before effective budgeting include: preparation of an organisational chart which shows the functional responsibilities of each member of the management team; establishment of budget centres; establishment of adequate accounting record to facilitate the recording and analysis of transactions in the organisation; establishment of budget committees; budget timetable to enable timely flow of information; and the budget manual which shows budgetary procedures including budget canters and timetables.

Lega and Vendramini (2008), on the other side view budgeting as a management control tool. They aver that budgeting process is composed of five distinct phases, which include budgeting guidelines that represent the starting point and the boundaries of the budgeting process; budget preparation; budget negotiation where managers develop a meeting of the minds so that resources are allocated accordingly; budget review where targets are tweaked during the budgeting year to adjust to new, emerging conditions; budget assessment where accountable centers are assessed to check if targets have been met.

Leading scholars suggest that this phase is not considered merely the end point of the process but should be starting base of the following year's budget.

A study by Kimunguyi, Member, and Njeru (2015) titled effects of budgetary process on financial performance of NGOs in Health sector in Kenya in 2015 reported that in the healthcare industry, skills and power of managers positively and significantly impacted financial performance. However, it's worth noting that this study was a cross sectional survey as such its finding are limited to a one-off data collection session and therefore cannot be adopted wholly given differences in contexts and time. The authors observe that managers use budgets to plan and control the use of scarce resources under their control. Consequently, a budget should reflect the organisational objectives and how management intends to acquire and use resources to achieve them.

World Bank in 2007 lauded participatory budgeting as an important tool for inclusive and accountable governance. Moreover, budget practitioners and academicians aver that participatory budgeting enables citizens to have the opportunity to gain first-hand knowledge of government operations, influence policy and hold governments to account. It is taken for granted that participatory budgeting began in 1989 in the municipality of Porto –Allegra, the capital of Brazil's southernmost state, Rio Grande do Sul (Dunk, 2007). In addition, participatory budgeting enables the public not only know about government operations but also be able to debate, deliberate and influence the allocation of public resources. As a result, the marginalised and excluded groups get the opportunity to have their voices heard and be able to influence public decision making vital to their interests. The proposed study seeks to validate that there is indeed public participation in the budget making process in Ndhiwa Constituency as far as NGCDF education funded projects are concerned.

Even though, a well-executed participatory budgeting has the potential of making governments more responsive to the citizenry needs, more accountable and improve service delivery, the world bank in 2007 warns about the risk of capture by interest groups leading to masking the undemocratic, exclusive or elite nature of public decision making, giving an appearance of broader participation and inclusive governance while using public funds to advance the interests of the powerful elites. To that extent, participation budgeting may conceal or reinforce injustice. Moreover, in such circumstances, participatory budgeting may facilitate illegitimate and unjust exercise of power, deprive and exclude groups from having a say in public affairs through unleashing tyranny of decision making and control by overriding existing legitimate decision-making process by limiting the role of elected local officials in budgetary decisions. This observation is further given credence by Cooke & Kothari (2001) in their study “parental choice in school finance”, under which both government and nongovernmental schools were publicly funded based on enrolment.

Dunk (2007) in the study on the effects of budgetary participation and managerial performance in NGOs indicated a positive correlation between budgetary participation and managerial performance. The proposed study aims at verifying this observation in Ndhiwa constituency. As opined by Solveig (2016), during the planning for control systems in the budget, management must determine beforehand, the level of involvement desired from the subordinates. For instance, the management may decide the extent to which the budgeting process is bottom up or top down. The author adds that participation is beneficial as it increases not only commitment but also involvement and motivation towards the realisation of the budget objective. Moreover, participation was reported to improve the subordinates’ understanding of the why and how the targets were arrived at. Such an understanding comes with the desire and commitment to achieve the set objectives. This observation is in agreement with Shields & Shields (1998) position that

participation lowers the superior-subordinate information asymmetry, hence reducing environmental uncertainty. Shields & Shields (1998), however, cautions that participation may lead to budget slack a situation whereby, the targets are set too low making them easily achievable. Such a situation may decrease an organisation's ability to achieve its stated vision and mission.

Top management support has been found to be critical in the success in budget planning. Moreover, top management support behaviours were found to impact the formation of attitude and skills and to influence middle level management buy in. In addition, the top management support has been studied from both attitudinal and behavioural domains (Elenkov & Manev, 2005). The authors observed that the organisational executives have tremendous capacities to positively influence implementation success by directly and indirectly engaging in supportive behaviour. To this end top leadership at the constituency level by engaging directly or indirectly in supporting behaviour will positively impact project performance.

In the study titled top management support and project performance an empirical study of public sector projects, Ahmed (2016) opined that top management support is a critical success factor to project performance in much organisation. This is especially so in the public sector where project performance is comparatively low. Noting that public sector projects more so social sector projects suffer low budget allocation and are largely under prioritise by many governments. This scenario may be reversed if the top management was heavily involved. The above view is supported by the American Society for Engineering management (2016) who aver that top management commitment is essential for improving project performance in terms of provision of support, authority, finances and other resources needed for the successful accomplishment of projects. In addition, as Young and Poon (2013) observe, top management support is almost always

necessary and sometimes sufficient for project success. This view is in agreement with Young and Jordan (2008) that top management support has been demonstrated as the most important factor for project success. The proposed study will unravel the effects of top management support in the budget planning process by establishing how well top managers accept and support budgetary inputs from their subordinates. In this case, inputs from various educational institutions requesting for project funding.

#### **2.2.2.2. Budget Coordination on the performance of NGCDF education projects**

The development of a budget requires coordinated approach and efforts from different departments in an organisational setting and from different stakeholders in the case of a project. Coordination efforts are needed in guaranteeing the full participation of the relevant stakeholders in the formulation and implementation of the budget (Ho, 2018). According to Ngacho and Das (2014) the CDF committee should ensure that all individuals at all the levels of project implementation and management are actively involved in the budgeting process. The involvement of all the stakeholders is critical in ensuring that all the project implementation team members are motivated, committed and highly encouraged to take part in the implementation of the project, and work towards accomplishing its overall goals and objectives.

Gachoka, Aduda, Kaijage, and Okiro (2018) study also highlighted that for a project to succeed, the top management should put emphasis on the need for understanding the system and the overall goals of the projects by the team involved in the implementation of the project. The team should be aware of the activities to be undertaken, the available resources needed for the implementation, as well as the estimated costs of the overall project. As reported by Ngacho and Das (2014) creation of a good atmosphere where the project implementation team can easily take part in various communications, is critical in fostering a successful outcome. Accurate and comprehensive information should flow from

one team member to the next, without any obstacles to ensure that the budget is effectively implemented.

### **2.2.2.3. Budget Control on the performance on NGCDF education projects**

OACD (2007) recognises budget as a powerful tool for coherence both as an instrument of economic as well as financial management. Moreover, budgeting as policy making calls for a bridge between the policy making process and the budget making process to make policy a breathing reality rather than a statement of wish. In a study titled “Effects of budgeting process on budget performance in Kenya: A case of Kenyatta National Hospital” Kamau, Rotich, and Anyango (2017) observed a mismatch between budget and policy instruments as well as between expenditures and revenues. Some issues have lead to mini budgets, supplementary estimates and reallocation of budget expenditures lines resulting to poor budget performance in most Kenyan State Corporation. The authors using a descriptive research design calls for further studies to determine other factors that may affect budget performance.

Effective implementation of budgetary control is an important guarantee for effective implementation of the budget (Carr & Joseph, 2010). This is so because budgetary control provides for greater effectiveness in achieving organisational efficiency (Chehall & Langfield, 2008). Consequently, the implementation of a budget involves budget commitments and payments. Commitment implies making a decision to use a particular sum from a specific budgetary line in order to finance a specific activity. It can also be viewed as the execution of financial indicators approved for the budgetary year. As such appropriation managers receive amounts for funding of the approved programs from the funds accumulated in the budget by submitting the request to the institution administering the state treasury. The budget execution statement is drawn up by the ministry of finance on the basis of the state budget accounting data.

Obi (2015) in the study “budgeting and budgetary control as a metric for corporate performance” observed that for an organisation to be successful it must plan its financial activities well in advance through the institution of effective budgets and budgets control measures. The author concluded by advising top management of organisation to take budgeting and budgeting control measures seriously as no appreciable success can be achieved with haphazard budgeting and budgetary control. The proposed study seeks to validate this observation in the case of NGCDF funded educational projects in Ndhiwa constituency.

In the study titled “effects of budgets on financial performance of manufacturing companies in Nairobi Kenya,” Onduso (2013) reports strong and positive effects of budget on financial performance for manufacturing companies measured by return on assets. The author notes the existence of various types of budgets including projects budgets, which describes as the prediction of the cost associated with particular projects including labour cost, material cost and other related expenses. In undertaking various projects at the constituency level, the National Government constituency uses projects budgets to accomplish stated projects goals such as building of education infrastructure including classrooms.

#### **2.2.2.4. Budget Evaluation on the performance on NGCDF education projects**

Budget evaluation refers to the last stage of the budget process where there is an assessment of the resources to determine if they have been used appropriately and efficiently. In order for a non-biased outcome to be attained in the budget evaluation stage, it is recommended that the assessment and evaluation is done by an independent body. According to the NGCDF Act 2015, the NGCDFC has a role of ensuring that the projects are completed within the set budget (Dahana & Ermwati, 2020). Constant evaluation of the



project activities and project budget control are to be executed by the NGCDFC team to ensure maximum efficiency is attained in the implementation of the projects.

Public sector budget monitoring and evaluation is an important condition for performance in project implementation. Given the enormous funds invested in the constituency projects by the National Governments, budget monitoring and evaluation is accepted as an important initiative for accessing progress towards achievement of specific project budgets. As stated by Kauta (2017) permanent monitoring as well as periodic evaluation of the budget is a precondition for effective implementation of performance based budgeting. Monitoring is defined as a continuing function that uses systematic data collection of specific indicators to provide the management and key stakeholders with ongoing information of achievement of objectives and project goals while on the other hand evaluation is the systematic and objective assessment of an ongoing or completed project program of policy, its design, implementation and results to determine the activity relevance, measure the fulfilment of objectives , efficiency, effectiveness , impact and sustainability (Slukhai,2011:5)

In the study on determinants of the best practises in performance project management, Freidi (2014) suggested that policy, project planning, monitoring and communication solutions, sustainability and education agency acceptance were among the highly rated determinants of project performance. This view is supported by Briston (1981) who suggested that financial control and monitoring ensures efficient and cost effective programme implementation within a system of accountability. The author however noted that the existence of financial control arrangements must be completed by further arrangements in the overall programme monitoring for better budget implementation in accordance with approved project work plans. Similarly, Simiyu, Manini and Singoro (2018) study on budget monitoring and financial performance of public sugar firms in

Kenya used control and responsibility theory as well as budgetary control theory for their study that reported significant correlation between budgetary monitoring and performance. The proposed study will use complexity and stakeholder theories as the lenses with which to view the findings.

A report by parliamentary centre in 2010 underscored the role of the office of the auditor general in the budgeting process. Established under the exchequer and audit Act CAP 412 in section 105 of the constitution of Kenya, the Auditor General is deemed as the overseer of public finance as therefore plays a key in evaluation of budgets. In their systematic review of budgeting and budgetary controls in government owned organisations, Isaac, Lawal and Koli (2015) asserted that a necessary and sufficient condition for achieving effective budgeting and budgetary control in the involvement of all stakeholders in the preparation of the budget and putting adequate emphasis on deliberate and faithful implementation on the budget by the relevant officers and finally evaluation of the budgets. Noting that auditing the performance and utilisation of the budget in the final stage in the budget process, the author underscores the important role played by the office of the Auditor General in auditing the various departments and agencies to determine the extent to which the budget was respected.

### **2.3. Summary of Literature Review and Research Gaps**

Miles (2017) identifies seven research gaps. These include evidence gap that is or contradictory evidence gap whereby results from the studies allow for conclusions in their own right, but are contradictory when examined from a more abstract point of view. The author defines knowledge gap or void gap to mean a situation where desired research findings do not exist. In addition, the author asserts that practical knowledge gap is whereby professional behaviour or practices deviate from research findings or are not covered by research. The author defines methodological gap as a variation of research methods

necessary to generate new insights or to avoid distortion of findings. Moreover, the author views empirical gap as research findings or proportions needs to be evaluated or empirically verified. On the other hand, theoretical gap is seen as the theory that should apply to certain research issues and whenever, there is lack of theories, then gaps exist.

Miles (2017) states that population gap exists whenever the population is not adequately represented or under researched in the evidence base or in prior research. From the reviewed literature, it's evident that various gaps exist going by the above nomenclature. Moreover, most studies have deployed descriptive survey methodology (Onduso, 2013, Kamau, Rotich, & Anyango, 2017, Isaac, Lawal, & Okoli, 2015). On the other hand, Malala, Ndolo and Njagi (2014) using a case study methodology, the authors looked at the factors that affect the performance of projects funded by CDF in Kikuyu constituency. A critical appraisal of their study finds that a case study methodology may not have been the most appropriate research methodology given the study timelines. Moreover, the authors however, defined project performance based only on the project schedule, ignoring other parameters like costs, quality and stakeholders satisfaction. In addition, theoretical gap exists in that none of the reviewed studies deployed complexity theory or stakeholder theory. In this regard, a study by Mugira and Simiyu (2018) used agency theory to underpin and make recommendations. Finally, population gap exist in the reviewed literature since no similar study has ever being conducted in Ndhiwa constituency.

As witnessed from the literature, budgeting plays a vital role in influencing the overall performance of projects initiated by various institutions. The process of budgeting including budget planning, budget control and budget evaluation hare been significantly reported to determine the extent to which projects are efficiently and effectively executed in various settings. Moreover, the literature plainly puts it that performance of any project is determined by many factors including the quality of the outcome, the costs involved and the

period within which it is completed. Other, scholars consider satisfaction of the project stakeholders with the project outcome as a significant project success factor.

While the NGCDFC and PMCs are charged with the duty of implementing most activities within the budget process, it is not clear whether these activities are effectively executed in all constituencies in Kenya. Limited information has been presented on the involvement of NGCDFC in budget control and evaluation, in their process of overseeing the implementation of NGCDF projects. Also, there is scanty information on the effectiveness of the PMCs and the NGCDFCs in encouraging citizen participation in the selection of the project, formulation of project goals as well as in the implementation of various project activities. In Ndhiwa constituency complaints have been raised on the low performance of the NGCDF education projects. The underlying factors and reasons for the reported outcome has remained unknown, the proposed study will fill this gap in literature, by exploring the issue of budgeting process as a critical factor that might influence the performance of the NGCDF education projects in Ndhiwa constituency. The focus of the study was to determine the extent through which the elements of budgeting process (budget planning, budget coordination, and budget evaluation) effect on the performance of the NGCDF education projects.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1. Introduction

The chapter describes the research methodology adopted in the study. It gives details about research design, research site, target population, study sample and sampling procedure. It also contains data collection procedures, methods of data analysis as well as legal and ethical considerations. It is worth noting that, research methodology is critical in a study as it helps the researcher to respond systematically to the research questions leading to logical conclusions.

#### 3.2. Research Design

According to Cooper and Schindler (2011) research design should be trust-worthy, reliable, and scientific. Moreover, research design provides the serviceable strategy in which specific research procedures and methods link together to help in acquisition of a valid and dependable form of data for analysis (Onwuegbuzie & Leech, 2007).

This study used descriptive survey design and correlation in order to explore the effects of budgeting process on performance of NGCDF secondary school projects. Qualitative data were analysed and presented in themes narratively while quantitative data were analysed descriptively using percentage frequencies, mean, and standard deviation. Inferentially, Pearson Correlation Coefficient and multiple regression analysis were used as tools of analysis to test for relationships among various variables. As argued by Neuman (2014), descriptive survey design allows for discovery and measurement of the relationships among variable that this study seeks to uncover. This position is shared by Orodho (2003) who adds that descriptive survey design allows for data collection through both interviews and questionnaires.

### 3.3. Research Site

The study was conducted to explore the effects of budgeting process on the performance of national government constituency funded secondary educational projects. The data were collected in Ndhiwa constituency. The findings of the study were used to explain the effects of budget planning on the performance of NGCDF projects. Moreover, the study findings enabled for the assessment of the effects of budget coordination on the performance of NGCDF projects as well as establish the effects of budget control on the performance of NGCDF education projects and determine the effect of budget evaluation on the performance of NGCDF projects in secondary schools in Ndhiwa constituency.

### 3.4. Target Population

The aggregation of elements from which the sample is selected constitutes the target population; at the same time, it can be seen as the whole cluster of items or persons to which the researcher has keen interest in generalising the conclusions. As Mclead (2014) notes, the target population refers to the entire group of individuals or items of interest to the researcher for generalisation of the research findings. This study targeted secondary school board of management members, PMCs, Principals and NGCDFs. The constituency has 52 secondary schools (Ochieng, 2015) distributed among the seven administrative wards.

**Table 3.1: Target Population**

Categories	Target Population	Valid percentage	Cumulative percentage
School BOM infrastructure committee members	208	64.7	64.7
School principals	52	16.1	16.1
Project management committee chairperson	52	16.1	16.1
NGCDFs	10	3.1	3.1
Total	322	100	100

(Source author, 2021)

### 3.5 Study Sample

#### 3.5.1 Sampling Procedure

The study adopted a stratified sampling technique. According to Sharma (2017) stratified sampling technique entails the division of the entire population into smaller groups or strata to complete the sampling process. The strata consist of people with a common goal or characteristics in the population data. After dividing the population into smaller groups, the researcher draws the needed sample proportionally from each stratum. The strata comprised of school BOM members, NGCDFCs, Principals and PMC chairperson from the secondary schools in the constituency.

#### 3.5.2 Sample Size

Orodho and Okombo (2002) define sampling as a procedure used by researcher to collect items of the study. It is the process of selecting a number of individuals or subjects from a population such that the selected subjects contain elements representative of the characteristics found in the entire group. The study adopted Nassiumas (2014) formulae since it provided a simplified formula to calculate sample size and gives an equal chance of being selected. The sample size was calculated as illustrated below:

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

C= Coefficient variation (0.5)  
 N= Total number of populations  
 e= is the level of precision (0.05)  
 n =Sample Size

$$n = \frac{322 * 0.5^2}{0.5^2 + (322-1) * 0.05^2}$$

$$= \frac{80.5}{1.0525}$$

Therefore, n= 76

**Table 3.2: Sample Size**

Categories	Target	Sample size
	Population	
School BOM infrastructure committee members	208	$76/322*208$ = 49
School principals	52	$76/322*52$ = 12
Project management committee chairperson	52	$76/322*52$ = 12
NGCDFCs	10	$76/322*10$ =3
Total	322	76

(Source author, 2021)

### 3.6 Data Collection

#### 3.6.1 Data Collection Instruments

The study involved the collection of quantitative data. Self-administered structured questionnaires were applied in collecting quantitative data from all the respondents. The participants responded to prompts by selecting from predetermined answers. Composite measures developed from the review of literature were used to measure the study variables. The structured questionnaire had two sections; one section dealt with participants' demographics while the second section dealt with the research variables. The questionnaire was designed using closed ended questions to enable the research collect quantitative data.

#### 3.6.2. Pilot Testing of Research Instruments

The research instruments were tested via piloting to determine whether they captured the intended data. Debrief and Revise method was adopted in pilot testing. This research instrument-questionnaire was presented to two school principals and two PMCs outside the constituency, followed with debriefing with survey experts on the patterns of the feedback presented. The information obtained from the experts were then be used in revising the



questions included in the research instruments. The revised questionnaire was subjected to a second piloting test, before undertaking the actual collection of data.

### **3.6.3. Instrument Reliability**

A reliable instrument is that which produces reproducible data every time it is used. The instrument is reliable if it has minimal errors of measurements; capture stable and consistent scores for individual traits, characteristics or behaviour being assessed (Cairns, 2013). Cronbach's alpha method was applied in testing the instrument for the data collection instruments' reliability. Reliability scores of more than 0.79 were deemed acceptable (Creswell, 2013, 2014). In addition, Larry (2013) notes that Cronbach alpha coefficient is useful in testing internal uniformities of samples of specified populace when using Likert type scale in the research instrument.

### **3.6.4. Instrument Validity**

Validity implies the extent to which the concept is accurately measured in quantitative studies. Mugenda and Mugenda (2013) describes validity is the degree through which results obtained from data analysis represent the phenomenon under study. Face validity was adopted, where the researcher subjectively assessed the questions included in the research instruments to determine their relevance and clarity. In addition, expert opinion was sort from evaluation specialists and their comments factored in before the instruments were deployed for data collection to enhance content validity.

### **3.6.5 Data Collection Procedure**

The researcher sought for research authorisation permission from the Africa Nazarene University. Using the permission, the researcher sought for research permit from the National Commission for Science, Technology and Innovation (NACOSTI). The researcher recruited,

selected and trained the research assistants who engaged in administering the data collection instruments.

### **3.7. Data processing and Analysis**

The quantitative data were analysed both numerically and descriptively. Measures of central tendency including mean and standard deviation were used in the analysis of the quantitative data. SPSS software was also used in analysing the relationship between the study variables. The findings were presented in prose form, and by using tables.

#### **3.7.1. Steps in Data Analysis**

Means, standard deviation and percentages were used to analyse the raw data collected in the study. The analysis focused on computing the mean value of the demographic information of the participants to gain a better understanding of the background characteristics of the respondents. Factors such as the age, gender, level of education, ward of residence, position held by the individual in the institution and years of operation were analysed and their percentages relative to the total number of respondents determined.

Further descriptive analysis of the data was done to determine the mean value and standard deviation of each of the items included under the study variables. The variables explored in the study included budget control, budget coordination, budget evaluation and project performance. As such descriptive analysis was done to avail basic information about the variables explored in the study.

Further inferential analysis was done to ascertain the relationship between the dependent and the independent variables. The dependent variable was project performance while the independent variables were budget coordination, budget control, and budget evaluation. Correlation analysis was done to ascertain the nature of relationship between each of the study variables. Meaningful relationships between the study variables were also determined through correlation analysis. Regression analysis was done to estimate the

relationship between the dependent variable and other independent variables. The regression analysis was done to estimate the effects of budget control, budget evaluation and budget coordination on project performance. The resulting p-values in the regression data were used in hypotheses testing to either reject or fail to reject the null hypothesis.

### **3.8. Legal and Ethical Consideration**

The researcher sought written permission from National Commission for Science, Technology and Innovation (NACOSTI) to undertake this research. The research was to be conducted with the guidelines provided by African Nazarene University. The participation by the respondents was voluntary, confidential, and anonymous. The research objective was made clear to the respondents and how their participation may benefit them so that their participation is from an informed perspective.

## CHAPTER FOUR

### DATA ANALYSIS AND FINDINGS

#### 4.1 Introduction

This chapter discusses how results from the field are interpreted and presented. To discuss the findings of the study, descriptive and inferential statistics were used.

#### 4.2 Response Rate

The study targeted 76 respondents, 74 of whom completed and returned the questionnaires at a response rate of 97%. This response rate was satisfactory and representative for the study. According to Mugenda and Mugenda (2003), an analysis and reporting response rate of 50% is good, a rate of 60% is good and an over-reaction of 70% is excellent. This indicates that the response rate achieved in the study was excellent. A similar high response rate was reported in previous studies that have been done in the context of budgeting and its implications on project performance. Neal, Neal, and Piteo (2020) in their study obtained a response rate of 70% that is considered good. Other scholars such as Munn and Jones (2020) reported a high response rate of 65% that was also considered desirable.

The high response rate was achieved by informing the target respondents about the survey, before the actual date of issuing the questionnaires. The researcher sent emails to the target respondents informing them of the survey and asking them for a most suitable date that they could take part in the survey. Repeated follow-ups were made to those who did not respond to ensure each of the target respondents is reached, resulting in the high response rate. Further the simple language and layout used in designing the questionnaires, made it easy for the respondents to navigate through and respond to all the questions. Lunch allowances given to each of the respondents also contributed to the high response rate that was achieved.

### **4.3 Demographic information of respondents**

The demographic information of the respondents was analysed to obtain a better understanding of the background characteristics of the respondents. Factors such as the age, gender, level of education, ward of residence, position held by the individual in the institution and years of operation were determined. The resulting demographic information of the respondents is advanced below.

#### **4.3.1 Age**

The respondents were asked to indicate their age bracket. The chart below shows the outcome of their age brackets. The majority of the respondents (34%) were aged between 41 and 44 years, 30% were aged between 35 and 39 years, 22% were aged between 30 and 34 years, 8% had 45 years and above. Only 6% of the respondents were aged between 25 and 29 years old as presented in the figure above. The older respondents involved in the study have a vast experience project management and have equally been involved in the implementation of many NGCDF projects. Consequently, they are likely to avail more accurate information on the issue of budget process and project performance. This is different with the younger target respondents that are less than 30 years of age, and have limited expertise in project implementation and management.

#### **4.3.2 Gender Category**

The study sought to ascertain the gender composition of the respondents; the findings indicated that the majority of respondents (51%) were females, while 49% were males; this indicates that both genders were actively involved in the study, and thus the findings did not suffer from gender bias.

### 4.3.3 Level of Education of the Respondent

The study requested the respondent to indicate their highest level of education. According to the findings, the majority of respondents (40%) indicated their highest education level as undergraduates, 34% indicated their highest education level as certificate, 16% indicated their highest level of education as diploma, 5% expressed that their highest level of education was masters, and 4% and 1% indicated their highest education level as primary certificate and secondary certificate respectively. This indicates that the majority of respondents in this study was well educated, and thus was able to easily respond to research questions.

### 4.3.4 Ward of Residence in Ndhiwa Constituency

The researcher requested the respondents to indicate the wards in which they operate. The results were tabulated as a shown in table 4.1 below.

**Table 4.1: Ward of Residence of the Respondents**

<b>Ward</b>	<b>Count</b>	<b>Percent</b>
Kologi	16	22%
Kwabai	12	16%
Kanyikela	7	9%
North Kabuoch	12	16%
Kanyidoto	6	8%
South Kabuoch	8	11%
Kosewe	13	18%
Total	74	100%

From the outcomes, majority of the respondents (22%) were from Kologi ward followed by 18% of the respondents coming from Kosewe ward. Kwabai and North Kabuoch accounted for 16% each of the total respondents while 11% were from South Kabuoch. 8% and 9% of the respondents were from Kanyikela and Kanyidoto respectively. The even distribution of the respondents showed that the study covered the entire Ndhiwa constituency well.

### 4.3.5 Position in the institution

The researcher asked the respondents to indicate their position in the various secondary schools. The results were presented in the table 4.2 below.

**Table 1.2: Position of the respondents in the institutions**

Position	Count	Percent
School BOM infrastructure committee members	37	50%
School Principals	13	18%
Project management committee chairperson	21	28%
NGCDFCs	3	4%
Total	74	100%

The findings showed that a half of the respondents (50%) were school BOM infrastructure committee members, 28% were project management committee chairpersons, 18% were school principals, and 4% were NGCDFCs. Even though there was a slight variation with the sample population of each group, the responses were well distributed as a representative for the study.

### 4.3.6 Period of service in the Institution

The research sought to determine the period, which the respondent had served in the institution within the constituency. The results were presented in the table 4.3 below.

**Table 4.3: Period of Service of the Respondents**

Period of service (in years)	Count	Percent
1-2	18	24%
3-4	50	68%
5-6	6	8%
7-8	0	0%
9-10	0	0%
11 and above	0	0%
Total	74	100%

From the research findings, majority of the respondents (68%), as shown in the table above, indicated to have served for a period of 3 to 4 years, 24% of the respondents indicated to have served for a period of 1 to 2 years, and 8% of the respondents indicated that they had served for a period of 5 and 6 years. None of the respondents indicated to have served in the various institutions of a period of 7 years and above. This is an indication that most of the respondents provided services to the CDF for a considerable period of time and, therefore, they were in a position to provide credible information that relates to this study.

#### **4.4 Results of Descriptive and Inferential Analysis**

Descriptive analysis of the data was done to avail basic information on the variables included in the study. The analysis was done to ascertain the relationships between the variables included in the study. The study variables explored included project performance, budget planning, budget coordination, budget planning and budget evaluation. As such descriptive analysis focusing on the mean and standard deviation of the variables were analysed, and presented in this section.

##### **4.4.1. Project Performance**

The study sought to determine the extent to which the respondents agreed with the below statements that relate to project performance of NGCDF education projects. The means and standard deviations of the study results were presented in table 4.4 below.



**Table 4.4: The Status of Performance of NGCDF Education Projects**

<b>Statement</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>	<b>Mean</b>	<b>SD</b>
Project budgets determine whether the project is completed within the stated timelines.	4(5.5)	8(10.8)	11(14.9)	21(28.4)	30(40.5)	4.27	0.25
Project budget determines whether the project meets stakeholders' perception on project quality.	3(4.0)	6(8.1)	7(9.6)	24(32.4)	34(45.9)	4.50	0.24
Project budget determines whether the project experiences cost overruns.	5(6.8)	7(9.6)	4(5.5)	26(35.1)	32(43.2)	4.23	0.19
Project budget determines whether the project experiences time overruns.	4(5.5)	3(4.0)	6(8.1)	26(35.1)	35(47.3)	4.41	0.22
Budget systems provide a framework for allocation of project cost.	3(4.0)	5(6.8)	8(10.8)	21(28.4)	37(50.0)	4.18	0.20
<b>Cumulative mean and standard deviation</b>						<b>4.32</b>	<b>0.21</b>

From the research findings, majority of the respondents strongly agreed that project budgets determine whether the project is completed within the stated timelines as shown by 30(40.5%). The specific scores for that statement were as follows; 4(5.5%) of the respondents strongly disagreed, 8(10.8%) disagreed, 11(14.9%) were neutral, 21(28.4%) agreed, and 30(40.5%) strongly agreed. Majority of the respondents strongly agreed that project budget determines whether the project meets stakeholders' perception on project quality as shown by 34(45.9%). Most of the respondents strongly agreed that project budget determines whether the project experiences cost overruns as shown by 32(43.2%). Most of the respondents strongly agreed that the project budget determines whether the project experiences time overruns as shown by 35(47.3%). Majority of the respondents further strongly agreed that budget systems provide a framework for allocation of project cost as shown by 37(50.0%). The cumulative mean and standard deviation were 4.32 and 0.21 respectively, which showed that project budgets are important in the planning and management of financial resources, especially in NGCDF. It is

also critical in supporting and implementing various projects for development as it helps in making informed decisions, particularly regarding additional expenditure.

#### 4.4.2. Budget Planning

The study sought to assess the influence of various components of budget planning on the project performance of National Government Constituency Development Funds. The researcher asked the respondents to indicate the extent to which they agree with different components of budget planning. The extent of agreement with various statements regarding budget ranged from strongly agree, agree, not sure, disagree, and strongly disagree in order of a scale from 5 as strongly agree and 1 as strongly disagree. The researcher found out the mean and standard deviation for the study outcomes, which are presented in the table 4.5 below.

**Table 4.5: Effect of Budget Planning on Performance of NGCDF education projects**

Statement	SD	D	N	A	SA	Mean	SD
NGCDF funds physical learning facilities in the school	5(6.7)	6(8.1)	11(14.9)	21(28.4)	31(41.9)	4.36	0.21
NGCDF Projects have budget timelines which must be adhered to	4(5.5)	8(10.8)	10(13.5)	18(24.3)	34(45.9)	4.18	0.20
The public are involved in the budget planning process for every physical learning facility implemented in the school	7(9.4)	11(14.9)	9(12.2)	26(35.1)	21(28.4)	4.05	0.22
Ndhiwa NGCDFC involve institution stakeholders before allocating funds to projects	8(10.8)	10(13.5)	10(13.5)	22(29.7)	20(27.0)	4.27	0.22
The school engages its stakeholders in making key budget decisions	3(4.0)	8(10.8)	9(12.2)	28(37.8)	26(35.1)	4.00	0.25
There is regular follow up on budget plan by the NGCDF committee	7(9.6)	9(12.2)	4(5.4)	25(33.8)	29(39.2)	4.27	0.22
A number of public participation meetings are held before any project is funded	5(6.8)	6(8.1)	12(16.2)	23(31.2)	28(37.8)	4.32	0.21
<b>Cumulative mean and standard deviation</b>						<b>4.23</b>	<b>0.24</b>

The survey results showed that majority of the respondents, as shown by a mean of 4.00 to 4.36, agreed to a great extent the components that relate to budget planning have significant influence on the project performance of National Government Constituency Development Fund education projects. According to the research findings, majority of the respondents agreed that NGCDF funds physical learning facilities in the school as shown by 31(41.9%). The specific responses for this first statement were as follows; 5(6.7%) of the respondents strongly disagreed, 6(8.1%) disagreed, 11(14.9%) were neutral, 21(28.4%) agreed, and 31(41.9%) strongly agreed. Moreover, majority of the respondents strongly agreed that the NGCDF projects have budget timelines, which institutions must adhere to as shown by 34(45.9%). Most of the respondents agreed that the public are involved in the budget planning process for every physical learning facility implemented in the school as shown by 26(35.1%) and that Ndhiwa NGCDFC involves institution stakeholders before allocating funds to projects as shown by 22(29.7%). Most participants agreed that the school engages its stakeholders in making key budget decisions as shown by 28(37.8%). Majority of the respondents strongly agreed that there is a regular follow up on budget plan by the NGCDF committee as shown by 29(39.2%), and majority of the participants also strongly agreed that a number of public participation meetings are held before they fund any project as shown by 28(37.8%). The cumulative mean and standard deviation are 4.23 and 0.24 respectively, which indicates that majority of the participants strongly agreed that budget planning has an effect on the performance of NGCDF in Ndhiwa Constituency.

Pearson Correlation analysis was done to determine the relationship between budget planning and project performance. The correlation findings obtained are presented in the table 4.6 below.

**Table 4.6: Correlations (Budget Planning and Project Performance)**

		Budget Planning	Project Performance
Budget Planning	Pearson Correlation	1	.978**
	Sig. (2-tailed)		.000
	N	74	74
Project Performance	Pearson Correlation	.978**	1
	Sig. (2-tailed)	.000	
	N	74	74

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The findings obtained shows that there is a significant positive correlation between budget planning and project performance as indicated by value  $r=0.98$ ,  $p<0.01$ . There is a strong positive correlation between budget planning and project performance, since the  $r$  value is more than 0.5. The correlation is significant as indicated by a  $p$  value that is less than 0.01.

#### 4.4.3. Budget Coordination

The research sought to establish the degree to which budget coordination within the NGCDFC affects project performance of National Government Constituencies Development Fund education projects. The researcher asked the respondents to rate various statements regarding budget coordination. The findings are as shown in the table 4.7 below.

**Table 4.7: Effect of Budget Coordination on Performance of NGCDF education projects**

<b>Statement</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>	<b>Mean</b>	<b>SD</b>
Budget ceiling on how much is allocated to a particular project exist	6(8.1)	11(14.9)	10(13.5)	31(41.9)	16(21.6)	4.50	0.24
Systems are in place to provide management with appropriate explanations on significant variations between budget and actual expenditures	8(10.8)	9(12.2)	12(16.2)	25(33.8)	20(27.0)	4.27	0.25
Punitive action is meted on exceeding approved budget by more than 25%	9(12.2)	11(14.9)	13(17.6)	21(28.4)	20(27.0)	4.45	0.23
Budget documentation exists for the NGCDF funded projects	7(9.4)	11(14.9)	14(18.9)	19(25.7)	23(31.2)	4.23	0.19
Project management committees receive a number of project reports to guide the project implementation process	11(14.9)	14(18.9)	18(24.3)	19(25.7)	12(16.2)	4.41	0.22
Cumulative mean and standard deviation						4.32	0.21

The study findings showed that majority of the respondents agreed that there exists a budget ceiling on how much is allocated to a particular project as shown by 31(41.9%). The specific responses for this statement were as follows; 6(8.1%) of the respondents totally disagreed, 11(14.9%) disagreed, 10(13.5%) were neutral, 31(41.9%) agreed, and 16(21.6) strongly agreed. Majority of the participants further agreed that systems are in place to provide management with appropriate explanations on significant variations between budget and actual expenditures as shown by 25(33.8%). Majority of the respondents agreed that punitive action is meted on exceeding approved budget by more than 25% as shown by 21(28.4%). Most of the respondents strongly agreed that budget documentation exists for the NGCDF funded projects as shown by 23(31.2%). Majority of the respondents agreed that project management committees receive a number of project reports to guide the project implementation process as shown by 19(25.7%). The cumulative mean and standard deviation were 4.32 and 0.21

respectively, which shows that majority of the respondents strongly agreed that budget coordination affects the performance of NGCDF in Ndhiwa Constituency.

Correlation analysis was conducted to determine the relationship between budget coordination and project performance. The correlation findings obtained are presented in the table 4.8 below.

**Table 4.8: Correlations (Budget Coordination and Project Performance)**

		Budget Coordination	Project Performance
Budget Coordination	Pearson Correlation	1	.945**
	Sig. (2-tailed)		.000
	N	74	74
Project Performance	Pearson Correlation	.945**	1
	Sig. (2-tailed)	.000	
	N	74	74

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The correlation findings obtained shows that there is a significant positive correlation between budget coordination and project performance as indicated by the r value 0.945 and  $p < 0.01$ . There is a strong positive correlation between the two variables, indicating that a positive change in the budget coordination leads to a significant positive change in the project performance.

#### 4.4.4. Budget Control

The study sought to assess the third objective; to determine the influence of project control on NGCDF project performance of various projects in Ndhiwa constituency. The study established the influence of project control on performance of NGCDF projects through analysis of questions measured using a 5-point Likert scale. The means and standard deviations of the results obtained were presented in table 4.9 below.

**Table 4.9: Effect of Budget Control on Performance of NGCDF education projects**

Statement	SD	D	N	A	SA	Mean	SD
NGCDF issues guidelines and policies to guide in implementation of projects	4(5.5)	12(16.2)	11(14.9)	16(21.6)	31(41.9)	4.50	0.24
There exist project budget implementation committee in charge of implementing projects	5(6.7)	8(10.8)	3(4.0)	33(44.6)	25(33.8)	4.27	0.25
Projects management committee hold a specified number of meetings regularly to review implementation of projects	8(10.8)	9(12.2)	12(16.2)	21(28.4)	24(32.4)	4.14	0.20
Project budget deviation are reported to NGCDF Committee	7(9.4)	10(13.5)	13(17.6)	27(36.5)	17(23.0)	4.50	0.24
The committee takes timely corrective action when adverse variations are reported	4(5.5)	15(20.3)	16(21.6)	18(24.3)	21(28.4)	4.45	0.23
<b>Cumulative mean and standard deviation</b>						<b>4.41</b>	<b>0.22</b>

According to the research findings, the majority of respondents strongly agreed that NGCDF issues guidelines and policies to guide in implementation of projects, as indicated by 31(41.9%). Majority of the respondents further agreed that there exist project budget implementation committee in charge of implementing projects, as shown by 33(44.6%), and that project budget deviation are reported to NGCDF Committee, as shown by 27(36.5%). The respondents further strongly agreed that the committee takes timely corrective action when adverse variations are reported, as shown by 21(28.4%). The respondents strongly agreed that projects management committee holds a specified number of meetings regularly to review implementation of projects, as shown by 24(32.4%). The cumulative mean and standard deviation were 4.41 and 0.22, which showed that the respondents strongly agreed that budget control affects the performance of NGCDF in Ndhiwa Constituency.

Further correlations were also done to determine the relationship between budget control and project performance. The correlation findings obtained are presented in the table 4.10 below.

**Table 4.10: Correlations (Budget Control and Project Performance)**

		Budget Control	Project Performance
Budget Control	Pearson Correlation	1	.968**
	Sig. (2-tailed)		.000
	N	74	74
Project Performance	Pearson Correlation	.968**	1
	Sig. (2-tailed)	.000	
	N	74	74

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The correlation findings show that there is a strong positive relationship between budget control and project performance,  $r=0.98$ ,  $p<0.01$ . The correlation is significant since the p value is less than 0.01.

#### 4.4.5. Budget Evaluation

The respondents were requested to give responses on budget evaluation by rating their responses on a Likert scale of 5 to 1 with 5 being strongly agreed, 4 agree, 3 not sure, 2 disagree, and 1 strongly disagree. The means and standard deviations were generated from SPSS. The research findings are as indicated in table 4.11 below.



**Table 4.11: Effect of Budget Evaluation on Performance of NGCDF education projects**

<b>Statement</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>	<b>Mean</b>	<b>SD</b>
NGCDF committee undertakes a specified number of project field visits to monitor project progress	12(16.2)	13(17.6)	7(9.4)	15(20.3)	27(36.5)	4.41	0.24
NGCDF committee provides timely feedback to the project management committees to correct any detected weakness during project process monitoring.	8(10.8)	12(16.2)	8(10.8)	24(32.4)	22(29.7)	4.18	0.19
The office of auditor general conducts a specified number of audits to determine conformance with project budget against actual execution.	8(10.8)	13(17.6)	17(23.0)	17(23.0)	15(20.3)	4.45	0.23
NGCDF committee receives, discusses and implements audit reports.	14(18.9)	11(14.9)	15(20.3)	22(29.7)	12(16.2)	4.32	0.23
NGCDF has in place a good budget performance evaluation	9(12.2)	9(12.2)	12(16.2)	31(41.9)	13(17.6)	4.50	0.24
<b>Cumulative mean and standard deviation</b>						<b>4.18</b>	<b>0.19</b>

From the research findings, majority of the respondents further agreed that NGCDF committee undertakes a specified number of project field visits to monitor project progress as shown by 27(36.5%). Specifically, the first statement on the NGCDF committee undertaking a specified number of field project field visits to monitor the project progress were as follows; 12(16.2%) strongly disagreed, 13(17.6%) agreed, 7(9.4%) were neutral, 15(20.3%) agreed, and 27(36.5%) strongly agreed. Most of the respondents also agreed that NGCDF committee provides timely feedback to the project management committees to correct any detected weakness during project process monitoring as shown by 24(32.4%). Most of the respondents agreed that the office of auditor general conducts a specified number of audits to determine conformance with project budget against actual execution as shown by 17 (23.0%) and that the committee receives, discusses and implements audit reports as shown by 22(29.7%). Majority of the respondents strongly agreed that NGCDF has in place a good budget performance

evaluation as shown by 27(36.5%). The cumulative mean and standard deviation were 4.18 and 0.19, which show that majority of the respondents agreed that budget evaluation has an effect on the performance of NGCDF education projects in the constituency.

Correlation analysis was done to determine the relationship between budget evaluation and project performance. The correlation results for the two variables are presented in the table 4.12 below.

**Table 4.12: Correlations (Budget evaluation and project performance)**

		Budget Evaluation	Project Performance
Budget Evaluation	Pearson Correlation	1	.938**
	Sig. (2-tailed)		.000
	N	74	74
Project Performance	Pearson Correlation	.938**	1
	Sig. (2-tailed)	.000	
	N	74	74

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The correlation findings indicate that there is a significant positive relationship between budget evaluation and project performance,  $r=0.938$ ,  $p<0.01$ . The correlation coefficient is more than 0.5 indicating that there is a strong relationship between the two variables. The p value is 0.000 that is less than the significant level 0.01, showing that the relationship between budget evaluation and project performance is significant.

#### **4.5. Regression Analysis**

In order to establish how each of the budget process variables predicts the performance of the NGCDF education projects, regression analysis was done. The study carried out multiple regressions on the independent variables, which are budget planning, budget coordination, budget control, and budget evaluation, against the dependent variable,

which is the performance of NGCDF projects, to estimate the model, since they had shown to have a significant relationship.

The independent variables and dependent variables were therefore regressed to estimate the study model. The study used the model illustrated below in the regression analysis:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \alpha \dots \dots \dots$$

Where Y is the dependent variable (performance of NGCDF education projects)

$\beta_0$  is the regression coefficient,  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$  and  $\beta_4$  are the slopes of the regression equation,

$X_1$  is the budget planning independent variable,

$X_2$  is the budget coordination independent variable

$X_3$  is the budget control independent variable and

$X_4$  is the budget evaluation independent variable.

$\alpha$  is an error term normally distributed about a mean of 0. In computation, the  $\alpha$  is assumed to be 0.

Regression analysis was done in SPSS and the resulting findings presented in the table 4.13 below.

**Table 4.13: Model Summary**

<b>R</b>	<b>R Square</b>	<b>Adjusted Square</b>	<b>R Standard Error of the Estimate</b>
<b>.892</b>	<b>.796</b>	<b>.758</b>	<b>.223</b>

The model summary adopted shows that the model explains about 79% of the change in dependent variable, the value is within the acceptable limits, justifying the effectiveness of the model in the prediction of the performance of the education projects.

**Table 4.14: Regression Co-efficient**

Model		Un-standardised Coefficients		Standardised Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.441	0.213		6.765	.001
	Budget Planning	.481	.101	.443	4.762	.000
	Budget Control	.471	.105	.317	4.205	.000
	Budget Coordination	.443	.112	.396	4.219	.003
	Budget Evaluation	.386	.088	.381	4.386	.002

a. Dependent Variable: Project Performance

#### 4.5.1 Hypothesis Testing

The first hypothesis stated that there is no significant relationship between budget planning and the performance of NGCDF education projects in Kenya. The regression findings show that budget planning significantly predicts the project performance,  $p=0.000$ . The p-value obtained is less than the significance level of 0.01. As such, the first null hypothesis is rejected since the findings were significant.

The second hypothesis stated that there is no significant relationship between budget coordination and the performance of NGCDF education projects in Kenya. From the results, it is evident that the relationship between budget coordination and project performance is significant and that the variable significantly predicts the project performance at  $p=0.003$ . The p-value obtained is less than the significance level of 0.01 as such the null hypothesis is rejected.

The third research hypothesis stated that there is no significant relationship between budget control and the performance of NGCDF education projects. The regression findings obtained shows that budget control significantly predicts the project performance variable, at  $p=0.000$ . The p-value obtained is less than the significance value of  $p=0.01$ . The null hypothesis is rejected since the results are significant. There is sufficient evidence to conclude that there is a significant positive relationship between budget control and project performance.

The fourth hypothesis stated that there is no significant relationship between budget evaluation and the performance of NGCDF education projects. The results obtained in the regression analysis shows that budget evaluation significantly predicts the performance of NGCDF education projects at  $p=0.002$ . The p-value is less than the significance level of 0.01; consequently, the null hypothesis is rejected. The evidence availed is sufficient to conclude that budget evaluation positively predicts the project performance.

The findings obtained availed sufficient data for the researcher to reject the entire null hypothesis formulated in the study. It can be deduced that there is a significant positive relationship between the budget process variables and the education project performance variable. There is sufficient evidence to report that the budget process variables have a significant positive effect on the project performance.

The findings above show that budget planning; budget coordination, budget control, and budget evaluation have positive coefficients. This implies that these variables are directly proportional to the performance of NGCDF education projects. So, any increase in any of the variables – budget planning, budget coordination, budget control, and budget evaluation – leads to an increase in performance of NGCDF education projects and vice versa.

The co-efficient for budget planning is 0.481, budget coordination is 0.471, budget control is 0.443, and budget evaluation is 0.386. The estimated model was therefore fitted as;

$$Y = 1.441 + 0.481X_1 + 0.471X_2 + 0.443X_3 + 0.386X_4$$

From the regression equation above, it was established that when the independent variables, budget planning, budget coordination, budget control and budget evaluation, are at a constant zero, the performance of NGCDF education projects would be at 1.441. A unit increase in budget planning would result in an increase in performance of NGCDF education projects by a factor of 0.481, a unit increase in budget coordination would result in an increase in performance of NGCDF education projects by factors of 0,471, a unit increase in budget

control would result in an increase in performance of NGCDF education projects by factors of 0.443, and a unit increase in budget evaluation would result in an increase in performance of NGCDF education projects by a factor of 0.386. It is also noticeable that all the variables were significant since their significant value was less than 0.01 ( $p > 0.01$ ). In summary, the results from the inferential analysis showed that budget planning, budget coordination, budget control, and budget evaluation explain the performance of NGCDF education projects. Therefore, these independent variables are predictors of NGCDF education projects.

## CHAPTER FIVE

### DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1. Introduction

This chapter of the study presents the summary of data findings, discussions from the findings and recommendation made. The conclusions, recommendation drawn focused on addressing the objectives upon which study was based.

#### 5.2. Discussion of Findings

This section presents a discussion of the findings of the study. The discussion is done to give more meaning to the findings obtained. The results obtained are linked to the accounts of previous scholars, to identify areas where they build on the existing literature, and sections where they refute the findings of the previous scholars.

##### 5.2.1 Budget Planning and Performance of NGCDF education projects

The study findings show that there is a strong positive correlation between budget planning and project performance, 0.978, indicating that there is a strong relationship between the two variables. The regression results show that the coefficient of variation between budget planning and performance of NGCDF education projects is 0.481. This implies that a unit increase in budget planning would positively change the performance of NGCDF education projects. The study also revealed that the NGCDF funds physical learning facilities in the schools where these projects are undertaken have strict deadlines that the schools have to adhere to. The involvement of the public in the budget planning process for every physical learning facility implemented in the school has a positive impact on the performance of NGCDF education projects. The constituency put priority in involving institutions stakeholders before allocating funds to projects and

engaging them in making key budget decisions. It explains why the constituency has been able to record a positive performance of their NGCDF education projects.

In a NGCDF project, efficient and proper management system is necessary. The system should be as inclusive as possible because it involves a number of stakeholders. A proper implementation for the budgetary planning requires that the NGCDF management engages the stakeholders in every stage of the budget decisions and that explains the positive correlation between engaging stakeholders in making key budget decisions and performance of NGCDF education projects. It also requires the NGCDF to conduct a regular follow up on budget plan. A proper follow-up strategy should be prepared properly, which clearly depicts the responsibilities and duties of each level of budget planning. The NGCDF committee also needs to hold a number of public participation meetings before it funds any project and this explains the positive relationship between public participation meetings and performance of NGCDF education projects. The above findings concur with the research outcomes of Ombima and Juma (2020) that well-planned budgets can help the planner to determine eventual perceptions of a program's purpose and deduce a comparison with the anticipated perceptions of the public. Effective budget planning is thus a major process in project implementation that must be assured to achieve an enhanced project performance.

### **5.2.2 Budget Coordination and Performance of NGCDF education projects**

The study investigated the relationship between budget coordination on performance of NGCDF education projects. The research found a positive value of coefficient 0.978 between budget coordination and performance of NGCDF education projects. This implies that there is a strong positive correlation between budget coordination and project performance. This implies that a unit increase in budget coordination would enhance the performance of NGCDF education projects. The study also established that the



NGCDF committee creates a budget ceiling on the allocation for every project in the constituency, and that the NGCDF committee has put in place systems that provide the project management committee with appropriate explanations on significant variations between budget and actual expenditures. In the process of budget coordination, the study further established that the NGCDF committee meets punitive action on schools that exceed the approved budget by more than 25%. In order to manage NGCDF projects appropriately, Nyawira (2017) found out that it is important to cap the budget at a certain level to enable the project execution team to work with the available resources to produce optimum output. In the findings, Kabue denoted that undertaking certain actions against misuse of resources is one of the factors that contribute to high-level project performance. Therefore, the findings in this present study are similar to the previous study conducted by Nyawira (2017).

The present study established that the availability of budget documentation for the NGCDF funded projects was a contributing factor to the performance of NGCDF education projects, which to a large extent widen the findings in the study by Kabue (2015). According to Kabue (2015) presence of clear and up-to-date project documentation affected the performance of projects. The author found out that absence of these documents led to financial problems, poor site management, and shortage of materials as the top three consequences.

Based on the findings in the empirical studies, the present can confirm that project management is a critical factor of budget coordination. The present study found out that the ability of project management committees to receive project management reports is important in guiding project implementation process and subsequent improvement of performance of NGCDF education projects. The presence or absence of these reports influences the performance of NGCDF education projects.

### **5.2.3 Budget Control and Performance of NGCDF education projects**

The present study found that there existed a positive significant relationship between budget control and performance and according to the study conducted by Chehall and Langfield (2008), budgetary control provides for greater effectiveness in achieving organisational efficiency. In a study by Carr and Joseph (2010), they found out that effective implementation of budgetary control is an important guarantee for effective implementation of the budget. Obi (2015) further found out that budgetary control is a metric for corporate performance because it is important in helping an organisation to plan its financial activities well in advance. In the findings, Obi (2015) deduced that no organisation could achieve an appreciable success with haphazard budgetary control. In seeking to close this gap, the present study established that the factors of budgetary control influenced the performance of NGCDF-funded education projects. From the coefficients established, a unit increase in budget control would lead to increase in performance of NGCDF-funded education projects by a factor of 0.443. The study also revealed that NGCDF issues guidelines and policies to guide in implementation of projects. As the guidelines and policies become stricter, budgetary control also becomes more comprehensive and the constituency executes its projects within the allocated budget. The presence of a project budget implementation committee and project management committee in the constituency assist it to assess the level of performance. The project management committee conducts a series of regular meetings with various stakeholders to review the implementation of the projects. The study further revealed that the NGCDF committee plays a significant role of receiving reports on project budget deviations and takes timely corrective actions on adverse budgetary variations.

The research revealed that majority of the respondents strongly agreed that there needs to be guidelines and policies that guide the implementation of projects in the

constituency. The present findings concur with the findings of Onduso (2013), who found out a strong and positive relationship between effects of budget and financial performance of manufacturing companies. Timely corrective action is critical in accomplishing projects appropriately.

#### **5.2.4 Budget evaluation on the performance of NGCDF education projects**

The study investigated the relationship between budget evaluation and performance of NGCDF education projects. The correlation findings indicated that there is a significant positive correlation between budget evaluation and project performance, as indicated by the correlation coefficient of 0.938. From the regression results, it was found that a unit increase in budget evaluation would result in an increase in performance of NGCDF education projects by a factor of 0.386. The study also established that NGCDF committee undertakes a specified number of project field visits to monitor project progress, provides timely feedback to the project management committees to correct any detected weakness during project process monitoring, and receives, discusses and implements audit reports. The present study further revealed that NGCDF committee puts in place a good budget performance evaluation framework and that the office of the auditor general conducts a specified number of audits to determine conformance with the project budget against actual execution. Budget evaluation assists the NGCDF management committees to assess the level of performance. Where budget evaluation is high, there is a meaningful positive relation between budgetary coordination and performance.

The present findings concur with a previous study by Dahana and Ermwati (2020) who found out that constant evaluation of project activities and project budget control are critical in ensuring maximum efficiency in the implementation of NGCDF projects. In another study by Kauta (2017), the outcomes showed that permanent monitoring and periodic evaluation of the budget is a precondition for effective

implementation of performance-based budgeting. These findings correspond to the findings in the present study. The present study also confirms the outcomes of a study by Simiyu, Manini, and Singoro (2018), which found out that there is a significant correlation between budgetary monitoring and performance. In the same thought, the present study revealed that the success of NGCDF projects depends greatly on a good budget performance evaluation.

### **5.2.5 Status of project performance**

The present study established that the indicators of performance of NGCDF education projects were; project quality, time performance, cost performance, and stakeholders' satisfaction. The research findings concur with a previous research by Bonghez and Goigoroiu (2013), which found out that there needs to be synergy between organisational strategy and projects, programs and portfolios for optimum stakeholders' value and sustainability. In the present study, it is noticeable that attaining a desirable project performance requires that the NGCDFC executes it within the cost budget. The performance of a project chiefly relies on time and budget control. According to Tero (2014), the success of any project is dependent on whether it is completed within the stipulated budget, which is a deliverable of performance in the present study. In other studies, by Wachaiyu (2016), they found out that the critical success factors contributing to project success include timely delivery and budget. The findings concur with the present results, which indicate that the performance of NGCDF education projects are performing well in terms of timely delivery of projects, harmonious relationship among the stakeholders, cost and budget provisions.

### **5.3 Conclusions**

The study concludes that budget planning has a statistical significance effect on the performance of NGCDF education projects. The factors of budget planning contributing towards the performance of NGCDF education projects are; funding, budget

timelines, public involvement in budget planning process, involvement of institution stakeholders in allocation of funds, involvement of stakeholders in key budget decisions, regular follow-up on budget plan, and holding public participation meetings before the NGCDFC funds a project.

The study concludes that budget coordination also affects the performance of NGCDF education projects and various indicators enhance it. These indicators include; budget ceiling, availability of management systems on significant variations between budget and actual expenditures, presence of punitive actions against budget excess that exceeds 25%, availability of budget documentation for every project, and ability of the project management committees to receive projects reports on implementation process.

The study concludes that there is a strong relationship between budget control and project performance, and that the variable highly predicts the performance of NGCDF education projects. The factors that affect performance of NGCDF education projects in budget control include; presence of guidelines and policies that guide implementation of projects, existence of a project budget implementation committee, the frequency at which the project management committee review the implementation of projects, reporting of project budget deviation to NGCDF Committee, and timely corrective action on reports of adverse budget variations.

The study concludes that there is a strong positive relationship between budget evaluation and project performance and that the variable highly predicts the performance of NGCDF education projects. The factors that enhance performance of NGCDF education projects in budget evaluation include; the ability of the NGCDF Committee to undertake specific project visits to monitor projects progress, provision of timely feedback to the project management committees to correct any detected weakness, ability of the auditor general being able to conduct consistent audits to determine conformance with project

budget, NGCDF Committee promptly receives, discusses and implements audit reports, and presence of a good budget performance evaluation system.

The study established that there exists a positive significant relationship between each of the independent variables and the dependent variable. There is a strong positive correlation between budget planning, budget coordination, budget control, and budget evaluation and performance of NGCDF education projects, since the p-value for every variable was less than 0.01. The regression results also show that the independent variables significantly predict the dependent variable, justifying the importance of budgeting process in determining the outcome of the NGCDF projects.

#### **5.4. Recommendations**

Based on the findings, the study recommends that the NGCDF Committee need to engage all the stakeholders in constituency budgeting process. This will enable the NGCDF Committee and the government at large to plan and manage its financial resources appropriately. Such engagement will also help the government in supporting and implementing programs and projects based on priority. The NGCDF Committee should carry out a budget review periodically so that they identify and correct excessive budget deviations that are likely to hinder positive performance of NGCDF education projects. The committee should also pay greater attention to budgetary planning, coordination, control and evaluation processes, as this will ensure that it allocates sufficient funds to every education project thus avoiding project failures. Proper and efficient budget planning and evaluation framework should be in place for proper budgetary process at all stages of development of education projects.

#### **5.5 Limitations of the study**

Time constraints were a constraint, as the research involved distributing questionnaires to a variety of respondents, the majority of whom were too busy to respond.

The duration of the research was also brief, putting a strain on time management, which is why the research focused exclusively on Ndhiwa Constituency.

Financial constraints were also a significant constraint encountered due to insufficient financial resources, which slowed down the data collection process and production of the study's final report on time.

The study's small sample size was a limitation. Because the sample was not representative of all constituencies in Kenya, the findings cannot be generalised to all constituencies not included in this study.

### **5.6 Recommendations for further studies**

The study sought to determine the relationship between the constituency budget process and the performance of NGCDF education projects in Ndhiwa Constituency.

The study recommends that further study should be conducted to evaluate factors other than budget planning, budget coordination, budget control, and budget evaluation that affect performance of NGCDF education projects such as participative budgeting.

The research further recommends the use of a different research design to determine the relationship between constituency budget process and performance of NGCDF education projects. A different design would be helpful in eliminating research bias, possible errors and subjectivity. The research can also go for a longer duration.

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**Appendix I: Introduction letter**

Dear Sir,

I am Beatrice Anyango Otieno, a Master of Business Administration student at Africa Nazarene University, Nairobi, Kenya working on an applied project as a partial fulfilment of the degree requirement request you as a representative of your institution to be part of my respondents.

Your participation in this research project shall remain anonymous and confidential and be used only for the research purpose.

Thank you most sincerely

## Appendix II: Research Questionnaire

The purpose of this questionnaire is to collect information about your perception on the effects of budgeting process on National Government Constituency Development Fund education projects in secondary schools in Ndhiwa constituency. This applied research is in partial fulfilment of the requirements for the award of Master of Business Administration degree, MBA Department, and School of Business of Africa Nazarene University.

The provided information will be treated with absolute confidentiality and is purely for this study.

Put a tick where appropriate

### Section A. Demographic information

Demographic characteristics (Tick where appropriate )

Age

20 – 24

25 – 29

30 – 34

35 – 39

41 – 44

45 and above

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Gender

Male  Female

Education level

Primary  Secondary  Certificate  Diploma  Undergraduate  Master   
PHD  None

Please indicate your ward of residence in Ndhiwa constituency.

Kologi  Kwabai  Kanyikela  North Kabuoch

Kanyidoto  South Kabuoch  Kosewe

What is your position in this institution?

.....  
.....



How long have you been in this institution?

1 – 2 [ ]

3 – 4[ ]

5 – 6[ ]

7 – 8[ ]

9 – 10[ ]

11 and above

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**SECTION B: Budget planning on project performance of National Government Constituency Development Fund education projects.**

Please tick (√) the most suitable answer for each of the following statements in this section as pertains to budget Planning bearing in mind the following ratings where: 5- Strongly Agree (SA), 4-Agree (A), 3- Not Sure (NS), 2-Disagree (D), and 1-Strongly Disagree (SD)

	5(SA)	4(A)	3(N)	2(D)	1(SD)
B1. NGCDF funds physical learning facilities in the school					
B2. NGCDF Projects have budget timelines which must be adhered to					
B3. The public are involved in the budget planning process for every physical learning facilities implemented in the school					
B4. Ndhwa NGCDFC involve institution stakeholders before allocating funds to projects					
B5. The school engages its stakeholders in making key budget decisions					
There is regular follow up on budget plan by the NGCDF committee					
A number of public participation meetings are held before any project is funded					

**Section C: Budget Coordination on performance of National Government Constituencies Development Fund education projects**

Please tick (√) the most suitable answer for each of the following statements in this section as pertains to budget coordination bearing in mind the following ratings where: Strongly Agree (SA), 4-Agree (A), 3- Not Sure (NS), 2-Disagree(D), and 1-Strongly Disagree (SD)

	5(SA)	4(A)	3(N)	2(D)	1(SD)
C1. Budget ceiling on how much is allocated to a particular project exist					
C2. Systems are in place to provide management with appropriate explanations on significant variations between budget and actual expenditures?					
C3. Punitive action is meted on exceeding approved budget by more than 25%					
C4. Budget documentation exist for the NGCDF funded projects					
C5. Project management committees receive a number of project reports to guide the project implementation process					

**Section D: Budget Control on performance of national Government constituencies Development Fund education projects**

Please tick (√) the most suitable answer for each of the following statements in this section as pertains budget control bearing in mind the following ratings where: Strongly Agree (SA), 4-Agree (A), 3- Not Sure (NS), 2-Disagree (D), and 1-Strongly Disagree (SD)

	5(SA)	4(A)	3(N)	2(D)	1(SD)
D1. NGCDF issues Guidelines and policies to guide in implementation of projects					
D2. There exist project budget implementation committee in charge of implementing projects.					
D3. Project Management Committee hold a specified					

number of meetings regularly to review implementation of projects					
D4. Project budget deviation are reported to NGCDF Committee					
D5. The committee takes timely corrective action when adverse variation are reported					

**Section E: Budget Evaluation on performance of National Government Constituencies Development Fund education Projects.**

Please tick (√) the most suitable answer for each of the following statements in this section as pertains budget evaluation bearing in mind the following ratings where: Strongly Agree (SA), 4-Agree (A), 3- Not Sure (NS), 2-Disagree (D), and 1-Strongly Disagree (SD)

	5(SA)	4(A)	3(N)	2(D)	1(S D)
E1. NGCDF committee undertakes a specified number of project field visits to monitor project progress.					
E2. NGCDF committee provide timely feedback to the project management committees to correct any detected weakness during project progress monitoring.					
E3. The office of auditor general conducts a specified number of audits to determine conformance project budget against actual execution.					
E4. NGCDF committee receives, discusses and implements audit reports.					
E5. NGCDF has in place a good budget performance evaluation					

**Section F: Project Performance**

Please tick (√) the most suitable answer for each of the following statements in this section as pertains project performance bearing in mind the following ratings where:

Strongly Agree (SA), 4-Agree (A), 3- Not Sure (NS), 2-Disagree (D), and 1-Strongly Disagree (SD)

	5(SA)	4(A)	3(NS)	2(D)	1(SD)
F1. Project budgets determine whether the project is completed the stated timelines.					
F2. Project budget determines whether the project meets stakeholders perception on project quality					
F3. Project budget determines whether the project experiences cost overruns					
F4. Project budget determines whether the project experiences time overruns					
F5. Budget systems provide a framework for allocation project cost					

## APPENDIX III ANU LETTER OF RESEARCH AUTHORIZATION



20<sup>th</sup>, April, 2021

E-mail: [researchwriting.mba.anu@gmail.com](mailto:researchwriting.mba.anu@gmail.com)

Tel. 0202711213

*Our Ref:* 15J03EMBA034

The Director.

National Commission for Science,  
Technology and Innovation (NACOSTI),  
P. O. Box 30623, 00100  
Nairobi. Kenya

Dear Sir/Madam:

**RE: RESEARCH AUTHORIZATION FOR: BEATRICE ANYANGO OTIENO**

Miss. Beatrice is a postgraduate student of Africa Nazarene University in the Master of Business Administration (MBA) program.

In order to complete her program, Miss. Beatrice is conducting a research entitled: “**Effects of Constituency Budget Process on Performance Education Projects within National Government Constituencies Development Fund in Kenya: A Case of Ndhiwa Constituency**”

Any assistance offered to her will be highly appreciated.

Yours Faithfully,

**DR. Kimani Gichuhi,**

**MBA, Coordinator,**

**School of Business,**

**Africa Nazarene University.**

APPENDIX IV: NACOSTI RESEARCH AUTHORIZATION PERMIT



REPUBLIC OF KENYA



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Ref No: 414350

Date of Issue: 14/October/2021

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This is to Certify that Ms.. Beatrice Anyango Otieno of Africa Nazarene University, has been licensed to conduct research in Homabay on the topic: Effects of Constituency Budget Process on Performance Education Projects within National Government Constituencies Development Fund in Kenya: A Case of Ndihiwa Constituency for the period ending : 14/October/2022.

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APPENDIX V: MAP OF STUDY AREA

