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CHALLENGES OF BUDGET IMPLEMENTATION IN THE PUBLIC SECTOR: A CASE OF MERU COUNTY IN KENYA

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Abstract

A budget is a basic and powerful tool in management and serves as a tool for planning and controlling the use of scarce financial resources in the accomplishment of organizational goals. Most of the studies on budgeting mainly focused on challenges of budget preparation and utilization in the public sector. The study sought to determine the challenges of budget implementation in the public sector, a case of Meru County. The specific objectives were institutional constraints in budget implementation, performance in revenue collection, county government capacity on use of IFMIS and effective oversight and audit function. The study employed a descriptive research design. This study was a descriptive in nature done on a population consisting 80 members of staff who were in management positions in the thirteen (13) departments of Meru County and within the executive arm. These departments were Office of the Governor, County Treasury, Agriculture, water, education, health, planning, public service, transport, cooperatives, culture, public service board and town administration department. A sample was drawn from these targeted 80 employees in the county. A sample size of 40 comprised of ten (10) CECs, ten (10) COs and twenty (20) directors. Self-administered questionnaires were distributed to the sample drawn and descriptive analysis was employed. Pie charts, tables, graphs were then used as appropriate to present the data. The data was analyzed using multiple regressions. It was found that there was relationship between *the set of independent variables and the dependent variable. The challenges of budget implementation in Meru County were related to institutional constraints, capacity on use of IFMIS and oversight and audit function. The study hence recommends a further research be done on another County and broaden the respondents to include both the middle level and top management. A further research could also be carried out on challenges of budget preparation in the public sector to see if the same results would be arrived at.*

Keywords: Challenges, Budget Implementation, Public Sector, Devolution. Accountability

INTRODUCTION

A good budget implementation process should ensure that the intended government policies and priorities are achieved, operational efficiency, effective service delivery, transparency and elimination of corruption. (Shard & David, 2010). Government budgets can either be classified as surplus when the revenue exceeds expenditure, deficit budget when expenditure exceeds revenue and a balanced budget when expenditure and revenue are equal. (Smith et al, 2004).

Despite the introduction of devolution in Kenya, very little attention has been given to budget implementation challenges as a tool for achieving plan targets and safe guarding public funds (Kiringai, 2002).The need for accountability and efficiency of service delivery in public organizations across Africa and in Kenya, puts public organizations at the fore front in establishment of control systems. Margah (2005) asserts that budgetary controls are important tools for a county's economy. This is because it allows planning for expenditure thus facilitating systematic spending. Finances are put into optimum use, extending the benefits to industry and national economy.

Budget implementation process aims at maximizing the contribution of public expenditure to national welfare. Public Finance Management Act 2012 section 35 and section 125 gives the guidelines on the national and county governments' budget making, approval and implementation procedures. The national treasury handles budget formulation of all state agencies apart from legislature and the judiciary in respect to separation of powers as enshrined in the constitution. Budget making and implementation for both senate and national assembly is handled by the parliamentary services commission. After the approval of budget estimates by parliament, the cabinet secretary for finance prepares appropriations bill to be approved by 30thJune each year. A mechanism of raising revenue known as the finance bill is passed within 90 days from the date of passing appropriations bill.

Oloo (2006) describes the defining feature of devolution as the transfer of political powers and autonomy to sub-national units which are in turn politically accountable to the local communities as opposed to the centre. In Kenya since independence, power has been concentrated at the executive, where the decision making was done, and distribution of resources was majorly determined by the wishes and political inclination of the president. In the Constitution of Kenya 2010, there is provision for the devolved system, anchored in law through the Transitional Authority Act 2012. Oloo (2006) adds that the implementation of the devolved system of government creates and strengthens a system of government where dignity, human rights, transparency, accountability, social justice, gender, rule of law and equity reign supreme at all levels of government. Fundamentally, the success of devolution will require huge resources, public awareness, capacity building initiatives and highly committed personnel, institutions and organizations, founded on the national values as enshrined in the Constitution of Kenya 2010.

The County Government of Meru has two arms of the government, the Executive and the legislature (County Assembly). The executive structure comprises the governor, deputy governor, and the county executive committee and the whole county executive administration. It has thirteen (13) departments each headed by chief officers and directors. The county assembly on the other hand comprises the speaker, members of the assembly (MCA) and the county assembly administration which is headed by the clerk. Budget implementation is the responsibility of the executive arm of government.

Statement of the problem

Despite the introduction of devolution in Kenya, very little attention has been given to budgetary controls as a tool for achieving plan targets in the public sector (Kiringai, 2002). A good budget implementation process should ensure proper planning and control of limited resources to achieve intended government policies and priorities in a transparent and effective way (Pierce, 2004). An annual budget implementation review report from the office of the Controller of Budget for FY 2014/2015 showed that Meru County failed to remit the locally collected revenue to the County Revenue Fund account as stipulated in Section 109(2) of the PFM Act, 2012 thus hampering effective budget implementation. According to Annual County Government's budget implementation review report for FY 2014/2015 Meru County government raised Kshs. 539.24 million from local sources against a target of Kshs 588.04million while with same report of 2013/2014 the sources were Kshs 499.78 million against a target of Kshs 525.36 million.

The literature reviewed largely reveal that county governments have made attempts on addressing issues of budget preparation and utilization process in the public sector but a gap still remains on the challenges of budget implementation in the public sector.

It was with this in mind that the researcher sought to uncover the challenges of budget implementation in the public sector that is little due to the fact that the county governments are at their infant stage in Kenya's governance and political development.

Specific Objectives

i) To assess effect of institutional constraints on budget implementation in the public sector.
ii) To determine effect of performance in revenue collection on the budget implementation in the public sector.
iii) To assess the effect of county government capacity on use of IFMIS on budget implementation.
iv) To examine the role of oversight and audit functions in the budget implementation in the public sector

Research Hypothesis

i) H_0 : There is no significant relationship between institutional constraints and budget implementation in the public sector.
ii) H_0 : There is no significant relationship between performance in revenue collection and budget implementation in the public sector.
iii) H_0 : There is no significant relationship between use of IFMIS and budget implementation in the public sector.
iv) H_0 : There is no significant relationship between oversight role, audit functions and budget implementation in the public sector.

Limitation and delimitation of study

The study intended to use a single county rather than all the counties in Kenya and the findings would be generalized to all the 47 counties in Kenya. The study was delimited to respondents from the Meru County executive arm of government who were in senior management positions since they were relevant to the study under consideration.

LITERATURE REVIEW

Agency theory

An agency relationship is a contract under which one or more persons (the principals) engage another person (the agent) to perform some service on their behalf which involves delegating some decision making authority to an agent (Mack & Ryan, 2002). Agency theory has been used to explain the complex relationships between various government agencies. The relationship between the public as voters with the executive government, the relationship between the legislature with the executive, and the relationship between government superiors and subordinates, has also been described by using the theory of agency (Multan, 2000; Shi &Svenson, 2002; Lupia, 2001). In government organizations, especially between the national government and the county government, there is a principal agent relationship, where the citizens are the principal and governments are the agents. County government leaders are directly elected from the electoral process. (Luc Leruth& Elisabeth Paul (2007).

Financial accountability asserted that the implementation of public budgets is based on the interests of the people, as who provide the mandate to the government to plan and implement the budget. Budget in favor of the people is the budget not only in terms of expenditure, which meets the allocation of public services as expected, but also from the revenue side. The Office of controller of budget (COB) in liaison with national treasury exercise financial control in all counties and is required to serve the public interest. County governments can be seen as agents of the people (the principal) because they are required to produce a certain level of public output including the quality of county government expenditure returns in exchange for taxes paid by the people. The objective of COB is to oversee the county government in implementing public expenditure programs and projects.

Implementation of the budget commences with the beginning of the fiscal year. The execution or implementation stage of the budget process is mainly in the hands of the executive. The treasury usually plays a leading role in ensuring that funds are apportioned to spending county departments in line with the approved budget. Sometimes, however, in many county departments, cash constraints lead to certain expenditures being cut below voted and other unplanned adjustments to approved spending. Funds might be shifted to purposes other than those that were approved.

The information asymmetry between the principals and agents in counties are being addressed by increased recognition of the role of county assemblies and public participation as per the constitution under Articles 118(1) b and 196(1) (b) in the budget formulation process. Information is critical in an effective contract between the principal and agent, so this theory examines the budgetary implication of who controls that information, the legislative body or the executive. It closes with a call for an organizational perspective on the control and management of the exchange of information (Wildavsky & Aaron, 1961). This theory will be useful in this study because accountability is key in budget implementation. Principal-agent relationship is strengthened by the concept of accountability. An agent has an obligation to the principal, and the obligation is called accountability (Mack & Ryan, 2002).

Empirical Review

Institutional constraints to the budget implementation

The SRC was established by the Constitution of Kenya 2010 by the people in their bid to harmonize the salaries of state officers in the context of fairness across the board and secure the observance by all State organs of democratic values and principles (Article 249 (1)). In order to properly carry out this mandate, the SRC must continuously perform a social-political and fiscal balancing act. The Commission is expected to minimize disharmony in the public sector and encourage orderly wage and benefit negotiations. (Kirira, 2011).Article 230 of the constitution established the Salaries and Remuneration Commission (SRC) to set and regularly review remuneration and benefits of state officers and advise the National and County Governments on remuneration and benefits of all public officers. Bartel (2006) in his study found that institutional resistance to change, inadequate technology and lack of human resource capacity are some of the factors often cited for the failure of budget implementation in the organization.

Owegi (2006) state that the report on procurement in Kenya concluded that massive upgrading of qualification through training as well as an increase in the supply of specialized graduates was required to help fill the professional gap in the public procurement. According to OCOB County Government Budget Implementation Review Report half year FY 2014/2015, Meru County had a failure to adhere to SRC Circular on staff remuneration resulting in senior staff being paid monthly transport allowance despite being assigned official vehicles.

Use of IFMIS on budget implementation

Integrated Financial Management Information System (IFMIS) is an automated system that enhances efficiency in planning, budgeting, procurement, expenditure management and reporting in the National and County Governments in Kenya. (World Bank, 2004). Kinyua (2003) noted that the Kenya Government has implemented the Integrated Financial Management Information System (IFMIS) since the year 2005 as its sole accounting system. Sound IFMIS systems can help not only county governments gain effective control over their finances, but also enhance transparency and accountability, reducing political discretion and acting as a deterrent to corruption and fraud (Davenport & Brooks, 2004).

IFMIS and public sector performance have drawn much attention among scholars and researchers. Gallagher (2007) in his study on building fiscal infrastructure in post-conflict societies found that lack of high level commitment, ineffective project coordination, loose project design and planning were the hindrances. Jack and Khemani(2005) argued that over ten years of implementation, this system has still not been able to fully provide the expected benefits of integrated financial planning, implementation and control of public expenditure due to staff resistance, management commitment, System complexity and capacity and skills of users. The capacity and technical knowhow was found to be low due to lack of training and the hurried implementation of the system.

The controller of budget in her review report for county budget implementation for half year 2013/14 cites slow operationalization of the IFMIS and in FY 2014/2015 Meru County made little progress in embracing the use of IFMIS to process financial transactions and especially in end to end procurement process.

Effective oversight and audit function on budget implementation

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations (Kinyua, 2003). Deloitte and Touche (2004) conducted a research and found out that much of the work of internal audit was very restrictive in terms of scope thus the need of addressing financial transactions if transparency and accountability in the internal audit activity is to be attained.

Unegbu (2011) in his research on the implications of an ineffective oversight and audit on public sector financial management noted that it could lead to the emergence of fraud, non-compliance with internal policies and procedures, ineffective financial decision for successful operations including on budget implementation. Having an effective oversight and audit within organization is a key step to achieving significant performance, profitability, prevents loss of revenues particularly in public sector enterprises (Vijayakumar & Nagaraja, 2012). Feizizadeh (2012) carried out a study on strengthening audit effectiveness and found that most of the companies measure and quantify the performance and effectiveness of their business activities in order to enhance transparency and accountability in financial reporting.

Owego (2012) in his study argued that the governing bodies of public sector entities need to ensure effective system of internal control because it is one of the several factors that influence the performance of an organization and it plays a vital role in achieving management intended objectives that would lead to the successful operations. It is not enough for an organization to have internal controls system over their critical processes but is to ensure that those controls are effective (Candreva, 2006).

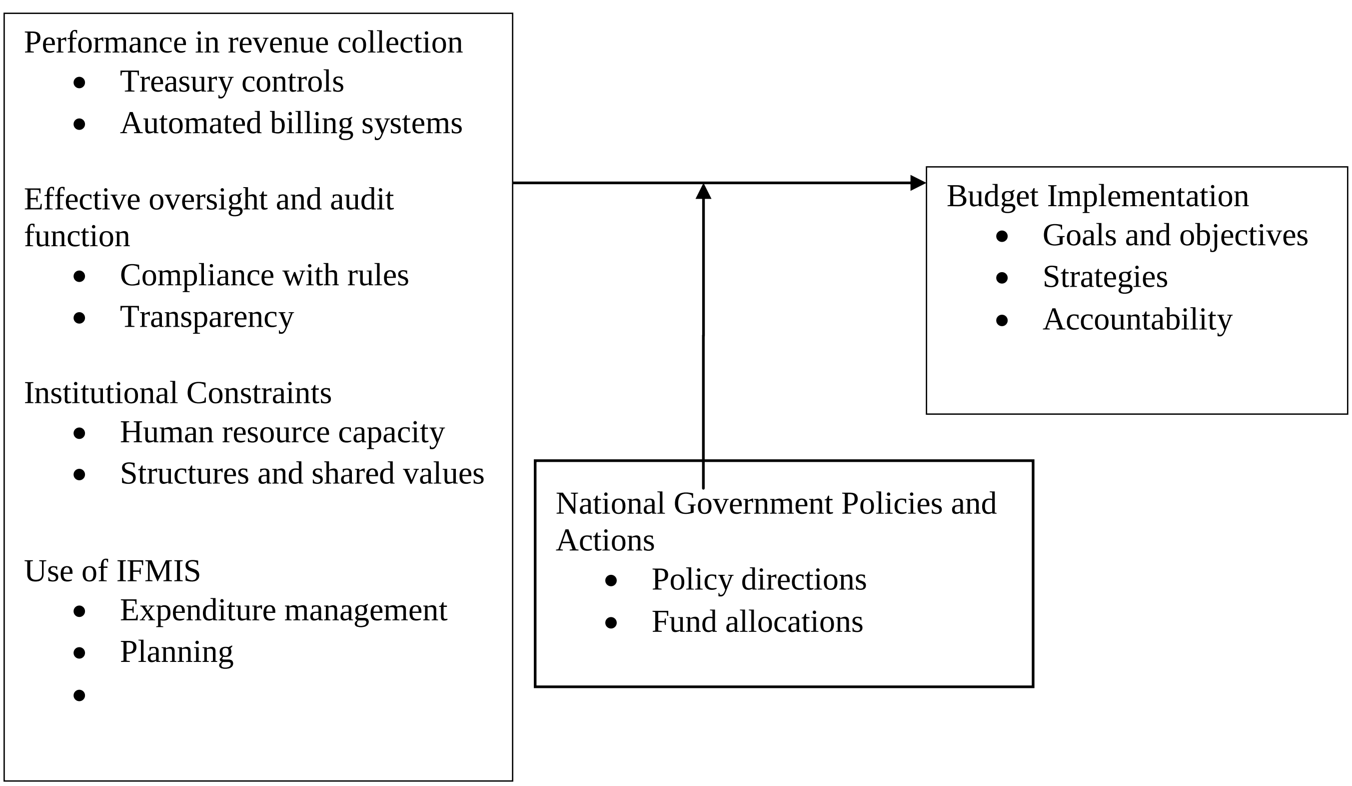
Lack of internal audit committee contrary to Section 155(5) of Public Finance Management Act, 2012 is one of the challenges that hamper effective budget implementation. This committee is of essence in the county government as it enhances oversight and transparency in public finance management.

Performance in revenue collection on budget implementation

COB in her review report half year FY 2014/2015 cites underperformance in revenue collection as one of the challenges that hampered effective budget implementation in the county. Brookson (2000) argues that an efficient county revenue collection system is the hub of every public administration system and the cornerstone of sound fiscal management. It enables governments to finance budget deficits from domestic sources. Kirira (2011) noted that optimal revenue collection is still structurally and operationally compromised by loopholes such as lack of transparency in revenue collection and remittance processes, and, corruption within revenue centers designated to revenue officers. Kipsang(2015) in his study argued that accurate billing and invoicing for services is a critical element of the county revenue management business model. Due to poor billing and revenue collection, counties are increasingly recording low revenue collection as highlighted in the annual county government budget implementation review report FY 2013/2014.

Oloo (2006) explains the need to review the structural and operational frameworks governing the county revenue board, tighten treasury control over all county revenue sources, and strengthen legislative oversight and the public audit functions, as well as instituting transparency in county revenue remittance processes.

Figure 1. Conceptual framework



RESEARCH METHODOLOGY

The study adopted a descriptive design. Descriptive research design is a scientific method which involves observing and describing the behavior of a subject without influencing it in any way (Kothari, 2004). The study was limited to the public sector with the main emphasis being government employees in Meru County. According to Meru County Government database 2016, there were 80 members of staff who were in management positions in the thirteen (13) departments of Meru County and within the executive arm. The 80 members of management staff formed the target population. These departments were Office of the Governor, County Treasury, Agriculture, water, education, health, planning, public service, transport, cooperatives, culture, public service board and town administration department. A sample was drawn from these targeted 80 employees in the county. Data was collected using self-administered structured questionnaires. Purposive sampling is a technique that allows a researcher to use cases that have the required information with respect to the objectives of the study (Mugenda, 2003). The use of purposive sampling enabled the researcher to gather information from respondents with sufficient understanding on budgetary controls in the public sector due to the role they play in developing, monitoring and ensuring the implementation of budget in an organization. In this study, ten (10) County Executive committee members (CECM) ten (10) Chief Officers (CO) and twenty (20) Directors of all the Meru County departments were used to respond to the research instrument thus comprising a sample size of 40. The data was analyzed using multiple regression and presented using charts, bar graphs, frequency tables.

RESEARCH FINDINGS AND DISCUSSIONS

The variables for the study were institutional constraints, performance in revenue collection, use of IFMIS and effective oversight and audit function. The output of the multiple regressions indicating the significance of each of the predictor variable is shown in table below:

Table 1: Challenges faced in budget implementation of Meru County

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	4.901	.819		5.988	.000
	Institutional constraints	.173	.042	.435	4.136	.000
	Revenue Collection	-.043	.039	-.136	-1.097	.280
	IFMIS	-.359	.064	-.634	-5.655	.000
	Oversight and audit function	.281	.049	.805	5.681	.000

Institutional constraints

For the predictor variable institutional constraint, the probability of the t statistic (4.136) for the b coefficient is < 0.001 which is less than the level of significance 0.05. We reject the null hypothesis that the slope associated with institutional constraints is equal to zero (b = 0) and conclude that there is a statistically significant relationship between institutional constraints and budget implementation. The b coefficient associated with institutional constraints (0.173) is positive, indicating a direct relationship. This finding corresponds well with the finding of Bartel (2006) who argued that institutional resistance to change, inadequate technology and lack of human resource capacity directly contribute to failure of budget implementation in the organization.

Organizations that have put a lot of emphasis on human resource development yield better returns in terms of performance than the ones that ignore it. The finding of this study also concurs with the finding of the Controller of Budget on County Government Budget Implementation Review Report half FY 2014/2015 who noted that Meru County had not adhered to SRC directive on staff remuneration. The Salary and Remuneration Commission is mandated by law to set and regularly review remuneration and benefits of state officers and should advice both the National and County Government on issues of remuneration and benefits of all public officers. The management in the County level should ensure that the circulars are adhered to fully, to avoid issues of misuse of public funds. Any diversion of budgeted funds can lead to postponement or cancellation of already planned projects thus failing to meet its underlying policy objective. There is also need for both the National and County Government to work closely with the SRC and any issues that may affect both parties should be elaborated and agreed upon to enhance smooth operations in both governments.

Performance in Revenue Collection

This study did not establish a significant relationship between revenue collection and budget implementation. The p – value was greater than 0.05, hence we do not reject the null hypothesis.

The finding of the study was contrary to Brookson (2000) who argued that an efficient county revenue collection system is the hub of every public administration system and the cornerstone of sound fiscal management. It enables governments to finance budget deficits from domestic sources.

The study also had a divergent finding contrary to Kipsang (2015) who noted that accurate billing and invoicing for services are critical element of the county revenue management business model. The study further explained that due to poor billing in revenue collection, counties are increasingly recording low revenue collection.

Use of IFMIS

For the predictor variable IFMIS, the probability of the t statistic (5.655) for the b coefficient is < 0.001 which is less than the level of significance 0.05. We reject the null hypothesis that the slope associated with IFMIS is equal to zero (b = 0) and conclude that there is a statistically significant relationship between IFMIS and budget implementation. This study agrees with the finding of Davernport and Brooks (2004) who ascertained that the use of IFMIS helps county governments gain effective control over their finances enhances transparency and accountability and act as a deterrent to corruption and fraud. The use of IFMIS in the county government is of essence since it boosts the financial work flow in the county due to its speed of output, efficiency in expenditure management and reporting. Proper use of IFMIS ensures that expenditure per vote head does not exceed the allocated amount. This is because during the initial loading of the budget the limits for allocations are set in such a way that it cannot be go beyond the set limit. During the approval stage of funds to be disbursed to the respective account holders, the approver is able to release the funds and if the vote has been exceeded, it fails to go through an indication that the vote has insufficient funds or has reached the maximum limit. The use of IFMIS in relation to budget implementation is very significant since it helps in controlling vote usage and enhances financial discipline that ensures that funds are used as per their reallocations in the budget.

Effective Oversight and Audit Function

For the predictor variable oversight and audit function, the probability of the t statistic (5.681) for the b coefficient is < 0.001 which is less than the level of significance 0.05. We reject the null hypothesis that the slope associated with oversight and audit function is equal to zero (b = 0) and conclude that there is a statistically significant relationship between oversight and audit function and budget implementation. The b coefficient associated with institutional constraints (.289) is positive, indicating a direct relationship. The study agrees with Unegbu (2011) who conducted a research and found out that lack of effective oversight and audit on public sector management led to the emergence of fraud, non-compliance with internal controls and procedures and ineffective financial decision for successful operations. One of the roles of a County assembly is oversight function which is empowered to establish committees of its members to scrutinize bills and the conduct of government institutions and officials. The aim of oversight is to ensure that public funds are appropriated in a transparent and effective manner to safeguard the public funds and citizens' interest. In exercising oversight, the County Assembly focuses on implementation of laws, application of budgets and effective management of government departments. A weak oversight is a great challenge to budget implementation since it's not able to detect illegal and unconstitutional conduct of government officials thereby failing to protect the rights and taxpayers' funds.

This finding also agree with Owego(2012) who argued that the governing bodies of public sector entities need to ensure effective system of internal controls since it influences the performance of an organization. An audit department is very much of essence in the county government since it ensures policies and procedures are followed. There is need for an internal audit committee in Meru County so as to enhance transparency in public finance management. The controller of budget on budget implementation review report for FY 2014/2015 noted that Meru County lacks internal audit committee and this hamper effective budget implementation. The committee is of essence in county government as it enhances transparency and accountability in public finance management.

SUMMARY OF THE FINDINGS

The objective of the study was to examine the challenges of budget implementation in the public sector with specific reference to Meru County. Specific objectives for the study were institutional constraints, performance in revenue collection, capacity on use of IFMIS and effective oversight and audit function. For the predictor variable institutional constraint, the probability of the t statistic (4.136) for the b coefficient is < 0.001 which is less than the level of significance 0.05. We reject the null hypothesis that the slope associated with institutional constraints is equal to zero ($b = 0$) and conclude that there is a statistically significant relationship between institutional constraints and budget implementation. The b coefficient associated with institutional constraints (0.173) is positive, indicating a direct relationship. This finding corresponds well with the finding of Bartel (2006) who argued that institutional resistance to change, inadequate technology and lack of human resource capacity directly contribute to failure of budget implementation in an organization.

For the predictor variable IFMIS, the probability of the t statistic (5.655) for the b coefficient is < 0.001 which is less than the level of significance 0.05. We reject the null hypothesis that the slope associated with IFMIS is equal to zero ($b = 0$) and conclude that there is a statistically significant relationship between IFMIS and budget implementation. This study agrees with the finding of Davernport and Brooks (2004) who ascertained that the use of IFMIS helps county governments gain effective control over their finances enhances transparency and accountability and act as a deterrent to corruption and fraud.

For the predictor variable oversight and audit function, the probability of the t statistic (5.681) for the b coefficient is < 0.001 which is less than the level of significance 0.05. We reject the null hypothesis that the slope associated with oversight and audit function is equal to zero (b = 0) and conclude that there is a statistically significant relationship between oversight and audit function and budget implementation. The b coefficient associated with institutional constraints (.289) is positive, indicating a direct relationship. The study agrees with Unegbu (2011) who conducted a research and found out that lack of effective oversight and audit on public sector management led to the emergence of fraud, non-compliance with internal controls and procedures and ineffective financial decision for successful operations. This study did not establish a significant relationship between revenue collection and budget implementation. The p – value was greater than 0.05, hence we do not reject the null hypothesis.

CONCLUSIONS

The study concluded that institutional constraints, use of IFMIS and effective oversight and audit function had significant influence on budget implementation. However, there was little significant influence on performance on revenue collection. Budget implementation was found to be significantly affected by institutional constraints. Organizations that have put a lot of emphasis on human resource development yield better returns in terms of performance than the ones that ignore it. This is because human resource is the engine for any meaningful change. The management in the County level should ensure that the laid down rules and regulations by independent bodies such as SRC are adhered to fully, to avoid issues of misuse of public funds and conflict of interests. Any diversion of budgeted funds can lead to postponement or cancellation of already planned projects thus failing in the budget implementation. The study further concluded that the use of Integrated Financial Management Information System (IFMIS) has had significant effect on budget implementation.

The use of IFMIS in the county government is of essence since it boosts the financial work flow in the county due to its speed of output, efficiency in expenditure management and reporting. Meru County should embrace fully this automated system to ensure budget implementation stage has smooth operations of financial transactions. Proper use of IFMIS ensures that expenditure per vote head does not exceed the allocated amount. All financial transactions for all County departments need to be initiated and processed in IFMIS to ensure transparency and accountability is observed for effective budget implementation. The system generates a variety of reports that have enabled its users track budgets and payments for effective decision making for the management.

From the study the researcher concluded that oversight and audit function had a significant effect on budget implementation. Budget implementation implies spending of public funds and oversight and audit entail checking whether proper utilization of funds has been adhered to. In exercising oversight, the County Assembly focuses on implementation of laws, application of budgets and effective management of public funds. A weak oversight is a great challenge to budget implementation since it's not able to detect illegal and unconstitutional conducts of government officials thereby failing to protect the rights and taxpayers' funds. There is need for an internal audit committee in Meru County so as to enhance transparency in public finance management. This committee should work independently for it to achieve its mandate as stipulated in PFM Act 2012.

The study concluded that there was no significant effect on budget implementation and revenue collection. The finding of the study was contrary to Brookson(2000) who argued that an efficient county revenue collection system is the hub of every public administration system and the cornerstone of sound fiscal management. It enables governments to finance budget deficits from domestic sources. The study also had a divergent finding contrary to Kipsang (2015) who noted that accurate billing and invoicing for services are critical element of the county revenue management business model. The study further explained that due to poor billing in revenue collection, counties are increasingly recording low revenue collection

RECOMMENDATIONS

The study recommends that for Meru County to overcome the challenges of budget implementation it should fully embrace the use of IFMIS and a lot of training on the system need to be done to enhance the skills for system users. This will boost efficiency and accountability in budget implementation. Financial disciplines in the IFMIS system also need to be exercised to avoid vote reallocations after the budget has been loaded. For successful implementation of the budget, proper budget planning needs to be exercised so as to allocate enough funds for each vote.

Oversight should be enhanced for proper compliance to statutes and internal controls. Audit committee should be established for reviews of compliance and financial reporting. Both oversight and audit department should work independently to ensure that transparency and accountability of public funds are adhered to by all state and public officers. Human resource development, good leadership of high integrity and who have respect for rule of law should be enhanced to curb institutional constraints and lead the county to respond to changes adequately for successful budget implementation.

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