

**PUBLIC PARTICIPATION AND PUBLIC FINANCE MANAGEMENT
PERFORMANCE IN EMBU COUNTY GOVERNMENT, KENYA**

CYRUS FUNDI NYAGAH

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DECLARATION

Declaration by Candidate

I declare that this project is my original work and has never been presented in any other university for any other award. No part of this project should be produced without authority of the author or/and Kenyatta university

Signature.....

Date.....

Cyrus Fundi Nyagah

D53/OL/27516/2018

Declaration by Supervisor

I confirm that the work in this project has been done by the candidate under my supervision

Signature..... Date

Dr. Charity Njoka

Department of Accounting and Finance

Kenyatta University

DEDICATION

I dedicate this research project to my Spouse-Joyce Wanjiku, my children – Golan, Gian and Gadiel, my mum – Edith, my brothers and sisters, friends and colleagues who have been very supportive throughout the process.

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ABBREVIATIONS AND ACRONYMS

CDF	Community Development Fund
CEPA	Canadian Environmental Protection Act
CIDP	County Integrated Development Plan
DFRD	District Focus for Rural Development
FY	Financial Year
ICPAK	Institute of Certified Public Accountants Kenya
IFMIS	Integrated Financial Management Information Systems
KCPE	Kenya Certificate of Primary Education
KCSE	Kenya Certificate of Secondary Education
KNBS	Kenya National Bureau of Statistics
KSH	Kenya Shilling
LASDAP	Local Authority Service Delivery Action Plan
MCA	Member of County Assembly
M&E	Monitoring and Evaluation
NACOSTI	National Council of Science Technology and Innovation
NGOs	Non-Governmental Organizations
NPM	New Public Management Theory
PFM	Public Finance Management
PFM-PR	Public Finance Management Performance
PMC	Project Management Committee
SPSS	Statistical Packages for Social Sciences
VIF	Variance Inflation Factor

OPERATIONAL DEFINITION OF TERMS

- Active Involvement** This is the engagement of the County citizens in matters affecting the management of the County resources. In this study, they include identification of county projects, vetting of county officials, policy formulation and implementation and budget preparations.
- Capacity of the Public to Participate** These are characteristics of the citizens of a County that enables them to be actively involved in public participation forums. In this study, they include knowledge, opportunities, influencing decisions and awareness of benefits.
- Communication and Access** Refers to sending and receiving information regarding public participation. In this study, it includes communication channels used, information sharing, feedback mechanisms and convenience of public participation venues.
- Public Finance Management Performance** Is the measure of effective management of public finances by the national and county government in accordance with the principles set out in the Constitution of Kenya, 2010 and PFM Act, 2012. In this study, they include comprehensives and transparency, engagement of

public officials, performance evaluation and allocation of financial resources.

Public Participation

Refers to any process that directly engages the citizens of a county to influence decisions that affect their lives. In this study, it includes communication and access to information, capacity of the public to participate and active involvement.

ABSTRACT

The country of Kenya has undergone a transition from a centralized government to the devolved system of government with the establishment of the national government and county government units as distinct but interdependent governance entities. Despite the public participation opportunities provided by the Constitution of Kenya, 2010, PFM Act, 2012 and County Government Act, 2012, county governors have been summoned at the Senate and others have been impeached due to violation of Constitution of Kenya, 2010, PFM Act, 2012 and County Government Act, 2012. County citizens may not effectively participate in fiscal decision making due to the reasons that public finance is perceived to be a technical and complex subject area, the low capacity by citizens to safeguard their rights as well as their low levels of awareness on rights. This implies that citizen spaces are vulnerable to both elite capture as well as capture by other groups with varied interests. Therefore, the study sought to investigate the effect of public participation on public finance management performance in Embu County Government, Kenya. The study specifically sought to examine on the effect of communication and access to information, capacity of the public to participate and active involvement on public finance management performance in Embu County Government, Kenya. The study was guided by democratic theory, stakeholder theory, ladder of citizen participation theory and the new public management theory. The study employed exploratory research design. The unit of analysis was the Embu County government and the unit of observation was all adult population from the citizens of Embu County who are 608,599 individuals. Purposive sampling approach was used to select the respondents for this study. The sample size consisted of 110 respondents. Structured questionnaire was used to collect primary data. Content and construct validity was applied in measuring the validity. Cronbach alpha was used to measure the reliability. Data was analyzed using descriptive statistics and regression analysis. The study established that communication and access to information, capacity of the public to participate and active involvement had a negative and insignificant effect on the public finance management performance in Embu County Government, Kenya. The study concluded that communication and access to information allows the public's values to be identified and incorporated into decisions that ultimately affect them. The capacity of the public to participate leads to better governance, which includes increased democratic legitimacy for the County due to close ties with citizens, improved reputations for public bodies, increased opportunities for active citizenship, and greater accountability of public bodies due to more efficient information dissemination and better communication. Active involvement brings promotes greater capacity building and learning, including increasing awareness of and understanding of public institutions. The study recommends that the County should use a user-friendly engagement platform, encourage effective communication with citizens, develop better strategies and offer incentives to encourage participation. The County should ensure that there is active public participation in all public finance management activities and projects and that all of its citizens participate in public finance management. The study also recommends that the County can increase civic engagement by giving citizens unbiased, objective information to help them understand the issue, potential solutions, and alternatives.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The Public Finance Management (PFM) Performance is an integrated monitoring framework that allows measurement of county PFM performance over time. PFM is a tool that provide reliable information on the performance of PFM systems, processes and institutions over time (Oruta, 2020). The information provided by the framework would also contribute to the government reform process by determining the extent to which reforms are yielding improved performance and by increasing the ability to identify and learn from reform success. It would also facilitate harmonization of the dialogue between government and donors around a common framework measuring PFM performance and therefore contribute to reduce transaction costs for partner governments.

The performance measurement identifies the critical dimensions of performance of an open and orderly PFM system as follows: credibility of the budget, comprehensiveness and transparency, policy-based budgeting, predictability and control in budget execution, accounting, recording and reporting and external scrutiny and audit. Against the six core dimensions of PFM performance, the set of high-level indicators measures the operational performance of the key elements of the PFM systems, processes and institutions of a country central government, legislature and external audit (Ikeanyibe, 2016). In addition, the PFM-PR uses the indicator-based analysis to develop an integrated assessment of the PFM system against the six critical dimensions of PFM performance and evaluate the likely impact of PFM weaknesses on the three levels of budgetary outcomes (aggregate fiscal discipline, strategic prioritization/allocative efficiency and operational

performance/technical efficiency). PFM reforms are aimed at changing the public sector. The vast majority of these changes are empowered dependent on the thought that the public sector firms are marred by corruption, inefficiencies, mismanagement of funds and wrong principles when it comes to the use of public funds and there is therefore need for change (Simonsen, 2018). PFM reforms seek to ensure that there is transparency, better performance, and separation of policies and better management of the sector. These reforms also seek to fill existing gaps that has to do with poor implementation of strategies, wrong governance systems and to make a change in these organizations (Barry, 2015).

The United Nations Economic Commission for Europe (1998) adopted the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (known as the Aarhus Convention). This binding convention established minimum legal and institutional requirements to ensure that citizens can obtain environmental information, participate in decision-making processes, and have access to judicial and administrative redress to protect the environment. The Aarhus Convention has energized countries and organizations around the world seeking to promote environmental governance (World Bank, 2004).

In other democracies such as Canada, public participation in government decisions is now a regular feature of political life society (Aminuzzaman, 2008). Public participation became a feature of public policy in Canada from the 1960s and 1970s and, today, decisions by government without public consultation are an exception rather than the rule in the society. For example, the Canadian Centre for Foreign Policy Development was established in 1996 to help Canadians outside government contribute to the development of Canadian foreign policy society. At the latter conference, the Program to Eradicate

Poverty was employed as a basic instrument to support policies and programmes aimed at transforming relations between the state and civil society. Some of the key principles included in the CEPA include: the right to a healthy environment; improved access to the courts to prosecute and to sue where one's right to a healthy environment has been infringed upon; increased public participation in government decision-making; improved monitoring and reporting to the public on the state of the environment; increased government responsibility and accountability for the environment (Webler, Tuler, & Krueger, 2001).

In Germany, Specialist divisions in the ministries receive and monitor potential issues for legislation and invite interest groups to attend discussions with a view to exchanging views and information. These groups do not act arbitrarily on behalf of a few individuals, but represent, in principle, the interests of broader social groups. It also means that interest groups can influence a Bill before it reaches the lawmakers. As in South Africa, the Bill then goes to the relevant committee where it is discussed clause by clause (Webler, Tuler, & Krueger, 2001).

Regionally, although public participation in decision-making is on the increase in Africa, there is a serious need to promote the access of women and youth to decision-making processes (Legal Resources Foundation Trust, 2009). The African Charter for Popular Participation in Development and Transformation is another example of the trend towards public participation. Over the years, Kenya has progressively shifted from a centralized to a decentralized form of governance and this paradigm shift was precipitated by the shortfalls that are often characteristic of highly centralized systems. The shortfalls include administrative bureaucracies and inefficiencies, misappropriation of public resources and

the marginalization of local communities in development processes (Legal Resources Foundation Trust, 2009).

In Kenya, the 2010 Constitution together with the Public Finance Management Act (2012) provides for participation of public in management of public finance. Public participation is justified based on the assumption that citizens in Kenya are delegated with sovereign power that they have given state actors at county and national levels. In all the processes of public governance, this sovereignty needs to be institutionalized and respected. According to Lovan, Murray and Shaffer (2017) public participation and accountability in public finance management in Kenya can be traced back to Kenya's decentralization initiatives. These include the District Focus for Rural development initiatives of the 1980s to the proliferation of decentralized funds in Kenya, a trend which began in the late 1990s and continues to date. The CDF Act 2003 provided for participation of communities through project identification at the locational and constituency levels. The CDF Act, 2003 has since been amended to align to the Constitution of Kenya 2010.

Embu County Government has consistently grown its own-source revenue over the past six years. Beginning with Kshs. 168 million annual collections in 2013-14, its collection grew to Kshs. 401 million in the subsequent year. In 2015-16, its own-source revenue collection was Kshs. 397 million, which is a growth from the previous year (KNBS, 2019). The growth pattern continued in 2016-17 with the county collecting Kshs 416 million and collecting Kshs. 416 million in 2017-18. In the last year of review 2018-19, its own-source revenue collection was Kshs. 629 million. Despite having this revenue collection, wastage of resources has been witnessed. Despite the provision of Kshs. 90

million on projects, the money has been misappropriated by paying ghost workers and other corruption loopholes (EACC,2020).

According to Wacera (2016), Budget /Finance Transparency and Citizen Participation in Counties in Kenya, National Taxpayers Association, 2013 government units are distinct but interdependent governance entities. Similarly, public participation in planning, budgeting and oversight at both the national and county levels of government is guaranteed by the Constitution of Kenya 2010 and the PFM Act, 2012. Though most citizens are optimistic that counties will effectively offer public participation spaces and eventually deliver services for the overall improvement of their welfare, the same is yet to be actualized. This is attributed to the fact that proper management of public finances remain a huge problem for most counties which raises concern and was the focus of this study.

1.1.1 Public Participation

Public participation is one of the national values and principles of governance under the Constitution of Kenya 2010 (Constitution of Kenya 2010). This is in keeping with the national aspirations expressed into the preamble to the Constitution in which Kenyans commit themselves to establishing a government based on the essential values of human rights, equality, freedom, democracy, social justice and the rule of law (McLavery, 2017). Fischer and Miller (2017) observe that public participation is now considered a critical pillar of what has been variously described as participatory democracy, deliberative or discursive democracy and even radical democracy. There is increasing recognition that democracy requires much more citizen participation in governance than is ordinarily possible through representation by elected officials. In this study, public

participation was measured in terms of communication and access to information, capacity of the public to participate and active involvement.

Laskin (2018) observe that effective communication can be achieved by enhancing the overall financial service consciousness and reducing the misunderstanding between the financial staff and faculty members. In communication, financial personnel should try to avoid professional terms or inappropriate expressions and try to express accurately by applying some communication strategies according to specific situations. However, Jorgensen, Rappleyea, Schweichler, Fang and Moran (2019) observe that ineffective communication has a negative impact on the whole financial budget, accounting, asset management and other aspects, while efficient communication can increase the timeliness and accuracy of financial information and improve the quality of decision-making and work efficiency. Therefore, it can be seen that financial communication is important in financial management.

Orlova, Diegtiar, Kozureva, Shapovalova and Prykazka (2019) observe that capacity of the public to participate refers to the variety of ways in which citizens interact directly with public authorities throughout the key phases of the public financial management cycle. According to Yeoh (2017) a significant number of actors involved in the public finance management cycle require coordination, approval and evaluation of the actions and outcomes of these actions at each stage of the PFM cycle from the point of view of each participant. Each participant in this process has its own interests to its results and an understanding of its effectiveness. The complexity of harmonizing actions and taking into account the views of all actors is in itself a challenge. It is necessary to ensure the effectiveness, transparency and accountability of the PFM process.

Almazan, Hartzell and Starks (2018) observe that active involvement is one solution to the absence of popular backup for accountable fiscal principles. Public inclusion in civic affairs is both “means” and “ends” of well-functioning democratic government. It is a fundamental segment of undertakings to enhance official obligation in administration of devolution that comes to fruition when subjects feel associated particularly to their governing body. Wirtz, Bonnet and Cohen (2020) observe that inclusivity ensures that individuals are put decisively with respect to suitability, responsiveness, straightforwardness and obligation in government. Along these lines, the governing body ends up being more open to in terms of information sharing.

1.1.2 Public Finance Management Performance

The Public Finance Management (PFM) Performance framework is an integrated monitoring framework that allows measurement of country PFM performance over time. The PFM Performance Measurement Framework is one of the elements of a strengthened approach to supporting PFM reforms (Guthrie, Parker & English, 2017). It is designed to measure PFM performance of countries across a wide range of development over time. Pollitt (2018) observe that the Performance Measurement Framework includes a set of high level indicators, which measures and monitors performance of PFM systems, processes and institutions and a PFM Performance Report (PFM-PR) that provides a framework to report on PFM performance as measured by the indicators.

Aikins (2017) observe that a good PFM performance system is essential for the implementation of policies and the achievement of developmental objectives by supporting aggregate fiscal discipline, strategic allocation of resources and efficient service delivery. According to Ahmad, Albino-War and Singh (2019) an open and orderly

PFM performance system is one of the enabling elements for those three levels of budgetary outcomes that include; effective controls of the budget totals and management of fiscal risks contribute to maintain aggregate fiscal discipline, planning and executing the budget in line with government priorities contributes to implementation of government's objectives and managing the use of budgeted resources contributes to efficient service delivery and value for money.

Hendrick (2018) observe that the focus of the PFM performance indicator set is the public financial management at central government level, including the related institutions of oversight. According to Rubin and Willoughby (2019) operations of other levels of general government and of public enterprises are considered in the PFM performance indicator set only to the extent they impact the performance of the national PFM system and its linkages to national fiscal policy, formulated and monitored by central government. Therefore, the objective of the PFM Performance is to provide an assessment of PFM performance based on the indicator-led analysis in a concise and standardized manner.

1.1.3 Embu County Government

Embu County is one of the 47 counties in Kenya. The administrative capital of the County is Embu town which was formerly the Eastern Province headquarters. Embu County is occupied indigenously by the Embu, Mbeere and Kamba ethnic communities.

In Kenya, the new constitution promulgated in 2010 positioned fiscal decentralization and PFM (Public Financial Management) at the center of public financial management policy reforms to ensure both fiscal efficiency and discipline in the use of public finances. The PFMR introduced a different way of managing public resources to enhance public service efficiency and safeguard the available resources to be used in the best interest of the people.

As such, there is a PFM Act No. 18 of 2012 created to achieve a better PFM as envisioned under public finance, Chapter 12 of the constitution.

Table 1.1: Funds Allocation to Embu County per year

Year	Allocated Funds (Kshs)
2013/14	3,100,540,129
2014/15	3,571,958,959
2015/16	4,205,121,593
2016/17	4,771,935,686
2017/18	4,843,574,583
2018/19	5,332,064,788
2019/20	5,071,559,213
Total	30,896,754,950

Source: The National Treasury and Planning Report of 2020

According to the Table 1.1, the funds allocated to Embu County from the Treasury ranged from 3.1 Million Kshs to 5.1 Million Kshs. from the year 2013 to 2020. This means that County has been receiving money from the National treasury every year according to the budgeted allocations.

1.2 Statement of the Problem

Kenya’s public finance management framework and service delivery processes have been radically altered by the Constitution of Kenya (2010). According to Institute of Certified Public Accountants of Kenya (2014) the public participation in planning, budgeting and oversight at both the national and county levels of government is guaranteed by the Constitution of Kenya 2010 and the PFM Act, 2012. Despite these avenues, citizens may not effectively participate in fiscal decision making due to a number of reasons that public finance is perceived to be a technical and complex subject area, the low capacity by citizens to safeguard rights as well as their low levels of awareness on rights implies that

citizen spaces are vulnerable to both elite capture as well as capture by other groups with varied interests, thus crowding-out the voices of the common Kenyan from the public participation space.

The County revenue basket for the period 2013-2017 largely comprised of the Equitable Share from the National Government, Local Revenue collection, Grants and Loans from development partners. These funds were utilized for both recurrent and development expenditure. The County's Local revenue sources included funds remitted such as levies, permits, rents, service charge and rates. The total revenue basket for the five financial years totals to about Ksh. 22.1 Billion. The total revenue has been on a rising trend from FY 2013/14 to FY 2017/18. However, Embu county has experienced a unique situation whereby its governor has been impeached twice on allegation of corruption and abuse of office. However, both cases of impeachment were successfully challenged in court of law and overturned. Despite the fact that the courts the court overturned the impeachment decisions, the County Assembly and the Senate had raised weighty grounds preceding the impeachment of the governor.

A number of studies have been conducted on public participation and public finance management for instance; Kioko (2018) conducted a study on Public participation and Public Finance Management in Makueni County findings of the study revealed that there is a significant relationship between public participation and public finance management; Siala (2015) assessed factors that drive public participation in the budget formulation in Nairobi County. Findings of the study revealed that there were socio-economic factors that drive individuals to participate in the formulation of budget within the public sector; Struić and Bratić (2018) conducted a study in Croatia on public participation in budgetary

process. Findings of the study implicated that public participation improves public finance management; Phromlah (2018) conducted a study in Thailand to examine how participation of public in public finance management can improve assessment of the environment. Findings implicated that civic education enhanced awareness for need of public awareness thus enhancing public finance management. The current study sought to determine the effect of public participation on public finance management performance in Embu County Government, Kenya. Understanding this is imperative in improving not only the transparency and accountability but also the performance of the counties which has continuingly been in the limelight for funds mismanagement and embezzlement.

1.3 Objectives of the Study

The study was guided by the following general and the specific objectives;

1.3.1 General Objective

To investigate the effect of public participation on public finance management performance in Embu County Government, Kenya

1.3.2 Specific Objectives

1. To establish the effect of communication and access to information on public finance management performance in Embu County Government, Kenya
2. To establish the effect of capacity of the public to participate on public finance management performance in Embu County Government, Kenya.
3. To explore the effect of active involvement on public finance management performance in Embu County Government, Kenya.

1.4 Research Hypotheses

HO₁: Communication and access to information have no significant effect on public finance management performance in Embu County Government, Kenya.

HO₂: Capacity of the public to participate has no significant effect on public finance management performance in Embu County Government, Kenya.

HO₃: Active involvement has no significant effect on public finance management performance in Embu County Government, Kenya.

1.5 Significance of the Study

The results from this study would be valuable to the management of the Embu County through gaining information regarding how public participation influences public finance management performance in the County. The study findings aided the government in the regions of planning for fiscal functions of devolution. The study findings are instrumental to the policy makers and stakeholders in the sector of public financial management and in drafting principles that would benefit both the county government and the local government. On the citizens' perspective in general, the significance of this research will be manifested after it provided them with an early testimony concerning the need for public involvement in fiscal implementation. Another useful aspect of this research is the ability to underline the propelling factors that helps steer the devolution process in affirmative public participation in policy making. In addition, the study would provide a gap to other researcher who would wish to carry out further study on the related subject matter.

1.6 Scope of the Study

This study was carried out in Embu County Government, in central part of Kenya. The study sought to examine the effect of Public Participation on public Finance Management Performance in Embu County. The public participation as the independent variables was measured in terms of communication and access to information, capacity of the public to participate and active involvement. The public finance management performance as the dependent variable was measured in terms of comprehensiveness and transparency, engagement of public officials, performance evaluation and allocation of financial resources focusing on a period of 2017 to 2021. The study applied an exploratory research design. The target population were all citizens of Embu County with the unit of observation being Embu County government.

1.7 Limitations of the Study

The researcher found out that some respondents were unwilling to share relevant information due to fear of victimization. To overcome this challenge, the researcher assured the respondents that information conveyed was confidential and that it was purely for scholarly work and provided Research License from National Commission for Science, Technology and Innovation (NACOSTI) and Introduction Letter from Kenyatta University. The researcher also encountered instances where respondents were busy when administering the questionnaires. To curb this challenge, the researcher contacted the respondents before administering the questionnaires and also used the drop and pick later method to ensure that answers given was well thought and accurate. Taking into consideration that the data was collected during election time in Kenya, respondents were unwilling to share relevant information due to fear of leakage of political secrets to political

opponents. The research had to assure the respondents that information conveyed was purely for scholarly work and not for political reasons and further provided NACOSTI license and Introduction letter by Kenyatta University.

1.8 Organization of the study

This study consists of five chapters. The first chapter gives us the body of the study which consists of background information, study objective, statement of the problem, research questions, significance of the study, scope and limitation of the study. The second chapter discusses the literature review consisting of theoretical and empirical literature and also gives us the research gaps and conceptual framework. The third chapter outlines the research methodology that was utilized to examine the effect of public participation on Public Finance Management Performance in Embu County, Kenya. The rest of the study consist of the questionnaire, research plan and budget cost of the study. The fourth chapter discusses the data analysis and results while chapter five gives the summary, conclusion and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter discusses the theoretical literature review discussing the theory of Democratic, Stakeholder Theory, Arnstein`S Ladder of Citizen Participation Theory, New Public Management Theory, empirical literature review, summary and research gaps, conceptual framework and chapter summary.

2.2 Theoretical Literature Review

This section presents the theories that the study is anchored on. The study was guided by four theories including democratic theory, stakeholder theory, Arnstein`s theory on the ladder of participation and new public management theory.

2.2.1 Democratic Theory

Democratic Theory was proposed and advanced by Gastil (1990). The theory aims at describing self-governing system pressures on the inclusive contribution of residents in the procedure of partisan schemes (Neuman, 2010). It imagines the extreme contribution of countries in their self-governance struggles to generate chances for all associates of a populace to type telling which helps towards choice making and pursues to spread the access to such prospects (Neuman, 2010). He says that an ideal democratic process ought to satisfy the five principles“; the first one being the Equality in voting-Robert says that citizens in a democratic state should (Neuman, 2010). It is entitled to one person one vote which shall equalize all the citizens regardless of their socio- economic status, race, religion or gender. This way, the rights of the minority shall be safeguarded (Neuman, 2010). The

second criteria is Effective participation- According to Robert, citizen sought to have as antis factory and to express their suitability in the verdict creation procedure.

Thirdly is Rational considerate—for citizens to effectively participate in the democratic process they must be enlightened by having access to evidence. Robert states that a self-governing civilization must be as qualified as, free press, free speech and citizens must be able to understand issues. Citizen regulator of the agenda is the fourth criteria whereby citizens should have a collective right to control the agenda in the decision making process.

The fifth criteria is Enclosure— According to Robert the government need comprise and extend privileges to all those focus to its law, citizenship must be exposed to all main stream rule in 8 selecting changes, the will of completed half the voters should be trailed. At the similar time, manacles on the common must also be located so as to evade situations where the mainstream have free reign over entirety they want. Marginal privileges, the constitution must warranty the rights of those who do not fit into the mainstream simple ethics such as liberty of dialogue and of assemblage are vital minority rights. Equalities necessity also comprises emblem of the affiliation amid the few privileged and the many supporters.

The democratic theory has been criticized on the feasibility of effectively managing massive political input into an equally meaningful, responsive output. Plotke (1997) condemns the ideological element of universal participation since any institutional adjustment to employ greater political participation can never exclude a representative element. Consequently, neither direct nor participatory democracy can be truly themselves without having some type of representation to sustain realistically a stable political system. Such examination derives from the supposed impossibility of achieving equitably direct

participation in large and populated regions. Plotke (1997) ultimately argues in favor of representation over participation and criticizes the misconception by participatory democrats of "representation [as] an unfortunate compromise between an ideal of direct democracy and messy realities.

Despite, this limitation the democratic theory of public participation is important and applicable to this study since it explains the process of public participation that is public active involvement, communication and public access to information. The theory aims to provide an account of when and why democracy is ethically desirable as well as ethical principles for guiding the design of democratic institutions. The theory explains the capacity of the public to participate.

2.2.2 Stakeholder Theory

The stakeholder theory was developed by Richard E. Freeman in 1984 as an approach that seeks to introduce business-based ideas to the management and administration of the public sector. According to this theory, a stakeholder refers to a person or group who can affect or be affected by the achievement of the organization's objectives. The theory presents an approach by which public decision-makers scan their environments in search of opportunities and threats. In this regard, budget participants and public finance management reforms implementation agents undertake detailed environmental scan on the social, political and economic sectors in search of opportunities and threats to growth and development in order to prioritize the appropriation of public resources across various elements of the public budget policy.

According to Gomes (2006) an organization's effectiveness is measured by its ability to satisfy not only the stakeholder, but also the agents who have a stake in the organization.

This satisfaction comes when the stakeholders are sufficiently engaged and involved in organizational decision-making and policy implementation. As Onduso (2013) observes, the entire budgeting process should enlist the input and participation of as many stakeholders as possible for the organizational executives to keep the interest of all stakeholders aligned in the same direction since theory's core function is to balance the interests of all stakeholders. The theory has three aspects that mutually support each other. These are the instrumental approach, normative approach and descriptive approach. The instrumental approach identifies the connection between organizational goals while the normative approach identifies the moral guidelines for operations and policy implementation as the descriptive approach explains organizational characteristics and behaviours (Donaldson & L., & Davis, J. H. (1991)

Argenti (1993) criticizes the stakeholder theory, claiming the interests of the group are just too broad to realistically manage. It is impossible to please everyone, as the saying goes, and the needs of some stakeholders will naturally place higher than the interests of others. In public participation especially at county level or national level, it is difficult to ensure the interests of all stakeholders are met. However, despite this limitation, the stakeholder theory is imperative to this study since it emphasizes on public participation, a key element in governance of county assemblies such as Embu County. The theory explains the active involvement variable.

2.2.3 Ladder of Citizen Participation Theory

Ladder of Citizen Participation Theory was introduced by Arnstein (1969) who discussed eight types of participation. Often termed as "Arnstein's ladder", she defines citizen participation as the redistribution of power that enables the citizens, presently excluded

from the political and economic processes, to be deliberately included in the future (Harvey, 1989). Arnstein expanded the theory and recognized that there exist different levels of participation (Burns, 2014). The three levels which summarizes eight sub-level as follow; Non-Participation which is comprised of what he called manipulation and therapy and at this level there is no participation at all (Burns, 2014).

Tokenism which is the level where public participation is done just to fulfil the requirement of the law or operations manual of the government entity (Burns, 2014). He identified various ways in which it is carried out namely informing, consultation and placation (Burns, 2014). The last is citizen power which is the desired equal where the community is actively and meaningfully involved in the affairs that affect them (Burns, 2014). The citizens are empowered to determine their destiny by being engaged in various activities (Burns, 2014). They are empowered to demand for their inclusion in all dimensions of subject matter including planning, implementation and monitoring and evaluation (Burns, 2014).

Burns marked a discrepancy between “cynical” and “genuine” discussion and between commended and self-governing citizen control (Burns, 2014). The singularities of civic puff gradually renowned through the 1990s (Harvey, 2010) is assimilated at the bottom step of the ladder. This fundamentally gives communal participation as a publicizing workout in which the anticipated end result is traded to the public (Burns, 2014). On the have-nots' side, they include inadequacies of the poor community's political socioeconomic infrastructure and knowledge-base, plus difficulties of organizing a representative and accountable citizens' group in the face of futility, alienation, and distrust (Harvey, 2010).

While citizen control appears at the apex of the ladder, and it offers many advantages as a model of citizen participation, Arnstein (1969) notes several potential disadvantages: “it supports separatism; it creates balkanization of public services; it is more costly and less efficient; it enables minority group ‘hustlers’ to be just as opportunistic and disdainful of the have-nots as their white predecessors; it is incompatible with merit systems and professionalism. Although the theory is limited its emphasis on the importance of public empowerment makes it fit for this study to assess how an empowered public can influence public finance management in Embu county.

2.2.4 New Public Management Theory

The new public management (NPM) theory focuses specifically on issues of making governments efficient (Kaboolian, 1998). Savoie (2003), notes that the theory recommends changes to make governments more efficient and responsive by employing private sector techniques and creating market conditions for the delivery of services. Additionally, Osborne (2006) indicates that the NPM theory asserts the superiority of private managerial techniques over those of public administration and has the assumption that the adoption of private sector practices would lead to improvements in the efficiency and effectiveness of public services. In effect, NPM theory relies heavily on the theory of the private sector and on business philosophy (Osborne, 2006).

The assumptions of NPM easily apply to issues of public finance management and its influence on service delivery. NPM perspectives emphasize compliance with ethics, transparency, equality, fairness, responsibility, accountability, prudence, participation, responsiveness to the necessities of the people and efficiency in the administration of public resources. Public finance management is the coordination of public financial resources for

efficiency in public service delivery. It involves revenue collection, planning and budgeting, internal controls, audit and external oversight, among others with a view to promoting availability of benefits to the greatest number of citizens (Broback & Sjolander, 2002).

This theory was applied in this study to link effective practices of revenue collection, allocation and oversight in the effective delivery of services in the public sector. Bartle and Ma (2004) posit that PFM involves effectively organizing, directing and managing financial transactions in the public sector. There is therefore a need for effective management and institutional designs, both of which are aimed at making the public sector more efficient like the private sector. This is expected to invigorate performance and decrease corruption. Other assumptions include citizen-centred services, value for tax payers' money, and a responsive public service work force. Osborne (2006) describes some other elements of NPM which have strong relevance to public finance management. The theory explains the communication and access to information variable.

2.3 Empirical Literature Review

The relationship between public participation and PFM-PR is one that has received considerable interest from both scholars and academicians as evidenced by studies conducted not only internationally but also locally.

2.3.1 Communication and Access to Information and Public Finance Management Performance

Mbilla, Nyead, Gbegble and Ayimpoya (2020) study investigated the assessment of the impact of communication and access to information on banks financial management in

Ghana. In this quantitative study, 300 representatives from twelve listed banks were engaged. Descriptive and regression analysis was performed on the field Data. The study result shows that communication and access to information have a weak significant effect on the bank's financial management. However, there was no significant effect between communication and access to information and financial management.

Ayabei (2019) study examined the effect of communication and access to information system on financial management in Bungoma County Government-Kenya. The target populations for the study were the employees of Bungoma County Government. A sample of 50 Accountants and Finance Officers in Bungoma County Government were involved in the study. Simple random sampling and purposive sampling was used to select the participants. The researcher gathered primary data obtained through questionnaires. The data was analyzed for descriptive statistics. The study findings showed that there is strong relationship between communication and access to information regarding the financial management, which means access to accounting information, will lead to better management of financial.

Machoka (2017) studied the public procurement activities and performance of selected projects in Kenya under the Constituency Development Fund. The thesis used a research style descriptive to it. The target population was 2000 officers from 96 CDF projects in counties including Nairobi, Kiambu, Kisumu, Bomet, Kisii and Bungoma. To select a sample of 96 respondents, the analysis used exploratory, descriptive and quantitative designs, and stratified random sampling method. Data collection questionnaires were used which were processed and analyzed using SPSS. The analysed data included inferential and descriptive statistics. Usage of tables and figures was used to present results. The study

results concluded that most of the management of CDF projects had a capacity building program, good supplier relationships, good procurement ethics, but lacked a well-established information communication technology infrastructure. The study suggested implementing effective capacity building techniques for stakeholders and policy-makers. The CDF project management committees should concentrate on supplier relationships to ensure consistent CDF project output. The study targeted CDF projects in six counties. This study was specific to one county, Embu County.

Wacera (2016) investigated the effect of citizen participation on budget making process and implementation in the Kenyan county governments. The research design of this study was a descriptive survey with a target population of the study was the entire number of the registered voters in Nyandarua County which is 255,984 people. A sample of 400 participants, distributed across the entire county, was identified using simple random sampling method. From the research findings, it was evident that most of the residents in the County were dissatisfied with the way public participation is conducted, citing that their views are hardly ever taken into consideration. The findings indicated that although some residents actively participated on public forums they were not consulted in issues pertaining public finance management. Among the researcher's recommendations is that the government should conduct civic education across the county so that the public is informed of its civic rights, public participation being the most sovereign. The study however did not indicate how consultation and access to information impacted public finance management, the fourth objective of this study.

Sukmadilaga, Pratama and Mulyani (2015) examined the disclosure standard of the government's financial statement for the year ended 2012-2013 in the Association of South

East Asian Nations (ASEAN). They used a quantitative exploratory analysis study and compile data using the IPSAS disclosure checklist. The sample was chosen from two ASEAN countries, Indonesia and Malaysia. The report found that although Indonesia's government financial statements offered more transparency than Malaysia's, but generally, the disclosure level of the financial statements from Indonesia and Malaysia is still low. This result suggested that the Government of Indonesia and Malaysia should make an effort in the future to increase their level of transparency. The study was comparative comparing public finance management in Indonesia and Malaysia. This study was not be comparative, therefore was to provide an in-depth overview of public finance management in Kenya.

North, Stern, Webler and Field (2014) conducted a study on public and stakeholder participation for managing and reducing the risks of Shale gas development in United States. The study adopted an exploratory research design and descriptive statistics for analysis. The study found that Shale gas engaged the shareholders and the public in decision making and collecting their views regarding any development they need to undertake. The study recommended that the company be conducting an environmental assessment impact on any development they are embarking on and consider the needs of the surrounding communities. The study adopted descriptive design while this study adopted an exploratory design. Additionally, the study did not highlight the concept of public finance management.

2.3.2 Capacity of the Public to Participate and Public Finance Management Performance

Mutai (2019) study examined the influence of capacity of public participation and the fiscal implementation of devolved government in Kenya: A case of Bomet County. The study

adopted a descriptive research design where data was collected through the use of a questionnaire as the main research instrument. Analysis of the data was done using mean, percentages, standard deviation and frequencies. The findings was that majority (75.9%) of the respondents were of the view that there is sufficient involvement of the public in fiscal planning implementation. The popular public participation mode in the county was through County Forums and therefore there is need to widen the forums to the local communities in the county. However, the level of public involvement in monitoring and evaluation was found to be low.

Siala (2018) study investigated factors influencing public participation in budget formulation: the Case of Nairobi County. The sample population consisted of 104 participants. This sample was drawn from a population of 144 participants who took part in past (2014/2015) Nairobi County budget formulation process. The participants were drawn from seven constituencies namely Makadara, Starehe, Dagoreti, Kasarani, Embakasi, Langata and Westlands constituencies. The sample was selected using purposive and simple random sampling. Data collection was done using a structured questionnaire. Descriptive statistics was used to analyse data. The findings of the study on what decentralization factors influence public participation revealed that both tokenism and non-participation influence public participation in budget formulation. Non participation was represented by a significant negative association while tokenism was represented by significant positive weak association.

Kimathi (2016) researched on factors influencing public participation in the county integrated development planning process “a case of county government of Meru. The study adopted a descriptive research design and employed structured questionnaires for data

collection. Data collected was analyzed using SPSS. Findings of the study established that the level of community awareness determines the level of public participation in county integrated development planning process. The study also revealed that behavioral factors like the quality of policies guiding citizen's participation process through aspects such as public attitude toward local government, allocation of resources, level of coordination and engagement and the perceived community value in the participation process all determines the level of public participation in county integrated development planning process. Although the study revealed that public empowerment through awareness facilitates public participation, it did not assess how the public empowerment influences public finance management performance, the dependent variable of this study.

Muchunu (2015) conducted a study on the influence of stakeholders' participation in the budgetary process implementation of Government funded projects in Isiolo, Kenya. The study focused on civil society organizations, individual citizens, community group participation and funding agencies and donors as the stakeholders. The study adopted descriptive survey design using stratified sampling to access 579 respondents with data collected using questionnaires and interview schedules. Descriptive statistics was used to analyze quantitative data while thematic content analysis was used to analyze qualitative data. The study found that citizens did not have knowledge about the county budgeting process although a sizeable number attended county budget forums. The study indicated that the public in Isiolo county were not empowered to take part in the public finance management of the County. The study only assessed the budgetary process while this study will look at public finance management performance which entails the budgetary process and implementation as well.

Siala (2015) evaluated the factors that influence public participation in budget formulation in Nairobi County government. This sample was drawn from a population of 144 participants who took part in past (2014/2015) Nairobi County budget formulation process. The participants were drawn from seven constituencies namely Makadara, Starehe, Dagoreti, Kasarani, Embakasi, Langata and Westlands constituencies. Findings from descriptive analysis revealed that education had the highest influence on the effectiveness of public participation in budget formulation with 69.48% of the respondents acknowledging that education level influences the effectiveness of public participation. The findings indicated that if the public is empowered through education, it increased their likelihood to participate in the budgetary process. The study was based in Nairobi County, the capital city of Kenya, this study will be based in Embu County.

Namano (2015) conducted a study on factors influencing public participation in urban planning in Nairobi County. The study adopted a cross-sectional survey research design and sample was drawn from the public who conducted their daily operation in Nairobi Central. The study used cluster sampling and a total of 333 members represented the study' sample size. Data was then collected using self-administered questionnaires and the findings of the study revealed that urban dwellers were likely to access information about their city from various sources in a day. The relationship between public awareness and participation in urban planning was also found to be very weak. The study found that the residents in Nairobi Central were not empowered to participate in the urban planning. The study was limited since it did not assess the concept of public finance management performance, the dependent variable of this study.

2.3.3 Active Involvement and Public Finance Management Performance

A study on the effect of public participation on the budget preparation process in Kenya: a case of Mombasa County government was conducted by Kandie (2020). The study adopted a descriptive research design. The target population composed of employees of Mombasa County Government. The study sampled 570 employees who were drawn from all cadres of staff. The study conducted Pearson Correlation Analysis to predict the relationship between public participation and budget preparation process in Mombasa County. The study concluded that public involvement in budgetary review process, budgetary allocation process and in budgetary implementation promoted quality in budget preparation process in Mombasa County. The study was limited to Mombasa County. Additionally, the study did not assess how active involvement influenced public finance management performance.

Kipyegon and Wanjare (2017) examined the key factors affecting public participation in budgeting process in the County Government of Nandi in Kenya. The study adopted a descriptive survey design targeting Community Based Organizations' (CBOs) members who are residents of Nandi County, CBO officials and officials from the Treasury and Economic Planning department in the County Government of Nandi. Stratified random sampling technique was used to select members of Community Based Organizations who were administered with structured questionnaires. The study found out that stakeholders' involvement in budgeting process enhances accountability and transparency. The study was however limited in geographical scope since it was situated in Nandi County while the current study was based in Embu County.

Indeche and Ayuma (2015) investigated the effects of citizen participation on the budget preparation process in Mombasa County. The study adopted a descriptive research design with quantitative and qualitative data. The target population was the 4000 employees of Mombasa County Government. The study revealed that during budgetary implementation, a proper organizational chart should be prepared properly; clearly depicting the responsibilities and duties of each level of executive. The study was limited to Mombasa County. This study will focus on Embu County with the aim of assessing how public involvement influences public finance management.

Malanilo (2014) analyzed the participation of citizens in budgeting process in local government in Tanzania. The study was conducted in the Ngara District Council in Kagera region. The findings indicated that there is a diversion from the process proposed by the guiding documents including the guidelines from the ministry of finance and the actual process done by the local government officials which exclude direct citizens' participation in the budgeting process for local government in Tanzania. The study focused on public finance management in Tanzania, a neighbouring country to Kenya where the current study is located. Due to the differences in public finance systems in the two countries, the findings cannot be used to generalize a similar case in Kenya.

2.4 Summary of Literature Review and Research Gaps

The literature reviewed in this study alongside the identified research gaps are summarized in Table 2.1

Table 2.1: Summary of Literature Review and Research Gaps

Authors	Research Topic	Study Findings	Research Gap	Address to the Gap
Mbilla <i>et al.</i> (2020)	Assessment of the impact of communication and access to information on banks financial management in Ghana	communication and access to information have a weak significant effect on the bank's financial management	The study context was Ghana	The context was Kenya
Kandie (2020).	Effect of public participation on the budget preparation process in Kenya: a case of Mombasa County government	Public involvement in budgetary review process, budgetary allocation process and in budgetary implementation promoted quality in budget preparation process in Mombasa County	The study was limited to Mombasa County. Additionally, the study did not assess how access to information and consultation influenced public finance management	This current study was done in Embu and it evaluated how information access influences public finance management.
Ayabei (2019)	Communication and access to information system on financial management	There is strong relationship between communication and access to information regarding the financial management, which means access to accounting information, will lead to better management of financial.	The study focused on Bungoma County Government-Kenya	The study focused on Embu County
Mutai (2019)	Influence of capacity of Public participation and the fiscal implementation of devolved government in Kenya	There is sufficient involvement of the public in fiscal planning implementation	The study was a case of Bomet County	The study was a case of Embu County

Authors	Research Topic	Study Findings	Research Gap	Address to the Gap
Kipyegon and Wanjare (2017)	Key factors affecting public participation in budgeting process in the County Government of Nandi in Kenya	Public participation enhances the quality of the budgeting process	Study was conducted in Nandi County.	The current study was based in Embu County
Machoka (2017)	Public procurement activities and performance of selected projects in Kenya under the Constituency Development Fund	Most of the management of CDF projects had a capacity building program, good supplier relationships, good procurement ethics, but lacked a well-established information communication technology infrastructure.	The study targeted CDF projects in six counties.	This study was specific to one county, Embu County.
Wacera (2016)	Effect of citizen participation on budget making process and implementation in the Kenyan county governments	The residents in the County were dissatisfied with the way public participation is conducted, citing that their views are hardly ever taken into consideration	The study however did not indicate how consultation and access to information impacted public finance management, the fourth objective of this study.	The study evaluated how access to information influences public finance management
Kimathi (2016)	Factors influencing public participation in the county integrated development planning process “a case of county government of Meru	Level of community awareness determines the level of public participation in county integrated development planning process.	Study did not assess how the public empowerment influences public finance management performance	The dependent variable of the study was public finance management performance
Muchunu (2015)	Influence of stakeholders’	Citizens did not have knowledge about the	The study only assessed	This study looked at public finance

Authors	Research Topic	Study Findings	Research Gap	Address to the Gap
	participation in the budgetary process implementation of Government funded projects in Isiolo, Kenya	county budgeting process although a sizeable number attended county budget forums.	the budgetary process	management which entails the budgetary process and implementation as well.
Siala (2015)	Factors that influence public participation in budget formulation in Nairobi County government.	Public is empowered through education, it increased their likelihood to participate in the budgetary process.	The study was based in Nairobi County, the capital city of Kenya.	This study was based in Embu County
Namano (2015)	Factors influencing public participation in urban planning in Nairobi County.	The relationship between public awareness and participation in urban planning was also found to be very weak	The study did not assess the concept of public finance management performance.	The dependent variable of the study was public finance management performance
Indeche and Ayuma (2015)	Effects of citizen participation on the budget preparation process in Mombasa County.	Through enhanced citizen participation, allocation efficiency will positively affect the budgetary allocation	The study was limited to Mombasa County.	This study focused on Embu County with the aim of assessing how public involvement influences public finance management
Sukmadilaga, Pratama and Mulyani (2015)	Disclosure standard of the government's financial statement for the year ended 2012-2013 in the Association of South East Asian Nations (ASEAN).	the Government of Indonesia and Malaysia should make an effort in the future to increase their level of transparency.	The study was comparative comparing public finance management in Indonesia and Malaysia.	This study was not to be comparative, therefore provided an in-depth overview of public finance management in Kenya.
North, Stern, Webler and Field (2014)	Public and stakeholder participation for managing and reducing the risks	Shale gas engaged the shareholders and the public in decision making and collecting their views regarding	The study adopted an explanatory design. Additionally,	This study adopted an exploratory design. Public finance management

Authors	Research Topic	Study Findings	Research Gap	Address to the Gap
	of Shale gas development in United States	any development they need to undertake.	the study did not highlight the concept of public finance management.	performance will be the dependent variable of the study
Malanilo (2014)	Participation of citizens in budgeting process in local government in Tanzania.	92% of all respondents did not know how the budget process of the village as well as local government is prepared and 86% had never participated in budget formulation at village level.	The study focused on public finance management in Tanzania	This current study aimed at providing local evidence in Kenya taking the case of Embu county.

Source: Researcher, 2022

2.5 Conceptual Framework

A conceptual framework is important in a research, as it helps in making the conceptual distinction and in the organization of ideas. It is a diagrammatic representation of the independent and dependent variables. In this study public participation form the independent variable as it influences public finance management performance which forms the study' dependent variable.

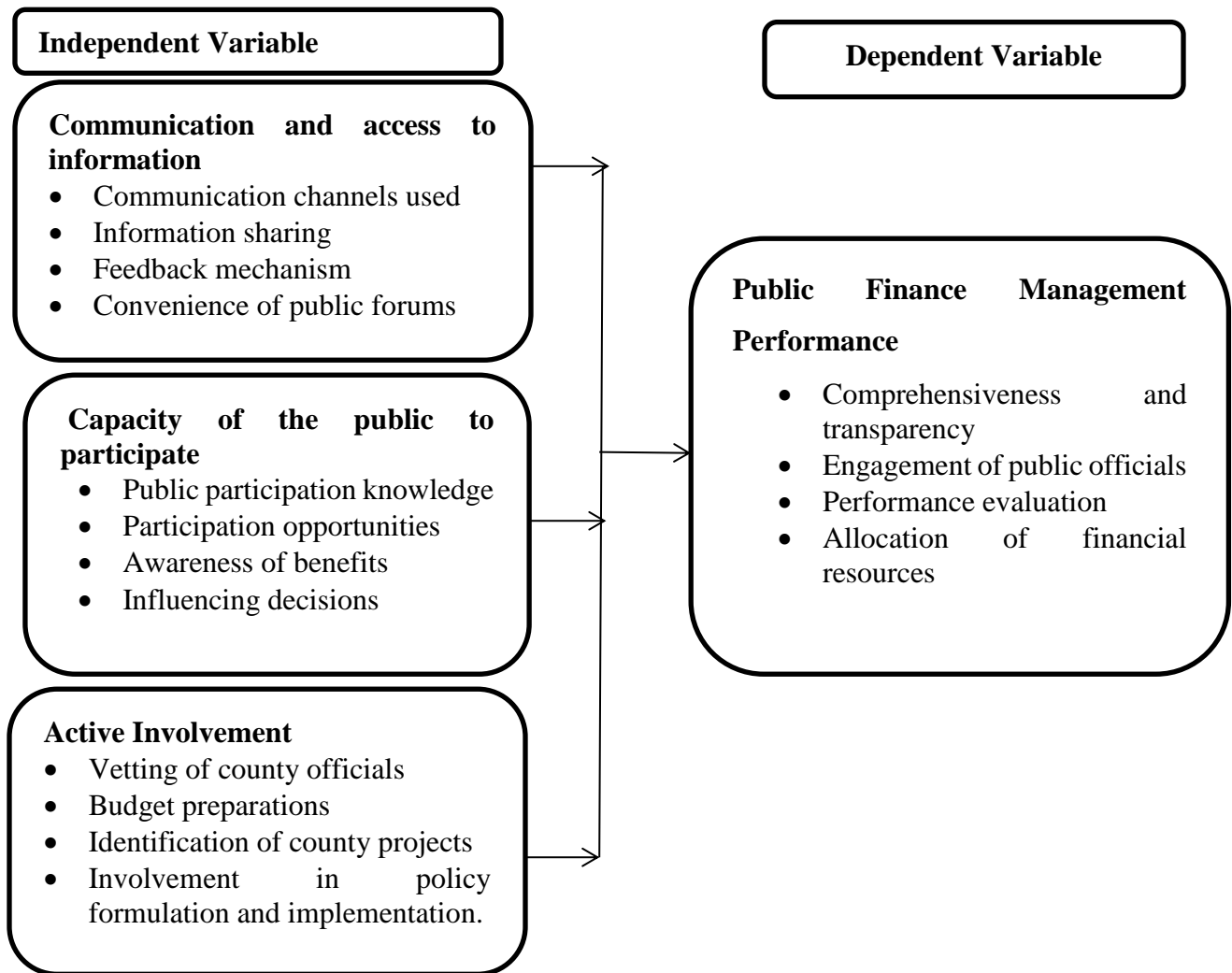


Figure 2.1: Conceptual Framework

Source: Researcher (2022)

Figure 2.1 shows the relationship between variables. The independent variables are communication and access to information, capacity of the public to participate and active involvement. The dependent variable is the public finance management performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The current chapter focuses on describing the methodology that was applied in carrying out the research to provide answers to the research questions. It covers the research design, data collection methods, sampling procedure, validity and reliability of research instruments, ethical issues, and the methods of data analysis.

3.2 Research Design

In achieving the aim of this study, exploratory research design was employed that guided in establishing how public participation affects the public finance management performance. According to Ebimobwei and Sophia (2016) the exploratory design is suitable because the researcher is allowed in identifying how processes are affected together with the practices. In addition allows hypothesis testing in accordance with objectives of the study

3.3 Target Population

The unit of analysis was the Embu County government and the unit of observation was all adult population from the citizens of Embu County who are 608,599 individuals according to 2019 Kenya Population and Housing Census with the unit of observation being Embu County government.

3.4 Sampling and Sample Size Determination

The purposive sampling approach was used to select 110 respondents from the five sub counties of Embu County. The unit of analysis was 110 respondents who were composed of 12 participants consisting of 1 chief, 1 assistant chief, 5 county officials and 5 village

elders from each of the five sub counties who are involved in the public participation forum in Embu County as shown by Table 3.1. These respondents were selected as they were directly charged with the mandate of representing the public as well as raising any grievances that the public may have hence the most conversant with this study topic. The population is best suited to answer the questions since they are knowledgeable and conversant with the public participation areas.

This entails a complete enumeration of all items in a population which meet the study criteria and is most recommended so as to ensure equal representation of all the study elements in a small population (Kothari, 2014). The respondents for the study were selected using purposive sampling so as to ensure equal representation of the study population with no biasness.

Table 3.1: Sampling Frame

Sub-county	Chief	Assistant Chief	Sub County officials (ward administrators, Directors of budget, e.t.c.)	Village Elders	Total
Embu west	1	1	5	15	22
Embu east	1	1	5	15	22
Embu north	1	1	5	15	22
Mbeere north	1	1	5	15	22
Mbeere south	1	1	5	15	22
Total	5	5	25	75	110

Source: Researcher (2020)

3.5 Data Collection Instrument

The questionnaire was used to collect primary data which was qualitative and quantitative in nature. The data was obtained by the use of structured questionnaire in the collection process. The questionnaire was administered to the respondents in advance and collected

later. The questionnaires are designed as closed-ended as per Appendix II. The open-ended permits for the free response from the respondents without suggesting the answers.

3.6 Data Collection Procedure

The researcher sought approval from Kenyatta University to carry out the research. Permission to collect data from 1 chief, 1 assistant chief, 5 county officials and 5 village elders was sought, the researcher attached a letter of introduction in each questionnaire. The researcher visited each respondent at different times and sought for permission to collect data. Structured questionnaires were administered to each participant and structured questions were used in collecting data respectively. The questionnaire was administered by use of drop and pick later criterion in collecting data from respondents.

3.7 Reliability and Validity of Research Instrument

According to Johnson, Reynolds and Mycoff (2015), a sample of 1% all through to 10% can be utilized as far as pilot testing of the study tools is concerned. For this reason, a pilot test was carried out by the researcher administering the questionnaire in Kirinyaga County. A total of 30 respondents were used for piloting the research instruments.

3.7.1 Reliability Testing

Reliability measures the consistency of the instruments used in research. Cronbach alpha was used to measure consistency. This is the tool that is widely used in measuring the reliability of the research instruments in social sciences (Furler, 2013). A threshold value of above 0.7 is acceptable for the study.

3.7.2 Validity Testing

Validity is the degree to which the research instruments will appropriately and accurately measure what they are supposed to measure (Orodho, 2005). Content validity was employed in this study to determine how well the research instruments will measure what they were designed to measure. The following methods were used to do this; first, the researcher carefully study all the items in the instruments and scrutinize how well each question measure the construct in question. Second, peers reviewers were also used to establish the content validity of the instruments, they were given the instruments which they went through to ensure that the questions are relevant and adequate. Third, expert judgment on the ability of the instruments was also sought in this case the supervisor was engaged.

3.8 Operation and Measurement of Study Variables

Variables are operationalized as they are documented by other researchers in previous studies shown in Table 3.2.

Table 3.2: Operationalization and Measurement of Study Variables

Variable	Variable Type	Operationalization	Measurement
Communication and Access to Information	Independent Variable	<ul style="list-style-type: none">• Communication channels• Information sharing• Feedback mechanism• Convenience of public forums.	5-Point Likert Scale
Capacity of the Public to participate	Independent Variable	<ul style="list-style-type: none">• Public participation knowledge• Participation opportunities	5-Point Likert Scale

		<ul style="list-style-type: none"> • Awareness of benefits and influencing decisions. 	
Active Involvement	Independent Variable	<ul style="list-style-type: none"> • Vetting of public officials • Budget preparations • Identification of county projects and involvement in policy formulations and implementation. 	5-Point Likert Scale
Public Finance Management Performance	Dependent Variable	<ul style="list-style-type: none"> • Comprehensiveness and transparency • Engagement of public officials • Performance evaluation. • Allocation of Financial Resources 	5-Point Likert Scale

Source: Researcher (2022)

3.9 Data Analysis

Analyses of quantitative was descriptively done and put in means and standard deviations that was generated by the Statistical Package for Social Sciences (SPSS) software and presented in a table and a figure where appropriate. Inferential statistics on the other hand was used in determination of the relationship and association between the research variables. Tests was two tailed and was designed to check on equal relations. Every correlation greater than the positive critical values of ($\alpha=0.05$) and also less than their negative values lie within the accepted region of the two-tailed test and vice versa. The results were represented by use of a regression correlation matrix. Quantitative data was

presented in tables that had frequencies and percentages while for qualitative data content analysis was done to report the data in narrative form.

3.9.1 Empirical Model

The section covers the data analysis process and how the findings obtained was analyzed to achieve the study objectives. The multiple regression model below was used to establish the relationship between Public Participation and Public Finance Management Performance in Embu County.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where: - Y = Public Finance Management Performance

β_0 = Intercept,

$\beta_1 - \beta_3$ = Beta coefficient

X_1 = Communication and access to information

X_2 = Capacity of the public to participate

X_3 = Active involvement

ε = error term.

3.9.2 Diagnostic Tests

Diagnostic tests on the assumptions of multiple regression analysis were done to ensure that quality of data assessment is valid. Diagnostic tests done included normality, linearity test, multi-collinearity and heteroscedasticity.

3.9.2.1 Homoscedasticity Test

Homoscedasticity is an assumption of equal or similar variances in different groups being compared. The presumption of equal variances, that is, the assumption of

homoscedasticity, implies that different samples, even though they come from different populations, have the same variance (Jarque & Bera, 1980). Jarque and Bera (1980) also reveals that in linear regression, which assumes the data is homoscedastic, the hypothesis of equal variances is also used. Homoscedasticity was evaluated in this analysis using the Levene test, which is a test to verify that variances for all samples are equal when your data comes from a non-normal distribution. If, however, Levene's test is non-significant ($p > .05$), then the variances are roughly equal and the assumption is tenable.

3.9.2.2 Multicollinearity Test

Multicollinearity tests were conducted on the regression model so that incorrect conclusions about the relationship between dependent variable and predictor variables was avoided. Variance Inflation Factor (VIF) and tolerance degree was used to indicate presence of multicollinearity test. Multicollinearity was corrected by removing highly correlated variables. According to Field (2013), a Value Inflation Factor (VIF) of less than 10 and a Tolerance of more than 0.1 in a regression model indicates the lack of multicollinearity

3.9.2.3 Normality test

Normality tests are utilized in measurements to decide if an informational collection is very much displayed by an ordinary dissemination and to process that it is so prone to be ordinarily circulated for an arbitrary variable basic the informational collection (Jarque & Bera, 1980). The square value of the Pearson sample correlation coefficient measured from the rank plot points is the Shapiro-Wilk normality test statistic ($E(Y_i), Z_i$), $i = 1, 2, \dots, n$. The small values of the test statistics show that the normality principle does not hold. The null hypothesis is consistent with the high values of the test statistics. For calculating the

p-value of the test, the R value may be used. If the p-value is small enough, the null hypothesis is dismissed.

3.10 Ethical Considerations

The key ethical issues that were considered in the research are; getting participants informed, consents to voluntary participation and confidentiality. Informed consent was asked from the respondents prior to the data collection process. Only those that agreed to participate were engaged in the survey. The researcher also informed the respondents that the research was purely for academic purposes and assured them of confidentiality of their identities. The researcher sought authorization and approval from Graduate School and NACOSTI respectively before embarking on research.

CHAPTER FOUR

DATA ANALYSIS AND RESULTS

4.1 Introduction

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

4.2 Response Rate

The study targeted a sample size of 110 respondents in collecting data out of which 96 filled in and returned the questionnaires making a response rate of 87.3% as shown in Table 4.1.

Table 4.1: Response Rate

Response	Frequency	Percentage
Responded	96	87.3%
Not responded	14	12.7%
Total	110	100.0%

Source: (Research 2022)

Mugenda and Mugenda (2003) assert that response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. Based on the assertion, the response rate was considered excellent.

4.3 Respondents Background Information

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

qualifications, position, years worked/lived in Embu County and involvement in public participation.

4.3.1 Distribution by Gender

Research participants requested the respondents to indicate their gender category. This was sought in view of ensuring fair engagement of respondent in respect to their gender. The findings are presented in Table 4.2.

Table 4.2: Gender

Gender	Frequency	Percentage
Male	86	60.5 %
Female	10	39.5 %
Total	96	100.0%

Source: (Research 2022)

The study findings revealed that majority of the respondents as represented by 60.5% were males whereas 39.5% of the respondents were females. This implies that both genders were fairly engaged in this research but more males are involved in public participation.

4.3.2 Distribution by Age

Various age groups are perceived to hold diverse opinion/ views concerning particular subject. Therefore, in view of gathering deferent opinion from these groups, respondents were required to indicate their age category. The findings are presented in the Table 4.3.

Table 4.3: Distribution by Age

Years	Frequency	Percentage
36 - 50 years	51	47%
18-35 years	41	33%
Above 50 years	4	20%
Total	96	100%

Source: (Research 2022)

Majority of the respondents 47% indicated that their age bracket was between 36 years and 50 years. 33% of the respondents indicated their age bracket as 18-35 years while 20% of the respondents indicated that they were above 50 years of age, this indicates that citizens of Embu county participated in public activities in Embu County irrespective of age demographic.

4.3.3 Level of Education

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

Table 4.4: Level of Education

Education Level	Frequency	Percentage
Tertiary education (Diploma)	41	33.1%
University education (Bachelor's degree)	29	26.2%
Secondary education certificate (KCSE)	11	16.0%
Post graduate education (Masters/PHD)	7	11.3%
Primary education certificate (KCPE)	5	8.3%
No formal education	3	5.1%
Total	96	100%

Source: (Research 2022)

Majority of the respondents 33.1% indicated that they had attained Tertiary education (Diploma). 26.2% of the respondents indicated that they had attained University education (Bachelor’s degree), 16.0% indicated that they had attained Secondary education certificate (KCSE). 11.3% and 8.3% and 5.1% indicated that they had attained Post graduate education (Masters/PHD), Primary education certificate (KCPE) and no formal education respectfully.

4.3.4 Distribution by Position

Respondents were requested to indicate the position which they held in Embu County public service. The results were as indicated in Table 4.5.

Table 4.5: Distribution by Position

Position	Frequency	Percentage
Chief	5	5.2%
Assistance chief	5	5.2%
Ward administrator	14	14.6%
Village elders	72	75.0%
Total	96	100%

Source: (Research 2022)

From the findings above, majority of the respondents 75% indicated that they were Village elders. 14.6% indicated that they were ward administrators, 5.2% indicated that they were Chiefs and assistant Chiefs respectively. This is an indicator that the respondents were drawn from different section parts of the County.

4.3.5 Years worked/lived in Embu County

Residing in a place helps a lot when it comes to giving clear data about the place. The respondents therefore were required to indicate the number of years that they had lived in Embu County. The results were as shown in the Table 4.6.

Table 4.6: Years worked/lived in Embu County

Years worked/lived	Frequency	Percentage
7-10 years	47	39%
more than 10 years	21	27%
4-6 years	19	23%
0-3 years	9	11%
Total	96	100%

Source: (Research 2022)

Majority of the respondents 39% indicated that they had live in Embu County for a period of 7-10 years. 27% indicated that they had lived there for a period of more than 10 years, 23% indicated that they had lived there for 4-6 years while 11% of the respondents indicated that they had lived in Embu County for 0-3 years. This indicates that the respondents were well knowledgeable with the area of study since most of them had lived there the longest.

4.3.6 Involvement in Public Participation

Involvement in public activities was crucial in this study and therefore the researcher found it necessary to establish for how long the respondents had been involved in public participation. The results were as recorded in Table 4.7.

Table 4.7: Public Participation Involvement

Public Participation Involvement	Frequency	Percentage
Sometimes	37	44%
Often	25	29%
Every time	22	21%
Rarely	8	4%
Never	4	2%
Total	96	100%

Source: (Research 2022)

Majority of the respondents 44% indicated that they participated in public affairs Sometimes. 29% indicated that they participated in public affairs Often, 21% indicated that they participated in public affairs Every time, 4% indicated that they participated in public affairs Rarely while 2% indicated that they Never participated in County affairs.

4.4 Public Finance Management Performance

The study sought to establish the extent to which respondents agreed with the following statements relating to Public finance management Performance. Results are presented in

Table 4.8

Table 4.8: Public finance management Performance

Statement	Mean	Std dev
To what extent were identified projects implemented in Embu County?	4.34	0.7
To what extent does the Embu County collect and account for the budgeted internal revenues e.g. parking fees, rates, license fees?	4.32	0.64
To what extent does the public participation influence public finance management performance in Embu County?	4.31	0.5
To what extent were the county officials and employees engaged without following the laid down procedures?	4.29	0.56
To what extent was there transparency in the allocation of financial resources to projects in Embu County?	4.28	0.64
To what extent does the county government report on the county financial activities?	4.12	0.61

Source: (Research 2022)

From the results above, majority of respondents indicated that the extent at which the identified projects implemented in Embu County had a (mean= 4.34, Std dev=0.7), the extent at which the Embu County collect and account for the budgeted internal revenues e.g. parking fees, rates, license fees had a (mean= 4.32, Std dev=0.64), the extent at which the public participation influence public finance management performance in Embu County had a (mean=4.31, Std dev=0.5), the extent at which the county officials and employees engaged without following the laid down procedures had a (mean= 4.29, Std dev=0.56), the extent at which there transparency in the allocation of financial resources to projects in Embu County had a (mean= 4.28, Std dev=0.64), while the extent at which the county government report on the county financial activities had a (mean= 4.12, Std dev=0.61).

4.5 Public Participation in Public Finance Management

The study used descriptive analysis of the quantitative data which was expressed in terms of mean and standard deviation for every questionnaire item as per the specific variable.

The results are presented as follows

Table 4.9: Public Participation in Public Finance Management

Statement	Mean	Std dev
To what extent does the Embu County government use the print media to invite the public-to-public participation forums?	4.06	0.73
To what extent does the Embu County government use the social media (WhatsApp, Facebook and Tweeter) to invite the public-to-public participation forums?	3.93	0.79
To what extent does the Embu County government use the print media (newspapers and displays at public places) to invite the public-to-public participation forums?	3.82	0.83
To what extent does the Embu County government use telephone calls (mobile and landline) to invite the public-to-public participation forums?	3.78	1.04

To what extent does the Embu County government use public announcements in the church, roadsides and market places to invite the public-to-public participation forums?	3.76	0.85
To what extent does the Embu County government use the radio and television to invite the public-to-public participation forums?	3.38	0.79

Source: (Research 2022)

From the findings, majority of the respondents indicated that the Embu County government use the print media to invite the public-to-public participation forums (mean=4.06, Std dev=0.73), Embu County government use the social media (WhatsApp, Facebook and Tweeter) to invite the public-to-public participation forums (mean=3.93, Std dev=0.79), the Embu County government use the print media (newspapers and displays at public places) to invite the public-to-public participation forums (mean=3.82, Std dev=0.83), the Embu County government use telephone calls (mobile and landline) to invite the public-to-public participation forums (mean=3.78, Std dev=1.04), the Embu County government use public announcements in the church, roadsides and market places to invite the public-to-public participation forums (mean=3.76, Std dev=0.85) while the Embu County government use the radio and television to invite the public-to-public participation forums? (mean=3.38, Std dev=0.79). These finding concurs with the study done by North, Stern, Webler and Field (2014) conducted a study on public and stakeholder participation for managing and reducing the risks of Shale gas development in United States. The study adopted an exploratory research design and descriptive statistics for analysis. The study found that Shale gas engaged the shareholders and the public in decision making and collecting their views regarding any development they need to undertake.

4.5.1 Communication And Access to Information

Respondents were requested to rate to what extent does the Embu County government use the following media to invite the public-to-public participation forums using a scale of 1

to 5 where 1 is very small extent, 2 is small extent, 3 is moderate extent, 4 is large extent and 5 is to a very large extent. The results were as shown in table 4.10.

Table 4.10: Communication and Access to Information

Statement	Mean	Std dev
Please indicate to rate to what extent does the Embu County government gives sufficient information in advance concerning the agenda for public participation forums.	4.15	0.72
Please indicate to rate to what extent does the Embu County government maksh accessibility of the public participation minutes to the members of public after the public participation forums.	4.11	0.65
To what extent does the Embu County government use the print media to invite the public-to-public participation forums?	4.06	0.73
To what extent does the Embu County government use the social media (WhatsApp, Facebook and Tweeter) to invite the public-to-public participation forums?	3.93	0.79
To what extent does the Embu County government use the print media (newspapers and displays at public places) to invite the public-to-public participation forums?	3.82	0.83
Please indicate to rate to what extent does the Embu County government communicate to the public on timely basis to enable sufficient attendance during public participation forums.	3.82	0.83
To what extent does the Embu County government use telephone calls (mobile and landline) to invite the public-to-public participation forums?	3.78	1.04
To what extent does the Embu County government use public announcements in the church, roadsides and market places to invite the public-to-public participation forums?	3.76	0.85
Please indicate to rate to what extent does the Embu County government provide feedback on the deliberations considered for implementation for the benefit of public.	3.76	0.85
To what extent does the venues selected for public participation by the Embu County government are convenient for public participation forums using a scale of 1 to 5 where 1 is very small extent, 2 is small extent, 3 is moderate extent, 4 is large extent and 5 is to a very large extent	3.5	0.99
To what extent does the Embu County government use the radio and television to invite the public-to-public participation forums?	3.38	0.79

Source: (Research 2022)

From the findings, majority of the respondents indicated that the Embu County government gives sufficient information in advance concerning the agenda for public participation

forums (mean=4.15, Std dev=0.72), the Embu County government maksh accessibility of the public participation minutes to the members of public after the public participation forums (mean=4.11, Std dev=0.65), the Embu County government use the print media to invite the public-to-public participation forums (mean=4.06, Std dev=0.73), the Embu County government use the social media (WhatsApp, Facebook and Tweeter) to invite the public-to-public participation forums (mean=3.93, Std dev=0.79), the Embu County government use the print media (newspapers and displays at public places) to invite the public-to-public participation forums (mean= 3.82, Std dev=0.83), the Embu County government communicate to the public on timely basis to enable sufficient attendance during public participation forums (mean=3.82, Std dev=0.83), the Embu County government use telephone calls (mobile and landline) to invite the public-to-public participation forums (mean=3.78, Std dev=1.04), the Embu County government use public announcements in the church, roadsides and market places to invite the public-to-public participation forums (mean=3.76, Std dev=0.85), the Embu County government provide feedback on the deliberations considered for implementation for the benefit of public (mean=3.76, Std dev=0.85), the venues selected for public participation by the Embu County government are convenient for public participation forums (mean=3.5, Std dev=0.99) while the Embu County government use the radio and television to invite the public-to-public participation forums (mean=3.38, Std dev=0.79).

4.5.2 Capacity of the Public to Participate

Respondents were requested to indicate the extent to which the following relate to public participation and capacity of the Public to Participate in public participation forums using

a scale of 1 to 5 where 1 is very small extent, 2 is small extent, 3 is moderate extent, 4 is large extent and 5 is to a very large extent. The results were as shown in table 4.11.

Table 4.11: Capacity of the Public to Participate

Statement	Mean	Std dev
To what extent does the public participation leader give everyone a chance to participate during public participation forums?	4.13	0.86
To what extent do you consider your profession/education sufficient for effective public participation?	3.89	1.11
To what extent are the questions asked and responded to during the public forums satisfactory?	3.75	0.69
To what extent do you consider yourself to have been effectively engaged during the public participation forums?	3.72	1.04
To what extent does the public understand the concept of public participation?	3.63	0.97
To what extent is the language used effective to allow the Embu County public to participate in the public participation forums?	3.5	1.16
To what extent are the members of public prepared during the public participation forums?	3.31	0.94

Source: (Research 2022)

From the findings, majority of the respondents indicated that the public participation leader give everyone a chance to participate during public participation forums (mean=4.13, Std dev=0.86), respondents indicated that they consider their profession/education sufficient for effective public participation (mean=3.89, Std dev=0.73), the questions asked and responded to during the public forums satisfactory (mean=3.75, Std dev=0.69), respondents indicated that they consider themselves to have been effectively engaged during the public participation forums (mean=3.72, Std dev=1.04), the public understand the concept of public participation (mean=3.63, Std dev=0.97), the language used effective to allow the Embu County public to participate in the public participation forums (mean=3.5, Std dev=1.16), while the members of public prepared during the public participation forums (mean=3.31, Std dev=0.94). The above findings are in line with the

study done by Siala (2015) who evaluated the factors that influence public participation in budget formulation in Nairobi County government. This sample was drawn from a population of 144 participants who took part in past (2014/2015) Nairobi County budget formulation process. The participants were drawn from seven constituencies namely Makadara, Starehe, Dagoreti, Kasarani, Embakasi, Langata and Westlands constituencies. Findings from descriptive analysis revealed that education had the highest influence on the effectiveness of public participation in budget formulation with 69.48% of the respondents acknowledging that education level influences the effectiveness of public participation.

4.5.3 Active Involvement

4.5.3.1 Policy Formulation Involvement

Using a scale of 1 to 5 where 1 is very small extent, 2 is small extent, 3 is moderate extent, 4 is large extent and 5 is to a very large extent. The results were as shown below.

Table 4.12: Policy Formulation Involvement

Statement	Mean	Std.Dev
Education sector	4.11	0.65
Agriculture and livestock development	3.82	0.83
Water, irrigation and sanitation	3.61	1.11
Public markets and products marketing	3.51	0.99
To what extent were you involved in vetting of county officials e.g., the County Executive Committee members?	4.12	0.77
To what extent were you involved in budget preparation for Embu County?	3.89	1.11
To what extent were you involved in the formulation and review of legal and regulatory framework in Embu County?	3.76	0.85
To what extent were you involved in the identification of county projects?	3.50	1.16

Source: (Research 2022)

From the findings, majority of the respondents indicated Education sector (mean= 4.11, Std dev=0.65), Agriculture and livestock development was indicated by (mean=3.82, Std dev=0.83), Water, irrigation and sanitation was indicated by (mean=3.61, Std dev=1.11), Public markets and products marketing was indicated by (mean=3.76, Std dev=0.85), Parking and other public facilities was indicated by (mean=3.51, Std dev=0.99), while County roads construction and maintenance was indicated by (mean=3.38, Std dev=0.79). From the findings, majority of the respondents indicated that they were involved in vetting of county officials e.g., the County Executive Committee members (mean=4.12, Std dev=0.77), respondents indicated that they were involved in budget preparation for Embu County (mean=3.89, Std dev=1.11), respondents indicated that they were involved in the formulation and review of legal and regulatory framework in Embu County (mean=3.76, Std dev=0.85), while respondents indicated that they were involved in the identification of county projects (mean=3.50, Std dev=1.16). Kipyegon and Wanjare (2017) examined the key factors affecting public participation in budgeting process in the County Government of Nandi in Kenya. The study found out that public participation enhances the quality of the budgeting process. The study also found out that stakeholders' involvement in budgeting process enhances accountability and transparency.

4.6 Diagnostic Test Results

4.6.1 Test for Normality

This study used some parametric tests such as correlation analysis, regression analysis and analysis of variance owing to the assumption that the population was normally distributed. This assumption should be taken carefully to ensure that it holds otherwise the conclusions may be rendered inaccurate and unreliable with regard to the phenomenon under consideration. In order to ascertain that research data was gathered from a normal

population, Shapiro-Wilk Test which is based on correlation between data and corresponding normal scores was used as it offers a higher power compared to K-S test even after Lilliefors correlation.

Shapiro-Wilk Test is also recommended by researchers since it uses power to measure and detect the values of tests of normality. In addition, since this study had a sample greater than 30, a single Shapiro-Wilk Test for normality was just enough since non-normality won't significantly affect parametric tests. Shapiro-Wilk test tests null hypothesis and is tested for a sample from a normally distributed population is given by $X_1, X_2, X_3, X_4, \dots, X_n$, Shapiro-Wilk Test (W) as given it appears incomplete.

where:

x_i are the ordered random sample values,

a_i are constants generated from the covariances, variances and means of the sample (size n) from a normally distributed sample.

The results of a small value of W indicates that the sample is not normally distributed thus rejection of null hypothesis that the population is normally distributed for values in a given significance level.

Table 4.13: Shapiro-Wilk Test for Normality

Variable	Shapiro-Wilk Test (W)		
	Statistic	Df	Sig
Communication and access to information	0.942	72	0.014
Capacity of the public to participate	0.961	72	0.026
Active involvement	0.966	72	0.033

Source: (Research 2022)

In this study, Shapiro-Wilk (W) was computed using SPSS software at a significance level of 95%. Since p-values were approaching 1 for $\alpha \geq 0.05$, the null hypothesis was not rejected hence the conclusion that the research population was normally distributed. The results of Shapiro-Wilk Test are presented in Table 4.13.

4.6.2 Multicollinearity Test Results

To determine the degree of collinearity among the parameters of the regression models, a multicollinearity test was performed using Value Inflation Factor (VIF) and Tolerance values. According to Field (2013), a Value Inflation Factor (VIF) of less than 10 and a Tolerance of more than 0.1 in a regression model indicates the lack of multicollinearity. The test results are organized and presented Table 4.14.

Table 4.14: Multicollinearity Test Results

Variables	Collinearity	
	Statistics	Tolerance
	VIF	
Communication and access to information	0.54	1.86
Capacity of the public to participate	0.93	1.08
Active involvement	0.60	1.66

Source: (Research 2022)

The research variables Tolerance and VIFs have values larger than 0.10 and less than 10, respectively, as indicated in Table 4.14. Based on these findings, it was determined that the study variables of interest are free of biases that could impact the researcher's decision due to multicollinearity.

4.6.3 Homoscedasticity Test Results

Homoscedasticity occurs when the variance of the error terms differs across observations. Homoscedasticity is useful to examine whether there is a difference in residual variance of the observation period to another period of observation. The study utilized Levene test, which is a test to verify that variances for all samples are equal when your data comes from a non-normal distribution. If, however, Levene's test is non-significant ($p > .05$), then the variances are roughly equal and the assumption is tenable. The results for tests of Homoscedasticity were as presented in Table 4.15.

Table 4.15: Homoscedasticity Test Results

	Levene statistic	Significance
Communication and access to information	.685	0.702
Capacity of the public to participate	3.458	0.420
Active involvement	2.152	0.053
Public finance management performance	14.140	0.220

Source: (Research 2022)

The significance for the four variables were greater than 0.05. active involvement had the least significance of 0.053 while communication and access to information had the highest significance of 0.702. Therefore, given the significance levels were greater than 0.05, the variances were significantly equal. From Table 4.15 above, it shows that Levene's statistic

is not significant for all the variables and therefore the study fails to reject the null hypothesis. This therefore indicates that the variances are roughly equal and the assumption is tenable.

4.7 Regression Analysis Results

The study employed a regression analysis to find out the relationship that existed between the two dependent and independent analysis variables. The results are shown in table 4.16.

Table 4.16: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.546 ^a	.298	.289	.350

Source: (Research 2022)

a. dependant variable: Public Finance Management Performance.

b. Predictors (Constants): communication and access to information, capacity of the public to participate and active involvement.

According to the results in Table 4.16, the adjusted R^2 is called the coefficient of determination which shows how changes in the independent variable results to changes in the dependent variable. It tells us how public finance management performance varies with communication and access to information, capacity of the public to participate and active involvement. The value of adjusted R^2 as shown in Table 4.13 is 0.298. This shows that, there was a variation of 29.8% of the public finance management regressed against communication and access to information, capacity of the public to participate and active involvement at 95% confidence level. The estimated model revealed that the three variables explain only 29.8% of the variation in Y. The results of ANOVA are presented in Table 4.17

Table 4.17: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.178	4	4.294	35.077	.000 ^b
	Residual	40.525	331	.122		
	Total	57.702	335			

Source: (Research 2022)

a. Dependent Variable: public finance management performance.

b. Predictors: (Constant), communication and access to information, capacity of the public to participate and active involvement.

According to the results as presented in Table 4.17, the F-ratio in the ANOVA tests whether the overall regression model is a good fit for the data. Table 4.17 shows that the independent variables (communication and access to information, capacity of the public to participate and active involvement) statistically significantly predict the dependent variable, $F(4, 331) = 35.077, p < .0005$

Table 4.18: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.261	.145		1.805	.072
Communication and access to information	.176	.029	.316	6.170	.000
Capacity of the public to participate	.134	.032	.211	4.244	.000
Active involvement	-.051	.021	-.119	-2.383	.018

Source: (Research 2022)

According to the results in Table 4.18, $B_1=0.176$ indicates that holding other variables constant, a unit increase in communication and access to information will lead to 0.176

increase in public finance management performance. $B_2=0.134$ indicates that holding other variables constant, a unit increase in capacity of the public to participate will lead to 0.134 increase in public finance management performance. $B_3=-0.051$ indicates that holding other variables constant, a unit increase in active involvement will lead to 0.051 decrease in public finance management performance.

According to the results as presented in Table 4.18, the established multiple linear regression equation ($Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$) becomes

$$Y = -0.261 + 0.176X_1 + 0.134X_2 - 0.051X_3 + \varepsilon$$

In that;

Constant=-0.261,

4.8 Test of Hypotheses

HO₁: Communication and access to information have no significant effect on public finance management performance in Embu County Government, Kenya

The hypothesis that communication and access to information have no significant effect on public finance management performance in Embu County Government, Kenya was rejected because the study established that communication and access to information had a positive and significant effect on the public finance management performance in Embu County Government, Kenya as indicated by t-value ($t= 6.170$, $p < 0.05$). These finding concurs with the study done by Mbilla, Nyeadi, Gbegble and Ayimpoya (2020) that investigated the assessment of the impact of communication and access to information on banks financial management in Ghana and the study result shows that communication and access to information have a weak significant effect on the bank's financial management.

However, there was no significant effect between communication and access to information and financial management.

HO₂: Capacity of the public to participate has no significant effect on public finance management performance in Embu County Government, Kenya.

The hypothesis that capacity of the public to participate has no significant effect on public finance management performance in Embu County Government, Kenya was rejected because the study established that capacity of the public to participate had a positive and significant effect on the public finance management performance in Embu County Government, Kenya as indicated by by t-value ($t= 4.244, p < 0.05$). The results are in line with the study done by Mutai (2019) that examined the influence of capacity of Public participation and the fiscal implementation of devolved government in Kenya: A case of Bomet County and the findings was that majority (75.9%) of the respondents were of the view that there is sufficient involvement of the public in fiscal planning implementation.

HO₃: Active involvement has no significant effect on public finance management performance in Embu County Government, Kenya

The hypothesis that active involvement has no significant effect on public finance management performance in Embu County Government, Kenya was accepted because the study established that active involvement had a negative and insignificant effect on the public finance management performance in Embu County Government, Kenya as indicated by by t-value ($t= -2.383, p>0.05$). The results contradicts with the findings of a study by Indeché and Ayuma (2015) investigated the effects of citizen participation on the budget preparation process in Mombasa County and the study revealed that during budgetary

implementation, a proper organizational chart should be prepared properly; clearly depicting the responsibilities and duties of each level of executive.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings from chapter four, and also gives conclusions and recommendations of the study based on the objectives of the study.

5.2 Summary

The general purpose of the study was to examine the effect of public participation on public finance management performance in Embu County Government, Kenya. The specific objectives of the study were to establish the effect of communication and access to information, capacity of the public to participate and active involvement on public finance management performance. Data was collected using questionnaires and analysed using descriptive statistics. The findings are presented as follows:

The first research objective sought to establish the effect of communication and access to information on public finance management performance in Embu County Government, Kenya. The study established that communication and access to information had a positive and significant effect on the public finance management performance in Embu County Government, Kenya. Embu County government use the print media to invite the public-to-public participation forums, social media (WhatsApp, Facebook and Tweeter) to invite the public-to-public participation forums and also use the print media (newspapers and displays at public places) to invite the public-to-public participation forums.

The second research objective sought to establish the effect of capacity of the public to participate on public finance management performance in Embu County Government,

Kenya. The study established that capacity of the public to participate had a positive and significant effect on the public finance management performance in Embu County Government, Kenya. The public participation leader give everyone a chance to participate during public participation forums, they consider their profession/education sufficient for effective public participation and that the questions asked and responded to during the public forums satisfactory.

The third research question sought to explore the effect of active involvement on public finance management performance in Embu County Government, Kenya. The study established that active involvement had a negative and insignificant effect on the public finance management performance in Embu County Government, Kenya. They were involved in vetting of county officials e.g., the County Executive Committee members, in budget preparation for Embu County and also involved in the formulation and review of legal and regulatory framework in Embu County.

5.3 Conclusions

The study concluded that communication and access to information allows the public's values to be identified and incorporated into decisions that ultimately affect them. Financial information is key to improve taxation and access to financial data is crucial for risk analysis. Financial statements are essential since they provide information about a company's revenue, expenses, profitability, and debt.

The study concluded that the capacity of the public to participate leads to better governance, which includes increased democratic legitimacy for the County due to close ties with citizens, improved reputations for public bodies, increased opportunities for active

citizenship, and greater accountability of public bodies due to more efficient information dissemination and better communication. Also, leads to improved quality of services, projects and programmes, including ensuring public service investment is based more on people's expressed needs, reducing management and maintenance costs by reducing vandalism and misuse as a result of engendering a sense of ownership, enabling faster and easier decisions by reducing conflict between different parties.

The study concluded that active involvement brings promotes greater capacity building and learning, including increasing awareness of and understanding of public institutions and how they function, allowing citizens to more easily access the services they require and understanding the responsibilities and limitations of various public bodies.

5.4 Recommendations

The study recommends that the County should use a user-friendly engagement platform, encourage effective communication with citizens, develop better strategies, offer incentives to encourage participation, and strengthen relationships with citizens through community networking to improve communication and access to information.

The study recommends that the County should ensure that there is active public participation in all public finance management activities and projects, that all of its citizens participate in public finance management, and that all citizens are made aware of the significance of existing policies that will ensure that all members of the public are included in government proceedings like the vetting of public officers.

The study recommends that the County can increase civic engagement by giving citizens unbiased, objective information to help them understand the issue, potential solutions, and

alternatives. The final decision should be made by citizens, and they should be involved in all stages of the decision-making process, including gathering citizen input on analyses, alternatives, and decisions.

5.5 Suggestions for Further Studies

The current study focused on the effect of public participation on public finance management performance in Embu County Government, Kenya. The public participation was measured in terms of communication and access to information, capacity of the public to participate and active involvement. Therefore, the study suggests that further studies should be done that focus on different measures of public participation. In addition, the study context was Embu County and therefore, the study suggests that other studies can be done focusing on other Counties.

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APPENDICES

Appendix I: Letter of Introduction

Dear Respondent,

RE: COLLECTION OF DATA

I am a masters student undertaking a research dissertation on “**PUBLIC PARTICIPATION AND PUBLIC FINANCE MANAGEMENT PERFORMANCE IN EMBU COUNTY GOVERNMENT, KENYA**” as a requirement towards my graduation. I respectfully request your assistance in terms of time and answer to the enclosed questionnaire.

I am writing to seek your prompt and precise response, which is critical in ensuring that the study's objectives are met. For your convenience, you will not be required to write your name on the questionnaire. I will ensure that any information given is managed with the utmost discretion. I promise you that the findings of the study will only be utilized for academic purposes.

If there is a legitimate requirement, the study's findings will be made accessible for information and records.

I am grateful for your cooperation.

Yours Faithfully,

Cyrus Fundi Nyagah

D53/OL/27516/2018

Appendix II: Questionnaire

This questionnaire is designed to obtain information for a study **influence of public participation on public finance management performance in Embu County Government, Kenya**. The information obtained will be treated with outmost confidentiality and only to be used for academic purposes only. Ensure the information provided is accurate.

Please tick (√) the appropriate answer in the boxes provided and write down the appropriate answer in the space provided.

PART 1: DEMOGRAPHIC CHARACTERISTICS

1. Please specify your gender

Male Female

2. What is your age bracket?

18 -35 years 36-50 years 51 years and above

3. What is your highest level of education?

No formal education Primary education certificate (KCPE)

Secondary education certificate (KCSE) Tertiary education (Diploma)

University education (Bachelors degree) Post graduate
education(Masters/PHD)[

4. Kindly indicate your position.

Chiefs [] Ward Administrator [] Assistant chiefs [] Village elders []

5. How many years have you worked/lived in Embu County?

0-3 years [] 4-6 years [] 7-10 years [] Over 10 years []

6. How often have you been involved in public participation, on the scale of 1-5 where;

1: Never [] 2: Rarely [] 3: Often [] 4: Sometimes [] 5: Every time []

PART 2: PUBLIC FINANCE MANAGEMENT PERFORMANCE

Please indicate to rate the extent to which public finance management practices have been effective in relation to below measures using a scale of 1 to 5 where 1 is very small extent, 2 is small extent, 3 is moderate extent, 4 is large extent and 5 is to a very large extent.

Q	Scale	1	2	3	4	5
1.	To what extent were identified projects implemented in Embu County?					
2.	To what extent was there transparency in the allocation of financial resources to projects in Embu county?					
3.	To what extent were the county officials and employees engaged without following the laid down procedures?					
4.	To what extent does the county government report on the county financial activities?					

Q	Scale	1	2	3	4	5
5.	To what extent does the public participation influence public finance management performance in Embu county?					
6.	To what extent does the Embu county collect and account for the budgeted internal revenues e.g. parking fees, rates, license fees?					

PART 3: PUBLIC PARTICIPATION IN PUBLIC FINANCE MANAGEMENT

SECTION A: Communication and access to information

Please indicate to rate to what extent does the Embu County government use the following to enhance public participation in Embu County using a scale of 1 to 5 where 1 is very small extent, 2 is small extent, 3 is moderate extent, 4 is large extent and 5 is to a very large extent.

Q	Scale	1	2	3	4	5
1.	Please indicate to rate to what extent does the Embu County government use the following media to invite the public to public participation forums:					

Q		Scale	1	2	3	4	5
	a)	To what extent does the Embu County government use the print media to invite the public to public participation forums?					
	b)	To what extent does the Embu County government use the print media (newspapers and displays at public places) to invite the public to public participation forums?					
	c)	To what extent does the Embu County government use the radio and television to invite the public to public participation forums?					
	d)	To what extent does the Embu County government use public announcements in the church, roadsides and market places to invite the public to public participation forums?					
	e)	To what extent does the Embu County government use the social media (WhatsApp, Facebook and Tweeter) to invite the public to public participation forums?					

Q		Scale	1	2	3	4	5
	f)	To what extent does the Embu County government use telephone calls (mobile and landline) to invite the public to public participation forums?					
2.		To what extent does the venues selected for public participation by the Embu county government are convenient for public participation forums using a scale of 1 to 5 where 1 is very small extent, 2 is small extent, 3 is moderate extent, 4 is large extent and 5 is to a very large extent.					
3.		Please indicate to rate to what extent does the Embu County government gives sufficient information in advance concerning the agenda for public participation forums.					
4.		Please indicate to rate to what extent does the Embu County government communicate to the public on timely basis to enable sufficient attendance during public participation forums.					
5.		Please indicate to rate to what extent does the Embu County government maksh accessibility of the public participation minutes to the members of public after the public participation forums.					

Q	Scale	1	2	3	4	5
6.	Please indicate to rate to what extent does the Embu County government provide feedback on the deliberations considered for implementation for the benefit of public.					

SECTION B: Capacity of the Public to Participate

Please rate the extent to which the following relate to public participation and capacity of the Public to Participate in public participation forums using a scale of 1 to 5 where 1 is very small extent, 2 is small extent, 3 is moderate extent, 4 is large extent and 5 is to a very large extent.

Q	Scale	1	2	3	4	5
1.	To what extent does the public understand the concept of public participation?					
2.	To what extent is the language used effective to allow the Embu County public to participate in the public participation forums?					
3.	To what extent do you consider yourself to have been effectively engaged during the public participation forums?					

Q	Scale	1	2	3	4	5
4.	To what extent do you consider your profession/education sufficient for effective public participation?					
5.	To what extent does the public participation leader give everyone a chance to participate during public participation forums?					
6.	To what extent are the questions asked and responded to during the public forums satisfactory?					
7.	To what extent are the members of public prepared during the public participation forums?					

SECTION C: Active involvement

Please rate the extent to which the Embu County members of public are involved in following areas using a scale of 1 to 5 where 1 is very small extent, 2 is small extent, 3 is moderate extent, 4 is large extent and 5 is to a very large extent.

Q	Scale	1	2	3	4	5
1	To what extent we you involved in vetting of county officials e.g. the County Executive Committee members?					
2	To what extent were you involved in budget preparation for Embu County?					

Q	Scale	1	2	3	4	5
		3	To what extent were you involved in the identification of county projects?			
4	To what extent were you involved in the formulation and review of legal and regulatory framework in Embu County?					
5	To what extent were you involved in policy formulation/implementation in the following sectors?					
a)	Water, irrigation and sanitation					
b)	Agriculture and livestock development					
c)	County roads construction and maintenance					
d)	Public markets and products marketing					
e)	Education sector					
f)	Parking and other public facilities					

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Thank you for your time

Appendix VI: Research Authorization



KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke

Website: www.ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 810901 Ext. 4150

Internal Memo

FROM: Dean, Graduate School

DATE: 30th November, 2021

TO: Cyrus Fundi Nyagah
C/o Accounting & Finance Dept.

REF: D53/OL/CTY/27516/2018

SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL

This is to inform you that Graduate School Board at its meeting of 29th November, 2021 approved your Research Project Proposal for the M.B.A Degree Entitled, "Public Participation and Public Finance Management Performance in Embu County Government, Kenya".

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University's Website under Graduate School webpage downloads.

Thank you.


HARRIET ISABOKE
FOR: DEAN, GRADUATE SCHOOL

c.c. Chairman, Accounting and Finance Department.

Supervisors:

1. Dr. Charity Njoka
C/o Department of Accounting and Finance
Kenyatta University

DM/nm

Appendix VII: Research License


REPUBLIC OF KENYA


**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION**

Ref No: **408961** Date of Issue: **01/December/2021**

RESEARCH LICENSE



This is to Certify that Mr.. CYRUS FUNDINYAGAH of Kenyatta University, has been licensed to conduct research in Embu on the topic: PUBLIC PARTICIPATION AND PUBLIC FINANCE MANAGEMENT PERFORMANCE IN EMBU COUNTY GOVERNMENT, KENYA for the period ending : 01/December/2022.

License No: **NACOSTI/P/21/14733**

408961
Applicant Identification Number


Director General
**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY &
INNOVATION**

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