

**AN ANALYSIS OF POLICY IMPLEMENTATION THROUGH BUDGETARY
ALLOCATION AND ACTUAL EXPENDITURE BY MINISTRIES OF THE
GOVERNMENT OF KENYA.**

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*An analysis of
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ABSTRACT

In Kenya, the link between policies, budgeting, subsequent expenditure and policy implementation has not been an easy one to establish. The absence of a clear symmetry between these important and related functions of the government constitutes one of the greatest weaknesses in Kenya's public finance management. The purpose of this study was thus to analyze policy implementation through budgetary allocations and actual expenditure by ministries of the government of Kenya, to identify factors that influence budgetary allocations, evaluate policy implementation by ministries of the government of Kenya, evaluate efficiency of actual expenditure by ministries in Kenya and determine the relationship between actual expenditure and policy implementation among other variables. In conducting the study, the research design used was diagnostic. The population of the study consisted of all the 34 ministries and pertinent data was collected using questionnaires. Descriptive data analysis techniques were used in form of frequency distribution tables to show the various findings. Besides, other data analysis methods such as cross tabulation, chi square, Cramer's V, Phi and factor analysis were used to determine if there is any relationship between the variables and the strength of the association. The overall conclusion of this study was that ministries are relatively efficient in policy implementation and other day to day activities given the circumstances in which they operate in. However a major drawback in the implementation of policies was noted to be the limited funding from the exchequer, procurement difficulties, inter-ministerial conflicts, partial disbursement of approved budget and lack of information by the spending units which has to a large extent affected adversely this efficiency. Thus there is need to address the above problems through formation of policy formulation groups, increased funding by exchequer, improvement of communication channels

between ministries and spending units, increasing the rate of resources absorption, streamline the procurement process, harmonizing and coordinating activities of various ministries. It was noted that ministries are able to follow prudent and judicious procedures in allocation and spending of budgetary resources with factors like the set priorities, level of development and poverty prevalence playing a key role. It was also established that there is a very strong relationship between actual expenditure and policy implementation but on the other hand as expenditure increases, transparency decreases and prioritization of policies is adversely affected by increasing political patronage as well as clearing of ministerial baggage such as resolving stalled projects and reduction of pending bills. It's imperative that ministries improve in each and every one of the areas mentioned above.

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LIST OF ACRONYMS

C&AG	Controller and Auditor General
DDOs	District Development Officers
DDPs	District Development Plans
IEA	Institute of Economic Affairs
IPAR	Institute of Policy Analysis and Research
KIPPRA	Kenya Institute of Public Policy Research and Analysis
KMO	Kaiser-Meyer-Olkin test
MTEF	Medium Term Expenditure Framework
MWG	Macro Economic Working Group
NGOs	Non Governmental Organizations
NDPs	National Development Plans
PIP	Public Investment Programme
PRSP	Poverty Reduction Strategy Paper
SPSS	Statistical Package for Social Scientists
SP	Sessional Papers
SWGs	Sector Working Groups

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OPERATIONAL DEFINITION OF TERMS

Policy - refers to a broad government statement which outlines how a government intends to deal with specific social, political and economic issues. Policy refers to specific statements, guidelines and pronouncements on development and related issues in the country. Operationalized in appendix 2 C1.

Policy implementation - consists of organized activities by government directed toward the-achievement of goals and objectives articulated in authorized policy statements. It's the realization of an application, or execution of a plan, idea, model, design, specification, standard or policy. It's the process of executing the budget. Operationalized in appendix 2 C2.

Budget - is an important instrument that every government uses to define the direction of its national policy, the cost implications of government programmes, and the possible sources of revenues during a fiscal year.

Budget allocation - is a plan for using available resources, especially in the near term, to achieve goals for the future. It is the process of allocating resources among the various projects or priorities. Operationalized in appendix 2 C3.

Actual expenditure - includes all amounts of money paid out by a government during its fiscal year net of recoveries and other correcting transactions other than for retirement of debt, purchase of investment securities, extension of loans, and agency or private trust transactions. Under this definition, expenditure relates to external payments of a government and excludes amounts transferred to funds or agencies of the same government other than payments to intra governmental service funds. Operationalized in appendix 2 C4.

Pareto optimality - is a situation which exists when economic resources and output have been allocated in such a way that no-one can be made better off without sacrificing the well-being of at least one person.

Social welfare function – refers to a society's taste for different economic states.

Arrears - Amounts that have not been paid by the date specified in a contract or within a normal commercial period for similar transactions. Payment arrears may arise from non-payment by government in such areas as bills due from suppliers, due salaries or transfers, or due debt repayment or service.

Budget process - The procedures whereby decisions are made on the allocation and use of funds and such uses are recorded and checked over a budget cycle.

Budget drafting (preparation) - The stage of the budget process where the executive assesses its priorities, plans and programme activities and puts together a money plan to finance the activities.

Budget approval (legislative phase) - The stage of the budget process where the legislature approves revenue and/or expenditure proposals of the executive.

Budget execution (implementation) - The stage of the budget process where the government's expenditure programmes are implemented.

Capital expenditure - Expenditure on goods and services with a lifespan of more than one year and intended for productive use.

Current expenditure - Expenditure on goods and services the value of which will be expended within one year.

Development budget - Public investments brought together in one plan intended to develop the economic and social potential of the whole economy or a specific area. Development budgets often include both capital and current expenditure associated with projects and are usually mostly financed externally.

Recurrent budget - Spending on wages and salaries, operations and maintenance that is not of an investment nature. Commonly used under a dual budgeting system to refer to non-investment spending. Usually mostly financed by domestic revenue.

Macroeconomic framework - The macroeconomic assumptions underpinning the budget and providing the forecasted resource envelope.

Public expenditure management - The way in which public money is allocated to alternative uses and the way in which these decisions are implemented.

Resource (spending) envelope - The total amount of money available for spending.

Supplementary budgets/appropriations - Legislation passed during the budget year to provide for spending additional to the original budget, or shifts between different kinds of expenditure. Usually formal rules set a limit for shifts over and above which the approval of the legislature must be sought.

Overrun - An overrun occurs whenever total expenditures exceed the total authorized amount for an agreement or whenever line-item expenditures exceed an authorized amount and there is no institutional rebudgeting authority or written exception approved by the sponsor.

Sectoral Working Groups (SWGs) - There are eight sectoral working groups, namely, Public Administration, Agriculture and Rural Development, Physical Infrastructure, Human Resource Development, Trade Tourism and Industry, Public Safety, Law and Order, Information Technology, and National Security. The SWGs, work closely with the line ministries, and are responsible for developing sectoral policies and objectives, evaluating ministry and department estimates submissions and ensuring that the inputs, activities, outputs and outcomes are in line with the national objectives.

CHAPTER 1

INTRODUCTION

1.1 BACKGROUND

The budget is an important instrument that every government uses to define the direction of its national policy, the cost implications of government programmes, and the possible sources of revenue during a fiscal year. The basic functions of the budget therefore entail: collection and allocation of scarce resources to priority sectors; provision of public goods and services by government and redistribution of incomes. In addition, the budget strives to ensure economic stabilization, social order and harmony, as well as acting as a measure of government performance and accountability (IPAR, 2004).

Thus the budget defines in the most concrete terms, the direction of national policy, in this case referring to a broad government statement which outlines how it intends to deal with specific social, political and economic issues by outlining specific statements, guidelines and pronouncements on development and related issues in the country Ikiara (2004), and the plan of action, and cost implications of government programmes and projects during the fiscal year, while at the same time identifying the resources required to implement them (Masya and Njiraini, 2003).

In Kenya, the budgetary process proceeds in three main stages, namely: the drafting stage, the legislation stage, and the implementation and audit stage. Its contents include a policy statement, an inventory of programme priorities, distribution / allocation of the corresponding resources as well as budget implementation / evaluation reports for the previous budget cycle.

Whereas Kenya has a strong, detailed and well-laid budgetary-legal framework based on the Constitution, and within which the executive raises and allocates revenue, weaknesses do exist especially in relation to issues such as capacity of Parliament in the budgetary process; secrecy of budget information; management of extra-budgetary activities; violations of budget rules and extra-budgetary expenditures Anna (2007). Any good budget needs to attain three important objectives, namely, maintenance of fiscal discipline, attaining allocative efficiency, and operational or technical efficiency. Thus there is need for prioritization so that only high priority needs such as poverty reduction are funded (IEA, 2007).

The budget goals have largely remained elusive in Kenya. Many problems in the structure of public expenditure still persist. These include for example: relatively high wages and salary expenditure, relatively low Operation and Maintenance expenditure; relatively low development expenditure; high transfers to organizations outside the main civil service; and unbalanced budget spending which results in a general under spending in the development budget and overspending on the recurrent budget in ministries engaged generally in administration rather than service delivery.

1.2 STATEMENT OF THE PROBLEM

Despite attempts to enhance public finance management e.g. through Forward Budget (1970s), Budget Rationalization Reform (1980s), Public Investment Programme (PIP) (1990s) and Medium Term Expenditure Framework (MTEF) (2000s) problems still exist in the budget process in drafting, approval and execution stages. A study by Kiringai and West (2002) on

budget reforms and the MTEF in Kenya concluded that resource allocation and implementation is flawed.

While the sectoral working groups have the function of enhancing allocative efficiency, their role overlaps with both the Treasury and the spending ministries, creating murky accountability. Secondly, the assessment of spending proposals is lacking. It is restricted to the information submitted from operating units. There is no explicit mechanism to link spending and allocations with detailed policy concerns and proposals at the time of the budget presentations. Neither are there any attempts to demonstrate the implementation feasibility of the proposed policies Kiringai (2006). Also the only systematic information available during the spending year is the Quarterly Budget Review by the Ministry of Finance. But this publication is usually late and heavily tilted towards whitewashing the government's image. Thus it lacks objectivity and is of limited value for evaluating or monitoring budget execution (Njeru, 2006).

Consequently, over the years the reports of the Controller and Auditor General (C&AG) has cited numerous instances of fraud, wastage and poor accountability. There have also been cases of moneys allocated for development projects are returned to the treasury at the end of the fiscal year. There is also a growing concern that of the total development budget, less than fifty percent gets disbursed and is spent and the budget allocations do not reflect the level of development, poverty prevalence or access to essential services in the respective districts budget focus (2005/06). The purpose of this study was to analyse policy implementation through budgetary allocations and actual expenditure by ministries of the government of Kenya.

1.3 STUDY OBJECTIVES

1.3.1 GENERAL OBJECTIVE

1. The main objective of this paper was to analyse policy implementation from the perspective of budgetary allocations and actual expenditure in the ministries of the government of Kenya.

1.3.2 SPECIFIC OBJECTIVES

The specific objectives formulated for the study were,

1. To identify factors that influence budgetary allocations in Kenya government ministries.
2. Evaluate policy implementation by ministries of the government of Kenya.
3. Evaluate actual expenditure by ministries in Kenya.
4. Determine the relationship between actual expenditure and policy implementation.

1.4 RESEARCH QUESTIONS

The research questions formulated for the study were,

1. Which factors influence budgetary allocation in Kenya government ministries?
2. How can policy implementation by ministries in Kenya be rated?
3. Is the spending by government ministries efficient?
4. Is there any relationship between actual expenditure and policy implementation?

1.5 JUSTIFICATION OF THE STUDY

The focus of this study on policy implementation from the perspective of budgetary allocation and implementation was motivated by three factors; the significant importance of the budget as a policy tool through which the government uses to improve the well being of Kenyans, the

potential of improving the lives of Kenyans through proper allocation and implementation of budgetary resources and the study intended to highlight shortcomings in the budgetary process and hopefully suggest possible solutions.

1.6 SCOPE AND LIMITATIONS OF THE STUDY

The study was to be carried across the ministries in Kenya. It targeted all the thirty four ministries in the country. The study undertook to assess policy implementation from the perspective of budget allocations and actual expenditure in various ministries in of the government of Kenya. The study was limited to the case of budgetary allocation and execution in Kenya, more specifically whether there is equitable, efficient allocation and spending of budgetary resources in relation to the set priorities. The study sought to establish if there is a relationship between actual expenditure and policy implementation. A major limitation of the study was on information collected in the study being of a self-report nature which, depending on the subject areas being queried, was prone to some inaccuracy as a result of lack of information, or discomfort with negative self-disclosure.

1.7 ASSUMPTIONS OF THE STUDY

At least five assumptions operate in almost every research study. In one way or another, these five assumptions reflect the researcher's beliefs about the theory, the methodology, and the substantive phenomenon under investigation, Fain (2004). This study made similar assumptions. On theoretical fit, the theory and conceptual framework were assumed to be an accurate reflection of the phenomenon studied. Conceptual coherence was the second assumption which was aimed at ensuring there was confidence that concepts cohered, in order to justify validity of findings and explanations. Operational logic was the third assumption in which the research instrument was assumed to be in congruence with the study's conceptual framework. The fourth assumption was empirical evidence whereby methods used were assumed to be capable of measuring the phenomenon of interest and were capable of capturing the necessary data in order to generate credible results. Finally, the fifth assumption was research merit as the supposition was that the research undertaken was relevant to a finance field and the findings would have an impact to related fields and stake holders.

CHAPTER 2

LITERATURE REVIEW

INTRODUCTION

A study by Maina (2007) on reversing the weak trend of policy implementation in the Kenyan health sector advanced that policy implementation can be studied from the perspective of budgetary processes. Policy makers should ideally use budgeting as a tool to help implement policies by understanding the current financial position and setting the best course for the future. And thus by studying budget decisions it enables researchers to make concrete comparisons and conclusions between budgetary allocations, actual expenditure, policy objectives and implementation.

2.1 POLICY MAKING PROCESS

Public policy refers to a broad government statement which outlines how a government intends to deal with specific social, political and economic issues. In this case, policy would refer to specific statements, guidelines and pronouncements on development and related issues in the country Ikiara (2004). Policies have broadly been seen as the translation of a government's political priorities and principles into programmes, projects and actions to deliver desired changes within a given time frame. Policies and their implementation are expressions of political processes and the distribution of power, (Killick, 1981).

Policies are made by policy makers, the persons bestowed with the power, by either society or a group of people in a society, to make decisions Gitu (2001). The policy process is circular and involves interrelated stages. The policy process is also largely interactive, Bardach (1996). Thus

policymaking defines the process by which broad government statements are arrived at and involves: issues of identification; analysis of available policy options; and actual policy choice or legitimation, (Ng'ethe, 1998).

2.2 THE THEORY OF POLICY MAKING

A number of theories have been advanced on how governments should make public policies. One of them is the welfare optimizing model, which is based on the theory of consumer behavior. According to the model, a government is able to maximize the society's welfare by ranking society's preferences among alternatives with potential conflicts between them removed by the application of a consistent set of priorities and weights. Such a set of societal preferences forms the Social Welfare Function, which the government satisfies by reviewing all alternative lines of action before selecting the policy, which will lead to achieving the stated objectives with maximum efficiency. If such a process is applied to all problem areas, the economy will achieve 'pareto optimality' condition (Oyugi, 2005).

An alternative to the welfare-maximizing model is the satisfying model of decision making, which is based on the modern theory of the firm. The model postulates that governments do not search for optimal but for solutions that are 'good enough,' solutions which will command the necessary minimum of group, organization and individual support without provoking violent resistances from those who are opposed (Kibua, 2005).

Philips and Seck (2004), citing Herbert Simon (1957) notes that according to the theory of bounded rationality, most decision makers are satisfiers rather than optimizers. That is, because

exhaustive research of all viable options for each decision would be prohibitively costly, the search is usually interrupted early with the selection of the first option that is good enough. In hierarchical organization, depictive of the government bureaucracy, those at the top have the privilege of putting forth their options first, and they forge alliances to ensure their adoption. Claims regarding the rational quality of a policy option are made in the process of implementing it, despite the fact that it was usually arrived at in the context of a limited search for alternatives.

Odhiambo-Mbai, (1998) citing Lindblom, (1968) notes that according to the theory of Disjointed Incrementation, the day-to-day process of policy making is a conservative exercise. As such, policy makers often do not drastically alter the existing policies but instead, they merely incrementally improve on the existing policies.

The models acknowledge the existence of many players in the policy arena. Philips and Seck (2004) call this arena a market of ideas fuelled by actions and pronouncements reflecting the preferences of distinct group of actors who seek to maximize their welfare. Regardless of this acknowledgement, a policy outcome cannot satisfy everybody and as such, it is hard to establish a social welfare function. There has to be winners and losers in the policy making process.

2.3 POLICY MAKING PRACTICE IN KENYA

The policymaking framework in Kenya has a mixture of bottom-up and up-bottom approaches, and this is largely dependent on the nature of a particular policy. The extreme in policymaking is when the policies are adopted by a decree of the president like the current education policy on

free primary education. In normal circumstances, policies in Kenya undergo a process of discussions and are adopted, based on expected costs and benefits (Kibua, 2006).

The Ministry of Planning and National Development is responsible for the employment of all planning officers and gives broad policy direction through the coordination and writing of District Development Plans (DDPs), National Development Plans (NDPs) and Sessional Papers (SP). The National Planning Officers give circulars to District Development Officers (DDOs) outlining the broad theme of the government's development strategy for a period of five years and the specifics within which they have to design their DDPs (IPAR, 2005).

Under the leadership of the Permanent Secretary, Ministry of Planning, a secretariat involving senior planning officers is formed to coordinate the writing of the plans. The DDPs are written before the NDPs. Once the Secretariat has received the Drafts of DDPs, a workshop is held to deliberate on their design, content, clarity and workability. IPAR (2005) identified one flaw in this planning process as the lack of full participation of the DDOs, to verify, clarify and justify the inclusion of particular programmes in their plans. Consequently, programmes not considered as a priority by the secretariat are removed from the plans. Since the operationalization of the MTEF in 2000/01 financial year, the Macroeconomic working Group (MWG), MTEF Secretariat and ten Sector working Group (SWGs) were formed. The MWG defines the resources for the planning period based on the forecasts of a model, jointly developed by the Ministry of Finance and Planning and the Kenya Institute of Public Policy Research and Analysis (KIPPRA) in 2000. In addition, the MWG projects the movements of optimal level of targeted macroeconomic variables (Gross domestic Product, Balance of Payments, inflation, and interest rates) and

stipulated growth of all sectors necessary to achieve the macroeconomic targets. The various SWGs analyze the various proposals from the DDPs and synthesize the various policy initiatives that the government needs to formulate to achieve the macroeconomic targets. The Secretariat convenes to put together all the SWG reports, which forms the NDP that gives policy focus for a period of five years (IEA, 2007).

In the event that the government changes the broad policy focus, a Sessional Paper is written to direct the new focus. The NDP and DDPs spell out the broad government policy objectives that are operationalized through the annual budgets. According to Lineth (2005) one major weakness during the preparation of the development plans is that the government does not seek for expertise from independent research and policy institutions.

A study by IEA (2000) rated the overall participation in the process as dominated by the government with minimal outsider contribution. It suggested an all-inclusive participatory approach to budget formulation is important as a basis of improving budget formulation, ensuring efficient resource allocation and better oversight of the budget process. It concluded that although the budgeting process is generally participatory, the level and quality of participation is limited by time, human and financial resources.

2.4 ELEMENTS OF A SOUND BUDGET SYSTEM

According to the study “A guide to budget work for NGO’s” by The International Budget Project (2001), overcoming the problems of malfunctioning budget processes or poor budget management systems in developing countries is no easy task and it may require identifying and repairing a weak link in the process or an overhaul of the process, and possibly the adoption of

new laws to provide meaningful guidance. In approaching these issues, it recommended the core and sometimes overlapping elements of a sound budget system which include: a legal framework to define institutional roles and responsibilities, including checks and balances; a comprehensive budget that captures the totality of government's financial operations; accurate and timely information and projections, and a process that is both transparent and allows for meaningful participation by the legislature and civil society.

2.5 BUDGET PROCESS IN KENYA

A study by IPAR (2004) on the budget process in Kenya concluded that the budget process can be divided into three stages, namely: budget planning and formulation, budget approval, execution and monitoring. The process is preceded with the formulation of the long-term development strategies and policies. Technical reviews of various economic aggregates such as growth rate of Gross Domestic Product, inflation trends, money supply and balance of payments, are carried out. It established that Kenya has used several mechanisms in attempts to improve budget preparation and execution.

In the 1970s, the government adopted the Forward Budgeting as budget planning tool to determine annual government expenditure on a three year rolling plan. Its basic aim was to provide a review of ongoing programmes and ensure consistency with national goals. Its implementation was haphazard and did not yield much improvement. In the 1980s when the government was faced with severe fiscal constraints, the Budget Rationalization Reform was introduced. Its thrust was to ensure increased productivity of government expenditures through

provision of adequate resources for Operations and Maintenance, and concentration of resources on a smaller number of priority programmes Otieno (2005).

The above budget preparation mechanisms faced various shortcomings including: complexity of the Forward Budget; lack of institutional / human capacity; fiscal constraints; inflexibility of Forward Budgeting; over-emphasis on ceilings; failure to include parastatals budgets and poor sectoral prioritization, among others. Public Investment Programme (PIP) was introduced in the 1990s as an attempt to remedy the above past failures. PIP sought to establish a clear process for project review and selection criteria that would improve quality of development projects. Like the rest, it faced problems of lack of effective institutional set up; inadequate capacity; donor influence in project selection; lack of political support and poor linkage with the budget cycle, among others.

The budget process reform in Kenya continued in 2000s with the introduction of the MTEF approach, which aims at linking policy objectives with resource planning and allocation. It consists of a top-down resource envelope and a bottom-up estimation of the current and medium term costs of existing policies. This was in response to a review of the public expenditure in 1997, which concluded that public expenditure trends in Kenya were not consistent with the objectives of achieving sustained economic growth and poverty reduction (KIPPRA, 2005).

Consequently, and as a reform measure, the MTEF approach was adopted to achieve the following specific objectives: Link policy making to planning and budgeting; maintain fiscal discipline by establishing hard budget constraints; facilitate expenditure prioritization across

policies, programmes and projects and encourage better use of resources to achieve desired outcomes at lowest cost.

A study by Khasiani and Makau (2003-2004), on integrating expenditure towards policy priorities three years into its implementation found the MTEF process was not as effective as expected. The study sought to find out if the MTEF had played any significant role towards linking budgets to policy. Most of the respondents had mixed feelings on the extent to which the MTEF had played a role in linking budgets to policy. Most of the respondents in the media (50 %) and government (67 %) indicated that the MTEF had to some extent played a role while majority of the audit firms (83 %) felt that this role was not evident. However, a large number of respondents in the corporate sector, media, and academics did not have the knowledge as to whether MTEF had played any role. The lack of knowledge on the MTEF led to questions on the consultation process used in implementing the MTEF.

Despite having well stipulated approaches to linking policy statements to budget proposals, some respondents felt that the MTEF framework was weak in assessing the impact on budget-policy linkage. A lot of initiatives that aim at linking budget to policy such as the Poverty Reduction Strategy Paper (PRSP) and the MTEF were not well coordinated. Much concern was raised about the whole MTEF process being externally influenced, and hence local initiatives on the process being minimal. In addition, it was noted that the process was introduced without capacity building among the stakeholders. Additional recommendations were made to enhance its effectiveness, one being the introduction of budget ceilings.

2.6 EXISTING LAWS AND REGULATIONS GOVERNING THE BUDGET PROCESS

It is worth highlighting the contradictions and weaknesses evident in the law, which might hinder the execution of mandates bestowed on various institutions engaged in public finance management and policy implementation. According to the study "A guide to budget work for NGO's" by The International Budget Project (2001), a comprehensive legal framework is generally assumed to be an essential component of an effective and enduring budget system. A key goal of a legal framework is to help ensure that adequate checks and balances have been established for the budget system. Thus, the legal framework should ensure that there is a role for the legislature and for independent auditing institutions, guarding against the total dominance and potential abuse of the budget system by the executive. Various statutes including the Constitution of Kenya under sections 48, 99 to 105, the Exchequer and Audit Act (Cap. 412), Paymaster-General's Act and Regulations (Cap.413), External Loans and Credits Act (Cap. 422), the Government Contracts Act (Cap.25), the Kenya Revenue Authority Act (Cap. 469), have outlined systems of accountability of public finances. The Constitution of Kenya has established the arms of government and placed significant public finance obligations on the Executive and the Legislature. Section 105 of the constitution clearly stipulates the role of the Controller and Auditor General (C&AG) in overseeing public finance. In particular, the C&AG is supposed to ensure that any withdrawal from the consolidated fund is in line with the provisions of the constitution and/or the existing acts of parliament.

Section 105 (2) clearly stipulates the duties of the C&AG which requires that on behalf of the National Assembly, the C&AG shall examine, inquire into and audit the accounts of all accounting officers dealing with public money. In particular section 11 (2) requires that the

C&AG shall ensure that all reasonable precautions have been taken to safeguard collection of revenue, and all money appropriated by parliament have been disbursed for appropriated purposes Mwenda (2003). Whereas the C&AG has been appointed as the Auditor of the National Assembly, it's evident that the management of public finance has been riddled with irregular withdrawals from the consolidated fund, delays in the production of audit reports, laxity in acting upon auditors recommendations, and limited financial and human resources. The Constitution of Kenya bestows specific powers in respect of revenue collection to the Executive and at the same time mandates the Legislature to act as the guardian of public finances and financial measures. However, there is an apparent contradiction in chapter VII of the Constitution, which requires specifically that no funds may be withdrawn from either the Consolidated Fund or other approved public funds unless parliament has passed a law to authorize such withdrawal.

Besides these general powers to authorize expenditure, it is also evident that the constitution constrains the legislature by restricting the latter's authority to impose or alter taxation measures that are in place. Instead, there is a requirement that such a recommendation be subject to presidential approval exercised through the Minister for Finance. This situation confirms that the authority to levy taxation is largely in the hands of the Kenyan Executive. While the authority to make laws is placed in the legislature, it is completely restrained from the alteration or passing of any bills that may have the effect of rising taxes and this limits their ability to influence the budget process constructively (Gachocho, 2003).

Although the laws are clear on the resource mobilization, it is evident that there are some contradictions and weaknesses. For example, the procurement of external and internal loans is

entirely done by the executive. It is evident that the reporting procedures in the statutes do not demand that the legislature be informed of the terms of the agreements except for the outstanding sums. Since all public debt is charged to the Consolidated Fund without parliamentary approval, it emerges that payment for debt procured by the executive must be authorized by the legislature. This situation demonstrates the imbalance in power between the Legislature and the Executive where the Executive can borrow without legislative approval and yet the latter must authorize repayment through the Consolidated Fund. In addition, despite having public debt ceilings, it is evident that such limits are rarely adhered to. In particular, the clause allowing the Minister of Finance to alter debt limits provided he/she reports such alterations in the public debt in the next Appropriations Bills has been open to abuse (Mwenda, 2003).

According to a study by IEA (2003), while the Exchequer and Audit Act have clearly stipulated guidelines on budget oversight, it is evident that there have been weaknesses in the act. For example, the Act gives the Minister and Permanent Secretary (PS) Treasury enormous powers without corresponding accountability requirements. While the C &AG is required to identify irregularities, the Act has failed to grant him the power to stop or punish offenders.

The Act has authorized the C&AG as the auditor of the National Assembly, requiring him to submit his report to the Minister of Finance who in turn transmits it to Parliament. This is improper as the Ministry of Finance is indeed one of the Ministries that the C & AG audits. The danger with this provision is that the C&AG has no recourse if the Report he is submitting to the Minister is altered when it reaches the floor of the House. A study by IEA (2003), established that One of the most dangerous provisions of the Exchequer and Audit Act is to be found in Sec.

21 (1) which allows the Minister of Finance to dispense with audit if he deems fit. This is mischievous and opens room for abuse. It is easy for Treasury to invoke this provision to shield itself from scrutiny. The constitutionality of this provision is also dubious.

In conclusion, it is suffice to say that the office of C&AG and other regulatory institutions have been undermined by weak constitutional protection of the technical officers. It has also been undermined by lack of prosecution powers; limited financial and human resource. Over the years, it has primarily concentrated in the performance of its audit function at the expense of control functions. Consequently, monies have been withdrawn from the Consolidated Fund without his permission. The problem is that the office is helpless in law even in face of such abuses. He can only catalogue the abuses at the end of the financial year. Further, whereas the Exchequer and Audit Act gives enormous powers to the Minister, Permanent Secretary and the Treasury for the custody of public funds, the same statute seeks to limit the accountability demands on these officers. This shows that the budgetary legal framework has too many loopholes which eventually affect the allocation of resources and subsequent policy implementation.

2.7 ALLOCATION OF RESOURCES AND POLICY IMPLEMENTATION

Budget accountability requires that the budget adheres to the policy statements and that there be effective reporting to the stakeholders on the budget process and implementation of budget proposals. A study by IEA (2003) on budget information programme found that the budget adherence to the policy statements is notably low. It noted that budgets were riddled with many contradictions and inconsistencies. For example the benefits accruing from increased budgetary

allocations to certain priority thematic areas, such as the poverty reduction initiatives are quite often wiped away by the high taxes on goods and services consumed largely by the poor.

It noted that most policies were open with no timeframes and is by practice not linked to the budget. It found that the budget is more or less done as a ritual each year with little adherence to policy commitment. It explained that budget themes changed significantly and quite frequently, embracing a different theme annually without achieving previous ones and it was noted as an indicator of lack of focus on policy statements. There was also the tendency of not allowing enough time for the realization of the previously set goals.

According to Kulundu (2002), good strategy requires prioritization, both in the choices of policy measures and in the allocation of public expenditures. This implies limiting and sequencing the set of policy measures to those which can most likely be achieved, given human resource and political constraints, over the time horizon of the strategy. Prioritization should thus imply recognition of budget constraints and a willingness to reallocate budgets from lower priority to higher priority sectors and sub-sectors.

Schick (1999) avers, 'when government is inefficient, public sector wages tend to be low, much public expenditure is absorbed by dead weight administrative costs and the government is robbed of resources needed for critical social development'. This limits the range of executive and legislative discretion in any one year. Short of a crisis, it is only possible to deal with the margins of the budget. This perfectly describes the case in Kenya for a long period of time.

The overall conclusion is that in the Kenyan budget, resource allocation and policy implementation processes have had weaknesses which extend to the budget cycle. This has contributed to Kenya's poor economic performance.

2.8 SUMMARY OF LITERATURE REVIEW

This chapter argued that there are shortcomings in the budget process in Kenya. It started by justifying why policy implementation can be studied from the perspective of the budgetary processes. It highlighted various theories which a government can use to make policies and suggested that there is no ideal theory which a given government can employ. In the chapter, an in-depth analysis of the policy making and the budget process in Kenya was done and the conclusion was that although the budgeting process is generally participatory, it's not effective in addressing the concerns of many interested parties. Also the budgetary legal framework has too many loopholes which eventually affect the allocation of resources and subsequent policy implementation. The overall conclusion was that the link between policies, resource allocation, budgeting and subsequent expenditure has not been an easy one to establish. The absence of a clear symmetry between these important and related functions of the government constitutes one of the greatest weaknesses in Kenya's public finance management. Further, it was noted that most of the variables under study have been studied in isolation, few attempts have been made to establish the relationship between these variables and although a wealth of literature by government agencies and ministries exists on the budget process, allocation and expenditure of the ministries and policy implementation, researchers have questioned the credibility and objectivity of reports generated by these institutions. Very little has been done by independent researchers on the above areas and this study seeks to fill this gap.

2.9 CONCEPTUAL FRAMEWORK

The link between budget allocations, actual expenditure, policies and policy implementation is little known. From the literature reviewed, it's apparent that the three variables have been studied in isolation and hardly any information is available that clearly links all of them. The relationship between policies, budget allocation, actual expenditure and implementation of the policies can then be conceptualized as below,

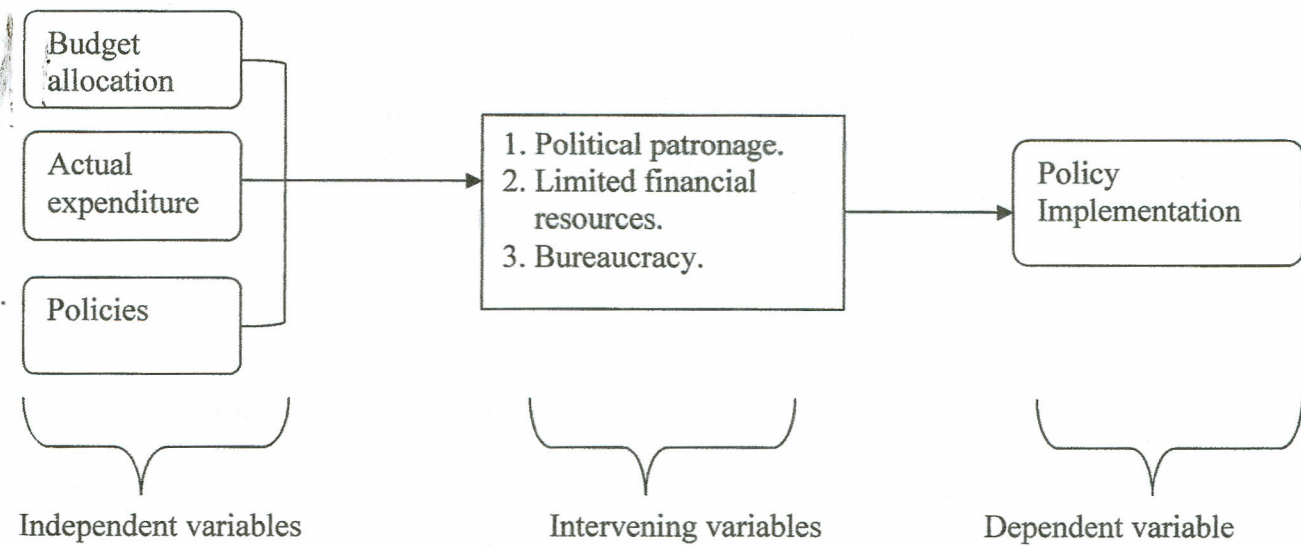


Figure 1, conceptual framework

(Source; Author 2008).

From figure 1, the independent variables include budget allocation, actual expenditure and policies while the dependent variable is policy implementation. Policy implementation as the dependent variable is influenced by the independent variables which can determine whether a policy is implemented and also how well it's implemented. The presence of intervening variables which include political patronage, limited financial resources and bureaucracy adversely affect policy implementation. The above variables were measured using ordinal scale whereby the sum total of each ministry responses to questionnaire items were analyzed in order to answer research questions of the study.

CHAPTER 3

RESEARCH METHODOLOGY

INTRODUCTION

This chapter endeavored to illustrate data collection procedures and analysis methods utilized in the study. The chapter is divided into research design, target population, data collection procedures and the techniques of data analysis. It gives a step by step account of how the above activities were carried out in order to address the purpose of the study which was to analyse policy implementation through budgetary allocations and actual expenditure by ministries of the government of Kenya.

3.1 RESEARCH DESIGN

The research design used was diagnostic as the paper intended to analyze policy implementation through the budget by the government of Kenya which involved identifying factors influencing allocation, expenditure of resources, its efficiency and the relationship therein to be captured in frequencies. Also given the time, budget allocated and taking cognizance of the fact that educational research contains many variables that cannot realistically be controlled, then diagnostic research design was the most appropriate approach. Indeed, Sridhar (2008) in a paper titled 'Research design and plan' describes diagnostic research design as efficient, economical, has maximum reliability, minimum biases and smallest error.

The research design consisted of four components which included comparison, manipulation, control and generalization. Comparison was used to show that there is relationship between variables. The study determined the extent to which the variable actual expenditure influenced

policy implementation and therefore the existing relationship. Further the interrelationships various variables measured using the questionnaire was explored and new variables extracted. These comparisons were manipulated and controls introduced to determine whether the apparent existing relationships were real. The final results were deemed to apply to the whole population through generalization.

3.2 TARGET POPULATION

The population of the study consisted of all the 34 ministries as listed in the government spokesman website (<http://www.communication.go.ke/2007>). The study was a census hence the whole population was included. A census was deemed appropriate since the target population was small hence manageable, different ministries have different policies, budgets and are largely autonomous in their financial activities. The respondents were finance officers in the 34 ministries or other relevant senior officials in cases where the finance officers were unavailable.

The respondents (finance officers) were selected based on their knowledge about and involvement in the various ministries. Due to the position they occupy within their respective ministries and their extensive knowledge and experience in the ministries on budget matters, the information generated was considered to be representative of the views of all the groups in the ministries, which the respondents represented and was therefore regarded as sufficient to provide a holistic picture of the problem under investigation.

3.3 DATA COLLECTION PROCEDURES

Data was collected using questionnaires which were personally administered by the researcher. The questionnaires were semi-structured and based on open-ended and closed questions of both substantive and theoretical nature. The purpose of the substantive questions was to measure the various variables and the purpose of the theoretical questions was to link the features of resource allocation, actual expenditure and policy implementation in the context of the ministries to findings in previous studies. For the purpose of validating the questionnaire, statements were generated, revised and edited to ensure they were clear and straight forward in their meaning and interpretation. Since content validity is best determined by expert judgment Fraenkel & Warren (2000), the questionnaire was scrutinized by two policy experts from the Ministry of Finance to determine if it addressed all the possible areas that it should. The raw questionnaire was then tested on a random sample of four ministries. After administration of the questionnaire, content and answers examination was done in relation to other sources of data, variation of responses, respondents feedback and appropriate changes made.

Questionnaires were considered to be the best for gathering the required data given the budgetary constraints under which the research was carried out. Indeed, Hakim (2000) in her book "Research Design: Successful design for social science and economic research" she describes questionnaires as one of the cheaper and efficient method that a researcher can use when trading to a cheaper research design in cross sectional studies. Thus given the time and resources constraints under which the research was undertaken, questionnaires were the best method of data collection.

3.4 TECHNIQUES OF DATA ANALYSIS

Completed questionnaires were reviewed and edited for completeness, coded, labeled and keyed into the computer for statistical analysis using Statistical Package for Social Scientists (SPSS). Descriptive data analysis techniques were used in form of frequency distribution tables to show the various findings. This technique was chosen because it was possible to show the distribution or the count of individual scores in the population for a specific variable. Columns on frequency gave an absolute count of the occurrence while the columns on percentages gave the proportion of a subgroup of the total population. This in turn ensured easy, accurate comparison and conclusions.

SPSS was also used to process data in order to determine the relationship between variables. Specifically factor analysis, cross tabulation, chi square, Cramer's V and Phi tests were used to determine if there is a relationship between actual expenditure, policy implementation and other variables of the study. Since chi square test provides little information about the strength or form of association between variables SPSS Inc (2002), it was necessary to overcome this limitation by employing other tests such a Cramer's V and Phi. Factor analysis was used to discover any latent variables, determine their relationships and structure. These methods were chosen because the data collected was in frequencies as the variables were measured in categorical scale and no assumptions were made about the data.

CHAPTER 4

DATA ANALYSIS, FINDINGS AND INTERPRETATION OF RESULTS

INTRODUCTION

In this chapter an endeavor was made to analyze data and present the findings of the study. The results are presented in the form of frequency distribution, matrixes and cross tabulation tables. The response rate was high at 88.2% as out of the 34 ministries which were surveyed, 30 responded as illustrated below in table 1.

Table1 Number of ministries surveyed

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Responded	30	88.2	88.2	88.2
Didn't respond	4	11.8	11.8	100.0
Total	34	100.0	100.0	

4.1 DATA ANALYSIS, FINDINGS AND INTERPRETATION OF RESULTS

On analysis of variable 4 the frequency table below was generated and subsequent observations made.

Table 2 Performance of ministries in their day to day activities

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Highly efficient	18	60.0	60.0	60.0
Moderately efficient	10	33.3	33.3	93.3
Not efficient	2	6.7	6.7	100.0
Total	30	100.0	100.0	

As the frequency table 2 above illustrates, ministries which are not efficient numbers two, the moderately efficient ones are ten and the highly efficient ones are eighteen and represent 6.7%, 33.3% and 60% respectively of the total population. Thus it's correct to conclude that majority of the ministries are efficient in their day to day activities. This is an indicator that a significant level of efficiency is attained in the ministries day to day activities.

On analysis of variable 6 the frequency table below was generated and subsequent observations made.

Table 3 Coordination of various departments in the ministries on budgetary issues

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	22	73.3	73.3	73.3
	Sometimes	6	20.0	20.0	93.3
	Seldom	2	6.7	6.7	100.0
	Total	30	100.0	100.0	

From the frequency table 3 above on coordination of various departments on budgetary issues, it is evident that departmental coordination is high as twenty two (73.3%) of the thirty sampled ministries indicate that they always coordinate, eight of the ministries (26.7%) occasionally coordinate although two indicated seldomly. Thus a significant level of coordination is achieved in the ministries.

On analysis of variable 7 the frequency tables below were generated and subsequent observations made.

Table 4 Achieving equitable resource allocation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highly successful	9	30.0	30.0	30.0
	Frequently successful	16	53.3	53.3	83.3
	Seldom successful	5	16.7	16.7	100.0
	Total	30	100.0	100.0	

From the frequency table 4 above on achieving equitable resource allocation, twenty five ministries (83.3%) of the ministries surveyed fall within the range of the highly and frequently successful while five (16.3%) are seldomly successful in achieving equitable resource allocation. Thus this can lead to the deduction that there is effective equitable resource allocation in a very significant number of ministries thus disapproving the common notion that resource distribution in the ministries is skewed.

Table 5 Linking policy making to planning and budgeting

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highly successful	13	43.3	43.3	43.3
	Frequently successful	10	33.3	33.3	76.7
	Seldom successful	7	23.3	23.3	100.0
	Total	30	100.0	100.0	

From the frequency table 5 above on linking policy making to planning and budgeting, twenty three ministries (76.7%) of the ministries surveyed fall within the range of the highly and frequently successful while the rest (23.3%) indicated that they are seldom successful. The inference is then that majority of the ministries have been able to link policy making to planning and budgeting.

Table 6 Ensuring expenditure prioritization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highly successful	16	53.3	53.3	53.3
	Frequently successful	10	33.3	33.3	86.7
	Seldom successful	4	13.3	13.3	100.0
	Total	30	100.0	100.0	

From the frequency table 6 above on ensuring expenditure prioritization in the ministries, twenty six (86.7%) of the ministries surveyed fall within the range of the highly and frequently successful while the rest (13.3%) indicated that they are seldom successful. The supposition then is that majority of the ministries ensure spending of available resources is done on priority basis.

Table 7 Ensuring efficient resource use

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highly successful	11	36.7	36.7	36.7
	Frequently successful	12	40.0	40.0	76.7
	Seldom successful	6	20.0	20.0	96.7
	Never successful	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

From the frequency table 7 above on ensuring efficient resource use in the ministries, twenty three ministries (76.7%) of the ministries surveyed fall within the range of the highly and frequently successful while the rest (23.3%) indicated that they are seldom successful or never successful. The deduction then is that majority of the ministries ensure the value of money spent is maximized and services and goods are delivered at minimum cost.

On analysis of variable 8 the frequency tables below were generated and subsequent observations made.

Table 8 policies are conceptually clear and simple

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	12	40.0	40.0	40.0
	Good	13	43.3	43.3	83.3
	Satisfactory	4	13.3	13.3	96.7
	Poor	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

From the frequency table 8 above on policies being conceptually clear and simple in the ministries, twenty nine (96.7%) of the ministries surveyed fall within the range of the excellent, good and satisfactory while the rest (3.3%) indicated that they are poor in formulating policies which are conceptually clear and simple. The inference then is that in a significant number of ministries, the policies which made are conceptually clear and simple to the implementers.

Table 9 Policies are stated in terms of desired changes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	7	23.3	23.3	23.3
	Good	16	53.3	53.3	76.7
	Satisfactory	6	20.0	20.0	96.7
	Poor	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

From the frequency table 9 above on evaluation of policies being stated in terms of desired changes in the ministries, twenty nine (96.7%) of the ministries surveyed fall within the range of the excellent, good and satisfactory while the rest (3.3%) indicated that they are poor in stating policies in terms of desired changes. The supposition then is that a significant number of ministries are able to come up with policies which are explicit which is advantageous to implementers.

Table 10 Clear policies on who does what and how

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	8	26.7	26.7	26.7
	Good	14	46.7	46.7	73.3
	Satisfactory	5	16.7	16.7	90.0
	Poor	3	10.0	10.0	100.0
	Total	30	100.0	100.0	

From the frequency table 10 above on evaluation of policies being clearly specified on who does what and how in the ministries, twenty seven (90%) of the ministries surveyed fall within the range of the excellent, good and satisfactory while the rest (10%) indicated that they are poor in having policies which are clearly specified on who does what and how. The deduction then is that majority of the ministries have policies with defined roles and thus negligible conflicts during execution.

Table 11 Effective leadership in policy making

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	16	53.3	53.3	53.3
	Good	9	30.0	30.0	83.3
	Satisfactory	5	16.7	16.7	100.0
	Total	30	100.0	100.0	

From the frequency table 11 above on effectiveness of leadership in policy making in the ministries, thirty (100%) of the ministries surveyed fall within the range of the excellent, good and satisfactory. The supposition then is that effectiveness of leadership in policy making in all the ministries is adequate for formulation of relevant policies.

Table 12 Presence of active policy making groups

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	10	33.3	33.3	33.3
	Good	5	16.7	16.7	50.0
	Satisfactory	9	30.0	30.0	80.0
	Poor	5	16.7	16.7	96.7
	Extremely poor	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

From the frequency table 12 above on evaluation of the presence of active policy making groups in the ministries, twenty four (80%) of the ministries surveyed fall within the range of the excellent, good and satisfactory while the rest (20%) indicated that they rate having active policy

making groups either poor or extremely poor. The deduction then is that majority of the ministries have been able to employ policy making groups. However six out of the thirty ministries surveyed indicated that they don't make use of policy making groups which is a significant number considering that good policies translated into efficiency and effectiveness of a ministry.

Table 13 Policy formulation is guided by law

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	19	63.3	63.3	63.3
	Good	5	16.7	16.7	80.0
	Satisfactory	6	20.0	20.0	100.0
	Total	30	100.0	100.0	

From the frequency table 13 above on evaluation of policy formulation being guided by law in the ministries, thirty (100%) of the ministries surveyed fall within the range of the excellent, good and satisfactory. The supposition then is that all policy formulation is done within set guidelines, procedures and laws in the ministries.

Table 14 Priority is given to important policies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	17	56.7	56.7	56.7
	Good	6	20.0	20.0	76.7
	Satisfactory	6	20.0	20.0	96.7
	Poor	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

From the frequency table 14 above on evaluation prioritization of important policies in the ministries, twenty nine (96.7%) of the ministries surveyed fall within the range of the excellent, good and satisfactory while the rest (3.3%) indicated that they are poor in prioritization of important policies. The presumption then is that majority of the ministries prioritize policies in terms of their importance which is important especially with limited budgetary resources as in the case of Kenya.

Table 15 Presence of conflicting policies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	10	33.3	33.3	33.3
	Good	11	36.7	36.7	70.0
	Satisfactory	6	20.0	20.0	90.0
	Poor	2	6.7	6.7	96.7
	Extremely poor	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

From the frequency table 15 above on evaluation of presence of conflicting policies in the ministries, twenty seven (90%) of the ministries surveyed fall within the range of the excellent, good, and satisfactory while the rest (10%) indicated that they rate presence of conflicting policies as either poor or extremely poor. The postulation then is that a significant number of ministries have few or no conflicting policies between or within them.

Table 16 Policy operational goals are clear

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	4	13.3	13.3	13.3
	Good	14	46.7	46.7	60.0
	Satisfactory	7	23.3	23.3	83.3
	Poor	2	6.7	6.7	90.0
	Extremely poor	3	10.0	10.0	100.0
	Total	30	100.0	100.0	

From the frequency table 16 above on evaluation of policies operational goals being clear in the ministries, twenty five (83.3%) of the ministries surveyed fall within the range of the excellent, good and satisfactory while the rest (16.7%) indicated that they rate policies operational goals being clear either poor or extremely poor. The deduction then is that in a significant number of ministries, policies operational goals are clear.

Table 17 Financing policies in adequate time

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	8	26.7	26.7	26.7
	Good	13	43.3	43.3	70.0
	Satisfactory	3	10.0	10.0	80.0
	Poor	4	13.3	13.3	93.3
	Extremely poor	2	6.7	6.7	100.0
	Total	30	100.0	100.0	

From the frequency table 17 above on evaluation financing of policies being done with adequate planning time horizon in the ministries, twenty four (80%) of the ministries surveyed fall within

the range of the excellent, good and satisfactory while the rest (20%) indicated that they rate financing of policies being done with adequate planning time horizon either poor or extremely poor. The assumption then is that majority of the ministries are able to finance policies within adequate planning and execution time horizon which in turn influences the rate of policy implementation favorably.

Table 18 Evaluating Impact of policies at specific intervals

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Excellent	7	23.3	23.3	23.3
Good	9	30.0	30.0	53.3
Satisfactory	9	30.0	30.0	83.3
Poor	2	6.7	6.7	90.0
Extremely poor	3	10.0	10.0	100.0
Total	30	100.0	100.0	

From the frequency table 18 above on evaluation of impact of policies at specific intervals in the ministries, twenty five (83.3%) of the ministries surveyed fall within the range of the excellent, good and satisfactory while the rest (16.7%) indicated that they rate evaluation of impact of policies at specific intervals either poor or extremely poor. The deduction then is that majority of the ministries evaluate the impact of policies they have undertaken and this can be attributed to the relative success of the government in dealing with political, social and economic issues.

Analysis of variable 8 also produced the following factor relationships and subsequent correlation among the extracted factors,

Table 19 Component Matrix before rotation

	Component		
	1	2	3
Policy operational goals are clear	.888		
The policies are conceptually clear and simple	.850		
Financing is done with adequate time	.849		
Policy formulation is guided by law	.840		
There are active policy making groups	.826		
Impact of policies is evaluated at specific intervals	.727		
Policies are clearly specified on who does what and how	.720		
Policies are stated in terms of desired changes	.711	-.512	
There are no conflicting policies	.698	.566	
There is effective leadership in policy making	.619	.472	-.412
Priority is given to important policies	.433	.446	.754

Extraction Method: Principal Component Analysis.

a. 3 components extracted.

Table 20 Pattern Matrix after rotation

	Component		
	1	2	3
Policies are stated in terms of desired changes	.949		
Policy formulation is guided by law	.897		
Impact of policies is evaluated at specific intervals	.809		
Financing is done with adequate time	.772		
There are active policy making groups	.722		
Policy operational goals are clear	.570	.480	
The policies are conceptually clear and simple	.559	.424	
There is effective leadership in policy making		.921	
Policies are clearly specified on who does what and how		.749	
There are no conflicting policies		.643	.475
Priority is given to important policies			.977

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 7 iterations.

From preliminary scrutiny of factor analysis SPSS output, the determinant of the R-matrix was 1.662E-04 which is greater than the recommended minimum of 0.00001. This eliminates any chance of multicollinearity and singularity in the variables. Bartlett test of sphericity was significantly high at $P < 0.001$ and Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy value of 0.827 was great as Kaiser (1974) recommends a bare minimum of 0.5. The above tests attest that factor analysis was appropriate for these data and it yielded distinct and reliable factors. This was further vindicated by the diagonal elements in the anti-image correlation matrix which were well above the recommended bare minimum of 0.5.

Table 19 above shows the component matrix of extracted factors before rotation. Most variables load highly onto the first factor out of the three extracted factors. When compared with table 20 which show a pattern matrix of extracted factors after rotation, some common themes have

emerged under each of the factors. Questions that load highly on factor 1 all seem to be related to formulation of policies. Questions that load highly on factor 2 all seem to be related to execution of policies and questions that load highly on factor 3 all seem to be related to prioritization of policies. This analysis revealed that the questionnaire on policies was composed of three subscales; formulation, execution and prioritization of policies. Thus it was capable of measuring what it was intended to.

Table 21 Component Correlation Matrix

Component	1	2	3
1	1.000	.464	.252
2	.464	1.000	.288
3	.252	.288	1.000

Extraction Method: Principal Component Analysis.
Rotation Method: Oblimin with Kaiser Normalization.

Table 21 shows a correlation matrix between extracted factors from which it's evident that there is a moderate degree of correlation between factor 1 and 2 as the correlation coefficients are higher than among other factors. The conclusion is that there is a greater relationship between variables under formulation and execution of policies with little association to variables under prioritization.

On analysis of variable 9 the frequency table below was generated and subsequent observations made.

Table 22 Rating of policy implementation in the ministries

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid High	11	36.7	36.7	36.7
Moderate	6	20.0	20.0	56.7
Low	12	40.0	40.0	96.7
Poor	1	3.3	3.3	100.0
Total	30	100.0	100.0	

From the frequency table 22 above on rating of policy implementation in the ministries, seventeen (56.7%) of the ministries surveyed fall within the range of high and moderate while

the rest (43.3%) indicated that they rate policy implementation either low or poor. The inference then is that although a significant number of ministries achieve high to moderate implementation of policies at any given time, a sizable number of other ministries are not impressive in their performance. This may then be associated to the poor development in Kenya.

On analysis of variable 10 the frequency tables below were generated and subsequent observations made.

Table 23 Lack of financial capacity to implement policies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	3	10.0	10.3	10.3
	Frequently	17	56.7	58.6	69.0
	Seldom	7	23.3	24.1	93.1
	Never	2	6.7	6.9	100.0
	Total	29	96.7	100.0	
Missing	N/A	1	3.3		
Total		30	100.0		

From the frequency table 23 above on lack of financial capacity to implement policies in the ministries, twenty (69%) of the ministries surveyed fall within the range of always and frequently while the rest (31%) indicated that they either seldom or never lack the financial capacity to implement policies. The deduction then is that a significant number of ministries lack financial capacity to implement various policies and this may be one of the contributors of low policy implementation.

Table 24 Lack of will / motivation to implement policies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	1	3.3	3.3	3.3
	Frequently	6	20.0	20.0	23.3
	Seldom	21	70.0	70.0	93.3
	Never	2	6.7	6.7	100.0
	Total	30	100.0	100.0	

From the frequency table 24 above on lack of will / motivation to implement in the ministries, seven (23.3%) of the ministries surveyed fall within the range of always and frequently while the rest (76.7%) indicated that they either seldom or never lack the will / motivation to implement.

The supposition then is that lack of motivation is not a big issue when implementing various policies.

Table 25 Lack of authority to implement policies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	1	3.3	3.4	3.4
	Frequently	2	6.7	6.9	10.3
	Seldom	16	53.3	55.2	65.5
	Never	10	33.3	34.5	100.0
	Total	29	96.7	100.0	
Missing	N/A	1	3.3		
Total		30	100.0		

From the frequency table 25 above on lack of authority to implement in the ministries, three (10.3%) of the ministries surveyed fall within the range of always and frequently while the rest (89.7%) indicated that they either seldom or never lack the authority to implement. The supposition then is that lack of authority to implement various policies is not a big issue.

Table 26 Complexity of policies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	3	10.0	10.0	10.0
	Frequently	3	10.0	10.0	20.0
	Seldom	17	56.7	56.7	76.7
	Never	7	23.3	23.3	100.0
	Total	30	100.0	100.0	

From the frequency table 26 above on complexity of policies in the ministries, six (20%) of the ministries surveyed fall within the range of always and frequently while the rest (80%) indicated that they either seldom or never encounter complex policies. The deduction then is that a very significant number of the ministries have policies which are simple and clear to understand.

Table 27 Lack of leadership in the policy implementation process

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	1	3.3	3.3	3.3
	Frequently	4	13.3	13.3	16.7
	Seldom	9	30.0	30.0	46.7
	Never	16	53.3	53.3	100.0
	Total	30	100.0	100.0	

From the frequency table 27 above on lack of leadership in the ministries, five (16.7%) of the ministries surveyed fall within the range of always and frequently while the rest (83.3%)

indicated that they either seldomly or never lack leadership. The inference then is that majority of the ministries have effective and efficient leadership during policy implementation.

Table 28 Unreasonable level of secrecy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Frequently	7	23.3	23.3	23.3
	Seldom	10	33.3	33.3	56.7
	Never	13	43.3	43.3	100.0
	Total	30	100.0	100.0	

From the frequency table 28 above on unreasonable level of secrecy in the ministries, seven (23.3%) of the ministries surveyed fall within the range of frequently while the rest (76.3%) indicated that they either seldom or never encounter unreasonable level of secrecy. The supposition then is that majority of the ministries maintain reasonable level of secrecy in their activities.

Table 29 Inter ministerial conflicts

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	2	6.7	6.7	6.7
	Frequently	9	30.0	30.0	36.7
	Seldom	13	43.3	43.3	80.0
	Never	6	20.0	20.0	100.0
	Total	30	100.0	100.0	

From the frequency table 29 above on inter ministerial conflicts in the ministries, eleven (36.7%) of the ministries surveyed fall within the range of always and frequently while the rest (63.3%) indicated that they either seldom or never encounter inter ministerial conflicts. The deduction then is that majority of the ministries relate to each other well with minimal conflicts in their day to day activities.

Table 30 Limited budgetary allocations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	8	26.7	26.7	26.7
	Frequently	12	40.0	40.0	66.7
	Seldom	8	26.7	26.7	93.3
	Never	2	6.7	6.7	100.0
	Total	30	100.0	100.0	

From the frequency table 30 above on limited budgetary allocations in the ministries, twenty (66.7%) of the ministries surveyed fall within the range of always and frequently while the rest

(33.3%) indicated that they either seldom or never have limited budgetary allocations. The inference then is that majority of the ministries have limited budgetary allocations to implement various policies which adversely affects policy implementation.

Table 31 Lack of information about available resources at the district

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	2	6.7	7.1	7.1
	Frequently	8	26.7	28.6	35.7
	Seldom	13	43.3	46.4	82.1
	Never	5	16.7	17.9	100.0
	Total	28	93.3	100.0	
Missing	N/A	2	6.7		
Total		30	100.0		

From the frequency table 31 above on lack of information about available resources at the district level in the ministries, ten (35.7%) of the ministries surveyed fall within the range of always and frequently while the rest (64.3%) indicated that there is either seldom or never lack of information about available resources at the district level. The conclusion then is that majority of the ministries are able to inform the spending units at the district level about available resources to implement various policies. However as the district is one of the major spenders of the budget there is need to ensure that information is released to all the relevant spending units.

Table 32 Partial release of the approved budget

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	2	6.7	6.9	6.9
	Frequently	10	33.3	34.5	41.4
	Seldom	14	46.7	48.3	89.7
	Never	3	10.0	10.3	100.0
	Total	29	96.7	100.0	
Missing	N/A	1	3.3		
Total		30	100.0		

From the frequency table 32 above on partial release of the approved budget in the ministries, twelve (41.4%) of the ministries surveyed fall within the range of always and frequently while the rest (58.6%) indicated that there is either seldom or never partial release of the approved budget. The inference then is that majority of the ministries rarely encounter partial release of the

approved budget however a significant number are affected by partial release of the approved budget.

Table 33 Lack of mechanism to link allocation and spending with policies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	4	13.3	13.3	13.3
	Frequently	7	23.3	23.3	36.7
	Seldom	9	30.0	30.0	66.7
	Never	10	33.3	33.3	100.0
	Total	30	100.0	100.0	

From the frequency table 33 above on lack of mechanism to link allocation and spending with policies in the ministries, eleven (36.7%) of the ministries surveyed fall within the range of always and frequently while the rest (63.3%) indicated that they either seldom or never lack the mechanism to link allocation and spending with policies. The deduction then is that majority of the ministries there is adequate mechanism to link allocation and spending with policies.

Analysis of variable 10 also produced the following factor relationships and subsequent correlation among the extracted factors,

Table 34 Component Matrix before rotation

	Component		
	1	2	3
Lack of leadership	.803		
Complexity of policies	.783		-.440
Lack of authority to implement	.743		-.500
Lack of mechanism to link Allocation and spending with policies	.725		
Limited budgetary allocations	.575		.487
Inter ministerial conflicts	.571		
Lack of information about available resources at the district level	.567		.420
Unreasonable level of secrecy	.538	.408	.460
Partial release of the approved budget	.577	-.647	
Lack of financial capacity to implement		.637	
Lack of will / motivation to implement	.467	.479	

Extraction Method: Principal Component Analysis.
a. 3 components extracted.

Table 35 Pattern Matrix after rotation

	Component		
	1	2	3
Lack of authority to implement	.926		
Complexity of policies	.896		
Lack of mechanism to link Allocation and spending with policies	.700		
Lack of leadership	.640		
Unreasonable level of secrecy		.713	
Lack of will / motivation to implement		.681	
Lack of financial capacity to implement		.664	
Lack of information about available resources at the district level			.750
Limited budgetary allocations			.729
Partial release of the approved budget			.712
Inter ministerial conflicts			.411

Extraction Method: Principal Component Analysis.
Rotation Method: Oblimin with Kaiser Normalization.
a. Rotation converged in 11 iterations.

From preliminary scrutiny of factor analysis SPSS output, the determinant of the R-matrix was 6.741E-03 which is greater than the recommended minimum of 0.00001. This eliminates any chance of multicollinearity and singularity in the variables. Bartlett test of sphericity was significantly high at $P < 0.001$ and Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy value of 0.693 was fine as Kaiser (1974) recommends a bare minimum of 0.5. The above tests attest that factor analysis was appropriate for these data and it yielded distinct and reliable factors. This was further vindicated by the diagonal elements in the anti-image correlation matrix which were well above the recommended bare minimum of 0.5.

Table 34 above shows the component matrix of extracted factors before rotation. Most variables load highly onto the first and the third factor out of the three extracted factors. When compared with table 35 which show a pattern matrix of extracted factors after rotation, some common themes have emerged under each of the factors. Questions that load highly on factor 1 all seem to be related to structure of policies and leadership. Questions that load highly on factor 2 all seem to be related to policies implementation environment and questions that load highly on factor 3 all seem to be related to financial aspect of policies. This analysis revealed that the questionnaire on policies was composed of three subscales; financial aspect, implementation environment, structure of policies and leadership. Thus it was capable of measuring what it was intended to as it assesses policy implementation from a holistic point of view.

Table 36 Component Correlation Matrix

Component	1	2	3
1	1.000	.252	.358
2	.252	1.000	.156
3	.358	.156	1.000

Extraction Method: Principal Component Analysis.
 Rotation Method: Oblimin with Kaiser Normalization.

Table 36 shows a correlation matrix between extracted factors from which it's evident that there is a relatively significant relationship between factor 1 and 3 as the correlation coefficients are higher than those between other factors. The conclusion is that there is a greater relationship between variables under financial aspect of policies and structure of policies and leadership with little association to variables under policies implementation environment.

On analysis of variable 11 the frequency table below was generated and subsequent observations made.

Table 37 Alignment of national strategic objectives with the allocation of resources

		Frequency	Percent		Cumulative Percent
Valid	Always	22	73.3	73.3	73.3
	Frequently	5	16.7	16.7	90.0
	Seldom	1	3.3	3.3	93.3
	Never	2	6.7	6.7	100.0
	Total	30	100.0	100.0	

From the frequency table 37 above on alignment of national strategic objectives with the allocation of resources in the ministries, twenty seven (90%) of the ministries surveyed fall within the range of always and frequently while the rest (10%) indicated that they either seldom or never align national strategic objectives with the allocation of resources. The deduction then is that majority of the ministries align national strategic objectives with the allocation of resources.

On analysis of variable 12 the frequency table below was generated and subsequent observations made.

Table 38 Explicitly and consistency of proposed activities with the objectives

		Frequency	Percent		Cumulative Percent
Valid	Always	15	50.0	50.0	50.0
	Frequently	12	40.0	40.0	90.0
	Seldom	1	3.3	3.3	93.3
	Never	2	6.7	6.7	100.0
	Total	30	100.0	100.0	

From the frequency table 38 above on rating of proposed activities in the ministries in terms of explicitly and consistency with the objectives of the ministries as stated in the ministerial strategic plans, twenty seven (90%) of the ministries surveyed fall within the range of always and frequently while the rest (10%) either seldom or never ensure explicitly and consistency of proposed activities with the objectives of the ministries as stated in the ministerial strategic plans and thus don't rate highly the proposed activities in the ministries as being explicit and consistent with the objectives of the ministries as stated in the ministerial strategic plans.

On analysis of variable 13 the frequency table below was generated and subsequent observations made.

Table 39 Adherence to performance targets in guiding resource allocation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	16	53.3	53.3	53.3
	Frequently	12	40.0	40.0	93.3
	Seldom	2	6.7	6.7	100.0
	Total	30	100.0	100.0	

From the frequency table 39 above on ministries adherence to their performance targets in guiding resource allocation, twenty eight (93.3%) of the ministries surveyed fall within the range of always and frequently while the rest (6.7%) indicated that they seldom adhere to their performance targets in guiding resource allocation. The inference then is that majority of the ministries adhere to their performance targets in guiding resource allocation. This shows funding is tied to outcome.

On analysis of variable 15 the frequency tables below were generated and subsequent observations made.

Table 40 Level of development

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	10	33.3	35.7	35.7
	Frequently	12	40.0	42.9	78.6
	Seldom	4	13.3	14.3	92.9
	Never	2	6.7	7.1	100.0
	Total	28	93.3	100.0	
Missing	N/A	2	6.7		
Total		30	100.0		

From the frequency table 40 above on level of development in the districts, twenty two (73.3%) of the ministries surveyed fall within the range of always and frequently while the rest (20%) indicated that they either seldom or never get influenced by level of development in the districts when making budgetary allocations. The supposition then is that majority of the ministries consider the level of development in the districts as an important factor when making budgetary allocations. Two of the ministries surveyed (6.7%) indicated that they don't allocate money to districts as a spending unit.

Table 41 Poverty prevalence

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	12	40.0	42.9	42.9
	Frequently	10	33.3	35.7	78.6
	Seldom	4	13.3	14.3	92.9
	Never	2	6.7	7.1	100.0
	Total	28	93.3	100.0	
Missing	N/A	2	6.7		
Total		30	100.0		

From the frequency table 41 above on influence of poverty prevalence in the districts when making budgetary allocations, twenty two (73.3%) of the ministries surveyed fall within the range of always and frequently while the rest (20%) indicated that they either seldom or never consider poverty prevalence as an important factor when allocating resources. Two of the ministries surveyed (6.7%) indicated that they don't allocate money to districts as a spending unit.

Table 42 Set priorities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	16	53.3	57.1	57.1
	Frequently	11	36.7	39.3	96.4
	Never	1	3.3	3.6	100.0
	Total	28	93.3	100.0	
Missing	N/A	2	6.7		
Total		30	100.0		

From the frequency table 42 above on influence of set priorities in the districts when making budgetary allocations, twenty seven (90%) of the ministries surveyed fall within the range of always and frequently while the rest (3.3%) indicated that they are never influenced by set priorities in the districts when making budgetary allocations. Two of the ministries surveyed (6.7%) indicated that they don't allocate money to districts as a spending unit.

Table 43 Access to essential

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	10	33.3	35.7	35.7
	Frequently	11	36.7	39.3	75.0
	Seldom	6	20.0	21.4	96.4
	Never	1	3.3	3.6	100.0
	Total	28	93.3	100.0	
Missing	N/A	2	6.7		
Total		30	100.0		

From the frequency table 43 above on influence by access to essential services in the districts when making budgetary allocations, twenty one (70%) of the ministries surveyed fall within the range of always and frequently while the rest (23.3%) indicated that they either seldom or are never influenced by access to essential services in the districts when making budgetary allocations. Two of the ministries surveyed (6.7%) indicated that they don't allocate money to districts as a spending unit.

Table 44 Political patronage

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	1	3.3	3.6	3.6
	Frequently	3	10.0	10.7	14.3
	Seldom	16	53.3	57.1	71.4
	Never	8	26.7	28.6	100.0
	Total	28	93.3	100.0	
Missing	N/A	2	6.7		
Total		30	100.0		

From the frequency table 44 above on influence of political patronage in the districts when making budgetary allocations, four (13.3%) of the ministries surveyed fall within the range of always and frequently while the rest (80%) indicated that they either seldom or are never influenced by political patronage when making budgetary allocations to the districts. Two of the ministries surveyed (6.7%) indicated that they don't allocate money to districts as a spending unit thus they are not influenced by political patronage.

Table 45 Bureaucracy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	1	3.3	3.6	3.6
	Frequently	5	16.7	17.9	21.4
	Seldom	11	36.7	39.3	60.7
	Never	11	36.7	39.3	100.0
	Total	28	93.3	100.0	
Missing	N/A	2	6.7		
Total		30	100.0		

From the frequency table 45 above on influence of bureaucracy when making budgetary allocations to the districts, six (20%) of the ministries surveyed fall within the range of always and frequently while the rest (73.4%) indicated that they either seldom or are never affected by bureaucracy when making budgetary allocations to the districts. Two of the ministries surveyed (6.7%) indicated that they don't allocate money to districts as a spending unit thus bureaucracy is not an issue.

Analysis of variable 15 also produced the following factor relationships and subsequent correlation among the extracted factors,

Table 46 Component Matrix before rotation

	Component		
	1	2	3
Level of development	.847		
Poverty preference	.797		
Access to essential services	.781		
Set priorities	.712		.624
Political patronage		.927	

Extraction Method: Principal Component Analysis.

a. 3 components extracted.

Table 47 Pattern Matrix after rotation

	Component		
	1	2	3
Poverty prevalence	.938		
Level of development	.927		
Political patronage		.975	
Set priorities			.968
Access to essential services			.700

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 5 iterations.

From preliminary scrutiny of factor analysis SPSS output, the determinant of the R-matrix was 0.177 which is greater than the recommended minimum of 0.00001. This eliminates any chance of multicollinearity and singularity in the variables. Bartlett test of sphericity was significantly high at $P < 0.001$ and Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy value of 0.582 was fine as Kaiser (1974) recommends a bare minimum of 0.5. The above tests attest that factor analysis was appropriate for these data and it yielded distinct and reliable factors. This was further vindicated by the diagonal elements in the anti-image correlation matrix which were well above the recommended bare minimum of 0.5.

Table 46 above shows the component matrix of extracted factors before rotation. Most variables load highly onto the first factor out of the three extracted factors. When compared with table 47 which show a pattern matrix of extracted factors after rotation, some common themes have emerged under each of the factors. Questions that load highly on factor 1 all seem to be related to development aspect. Questions that load highly on factor 2 all seem to be related to external influence and questions that load highly on factor 3 all seem to be related to priorities which influences accessibility to services. This analysis revealed that the questionnaire on budgetary allocation was composed of factors influencing allocation. Thus it was capable of measuring what it was intended to.

Table 48 Component Correlation Matrix

Component	1	2	3
1	1.000	-5.96E-02	.451
2	-5.96E-02	1.000	-.110
3	.451	-.110	1.000

Extraction Method: Principal Component Analysis.
 Rotation Method: Oblimin with Kaiser Normalization

Table 48 shows a correlation matrix between extracted factors from which it's evident that there is a significant positive correlation between factor 1 and 3 as the correlation coefficients are high. Also there is negative correlation between factors 2 & 3 and 1&2. The conclusion is that there is a greater relationship between variables under development aspect and priorities which influences accessibility to services with little association to variables under external influence. The inference is that as political patronage increases, development and prioritization is affected adversely.

On analysis of variable 16 the frequency tables below were generated and subsequent observations made.

Table 49 Overspending in recurrent budget

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	2	6.7	6.7	6.7
	Frequently	3	10.0	10.0	16.7
	Seldom	17	56.7	56.7	73.3
	Never	8	26.7	26.7	100.0
	Total	30	100.0	100.0	

From the frequency table 49 above on overspending in recurrent budget in the ministries, five (16.7%) of the ministries surveyed fall within the range of always and frequently while the rest (83.3%) indicated that they either seldom or never overspend in recurrent budget.

Table 50 Overspending in development budget

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Frequently	1	3.3	3.4	3.4
	Seldom	10	33.3	34.5	37.9
	Never	18	60.0	62.1	100.0
	Total	29	96.7	100.0	
Missing	N/A	1	3.3		
Total		30	100.0		

From the frequency table 50 above on overspending in development budget in the ministries, one (3.4%) of the ministries surveyed fall within the range of frequently while the rest (96.6%) indicated that they either seldom or never overspend in development budget.

On analysis of variable 17 the frequency tables below were generated and subsequent observations made.

Table 51 Actual spending is in accordance with set government priorities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	11	36.7	36.7	36.7
	Frequently	5	16.7	16.7	53.3
	Seldom	14	46.7	46.7	100.0
	Total	30	100.0	100.0	

From the frequency table 51 above on actual spending being in accordance with the set government priorities in the ministries, sixteen (53.3%) of the ministries surveyed fall within the range of always and frequently while the rest (46.7%) indicated that they seldom spend in accordance with the set government priorities. The inference then is that a slightly significant number of the ministries are able to spend in accordance with the set government priorities.

Table 52 Regular review of the efficiency of existing spending

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	18	60.0	60.0	60.0
	Frequently	9	30.0	30.0	90.0
	Seldom	3	10.0	10.0	100.0
	Total	30	100.0	100.0	

From the frequency table 52 above on having regular reviews of efficiency of existing spending in the ministries, twenty seven (90%) of the ministries surveyed fall within the range of always

and frequently while the rest (10%) indicated that they seldom have regular reviews of efficiency of existing spending. The deduction then is that majority of the ministries have regular reviews to ensure efficiency of existing spending.

Table 53 Clear specification of expected results from any spending

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	15	50.0	50.0	50.0
	Frequently	12	40.0	40.0	90.0
	Seldom	2	6.7	6.7	96.7
	Never	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

From the frequency table 53 above on having clear specification of expected results from any spending in the ministries, twenty seven (90%) of the ministries surveyed fall within the range of always and frequently while the rest (10%) indicated that they either seldom or never have clear specification of expected results from any spending.

Table 54 Flexibility in resource allocation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	7	23.3	23.3	23.3
	Frequently	14	46.7	46.7	70.0
	Seldom	9	30.0	30.0	100.0
	Total	30	100.0	100.0	

From the frequency table 54 above on having flexibility in resource allocation in the ministries, twenty one (70%) of the ministries surveyed fall within the range of always and frequently while the rest (30%) indicated that they either seldom have flexibility in resource allocation.

Table 55 Clear linkage of funding to outcomes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	11	36.7	36.7	36.7
	Frequently	12	40.0	40.0	76.7
	Seldom	7	23.3	23.3	100.0
	Total	30	100.0	100.0	

From the frequency table 55 above on having clear linkage of funding to outcomes in the ministries, twenty three (76.7%) of the ministries surveyed fall within the range of always and frequently while the rest (23.3%) indicated that they seldom have clear linkage of funding to outcomes.

Table 56 Transparent use of budgetary resources

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	20	66.7	66.7	66.7
	Frequently	8	26.7	26.7	93.3
	Seldom	2	6.7	6.7	100.0
	Total	30	100.0	100.0	

From the frequency table 56 above on having transparency in use of budgetary resources in the ministries, twenty eight (93.3%) of the ministries surveyed fall within the range of always and frequently while the rest (6.7%) indicated that they seldom have transparency in use of budgetary resources. Thus the budget process transparency is satisfactory.

Table 57 Presence of procurement difficulties

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	5	16.7	16.7	16.7
	Frequently	14	46.7	46.7	63.3
	Seldom	6	20.0	20.0	83.3
	Never	5	16.7	16.7	100.0
	Total	30	100.0	100.0	

From the frequency table 57 above on presence of procurement difficulties in the ministries, nineteen (63.3%) of the ministries surveyed fall within the range of always and frequently while the rest (36.7%) indicated that they either seldom or never have procurement difficulties. This shows that procurement process needs to be streamlined in order to eliminate the difficulties.

Table 58 Presence of qualified staff to handle budgetary issues

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	20	66.7	66.7	66.7
	Frequently	9	30.0	30.0	96.7
	Seldom	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

From the frequency table 58 above on having qualified staff to handle budgetary issues in the ministries, twenty nine (96.7%) of the ministries surveyed fall within the range of always and frequently while the rest (3.3%) indicated that they seldom have qualified staff to handle budgetary issues.

Table 59 Ministry releases approved budget in adequate time

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	15	50.0	50.0	50.0
	Frequently	11	36.7	36.7	86.7
	Seldom	4	13.3	13.3	100.0
	Total	30	100.0	100.0	

From the frequency table 59 above on ministries releasing the approved budget in adequate time, twenty six (86.7%) of the ministries surveyed fall within the range of always and frequently while the rest (13.3%) indicated that they seldom release the approved budget in adequate time.

Analysis of variable 17 also produced the following factor relationships and subsequent correlation among the extracted factors,

Table 60 Component Matrix before rotation

	Component		
	1	2	3
Spending is in accordance with set government priorities.	.761		
Having regular review of the efficiency of existing spending.	.750		
There is clear specification of expected results from any spending.	.732		
There is clear linkage of funding to outcomes.	.692		
The ministry releases approved budget in adequate time.	.678		.458
There is transparent use of budgetary resources.	.664		-.515
There are qualified staffs to handle budgetary issues.	.620		
There is flexibility in resource allocation.	.560	.484	
There are procurement difficulties.	-.526	.567	.421

Extraction Method: Principal Component Analysis.
a. 3 components extracted.

Table 61 Pattern Matrix after rotation

	Component		
	1	2	3
The ministry releases approved budget in adequate time.	.896		
There is clear specification of expected results from any spending.	.802		
There is clear linkage of funding to outcomes.	.740		
Having regular review of the efficiency of existing spending.	.549		
There are procurement difficulties.	-.472	.659	
There is flexibility in resource allocation.		.638	
There are qualified staff to handle budgetary issues.		.443	
There is transparent use of budgetary resources.			-.941
Spending is in accordance with set government priorities.			-.856

Extraction Method: Principal Component Analysis.
Rotation Method: Oblimin with Kaiser Normalization.
a. Rotation converged in 9 iterations.

From preliminary scrutiny of factor analysis SPSS output, the determinant of the R-matrix was 3.450E-02 which is greater than the recommended minimum of 0.00001. This eliminates any chance of multicollinearity and singularity in the variables. Bartlett test of sphericity was significantly high at $P < 0.001$ and Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy

value of 0.797 was good as Kaiser (1974) recommends a bare minimum of 0.5. The above tests attest that factor analysis was appropriate for these data and it yielded distinct and reliable factors. This was further vindicated by the diagonal elements in the anti-image correlation matrix which were well above the recommended bare minimum of 0.5.

Table 60 above shows the component matrix of extracted factors before rotation. Most variables load highly onto the first factor out of the three extracted factors. When compared with table 61 which show a pattern matrix of extracted factors after rotation, some common themes have emerged under each of the factors. Questions that load highly on factor 1 all seem to be related to spending. Questions that load highly on factor 2 all seem to be related to process of expenditure and questions that load highly on factor 3 all seem to be related to transparency of the process. This analysis revealed that the questionnaire on actual expenditure was composed of factors influencing expenditure. Thus it was capable of measuring what it was intended to from a holistic point of view.

Table 62 Component Correlation Matrix

Component	1	2	3
1	1.000	.103	-.488
2	.103	1.000	-.101
3	-.488	-.101	1.000

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

Table 62 shows a correlation matrix between extracted factors from which it's evident that there is a significant negative relationship between factor 1 and 3 as the correlation coefficients are higher than the rest. The conclusion is that there is a greater relationship between variables under spending and transparency of the process with little association to those under the process of expenditure. Then from the above analysis, it's can be postulated that as expenditure increases, transparency decreases.

On analysis of variable 18 the frequency tables below were generated and subsequent observations made.

Table 63 Reduction of the ministry's wage bill

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highly efficient	8	26.7	26.7	26.7
	Frequently efficient	12	40.0	40.0	66.7
	Seldom efficient	9	30.0	30.0	96.7
	Never efficient	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

From the frequency table 63 above on reduction of ministries wage bill, twenty (66.7%) of the ministries surveyed fall within the range of the highly and frequently efficient while the rest (33.3%) indicated that they are seldom or never efficient.

Table 64 Reduction of the ministry's stock of pending bills

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highly efficient	12	40.0	40.0	40.0
	Frequently efficient	11	36.7	36.7	76.7
	Seldom efficient	7	23.3	23.3	100.0
	Total	30	100.0	100.0	

From the frequency table 64 above on reduction of ministries stock of pending bills, twenty three (76.7%) of the ministries surveyed fall within the range of the highly and frequently efficient while the rest (23.3%) indicated that they are seldom efficient.

Table 65 Reduction of transfers and subsidies to parastatals under the ministry

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highly efficient	6	20.0	24.0	24.0
	Frequently efficient	12	40.0	48.0	72.0
	Seldom efficient	6	20.0	24.0	96.0
	Never efficient	1	3.3	4.0	100.0
	Total	25	83.3	100.0	
Missing	N/A	5	16.7		
Total		30	100.0		

From the frequency table 65 above on reduction of transfers and subsidies to parastatals under the ministries, eighteen (60%) of the ministries surveyed fall within the range of the highly and frequently efficient while the rest (23.3%) indicated that they are seldom or never efficient. Five of the ministries surveyed (16.7%) indicated that they don't allocate money to parastatals as a spending unit.

Table 66 Resolving stalled projects

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highly efficient	7	23.3	25.9	25.9
	Frequently efficient	15	50.0	55.6	81.5
	Seldom efficient	5	16.7	18.5	100.0
	Total	27	90.0	100.0	
Missing	N/A	3	10.0		
Total		30	100.0		

From the frequency table 66 above on resolving stalled projects in the ministries, twenty two (73.3%) of the ministries surveyed fall within the range of the highly and frequently efficient while the rest (16.7%) indicated that they are seldom efficient. Three of the ministries surveyed (10%) indicated that they don't initiate projects.

Table 67 Shifting composition of expenditure from recurrent to capital expenditure

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highly efficient	5	16.7	17.9	17.9
	Frequently efficient	10	33.3	35.7	53.6
	Seldom efficient	5	16.7	17.9	71.4
	Never efficient	8	26.7	28.6	100.0
	Total	28	93.3	100.0	
Missing	N/A	2	6.7		
Total		30	100.0		

From the frequency table 67 above on shifting composition of expenditure from recurrent to capital expenditure in the ministries, sixteen (50%) of the ministries surveyed fall within the range of the highly and frequently efficient while the rest (43.4%) indicated that they are seldom or never efficient. Two of the ministries surveyed (6.7%) indicated that they don't have capital expenditure.

Table 68 Increasing absorptive capacity of development resources

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highly efficient	7	23.3	24.1	24.1
	Frequently efficient	16	53.3	55.2	79.3
	Seldom efficient	5	16.7	17.2	96.6
	Never efficient	1	3.3	3.4	100.0
	Total	29	96.7	100.0	
Missing	N/A	1	3.3		
Total		30	100.0		

From the frequency table 68 above on increasing the absorptive capacity of development resources in the ministries, twenty three (76.6%) of the ministries surveyed fall within the range

of the highly and frequently efficient while the rest (20%) indicated that they are seldom or never efficient. One of the ministries surveyed (3.3%) indicated that they don't allocate money for development.

Table 69 Enhancing cost containment measures

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highly efficient	11	36.7	36.7	36.7
	Frequently efficient	16	53.3	53.3	90.0
	Seldom efficient	1	3.3	3.3	93.3
	Never efficient	2	6.7	6.7	100.0
	Total	30	100.0	100.0	

From the frequency table 69 above on enhancing cost containment measures in the ministries, twenty seven (90%) of the ministries surveyed fall within the range of the highly and frequently efficient while the rest (10%) indicated that they are seldom or never efficient.

From the descriptive analysis of variable 18, ministries have achieved an impressive level of efficiency.

Analysis of variable 18 also produced the following factor relationships and subsequent correlation among the extracted factors,

Table 70 Component Matrix before rotation

	Component		
	1	2	3
Enhancing cost containment measures.	.905		
Increasing absorptive capacity of development resources.	.767	.437	
Reduction of the ministry's stock of pending bills.	.623		.414
Reduction of transfers and subsidies to parastatals under the ministry.	.610		-.447
Resolving stalled projects.	.555		.527
Shifting composition of expenditure form recurrent to capital expenditure.		.794	

Extraction Method: Principal Component Analysis.

a. 3 components extracted.

Table 71 Pattern Matrix after rotation

	Component		
	1	2	3
Enhancing cost containment measures.	.875		
Increasing absorptive capacity of development resources.	.806		
Reduction of transfers and subsidies to parastatals under the ministry.	.707	-.448	
Shifting composition of expenditure form recurrent to capital expenditure.		.889	
Resolving stalled projects.			.878
Reduction of the ministry's stock of pending bills.			.778

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 8 iterations.

From preliminary scrutiny of factor analysis SPSS output, the determinant of the R-matrix was 0.159 which is greater than the recommended minimum of 0.00001. This eliminates any chance of multicollinearity and singularity in the variables. Bartlett test of sphericity was significantly high at $P < 0.05$ and Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy value of 0.585 was fine as Kaiser (1974) recommends a bare minimum of 0.5. The above tests attest that factor analysis was appropriate for these data and it yielded distinct and reliable factors. This was further vindicated by the diagonal elements in the anti-image correlation matrix which were well above the recommended bare minimum of 0.5.

Table 70 above shows the component matrix of extracted factors before rotation. Most variables load highly onto the first factor out of the three extracted factors. When compared with table 71 which show a pattern matrix of extracted factors after rotation, some common themes have emerged under each of the factors. Questions that load highly on factor 1 all seem to be related to enhancing efficient expenditure. Questions that load highly on factor 2 all seem to be related to reducing leakages through non priority expenditure and questions that load highly on factor 3 all

seem to be related to clearing ministries baggage. This analysis revealed that the questionnaire on actual expenditure was composed of factors influencing efficiency. Thus it was capable of measuring what it was intended to from a holistic point of view.

Table 72 Component Correlation Matrix

Component	1	2	3
1	1.000	6.569E-02	.363
2	6.569E-02	1.000	-3.57E-02
3	.363	-3.57E-02	1.000

Extraction Method: Principal Component Analysis.
 Rotation Method: Oblimin with Kaiser Normalization.

Table 72 shows a correlation matrix between extracted factors from which it's evident that there is a significant positive correlation between variables under factor 1&2 and 1 & 3 as the correlation coefficients are relatively high. Between factors 2&3 the correlation coefficients are negative. The inference is that there is a greater positive relationship between factors related to enhancing efficient expenditure and clearing ministries baggage with little association to those related to reducing leakages through non priority expenditure. However clearing ministries baggage adversely affects prioritization of expenditure.

In order to determine the relationship between actual expenditure being in accordance with set priorities and the rate of policy implementation, the following tables were generated after analysis of data through cross tabulation.

Table 73 Actual expenditure being in accordance with the set priorities * Rating of policy

Implementation in the ministries Cross tabulation

			Rating of policy Implementation in the ministries		Total
			Low	High	
Actual expenditure being in accordance with the set priorities	seldom or never	Count	11	3	14
		Expected Count	6.1	7.9	14.0
		% within Actual expenditure being in accordance with the set priorities	78.6%	21.4%	100.0%
		% within Rating of policy implementation in the ministries	84.6%	17.6%	46.7%
		% of Total	36.7%	10.0%	46.7%
	frequently or always	Count	2	14	16
		Expected Count	6.9	9.1	16.0
		% within Actual expenditure being in accordance with the set priorities	12.5%	87.5%	100.0%
		% within Rating of policy implementation in the ministries	15.4%	82.4%	53.3%
		% of Total	6.7%	46.7%	53.3%
Total	Count	13	17	30	
	Expected Count	13.0	17.0	30.0	
	% within Actual expenditure being in accordance with the set priorities	43.3%	56.7%	100.0%	
	% within Rating of policy implementation in the ministries	100.0%	100.0%	100.0%	
	% of Total	43.3%	56.7%	100.0%	

From the cross tabulation table 58 produced by SPSS, we can see that in total 14 ministries seldom or never spend in accordance with the set priorities, which is 46.7% of the total and of these 11 (78.6%) rate policy implementation as being low and 3 ministries (21.4%) rate policy implementation as being high. 16 ministries (53.3%) frequently or always spend in accordance with the set priorities and out of these 14 ministries (87.5%) indicated that the rate of policy implementation is high while 2 ministries (12.5%) indicated their rate of policy implementation is low. This shows there is a significant positive relationship between actual expenditure and the rate of policy implementation. Thus from the results above, it's evident that when the actual

expenditure is in accordance with the set priorities, the rate of policy implementation is high and vice versa.

Table 74 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	13.274 ^b	1	.000		
Continuity Correction ^a	10.720	1	.001		
Likelihood Ratio	14.449	1	.000		
Fisher's Exact Test				.001	.000
N of Valid Cases	30				

a. Computed only for a 2x2 table

b. 0 cells (.0%) have expected count less than 5. The minimum expected count is 6.07.

From the above Chi square tests, the assumption for chi square has been met as all expected frequencies are above five and this confirms the accuracy of chi square. It's also evident that there is a significant association between actual expenditure being in accordance with the set priorities and whether or not policy implementation will be high. With the significance value being small at $p \leq .001$, it indicates that the two variables are not independent.

Since Chi square test provides little information about the strength or form of association, it was necessary to determine the strength of the association between actual expenditure being in accordance with set priorities and the rate of policy implementation, thus Phi and Cramer's V symmetric measures were used. The strength of association is determined on a scale of 0 to 1 where by 0 represents no association and 1 perfect association.

Table 75 Symmetric Measures

	Value	Approx. Sig.
Nominal by Phi	.665	.000
Nominal Cramer's V	.665	.000
N of Valid Cases	30	

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

From the above table 75, Cramer's V and Phi symmetric measures are 0.665 out of a possible maximum value of 1. This represents very strong association between actual expenditure being in accordance with set priorities and the rate of policy implementation. This value is highly significant at $p = .000$ indicating that a value of the test statistic that is this big is unlikely to happen by chance, and therefore the strength of the relationship is very significant.

4.2 SUMMARY OF DATA FINDINGS

The data collected was analyzed in line with the procedures predetermined and presented accordingly. Through the use of frequency and cross tabulation tables, the results of the data analysis are presented in this paper in a simple and concise way which has enabled me to come up with the interpretation of data findings, conclusions and answers to the research questions as illustrated in chapter four and five of this paper.

Each questionnaire item is analyzed separately whereby in cases of determining the frequency of occurrence of a given phenomenon, a frequency table illustrates the likert scale in which it was measured, the distribution of individual score in the population, an absolute count and percentage of occurrence. The same case applies to the analysis of relationship through cross tabulation but with a slight variation whereby associated tests such as Chi square, Phi and Cramer's V have been calculated in order to determine the accuracy of data analysis, findings and subsequent conclusions. Further analysis was done on each of the questionnaire items to determine the suitability of the questionnaire and determine if there were any latent variable through factor analysis. The results of the extracted factors before, after rotation and accompanying correlation are presented in a very clear and concise way.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

INTRODUCTION

As stated in section 1.2 (p 2) of this paper, the purpose of this study was to analyse policy implementation through budgetary allocation and actual expenditure by the ministries of the government of Kenya. This was with the view of determining which factors influence budgetary allocation, rating of policy implementation, determining the efficiency of spending and determine the relationship among various variables of the study. After data analysis, the findings of the study are outlined below.

5.1 CONCLUSIONS

The first research question sought to identify the factors which influence budgetary allocation in Kenya government ministries. After analyzing the collected data, the conclusion was that the set priorities (96.4%) have the greatest influence followed by level of development (78.6%), poverty prevalence (78.6%) and access to essential services (75%). Surprisingly bureaucracy (21.4%) and political patronage (14.3%) which have been seen to be endemic in the ministries were found to exert very insignificant influence during the allocation of budgetary resources. However it was noted that as political patronage increases, prioritization of policies and subsequent development are adversely affected.

The second research question sought to evaluate policy implementation in the ministries by rating the level of achievement on a scale of high, moderate, low and poor. After analyzing the collected data, the conclusion was that seventeen (56.7%) of the thirty ministries surveyed

indicated that they are able to achieve either high or moderate level of policy implementation while the rest (43.3%) indicated that the rate of policy implementation is either low (40%) or poor (3.3%). The study went further to look at the specific factors which affect policy implementation in the ministries. It was noted that factors like lack of financial capacity to implement (69%), limited budgetary allocations (66.7%), partial release of the approved budget (41.4%), inter ministerial conflicts (36.7%), lack of mechanism to link allocation and spending with policies (36.7%) and lack of information on the available resources at the district level (35.7%) played a significant role in determining the extent to which policy implementation is achieved. Of lesser impact were factors like unreasonable level of secrecy (23.3%), lack of motivation to implement the policies (23.3%) complexity of policies (20%), lack of leadership (16.7%), and lack of authority (10.3%). It was further noted that clearing ministerial baggage such as resolving stalled projects and reduction of pending bills policy funding and implementation.

The third research question sought to find out if the spending by the government is efficient. After analysis of the collected data the conclusion was that a certain level of efficiency in spending and cost containment measures has been attained and this was vindicated by the significant number of ministries that are able to spend in accordance with the set government priorities (53.3%), conducting of regular monitoring and evaluation during policy implementation (90%), transparency in the use of budgetary resources (93.3%) among other indicators of efficiency. This was considered against the background of the previously set goals by the government on ways of enhancing efficiency in the ministries which included reduction of the wage bill (66.7%), stock of pending bills (76.7%), increasing absorptive capacity of

development resources (79.3%) among other cost containment measures. The study found that a large number of the ministries have been able to achieve the above efficiency enhancing measures to a certain degree and this can be construed to translate into efficiency by the ministries of the government of Kenya. However further analysis, it was established that as expenditure increases, transparency decreases thus affecting efficiency.

The fourth question sought to find out if there is any relationship between actual expenditure and policy implementation. The data was analyzed using cross tabulation, chi square and associated tests. From the cross tabulation, it was evident that in total 14 ministries seldom or never spend in accordance with the set priorities, which is 46.7% of the total and of these 11 (78.6%) rate policy implementation as being low and 3 ministries (21.4%) rate policy implementation as being high. 16 ministries (53.3%) frequently or always spend in accordance with the set priorities and out of these 14 ministries (87.5%) indicated that the rate of policy implementation is high while 2 ministries (12.5%) indicated their rate of policy implementation is low. Cramer's V and Phi symmetric measures were 0.665 out of a possible maximum value of 1. This represented very strong association between actual expenditure being in accordance with set priorities and the rate of policy implementation. It was observed that in ministries where actual expenditure is high, the rate of policy implementation tend to high and vice versa. Thus the conclusion is that the amount of money spent will influence the rate at which policy implementation is achieved.

The overall conclusion of this study is that ministries are relatively efficient in their day to day activities given the circumstances in which they operate in. These findings vindicate those of Gitu & Kang'ethe (2001). These activities which include policy implementation among others in majority of the ministries scored relatively high on the scale used. However a major drawback in

the implementation of policies is the limited funding from the exchequer, procurement difficulties, inter-ministerial conflicts, partial disbursement of approved budget and lack of information by the spending units which has to a large extent affected adversely this efficiency. It's worthy to note that ministries are able to follow prudent and judicious allocation and spending of budgetary resources, procedures. This has further been enhanced by transparency in form of submission of up to date records on the above areas to the public, monitoring institutions and authorities. However If the efficiency in the operations of the ministries has to be enhanced so that more people benefit from government spending there is a lot that needs to be done by the ministries especially through equitable allocation of resources, increasing the rate of absorption of the budgeted resources, coming up with policies which target the majority of Kenyans, improving communication between the ministries and the spending units like the districts, streamlining the procurement process in order to abridge it and increasing the rate of policy implementation.

This study has established that policy implementation is largely a function of actual spending but also with input from other variables under study after analyzing the data collected. The implication of this to ministries and the government at large is that when instituting measures aimed at addressing the weaknesses pointed above, a holistic approach should be adopted. Actual problematic areas in the affected ministries as well as negative perceptions among the general public should tackled. This will then translate into high efficiency in many of the government activities especially in the ministries as it was noted that most of the activities are adequately guided by appropriate legislation and effective leadership. Consequently a higher rate of policy implementation and efficiency in resource use can be achieved.

5.4 RECOMMENDATIONS

After undertaking the research, analyzing data collected and interpreting the findings, it was clear that some remedial measures were obligatory in order to enhance the process of policy implementation. These measures are vital especially in the areas pointed above in the conclusion where it was noted that they were deficient and recommendations include;

1. Ministries need to ensure there are active policy formulation groups which should be able to guide the policy formulation process in the ministries in a professional way as well formulated policies translate into easier implementation.
2. Funding from the exchequer should be increased; equitable allocation of the available resources should then be done and be perceived to be equitable by even outsiders from the ministries.
3. The release of the budgeted financial resources should be done in adequate time while the spending units should be informed of the available resources in ample time so that they are able to access them and utilize them lock, stock and barrel. Thus the communication channels between the ministries and their respective spending units should be enhanced.
4. The ministries further should ensure that they have increased the rate of absorption of budgeted resources in order to achieve a higher rate of policy implementation.
5. There is also the need to streamline the procurement process in the ministries as it seems to be a major hindrance in policy implementation in a large number of ministries.
6. There is need to harmonize and coordinate the activities of various ministries as there seems to be frequent inter-ministerial conflicts. Hopefully the newly created office of the prime minister will be able to address this when it becomes operational.

7. The level of transparency in the ministries activities should be enhanced as it has the potential of being a major drawback especially with increased expenditure.

Indeed if all of the above is to be done, the rate of policy implementation and efficiency in the ministries would definitely become higher.

5.5 SUGGESTION FOR FURTHER STUDY

1. This research was based on primary data collected through questionnaires from various ministries. As the data collected was of a self report nature, there is a possibility that it is prone to some degree of subjectivity. Consequently further research can be done on the same area of policy implementation but in this case multiple sources of data both in the form of quantitative and qualitative data can be used. This may be data from archival ministerial records to provide concrete examples and information on budget allocation, actual expenditure and policy implementation which should be supplemented with primary data in order to have up-to-date facts and give a broader picture.

2. Also an auxiliary area of research can be a comparative study of the ministries through which besides determining the efficiency of the ministries, a researcher can go further and rank them in terms of their performance. This would help to identify those ministries which have the problems outlined above as it is obvious that they do not permeate in every ministry in the government of Kenya.

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APPENDICIES
APPENDIX 1

QUESTIONNAIRE

PART A

PERSONAL DETAILS

1. Name (optional)

2. Position in the ministry.....

MINISTERIAL INFORMATION

PART B

3. Name of the ministry-----

4. Please tick the category that best describes the performance of your ministry in its day to day activities.

- 1. Not efficient []
- 2. Moderately efficient []
- 3. Highly efficient []

5. Which department is in charge of the budget in your ministry -----
-----?

6. How often do the various departments in your ministry coordinate on budgetary issues?

- 1. Always []
- 2. Sometimes []
- 3. Seldom []
- 4. Never []

7. How can you rate the success of the MTEF guidelines below in your ministry?

	Highly successful	frequently successful	seldom successful	never successful
1. Achieving equitable resource allocation	[]	[]	[]	[]
2. Linking policy making to planning and budgeting	[]	[]	[]	[]
3. Ensuring expenditure prioritization	[]	[]	[]	[]
4. Ensuring efficient resource use	[]	[]	[]	[]

PART C

[C1] POLICIES

8. On a scale of 1 -5, how can you rate your ministry in terms of the following
(1 – excellent 2 – good 3 – satisfactory 4 – poor 5 – extremely poor)

	1	2	3	4	5
1. The policies are conceptually clear and simple.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Policies are stated in terms of desired changes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Policies are clearly specified on who does what and how	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. There is effective and recognized leadership in policy making in the ministry.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. There are active policy formulation groups in the ministry.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Policy formulation process in the ministry is guided by the law.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Executive priority is given to important priorities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. There are no conflicting policies at any given time.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Policies operational goals are clear feasible and easily understood by all concerned.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Financing of policies is done with adequate planning time horizon.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. The impact of policies is evaluated at specified intervals.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

[C2] POLICY IMPLEMENTATION

9. How can you rate the implementation of policies by your ministry?

- | | |
|-------------|--------------------------|
| 1. High | <input type="checkbox"/> |
| 2. Moderate | <input type="checkbox"/> |
| 3. Low | <input type="checkbox"/> |
| 4. Poor | <input type="checkbox"/> |

10. How do the following factors affect policy implementation in your ministry?

	Always	frequently	seldom	never
1. Lack of financial capacity to implement.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Lack of will / motivation to implement.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Lack of authority to implement.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Complexity of policies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- | | | | | |
|---|-----|-----|-----|-----|
| 5. Lack of leadership | [] | [] | [] | [] |
| 6. Unreasonable level of secrecy | [] | [] | [] | [] |
| 7. Inter ministries conflicts | [] | [] | [] | [] |
| 8. Limited budgetary allocations | [] | [] | [] | [] |
| 9. Lack of information about available
Resources at the district level | [] | [] | [] | [] |
| 10. Partial release of the
approved budget | [] | [] | [] | [] |
| 11. Lack of mechanism to link allocation
and spending with policies. | [] | [] | [] | [] |

[C3] BUDGET ALLOCATION

11. How often does your ministry align national strategic objectives with the allocation of resources?

- A. always []
- B. frequently []
- C. seldom []
- D. never []

12. How can you rate the proposed activities in your ministry in terms of being explicit and consistent with the objectives of the ministry as stated in the ministerial strategic plan?

- A. always []
- B. frequently []
- C. seldom []
- D. never []

13. How often does the ministry adhere to its performance targets for guiding resource allocation?

- A. always []
- B. frequently []
- C. seldom []
- D. never []

14. Of the total ministerial budget, what percentage is allocated to core poverty areas and does it cater adequately for the intended projects-----

15. In your ministry, how do the following factors influence budgetary allocations to the various districts?

- | | Always | frequently | seldom | never |
|-------------------------|--------|------------|--------|-------|
| 1. Level of development | [] | [] | [] | [] |
| 2. Poverty prevalence | [] | [] | [] | [] |
| 3. Set priorities | [] | [] | [] | [] |

4. Access to essential Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Political patronage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Bureaucracy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Others (specify)				
7. -----	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. -----	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. -----	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. -----	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

[C4] ACTUAL EXPENDITURE

16. How often do you overspend in?

A. recurrent budget

- A. always
- B. frequently
- C. seldom
- D. never

B. development budget

- A. always
- B. frequently
- C. seldom
- D. never

17. How can you rate your ministry in terms of the following?

	Always	frequently	seldom	never
1. Spending is in accordance with set government priorities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Having regular review of the efficiency of existing spending.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. There is clear specification of expected results from any spending incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. There is flexibility in resource allocation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. There is clear linkage of funding to outcomes with identifiable performance measures.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. There is transparent use of budgetary resources.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. There are procurement difficulties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. There are qualified staff to handle budgetary issues.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. The ministry releases the approved budget in adequate time.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

18. How can you rate your ministry in terms of the following?

	Highly efficient	frequently efficient	seldom efficient	never efficient
1. Reduction of the ministry's wage bill. []	[]	[]	[]	[]
2. Reduction of the ministry's stock of pending bills. []	[]	[]	[]	[]
3. Reduction of transfers and subsidies to parastatals under the ministry. []	[]	[]	[]	[]
4. Resolving stalled projects. []	[]	[]	[]	[]
5. Shifting composition of expenditure from recurrent to capital expenditure []	[]	[]	[]	[]
6. Increasing absorptive capacity of development resources. []	[]	[]	[]	[]
7. Enhancing cost containment measures in transport, stationery and advertising. []	[]	[]	[]	[]

**APPENDIX 2
TIME SCHEDULE**

		Time (weeks)												
		1	2	3	4	5	6	7	8	9	10	11	12	
Activity	1. writing the proposal	█												
	2. pilot study						█							
	3. collecting data									█				
	4. analyzing data											█		
	5. compiling the final copy												█	

**APPENDIX 3
BUDGET**

Proposal writing		
40 pages @ sh 30	1,200	
Photocopy @ sh 1.50	1,000	
Spiral binding @ sh 30	180	
Transport and miscellaneous	<u>6,000</u>	
		8,380
Pilot study		
20 copies of questionnaires @ sh 10	200	
Transport and miscellaneous	<u>3,000</u>	
		3,200
Data collection		
100 copies of questionnaires @ sh 1.50	1,500	
Transport and miscellaneous	<u>5,000</u>	
		6,500
Data analysis		
Data analysis services	2,000	
Transport and miscellaneous	<u>3,000</u>	
		5,000
Project writing		
70 pages @ sh 30	2,100	
Photocopy @ sh 1.50	1,000	
Binding	3,000	
Transport and miscellaneous	<u>4,000</u>	
		<u>10,100</u>
		<u>33,180</u>

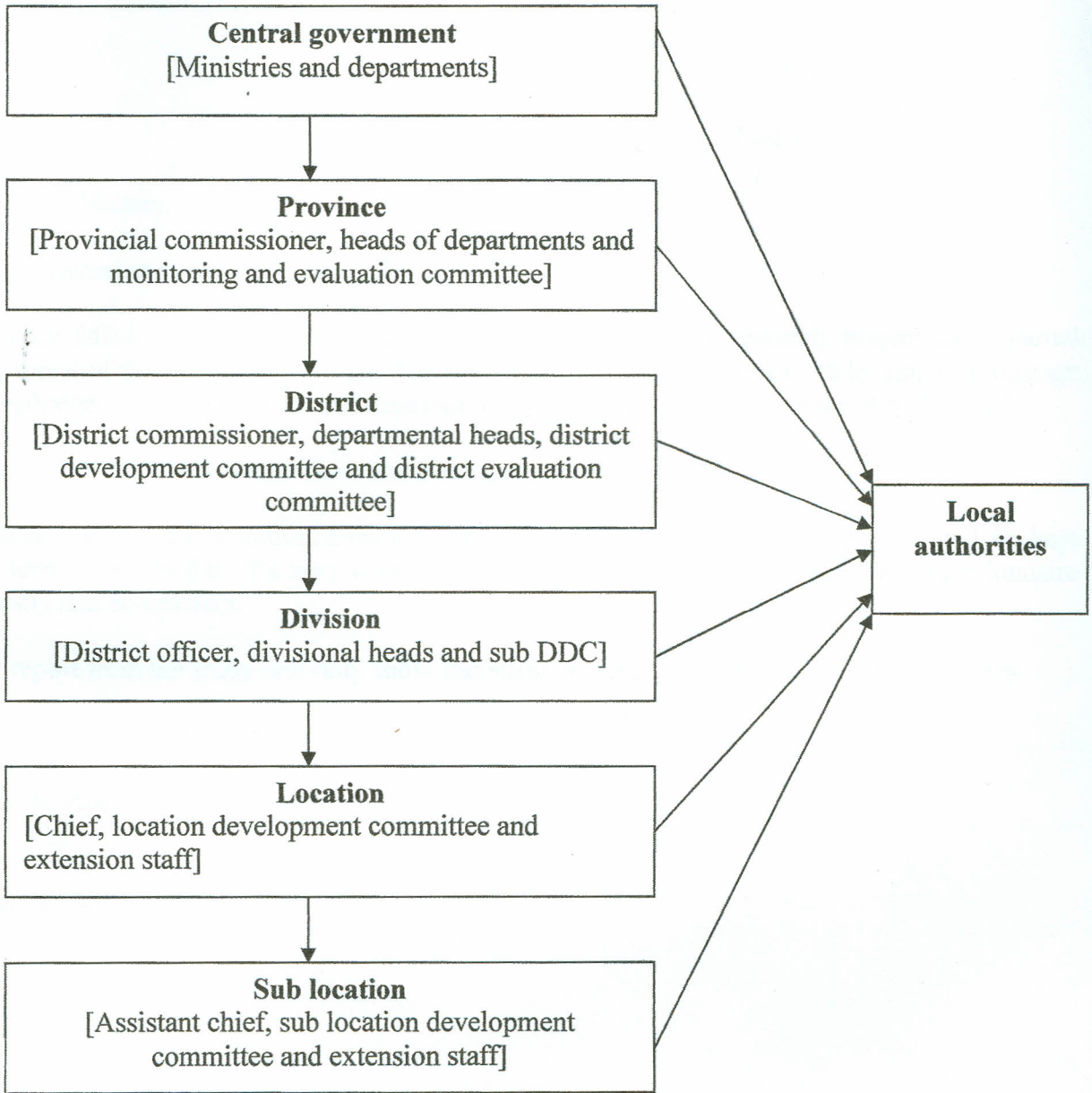
APPENDIX 4

LIST OF KENYAN MINISTRIES AS AT DECEMBER 2007

1. Office of the Vice-President and Ministry of Home Affairs
2. Agriculture
3. Co-operative development and marketing
4. Defence
5. East African Community
6. Education
7. Energy
8. Environment and Natural Resources
9. Finance
10. Foreign Affairs
11. Gender, Sports, Culture and Social Services
12. Health
13. Housing
14. Immigration & Registration of Persons
15. Information and Communications
16. Justice and Constitutional Affairs
17. Labour and Human Resource Development
18. Lands
19. Livestock and Fisheries Development
20. Local Government
21. National Heritage
22. Planning and National Development
23. Provincial Administration and National Security
24. Public Service
25. Regional Development Authorities
26. Roads and Public Works
27. Science and Technology
28. Special Programmes
29. State Law Office
30. Tourism and Wildlife
31. Trade and Industry
32. Transport
33. Water and Irrigation
34. Youth Affairs

Source; (<http://www.communication.go.ke/> 2007).

APPENDIX 5
Structure of the Kenyan government



(Source; <http://www.kippra.org>, 2008)

**APPENDIX 6
TRANSMITTAL LETTER**

Ndung'u Stephen,
Kenyatta University,
P.O. Box 43844,
Nairobi.

Dear Sir / Madam,

Ref; Permission to conduct research.

I am an MBA student at Kenyatta University undertaking a research project as a partial fulfillment of the MBA degree. I am researching on "Analysis of policy implementation through the budgetary allocation and actual expenditure by ministries of the government of Kenya."

Your participation will assist me in completing my studies.

I assure you that the questionnaires are not coded in any way and the responses will be kept absolutely confidential. It's very important that you answer the questions in the questionnaire honestly and completely.

Any report from the study will only show statistical summaries and not individual responses.

Your cooperation will be highly appreciated.

Yours faithfully,



Ndung'u Stephen.

APPENDIX 7
RESEARCH AUTHORISATION LETTER



REPUBLIC OF KENYA

MINISTRY OF SCIENCE & TECHNOLOGY

Telegrams: "SCIENCE TEC", Nairobi
Telephone: 02-318581
E-Mail: ps@scienceandtechnology.go.ke

JOGOO HOUSE "B"
HARAMBEE AVENUE,
P.O. Box 9583-00200
NAIROBI

When Replying please quote
Ref. NO. MoST 13/001 VOL XII/23

12TH NOVEMBER, 2007

Stephen Ndung'u
Kenyatta University
P.O. BOX 43844
NAIROBI

Dear Sir,

RE: RESEARCH AUTHORISATION

Following your application for authority to conduct research on: "**Implementation through budget by ministries in Kenya**", this is to inform you that you have been authorized to carry our research in Government Ministries for a period ending 30th December, 2007.

It is noted that the data collected will enable you to write a term paper for your course work.

You are advised to report to the Permanent secretaries of the respective Ministries you will visit before embarking on your research project.

Yours faithfully,


M. O. ONDIEKI
FOR: PERMANENT SECRETARY

CC: Permanent Secretaries
All Ministries