

# **EFFECT OF BUDGETARY ALLOCATION ON PERFORMANCE OF THE JUDICIARY DEPARTMENT IN EMBU COUNTY, KENYA**

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## **ABSTRACT**

The judiciary has a systematized execution based planning and set up a monetary administration and responsibility frameworks. The budgetary allocation within the judiciary has not been effective; this has resulted to wastage of financial resources resulting to ineffective implementation of certain projects. Since the increased budgetary allocation to the judiciary after the proclamation of the new constitution in 2010, a subjective investigation of assessing the effect of budgetary allocation to the judiciary from 3billion to 16 billion needs to be done. The following objectives guided the study: To determine the effect of recurrent budget allocation on performance of the Judiciary department in Embu County in Kenya; To determine the effect of development budget allocation on performance of the Judiciary department in Embu County in Kenya and; To establish the effect of loans and grants allocation on performance of the Judiciary department in Embu County in Kenya. The following theories guided the study; Budget theory, Agenda based theory of budgeting, Principle agent theory on budgeting, Progressive theory of public expenditure and budget theory for public administration. The target population comprised of all finance officers, accountants, auditors, procurement officers, ICT officers and human resource officers in Runyenjes, Siakago and Embu law courts. The sampling technique used for the study was census method. Data was obtained from respondents from the

judiciary in Embu County using questionnaires that was self-administered to the entire population. The study applied the use of descriptive survey design. Validity was established through expert judgment while the reliability of the instrument was tested using the internal consistency methods, in this case, the Cronbach's Alpha. The relationship between the variables was determined using regression analysis. The study established that budgetary allocation affects the performance of judiciary positively. The most evident achievement of the judiciary concerning the effects of budgetary allocation was the attainment of the constitutional requirement for the gender balance and the tremendous improvement on the quality of service delivery. However, there was still some aspects concerning service delivery that was rated dismally such as the response of complaints. The study recommends that the judiciary can then automate the processing of complaints. This will reduce the frequency of interaction of the judiciary staff and the public. This will drastically reduce the accusation of their poor score in processing proceedings, ruling and judgments.

**Key Words:** *accountability, budget, budgetary allocation, decision making, development budget, grants, human capital development, judiciary department, loan, management, national government, performance, physical infrastructure, public financial management act, recurrent budget, service delivery, transformation*

## **INTRODUCTION**

Globally, budgetary allocation is key to every government that aims to achieve desirable performance of key government agencies such as the judiciary (Gershon, 2014). In the United Kingdom, the treasury and key government departments are responsible for overseeing budgetary allocation. The treasury in the reviews performance information and previous spending trends of government agencies to establish the right amount to allocate to key government agencies. The government agencies are required to develop effective information systems aimed at achieving accountability as well as monitoring performance against budgetary allocations. For accountability in the process of budgetary allocation, the effort in the United Kingdom is supported by the National Audit Office, the Audit Commission which is the supreme audit authorities in the United Kingdom (OECD, 2005).

In Pakistan, budgetary allocation in the public sector is primarily instrumentalism. There are various weaknesses such as mismatches between the needs of citizens in terms of service delivery by key government institutions, the requirements of existing facilities as well as the budgets set. The strategy adopted by the government to ensure effective budgetary allocation in the public sector has involved the analysis of previous budget allocation patterns; development of proposals aimed at the modification of budget allocation systems; and development of necessary support systems and policies for ensuring that budgetary allocation process is effective in the government's budgeting systems. Despite the policies being put in place for budgetary allocation, the budgetary allocation has been unable to produce significant changes in the performance of government institutions in the country. This is mainly because of failure to ensure accountability by civil servants mandated to run the public sector organizations (Green, 2017).

In Uganda, the public sector reforms are being the main focus of attention for all government agencies in the country. Policy discussions often focus on the development of a more efficient service through initiatives such as distinguishing between the functions of "purchasing" and "provision", the development of the public/private mix, greater autonomy for public sector organizations, and the allocation of adequate budgets. Critical to the last of these is the development of appropriate systems for budgetary allocation from central to public sector institutions. For Uganda, the existing system of budgetary allocation, particularly for key government agencies such as the military, the judiciary and parliament, there are inconsistencies with decentralization policies and the pursuit of equity. However, less attention has been given to the development of budgetary allocation processes (Chae, 2018).

Kenya's Judicial System includes tribunals, an expanded Judicial Training Institute (JTI) and Judicial Service Commission (JSC). The capacity and structural constraints of the judiciary in Kenya go back to a colonial error in 1895 when it managed a double arrangement of equity, one for indigenous Kenyans and another for pioneers. The framework was prevalently penal, marginalized the indigenous arrangement of equity, and oppressed Kenyans. Since the executive

had the capacity to choose legal officers and to decide the legal spending plan, the judiciary remained an instrument of the executive. It was seen to be an administration department, as opposed to a particular arm of government. Government activities went largely unchecked. Legal expert was additionally profoundly unified highlighting progressive chief's justices who used critical specialist inside the legal system. With the achievement of freedom in 1963, Kenya abrogated the dual arrangement of equity, but the judiciary held legacy difficulties including continuing shortage of monetary independence, and an exceptionally centralized structure of the organization (Kirira, 2012).

The new constitution endorsement was viewed as a new chapter hallmark that has brought optimism and changes to a nation that is draining from years of autocracy. Renewed enthusiasm and hope that the future was brighter was brought by the new document. Eight years down the line, a general feeling of discontent is filing airwaves from some quotas. The quotas venting frustrations are the same who endorsed the constitution and called for reforms (Kramon & Posner, 2011).

At the center of reforms are the legal changes that was esteemed as essential in restoring the trust of Kenyans on the legal framework. A past view of "why contract a legal advisor when you can bribe a judge" should be eradicated and have a clear path for reforms. The constitution has given a window of chance to the judiciary to address these particular concerns. The window of chance has effectively proclaimed milestone improvements such as initiatives to actively include the participation of the public in judiciary services, recruitment of judicial staff at a large scale, vetting process to remove unsuitable judicial officers and transparent and open judicial officers' recruitment (Juma & Okpaluba, 2012).

The judiciary department of Embu County has been pivotal in the administration of justice for several years. The devolve governance triggered the need by the government to increase the staff capacity at the Judiciary department of Embu County as well as increase the levels of budgetary allocation to the department. This allocation has resulted to an increase as well as an improvement of infrastructure within the Judiciary at the County. Furthermore, staff has been hired following the need to fast track cases and reduce case backlog.

## **STATEMENT OF THE PROBLEM**

The declaration of the constitution of Kenya 2010 proclaimed a fresh start for general organizations. For the judiciary, this call was significantly direr. It ended up basic for the judiciary to build up a system for institutional restoration by having a legal fund that would upgrade its money related autonomy to help in change. In 2012, the national treasury drew a plan as a feature of the continuous open back changes that would cover the period 2013 to 2018. The document observed that the Constitution gives an arrangement of standards to public funds that offer zones for change in public monetary administration. The standards illuminate the role of public funds in advancing a fair society, open interest in the spending procedure, and transparent

reporting of the budget. A section from the continuous monetary assessments, there are no frameworks to assess the effects of such financing. Task evaluation has customarily put its emphasis on the monetary aspects of its activities and undertakings, predominantly the quantitative angle, underestimating/disregarding different areas of examination where components of a subjective sort, immaterial and emotional, may also influence the usage and estimation of projects. Subjective budgetary assessment supply information and data about less tangible factors and is relied upon to distinguish upper hands and dangers that money-related strategies cannot capture (Gatti, 2013). However, there are limited reports on subjective money related assessment since the promulgation of the new constitution, which marks expanded budgetary designation in the judiciary. In this way, the study was to build up a portion of these essential subjective monetary viewpoints at the basic leadership process and the assessment of ventures, and specifically, explore the practices resulting from the increased budgetary allocation of the judiciary. The study sought to explore the subjective monetary related viewpoint in the performance of judiciary because of budgetary independence through the judiciary fund.

## **OBJECTIVES OF THE STUDY**

The study sought to determine the effect of budgetary allocation on the performance of the Judiciary department in Embu County, Kenya.

## **THEORETICAL LITERATURE REVIEW**

### **Budget Theories**

The budget theory was proposed by Horngren (1982), the budget theory is an academic study of social and political motivations behind civil society and government budgeting. A relationship where one party acts on behalf of another party described as the agency theory. In the budget, a slack relation exists where managers intentionally use participation to create slack, while the other argued that managers through anticipation reduced slack in their budgets. The relationship between budgetary participation and budget slack has been equivocal in the literature of management accounting. Budgetary slack singled out as one of the primary unsolved problems in budgetary control (Horngren, 1982). Budgetary slack was defined as the difference between the appropriated budget and true minimum costs (Moene, 1986).

In a slack budget, (Young, 1985) proposed that slack is the amount by which subordinates underestimate their productive capability when selecting work standards against which their performance will be evaluated. In these perspectives, slack is the intentional underestimation of revenues and production capabilities and overestimation of costs and resources in the budget and second, that slack is dysfunctional (Merchant, 1985). Agency theory-based researchers have argued that participation merely provides the opportunity for subordinates to insert slack to their budget. Thus, agency theory predicts a positive participation-slack relation. (Murray, 1990) Argued that individuals who participate feel less of a need to incorporate slack in their budget estimates and accordingly will tend to propose tasks that are more difficult. Managerial

propensities to create slack may be enhanced or diminished by how budgetary systems was designed and implemented (Merchant, 1985). Stakeholders are those people and groups that affect, or can be affected by, an organization's decisions, policies, and operations” (Post et al., 2002).

The prime merit of the stakeholder concept is that it points out the important relational aspects of organizations, and it functions as a useful heuristic. It becomes the manager's job “to keep the support of all of these groups, balancing their interests, while making the organization a place where stakeholder interests can be maximized over time” (Freeman and Philips, 2002) see power as being displayed when one part in a relationship can impose its will on the other part. This could be through force (coercive power), material or financial resources (utilitarian power), or symbolic resources (normative power). Through confusions, conflicts, challenges and power imbalance, the influence on the institutionalized budgeting process could be substantive. This theory is relevant to the study as it highlights the role of various stakeholders in the budgetary allocation which is an important factor considered in budgetary allocation at the judiciary.

### **Early Budget Theory: The Progressive Theory of Public Expenditures**

Key (1940) proposed this theory in the famous essay, Key (1940) cited only one work as developing a theory of allocation and expenditures: The only American writer on public finance who has given extended attention to the problem of the distribution of expenditures is Mabel Walker. In her *Municipal Expenditures*, she reviews the theories of public expenditure and devises a method for ascertaining the tendencies in the distribution of expenditures on the assumption that the way pointed to “a norm of expenditures consistent with the state of progress at present achieved by society.” While her method would be inapplicable to the federal budget, and would probably be of less relevance in the analysis of state than municipal expenditures, her study deserves reflective perusal by municipal budget officers and by students of the problem (Key, 1987: 118). Key's comments raise two lines of inquiry about Walkers' views. What did she have to say? In addition, do the perspectives in *Municipal Expenditures* have any relevance and utility for contemporary budget theory? The second asks whether municipal budgeting theory is distinct from state or federal budget theory, or in other words the normative question of whether there is a general budget theory of expenditures.

In order to comprehend the theory by Walkers and the research that used to test it, it is important to understand the budgeting, administration and the government context. Walker's theory developed before the Brownlow committee and other New Deal reforms, before Gulick's executive responsibility mnemonic, POSDCORB, of 1937 and before Keynes argued that deficits were appropriate for governments in his 1937 book *General Theory*. Walker's perspective centered on the challenges and opportunities of urban life. The theory focused on municipal administration, specifically on the city governments' expenditures. The city government problem that drew the attention of Walker was not the way the budgeting process carried out by a city or expenditures distribution in particular but a greater question whether the

cities had budget distributions that were alike. Walker set about to determine if there was a distributional norm by category of municipal government expenditure.

The concepts that held the greatest possibility for Walker were those that applied and considered ideas from market economics to government expenditures and revenues, particularly the concepts that were centered on marginal utility. Walker observed that it was difficult for budget clerks and politicians to determine if claims on a particular public object were greater compared to other claims. Additionally, Walker observed that though there existed texts on the budget procedures, the budget allocation problem has not been addressed. Walker believed that an epitome marginal utility could result into a rational understanding hence; an appropriate way of determining government expenditures distribution developed. The progressive theory by Mabel Walker was one of the initial attempts to develop a budget theory that was positive. Walker's purpose was to provide a theory based on economic thought, particularly aspects of marginal utility, to be tested through statistical data analysis sufficient to be descriptive. Walker also intended to provide a theory to aid in decisions for the allocation of government expenditures. This theory is relevant to the study as it explains the public expenditure which is synonymous with the expenditure in the judiciary.

### **Principal-Agent Theory on Budgeting**

Schick (1988) proposed this theory. At the heart of public budgeting are relationships among those who allocate resources to service providers and those who provide agency services and. Schick (1988) has referred to these individuals as conservers and claimants, respectively. Others have entitled them more generally as principals and agents, respectively (Demski, 1998; Baiman, 1982; Holstrom, 1979). In other words, those who allocate and ration the resources are principals and those who make claims on governmental resources are agents. In this relationship, the principal's contract with agents to provide services to the public, and the focus for all those involved in the contract (i.e., the budget) itself. Two key questions for both participants are "What can be done to draw up the most effective contract possible?" and "How can the contract be upheld?" While no one has come up with The Answer, current research suggests that we should look at the elements that are common to the contract and its enforcement, namely (1) the hierarchical relationships among budget participants, and (2) the distribution and management of information.

At all budget levels, the governments use information, particularly process, and input information, to determine expenditures and revenues, and for performance assessment. From the agent-principal perspective, agents and principals have to maximize their utilities or advance their self-interest to manage the information. The information was exchanged so that both sets of participants might adapt and learn in a dynamic, yet resource constrained environment (Forrester and Adams, 1987). Managing the exchange of information is likely to be a challenge, however, because principals and agents often have conflicting interests, have "different types and amounts of information, and have different incentives to reveal that information" (Stevens, 1993:263).

Where there is such an asymmetry of information, there is every reason to expect that the consequent budgetary solution will be suboptimal and wrought with unexpected results.

The suboptimal conclusion grounded in economic theory. Concluding that unexpected results will arise based on statistical theory—insufficient or biased information will not give decision-makers the ability to estimate with a high degree of certainty the effects of their decisions. Two such unexpected results highlighted by the public choice literature are “adverse selection” and the risk of “moral hazard.” Under adverse selection, either the principal has selected the wrong agent to provide the service, or it has incorrectly defined the agent’s responsibility or agenda. Moral hazard said to occur if the agent hired by the principal The Principal-Agent Model and Budget Theory changes his or her behavior in a manner detrimental to the principal. The forms that adverse selection and moral hazard (Stevens, 1993: 281–282) assume depend upon how principals and agents relate.

### **Budget Theory for Public Administration**

This segment depicts the budget theory development approach public organization that outlines its topic as the internal asset designation procedure of the public organization—an association that works in an exceptionally political condition and whose limits are very porous, especially amid the formal budgetary process. This methodology mirrors the supposition that as a connected field open organization should try to create hypotheses that have utility for open directors. Such hypotheses ought to distinguish potential outcomes for, and limitations on, activity, or light up the idea of the activity condition of open administration.

The improvement of practical budget theory in the public organization was encouraged if the field sees the spending procedure from the viewpoint of people in general administration expert. Experts rehearse out in the open associations; the structure, culture, procedures, and methods of people in general association and its system of ecological connections characterize the activity condition of the supervisors that it houses. The second suspicion reflected in this methodology is that as an "acquiring field" open organization should look to build up a concentration to combine its borrowings and characterize itself as an exceptional control. Without a one of a kind center, the field copies the speculations and ideas created in different controls. The open organization characterized here as the investigation of the hierarchical game plans to convey societal information as open administrations, given the country's inclinations for full-scale societal administration structures and political procedures. The obligation regarding advancing the "integrity of-fit" between operational advancements and authoritative game plans for conveying them as open administrations, and for dealing with the everyday activities of complex associations point to the need to open organization and open directors obtain from different substantive strategy zones, and from the scope of fields important to light up hierarchical working.

The emphasis on the task of open associations legitimizes these borrowings, and the improvement of spending hypothesis was analyzed in this unique circumstance. People in general association is characterized here as the totality of open administration conveyance frameworks and authoritative emotionally supportive networks in a given political ward. The assortment of administration conveyance frameworks that include them and the fundamental regard that must be paid to substantive skill in the arrangement making process imply that open associations are exceptionally separated and extremely complex frameworks to such an extent that the idea of a solitary incorporated association can be a transient one, where it separates totally (Bailey, 1968). This theory is relevant to the study as it explain the roles of various agents such as accounting officers in the execution of budgets. The judiciary has finance and accounting officers who act as the agents of the government in budgetary allocation.

### **Punctuated Equilibrium: An Agenda Based Theory of Budgeting**

This theory was proposed by Key (1940), according to Key (1940), budgeting is the process of deciding whether to allocate more resources to activity X over activity Y. As such, he considered budgets as a process for deciding whom gets what and how much. In other words, public budgeting is a reflection of priorities and constraints what was put on the agenda and what does not. Punctuated equilibrium is a relatively new theory that reflects efforts to control and shift the priorities addressed on the agenda. Due largely to the work of Wildavsky (1964) and Davis, Dempster, and Wildavsky (1966, 1974), incrementalism is the most prevalent budget theory. Although incrementalists acknowledge the random occurrence of large changes in budgets, most activity changes in a budget are small which a major concept that characterized budgeting is. However, to explain both the irregular large budget changes and the regular small budget changes another theory was required. This section assesses the punctuated equilibrium theory concept, which comprises all the stated changes. Baumgartner and Jones (1993) established their concept of “punctuated equilibria” that addresses both incremental and large budget changes. It asserts that there is a state of equilibrium followed by a punctuated change followed again by equilibrium. The state of equilibrium is during quiet periods of incremental change. Punctuations are breaks from the equilibrium norm. During a time of instability on the official agenda, there is a window of opportunity to create a large change.

This section presents the punctuated equilibrium theory of budgeting as a more comprehensive alternative to incrementalism. The foundation of punctuated equilibrium as an agenda-based theory, as well as applications of the theory to public budgeting. Punctuated equilibrium recognizes the significance of stability on the agenda. That stability does not indicate a lack of movement but rather small adjustments from the status quo. These small adjustments or increments describe the most common movement on the agenda. Due to this tendency towards small changes, incrementalism often used to describe policymaking.

## **EMPIRICAL LITERATURE**

### **Recurrent Budget**

The empirical reviews conducted in relation to the studies and reports conducted in relation to budgeting. Kiringai and West (2002) did a study on budget reforms and the medium term expenditure framework in Kenya. The study reviewed various budget systems and evaluated the strengths of the MTEF process and the threats to its sustained implementation in the context of developing countries like Kenya. The study identified a number of weaknesses in the planning and budgeting process that had continued to contribute to its poor performance namely, poor forecasting ability, and lack of medium-term perspective, failure to cost future resource requirements, too many budgets and excessive political interference in budgeting. The other setbacks include separation of the planning and budgeting process, failure of planning groups to integrate strategic planning concerns into the budget cycle, failure of expenditure controls by line item, incremental recurrent budgeting especially on on-going programme resulting in redundant and rising programme implementation costs.

Additionally, the following were identified as setbacks namely delays in issuing resources due to unforeseen changes in revenue and emergency expenditures and unplanned activities. Inadequate provision for the recurrent implications of development projects; funding of recurrent activities through the development budget to attract donor funding at the expense of accountability and transparency and discrepancies between development estimates and public investment programme. Other challenges identified included poor quality of development projects due to poor targeting, high per unit costs and low completion rates, weak accounting systems, inadequate and at times lack monitoring and evaluating systems and failure to develop management information systems.

The paper concluded that MTEF was a powerful tool if fully implemented and adopted as the best practice. However that resource allocation and implementation are flawed citing the following reasons, there was lack of a comprehensive development strategy that based on realistic national resource constraints, excessive size of the government, failure to achieve aggregate fiscal discipline and poor quality of public expenditure. Muleri (2001) did a study on budgeting practices in NGO in Kenya. The study aimed to establish the effectiveness of budgeting practices among British NGOs in Kenya.

The researcher looked at the concept from a different point of view and found that most organization used modern practices as zero-based and philosophies to reduce financial mismanagement. The researcher observed that, there is a limitation on budgeting process, which leads to cost cutting to achieve cost effectiveness, there is lack of solid base to enforce budgetary controls as a motivator and concluded that although profit was the main indicator of performance in public sector, budget management should be measured against the background of

sound financial policies. The researcher concluded that budgeting accepted in the evaluation and used to communicate plans and operations.

### **Development Budget**

Wamae (2008) did a study on the challenges of budgeting at NSSF. The study aimed to establish the challenges of the budgeting process, and the challenges faced when drawing up a budget by an organization. The population constituted nine (9) boards of directors and sixteen (16) senior managers at NSSF who were concerned with budgeting issues at the organization. The researcher collected data by use of a questionnaire, observation, and interviews as the main instrument of data collection. From the study the researcher found that that the organization faced challenges when drawing up a budget and the biggest challenge included on commitment, various head of department did not take budget seriously leading to giving ambitious budgets which would end up not achieving the target, leading to complaints from the board. The researcher concluded that budgeting was very effective at NSSF as they served their purpose assisting in control, used as a means by which management communicates to others level of the department. The Researcher added that the process of budgeting at NSSF faced some challenges, which were the inability to achieve the required value of the business, inadequate authority to spend despite allocation, cost inflation, poor participation and poor coordination of the exercise.

### **Loans and Grants**

Mwangi (2010) conducted a study to establish the effect of loans and grants on the performance of government ministries in Kenya. The study adopted a descriptive survey design, the ministry of transport was the target population where twenty respondents on a census, both secondary and primary sources of data were used. The analysis of data was done using descriptive statistics where mean and standard deviation were used to show the correlation between variables that were being considered for the study. The findings of the study revealed that loans and grants had a significant influence on the performance of government ministries in Kenya.

In a study conducted by Kamau (2010) to examine the relationship between development loans and Financing of Infrastructure Projects in Kenya, a descriptive research design was adopted and a questionnaires were used to obtain data from 25 respondents on a census basis. The study used both primary and secondary data sources. The analysis of data applied the use of descriptive statistics. The findings of the study revealed a significant relationship between development loans and the performance of infrastructural projects implemented by the government.

## **RESEARCH METHODOLOGY**

This study adopted a descriptive survey design. The target population comprised of all ICT officers, accountants, procurement officers, and human resource officers in Runyenjes, Siakago and Embu law courts. The researcher in this study employed census sampling where every unit

in the population was analyzed. the sample size of the study was 29 respondents. The data collection instruments employed in the study was questionnaires that had close-ended questions. The researcher analyzed the quantitative data using measures of central tendency including mode, median and mean where frequencies, percentages, and tables was used to present the data. The researcher used descriptive analysis.

## **RESEARCH RESULTS**

The study had begun by analyzing the demographics of the respondents. From the findings, it was noted that the judiciary is among the few organizations that have implemented the two-thirds gender rule since there was equitable distribution of staff based on gender. The research also found out that majority of the respondents was educated, with a greater proportion of the survey participants having at least post-primary education. In addition, the study established that most of the personnel had acquired formal education. As part of the JTF 2012-2016, there was an increase in staff members in the department of accounting and finance. Among the judiciary staff, majority had pursued accounting related courses. A greater proportion of the judiciary staff was under permanent employment, with only a few being on a contract basis. This was a clear gesture that judiciary was in the right track of addressing the problem of understaffing. The embracement of ICT was also crucial in ensuring sustainability of the transformation agenda. Human capital development was pertinent with key indicators of a well-recruited staff, training and professionalism exhibited.

### **Effects of Recurrent Budget on the performance of Judiciary**

The first objective of the study was to establish the effects of recurrent budget allocation on the performance of the judiciary. The study used ten parameters to determine the effect of recurrent budget allocation on quality of service delivery. It was established that through r the recurrent budget, there has been a tremendous improvement in clearing case backlog, followed by expeditious delivery of justice, effective co-ordination of services, cash bail refund, and customer service as well as prompt response of complaints.

### **Effects of Development Budget on the performance of Judiciary**

The second objective of the study was to establish the effects of development budget on the performance of the judiciary, it was established that development budget highly influence the performance at judiciary since it is through this budget that infrastructure is developed to ensure smooth and effective operations of this arm of the government. Since the integration of ICT in any systems, is known to ease the work and allow for accessibility of the organization to its clients. The respondents were asked questions relating to the state of ICT within the judiciary. The first question was whether they believed judiciary had embraced ICT in its operations. Those who said that judiciary had greatly embraced technology were more than half. Regarding the impact of ICT integration into their systems, a majority said that the adoption of ICT was enhancing the quality of judiciary services.

The study also wanted to establish the speed at which the leadership of judiciary was fast-tracking the completion of new court buildings that were under construction. A greater proportion of the respondents indicated that judiciary is committed in fast-tracking the completion of the construction of the new buildings to increase the space of new courts and increase their accessibility. The respondents who believed that judiciary was keen on carrying out renovation were the majority. The respondents noted that judiciary was low in purchasing office equipment, machines, and computers. There was also need to query the appropriateness of these facilities to their intended functions, and slightly more than half of the interviewed staff said that they were indeed very appropriate.

### **Effects of Loans and Grants on the performance of the Judiciary**

The last study objective was to investigate the effect of loans and grants allocation on human capital development. To establish this, the study probed on some few areas concerning the employees of the judiciary. The first question was whether the hiring process was based on meritocracy, i.e. skills, knowledge and experience. Slightly less than half of the respondents believed that the hiring process for the new employees was fair. However, more than half of the respondents still believed that the new staff members are likely to enhance the quality of service delivery in the judiciary.

The study also sought to assess the general perception of the judiciary employees on the professional level of the new recruits. It was encouraging that more than a quarter of the respondents believed that the new recruits were professionals in their respective areas of work. In addition, the study also wanted to determine the extent to which the judiciary conducts its training of employees. Very few employees believed that the judiciary was training its staff members at great extent while fairly extent was slightly less than half meaning the Judiciary was keen on efficiency on job performance.

### **INFERENTIAL STATISTICS**

**Table 1: Summary of the Model**

Model	R	R2	Adjusted R2	Std. Error of the Estimate
1	.750 <sup>a</sup>	.563	.554	.21934

a. Predictors: (Constant), Recurrent Budget, Development Budget, Loans and Grants

From the table 1, R2 result of .563 was obtained implying that the independent variables alone explained up to 56.3% of the total variability in Performance, which was the independent variable.

**Table 2: Analysis of Variance (ANOVA) Table**

Model		Sum of Squares	d.f	Mean Square	F	Sig.
1	Regression	4.035	4	1.009	20.967	.000
	Residual	17.560	96	.048		
	Total	21.595	100			

a. Dependent Variable: Performance

b. Predictors: (Constant), Recurrent Budget, Development Budget, Loans and Grants

With the p-value is less than .05 as indicated in the ANOVA Table, the model was deemed statistically significant. The values of  $F(1, 369) = 20.967$ ,  $P < 0.05$ , shows that all the independent variables (Recurrent Budget, Development Budget, Loans and Grants) significantly predicts performance.

**Table 3: Coefficients of the Combined Model**

Model		Unstandardized		Standardized		Sig.
		B	Std. Error	Beta	T	
1	(Constant)	1.346	.226		5.950	.000
	Recurrent Budget	.302	.044	.334	6.945	.000
	Development Budget	.158	.051	.160	3.084	.002
	Loans and Grants	.121	.047	.125	2.563	.011

a. Dependent Variable: Performance

From the coefficient table 16 above, recurrent budget and performance results to a significant value (p-value = .000) of .302. The model shows that recurrent budget positively influence performance. That is a unit change in mean index of recurrent budget improves performance at the judiciary by a positive unit mean index value of 0.302.

Development budget results to a significant value (p-value = .002) of .158. This implies that a unit change in development budget improves performance at the judiciary by a positive mean index of 0.158.

The coefficient of loans and grants was 0.121, this implies that a unit change in the loans and grants allocation results to a change in performance at the judiciary by a positive mean index of 0.158.

The study sought to investigate the moderating effect of public management act 2012 on performance of judiciary department. The interaction variables were generated as intersections between the independent variables and public financial management Act. The interaction variables were then used in the hierarchical moderated multiple regressions.

Hierarchical regression was used as a stepwise regression analysis that produced and tested three models. Model one only constituted of the independent variables without considering the moderating variable. Model two was fitted including the moderating variable (Public Financial Management Act 2012) and model three included the interaction variables in the study. The fitness of all the three models were tested using, R<sup>2</sup> and ANOVA (F) and the coefficients of the models tested using T statistics. Model one results produced an R-square of 0.563 implying that the variation in the independent variable in the model explains 56.3% of the variation in performance of the judiciary.

The second model had an R-square of 0.565. This shows that the variance of performance explained in the 2nd model is 56.5%, with an R-square change of 0.002. The R-square change in the second step is however insignificant as shown by the change in F that has a p-value of 0.298 which is greater than 0.05. the P-value of the change in F being greater than 0.05 implies that the direct inclusion of the moderating variable Public Financial Management Act 2012 has no significant change in the R-square and no significant improvement on the model from model one to model two.

The third model was fitted adding the interaction variables of the moderator and other independent variables. The third step of the MMR modeling had an R-square of 0.588 implying that the variation in performance of judiciary explained in the third model is 58.8%. Model three is an improvement of the first two models with a significant positive change in the R-square. The change in R-square for model three is 0.023, which is significant as shown by the P-value of the F-change, which was found to be less than 0.05. The p-value of the F-change is 0.001. This implies that inclusion of the interaction variables significantly improves the model.

## **CONCLUSION**

The most evident achievement of the judiciary concerning the effect of budgetary allocation on the performance was the attainment of the constitutional requirement for the gender balance and the tremendous improvement on service delivery. However, there were still some aspects concerning service delivery that was rated dismally such as the response of complaints. More so, about infrastructure development, it was evident that the judiciary was still way behind the required standard level of integration of ICT into its systems. If ICT is effectively implemented, we will no longer have incidences where files mysteriously disappear and delayed rulings and judgments. The courts were also accessible, though renovations were done at slow pace. In addition, the process of recruitment was also transparent as more than 41% of the judiciary staff indicated that the hiring was based on meritocracy. The staff also emphasized that there was comprehensive training for the judiciary employee leading to improved performance.

## **RECOMMENDATIONS**

### **Recurrent Budget Allocation**

The judiciary needs to increase its recurrent budgetary allocation to improve service delivery countrywide. On the side of the government, policies need to be formulated to ensure that the recurrent budget allocation in government institutions and agencies are effectively accounted for to avoid misappropriation of funds. Finally, scholars and academicians need to examine the challenges faced in the allocation of recurrent budgets in the public sector.

### **Development Budget Allocation**

The judiciary should increase budgetary allocation for development in order to improve its infrastructure hence increased accessibility to justice countrywide. The government on the other hand should come up with policies to ensure adequate budgetary allocation for infrastructural development in the public sector. Finally, scholars and academicians need to examine how the allocation of development budget has improved performance in various government institutions especially those mandated to provide key services to citizens.

### **Loans and Grants Allocation**

The judiciary needs to collaborate with development organizations both locally and internationally to secure loans and grants with an aim of improving performance. The government needs to formulate policies that can guide the public institutions such as judiciary on the procedures that should be used to allocate loans and grants obtained from development organizations should be utilized, this will reduce the levels of misappropriations and increase trust between the public entities and the development organizations. The academicians and scholars should conduct a study on the mechanisms put in place by government entities on how to ensure accountability of loans and grants to improve performance.

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