FINANCIAL MANAGEMENT PRACTICES AND PERFORMANCE OF GOVERNMENT PROJECTS IN KITUI COUNTY, KENYA

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ABSTRACT

Financial management entails the process of planning, organizing, controlling, and monitoring financial resources to achieve institutional goals and objectives. A descriptive research sought to examine the relationship between financial management practices (financial planning, financial monitoring, financial control, and financial evaluation) and performance of Kitui county government's projects. The study sampled 67 participants from 207 employees of Kitui county government working under ministry of finance and economic planning. Data was collected using structured questionnaires and analyzed using descriptive and inferential statistics. The findings revealed that there is a insignificant positive correlation between financial planning and government project performance (r =0.129, P=0.340); a significant positive correlation between financial monitoring and project performance (r = 0.367, p=0.005); a positive and significant correlation between financial control and project performance (r =0.533, P=0.000); and a positive and insignificant correlation between financial evaluation and project performance (r =0.245, P=0.063). Therefore, the study concludes that financial planning and financial evaluation positively affects government project performance, but the effects are not significant. The study further concludes that financial monitoring and financial control have a positive and strong effect on the performance of government projects in Kitui County.

Key words: Financial planning, financial monitoring, financial control, financial evaluation, Project performance

INTRODUCTION

Financial Management (FM) is a major challenge for governments and other public institutions. Habeeb (2013) noted that financial management is all about how the internal control system operates. A financial management practice involves physical control, segregation of duties, approval and authorization control, personnel control, accounting control, supervision control, management control, and organizational control. Financial management practices (FMPs) are those carried out by the chief financial officer, accounting officer, as well as supply chain managers, budgeting, control, and asset management.

Globally, studies show mixed results about the correlation between project performance and FMPs in the public sector. In a study conducted in Northern Ireland, by Hyndman and Eden (2001) a focus on performance measures, targets, objectives, and the mission of a project improves the performance. However, in a study in the US, Cavalluzzo and Ittner (2004) concluded that financial management practices might not improve performance. In UK, successful performance of government projects is attributed to effective project leadership which is achieved through arming

project managers with the requisite capabilities, skills, and training to deliver (Dowden & Jenrick, 2018).

In Africa, most government projects haven't been effective in terms of cost, time, and quality parameters. In South Africa for instance, government projects' performance has not been effective as a result of poor workmanship, conflict, and incompetent contractors (Basheka & Tumutegyereize, 2012).. Basheka & Tumutegyereize (2012) noted that in Uganda, many construction projects have not performed well on time, cost, and quality parameters.

In Kenya, county governments like the national government use IFMIs as a financial and accounting system. The Government of Kenya has shown a good intention by funding projects such as housing projects as it seeks to supply the existing demand for houses by 2030 (Kihoro & Waiganjo, 2015). A report by the Ministry of Housing, Land and Urban Development (2011) indicated that 48% of the house construction projects in Nairobi County are not completed while 10% of them have entirely stalled. This is a clear indication of the low rate of performance experienced in government projects. The trend is similar to public road construction projects. The poor performance of the road project is attributed to challenges in monitoring and evaluating the project progress. For example, the cost of constructing the Thika Super Highway was increased to 34.45 billion, yet the cost was agreed to be 26.44 billion. Besides, the initial deadline of the Thika superhighway project was July 2011 but was revised and pushed to July 2013 (World Bank, 2014).

In most County governments, projects have stalled despite millions of taxpayers' money being used to fund them. For instance; in Baringo country, the Barwesa slaughterhouse which the government has paid Kshs 18.4 million out of the total sum of Kshs 27.8 million yet nothing has been done on-site. In Nandi County, the governor's office has stalled after payment of Kshs 97 million to the contractor. In Homa Bay, a project to construct the Kadongo-Gendia Road to bitumen standards at a cost of Kshs 687 million has stalled. Most of the work has not been done and the tarmacked area has been poorly done with evidence of potholes barely a year after construction. In Machakos County, a Kshs 11 million project to construct microwave and shredder houses have stalled after payment of Kshs 4.9 million. In Nairobi projects worth Kshs 592 million to construct 17 ECDE classes and a perimeter wall at "*Mji wa huruma"* has stalled. Other projects have stalled in counties such as Kiambu County, Kajiando Samburu, Kilifi, Vihiga, Narok, Nyeri, and Mandera counties (Nyambega, 2019).

In Kitui County, various government projects have been implemented over the years. One such project is the *Ndengu revolution*, which is a partnership between the county government of Kitui and Kenya Red Cross society. The project targeted about 200,000 smallholder farmers in Kitui County. The project was meant to improve the food security and livelihood of Kitui residents, eradicate poverty through rural development and training small-scale farmers as well as provide financial services to the farmers. The project was estimated to cost Kshs 100 million to implement (County Government of Kitui, 2017). Kitui county government has promised farmers that they will buy the green grams at Kshs 100 per kilogram. However, after the farmers have invested in planting the green grams, the county government failed to honour its promises. As a result, brokers took

advantage to buy the green grams at Kshs 30 per kilogram. This is perhaps due to inadequate or improper planning of the Project.

In 2016, the national government invested Kshs 144 billion in the lower eastern where Kitui County is located. Some of the Projects funded with these funds include the Kamuhogo Bridge which cost five hundred million Kenya shillings; the Thwake dam at a cost of Kshs 60 billion meant to serve Kitui, Makueni, and parts of Machakos County (Gok, 2016). A Kshs 20 million project to construct a mortuary at Mwingi level 4 hospitals has stalled after the contractor was paid but left the site without completing the project. The contractor who was building the outpatient block at Kitui Referral Hospital left the site without completing the project. Kitui County government had already paid Kshs 41 million out of the total Kshs 43 million (Nyambega, 2019).

The County Government of Kitui is among the 47 counties in Kenya. County governments in Kenya are devolved constitutional units established by the Kenyan 2010 constitutions. The creation of the devolved government meant that services and self-governance had been brought closer to the people. Therefore, the country governments like any other public entity are expected to use the allocated resources as per the budget and enhance the standards of living of the population (Lent, 2004). However, the use of resources is not always efficient, and sometimes it's used outside initially planned projects that have been identified by the county governments.

Problem Statement

Government projects are important to the well-being of the society and overall development both to the County and National governments. Despite their critical role government projects are faced with problems of completion. Most government projects are stalled even though multi-millions have already been paid to contractors. Other projects fail to attain the intended purposes. For example, the *Ndengu revolution* in Kitui did not achieve the intended purposes (Muzembi, 2018). The failure of the project can be attributed to poor planning. Some of the challenges faced while executing projects are disruption and delays (Kikwasi, 2012), thus affecting their completion time. some of the main causes of delays in the project include unresolved financing of the project; short time for execution; change in design during execution; unrealistic plan, shortage of material, plant, or labour; and changes in the environment (Kimani, 2004). Corruption and government failure to continue funding the projects have been major causes of failed projects. For instance, the Numerical Machining Complex, a project that was meant to ensure Kenya manufacture her cars failed dues to a lack of funding from the government back in 1999 (Daily Nation, 2013).

Nyika (2012) analyzed what fails the implementation of projects in of roads, health, and power projects in three planning regions within the Republic of Kenya. The findings show that about 79.2 percent of Government projects showed some extent of failure due to poor project management, and poor financial management practices. When government projects are not completed on time, the community that was meant to benefit remain in problem. Furthermore, public resources go to waste or are inefficiently used to the disadvantage of the members of the public. These problems are published by the government through the auditor general. A report by the auditor general on county government financial management shows massive mismanagement of funds in some

counties. This suggests that the financial processes of the county governments are weak, yet Globerson and Zwikeal (2002) noted that appropriate financial planning contributes to 85 percent of the successful performance of a project. Shtub *et al.*, (2005) noted that an efficient system of controlling projects is an essential part of the effort by the management. Therefore, there is no doubt that proper financial planning is essential for ensuring project success.

While past studies such as (Zwikeal, 2002; Kimani, 2004; and Nyika, 2012) have been done on financial planning, some have focused on assessing financial controls in its broad sense but not as variables. In Kenya, most of the studies assess how financial management influences financial performance. The impacts of financial planning, monitoring, control, and evaluation on project performance in county governments have not been studied. Therefore, this research fills the gap by examining the correlation between financial planning, monitoring, control, evaluation, and performance of county projects in the Kitui County Government. Kitui County was chosen as the case study since it is one of the counties with projects that have stalled due to inadequate planning, control, monitoring, and evaluating projects.

Research Objectives

i. To find out the effect of financial planning on the performance of government projects in Kitui county.
ii. To assess the effect of financial monitoring on the performance of government projects in Kitui county.
iii. To determine the effects of financial control on the performance of government projects in Kitui county.
iv. To determine the effects of financial evaluation on the performance of government projects in Kitui county.

THEORETICAL REVIEW

The research was guided by budgeting and contingency theories.

Theory of Budgeting

Lewis was the first proponent of the theory of budgeting who applied the principle of marginal utility in 1952. The theory holds that politicians' role is to establish a common goal and evaluate the relative efficacy of alternative uses of public funds in achieving the goal (Lewis, 1952). He believes that analysts neeed to concentrate on the increasing public spending at the margin because that is the equilibrium point where an increase in expenditure gives the same return. He further noted that the relative value of such an increase may be assessed concerning their relative effectiveness in attaining a common objective. Presenting an alternative proposal at different levels of expenditure for every project, budgeters can be of assistance to decision-makers. This can help to reveal the trade-offs between different applications for additional funding.

The disparity between descriptive and normative budget theory might be as simple as the disparity between what works and what should work. Reformers are typically associated with the normative

theory. These reformers are typically drawn from the policy or academic communities. It may be guided by values and built on limited observations. According to Cox and Morgan (1994), the descriptive theory is typically based on multiple observations, often obtained through surveys, and is guided by observations of practitioners as they go about their business of making budget decisions. There have been occasions when normative and descriptive theories have converged. This theory of budgeting was relevant in this study since it helped in expanding the understanding of how budgetary allocation could be used to achieve the project's performance.

The Contingency Theory

The contingency theory propounded by Pike in 1986 holds that efficiency in resource allocation is not just about the adoption of sophisticated, theoretically superior investment procedures and techniques. The fit between corporate context, operation, and system design in capital budgeting should be considered. He addressed three aspects of the corporate context that he perceived to be related to the operation and design of a firm's capital budgeting system.

Large institutions are characterized by a more administratively oriented strategy of control and decentralization that involve a higher degree of standardization. On the other hand, smaller organizations are less complex and mostly adopt control systems that are interpersonal and non-sophisticated. According to Haka, Gordon & Pinches (1985), organizations gain more from employing capital budgeting techniques that are sophisticated.

Environmental uncertainty is the second aspect of corporate context. When the context of operation is more unpredictable and variable, it becomes less appropriate to use capital budgeting that is highly bureaucratic and mechanistic. Pike (1986) argued that organizations that operate in complex investment methods, particularly in risk assessment, are assumed to benefit from highly uncertain environments. The final aspect is the characteristics of behaviour, which are the organization's history, degree of professionalism, and management style. It is assumed that a strategy that is administratively oriented for capital budgeting control is consistent with a high level of professionalism, a track record of unexceptional investment results, and an analytical management style. The financial status of an organization can affects the effort and design dedicated to capital budgeting. The theory is relevant for this research because it helped to understand resource allocation efficiency and capital budgeting, which was crucial in project success.

Agency Theory

Jensen & Meckling, in 1976, were proponents of the agency theory. The theory addressed the increasing concern that the firm management engages in building a business empire and possesses a sort of disregard for the interest of the shareholders by establishing prescriptions as to the manner the principal should control the agent to avoid managerial self-interest and opportunism (Jensen and Meckling, 1976). Krueger (2004) used the theory in his work on management by objectives and strategic management. He concluded that the agency theory is being put into effect at every level of the process of strategic management. He noted that from the operational strategy to corporate strategy, the agents or managers should supervise the designed objectives at all levels for a firm to

succeed in management by objectives that require a firm to come up with objectives at all strategic levels. The agency theory is relevant in this research because it is about a principal-agent relationship. Government employees manage public resources on behalf of the general public. The problems of government projects emanate from conflict of interest from those mandated to manage them to some extent. Therefore, the agency theory provides a solution in that the agency must cater to the interest of the principals, who are the members of the public.

Empirical Literature Review

Lightbody (2000) opined that financial management practices entail management decisions about forecasting, financial reporting, accounting, budgeting, and decisions for capital budgeting, which include buy or lease, equity, or debt decisions. Good financial management practices call for adherence to crucial management concepts such as accountability, transparency, and sustainability. According to Gitman (2007), financial management is a business management function that is devoted to carefully selecting the sources of capital as well as proper use of capital to enable institutions to reach their goals. Gilman's definition points out crucial financial management aspects; like the prudent utilization of resources capital resources and attaining the institution's goal. Good FMPs involve organizing, planning, controlling, and directing the financial activities including procurement and the utilization of funds allocated for a specific project.

Simon & Mohamed (2017) researched how the financial management practices affect the financial performance of Mombasa County Governments.

Ngaruro (2012) noted that financial planning is critical in financial performance. A study conducted by Umulisa *et al* (2015) on the way practices in project resource planning influence the performance of the Agaseke project in Kigali, Rwanda discovered that financial resource planning positively affect the perfroamnce of projects. Umulisa, *et al*., (2015) used a cross-section research design and targeted about 3,800 women members of the Agaseke project in Kigali. Within a management framework, monitoring is a feedback mechanism, whose major goal is to improve program activity management and ensure the most efficient use of resources while also offering a platform for learning from experience to improve organizational program methodologies, relevance, and outcomes. Financial monitoring assists in understanding and assessing financial and management capabilities and systems and, ensuring adherence with regulations, requirements, and rules; protecting public funds from waste, abuse, and fraud, identifying potential audit issues, identifying technical training and assistance needs, identifying the required improvements, and following up on issues or enhancing corrective actions.

Kamwana & Muturi (2014) researched the way financial management impacts the performance of projects that were funded by the woeld bank in Kenya. The outcomes revealed a positive correlation between financial monitoring and project performance. Asinza, Kanda, Muchelule & Mbithi (2016) studied the influence of monitoring in the construction industry. The target population was 32 construction companies in Nakuru county. 63% of the respondents agreed that monitoring was frequently done at every stage of project implementation. To have effective monitoring, all stakeholders involved in the project have to participate including the financial department for

financial planning. Correlation analysis shows that monitoring has a strong and significant relationship with the quality of projects.

Government institutions are required to make sure that funds allocated to a project are used appropriately for the intended purpose to improve the living standard of the public (Lent, 2004). However, according to Anthony and Young (2003), resources have been redirected to other interests of the institution's managers beyond the work plans and scope of specific projects. Wakiriba, Ngahu & Wagoki, (2014) conducted a study to establish how financial control activity influences financial management in Nyandarua County. The study population consisted of 30 administrative, accounting, and finance personnel from government departments, and it was conducted using a descriptive design. The findings revealed a positive and statistically significant relationship between control activities and the performance of public sector projects.

Evaluation is a continuous management function that is used to determine whether or not progress is being made toward achieving the desired outcome, identifying bottlenecks in implementation, and determining whether or not there are any unintended consequences from an investment plan, project, and its activities (Kibet Makokha & Namusonge, 2016).

Kamwana and Muturi (2014) established a positive impact between financial evaluation and projects performance. The outcomes are based on World Bank-funded projects at KPLC. Empirical evidence shows a significant positive correlation between financial planning, financial control, financial monitoring, and financial evaluation of the project performance. However, the focus of most scholars was not government projects but general projects or the financial performance of an organization. This is despite the many cases of misappropriation, embezzlement, and diverting of the project's funds to unintended use, especially in county governments.

MATERIALS AND METHODS

Research Design

A descriptive research design was used in this research. This research design describes a subject, frequently by creating a profile of a group of events, problems, or people, by collecting data and tabulating the frequencies of research variables (Cooper & Schindler (2006). The choice of the descriptive research design in the research was due to the researcher's interest in the current state of affairs in the field, and no variables were manipulated.

Target Population

The targeted population for this study is two-hundred and seven employees who worked for the county government of Kitui (The County Government of Kitui, 2018). Therefore, the unit of observation was the staff of the Kitui county government. However, the unit of analysis was the Kitui government projects. This ministry was chosen because it is the one mandated to oversee the planning and implementation of all county projects. The research was done among the senior, middle, and general staff who are involved in implementing county projects in one way or the other.

Table 1: Target Population

Sections	Target population	Percentage
Top level management	20	9.7
Middle level management	40	19.3
General staff	147	71.0
Total	**207**	**100**

Source: Kitui County Government, 2019

Sampling Techniques and Sample Size

Probability sampling techniques were used to ensure bias is minimized as much as possible. The sample was chosen using simple random and stratified sampling methods. A stratified sampling technique was chosen for the current study since it required the selection of participants from various categories. The method was employed in categorizing the target subjects into three categories; namely, general staff, top-level management, and Middle-level management who manage government projects while a simple random helped to select the individual participants for inclusion in the sample. Simple random sampling is appropriate for the study as it gave each element an equal chance for selection into the sample without bias.

A representative sample size was determined using Slovin's formula since it takes into consideration the size of the population while estimating the sample size to ensure the sample is representative.

Table 2: Sample size

Staff level	Population	0.324 %
Top Management	20	6
Middle Management	40	13
General staff	147	48
Total	**207**	**67**

Data collection

Quantitative and qualitative data were collected using the questionnaires. The research intruments were dropped to the participants and later picked up for analysis.

Validity

External validity, content validity and internal validity contribute to the overall validity of research instruments. By designing the questionnaires as per the reviewed literature and conceptual framework, the researcher was able to achieve content validity in this study. The internal validity was enhanced by improving the questionnaire ‘s accuracy by selecting 5 facilitators who assessed

and discussed the questionnaire. The facilitator's comments were evaluated and used to improve the questionnaire's validity. External validity is about the generalization of the research findings in the real world. In this study, using an appropriate sample size helped the researcher to achieve external validity.

Reliability

Burns and Grove (2003) described reliability as the degree of consistency a research instrument measures a certain attribute. Cronbach's alpha coefficient was employed to assess the questionnaires' reliability. The coefficient is normally between zero and one (Kothari, 2004). When the coefficient is high, the scale is reliable while a low coefficient implies a less reliable scale. Thus, according to Hall (2008), the alpha that was between 0.7 and above was accepted.

Data Analysis and presentation

The researcher used qualitative and qunatatiative methods to analyse the collected data. Descriptive statistics was used to analyse quantitative data. Descriptive statistics comprised the frequency, mean, standards deviation, and percentage to profile the characteristics of the sample as well as major patterns emerging from the data. The information was then presented in the form of graphs, tables, and charts. The qualitative data was analyzed using content analysis. Therefore, regression and multiple regression analyses was employed in the determination of the correlation between FMPs and the performance of the Kitui county government's projects.

RESEARCH FINDINGS AND DISCUSSIONS

Sixty-seven (67) research instruments were distributed to the sampled participants. However, fifty-seven (57) questionnaires were appropriately filled and returned. This represents an 85.08% rate of response are indicated in Table 4. As such, the rate of response, in this case, was excellent for making generalizations over the population.

Table 4: Response Rate

Response	Frequency	Percent
Returned	57	85.08%
Unreturned	10	14.92%
Total	**67**	**100%**

Source: Field Data, 2020

Descriptive statistics

The analysis gives simple summaries of the sample and the measures. In this study, the presentations were done using percentages, frequencies, mean, and standard deviation using tables and graphs.

Financial Planning

The study analyzed various indicators of financial planning. Table 5 displays the results in terms of mean, standard deviation, and percentages.

Table 5: Descriptive statistics for financial planning

Financial planning indicators	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Standard Deviation
Before implementing any government projects at Kitui County, a financial planning committee is set up to identify all the activities that require funding to complete the project	0	0	0	45.6	54.4	4.54	0.50
Every project is assigned to a specific group that is mandated to ensure the project is completed on time	0	0	0	57.9	42.1	4.42	0.49
The financial and other resources required to complete a project are identified and budgeted for before implementing any project.	0	0	0	38.6	61.4	4.61	0.49
The financial planning committee in collaboration with the project manager designs detailed planning charts that break down the major activity into its various tasks, with each task having an estimated cost.	0	0	0	61.4	38.6	4.39	0.49
Aggregate scores						**4.49**	**0.49**

The respondents were required to agree or disagree with the four indicators of financial planning. The average mean (μ) was 4.49, with a standard deviation (σ) of 0.49. The responses to this statement show a μ of 4.54 and a σ of 0.50, a confirmation that there was a low variation in responses since the participants were in agreement.

Table 6: Descriptive statistics for financial monitoring

Indicators of financial monitoring	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Standard Deviation
Every government project has a project manager who monitors the progress of the project, identifies challenges, and ensures that every activity is on schedule.	0	0	0	64.9	35.1	4.35	0.48
The project manager helps the government to accurately forecast the cost of each activity which enables the government to allocate the required funds at every stage of implementation.	0	0	0	66.7	33.3	4.33	0.48
The funds allocated for each project are efficiently used to ensure the quality and timely completion of the project.	0	0	12.3	21.1	66.7	4.54	0.71
Internal audits are conducted on each project and follow up on the implementation of audit recommendations is done	0	0	15.8	22.8	61.4	4.46	0.76
Aggregate Scores						**4.42**	**0.61**

The respondents were required to agree or disagree with the four indicators of financial monitoring. The average μ is 4.42, and the average σ is 0.61. The high mean scores and slightly high standard deviation imply that there were slight variations in responses as shown in Table 6.

Table 7: Descriptive statistics for financial control

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Standard Deviation
The County government use funds allocated for specific projects for the intended purposes without diversion to other uses.	0	0	5.3	35.1	59.6	4.54	0.60
The county government ensures that there are accountability and transparency in every project it implements.	10.5	0	5.3	35.1	49.1	4.23	0.96
Every cent allocated for a specific project can be accounted for or on completion of the project.	0	0	0	29.8	70.2	4.70	0.46
Aggregate scores						**4.49**	**0.63**

The findings show an average mean of 4.49 and an average standard deviation of 0.63. The high μ and slightly high σ imply that there were slight variations in responses. However, the responses were skewed towards agreed on the Likert scale as shown in Table 7.

Table 8: Descriptive statistics for financial evaluation

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Standard Deviation
The government continually monitor and evaluate the progress of all its projects	0	0	0	21.1	78.9	4.79	0.41
The county government is capable of spotting bottlenecks during project implementation and offer a solution to ensure there is value for money in each project.	0	0	0	49.1	51.9	4.51	0.50
The county government is always committed to ensuring that the initial objectives of a project are achieved on completion	0	8.8	5.3	29.8	56.1	4.33	0.93
Aggregate scores						**4.54**	**0.61**

The average mean is 4.54, and the average standard deviation is 0.61. The high μ and slightly high σ implied that there were slight variations in responses. The responses were skewed towards 'agree' as shown in Table 8.

Table 9: Descriptive statistics for Project Performance

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Standard Deviation
Financial planning influence the quality and timely completion of government projects	0	1.8	0	49.1	49.1	4.46	0.60
Financial Monitoring influence the quality and timely completion of government projects	0	0	0	26.3	73.7	4.74	0.44
Financial control influence the quality and timely completion of government projects	0	0	0	35.1	64.9	4.65	0.48
Financial control influence the quality and timely completion of government projects	0	1.8	7	80.7	10.5	4.0	0.50
Aggregate scores						**4.46**	**0.51**

The findings show that the average μ is 4.46, with a σ of 0.51. The high mean and low standard deviation imply that there were low variations in responses. On the Likert scale, as shown in Table 9, participants' responses were skewed towards 'agree'.

Inferential statistics

Correlation analysis and regression analysis are the inferential statistics that were used in this study.

Correlation analysis

Pearson's Product-Moment Correlation Coefficient (r) was used to assess the strength of the variables. The data on financial control, financial monitoring, financial evaluation, financial planning, and project performance were aggregated into one variable for each factor. Consequently, correlation analysis was performed at a 5% confidence level and a 2-tailed confidence level. Table 10 shows the correlation analysis matrix.

Table 10: Correlation Matrix

		GPP	FP	FM	FC	FE
GPP	Pearson Correlation	1	.129	.367**	.533**	.248
	Sig. (2-tailed)		.340	.005	.000	.063
	N	57	57	57	57	57
FP	Pearson Correlation	.129	1	.169	-.049	-.067
	Sig. (2-tailed)	.340		.209	.716	.622
	N	57	57	57	57	57
FM	Pearson Correlation	.367**	.169	1	.452**	-.182
	Sig. (2-tailed)	.005	.209		.000	.174
	N	57	57	57	57	57
FC	Pearson Correlation	.533**	-.049	.452**	1	.427**
	Sig. (2-tailed)	.000	.716	.000		.001
	N	57	57	57	57	57
FE	Pearson Correlation	.248	-.067	-.182	.427**	1
	Sig. (2-tailed)	.063	.622	.174	.001	
	N	57	57	57	57	57

Key: GPP= Government Project Performance; FP=Financial planning; FM= Financial monitoring; FC= Financial control; FE= Financial Evaluation

Regression Analysis

The relationship between one or more independent variables and a dependent variable was estimated using regression analysis (Elliott and Woodward, 2007). Therefore, financial planning was regressed against the performance of government projects, financial monitoring against the performance of government projects; financial control against the performance of government projects; and financial evaluation against the performance of government projects. The outcomes are presented in Tables 10, 11, and 12.

Table 11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.573[a]	.329	.277	1.11076

a. Predictors: (Constant), FE, FP, FM, FC

Table 10 indicate that financial monitoring, financial planning, financial control, and financial evaluation explain only 32.9% of government project performance as depicted by R2. The inference is that other factors explain 67.1% of the performance of government projects besides the four that were studied.

Table 11: Analysis of Variance ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31.422	4	7.855	6.367	.000[b]
	Residual	64.157	52	1.234		
	Total	95.579	56			

a. Dependent Variable: GPP

b. Predictors: (Constant), FE, FP, FM, FC

Table 11 shows that the model's significance value was 0.000, which is less than 0.05. The implication is that the model was significant when used to predict the way financial monitoring, financial planning, financial control, and financial evaluation affect government project performance in Kitui County.

Table 12: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.743	2.754		2.811	.007
	FP	.093	.086	.126	1.076	.287
	FM	.152	.122	.183	1.241	.220
	FC	.322	.125	.407	2.574	.013
	FE	.103	.126	.116	.817	.418

a. Dependent Variable: Government Project performance

The values of the regression equation are shown in Table 12. As a result, the regression equation is as shown below after substituting the values.

$Y = 7.743 + 0.093X1 + 0.152X2 + 0.322X3 + 0.103X4 + \varepsilon$

Government Project Performance = 7.743 + 0.093 Financial planning + 0.152 financial monitoring + 0.322 financial control +0.103 financial evaluation + ε

As shown on the regression equation, the P-values for financial planning is (p = 0.093); for financial monitoring (P=0.152); for financial control (P = 0.322) and for financial evaluation (P = 0.103).
The unstandardized coefficient in Table 12 indicates the degree to which project performance, varies with an independent variable when the independent variables remain constant. Therefore, the results show that if every factor is held constant at zero; that is, when financial monitoring, planning, evaluation, and control are held at zero, government project performance would be constant at 7.743. When all other variables are held constant, a unit improvement in financial planning leads to a 0.093 improvement in project performance; a unit improvement in financial monitoring would result in a 0.152 increase in project performance.; a unit improvement in financial control would result in a 0.322 increase in project performance, and a unit improvement in financial evaluation would lead to 0.103 in project performance. This means that financial control is the most important factor in project performance, followed by financial monitoring, financial evaluation, and finally financial planning.

The results in Table 11 also aided in determining the statistical significance of each independent variable. This test determines whether the population's unstandardized or standardized coefficients are equal to zero. When the P-value is less than 0.05, it is concluded that the coefficients differ from zero in a statistically significant way. As shown in table 4.10, it is only the coefficient from financial control that is statistically significantly different from zero (0.013). This implies out of the four variables, financial control is the variable that added statistical significance to the prediction.

DISCUSSION OF FINDINGS

The results revealed that there were adequate financial planning policies in Kitui County Government as per the majority of responses. It was also established that the respondents believed that financial planning helps to increase the chances of efficient completion of government projects.

Further, the study established that the financial planning committee is set up to identify all the activities necessary for funding a project to completion before any project is implemented in Kitui County. It was found that the government projects in Kitui County were adequately monitored to ensure efficient and effective implementation. It was further established that each government project at Kitui County is a signed project manager to monitor the progress, identify challenges, and ensure the activity is on scheduled time. Correlation analysis results indicated a significant positive correlation between financial monitoring and project performance ($r=0.367$, p-value<0.005). The findings are consistent with those of a previous study by Muchelule & Mbithi (2016) who found that there exists a significant positive correlation between project monitoring and project performance.

The results on financial control established that the Kitui county government use funds allocated to specific projects without diversion to other uses. In addition, it was established that the county government ensures that there are accountability and transparency in every project it implements. Correlation analysis established a positive and significant correlation between financial control and project performance ($r=0.533$, p-value<0.000). The results support the previous study by Wakiriba, Ngahu, and Wagoki, (2014) whose findings indicated a significant correlation between financial control and project performance. The results on financial evaluation establish that the Kitui county government continually monitors and evaluates the progress of all its projects. Consequently, it is capable of spotting bottlenecks during project implementation and offering a solution to ensure there is value for money in each project. It was also established, based on majority responses, that the county government is always committed to ensuring that the initial objectives of a project are achieved on completion. Correlation analysis established a positive and insignificant correlation between financial evaluation and project performance ($r=0.245$, p-value<0.063). These results contradict previous findings by Kamwana & Muturi (2014) who found a strong positive relationship between financial evaluation and project performance. However, it is worth noting that Kamwana and Muturi (2014) conducted their research to assess the correation between financial evaluations and the performance of project funded by World Bank- in Kenya.

CONCLUSIONS AND RECOMMENDATIONS

According to the study's findings, it is prudent to conclude that Kitui County Government has put some measures to enhance financial planning, financial monitoring, financial control, and financial evaluation in all its projects. Adequate financial planning measures have been put in place in Kitui County, positively affecting government project performance, but the effect is not significant. It was also concluded that financial monitoring has a significant and positive impact on project performance in Kitui County. Based on correlation analysis findings, it was found that financial control has a significant and positive impact on the performance of government projects in Kitui County. Finally, it was concluded that financial evaluation has a positive impact on the performance of government projects in Kitui County. However, the effect is not significant.

Policy Recommendations

Based on the conclusions, financial planning is crucial for the performance of government projects other factors must be established to ensure that there is project performance. Thus, it is suggested that the Kitui County government should continue to enhance its financial planning policies to ensure there are no loopholes for wastage at any given state of project implementation.

Recommendation for practice

Since Kitui County Government, has adequate financial monitoring mechanisms, it is suggested that it maintains the financial monitoring mechanism and ensures it is never compromised at any given point. The study further concluded that the Kitui county government maintains uncompromised financial controls for all projects. Finally, the fact that financial evaluation has a positive impact on project performance should motivate the Kitui county government to enhance its financial evaluation mechanisms. As such, it is recommended that Kitui County Government ensure that financial evaluation mechanisms are not only in place but are well-publicized.

Limitations of the study

During the research, there were some limitations. First, accessing the staff working for the ministry for finance and economic planning was a challenge due to suspicion. A Letter of introduction from KU and a NACOSTI permit were obtained to mitigate this limitation. Second, it was not possible to know the extent of participants' honesty when responding to the questionnaire. However, the researcher assessed the questionnaires' reliability and validity.

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