INFLUENCE OF BUDGETARY CONTROL ON IMPLEMENTATION OF CONSTITUENCY DEVELOPMENT FUND PROJECTS IN MAKUENI CONSTITUENCY, MAKUENI COUNTY

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ABSTRACT

For the government to have better ways of managing public resource allocation, they must make a habit of using reform budget systems. Financial stability is essential in enabling institutions to perform effectively and maximize the potential for service delivery. The significance of financial stability in making an organization achieve its intended mission and vision must be considered. The set out to determine the influence of variance cost analysis in implementation of constituency development fund (CDF) projects in Makueni constituency Makueni County. The research focuses on the budgetary control theory as the critical theory for application in the budgetary control process. Selected empirical studies were reviewed from global, national, regional, and local works. The study depended on variance cost analysis and public participation. The dependent variable was the implementation of constituency development fund projects in Makueni County. The study deployed a descriptive research design conducted in Makueni Constituency, Makueni County. A census approach was used for the CDF project coordinators in Makueni Constituency. Secondary data on the implementation of the projects was used. 168 projects and their project coordinators were sought to give information on the CDF projects for the 2018/22 financial year. The secondary data matrix was used as the data collection tool. The secondary data's reliability and validity were ensured by confirming with the CDF project manager, especially where there are gaps. The analysis included descriptive data. The presentation of information was through tables, frequencies, percentages and graphs. Statistical Package for Social Scientists (SPSS Version 24) was used to process and analyze data. The findings were that variance cost analysis ($r=0.747$, $p<0.00$), had a significant positive effect on the implementation of constituency development fund (CDF) projects while and public participation was not. One of the recommendations included spearheading proper public participation to ensure beneficiaries are made aware need to strengthen public participation to make it a significant predictor of CDF projects' completion in the scheduled budget and time. The study concluded that budgetary control measures were associated with the efficient use and implementation of CDF projects in Makueni County. It is recommended that CDF administration and policymakers adopt and strengthen budgetary control measures to ensure efficient implementation of CDF projects. Monitoring and streamlining public participation is also necessary to ensure the public gets value for the projects implemented.

Key words: Mobile Money Transfer, Mobile Account Management, Mobile Credit Facilitation, Mobile Bill Presentment, Profitability and Mobile Banking Services

INTRODUCTION

Budgetary control is a vital tool within the organisation's operations as it informs the efficiency of achieving set goals. Empirical studies point towards diverse views and outcomes of using budgetary controls. For instance, in the United States of America (USA), budgetary control was developed in State and Federal Government activities to overcome conventional/line-item budgeting (Wildavsky, 2018). In Ukraine, Romenska, Chentsov, Rozhko and Uspalenko (2020) explain the budget planning process as an involving where budget indicators are calculated for three consecutive years. Nigeria reviews her budgetary process annually and is backed by legal provision of law, their constitution and other financial regulations (Suleiman, 2015). The Study of Kahari, Gathogo and Wanyoike (2015) in Kenya shows that the budget determines the result of a firm, as it touches mainly on the objectives taking into consideration those entrusted to drive the organization's objectives forward. The performance budget emphasized the efficient and effective use of resources focused on activities and outputs that can be identified and measured (Ho, 2018).

The theory of accounting states that there is a need to provide a coherent, logical rule that provides the framework for creating effective policies and accounting mechanisms (Schroeder, Clark & Cathey, 2019). The accounting theory has enabled people to predict the results of a budget in a given context, thus creating the basis for evaluating the viability of the applied process. This approach indicates that the budgetary process should be based on various rules and principles to minimize delay and inefficiency (Adongo and Jagongo, (2013). The budgetary control theory aims at coordinating the relationship between the organization's objectives and the financial performance of an organization or institution (Lambovska, Rajnoha & Dobrovič, 2019). Therefore, the budgetary control theory is a revenue and expenditure allocation framework. Institutions must understand their budgetary planning system and prioritize resources. The basic idea of the theory of budgeting is that budgets play a critical role in resource allocation. The budgetary theory helps this research prepare a process requiring the management to consider alternative actions as an integral part of increased rationality in the project choice (Silva & Jayamaha, 2012).

The NG-CDF structure and implementation processes, revised per the 2003 CDF Act and the introduction of the NG-CDF Act of 2015, are efforts to promote development in the constituencies (Kamau & Muturi, 2015). This was amended in 2013 following the promulgation of the new 2010 Constitution of Kenya, leading to repealing the 2003 Act, which was then replaced with the current National Government Constituency Development Fund Act of 2013 (NGCDF 2013).

The purpose of NG-CDF is to address the socio-economic development of the people at the constituency level to reduce poverty and enhance equity through stakeholder participation, separation of powers and delineation of national and county governments. The Constituency Development Fund committees at the constituency level are supervised by the National Government Constituency Development Fund Board (NG-CDF Board, 2022), to which the constituencies are supposed to submit their reports.

Budgetary Controls Constituency Development Fund and Its Management

Budgetary controls in this study have been conceptualized to include variance cost analysis, zero-based budgeting approaches, budgetary control process and public participation. The four variables are conceptualized to influence how projects are implemented. For instance, variance cost analysis investigates irregularities by determining the differences between the allocated and actual spent money (Tonchia, 2018). The difference is conceptualized to affect project completion. Zero-based budgeting focuses on developing a new budget from scratch every time instead of starting from a previous budget and adjusting it. In this case, zero-budgeting allows an organization to value and prioritize critical elements in a project. Similarly, the budgetary control process enables an organization to check expenditure comparing it with the income. By embracing budgetary control systems, an organization can control how finances and other resources are used. Public participation promotes ownership of CDF projects while checking on the expenditures and income to ascertain no irregularities. This study, therefore, focuses on the four independent variables, which are conceptualized to influence the implementation of CDF projects.

Budget can only be charged through the use of reconciliation legislation or the use of existing law. The Budgeting approach in the US has achieved some of the objectives for achieving efficiency in allocating and achieving the expected outcomes of funded projects (Mitchell, Larson, & Henley et al., 2021). For the matter of having a disciplined budget process and better ways of allocating funds the government places resource distribution policy on the hands of the country's security and health economic development bodies (Washburn, 2011). However, this budgetary allocation method has caused challenges in ensuring effectiveness in resource management.

Budgeting processes and controls are embraced by all countries alike. For instance, South Africa embraces public participation where the budget is announced, with projected expenditures, income and borrowing for a financial year (Mboweni, 2019). The case of South Africa is a continuous cycle of budgeting, where departments give their financial estimates for approval in the parliament (Parliament of South Africa, 2019). In the case of the South African budgeting process, parliament acts as a control, and public participation injects controls to ensure the budget meets the expected needs. Nigeria's legislature budgeting process is also collaborative, where different departments work towards realizing one functional budget (Oladele, Chukuemeka & Micah, 2021).

Budgetary control processes are increasingly favoured as fiscal management models whose goal is to improve the efficiency and effectiveness of public expenditure, essentially linking expenditure to results (Robinson & Last, 2009). Budgets and budgetary systems are a cumbersome and complicated process. This is because it entails both the executive and legislation. The budget process commences eighteen months before the start of every fiscal year (Schroeder, Clark, & Cathey, 2019). A letter referred to as a letter of guidance to planning is issued to the line departments in the fourth month of every year. Revenue collection, spreading information concerning the economy's performance, legislation and policy recommendations for improving financial performance is critical in budgetary allocation and management (Saturno, Heniff, Lynch & Tollestrup, 2012). Therefore, information sharing and accessibility across different management institutions is essential in any budgetary allocation and evaluating its effectiveness in meeting the related development process.

Implementation of Constituency Development Fund Projects

The National Government Constituency Development Fund (NG-CDF) is a central government funds disbursement scheme given to parliament members for expenditure in their constituencies (Tsubura, 2013). The NG-CDF was first introduced in 2003 during the President Kibaki administration. CDF was introduced to support constituency and grassroots-level development projects, promoting equitable distribution of scarce development resources in Kenya. The fund is supported by the CDF Act 2003, passed by the 9th Parliament of Kenya.

The Act requires the central government to release at least 2.5% of the ordinary revenue to the CDF programs. Namano (2015) observes that the CDF has spurred community development by allowing local citizens to participate in development projects and spur growth at constituency levels. Further, the CDF Act has undergone amendments, increasing allocations to 3.5% in the 2006/07 financial year and a further review in 2013, leading to the Constituencies Development Fund Act of 2013 (No 30 of 2013). The current version is the NG-CDF Act of 2015. About 25% of the distribution of the funds is based on the constituency poverty levels, while 75% is distributed equally.

The management of CDF is through implementation boards and committees. For instance, the project management committees control how projects are implemented locally through ward wananchi fora. The board at the national level considers project proposals submitted for various constituencies by the Act. The project management committees have other supporting sub-committees like audit, Finance and Human Resources; Programs and Performance management; and governance, complaints and publicity sub-committees. The CDF has been managed by having each project with its management committee, chairman and project coordinators. The committee members oversee the projects' implementation (NGCDF, 2022).

Statement of Problem

Studies on the effective implementation of NG-CDF projects in Kenya point out various areas for improvement that lead to delayed performance. Studies by Mawejje and Odhiambo (2020) noted that the National Government-Constituency Development Fund (NG-CDF) projects in Kenya have experienced implementation challenges due to poor planning, poor governance, non-compliance with NG-CDF policy, and limited involvement of local communities in identification, prioritization and implementation of projects. Similarly, IBP (2019) observed that due to inadequate oversight, a lot of wastage of resources occurs through double allocations from different funds on the same projects. In addition, Al-attara, Mashkourb and Hassanc (2020) cited that failure by the community and other stakeholders to take ownership of projects and provide oversight has caused many projects to immense financial hurdles threatening their sustainability. Local studies have expressed gaps in how local government projects are executed. For instance, Nthiga and Moi (2021) note that many white elephant projects (unfinished projects) are common due to poor or lack of prioritization and inadequate supervision and monitoring.

Quite often, delays in disbursement of funds due to late submissions of budgetary requests, late reporting, inadequately trained personnel at the grassroots and bureaucracies within treasury have been cited as among the causes of poor project performance that affect timely completion of prioritized projects (Mutisya, 2018). In addition, most of the completed projects need to be better

done due to inadequate funding, shoddy workmanship due to awarding tenders without due diligence, and ineffective supervision. This is aggravated by reliance on line-item budgets that focus on expenditure rather than output, outcome and performance, thus affecting the assessment and tracking of project results.

The reviewed studies pinpoint the challenges associated with governance pitfalls in project implementation. According to Mutisya (2018), budgetary control processes, as one of the budgetary controls, if implemented as proposed by the national government of Kenya, will resolve all governance challenges. However, the budgetary controls have yet to result in anticipated effective and efficient implementation of CDF projects. Budgetary controls should ensure all stakeholders adhere to policy compliance, strong government oversight, and cost controls, achieving set project goals (Mukuri & Wamitu, 2020). This research study, therefore, assesses the influence of budgetary control on the implementation of constituency development fund projects in the Makueni constituency, Makueni County.

Objective of the Study

To assess the influence of variance cost analysis on implementation of constituency development fund projects in Makueni constituency, Makueni County.

LITERATURE REVIEW

Theoretical Framework

Budgetary Control Theory

Proponent of budgetary control theory, (Brown and Howard 2002) embraces on solving the institution's needs for planning and considering essential strategies for addressing the potential risks and opportunities by creating critical control system systems. According to Lambovska, Rajnoha and Dobrovič (2019), the budgetary control theory aims at coordinating the relationship between the organization’s objectives and the financial performance of an organization or institution. Therefore, the budgetary control theory is a revenue and expenditure allocation framework. Robinson and Last (2009) support this idea by describing the budget as a tool for guiding revenue allocation and expenditure. Therefore, institutions and companies should identify budget systems that maximize outcomes by reducing the waste of resources. For instance, services are created to ensure that outputs, projects, and services meet the expected outcomes. The financial viability can depend on the level of outcome that an institution can maintain over a particular period (Robinson & Last, 2009). Therefore, the sustainability of the project priorities is crucial when determining the impacts of projects financed through budgetary allocation.

The success of good budget income depends on benefits and income generated from implementing the funded projects. However, Robinson and Last (2009) refuted this idea by suggesting that a company can boost its financial projects through sources other than budgeted projects. Under such circumstances, income cannot accurately indicate budget success, though the planning process may require the firm not to exceed the annual budget allocation.

Therefore an institution or organization has the responsibility to clear the controls that guarantee good maintenance and allocation of budget strictly following the required guidelines so that the variances can be explained and minimized as much as possible (Njeru & Thuo, 2013). For example, a less-income firm might have alternative strategies for funding its estimated budget through borrowing or tax restructuring (Robinaon & Last, 2009). Njeru and Thuo (2013) stated that budgets are good indicators of the government's budget allocation and usage performance. This information indicates that budgets serve as statements for assessing whether government institutions involved in the budgetary process demonstrate competence and efficiency in working towards achieving national goals through proper resource consumption. Therefore, institutions must understand their budgetary planning system and prioritize matters that need attention from the firm's available tools. For this study, this theory will help identify an effective budgeting system. This will ensure output produced and services delivered to achieve the objectives by addressing the efficiency and effectiveness of the firm's expenditure.

Variance Cost Analysis and Implementation of CDF projects

A research by Ratsiku and Musonda (2011) on the cost variance analysis on the context of energy utility focused on energy firms in South Africa, which was based on the lack of a well-established, effective system of controlling and monitoring the costs of projects. The authors argued that if the cost of similar products and projects differed, the stakeholders were bound to be dissatisfied. The research was based on the electrical feeder bay projects that served large industries and mines. The methodology used was interviews with project team members, who gave information on managing projects, especially on cost variance analysis. The study used both qualitative and quantitative data to answer the research question. The findings were that variance cost analysis was significantly associated with managing project costs, hence achieving the set project implementation targets. The research gap in this study is that it was done in South Africa, while the current study is done in Kenya. Secondly, the study was based on energy projects, which differs from the current study on the constituency development fund in Kenya, focusing on education.

A study by Gacheru (2012) focused on "the effect of the budgeting process on budget variance in non-governmental organizations in Kenya." The study was based on the fact that organizations must use the available financial resources to ensure projects are accomplished. The study focused on budgeting processes, narrowing to variance cost analysis to assess efficiency and effectiveness to allocate and utilize resources. This study focused on Non-Governmental Organizations (NGOs) in Kenya, where 20 NGOs were conveniently selected to represent 6,075 NGOs. Quantitative data was collected using a questionnaire as the primary data collection tool. The findings showed that a unit change in budget preparation was associated with a 0.722% change in budget variance, while a unit change in budgetary control led to a 0.661% change in budget variance.

Similarly, the study established that a unit change in budget implementation led to a 0.682% change in budget variance. The study, therefore, ascertains that budgetary control processes like variance cost significantly influence how projects are implemented. The study recommended that NGOs embrace variance cost mechanisms to control how projects were implemented. The research gap in this study was that the respondents were NGOs, managed differently from the CDF projects, and

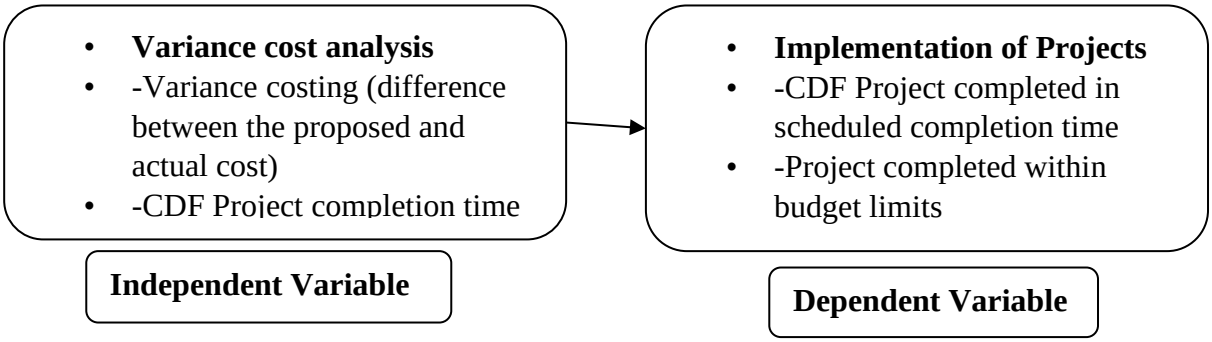
dispersed nationally, as opposed to the study in the Makueni Constituency. Therefore, the findings in the current study might differ from the ones reported by Gacheru (2012).

Wilke (2011) did a study on "The Project Cost Variance Analysis Model: A Project Management Tool." The aspect that cost variance analysis as a management tool is primarily limited to narrative, qualitative and subjective analysis. The authors noted a lack of clarity and consistency in most cost variance analyses, which often led to project teams being questioned on the implementation efficiency and usage of resources. The authors used a literature review to get study findings and recommendations. Whereby it was found that using the cost variance method highlights the components that are likely to cause variance in finances during implementation, and this helps as a mechanism to control the cost variations. On literature review of related materials, where the research gap, in this case, is the fact that the study by Wilke (2011) was general and based on studies from across the globe, while the current study is done in Kenya, with a specific focus on CDF projects.

A study by Matema (2016) titled "Variance Analysis: A solution to financial performance in a non-governmental setting" was done in Zimbabwe. The study aimed to establish how variance cost analysis as a budgetary control technique influences the implementation of programs and consequently influences overall firm performance. The author noted that the case study organization, World Vision, had adverse budget variances caused by ineffective variance analysis. The author used a descriptive research design, where 24 questionnaires were administered to project managers at World Vision. The findings were that measures adopted by World Vision Zimbabwe, like zero-based budgeting and budget committees, were less effective than intended; hence, they hurt the implementation of projects and the organization's performance. The findings showed that cost variance analysis and responsibility accounting were associated with improved finance use. This study by Matema (2016) recommended that there was a need to have employees of the organization empowered on cost variance analysis and responsibility budgeting to help reduce inefficiencies during project implementations. The research gap identified in this case was that the study by Matema was done in Zimbabwe, focusing on NGOs. In contrast, the current one was done in Kenya, focusing on government-funded CDF projects. The findings could be different for the case of the current study, which is based on government projects.

A study by Przywara and Rak (2021) focused on monitoring time and cost variances to ensure value during project implementation. The authors noted that implementing big projects comes with the risk of overspending the budget. The need for expert distribution of resources across the project lifecycle is needed to ensure scheduled completion in time and with the planned cost, as often indicated in the Budgeted Cost of Work Schedules. The authors used an example of a multi-family housing development and its cost variances. The findings were that using cost variation analysis as an estimated earned value method was crucial in estimating the implementation of projects, associated cost and time. The study, therefore, established that cost variance analysis was associated with significant project completion times and cost-saving methods. The research gap in this study is that the authors focused on time and cost variations for project implementation in a multi-family housing project. In contrast, this study focuses on national CDF projects, where the management styles and the cost monitoring might differ, hence the possibility of different findings.

Conceptual Framework



RESEARCH METHODOLOGY

Kapoor (2016) describes research design as a plan, structure, and approach to explore a research phenomenon, thus answering the research questions and the control variance. The descriptive research design allows the researcher to summarize the findings in a way that provides information on the influence of budgetary control on the implementation of constituency development fund projects in Makueni constituency, Makueni County. The descriptive research design was used by Wamugu and Ogollah (2017); Mutisya (2018); and Murega (2016), as indicated in the literature review. The descriptive research design will impact the study by providing details and the relationship between the budgetary controls and the implementation of the CDF. The correlations and how the independent variable relates to the dependent variable will be described, helping answer the research objectives.

The study's target population was identified by looking at 168 CDF projects initiated within Makueni Constituency Makueni County in the financial year 2018 to 2022 (Makueni Constituency Office, 2021). The target population was the secondary data collected from all the 168 CDF projects done in the Makueni constituency, Makueni County, between 2018 and 2022. The units of analysis/observation were education CDF project documents provided by the constituency manager. In this case, the researcher engaged the CDF manager, who provided secondary information about the projects done for subsequent analysis. The total target population was 168 CDF Projects, all provided by the CDF manager. The units of analysis are the CDF projects in Makueni Constituency. Sampling procedures for the study were done for all the listed 168 CDF projects during the study period. Since the study focuses on secondary data from 168 projects, a census approach was used where all the projects were included. The census approach is appropriate where the sample size is small and having a representative sample would not make sense; in this case, reducing the observations to a small number would not allow proper quantitative and statistical analysis.

The research tool used in the data collection process was a secondary data matrix. The data matrix followed the research objectives, having prompts filled with data from the secondary information gathered from the CDF projects. The secondary data matrix had four sections representing the objectives further broken into sub-sections: variance cost analysis, zero-based budgeting approach, budgetary control processes, and public participation. The last section was on the implementation of constituency development fund projects. The matrix was used to enter and process data.

Data collection involved secondary data collation, with a collection of CDF Projects implementation documents. The researcher was granted permission from the university to collect data, after which NACOSTI sought approvals for the data collection process. The researcher conducted the constituency manager for information on the implemented projects within 2018/2022 financial years. Project documentation was sought based on budgetary controls used during implementation processes. The secondary data was then processed into the secondary data matrix in preparation for analysis.

In the data presentation, quantitative and qualitative approaches were used. According to Gay (2018), data analysis techniques include organizing, accounting, and decoding the data to generate themes and insights that are helpful to the researcher. Two forms of analysis were done: descriptive statistics and inferential statistics. In descriptive statistics, mean, frequencies, and percentages were calculated, presented, and analyzed. In inferential statistics, correlations and regression analysis were also provided. Simple linear regression was used to show how the predictor variables correlate with the dependent variable.

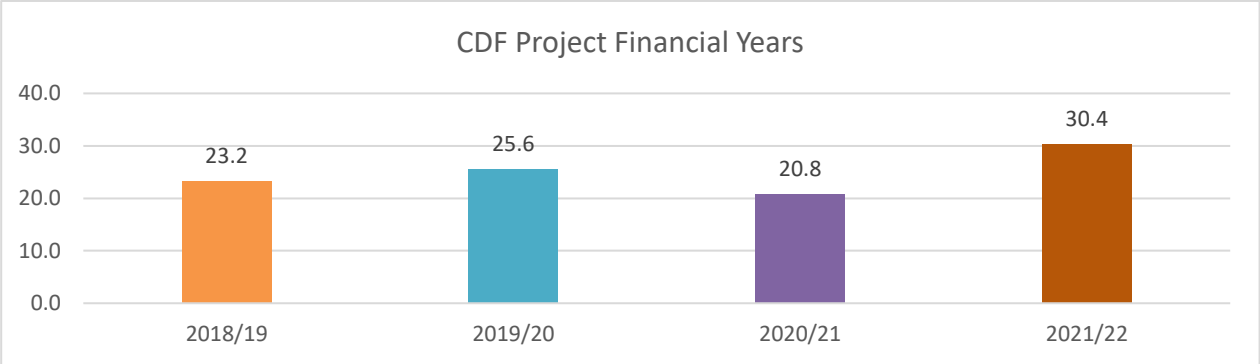
RESULTS AND FINDINGS

The study focused on the budgetary control measures used for the constituency development fund (CDF) projects in Makueni Constituency in Makueni County. The researcher used SPSS to process and analyzes data, which was then presented in this chapter. The chapter also presents the analyzed data, including the background information on the CDF projects and the budgetary control processes on CDF projects in Makueni Constituency.

The study focused on the CDF projects done in Makueni Constituency in Makueni County. Most of the projects were schools conceptualize and implemented by the CDF project committees.

Figure 1

Project Financial Years (n=168)



There were 23.2% of the projects within the 2018-19 financial years, while the other 25.6% were from the 2019-20 financial year. Similarly, 20.8% of the sampled projects were done in the 2020/21 financial year, with the other 30.4% completed in 2021/22 FY. The combination shows that most projects were implemented in the 2021/22 FY. This also means that the experiences on financial and budgetary control measures were spread out and could not have happened by chance. The spread

of the projects over one financial year also allows the researcher to evaluate how the programs were done and whether they followed budgetary control measures.

Budgetary Control on Implementation of Constituency Development Fund Projects

Budgetary control measures on implementing CDF projects touched on variance cost analysis, zero-based budgeting approaches, budgetary control processes, and public participation. The four formed the independent variables which were used to analyze their correlation and interactions with the dependent variable, implementation of CDF projects.

Influence of variance cost analysis on implementation of CDF projects

The variance cost was measured by the three indicators: proposed cost, the actual cost, and the completion time. The variance in the cost was derived from the difference between the planned and the actual cost, while the completion time was determined by whether, at the end of the specific financial year, the project was complete or not. Similarly, the three indicators informed whether the projects were done according to the planned costs or not.

Proposed and final (actual) cost

The proposed cost of the project was categorized into four groups as shown on Table 1. The first category was for the school projects which shows the range of projects' costs, while the second column shows the frequency of the projects sharing the same costs and the associated percentage.

Table 1: Summary of proposed and actual costs

	Proposed costs		**Actual Costs**	
Summary of costs	**Frequency**	**Percentage**	**Frequency**	**Percentage**
300000-500000	65	38.7	65	38.7
500001-700000	37	22.0	37	22.0
700001-1000000	53	31.5	52	31.0
1000001+	13	7.7	14	8.3
Totals	168	100.0	168	100.0

The most of the proposed costs were between Ksh. 300,000 to 500,000, which formed 38.7% of the costs of the project. Similarly, 31.5% of the projects cost between 700,001 to 1,000,000. Projects costing between 500,001 to 700,000 formed 22.0% of the projects implemented. There were about 7.7% of projects which cost over Ksh. 1,000,000, as shown in the Figure1.

There were slight changes in the actual costs compared to the proposed costs, for instance, for the projects above Ksh. 1,000,000, there was a slight change from 7.7% to 8.3%. The increase shows that many projects had increased costs, as opposed to what had been planned earlier. This counted to cost variations, where no project was shown to have a reduction in implementation cost. There was a reduction in actual costs at 31.0% for projects between Ksh. 700,000 and Ksh. 1,000,000

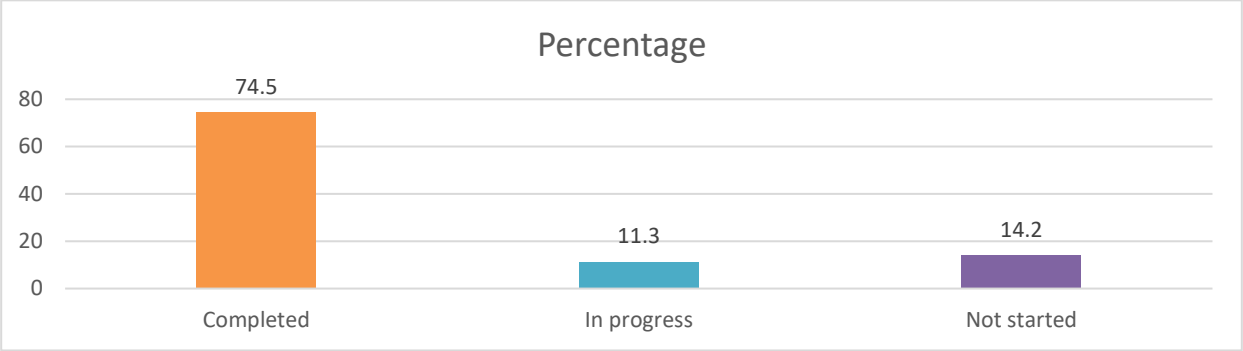
from the proposed costs, specified at 31.5%. The change increased from the Ksh 1,000,000 mark, showing that most project costs increased during the implementation phase.

Completion time

Completion time was measured on whether at the close of the financial year, the project was completed or not.

Figure 2

Completion Time



The data showed that most of the projects had been completed, estimated at 74.5%, while those in progress were 11.3%. Projects that had yet to be started were 14.2%, indicating that the CDF projects were not initiated and completed in time. Similarly, projects costing between Ksh. 300000-500000 were the most completed, as shown by 39% in Table 4.1 above. This is also shown by the fact that most of those projects within the Ksh 300000-500000 were completed with the proposed costs.

Influence of variance cost analysis on implementation of CDF projects

The influence of variance cost indicator, especially project completion time at the regression level, was found to influence CDF project completion significantly. The findings are in line with what other scholars have established through their peer-reviewed studies earlier. For instance, Ratsiku and Musonda (2011) in South Africa noted that variance cost analysis was significantly associated with managing project costs, hence achieving the set project implementation targets. Similarly, a study by Gacheru (2012) also narrowed to variance cost analysis to assess efficiency and effectiveness in resource utilization and established that a unit change in budget implementation led to a positive change in budget variance. Like the findings in this study, Gacheru (2012) established that budgetary control processes like variance cost significantly influence how projects are implemented.

The current study findings also agree with Wilke (2011), who observed that using the cost variance method was associated with narrowing the components that were likely to cause variance in finances during implementation, which helps as a mechanism to control the cost variations. The current study also links to what Matema (2016) established: cost variance analysis and responsibility accounting were associated with improved finance use. Further, the current study supports Matema's (2016) recommendations that there is a need to have employees of an organization empowered on cost variance analysis and responsibility budgeting to help reduce inefficiencies during project

implementations. In addition, the current study findings also correlate with Przywara and Rak (2021) observations that using cost variation analysis as an estimated earned value method was necessary in estimating the implementation of projects, associated cost, and time.

The influence of variance cost also correlates to the accounting theory, where the money measurement element amounts to controlling the materials and their associated costs. Therefore, the findings in this study correlate with the precepts of the accounting theory. Similarly, the findings also vilify the component of budgetary control theory, which seeks to control the inputs and outputs in implementing projects.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The influence of variance cost was categorized into the variance cost as measured by the variations between actual and proposed costs. It was also measured by completion time. It was observed that most of the projects were estimated to cost between Ksh. 300,000 to 500,000. Similarly, there was a noticeable variation in the costs of the CDF projects between the proposed and actual costs. There, 74.5% of the projects were completed on time.

At the correlation analysis level, variance cost was strongly and positively correlated with project completion time and project completion in terms of budget allocations. The changes in variations of costs were significantly associated with CDF project completion. The conclusion was that cost variations significantly predicted CDF project completions.

Recommendation

1. Cost variance was found to influence CDF project completion on the aspects of budget. There is need for the CDF committees and the administrators to learn from previous mistakes on fixed budgeting and allow allowances that would allow an initiated CDF project to be completed in one financial year. Cost variances were strongly linked to completion of projects, hence the need to limit and minimize large margins of variations.

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