INTERNATIONAL JOURNAL OF INNOVATIVE RESEARCH & DEVELOPMENT

ISSN 2278 – 0211 (Online)

Effect of Integrated Financial Management Information Systems Practices on the Implementation of Preference Regulations on State Corporations in Kenya

Nurwin Fozia Rajab
Ph.D. Student, Jomo Kenyatta University of Agriculture and Technology, Kenya
G. Namusonge
Professor & Lecturer, Jomo Kenyatta University of Agriculture and Technology, Kenya
Dr. N. Shaelle
Lecturer, Jomo Kenyatta University of Agriculture and Technology, Kenya

Abstract:
The use of technology, including electronic tools and platforms, is vastly changing the way public procurement is executed and constitutes a key part of modern public procurement. The study sought to determine the effect of Integrated Financial Management Information Systems practices on the Implementation of preference regulations in Kenyan State Corporations. The specific objective of the study was to find out the effect of planning, financial prudence, supplier integration through vendor managed inventory practices on the implementation of preference regulations in Kenyan state corporations. The targeted population was 292 state corporations. Random sampling was used to select the 127 state corporations. Data collection instruments used was mainly questionnaires which were administered to the procurement staff of the government agencies while PPOA staffs were interviewed. Both content and construct reliability was carried out through engagement of experts in preparing the questionnaire. Piloting was done in University of Eldoret and Moi Teaching and Referral Hospital, though the results were not used in the study. To ensure that the instrument is reliable, a Cronbach's Alpha of Coefficient of 0.884, was attained, which is far way above the recommended 0.7 in social sciences. The study employed descriptive and explanatory research designs. Descriptive statistical procedures including cross-tabulations and frequency distributions was used to provide comparisons and contrasts between Integrated Financial Management Information Systems practices and implementation of preference regulations. The collected data was analyzed using multiple regressions and correlation analysis, the significant of the independent variable was tested at a confidence level of 95%. Data analysis was done using the statistical Package for Social Science (Version 20). The results were presented in form of tables, charts and cross tabulations. The study recommended that sufficient effort needs to be directed towards the evaluation of new suppliers, categorizing new customers together with a focus on appraisals on marginalized groups and there is need to focus on Integrated Financial Management Information Systems as it will help implement preference regulations. The findings will contribute to the pool of knowledge in the field of procurement and will form the basis of reference by interested parties in future. The management of state corporations will use the findings of this study to guide them in performance management. Furthermore, the findings will be a source of reference for academicians who intend to carry out studies in relation to the subject of state corporations' regulations. Further research needs to be done on IFMIS and with other variables relevant to the study.

Keywords: *Implementation, preference regulations*

1. Introduction

1.1. Background

The preference regulations have been on for some time with Germany and Britain being the early adopters of the process in the late 20th century. (GIZ, 2013), The adoption also came with trading blocs which gave preferential treatment to members of the trading blocks in the European Union. The use of technology, including electronic tools and platforms, is vastly changing the way public procurement is executed and constitutes a key part of modern public procurement. The benefits of e-procurement are much more than improved efficiency through computerization of processes. It represents a powerful information and management tool that underpins the strengthening of public procurement systems and that can transform the provision of public services (Bailey 2008). While not a panacea, many countries have been successful in lowering transaction costs, time, and prices, mainly for high-volume, low-value

items that are particularly amenable to the use of framework agreements, reverse auctions, catalogues, and purchase cards. In some cases, these systems are shown to increase competition and may even be more reliable in terms of integrity than other methods. (ADB, 2014). In Africa, the concept of preference regulations started in South Africa in 2000 and has undergone quite a tremendous change to suit the dynamics of changing policies and environment (Ambe & BaddenHorst-Weiss, 2010).

Before the introduction of the Public Procurement and Disposal Act (2005), the government of Kenya through the Financial Regulations of 1970, gave the Ministry of finance the overall responsibility of regulating the procurement of goods, works and services (Moose, 2012). The procurement system was noted to lack transparency, accountability and fair competition. (Mose, 2012). It was realized that the Procurement personnel were not adequately trained and there was also lack of professionalism amongst them, and there was no professional body to oversee and install discipline among procurement officers (Mose, 2012). It was in view of all these shortcomings that the Kenya government in conjunction with other stakeholders like the International Trade Centre, World Bank and the Africa Development Bank, thought of looking for a way to eliminate the deficiencies by initiating the procurement reform process.

As Mose (2012) notes, the reform process was meant to create a system that allowed proper delegation of authority, procurement threshold, planning and development of supplies manual. The primary focus was to address the issue of procurement laws, establish appropriate procurement Institutions and entities, and create adequate and timely monitoring and evaluation mechanism. This marked the birth of Public Procurement Regulation (2001) and later the Public Procurement and Disposal Act (2005) (Mose 2012). Manual procurement system has been in use not only in the private sector but also in the government state corporations. Public procurement is an important function of government (Thai, 2001).

In 2011, there was a presidential directive that gave marginalized groups a chance at participating in public procurement by directing that 10% of all public procurement be set aside for marginalized groups but there were no guidelines to that effect. (Public Procurement Oversight Authority PPOA, 2014). This led to amendment regulations 2012 which started giving guidelines on how the preference regulations could be implemented. The Public Procurement system in Kenya has grown from a rudimentary stage during the colonial and post-colonial period to a vibrant regulated system that compares well with the international standards (Mokaya, 2014).

2. Literature Review

2.1. Integrated Financial Management Information Systems

Cash management has attracted increasing attention among both academics and practitioners during last decades. In developed countries, the increasing interest in this field is related to the liberalization of the money market, technological progress, and internationalization of businesses and proper financial management particularly in the public service (Miranda & Keefe, 2008). These changes have forced management to critically review cash management strategy and, consequently, also cash management policies and responsibilities.

These factors have created additional demand for various kinds of cash management services (Peterson et al, 2008). One of the major reforms embarked on, is the automation of Public Financial Management processes. The introduction of the Integrated Financial Management Information System (IFMS) has been premised on the realization that GoK can effectively leverage existing and emerging technology to enhance the pace of reforms and management of cash (GOK, 2011).

Casals (2009) notes that generally, the term "IFMIS" refers to the use of information and communications technology in financial operations to support management and budget decisions, fiduciary responsibilities, and the preparation of financial reports and statements. In the government realm, IFMIS refers more specifically to the computerization of public financial management (PFM) processes, from budget preparation and execution to accounting and reporting, with the help of an integrated system for financial management of line ministries, spending agencies and other public sector operations (GOK, 2011).

The central purpose of (IFMIS) is to oversee the implementation of a unified financial management system and its adoption across all Government departments. This has made a tremendous contribution to improving transparency and accountability in all Government functions (PPOA 2015). Implemented by the Government from 2005, it has been slow in its adoption until an executive presidential order made in 2015 January, made it mandatory for all public institutions to adopt it and ensure all public procurement and payment issues are done using IFMIS (PPOA 2015). The project further sees the leveraging of industry-leading processes for financial management, aligned with Oracle Financials, to enable the Treasury and government entities to re-engineer their end-to-end business processes. (PPOA 2015). IFMIS has benefited Kenyans in all sectors of the economy:

Efficiency and transparency – By eliminating wastage and opportunities for corruption, IFMIS has freed up taxpayers' resources for more projects that have benefited the citizen. In this respect, IFMIS is an important tool for enabling Kenya to achieve Vision 2030, thus ensuring a better future for Kenyans yet unborn. (PPOA 2015). For suppliers – IFMIS has improved the payment system to suppliers by introducing greater accountability and allowing cross referral between records at different stages of the procurement process. It is a tried and tested system that has proven itself elsewhere in Africa. Suppliers was paid more promptly and there was less opportunity for tender rigging. (PPOA 2015). Dispensing justice – IFMIS has allowed justice to be dispensed more rapidly through ensuring that records are not lost, and can be seen simultaneously by more than one. (PPOA 2015). It is in this backdrop that E-tendering has gained some ground in the public procurement foray and now is no longer an option but mandatory. A study by Selfano, the study therefore seeks to look at how this Integrated Financial Management Information System is affecting the uptake of preference regulations.

This supports out the hypothesis H_{o1} has no significant effect on the implementation of preference regulations.

3. Research Methodology

The study adopted both descriptive and explanatory research designs. Descriptive research can be either quantitative or qualitative. It involves collections of quantitative information that can be tabulated along a continuum in numerical form. This provided a better understanding of the research problem than the use of either one method alone in a study. This is argued to be one, if not, the most of the central premise of the positivism philosophical reasoning in research today (Tashakkori & Teddlie, 2003). On the other hand, According to Cooper and Schindler (2003), an explanatory study uses theories or hypotheses to account for the forces that caused a certain phenomenon to occur. They further said it goes beyond description and attempts to explain the reasons for the phenomenon. Orodho (2003) explained that an explanatory study analyses the cause-effect relationship between two or more variables. The explanations argue that phenomenon Y (absorption of preference regulations) is affected by variable X (E-). This design was chosen because it applied closely to the research objectives of this study and was practical in testing the study.

The proposed study target population comprised of all the 292 state corporations that implement the preference regulations in Kenya (PPOA 2015). The number of state corporations was selected through random sampling technique to obtain 127 state corporations. The sample size was obtained using the following Nassiuma (2000) formula;

$$Nc^2 / c^2 + (N-1)e^2 = n$$

Where, n=Sample size, N=Population, c=covariance, e=standard error

Nassiuma, (2000) asserts that in most surveys, a coefficient of variation in the range of 21%≤ C≤ 30% and a standard error in the range 2%≤ e ≤ 5% is usually acceptable. Therefore, a coefficient variation of 30% and a standard error of 2% were used. The higher limit for coefficient of variation and standard error was selected so as to ensure low variability in the sample and minimize the degree or error

$$292(0.3)^2 / 0.3^2 + (292-1)0.02^2$$

= 127 state corporations.

Using this formula, a sample of 127 state corporations were selected. This study used the questionnaire and interview schedules for data collection. The questionnaires were self-administered because all the respondents had a high level of education and were relatively cheaper. The questionnaires were hand-delivered to the respondents by two research assistants. The questionnaires were administered by the researcher and research assistants to avoid misinterpretation of questions by 'drop and pick' technique.

Collected data was coded and analyzed using descriptive techniques. Objective was analyzed using descriptive statistics and presented in cross tabulation and frequency tables. Regression analysis was used to analyze the objective to ascertain how performance appraisal variables interact with employee job productivity. This method was then adopted since the data to be collected was categorical. The findings drawn from the study guided the researcher in drawing informed conclusions and later recommendations. All statistical tests were performed using SPSS version 20 software programs commonly accepted descriptive statistics including measures of central tendency for frequency distribution, correlation, regression and standard deviation as a measure of variation were determined, as advocated by Neuman (2003) and Stephens (2004). A Cronbach alpha of the research instrument is tabulated below in table 1 showing 0.884 which is quite favourable.

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.840	.884	10

Table 1: Reliability Statistics

4. Results and Discussions

4.1. This section of the analysis presents results on Integrated Financial Management Information Systems. Table 2 presents the results.

			SD	D	N	A	SA	Mean	Std. Deviation
1	We the electronic hardware needed to embrace IFMIS	Freq.	0	0	40	30	52	4.1	0.866
		%	0	0	32.8	24.6	42.6		
2	We have the electronic software needed to embrace IFMIS	Freq.	0	9	0	47	66	4.39	0.829
		%	0	7.4	0	38.5	54.1		
3	We have been trained on how to use IFMIS	Freq.	6	1	13	50	52	4.16	0.996
		%	4.9	0.8	10.7	41	42.6		
4	We have trained our suppliers specifically the disadvantaged groups on the use of IFMIS and its benefits.	Freq.	0	7	2	38	75	4.48	0.795
		%	0	5.7	1.6	31.1	61.5		
5	We have integrated all departments and activities like budgeting on IFMIS specifically finance and Supply Chain	Freq.	6	0	29	53	34	3.89	0.977
		%	4.9	0	23.8	43.4	27.9		
6	We have integrated all activities related to procurement on the supply chain portal of IFMIS specifically ordering, tendering, procure to pay among others.	Freq.	0	2	7	56	57	4.38	0.672
		%	0	1.6	5.7	45.9	46.7		
7	We Electronically do enterprise resource planning using IFMIS	Freq.	0	2	7	24	89	4.64	0.669
		%	0	1.6	5.7	19.7	73		
8	We Electronically do procurement planning using IFMIS	Freq.	0	0	26	7	89	4.52	0.826
		%	0	0	21.3	5.7	73		
9	We electronically check adherence to budgets and Payments through IFMIS	Freq.	0	26	21	54	21	3.57	1.012
		%	0	21.3	17.2	44.3	17.2		
`10	We electronically do approvals of all supply chain integrated activities through IFMIS	Freq.	6	19	27	47	23	3.51	1.115
		%	4.9	15.6	22.1	38.5	18.9		

Table 2

In a bid to establish whether electronic hardware is needed to embrace IFMIS, the respondents were asked for their opinion on the same. The results were such that,42.6% (52) of the respondents strongly agreed that electronic hardware is needed to embrace IFMIS, 24.6% (30) of the respondents agreed while 32.8% (40) of them were neutral. The results summed up to a mean of 4.1 and standard deviation of 0.866. It is therefore deduced that electronic hardware is needed to embrace IFMIS. The respondents were also asked whether they have the electronic software needed to embrace IFMIS.

The results showed that 54.1% (66) of the respondents strongly agreed, 38.5% (47) of them agreed while 7.4% (9) of them disagreed. The results revealed a mean of 4.39 and standard deviation of 0.829, an indication that the electronic software needed to embrace IFMIS is available. With respect to training on the use of IFMIS, 42.6% (52) of the respondents strongly agreed that they have been trained on how to use IFMIS, 41% (50) of them agreed, 10.7% (13) were neutral while 4.9% (6) of the respondents strongly disagreed. The item revealed a mean of 4.16 and standard deviation of 0.996 an indication that the respondents have been trained on how to use IFMIS. Additionally, 61.5% (75) of the respondents strongly agreed that they have trained their suppliers specifically the disadvantaged groups on the use of IFMIS and its benefits,31.1% (38) of the respondents agreed,1.6% (2) of them were neutral while 5.7% (7) of the respondents disagreed.

The results summed up to a mean of 4.48 and standard deviation of 0.795 inferring that suppliers especially the disadvantaged groups have been trained on the use of IFMIS and its benefits. Besides, 27.9% (34) of the respondents strongly agreed that they have integrated all departments and activities like budgeting on IFMIS specifically finance and supply chain, 43.4% (53) of them agreed, 23.8% (29) were neutral while 4.9% (6) of the respondents strongly disagreed. The mean for the item was 3.89 and the standard deviation 0.977.

This is an indication that the state corporations have integrated all departments and activities like budgeting on IFMIS specifically finance and supply chain. The researcher further enquired whether the respondents have integrated all activities related to procurement on the supply chain portal of IFMIS specifically ordering, tendering, procure to pay among others. The results revealed that 46.7%

(57) of the respondents strongly agreed, 45.9% (56) agreed, 5.7% (7) were neutral while 1.6% (2) disagreed. The findings summed up to a mean of 4.38 and standard deviation of 0.672 meaning that the respondents have integrated all activities related to procurement on the supply chain portal of IFMIS. Moreover, 73% (89) of the respondents strongly agreed that they electronically do enterprise resource planning using IFMIS, 19.7% (24) of them agreed, 5.7% (7) were neutral while 1.6% (2) of the respondents disagreed.
The item revealed a mean of 4.64 and standard deviation of 0.669 meaning that the respondents concurred with the above statement. As well, 73% (89) of the respondents strongly agreed that they electronically do procurement planning using IFMIS, 5.7% (7) of them agreed while 21.3% (26) were neutral. The mean of 4.52 and standard deviation of 0.826 confirmed that procurement planning was done with the use of IFMIS. Similarly, 17.2% (21) of the respondents strongly agreed that they electronically check adherence to budgets and payment through IFMIS, 44.3% (54) of them agreed, 17.2% (21) were neutral while 21.3% (26) of the respondents disagreed.
This summed up to a mean of 3.57 and standard deviation of 1.012 implying that adherence to budget is checked electronically with the use of IFMIS. Finally, 18.9% (23) of the respondents strongly agreed that they electronically do approvals of all supply chain integrated activities through IFMIS, 38.5% (47) of them agreed, 22.1% (27) were neutral15.6% (19) of them disagreed while 4.9% (6) of the respondents strongly disagreed. The item revealed a mean of 3.51 and standard deviation of 1.115. In corroboration with the study findings, a report by PPOA (2015) revealed that (IFMIS) has made a tremendous contribution to improving transparency and accountability in all Government functions. Moreover, it has eliminated wastage and opportunities for corruption thus freeing up taxpayers' resources for more projects that have benefited the citizen.

4.2. Factor Analysis

4.2.1. Integrated Financial Management Information Systems

4.2.1.1. KMO and Bartlett's Test
Sampling adequacy was tested using the Kaiser- Meyer- Olkin Measure (KMO measure) of sampling adequacy for each of the four factors. As evidenced in Table 3, KMO was greater than 0.5, and Bartlett's Test was significant.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.663
Bartlett's Test of Sphericity	Approx. Chi-Square	1853.038
	Df	45
	Sig.	0.000

Table 3

4.2.1.2. Total Variance Explained
with ten measurement items were subjected to the factor analysis and two components with Eigen values ≥ 1 were extracted which cumulatively explained 82.944% of variance. The first factor accounted for 63.284% of the total variance, the second factor accounted for 19.66% as shown in Table 4 below.

Component	**Initial Eigenvalues**			**Extraction Sums of Squared Loadings**			**Rotation Sums of Squared Loadings**		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.328	63.284	63.284	6.328	63.284	63.284	6.031	60.311	60.311
2	1.966	19.66	82.944	1.966	19.66	82.944	2.263	22.633	82.944

Table 4: Total Variance Explained

4.2.1.3. Rotated Component Matrix for Integrated Financial Management Information Systems
Factor analysis for was conducted to ensure that all of the constructs used are valid and reliable before proceeding for further analysis. The study requested that all loading less than 0.5 be suppressed in the output, hence providing blank spaces for many of the loadings. Thus, from the findings all values for all the factors were more than 0.5 reflecting the accepted value of factor loading.

	Component	
	1	2
We the electronic hardware needed to embrace IFMIS	0.805	
We have the electronic software needed to embrace IFMIS	0.921	
We have been trained on how to use IFMIS	0.883	
We have trained our suppliers specifically the disadvantaged groups on the use of IFMIS and its benefits.	0.91	
We have integrated all departments and activities like budgeting on IFMIS specifically finance and Supply Chain	0.907	
We have integrated all activities related to procurement on the supply chain portal of IFMIS specifically ordering, tendering, procure to pay among others.	0.786	
We Electronically do enterprise resource planning using IFMIS	0.869	
We Electronically do procurement planning using IFMIS	0.824	
We electronically check adherence to budgets and Payments through IFMIS		0.953
We electronically do approvals of all supply chain integrated activities through IFMIS		0.92
Extraction Method: Principal Component Analysis.		
Rotation Method: Varimax with Kaiser Normalization.		

Table 5: Rotated Component Matrixa for

4.3. Variables Constructions

The findings in Table 6 provide descriptive statistics for the variable. Results showed that IFMIS had the highest mean of 4.1639 while Integrated Financial Management Information Systems had the lowest mean of 3.3574. Further, to test the normality distribution the study examined the Skewness and kurtosis values.

Skewness is used to measure the symmetry of a distribution while kurtosis is used to measure the peakness or flatness of a distribution (Tabachnick and Fidell, 2007). Based on the results, the values of Skewness and kurtosis revealed that the data was normally distributed where the Skewness values was in the range of -1.739 to 1.099. The value for kurtosis, on the other hand, was in the range of -1.106 to 2.834.

Variables constructions	Mean	Std. Deviation	Skewness	Kurtosis
Implementation of preference regulations	3.7698	0.36538	1.099	0.418
IFMIS	4.1639	0.66109	-1.739	2.834

Table 6: Variables constructions

4.4. Correlation Results

Correlation statistics is a method of assessing the relationship between variables/factors. To be precise, it measures the extent of association between the ordering of two random variables although; a significant correlation does not necessarily indicate causality but rather a common linkage in a sequence of events.

Thus, the study analyzed the relationships that are inherent among the independent and dependent variables as well as among the independent variables/ factors. The results regarding this were summarized and presented in Table 7. However, IFMIS exhibited a negative and insignificant relationship with the implementation of preference regulations as evidenced by a coefficient of r = -.04. From the foregoing, there is a linear relationship between regulated electronic tendering, Integrated Financial Management Information Systems and electronic order processing with implementation of preference regulations. This provided more ground to perform multiple regression analysis.

	Implementation of preference regulations	IFMIS
Implementation of preference regulations	1	
IFMIS	-0.04	1

Table 7: Correlation results

4.5. Model Summary

Table 8 presents the model summary for regression analysis. The R^2 which means the percentage of independent variables that explain the variance in dependent variable (implementation of preference regulations). Table 8 illustrates that all the four predictors (regulated electronic tendering, Integrated Financial Management Information Systems, IFMIS and electronic order processing) explained 47.7 percent variation of implementation of preference regulations. Autocorrelation, also known as serial correlation, refers to the correlation of error components across time periods.

This condition violates the classical assumption of regression analysis but it is a reasonable characteristic of error term in time series analysis (Wooldridge, 2003). From the findings, the Durbin- Watson value was within the thumb rule (1.624) which shows lack of serial correlation.

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.691a	0.477	0.459	0.26869	1.624
a Predictors: (Constant), IFMIS, Electronic Order Processing, Integrated Financial Management Information Systems, Regulated Electronic Tendering				
b Dependent Variable: Implementation of preference regulations				

Table 8: Model Summary

4.6. ANOVA Model

Study findings in Table 9 indicated that the above discussed coefficient of determination was significant as evidence of F ratio of 26.689 with p value 0.000 <0.05 (level of significance). Thus, the model was fit to predict implementation of preference regulations using regulated electronic tendering, Integrated Financial Management Information Systems, IFMIS and electronic order processing.

	Sum of Squares	df	Mean Square	F	Sig.
Regression	7.707	4	1.927	26.689	.000b
Residual	8.447	117	0.072		
Total	16.154	121			
a Dependent Variable: Implementation of preference regulations					
b Predictors: (Constant), IFMIS, Electronic Order Processing, Integrated Financial Management Information Systems, Regulated Electronic Tendering					

Table 9: Anova Model

4.7. Hypothesis Testing

Before explaining the results of multiple regression analysis, it is useful to check for multicollinearity. Multicollinearity means that two or more of the independent variables are highly correlated and this situation can have damaging effects on the results of multiple regressions. The correlation matrix was a powerful tool for getting a rough idea of the relationship between predictors. The VIF values in Table 9 were less than four meaning that there was no multicollinearity.

Findings in Table 10 showed that regulated electronic tendering had coefficients of estimate which was significant basing on β_1 = 0.365 (p-value = 0.000 which is less than α = 0.05) thus we conclude that regulated electronic tendering has a positive and significant effect on implementation of preference regulations. This suggests that there is up to 0.365 unit increase in implementation of preference regulations for each unit increase in regulated electronic tendering.

The effect of regulated electronic tendering is more than 4 times the effect attributed to the error, this is indicated by the t-test value = 4.066. Research findings also showed that Integrated Financial Management Information Systems had coefficients of estimate which was significant basing on β_2= 0.35 (p-value = 0.000 which is less than α = 0.05) implying Integrated Financial Management Information Systems has a significant effect on implementation of preference regulations. This indicates that for each unit increase in Integrated Financial Management Information Systems, there is 0.35 units increase in implementation of preference regulations. Furthermore, the effect of Integrated Financial Management Information Systems was stated by the t-test value = 3.932 which implies that the standard error associated with the parameter is less than the effect of the parameter.

As shown in Table 11, p-value is significant ($p < 0.05$), and the beta value of electronic order processing was positive (beta = 0.144). Therefore, the researcher rejects the null hypothesis and concludes that electronic order processing has a positive and significant effect on implementation of preference regulations. Consequently, for each unit increase in electronic order processing, there is 0.144 unit increase in implementation of preference regulations. Finally, the effect of electronic order processing is shown by the t-test value of 2.116 which implies that the effect of electronic order processing surpasses that of the error by over 2 times.

Table 9 further shows that IFMIS has a negative and insignificant effect on implementation of preference regulations with a beta value of $\beta 4$ = -0.021 (p-value = 0.751 which is more than α = 0.05. Also, the effect of IFMIS was stated by the t-test value = -0.318. Thus, we accept the null hypothesis that IFMIS practices have no significant effect on the implementation of preference regulations in Kenyan state corporations.

The tests also don't accept or reject the theories related to the study as innovation diffusion theory, Technology acceptance theory and systems theory which all advocate for technology. Since IFMIS has no impact on the implementation of preference regulations these theories are not relevant to this objective.

	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	T	Sig.	Tolerance	VIF
(Constant)	2.194	0.245		8.959	0.000		
Regulated Electronic Tendering	0.182	0.045	0.365	4.066	0.000	0.555	1.803
Integrated Financial Management Information Systems	0.179	0.046	0.35	3.932	0.000	0.565	1.771
Electronic Order Processing	0.098	0.046	0.144	2.116	0.036	0.961	1.041
IFMIS	-0.012	0.036	-0.021	-0.318	0.751	0.985	1.015
a Dependent Variable: Implementation of preference regulations							

Table 10: Coefficient of Estimate

Hypothesis	Beta	*p* - Values	Comments	Decisions
$o1$: Integrated Financial Management Information Systems practices have no significant effect on the implementation of preference regulations in Kenyan state corporations.	0.35	0.000	Significant	Reject

Table 11

5. Conclusions

5.1. Summary of Findings

The study specifically determined the effect of Integrated Financial Management Information Systems practices on the implementation of preference regulations in Kenyan state corporations.

5.1.1. Integrated Financial Management Information Systems

The results on integrated financial management information systems revealed that electronic hardware is needed to embrace IFMIS. Employees have the electronic software needed to embrace IFMIS and are trained on how to use IFMIS. Suppliers especially the disadvantaged ones are trained on the use of IFMIS and its benefits.

As well, employees have integrated all activities related to procurement on the supply chain portal of IFMIS and they do enterprise resource planning using IFMIS. Furthermore, employees electronically do procurement planning using IFMIS and electronically check adherence to budgets and payment through IFMIS. In addition, employees electronically do approvals of all supply chain integrated activities through IFMIS.

5.2. Conclusion

Integrated Financial Management Information Systems (IFMIS) is an effective tool in ensuring transparency and accountability in all Government functions.

Though employees electronically do procurement planning using IFMIS and electronically check adherence to budgets and payment through IFMIS, the study has shown a negative and insignificant effect between IFMIS and the implementation of preference regulations. This gives ground for further studies on the same in order to validate the findings.

5.3. Recommendations

In order to implement preference regulations, there is need for focus on Integrated Financial Management Information Systems. With this in place, it would be possible for employees to electronically plan and integrate all activities related to the supply chain in government procurement. The study has added sufficient knowledge on the link between Integrated Financial Management Information Systems and the implementation of preference regulations.

5.4. Further Research Recommendations

Other avenues of future research in the area of preference regulations, relate to some of the inconclusive or contestable findings encountered in the study. Also, future research should have to draw sample of respondents on a larger sample for the sake of generalizing the results of the study. Moreover, more time should be allocated to the same and a combination of more than one data collection instrument should be used for example focus group discussions, as this will help to counter check the information provided by the respondents. A further study needs to be conducted using more variables that may be relevant to this study. Ethics should also be a study variable that can be researched into further. Procurement as an avenue for empowerment in affirmative action can also be researched on to see if the objectives of preference regulations are being met or not.

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