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Devolved Governance and Financial Resource Mobilization in County Governments in Kenya: A Case of Kiambu County

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Abstract:
Financial resource mobilization encompasses making better use of and maximizing new and existing financial resources. The study sought to understand devolved governance and financial resource mobilization in county governments in Kenya with reference on Kiambu County Government. The study was guided by three research questions: To what extent does institutional capacity of Kiambu County government engage in effective financial resource mobilization? To what extent does stakeholder participation affect financial resource mobilization in Kiambu County? How does financial policy implementation affect financial resource mobilization in Kiambu County? The study used two theories, Resource Mobilization Theory and Political Process Theory. The research study used mixed research methods and hence employed descriptive research design. The target population for this study were county employees working in the department of finance, economic planning, youth, women and business community leaders' representatives from Kiambu county. The target population for the study was 757. A sample size of a hundred and fourteen (114) respondents was drawn from the target population. Data from the questionnaires was analyzed quantitatively using descriptive and inferential statistics with the help of Statistical Package for Social Sciences and presented in frequency table, percentages graphs and pie charts for ease of interpretation. Data from the interview guide was analyzed qualitatively and incorporated into the quantitative data. The study established that the county government have empowerment and training programs that promotes employee's participation in County financial resources mobilization. A significant number of employees were neutral and while other disagreed that the employees have skills in financial mobilization. This indicated an existing gap within the county government. The study finding revealed that intellectual resource within the county must be enhanced for proper management of financial resource. The study findings indicated that the national government revenue transfer to county government is sufficient in sustaining county sustainable development projects as long as appropriate accounting and auditing procedures in the various departments are enhanced to ensure financial resourcefulness. The study concludes that the county government has made efforts to enhance its financial resource mobilization, empower and train its employees. However, the study revealed that stakeholder's participation and hence the implementation of the financial policy is influenced by the level of awareness, inclusiveness in the formulation of the policies and transparency in the utilization of the mobilized financial resources. Challenges such as mismanagement of the resources, non-transparency, issues of accountability, inconsistency in the application of the tax policy, avoidance and non-compliance by the tax payers, corruption and low level of stakeholder's awareness due to inadequate information hinders effective and efficient financial resource mobilization and therefore there is an urgent need by the county government to devise measure to address them. Stakeholders participation was found to be important in influencing financial resource mobilization, however low level of awareness was noted as being an issue of concern in this study. The study recommends the need to educate the taxpayers on the rationale, procedures, obligations and responsibilities related to the various taxes imposed by the County government, the relevant authorities should also improve the county legal system with a focus on fighting corruption as it could negatively affect the stakeholder's participation and financial policy implementation which conversely affects financial mobilization.

Keywords: *County government, devolved governance, Kiambu county, financial resource mobilization*

1. Introduction

The generation of domestic resources to save and invest productively is the essential foundation for sustained development. There is need to emphasize the importance of mobilizing domestic financial resources for development in every country. Financial resource is a critical base, without which even the viability and existence of county governments would be questionable.

The promulgation of the new Constitution in 2010 and the subsequent General Elections held in 2013 saw the establishment and commencement of operations of the 47 new County Governments. It was expected that the onset of these devolved governments after the 2013 Elections and enactment of subsidiary laws would address development challenges of the centralized governance that Kenya has faced since independence. Indeed currently, there is a deliberate effort by the National Government to equitably distribute resources through County Government quota disbursements. Accordingly, there is evidence of increased accountability arising from efforts of relevant watchdog institutions and also community participation in development matters through appropriate institutional frameworks (Odhiambo, 2012).

The creation of devolved units of government meant that services and self-governance have been brought closer to the people. However, for citizens to effectively engage with the county governments, they need to understand the structure of the county government especially in respect to devolved governance under this new system (Bagaka, 2013).

Good governance comprises the rule of law, effective state institutions, transparency and accountability in the economic and financial administration, and democratic institutions and traditions. In this context, the effective mobilization of financial resources and their efficient and transparent utilization through sound investments in physical and social infrastructure assumes importance as a means of improving the living standards and welfare of the populations in developing countries and transition economies (UNDP 2002).

County governments' capacity in resource mobilization can be strengthened through the establishment of effective administrative procedures, training technical assistance and dissemination of programs with central government support. An appropriate information and communication technology system is an essential precondition for the success of any resource mobilization. Kinoti (2016).

Odhiambo (2012) postulates that throughout the constitution review process, Kenyans have consistently demanded for a governance system that is transparent and accountable, provides for decentralization of government services and organs and provides for citizen participation and involvement. The Constitution of Kenya has established a free and democratic system of government that guarantees good governance, constitutionalism, rule of law, human rights, gender equity and affirmative action. It has further recognized and specified divisions of responsibilities among the three arms of government and the various State organs so as to create checks and balances and promote accountability.

1.1. County Financial Resource Mobilization

Financial resource mobilization is a valuable component for strengthening a government. Unfortunately, there is a lot of competition for resources and in many cases for county government to secure resources it depends on how well it can mobilize the available resources and on how good it is at exploring other ways to source for resources. Those county governments fortunate enough to have adequate resources to support their current operations still face uncertainty over future mobilization. County governments would have to assume the responsibility of financing the additional investment required to service their economies, reducing inefficiency, creating conducive environment for resource mobilization through appropriate policies as well as creating the necessary institutional mechanisms. Intensive mobilization would provide the necessary resources to finance the additional expenditure. Financial resource mobilization is critical to any county government in Kenya as it will ensure the continuation of county service provision to citizens and supports county sustainability.

The sources of financial resources for the county governments are divided into two. One, the transfer from the National government as stipulated in the constitution that not less than 15% of total revenue of the National government must be transferred to the county governments. The other way is the locally generated revenue as previously done by local authorities which includes: Transfer from the National Government; Fees and Charges (market fees, parking fees, advertisement fees, and approval of the building plan fees); Rates; House rent from the County Government Houses; Contribution in Lieu of Rates (CILOR); and Business permit. The county government has adapted structures and financial systems that were previously used by local authorities (Republic of Kenya, 2010). Revenue allocation commission was established by the constitution to advice on financial resource sharing formula between the National Government and also among the 47 counties.

Good governance has become a central part of the international development agenda (Kaufmann 2007). Indicators for bad devolved governance thus includes large financing gaps between rich and poor areas, provision that is unaffordable for the poor and a lack of attention to strategies for reaching the disadvantaged. Governance is not just about abstract institutional processes or formal rules. It is also about power relationships in society. It describes the institutions, rules and norms through which policies are developed and implemented and through which accountability is enforced. At its most basic level, governance systems define who decides on policies, how resources are distributed across society and how governments are held accountable. The key to successful public finance management is a matter of governance to balance the economic, managerial and political roles of public finances (Bardhan, 2002). When fiscal governance is poor then there is little chance of succeeding the fiscal policy objectives. To realize the benefits of Constitution of Kenya, every government entity must utilize its mandates and utilize its resources within the agreed implementation strategy so that devolution is implemented holistically (Republic of Kenya, 2010). Bad governance has a negative effect on financial resource mobilization in every institution. With close and increasing support of citizen participation through devolved governance, there is the need to document its impacts on financial resources mobilization particularly in regards to: institutional capacity, stakeholder participation and financial policy implementation

1.2. Research Objectives

The purpose of this research study was to examine the factors affecting financial resource mobilization in the county governments in Kenya.

1.3. Research Questions

- To what extent does institutional capacity of Kiambu County government engage in effective financial resource mobilization?
- To what extent does stakeholder participation effect financial resource mobilization in Kiambu County?
- How does financial policy implementation affect financial resource mobilization in Kiambu County?

2. Research Design and Methodology

The study adopted mixed research and hence used both quantitative and qualitative approaches to collect the data. The study adopted descriptive research design which helped to describe what exists with respect to variables. The study population for the research were the employees of Kiambu county working in the department of Finance and economic planning, youth, women and business community representatives group officials from the 10 sub counties of Kiambu. The study used a sample size of 114 respondents. Questionnaire and interview guide were used to collect data. Data was analyzed using the Statistical Package for Social Sciences (SPSS). The research findings were presented in form of tables. Pie charts and graphs. This helped to present the visual impressions of the meaning and information that may be hidden with the data Kothari (2008).

2.1. Data Analysis, Presentation and Interpretation

The findings were obtained from quantitative and qualitative methods. The presentation and analysis of the finding were guided by the objectives.

2.2. Response Rate

The researcher distributed 80 questionnaires to employees of Kiambu County government. Out of 80 questionnaires 56 were duly completed and returned to the researcher translating to 70% response rate. The researcher also carried out face to face interviews with 6 youth (43%),13 women (69%) and 4 (100%) business representatives

The respondents were requested to indicate their gender, this was important as it helped the research find out the issue of gender balance in the county government. Out of 56 respondents who participated in the study (66%) were male while, 19 (34%) were female. The study revealed that, there are more male who participated in the study than female. This is an indication that there are more men employed and working in the county government of Kiambu than female. This was an indication of gender imbalance in the county. At the international level, the United Nations conferences on women have, in particular, advocated the need to increase the number of women in decision-making process.

Chapter Eleven of the Kenya 2010 constitution also spells out, in meticulous detail, the objects and principles of devolved government where gender balance and diversity are clearly discussed. Republic of Kenya (2010) thus states that there should be no more than two-thirds of the members of representative bodies in each county government being of the same gender. Creighton and Yieke (2006) also notes that despite many years of academic analysis and practical feminist activity, despite prestigious international resolutions and declarations of intent, despite the increased prominence of women's issues in the discourses of governmental and non-governmental organizations alike, progress towards gender equality is still painfully slow.

2.3. Age Bracket of the Respondents

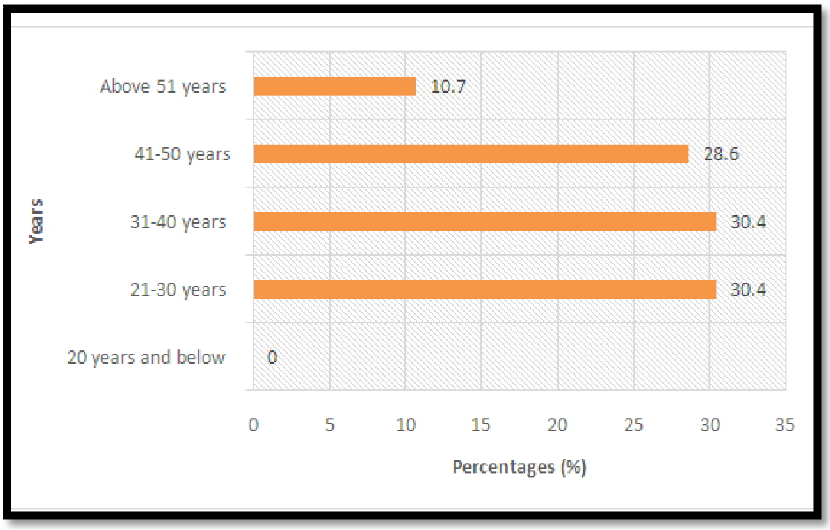


Figure 1: Age Bracket of Respondents
(N-56) (Source: Author, 2018)

In order to determine the age of the respondents a question was asked for the respondents to indicate their age. None of those who participated there was aged20 years and below, those aged between 21-30 years were 17 (30.4%), those aged between 31-40 years were a 17 (30.4%), while those aged between 41-50 years were 16 (28.6%), only 6 (10.7%) were above the age of 51years. This was an indication that majority of the respondents were in their middle ages. There were few employees who were above the age of 51 and above. This was an indication that there were few respondents who were very old since only 10.7% were the age of 51 years and above. The finding indicates age diversity of the respondents which therefore points out age representativeness of the respondents.

2.4. Level of Education

Level of Education	Frequency	Frequency in Percentages (%)
Diploma certificate	22	39.3%
Degree certificate	25	44.6%
Masters	6	10.7%
Others	3	5.4%
Total	56	100

Table 1: Level of Education
(N=56) (Source: Author, 2018)

The study also enquired the levels of education qualification attained by the respondents, this was important as the researcher wanted to establish whether the respondents had the capacity to comprehend and respond to the questionnaire items accordingly. Table 1 shows the level of education among the employees of the County government of Kiambu. The findings revealed that 22 (39.3%) have a diploma, 25 (44.6%) had degree certificate while, 6 (10.7%) had a master's degree. Only 3(5.4%) indicated that they had other qualifications apart from the one's provided in the questionnaire.

According to the findings majority of the respondents have a diploma and above. This is an indication that the Kiambu County government have qualified employees. This study finding can also be related with the findings of Kayaga (2010) who averred that, effective resource mobilization requires qualified personnel with requisite skills to maintain these systems and operate them to their fullest potential.

2.5. Institutional Capacity of the County Government

This section aimed at finding out the institutional capacity of the County government of Kiambu. Empowerment and training programs on county financial mobilization

The Government recognizes the importance of human resource development as a means towards efficiency and effectiveness in the delivery of public services. In order to maintain and enhance the momentum towards greater productivity, the government pursues a policy of continually upgrading staff competencies, knowledge, skills and attitude, with the aim of addressing identified performance gaps.

The respondents were asked to state whether the county organizes empowerment and training programs aimed at enhancing the county financial resource mobilization. The study showed that 51 (91.1%) of the respondents were positive that the County government have empowerment and training programs that promotes employee's participation in County financial resources mobilization. A total of 4(7.1%) of the respondents believed the county government don't have empowerment and training programs that promote resource mobilization. Only one 1.8%) who didn't respondent to the question. This study finding agrees with the Kenya Vision 2030, which is the nation's development blueprint, which aims at having a well-trained and developed and globally competitive workforce that provides quality services to all.

Within the same scope, the Public Service Commission recognizes that well trained employees are a critical in enhanced service delivery which contributes to the overall development of our country. There is therefore a greater need for education, training and development initiatives to equip public service staff with new and relevant skills and competencies to deliver services. In a nutshell therefore, training should aim at addressing identified performance gaps and hence training activities must be based on the need to close performance gaps and raise effectiveness and quality of service.

One of the respondents stated that;

"some of these revenue collectors need to be trained on public relation skills, they at times harass and cause unnecessary scandals for nothing"

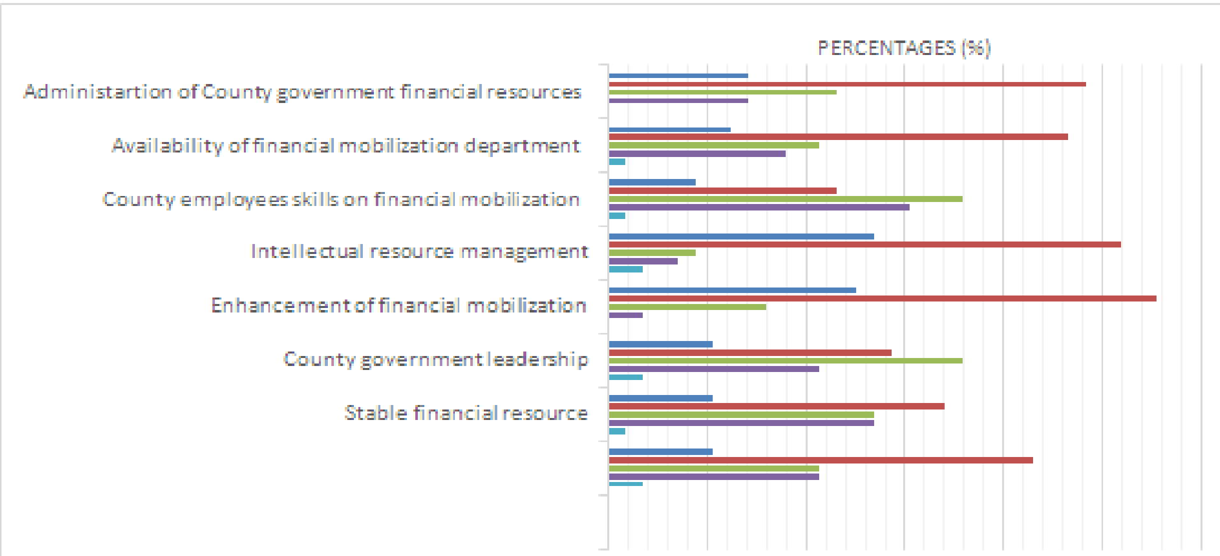
Scandals of any kind from the revenue staff quickly diminishes the public perception of revenue collection and the management of the county government.

2.5.1. Empowerment and Training Period

The findings indicated that the empowerment trainings were held after one year which was indicated by 9 (16.1%) of the respondents, 4 (7.1%) indicated the training were held after two years and three years respectively, while 34 (60.7%) indicated the training had no specific period when they are held. A significant number 5(8.9%) did not answer the question. This was an indication that majority of County government employees believe there are empowerment and training programs held by the County government although at different period of time. The study finding thus agrees with Wanjohi 2013 who stated that people's capacities, institutional capacity and a society's capacity change over time and that development policies and investments work best to strengthen the abilities, networks, skills and knowledge base cannot be a one-off intervention.

2.5.2. Successful Financial Resource Mobilization

In order to be able to measure the attitude of the respondents on the County government institutional capacity the respondents were requested to respond to a list of questions. The respondents were to answer based on a Likert scale with a range of 1-5 where, 1 was strongly agree while, 5 was strongly disagree.



	Top county government leadership & financial Resource mobilization	Stable financial resource	County government leadership	Enhancement of financial mobilization	Intellectual resource management	County employees skills on financial mobilization	Availability of financial mobilization department	Administration of County government financial resources
Strongly Agree	10.7	10.7	10.7	25	26.8	8.9	12.5	14.3
Agree	42.9	33.9	28.6	55.4	51.8	23.2	46.4	48.2
Neutral	21.4	26.8	35.7	16.1	8.9	35.7	21.4	23.2
Disagree	21.4	26.8	21.4	3.6	7.1	30.4	17.9	14.3
Strongly Disagree	3.6	1.8	3.6	0	3.6	1.8	1.8	0

Figure 2: County Government Financial Resources Mobilization
(N=56)
Source Author, 2018

Figure 2 shows the respondents responses on the various attributes associated with successful financial resources mobilization in the county government. It also compares the responses among variables. According to figure 2 the responses were diverse in all the attributes listed in the questionnaire. Figure 3 below shows the variation on the responses among respondents who strongly agreed and those who strongly disagreed on the attributes associated with successful financial resources mobilization. As shown in figure 5 majority of the respondents strongly agreed on the attributes associated with successful financial mobilization in County government while, those who strongly disagreed were few.

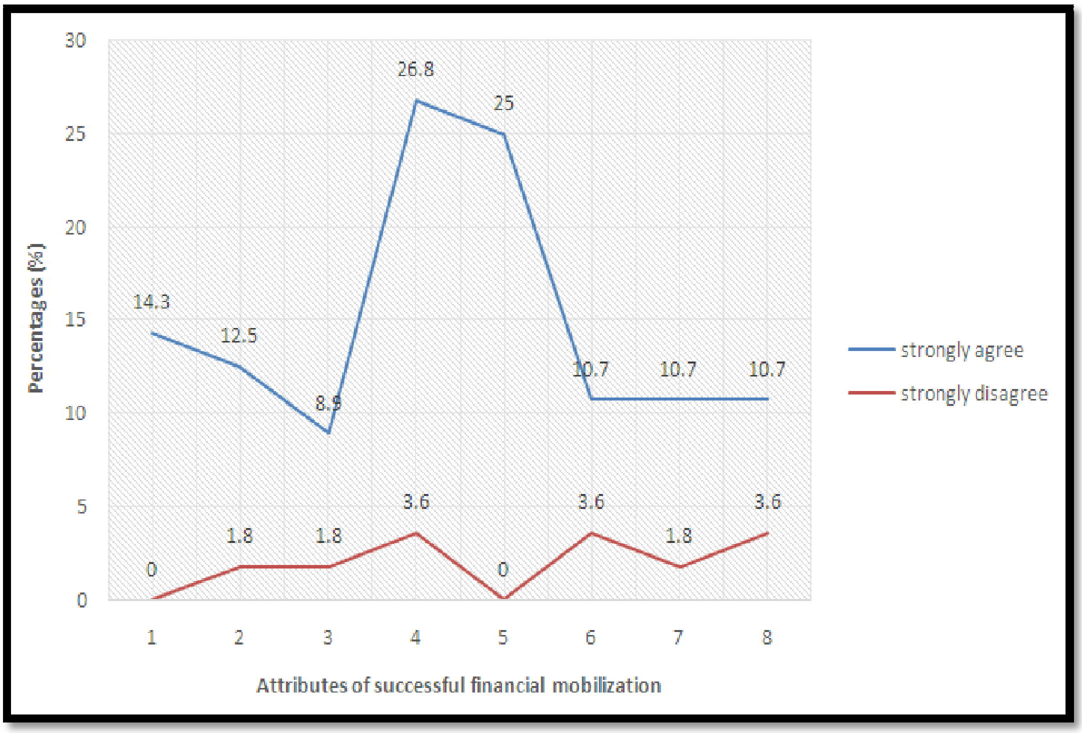


Figure 3: Attributes of Successful Financial Mobilization (N=56) Source: Author, 2018)

The findings revealed that 8(14.3%) of the respondents strongly agreed that, county government is able to administer its own resources, a further 27(48.2%) respondents agreed, 13 (23.2%) were neutral while, 8 (14.3%) disagreed that county government is able to manage and administer its own financial resources. This is an indication that majority of the respondents believed that the county government is able to manage its financial resources. According to the findings (62.5%) of the respondents agreed with the statement that Kiambu County Government is able to manage and administer its own financial resources while a significant 23.2% were neutral on this statement. The study finding also showed that a total of 7 (12.5%), strongly agreed that the county government have a functional resource mobilization department that enhances efficiency in resource allocation in the county, another 26 (46.4%) agreed, 12 (21.4%) were neutral while, 10 (10.9%) and 1 (1.8%) disagreed and strongly disagreed respectively that the county government of Kiambu has a functional financial resource mobilization department that enhances efficiency in resource allocation in the county.

One of the functions of the county government is to mobilize resources through collection of revenue. The respondents were also asked to state whether the County employees are well endowed with skills for financial mobilization, 5 (8.9%) and 13 (23.2%) strongly agreed and agreed respectively that the county employees are endowed with financial mobilization skills. A total of 17(30.4%) and 1 (1.8%) disagreed and strongly disagreed respectively that the county government employees possess financial mobilization skills. A significant number 20 (35.7%) were neutral. The significant number of respondents who were neutral and those who disagreed that the employees have skills in financial mobilization indicates an existing gap within the county government. This study finding also concur with the Government of Kenya (2017) National Treasury draft report which also documented this as a major challenge. The document in part states that:

"Majority of County Government revenue administrators lack basic skills for the function, a key factor behind poor enforcement strategies, majority of County revenue personnel were inherited from defunct LAs, and many lower cadre revenue clerks and collectors were ancillary personnel under the authorities. These personnel have scant knowledge of revenue laws. This skills and knowledge deficit come to bear in all revenue-related operations, but most dramatically where collection and enforcement are concerned. Efforts to collect County revenue and enforce provisions of Finance Acts are often confrontational, involving brute force, arrests, street chases and riots. The documents on the other hand highlights that

"Though some Counties have tried to mitigate these weaknesses through redeployment, additional recruitments or outsourcing revenue administration. These efforts are still impeded by institutional constraints such as; Inadequate incentives to attract professionals with required competencies; widespread accountability challenges as reflected in the Auditor-General's reports; ambiguity of roles and responsibilities within County revenue departments and lack of clarity in reporting structures".

The study also wanted to find out whether there was need to enhance the intellectual resource that will strengthen the proper management of the financial resource. According to the finding a total of 15 (26.8%) of the respondents strongly agreed that intellectual resource within the County must be enhanced for proper management of financial resource, 29 (51.8%) agreed, while 4 (7.1%) and 2 (3.6%) disagreed and strongly disagreed respectively while, 5 (8.9%) were neutral. This study finding concurred with the county fiscal strategic plan (2018/19) which state that the county will need to embark on building the capacity of staff so that to ensure effective implementation of the projects where the training will focus on areas of financial reporting, procurements, information communication and technology as well as monitoring and evaluation.

Financial stability contributes to a healthy economy and sustainable growth. Financial stability describes the condition where the financial process functions smoothly and there is confidence in the operation of key financial institutions. This helps in ensuring that financial resources are allocated efficiently towards promoting economic growth and development A question was thus asked whether the county government has a stable financial resource that supports the core business of the County government. The study results showed that 6 (10.7%) and 19 (33.3%) strongly agreed and agreed respectively that the county government has stable financial resources while, 15 (26.8%) were neutral. A significant number of employees 15 (26.8%) disagreed and 1 (1.8%) strongly disagreed that the county government has a stable financial resource that supports the core business of the County. It's important therefore to note that 44% of the respondents strongly agreed and agreed that Kiambu County has a stable financial resource.

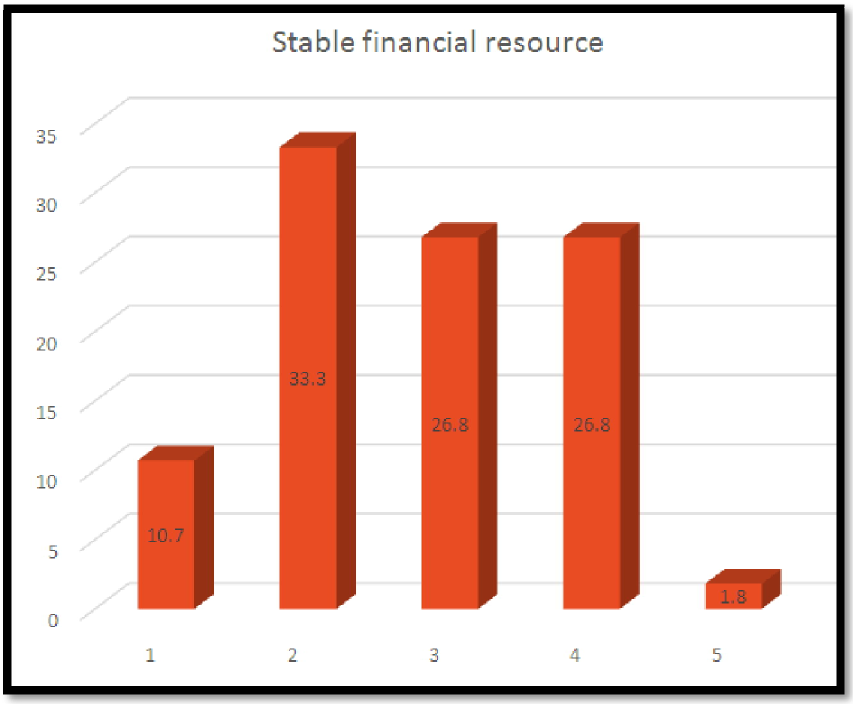


Figure 4: Stable Financial Resources (N=56)
Source Author, 2018

This study finding agrees with the Constitution of Kenya (2010) states that county governments should have reliable sources of revenue to enable them to govern and deliver services effectively. There should be greater efforts both from central and local government in prioritizing internal resource mobilization by identifying local potential sources, motivating local people and creating a stake of local ownership on development projects including administrative and regulatory supports.

More than half of the respondents from the interview conducted said that:

"Yes, the amount of money that the county government receives from the government is enoughif they spend the funds in the right way by eliminating corrupt officials in the county government.

This statement agrees with Thapa (2004**)** that stated that thepace of economic and social progress of county governments largely depends on the amount of revenue spent on developmental activities. It's also important to note that Financial instability can be very costly due to its spillover effects to other parts of the economy because indeed, it may cause financial crisis. It is fundamental therefore to have a sound, stable and healthy financial system to support the efficient allocation and distribution of resources.

It is also important to note that 53.6% of the respondents agreed that the County government leadership supports the financial resource mobilization programs as shown in Figure 5below. The study results agree with Kanyinga (2017) statement and document to the nation media group which stated that good leadership, the real opportunity for development lies with county governments where it does not matter how much resource they have but what matters is how effective and focused the county leadership is. The counties, even with limited resources, but with well-focused and determined leadership in terms of development strategies are better placed to transform the rural economies.

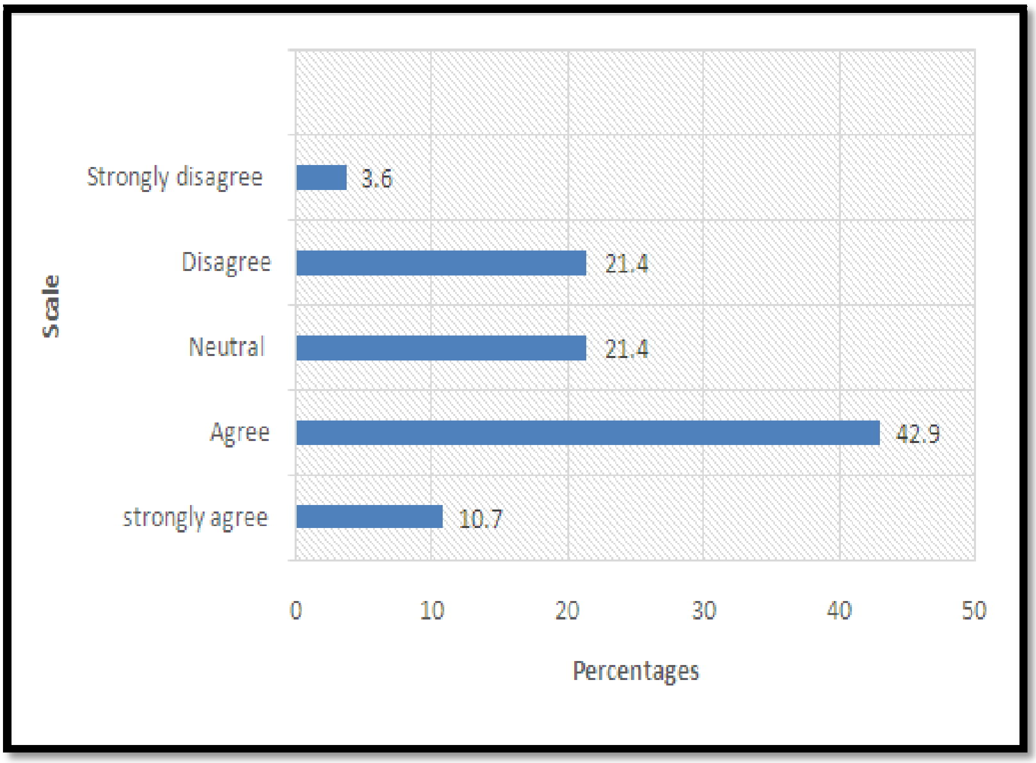


Figure 5: How County Government Engages in Sourcing of Funds

The respondents were also to share their response on whether they are contented with how the County engages in sourcing for its own financial resources. The study findings indicated that, a total of 40 (71.4%) were positive on how the county sources its own financial resources, while 10(17.9%) were not contented on how the county engages in sourcing its own financial resources. A further 6 (10.7%) did not answer the question.

The respondents were further requested to give reasons why they were not contented on how the county engages in its own financial sourcing: The respondents revealed that there is lack of effective internal controls and audit mechanisms hence inadequate checks and balances; the was also lack of proper mechanism to control the utilization of resources which then cause gaps that undermine the County revenue enhancement efforts. Many of these issues arise due to unqualified personnel and lack of integrity which contributes to loss of revenue causing a lot of leakages. The respondents stated that measures should be put in place to ensure that the available resources are prudently managed. Another statement from the respondents stated that: as the county aim to enhance its revenue base on one hand, it also has to improve its efficiency in allocating the limited available financial resources to meet the growing needs and expectations of local inhabitants and increase the marginal productivity of local resources.

The respondents again stated that the county government still operates with some guidelines and plan of former City council. This response agrees with the National Government Policy document on; Enhancement of County government own source revenue (2017) which states that most county governments are yet to enact and operationalize the required legislations to underpin revenue raising measures. An indication that majority of the county governments still lacks principle legal frameworks to support revenue collection and management.

The respondents also felt that there is no openness for the sourcing of funds which is important in order to achieve transparency and accountability. This includes sound financial reporting. This finding agrees with Thapa (2004) who mentioned that rules and procedures must be open to scrutiny and must be comprehensible: because a transparent government makes it clear what is being done, how and why actions take place, who is involved, and by what standards decisions are made.

2.5.3. Enhancement of Financial Resource Collection

When the respondents were asked what the county government of Kiambu should do in order to enhance its own financial resource collection they suggested the following strategies. They gave the following suggestions: one of the suggestions by the respondents was that the County government of Kiambu should encourage and adopt ICT in its operation.

`To quote one respondent "make use of technology to reach the many people as possible".

This statement concurs with what the national treasury (GOK 2017) had mentioned as pertaining ICT adoption where the document points that the adoption and integration is still below per even for counties with more advanced ICT system where they have not also fully deployed them towards revenue collection and management.

Other suggestions given by the respondents to enhance financial resource collection included; employing better and trustworthy employees in orders to address transparency and accountability and hence ensure the ethics of staffs in revenue collection, conduct internal audit to identify the gaps that are there in financial resources collection so as to seal all the loopholes where revenues leaks, enhance the intellectual capacity for the employees which will advanced them with

training for collection, administration and management of financial resources, creating awareness to citizens on existing policies of revenue collection with an aim of educating them on their obligations and responsibilities for tax remittance
The respondents also mentioned that the county government should involve the County citizens every now and then in order to keep updating them on how their taxes are being put into use the projects that might be funded by the taxes paid. Stakeholder involvement in resource allocation was noted to breed confidence from the people. The study findings and the suggestions pointed out by the respondents therefore agrees with what Suresh (2015) insisted that developing countries and economies should set up an effective, efficient, transparent and accountable system for mobilizing public resources and managing their use by Governments.

2.5.4. Implementation of Financial Policy

The researcher wanted to find out the implementation of the financial policy by the County Government. The respondents were given a set of question based on a Likert scale on a range of 1-5 where, 1 was strongly agree while, 5 was strongly disagree. Figure 6 shows the graphical representation of the research findings. The following section discusses the research finding organized according to each question asked in relation to county government implementation of financial policy

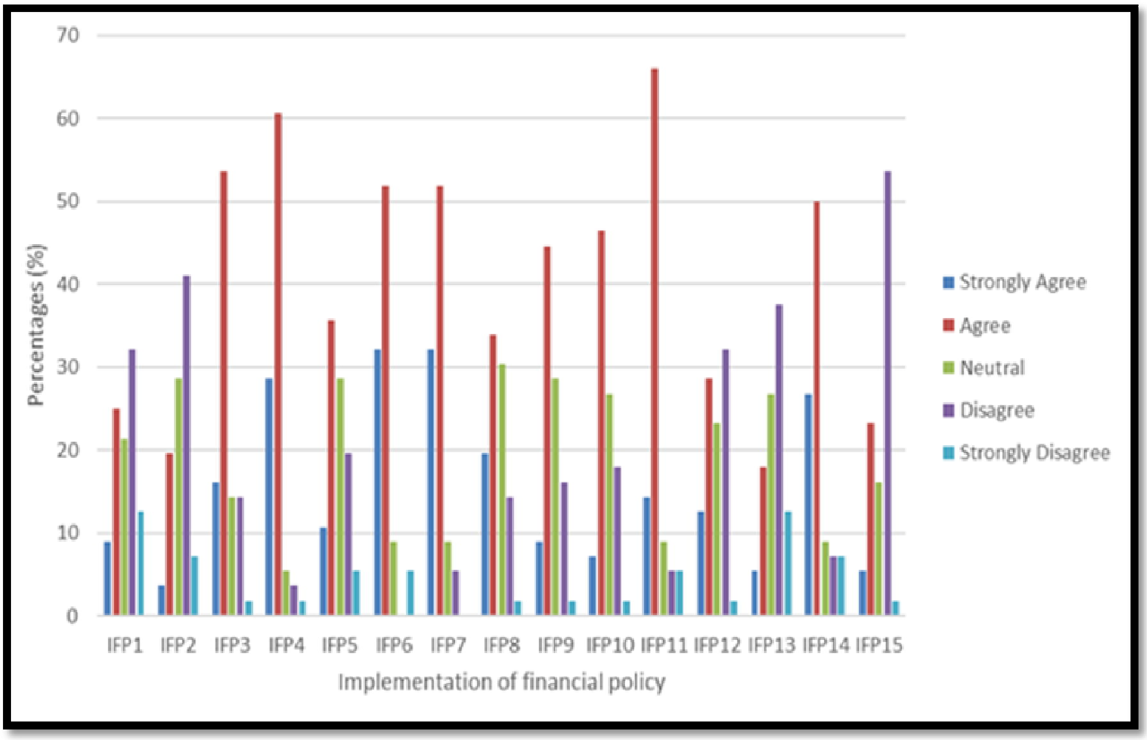


Figure 6: Implementation of Financial Policies
(N=56)
Source: Author, 2018

- Codes

IFP : Implementation of Financial Policy

IFP1-15: Indicates the different questions used to measure the attitudes of the respondents on implementation of financial policy

The finding revealed that a total of 5 (8.9%) of the county employees strongly agreed that the national government financial policy on county own funding is responsible for the decline of the revenue raising ability of the county government, 14 (25%) also agreed on this while, 12 (21.4%) were neutral. Another 18(32.1%) and 7 (12.5%) disagreed and strongly disagreed respectively.

Figure 6 indicates the variation in opinion between those who strongly agreed and those strongly disagreed on the implementation of the financial policy by the county governments.
As shown in figure 6 majority of the county employees strongly agreed with statements given on implementation of financial policy by the county government. There were few employees who strongly disagreed on this. This study finding agrees with what Johnstone (2002) had stated that there is a need for policies that increase the space for debate and consultation, encourage innovation, and pursue desired outcomes with positive incentives rather than through prohibitions alone.

The PFM act (2012) states that both levels of government should not interfere in the day-today management of finances. The two level of government should be able to formulate, plan, implement and report on their budgets and plans without the interference of the other government. The respondents were also requested to state whether the national government makes it harder for the county government to properly plan their own revenues mobilization

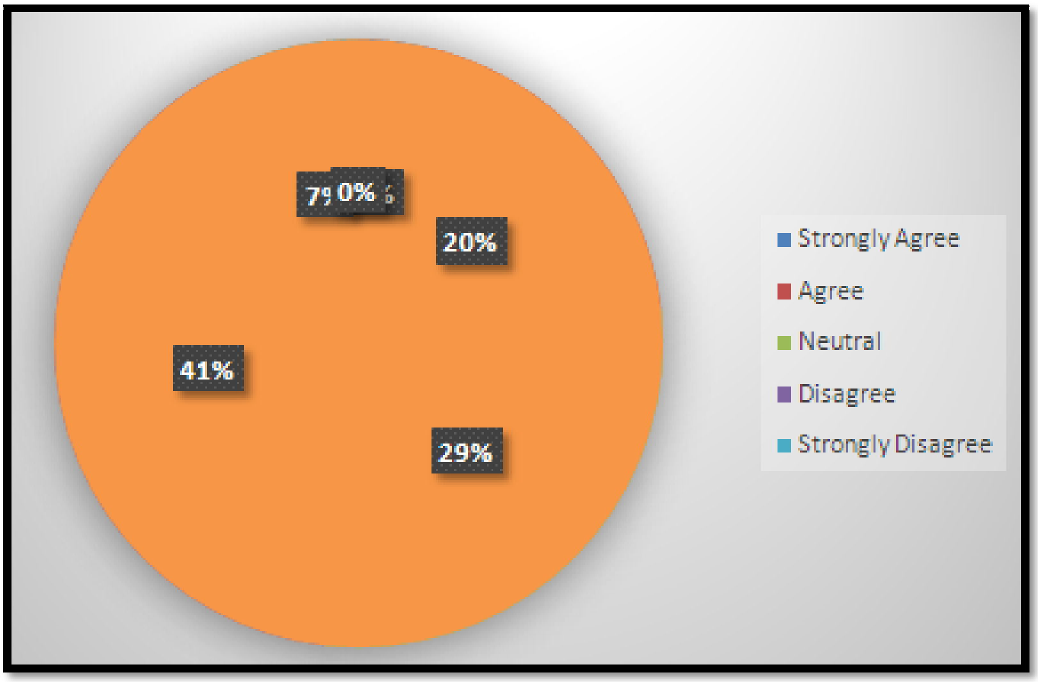
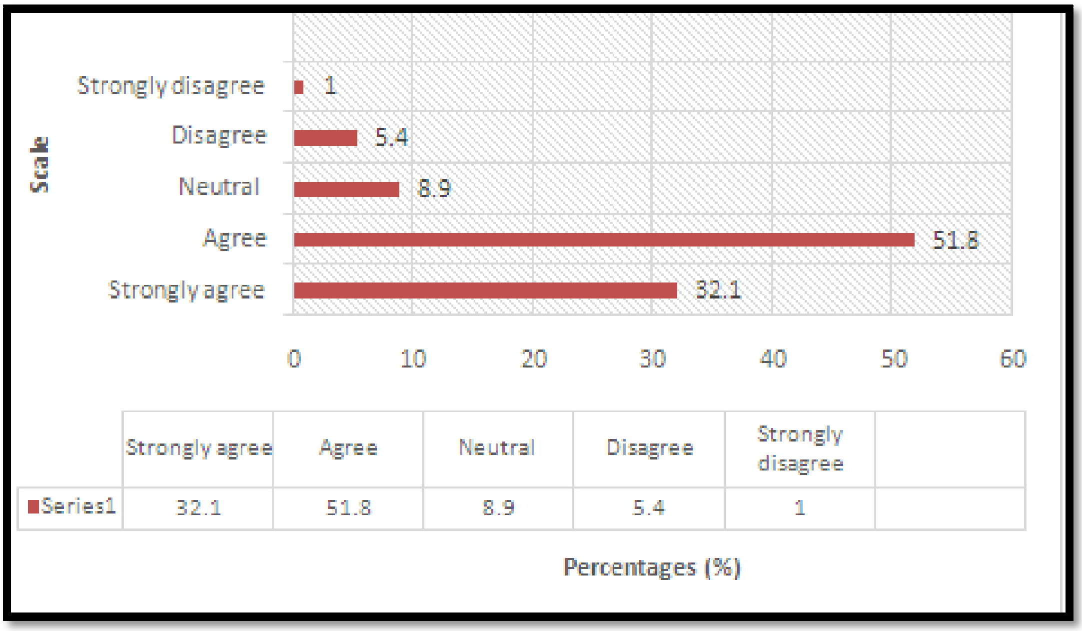


Figure 7: National Governments and County Government Revenue Mobilization (N=56)
Source: Author, 2018

Figure 7 shows the research findings. A total of 2(3%) of the respondent strongly agreed that the national governments usually make it hard for the county government to properly plan for their own revenue mobilization, 11(20%) were also in agreement, 16(29%) were neutral, while 23 (41%) and 4 (7%) disagreed and strongly disagreed respectively. According to the finding's majority of the respondents (48%) believed that the National government does not makes it harder for county government to plan their financial revenue mobilization.
This study result is true because the National Government offers guidance on how County Governments should deal with revenue legislation as at the National level, the Finance Act does not impose taxes, fees and charges .This study findings concur with the Constitution of Kenya (2010) that there is the statutory granting of powers from the central government to a government at county level, and therefore the county government through the county executive is charged with the responsibility of exercising executive power at the county level and especially in the implementation of laws for administration of the county.



	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Series1	32.1	51.8	8.9	5.4	1

Figure 8: Effective Methods of Accounting for Revenue Collected (N=56)
Source: Author

Accountability is one of the cornerstones of good governance and hence a touchstone of successful development. Figure 8 shows the findings on whether the County government need to develop effective ways of accounting for the revenue collected.

According to the finding and as per figure 8, 16 (28.6%) of the respondents strongly agreed, 34(60.7% agreed, 3 (5.4%) were neutral, while 2 (3.6%) and 1 (1.8%) disagreed and strongly disagreed. This was an indication that majority of the County employees 89.3% felt that the county government needed to develop effective ways of accounting for the revenue collected. Parallel efforts have emphasized transparency in government, as well as enhancing accountability.

Figure 9: Need to Develop Effective Accountability of Resources (N=56)
Source: Author

The study findings agree with what Odhiambo (2016) in his document Public service accountability and governance had pointed out that the level of accountability among public officials in the management of public affairs has consistently declined since independence. He further mentioned that continued deterioration of accountability in governance has led to the decline in the standard of provision of public services and economic growth which in turn has resulted in increased unemployment and general poverty in the country.

When asked whether the national government revenue transfer to county government is sufficient in sustaining the county development projects, 6(10.7%) and 20 (35.7%) strongly agreed and agreed respectively, 16 (28.6%) were neutral while, 11 (19.6%) and 3 (5.4%) disagreed and strongly disagreed respectively. There was a significant number of 28.6% who were neutral on whether the revenue transfer from the national government was sufficient for the county development projects.

The 46.4 % of the respondents who strongly agreed and agreed also concurs with (Thugge 2016) public statement on the status of fiscal transfers to County Governments that the enhancement of transfers to Counties is causing notable positive impacts in service delivery and livelihoods. However, the low mobilization of own-source revenue with significant leakages in revenue collection processes, as well as making of payments directly from accounts was contrary to a directive from the National Treasury.

To strengthen accountability and fiscal discipline in the use of devolved resources to deliver better services and enhance equitable economic development, appropriate accounting and auditing procedures are crucial in financial resource mobilization operation. The respondents were thus asked to mention whether these were in place. The study findings revealed that 18(32.1%) of the respondents strongly agreed, another 29 (51.8%) agreed, that there is appropriate accounting and auditing procedures in various departments that enhance financial resourcefulness 5 (8.9%) were neutral, while only 3 (5.4%) strongly disagreed one did not respond to the question.

Revenue collected from taxes enables a country to provide services for its citizens and also development of its economy. Taxpayer education provide good foundation for tax collection. The respondents were also asked to mention whether it was important to educate the taxpayer on the rationale, procedure, obligation and responsibilities as related to the various taxes, fees and charges imposed by the county government. Taxpayer education is important as it enables the people to understand about the whole process of taxation and why they should pay tax. It also assists taxpayers in meeting their tax obligations to the government. This means that the primary existence of taxpayer education is to encourage voluntary compliance amongst taxpayers since tax evasion diminishes the mobilization of resources that governments need to invest in critical areas of social and personal development including health, education and infrastructure development (Aksnes2014).

According to Figure 10 a total of 18 (32.1%) and 29(51.8%) strongly agreed and agreed respectively that tax payers should be educated on the tax procedures and obligations. A total of 5(8.9%) were neutral while, 3 (5.4%) and 1 (1.8%) disagreed and strongly disagreed respectively that tax payers should be educated.

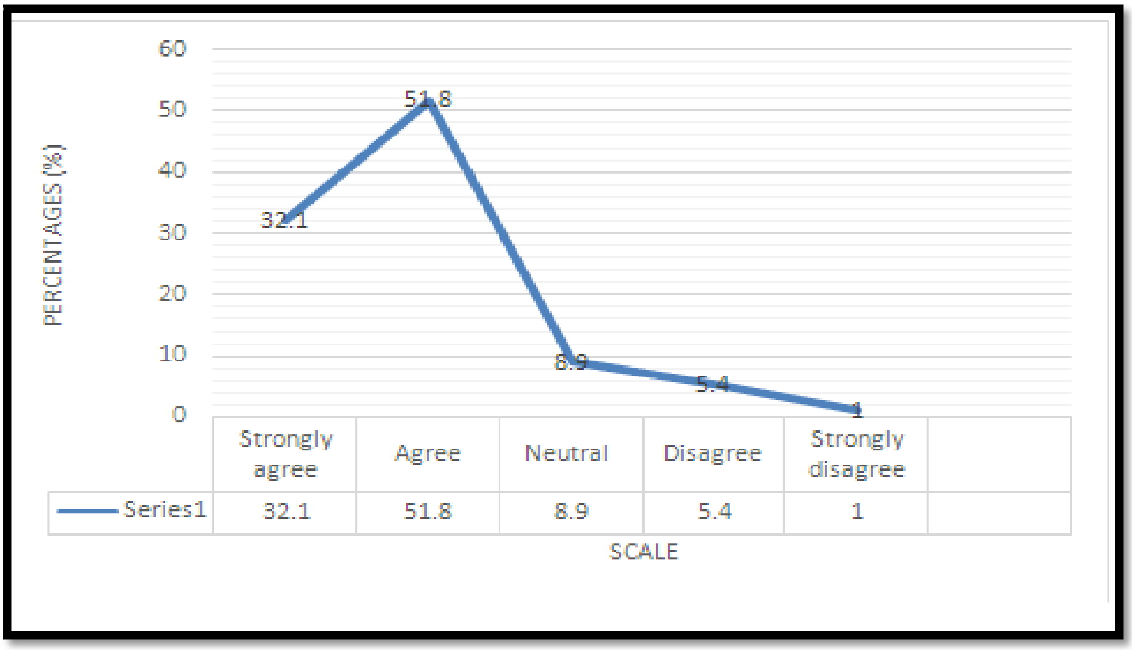


Figure 10: Education of Taxpayers on the Importance of Taxes
(N=56)
Source: Author, 2018

The general public will have greater trust in public sector organizations if there is strong financial stewardship, accountability and transparency in the use of public funds (ACCA, 2010). The Commission on Revenue Allocation (CRA) recommended the use of financial responsibility parameter in order to encourage counties to manage their financial resources prudently and optimize their revenue-raising potential (CRA 2012).The study finding showed that 11 (19.6%) of the respondents strongly agreed, and a further 19(33.9%) agreed that there were some leakages in revenue collection processes, 17(30.4%) were neutral and only 8(14.3%) and 1(1.8%) respondents disagreed and strongly disagreed respectively that there were leakages in revenue collection processes.

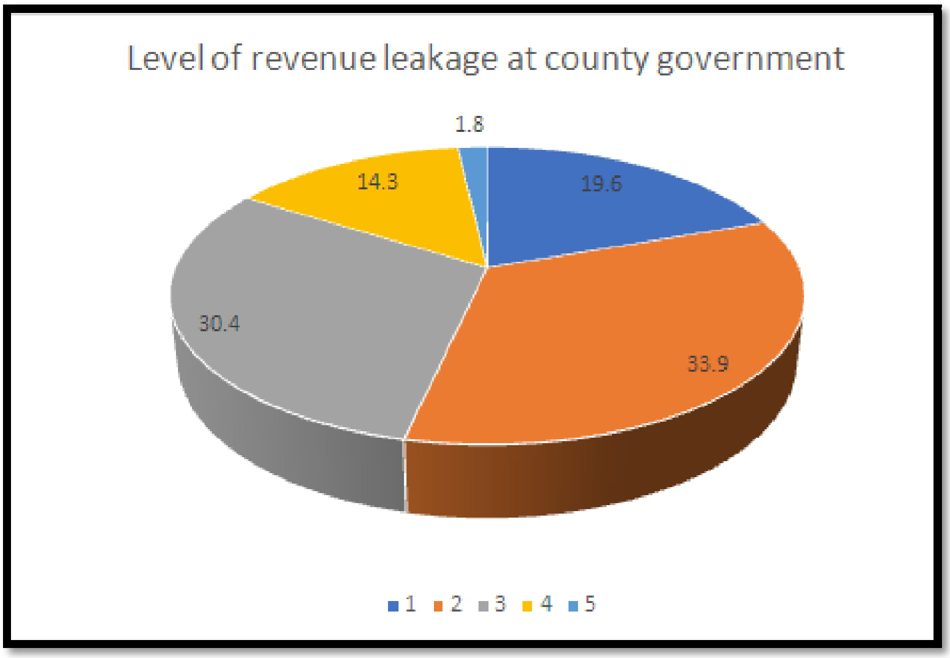


Figure 11: Level of Leakage at County Government
(N=56)
Source: Author, 2018

The study finding thus indicates that 53.5% of the respondent reported some level of leakages in the revenue collection processes, this agree with what Omotunde (2012) had highlighted that government expenditure policy and financial sector policy must enable the funds mobilized to be used efficiently, using criteria of efficiency that would, with appropriate information, be generally acceptable to the populace at large. Social accountability thus needs to be enhanced in order to hold public officials, and by extension their respective County governments who are accountable in using public funds and quality of public service they delivery. This finding also agrees with Inyang (2014) who stated that, the county governments who show commitments in revamping the level of their internally generated revenue, problems such as weak institutional capacity, paucity of record, unreliable statistics, fraud and corruption tends to negatively affect the revenue generation process.

The respondents were also requested to state their levels of satisfaction with the way the county mobilizes tax revenue stated by the County administration. Only a total of 3 (5.4%) respondent strongly agreed that the Kiambu county tax payers were satisfied with the way the county mobilizes tax revenue, a further 10 (17.9%) agreed, while 15 (26.8%) were neutral, 21 (37.5%) and 7(12.5%) disagreed and strongly disagreed respectively.

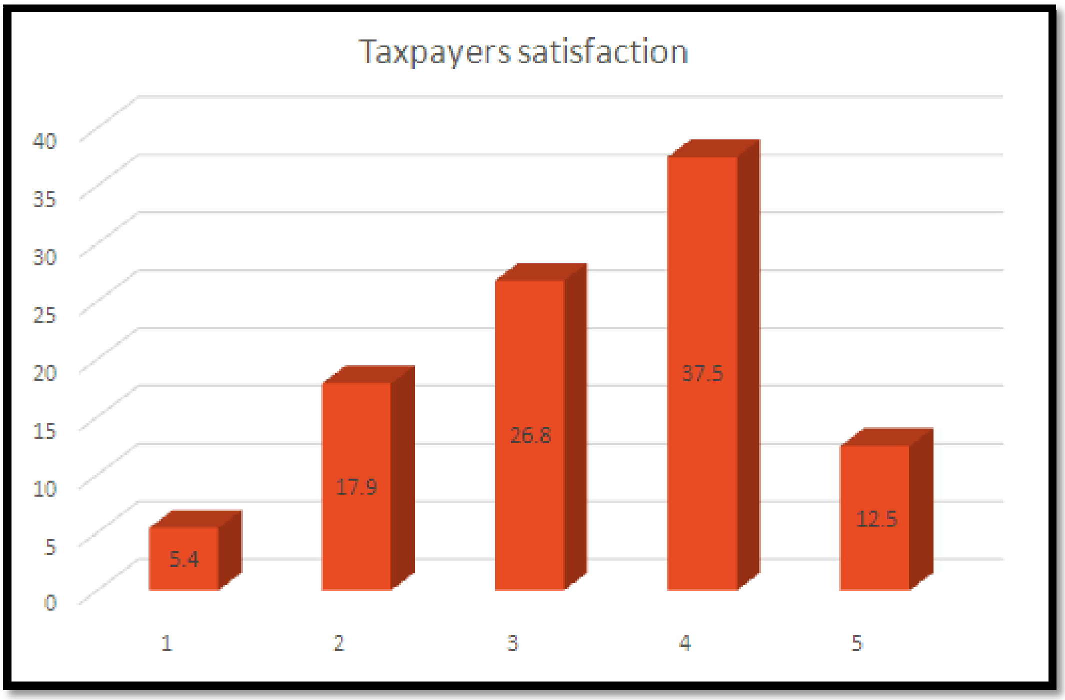


Figure 12: Taxpayers Satisfaction on County Revenue Mobilization.
(N=56)
Source: Author, 2018

The finding shows that 50% of the respondents were dissatisfied with how the county mobilized it tax revenue There was a general feeling from a majority of the respondents that the tax revenue is not efficiently and honestly put to good use hence affecting service delivery and economic development. Since taxation is typically used to finance government services, the defenses left to the citizen are: protest, and tax evasion. Tax evasion is the most powerful of these two for the average individual citizen.

The county government, therefore, has a huge stake in being efficient in the provision of services and in making sure that the services it provides are the ones that the citizens overwhelmingly would want it to provide. The quality of the rules, processes and organizations designed to ensure a high degree of county government efficiency are therefore very important in ensuring adequate incentives to the citizen to voluntarily pay taxes.

2.5.5. Stakeholder's Participation

Kenya's Constitution and legal framework place a strong emphasis on public participation and transparency. Majority 77% according to the finding felt it is important to involve the stake holders in mobilization of resources within the County. Though public participation is a mandatory and continuous process for the county governments, it has faced some challenges. Majority of the respondents reported that they feel locked out especially when meetings are postponed and there is no timely communication. From the interviews conducted one of the respondents stated that;

"We are the ones who pay these taxes and we should be involved and consulted to make sure we are aware of what is happening because these decisions that are made in those offices affects the people in this county".

The sentiment from the study concur with what Sullivan,2005 had highlighted that making people accept and implement policies is easier if they feel that they are part of the decision-making process, and thoughtful communication to stakeholders which includes being open to feedback is not only important but crucial.

The Constitution Implementation Commission (2015) had also mentioned that communication plays a key role in enabling the county governments to disseminate decisions and information on policy and legislation, civic education, public participation and debate for both the County Executive and Assembly. Without proper communication frameworks in place key county processes such as budgeting and planning cannot take place effectively. (Halaskov and Halaskova, 2014) also stated that consultations are particularly insightful in highlighting the priority rankings of development needs by communities and that governance key principles are transparency, accountability, responsibility and relationship with stakeholders (Akai and Sakata 2012).

This can be argued that access to information ensures that the public has the right information at the right time to enable them to engage appropriately. In addition, public consultation through a structured framework accords the public the opportunity to engage in decision making in a well-defined process. The benefits of decentralization policies are seen to improve with greater participation and therefore, transparency and accountability are enabling factors for participation and inclusion of citizens in public decision-making and administration

3. Conclusions

The county government has made efforts to enhance its financial resource mobilization, empower and train its employees which is human resource development part of the institutional capacity envisaged by the national treasury and the public services commission in an effort of the constitutional requirement of devolution. Stakeholder's participation and hence the implementation of the financial policy is influenced by the level of awareness, inclusiveness in the formulation of the policies and transparency in the utilization of the mobilized financial resources. Challenges such as mismanagement of the resources, non-transparency, issues of accountability, inconsistency in the application of the tax policy, avoidance and non-compliance by the tax payers, corruption and low level of stakeholder's awareness due to inadequate information hinders effective and efficient financial resource mobilization and therefore there is an urgent need by the county government to devise measure to address them.

Stakeholder's participation is important in improving financial resource mobilization by county government as it was established to positively affect financial mobilization by county government. The more people become aware of the importance of financial mobilization by county government, the more they will pay taxes and other levies hence increase the financial base for the county government to undertake more sustainable developments projects.

Devolution of resources encourages the County Governments to be innovative in ways of raising their own revenue and to avoid over dependence on transfers from the national government.

4. Recommendations

First, Kiambu county should enhance the human resource development with an aim of strengthening its institutional capacity of handling and managing the public finances. Improvement in this will lead to improved cooperation by the taxpayers, increased compliance and hence increased financial resources for the county.

Second, the relevant departments should organize sensitization forum to educate the public more on the need and importance of financial resource mobilization. This will improve on the stakeholder's participation which positively contribute to improved financial mobilization. Stakeholders participation generate ownership, ease in the implementation of policies and thus improved performance in running the affairs of the county.

Third, the relevant authorities should educate the public on the county own source revenue and the financial policy procedure. This will enhance transparency and accountability with a focus on fighting corruption as it could negatively affect the stakeholder's participation and financial policy implementation conversely affecting financial mobilization.

Finally, Kiambu county should maintain proper auditing and accounting systems to enhance financial accountability

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