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Effect of Financial Management Practices on Performance of County Governments in Kenya: A Case of Garissa County Government, Kenya

Ismail Dubat
Student, Department of Public Policy and Administration,
School of Humanities & Social Sciences, Kenyatta University, Kenya
David Minja
Associate Professor, Department of Public Policy and Administration,
Kenyatta University, Kenya

Abstract:
The running of an organization today has to be by trusted people in the areas where the resources are much involved that is Finance, people and materials. However, this has not been the case since the management of organization has taken another turn to try and introduce the culture of misusing finances and materials. In the recent past, mistrust of people with financial management has been the center stage. There has been rising wave of public management reforms giving rise to concepts of new public management leading to surge of studies about the local/county governments, however very little research has been done over time to explain implication of financial management on county government's performance. This study therefore sought to find out the effects of governance practices on performance of Garissa County government. This study is guided by New Public Management Theory. The study employed a descriptive survey research design, the study targets 120 respondents selected from the county as the sample population. Data was collected by the use of structured questionnaires and interview schedules. Secondary data was also obtained from county reports. Both quantitative and qualitative data analysis were used. The researcher used both descriptive and inferential statistics to analyze quantitative data. Budgeting helps the treasury of a county government to prepare, make appropriate decisions, and agree on a county government's purpose and course. The study found that although the county of Garissa used the Integrated Development Plan as its primary planning document for all the projects and services, timely disbursement and resource distribution remained the key means of their execution. The study concluded that there was a statistically significant positive relationship between governance practices and county performance.

Keywords: *County government, financial management, financial management practices, governance practices*

1. Introduction Sector Most

1.1. Background Information

Performance of public institutions over the years and especially since the year 2000, have seen tremendous change has occurred in the financial sector most triggered by inventions in the world of technology, financial system, legal frameworks and customer needs and preferences. This reflects the role of financial management services in ensuring county survival, competitiveness and optimal performance from increased financial inclusion at the backdrop of the global financial crisis (Kimani, 2016) Financial management is a determinant of the accountability of any organization for the results of its activities, policies, and operations quantified for a defined financial period (VanHome & Wachowics, 2008).
Overall, governments invest a great deal to improve financial management practices and to enhance them and to implement new systems of management. This is intended to improve accessibility, enhance efficiency and reduce costs in government financial management practices and improve financial management transparency (Baily, 2008). Devolution is being introduced and there is concern about whether or not the national Exchequer funding is sufficient. In order to improve financial management practice, e-government led to the adoption and implementation of IFMIS, the Integrated Information Management System (IFMIS). (Kasumba, 2009). It supports fiscal disciplinary implementation, strategic and efficient funding and allocation, profit-for-money value, and the use of public funds with respect to probity.

Development of the economy of any given country has been recognized to rely primarily upon the establishment of business organizations thus making them a catalyst for economic development (Levy, 2015). Public financial management is key to enhancement of the quality of public service results worldwide by such organizations. It influences how funding is utilized to tackle national and local priorities, the cost-effectiveness of public services and the availability of resources for investment. Besides, it is likely that 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 (Cheruyiot*et al*., 2017).

`The history of public service performance management in Kenya is traceable to the 2003-2007 Economic Recovery Strategy (ERS) and Wealth and Jobs Development, inaugurated by NARC's Coalition Government. Upon taking office in December 2002, the ERS has been formed by the NARC government to reverse the negative path of economic growth which led to poverty and unemployment. The ERS has been grounded as the foundations of economic development in good governance within a democratic republic and the rule of law (CoG, 2017). The Results-Based Management (RBM) framework was implemented in September 2004 as a way of delivering the ERS in the operationalization of the planned effects of the public sector reforms. Subsequently, in April 2005 the government institutionalized RBM in the public service to produce reliable, productive, ethical, and targeted results for Kenyans through a circular.

The various parts of the County Government Act, 2012 (CGA) and the Public Finance Managements Act, 2012 (PFM) legally regulate performance management at the county level. Section 126(1) of the PFM Act, 2012, mandates that each county prepare a development plan that identifies: 1. Medium-term strategic goals which represent the goals and plans of the county government; 2. Programs to be provided with information for each program; (a) the strategic objectives to which the initiative will contribute; (b) the service or product to be provided; (c) Observable success metrics where feasible; and (d) the initiative budget. In this study county performance was measured through service delivery and revenue collection.

1.1.1. Garissa County

There are 47 county governments in Kenya and one National government. County governments came into place in the implementation of the 2010 constitution. These counties are operating as two-tier governments with the executive and legislative arms. Financial management practices fall under the county treasurer who is a member of the county executive (COK, 2010). County of Garissa is in Kenya's former North Eastern province. The County is best known for the city of Garissa which has been given the title of the safest city in Eastern and Central Africa. Her capital city is Garissa. The County of Garissa has a total population of 623,060. 334,939 male population, and 288,121 female population (2019 census). The county of Garissa consists of six sub-counties, namely: Garissa Township, Ijara, Dadaab, Lagdera, Fafi and Balambala. This research will take place in the Township of Garissa.

1.2. Statement of the Problem

There is need to involve trusted individuals in running of the devolved county resources. Managing of limited financial resources is the key to any county government performance. However, this has not been the case since management of public resources has been characterized by brutal engagements in the sense that moneys are getting lost through poor financial management practices. The county citizens and many stakeholders in majority of the counties in Kenya have not enjoyed fully the fruits of devolution and there are revenue leakages in the county governments in Kenya (County Reports, 2020).

There has been a rising wave of public management reforms giving rise to concepts of new public management leading to surge of studies about the county governments, however very little research has been done over time to explain why projects are unable to meet the stipulated objectives for several county governments (Pilcher, 2017). Consequently, this study sought to evaluate the effects of financial management activities on Garissa County Government efficiency.

1.3. Objective

To establish effects of governance practices on financial performance of Garissa County

1.4. Research Questions

How does the effect of governance practices affect performance in GarissaCounty?

1.5. Justification and Significance of the Study

In many countries, high-quality public financial management is required, making government financial instruments attractive on international financial markets. Furthermore, there are numerous crises in many developing countries, especially in Africa, with levels of government debt sitting at very precarious levels; and there is no news that government budgets need to be handled very carefully, so implementing financial management systems will improve the legitimacy and guarantees of these accounts.

Financial integrity enforcement is a critically important feature of their county government accounting systems in view of the pervasiveness and magnitude of government corruption in many developed nations. To accomplish this, high-quality information is needed on which accurate, transparent and open annual financial statements play a significant role in government accountability to their people and their elected officials to base decisions. The use of information technology for both the public and private sectors has turned the public sector accounting problem into a central part of worldwide accounting studies. IFMIS concerns a very significant problem because it enhances the capacity of governments to provide comprehensible, appropriate, accurate and comparable financial statements to legislative bodies, people, media and other stakeholders; this study would therefore strengthen the quality of public sector financial transparency, governance and financial reporting.

1.6. Limitations of the Study

As with all empirical studies, due to the methods employed, this research analysis also has its own limitations. The use of questionnaires to collect data has often has its own drawbacks, because answers may be biased due to the popular method used to collect all data. This was resolved by ensuring that careful care is taken to refine the questions while developing the questionnaire and pilot analysis, but the critique of the survey process can never be entirely overlooked and should be taken into account.

Measuring research questions based on the respondents' opinion will restrict our generalization of the findings from a subjective point of view of the results. Moreover, county governments' financial success is affected by factors other than traditional financial management activities. It is equally important for the social, legal, economic, and political climate. So, it is proposed that future studies should incorporate some of these factors in investigating the effects of financial management activities on county governments' financial performance. The above restriction, however, did not invalidate the study findings but rather paved the way for future studies on the definition and any related topic.

1.7. Scope of the Study

The scope of the study was the county government of Garissa head office which is in Garissa town. The staff in the department of finance and economic planning, county assembly member, county service board member, chief officers and a director were the respondents of the study

2. Literature Review

2.1. Public Financial Governance Practices

Matei and Drumasu (2015) noted that corporate governance of public entities is a subject that is gaining more and more ground in both specialized and realistic literature. Thus, the private sector corporate governance model does not vary significantly from the norms of public financial governance. Using the historical method to illustrate the milestones in the development of the definition of corporate governance and the comparative method for evaluating the advantages and drawbacks of corporate governance in the private sector and how this model can be applied in the public sector, they pointed out that corporate governance can lead to the effective use of public funds, minimizing expenditure. The researchers believe that corporate governance of public bodies as a method of leadership and control involves a set of clear rules and principles (integrity, honesty / sincerity, transparency and accountability), clear risk management and control mechanisms, elements necessary to achieve the goal of public bodies that satisfy public needs.

Ndung'u (2013) examined the effect of corporate governance on Kenya's financial performance. In the study the size of the Board, the number of Board members, the number of Board meetings and dual board meetings, the number of independent directors, the number of staff, the business age and corporate size were evaluated as regards asset value and the impact of insurance under trainers in Kenya on their financial performance. Company performance was assessed with the aid of Return on Assets (ROA). The analysis found that there is a poor link between the Corporate Governance activities being analyzed and the financial performance of the companies. The study suggests that board size should be minimized as much as possible, as a larger size will significantly improve financial efficiency.

In Mwangangi (2018), the researcher examined the contribution of corporate governance leadership practice to the Kenya performance of the Listed Companies, using a study population of 62 companies listed on Nairobi Stock Exchange. The study concluded that leadership activities in corporate governance contributed positively to the success of the listed companies in Kenya. The study explicitly showed that among independent variables analyzed, the composition and concentration of corporate leadership and ownership provide the most significant contribution. The study recommended that coded organizations ensure that the management structure follows the financial management skills and maintain strict adherence to the guiding principles of corporate governance on leadership independence for leaders' best results.

Sukmadilaga, Pratama and Mulyani (2015) examined the disclosure standard of the government's financial statement for the year ended 2012-2013 in the Association of South East Asian Nations (ASEAN). They used a quantitative exploratory analysis study and compile data using the IPSAS disclosure checklist. The sample was chosen from two ASEAN countries, Indonesia and Malaysia. The report found that although Indonesia's government financial statements offered more transparency than Malaysia's, but generally, the disclosure level of the financial statements from Indonesia and Malaysia is still low. This result suggested that the Government of Indonesia and Malaysia would make an effort in the future to increase their level of transparency.

Ochoi and Memba (2015) analyzed how the corporate governance of selected public corporations in Kenya influenced their financial output during the period 1998 to 2004, when the use of profitability assessed financial performance. The study used purposive sampling with a sample of 26 public companies that concentrated on public companies listed on the Nairobi stock exchange. The study has shown that good corporate governance will boost the financial performance of companies if applied to organization. Aspects of management, audit committees and board of directors had an upper hand in moving the company towards improved financial efficiency. The board members represented another corporate governance element that could affect the firm's financial performance. The researchers suggested that collaboration between management and board of directors can improve decisions and improve financial results. By executing budgets, planning, successive leadership to be appointed, and more effective collaboration between management and board, the management should be more committed to the organization.

On the other hand, the board of directors should play a position of supervision over the management operations, which should be more consistently enforced on leadership which corporate governance for board of directors. Members of the board should provide a representative representation, and recruitment of more skilled citizens. Lastly, more management support should be provided to audit committees so that they can carry out their duties more effectively.

2.2. Theoretical Review

The research was guided by new public management theory.

2.2.1. New Public Management Theory

The new public administration theory originated in the 1980s and 1990s. The idea which was suggested by Hood (1991) is that the state should be reconfigured in more economical (and effective) lines. The protagonist suggested that the public sector be opened up to maximize private sector control. Mongkol (2011) cited the goal of new reforms in public government (Balk, 1996; Hughes, 2003) as improving the quality of government services, reducing government expenses, enhancing the efficiency of government operations and increasing policy effectiveness. It has been a key factor contributing to the advent of new public administrations (Andrews 2012). Theory is a collection of principles, values and practices that are intended to imitate public sector activities in the private sector. This methodology is focused on a sequence of theories, values and practices.

The new public administration is sometimes listed along with governance (Tolofari, 2005). Governance is about the overall government system and the implementation of an overall plan while the modern form of public administration's operational component is new public administration. The theory was also backed by Zungura, which claims that modern government administration's key trend is to use market policies to improve productivity in the public sector. Including performance management, e-government, contracting and outsourcing, decentralization and transparency (Zungura, 2014) are the key features of modern public administration.

There were also some shortcomings questioning the current theory of public administration. The first is Mongkol (2011), which cited the notion of centralization through decentralization, (Kaboolian 1998; Khademian 1998) Theory. Giving more power to public managers to run projects, may lead to a focus on decisions. New public management may also contribute to centralized public management decision-making rather than facilitate, as it argues, decentralization of public bodies. The second critique relates to the implementation by the public sector of private sector management techniques. While the use of private sector management strategies has been promoted by new government administration, there could be a danger of certain private sector practices. Many academics commentators argue that most areas of government and administration vary from private sector public services in political, legal, constitutional and social aspects (Mongkol, 2011).

The modern theory of public management is applicable to the current study in that it informs public spending, internal control processes and the efficiency of the county variables. The theory encourages citizens' engagement in the procurement process because it is important to calculate the level of consumer satisfaction according to the modern concept of customer reactivity. The main concept for the new theory of public management is to make managers and operators more open and accountable through market processes in the public sector.

3. Research Methodology

3.1. Research Design

Research design is the basic plan which gives an overview of the activities required to carry out the research proposal. This research issue was examined using a descriptive design. A descriptive research is concerned with figuring out what, where, and how of a phenomenon, according to Cooper and Schindler (2003). The research proposal based on the impact of financial management practices on County Government efficiency in Kenya, a Garissa County scenario.

3.2. Target Population

The target demographic was the Finance and Economic Development department employees, county assembly member, county service board member, chief executive officers and a director. The divisions of finance and economic planning personnel have been selected as they are the ones who have great commitment in setting up county financing services. The voices of recipient were also captured.

Category	Population (Frequency)	Percentage %
Finance and Economic Planning	153	93.86
County Assembly Member	1	0.61%
Chief Officers	8	4.91%
Director	1	0.61%
Total	163	100.0

Table 1: Target Population
Source: GC- HRM

3.3. Sampling Technique and Sample Size

Statistically a sample of at least 30 elements must exist for generalization (Cooper and Schindler, 2003). In addition, bigger samples minimize errors. Kothari (2000) argues that if well chosen, samples of about 10% of a population can often give good reliability. Mugenda and Mugenda (2003) argue that a sample of 30 elements can be taken as a representative sample of the population of the study. Stratified sampling using random sampling. Stratified random sampling technique is used when the target population is not homogeneous and can be subdivided into groups or strata to obtain a representative sample. The stratus were County assembly Member, chief officers, director and employees from finance and economic planning department. The study adopted the formula by Kothari (2004) to determine the sample size of the employees from finance and economic planning department. County assembly member, a director and 8 chief officers were purposively selected. Kothari (2004) formulated in determining the sample size.

$$n = \frac{Z^2.N.\sigma^2\hat{p}}{(N-1)e^2 + Z^2\,\partial^2\hat{p}}$$

$$n = \frac{1.96^2 * 153 * 0.5^2}{(153-1)0.05^2 + 1.96^2 * 0.5^2}$$

$=\frac{146.9412}{1.3404}=$ 109.6249= 110 Employees

Where; n = Size of the sample

N = Size of the population, and given as 153

e = Acceptable error, given as 0.05. $\partial^2\hat{p}$= the standard deviation of the population, and given as 0.5 where not known and Z= standard variation at a confidence level, given as 1.96 at 95% confidence level.

Categories	Population	Sample Ratio	Sample
Finance and Economic Planning	153	Given by the Formula	110
County Assembly Member	1	100%	1
Chief Officers	8	100%	8
Director	1	100%	1
Total	163		120

Table 2: Sample Size for Administration of Questionnaires
Source: Researcher, (2020)

Besides the above sample, 10 top managers were interviewed with a view to answer the research questions a, b and d. This category of staff was identified through census. Director in charge of Human resources was purposefully selected to provide information on human resource establishment in the county.

3.4. Data Collection Procedure

The research was administered individually to all study respondents via questionnaire. The research exercised care and control to ensure that it received all questionnaires given to the respondents. The questionnaire was performed using a later form of drop-and-pick. Secondary data was also obtained from OCOB website, under reports, county reports. The financial statements were for the year 2018/2019.

3.5. Validity and Reliability of the Study

3.5.1. Reliability

In order to determine the reliability and validity of the research instrument, the study sought opinions from experts in the field of study, in particular from the supervisor and lecturers of the study in the Humanities school. This encouraged the requisite revision and alteration of the instrument of study thus enhancing validity. Cronbach's Alpha was used to calculate the internal accuracy co-efficient, and thus the instrument's reliability. The analysis used Cronbach's alpha methodology which is based on internal consistency to verify the reliability of the findings. Alpha by Cronbach calculates the sum of observable items and their correlation. The SPSS software has been used to evaluate the reliability of the data collected. The reliability of overall scales of the current situation and the desired situation has been checked by Cronbach's alpha, which should be above the appropriate level of 0.70 (Hair *et al*., 1998). Alpha above the 0.7 value is deemed appropriate (George & Mallery 2003). Cronbach’s Alpha graded scores as excellent, reasonable, acceptable and unacceptable where calculated by the Scale Reliability Coefficient.

Variable	Respondents	α=Alpha	Comment
Governance Practices	12	0.789	Acceptable
Performance of the County	12	0.856	Good

Table 3: Reliability Results
Source: Survey Data (2020)

In Table 3, Cronbach Alpha score shows that the test score for governance practices was 0.789and the Alpha test score for county performance results was 0.856. Corbin *et al*., (2014) argued that the value of 0.7 and above for Cronbach is indicative of good data collection instruments with excellent, fair and acceptable scores. It was checked that the instrument was reliable enough to get the data needed.

3.5.2. Validity

Validity is a calculation of the extent to which the data derived from the instrument represent the theoretical definition correctly and meaningfully and, in particular, how the data represents the variables. Any inferences derived from such data should be reliable and relevant when validity has been established (Mugenda & Mugenda, 2003). A study's validity increases when using multiple sources of proof (Yin, 2003). The data was obtained from Garissa County Government management employees. The quality of the content was assured by consultation with the supervisor of the allocated research report.

3.6. Data Analysis and Presentation

The completed questionnaires were revised for completeness and accuracy before processing of the answers. Using descriptive statistics using SPSS (version 22), the quantitative data collected was analyzed and presented by percentages, methods, standard deviations and frequencies. The information was presented using, and in prose-form, bar charts, graphs and pie charts. This was achieved by counting responses, measuring the percentages of response variations as well as explaining and interpreting the data in line with the study goals and conclusions by using SPSS (Version 22) to communicate research findings. Analysis of the content was used to assess data of a qualitative nature or component of the data obtained from the open-ended questions

4. Research Findings and Discussions

4.1. Statistical Analysis on the Study Variables

The research was structured around four variables in a bid to explore the impact of public financial management practices on performance of Garissa county governments. This section includes a concise, correlational, and inferential systematic study of each of the variables. The dependent variable was Garissa county government performance; independent variables were; budgeting procedures, internal control procedures, non-financial governance practices, and procurement practices for public finances.

4.1.1. Performance of Garissa County Governments

The study assessed their performance in terms of both financial and non-financial metrics, in a bid to determine the performance of the Garissa county government. Regarding financial performance; local revenues collected (own source revenue) was used as the proxy.

	Mean	Std. Deviation
The county government has sufficient staff to administer and collect own revenue sources.	1.4727	.59324
The own-revenues sources of county government are cost effective and adequately covered by a legal framework.	2.4224	1.17565
The county government has a debt collection unit that follow taxpayers who have defaulted or delayed in paying tax/fees.	3.2581	.96732
Outsourcing has led to better revenue administration performance compared to collection by the county	3.9946	1.02179
Automation of revenue collection operations has increased collections and reduced leakages.	3.9994	1.19556
The county government has regularly been attaining the annual local revenue targets for the past four years.	1.5522	.69304
Valid N (listwise)		

Table 4: Financial Performance of Garissa County Governments

In the research findings from Table 4 (Mean=1.4727, SD=0.59324) indicates that majority of the respondents strongly disagreed that the Garissa county government has sufficient staff to administer and collect own revenue sources, (Mean=2.4224, SD=1.17565) majority of the respondents disagreed that the own-revenues sources of county government is cost effective and adequately covered by a legal framework while on the other hand respondents were neutral(Mean=3.2581, SD=0.96732) whether that the county government has a debt collection unit that follow taxpayers who have defaulted or delayed in paying tax/fees. However, Majority agreed (Mean=3.9946, SD=1.02179) that outsourcing has led to better revenue administration performance compared to collection by the countyofficials. In addition, majority of respondents agreed (Mean=3.9994, SD=1.19556) that automation of revenue collection operations has increased collections and reduced leakages. It has been identified that the county government has not achieved the annual local revenue goals for the past four years on a regular basis (Mean=1,5522, SD=0,69304).

It is clear from the study's findings that outsourcing has led to better revenue administration performance compared to collection by the county officials and should be implemented by the county management. In addition, it was established that automation of revenue collection operations has increased collections and reduced leakages and this could help the county government attain the annual local revenue targets in the future. The findings of the study supported Ndungu (2013) that there was a significant positive relationship between planning and revenue growth. He argued that automation of revenue collection reduces the chances of leakages and increases accountability. Davis (2014) found that management of revenue collection manually poses great challenges and that different mechanism of handling revenue collection such as outsourcing and automation is key. The study reported that leakages may emanate from deliberate attempt by local citizens to evade taxation thus lowering county government revenues. The study also found that lack of qualified personnel, lack of autonomy in the management of financial resources, political interference, and corruption, lack of transparency and accountability and poor financial reporting.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
The county has enhanced food security through improved veterinary services, increased crop and livestock production.	108	1.00	4.00	1.6978	1.04125
The county provides affordable and accessible healthcare services.	108	1.00	5.00	3.3357	.89781
County has improved access to education through bursaries and other support programmes at primary and vocational levels.	108	1.00	4.00	4.1451	1.06785
The county has improved access to quality, affordable water and sewerage services for all citizens.	108	1.00	5.00	1.5988	1.12451
The county has efficient infrastructure that ensures effective and efficient transport.	108	1.00	5.00	1.3456	.95661
Valid N (listwise)	108				

Table 5: Service Delivery in Garissa County Governments

With regard to non-financial performance, service delivery was used; the study found out that (Mean=1.6978, SD=1.04125) majority of the respondents disagreed that the county government had enhanced food security through improved veterinary services, increased crop and livestock production. Majority of the respondents were neutral (Mean=3.3357, SD=0.89781) on whether the county provides affordable and accessible healthcare services. While on the other hand, majority agreed (Mean=3.70, SD=1.06785) that the county had improved the access to education through bursaries and other support programmes at primary and vocational levels. However, majority disagreed that (Mean=1.5988, SD=1.12451) that the county had improved access to quality, affordable water and sewerage services for all citizens. In addition, majority strongly disagreed that (M=1.3456, SD=0.95661) the county has efficient infrastructure that ensures effective and efficient transport.

It was evident that service delivery was poor in Garissa indicated by poor food security through crop and livestock production. Though there was a remarkable improvement on the access to education through bursaries and other support programmes at primary and vocational levels the county is still struggling with access to quality, affordable water and sewerage services for all citizens. The study further noted that the county does not have efficient infrastructure that ensures effective and efficient transport. The findings supported Pimpong and Laryea (2016) results on financial condition for local authorities in Tanzania that service delivery through efficient distribution of water and sewerage services was poorly done and this affected every other sector in Tanzania. There were several evident queries on expenditure by the National Audit office indicating possibilities of fraud and mismanagement of public resources. Ndungu (2013) on financial performance of Public service organizations in Kenya found that service delivery by public service firms in Kenya was good and recommended on the advancement of technology to serve many clients efficiently.

4.2. Governance Practices and Performance of Garissa County

The third objective was to investigate how Public financial governance practices influence the performance of Garissa County governments. Descriptive analysis on Public financial governance practices on performance of Garissa county governments was presented in Table 6.

	Mean	Std. Deviation
The county government has a service charter that clearly spells out service delivery targets	4.6599	1.14445
Financial understanding and decision-making rests with few officers	4.1145	.99789
All MCA's are able to identify and comprehend the key issues contained in financial statements and financial reports	1.2451	1.16185
All financial information is presented in a form that supports decision-making and public accountability	1.6978	1.11452
There is a formal code of conduct defining the standards of behavior to which all employees of the county are required to subscribe and adhere to	4.5775	1.22274
The county has established appropriate mechanisms to ensure that all employees are not influenced by prejudice, bias, or conflicts of interest	1.2268	.97892
There are values that staff are expected to demonstrate in their actions and behavior	4.3322	1.00873
The values are documented and communicated effectively to all staff	4.7754	.87856
The county employees know what to do if they suspect misconduct, fraud, or corruption	2.2345	.99784
Valid N (listwise)		

Table 6: Governance Practices

In the study as shown in Table 6, majority strongly agreed (M=4.6599, SD=1.14445) that the county government has a service charter that clearly spells out service delivery targets. Majority of the respondents agreed that financial understanding and decision-making rests with few officers (Mean=4.1145, SD=0.99789). Majority strongly disagreed that all MCA's are able to identify and comprehend the key issues contained in financial statements and financial reports (Mean=1.2451, SD=1.16185). Majority of the respondents disagreed that all financial information is presented in a form that supports decision-making and public accountability (Mean=1.6978, SD=1.11452). A mean of 4.5775 and SD of 1.22274 indicates that majority agreed that there is a formal code of conduct defining the standards of behavior to which all employees of the county are required to subscribe and adhere to. However, it was found that the county has not established appropriate mechanisms to ensure that all employees are not influenced by prejudice, bias, or conflicts of interest (Mean=1.2268, SD=0.97892). The study established that there are values that staff are expected to demonstrate in their actions and behavior (mean=4.3322, SD=1.00873). In addition, a mean of 4.7754 and a standard deviation of 0.87856 presents that the values are documented and communicated effectively to all staff. Besides, (Mean=2.2345, SD=0.99784) indicate that the county employees do not know what to do if they suspect misconduct, fraud, or corruption. It is clear from the study findings that the governance practices are lacking in many areas in the County government of Garissa. The findings clearly demonstrate that employees are unable to report any suspect misconduct, fraud, or corruption due to prejudice, biasness and conflict of interests

The study searched for ways to strengthen the processes of public financial governance to improve county government performance. In their answers, respondents suggested that staff members of county government should be educated so they can be equipped with corporate governance expertise, skills and experience. The respondents indicated adherence to staff members' ethics and accountability, and county authorities should establish organizational standards and procedures to guide the ethical behavior of all county officials. Some respondents submitted that the county government would introduce full-service automation. The respondents recommended that all staff members be active in financial matters, that staff be constantly sensitized on all issues that impact county governments on a regular basis in order to allow them to engage in decision-making processes, that county government practice equal distribution of resources across all autonomous units and that proper information be used. Ngaruro (2013) in his study of the relationship between the financial planning and the financial performance of Public service organizations in Kenya agrees that there is significant positive relationship between governance practices and financial performance. The study established that poor governance systems lead to leakages to revenue and mis-management of public resources.

4.3. Regression Analysis

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	99.640	8.145		12.233	.020
	Governance Practices	1.664	.349	.409	4.765	.000

Table 7: Regression Coefficients

a. Dependent Variable: County Performance

The findings in Table 7presents that the constant was 99.640 units indicating that if budgeting process, internal control, governance practices, procurement practices were held constant, the performance of the county would be 99.640 units. The adopted model in the study was $Y = 99.640 + 1.664X_3 + \epsilon$.

Results in the Table 7indicates that the relationship between governance practices and the performance of the county was positive and significant (B_3=1.664, sig=0.000). A positive unit change in governance practices would result to the positive change in the county performance. A unit change in governance practices would result to 1.664 units changes in the county performance. The findings in table 4.14 indicates that the relationship between procurement practices and county performance was positive and significant (B=1.626, sig=.000). This indicates that a positive change procurement practices will result to a positive change in the performance of the county. The study also indicates that a unit change in the procurement practices would result to 1.626 units changes in county performance.

5. Summary, Conclusions and Recommendations

5.1. Summary of the Findings

The third specific objective was to investigate how governance practices (GP) influence the performance of Garissa county government. The findings showed there was a statistically significant positive relationship between the two variables with GP and Garissa county government results. The private sector corporate governance model does not vary significantly from the principles of public financial governance. Just as corporate governance in the private sector in the early 1990s aimed at strengthening corporate management, increasing accountability and transparency, restoring shareholders' trust, corporate governance by public authorities seeks to establish and strengthen management and control processes, assume and fulfill public personality obligations (politics).

5.2. Conclusions

The study concluded that the relationship between the governance practices and county government efficiency is positive and statistically important. The goal of good public financial governance practices is accomplished when institutions show their public transparency at the national and county level and perform their business within appropriate ethical criteria. This presentation will take the form of appropriate financial statements, both internally and externally, as well as promoting unqualified public discussion on these financial results. Good corporate governance in the public sector means that elected officials must be made up of individuals with the expertise, capacity and willingness to perform their duties in compliance with national goals and values.

5.3. Recommendations for Policy Implication

The study suggests the following in regard to governance practices; to encourage transparency, efficiency, effectiveness, honesty, responsibility at the level of county governments, there must be an efficient agency responsible for financial governance separately and independently of management. The leadership of county governments will be clear and accessible with prompt and correct disclosure of information relating to all economic and other activities taking place in their respective parts and departments.

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