Effect of Integrated Financial Management Information Reporting System on Financial Management in County Governments, Kenya

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ABSTRACT

The purpose of the research was to determine whether or not the implementation of the Integrated Financial Management Information (IFMIS) financial reporting system improved the financial management of county governments in Kenya. The descriptive survey design and the causal research methodology were used for this study. The target population consisted of 302 workers working in the Treasury Department in the county governments of Kakamega, Busia, Vihiga, and Bungoma. This included 44 procurement officers, 46 internal auditors, 89 accountants, 87 finance officers, and 42 revenue officers. The selection of the 172 respondents was accomplished via the use of a method known as stratified random sampling. The questionnaire method was used to acquire the primary data. Pilot research was done to assess the content and construct validity, and Cronbach Alpha was used to determine the dependability of the information. Using descriptive and inferential statistics, an analysis of the quantitative data was carried out. The threshold of significance used in the testing of hypotheses was 0.05. The information was laid up in tables, and several models were developed. The investigation's findings indicated that the IFMIS financial reporting system substantially accounted for 42.2% of the difference in financial management across the County Governments in Western Kenya ($R^2 = 0.422$, P = 0.000). The IFMIS financial reporting system had a significance level of P=0.05, and the unstandardized regression coefficient value was 0.836. This suggested that a change of one unit in the IFMIS financial reporting system would result in a change of 0.836 units in the financial management of county governments in Western Kenya. The study came to the conclusion that the IFMIS financial reporting system had a major impact on the financial management of Kenya's county governments, which led the researchers to conclude that the null hypothesis should not be accepted. The research suggests that county governments in Kenya should strictly adhere to the requirements of financial reporting policies, fulfill their legal duties for financial reporting, and use technology to improve their financial reporting.

Keywords: IFMIS, Financial Reporting System, Financial Management, County Governments

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1. INTRODUCTION

The Integrated Financial Management Information System (IFMIS) is a database used to record and compile summaries of monetary data. It's an automated system that helps Kenya's national and county governments save time and money on tasks like budgeting, purchasing, and reporting (Chado, 2015). According to the work of Kimiti and Kilika (2018), an organization's resource is any asset or input to production (tangible or intangible) that the organization owns, controls, or has access to on a permanent or semi-permanent basis. The assets, capabilities, organizational processes, firm attributes, information, and knowledge that are under the firm's control and allow it to conceive and implement strategies that increase its efficiency and effectiveness are all included in the concept of organization resources, as defined by Mutua and Juma (2018). Management of a company's finances involves securing funding and allocating it to the most productive areas of operation (Muthoni, 2017). The purpose of financial management is to ensure economical resource acquisition and usage (Wagithunu, Muthee, & Thinguri, 2016).

By standardizing the collection, consolidation, and dissemination of financial and accounting data at the county and national levels, IFMIS aims to improve the efficiency and effectiveness of public service delivery (Akinyi, 2016). In order to speed up government operations, increase transparency and accountability in the budgeting process, and better serve citizens, IFMIS was developed (Lundu & Shale, 2015) to facilitate easy and quick access to accurate financial data.

County level financial management has been criticized despite these attempts. The findings of a recent study of the PFM systems in six county governments by the Kenya Institute for Public Policy Research and Analysis (KIPPRA) were mixed. In many sectors of the decentralized government, county administrations have already laid the groundwork for a robust PFM system. However, much more must be done to guarantee sound financial management, careful resource allocation, and effective service delivery in the devolved entities. For instance, it has been observed that most county governments have high rates of resource reallocation, which results in poor levels of budget predictability. Total expenditures are inconsistent, and there is a poor absorption rate. Costly and inaccurate tax collection mechanisms, over-projection of unspecified income, poor compliance rates, and corruption are among factors that contribute to revenue disparities (Nganyi, Jagongo, and Atheru, 2019).

The Controller of the Budget said that the bigger share of budgetary allocations went to recurrent and non-essential spending at the cost of developmental expenditure because of poor budgeting and planning by County Governments. The fundamental reason for the Counties' existence may be undermined if their finances were poorly or mismanaged. The most recent report from the Auditor General reveals serious flaws in the fiscal probity of several counties, necessitating swift action by the relevant watchdogs (Kiptarus, 2022). Revenues remained low despite increases in levies, and 29 counties were unable to account for their budget allocations. The research reveals a complex system of measures used by county government officials to conceal the misappropriation of public cash. Counties continue to struggle financially due to rampant instances of waste, overspending, rerouting of monies to nonbudgeted things, and blatant theft. One of the concerns highlighted by the audit inquiries is a decline in income that cannot be accounted for. Because of this, researchers in Kenya looked at how IFMIS and other organizational resources affect financial management.

Most of the existing studies in regard to IFMIS and financial management focused on the direct effect of IFMIS and financial management aspects in disregard with other underlying and unobserved variables which may have effect on the relationship between these two variables (Chado, 2015; Karanja & Nganga, 2014; Njonde & Kimanzi, 2014; Laizer & Suomi, 2017). This has resulted in inconsistencies in the findings and therefore conflicting recommendations. By introducing a moderating variable; organization resources, the study endeavored to address the existing theoretical gaps on the relationship between IFMIS and financial management. However, few research have looked at the connection between system theory and fiscal management techniques in regards to ICT developments, despite the fact that the two are strongly supported by system theory. Theories related to adoption of ICT innovations such as TAM have offered little explanation regarding effective financial management practices. This implies that there is need for a comprehensive theory which is fused with IFMIS and effective financial management practices.

1.1 Statement of the Problem

There have been significant improvements in Kenya's legal and institutional frameworks for public financial management (PFM) during the last six years, but the country's public finance management arena still faces several challenges that are at odds with PFM principles. For instance, every year since devolved systems of government were introduced in 2013, the Auditor General's Report and the Controller of the Budget's Report have indicated that some devolved units spend in complete disregard to the PFM Act of 2012, the PPAD Act of 2015, and other fiscal responsibility principles (Mbuthia, 2021). In particular, the figures make it abundantly evident that the county governments consistently get more than the mandated 15% of the national income, with Kshs 368 billion supplied in FY 2018/2019 compared to Kshs 341 billion given in FY 2017/2018. Misuse of public money has been a persistent problem due to a lack of effective accounting systems and poor controls at the county level, which has slowed down service delivery and overall performance of the county governments (Mbuthia, 2021).

There were discrepancies between IFMIS records and disclosure of financial statements, mismatches between accounts payable and bank statements for deposits account, discrepancies between financial figures on pending bills and the schedules accompanying the notes, discrepancies between cash and cash equivalents and accompanying bank balances, and the lack of verification of large outlays of cash, according to the Auditor General's report on financial statements of the County Governments for the year ended 30th June, 2018. It is against this backdrop that the current study seeks to establish the role of IFMIS financial reporting on financial management of County Governments of Kakamega, Busia, Vihiga, Trans Nzoia and Bungoma.

1.2 Research Objective

To examine the effect of IFMIS financial reporting system on the financial management in county governments, Kenya.

1.3 Research Hypothesis

H₀: IFMIS financial reporting system has no significant effect on the financial management in county governments, Kenya.

II. LITERATURE REVIEW

2.1 Theoretical Review

This study was guided by accountability theory proposed by Tetlock and Lerner (1999). According to the notion of accountability, people feel guilty about the thought processes that led to their choices and judgements when they feel a superficial need to conceal their conduct from another person. The requirement to provide an explanation for one's actions increases the possibility that one has given careful consideration to one's habitual practices (Swift, 2016).

The former also implies that it is helpful to understand answerability by differentiating between its virtue usage and its mechanism use. Because it shows a willingness to accept responsibility, liability is highly prized among public leaders, government institutions, and corporations. The term "machinery" refers to the procedure by which an individual makes a binding promise to provide an account of his or her conduct to a third party with the authority to pass judgment on those actions and impose penalties on the individual (Hall, Frink & Buckley, 2017).

This research is important to the field of accountability theory because it sheds light on how accountability may be improved via IFMIS financial reporting. The advantages of an IFMIS are many, including better resource management (more bang for the buck), less opportunity for fraud and corruption, more openness and accountability via individualized reports, account reconciliation, financial analysis, and real-time reporting, to name a few. Thus, IFMIS aids management in boosting the efficacy and efficiency of government spending programs and guaranteeing transparency in the allocation and use of public funds.

2.2 Conceptual Framework

The conceptual frame work for this study shows the relationship between IFMIS financial reporting and financial management as shown in Figure 1.0. Financial management was measured using fund absorption rate, revenue targets and Nature of audits reports.
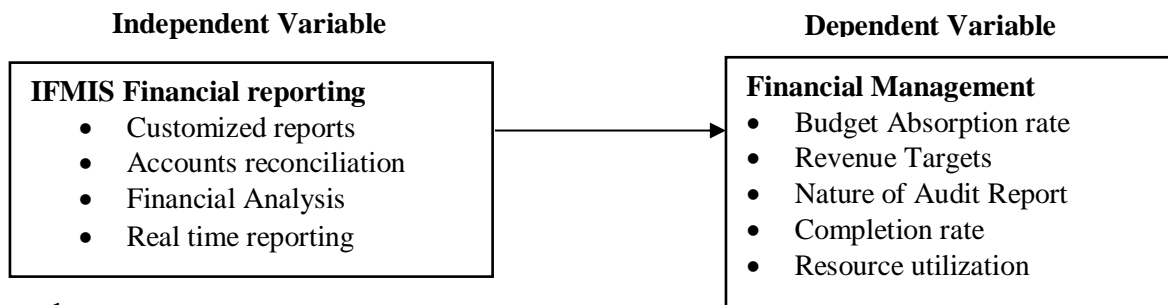
Independent Variable	Dependent Variable
IFMIS Financial reporting • Customized reports • Accounts reconciliation • Financial Analysis • Real time reporting	**Financial Management** • Budget Absorption rate • Revenue Targets • Nature of Audit Report • Completion rate • Resource utilization

Figure 1
Conceptual Framework

2.3 Empirical Studies

Langat (2016) investigated the effect of IFMIS on water system efficiency in Bomet County. Financial performance was observed to improve thanks to the use of IFMIS. Timely financial reporting, employee empowerment, and intervention to boost entrepreneurship and self-employment are all facilitated by IFMIS. Muiruri (2018) aimed to determine whether or not County Governments' efficient use of an Integrated Financial administration Information System improved the administration of public finances. The adoption of IFMIS has increased openness, efficiency, accountability of public finances, the quality of financial reports, the accuracy of financial reporting, the efficiency of government accounting operations, and the availability of financial data to auditors.

Mburu and Ngahu (2016) analyzed how IFMIS affected County Governments' financial administration. The research found that there was a very substantial beneficial link between financial reporting and financial management in Nakuru County. The influence of financial reporting systems on public sector financial management in Kenya was studied by Chado (2015). The research concluded that public sector financial management was considerably and favorably affected by financial reporting systems.

Harelimana (2017) sought to determine the effect integrated financial management information system on the financial performance of government institutions in Rwanda. The results indicated that to determine using IFMIS has significant financial performance government institutions in Rwanda. Lamba (2018) examined determine how real-time reporting impacts public finance management performance. The questionnaires were administered on the employees of Kenya Power and Lighting Company (KPLC) from various branches in the country. It was revealed that a well working IFMIS platform has the ability to monitor transactions on real time basis, a fact that is advantageous to the government in overall due to quality financial reporting. Ideally, IFMIS is a financial instrument that gives governments a full package of financial administration capacity which is into one suite of utilizations.

In Homa Bay County, located in Kenya's Western Region, Awino (2018) investigated how implementing IFMIS impacted service provision. A semi-structured questionnaire served as the means of information gathering. Automation of financial reporting did not significantly affect service delivery in Homa Bay County, so the null hypothesis was not refuted.

Omokonga's (2014) research aimed to assess the contribution of an integrated financial management information system on the efficiency of government agencies. Ten hundred sixty six employees of the Ministry for East Africa, Commerce, and Tourism made up the study's population. A questionnaire was employed to gather information for this investigation. The use of IFMIS was associated with better financial reporting in a way that could be measured statistically.

III. METHODOLOGY

The positivist research theory served as the foundation for this study's methodology. The research strategy for this study was a combination of descriptive and causal approaches. The purpose of descriptive design is to merely describe a variable or phenomena, but the objective of correlational design is to investigate statistically the link that exists between variables. Another method employed in the study was causal analysis, which looks for connections between different factors. The research design utilized here shows that both dependent and independent variables are causally related. The study was conducted throughout the jurisdictions that make up Western Kenya's counties. The western part of Kenya contains the counties that are the focus of this initiative. There are a total of five counties in this area: Busia County, Bungoma County, Kakamega County, and Trans Nzoia County. Vihiga County is also a part of this region.

The population of this research consisted of 302 workers, including all accountants and staff linked to finance who worked in the Treasury Department of the County Governments of Kakamega, Bungoma, Busia, and Vihiga. All of these users are from the Treasury department and include a total of 46 internal auditors, 89 accountants, 87 finance officers, 44 procurement officers, and 42 revenue officers. All of these users are IFMIS customers. Methods of random stratified and proportional sampling were used in the selection process for the sample. The respondents were divided up into five different categories for the purpose of this study: procurement officials, internal auditors, accountants, finance officers, and revenue officers. Using a method called simple random sampling, the researchers chose 172 participants from each of the study's strata out of a total pool of 302.

This research relied on original sources of data. The use of structured questionnaires allowed for the collection of the necessary data. A pilot study was carried out in Kisumu County, which is located in the western region of the nation and is one of the counties that share similar demographic and economic features with other counties. For the pilot portion of the project, there were 17 individuals recruited from the County Government of Kisumu. The two types of validity of the research instrument that were examined in this study were construct validity and content validity. Employing professors and lecturers from Masinde Muliro University of Science and Technology's Department of Business and Economics allowed for the application of educated, informed opinion to the material presented. In this study, Average Variance Extracted (AVE) was used test for convergent validity. In order to quantify the degree of reliability, the study employed the Cronbach Alpha method.

The data was analyzed using statistical methods that were both descriptive and inferential to reach findings and inferences. Descriptive statistics included frequency distributions, percentage breakdowns, means, and variances. The inferential analysis consisted of a combination of regression and correlation. When processing the collected data, SPSS 26 was utilized. Tables of frequencies and percentages were provided to illustrate the data.

IV. RESULTS

4.1 Descriptive Analysis

The objective was to establish the effect of IFMIS financial reporting system on financial management in county governments, Kenya. The respondents were asked to indicate the level of agreement from strongly disagree (1) to strongly agree (5) in relation to seven statements related IFMIS financial reporting system. The results are as shown in Table 1

Table 1

IFMIS Financial Reporting

IFMIS Financial Reporting	5	4	3	2	1	Mean	Stdev
The financial reports generated by IFMIS let different stakeholders learn the real cost of the county's service delivery per activity, improving supervision.	22.7% (30)	50% (66)	24.2% (32)	0% (0)	3% (4)	3.9	0.9
With IFMIS, stakeholders may quickly pull in individualized reports that aid in sound decision making.	24.2% (32)	53% (70)	16.7% (22)	3% (4)	3% (4)	3.9	0.9
Employees in each given county may quickly and easily obtain the data they need from IFMIS to do their jobs.	28.8% (38)	28.8% (38)	36.4% (48)	6.1% (8)	0% (0)	3.8	0.9
The treasury team can instantly reconcile transactional data using IFMIS.	18.2% (24)	43.9% (58)	28.8% (38)	9.1% (12)	0% (0)	3.7	0.9
Generate internal and external reports tailored to your needs using IFMIS.	15.2% (20)	50% (66)	31.8% (42)	3% (4)	0% (0)	3.8	0.7
Compliance with Financial Reporting requirements has increased as a result of IFMIS.	15.2% (20)	30.3% (40)	45.5% (60)	6.1% (8)	3% (4)	3.5	0.9
Financial reporting is now more trustworthy thanks to IFMIS.	24.2% (32)	30.3% (40)	33.3% (44)	9.1% (12)	3% (4)	3.6	1.0

Table 1 shows that with regards to the statement "IFMIS financial reports enable various stakeholders to understand the true cost of services delivered by the county per activity, thus enhancing oversight," 22.7% of respondents strongly agreed and another 50% agreed. A mean of 3.9 and a negligible standard deviation of 0.9 backed this claim. In addition, 53 percent of respondents agreed and 24 percent strongly agreed that IFMIS makes it easy to extract specialized reports that may be used to make informed decisions. When asked if different stakeholders may readily extract customized reports from IFMIS in ways that assist quality decision making, 67.1% of respondents strongly agreed, 16.7% agreed, and 3% disagreed. The statistics back this up, with a mean score of 3.9 and a hardly noticeable standard deviation of 0.9. A total of 28.8 percent of respondents strongly agreed with the statement that "County staff can easily access IFMIS to derive the specific information they require to carry out their work," and another 28.8 percent agreed with the statement. With a mean of 3.8 and a negligible standard deviation of 0.9, 36.4% of respondents reasonably agreed, 6.1% disagreed, and none strongly disagreed that County personnel may readily use IFMIS to obtain the exact information they need to carry out their task. Respondents seemed to agree that County workers can quickly and readily use IFMIS to get the precise data they need to do their jobs with little room for error.

The survey found that 18.2% of respondents strongly agreed, and 43.9% agreed, with the statement that IFMIS allows treasury employees to reconcile transactions data in real time. However, 28.8% of people said they strongly agreed or agreed that IFMIS makes it easy for treasury employees to reconcile transaction data in real time. With a mean of 3.7 and a negligible standard deviation of 0.9, the majority of respondents (90.1%) believe that treasury employees are able to reconcile transactions data in real-time using IFMIS. 15.2% of respondents strongly agreed, and 50% agreed, that the IFMIS system allows for the production of bespoke reports for internal and external usage. The ability to generate bespoke reports for internal and external usage is another strength of the IFMIS system, with 31.8% of respondents strongly agreeing, 3% disagreeing, and 0% not agreeing at all. With a mean of 3.8 and a negligible standard deviation of 0.7, it's clear that respondents think the IFMIS system can provide individualized reports for both internal and external consumption.

From the data in table 1.0, we can see that 15.2% of respondents are firmly in agreement and another 30.3% are in agreement that IFMIS has improved compliance with Financial Reporting requirements. Only 45.5% of respondents strongly agreed that IFMIS had increased compliance with Financial Reporting requirements, while 6.1% disapproved and 3.0% were unsure. The statistics back this up, with a mean of 3.5 and a negligible standard deviation of 0.9. The findings also showed that 24.2% of respondents strongly agreed that IFMIS has increased the dependability of financial records, while another 30.3% agreed with this statement. While 33.3 percent of respondents agreed that IFMIS has increased the accuracy of financial records, 9.1 percent of respondents (74 people) disagreed, and 3% of respondents (11 people) strongly disagreed (mean = 3.6, standard deviation = 1.0). Although not all respondents agreed, this finding indicated that respondents thought IFMIS had increased the accuracy of financial data.

These findings are consistent with those of Lamba (2018), who found that an effective IFMIS platform can keep tabs on transactions in real time, which is good for the government as a whole since it ensures accurate financial reporting.

Ideally, IFMIS is a financial instrument that gives governments a full package of financial administration capacity which is into one suite of utilizations. According to Muiruri (2018), the implementation of IFMIS has resulted in increased levels of transparency, enhanced efficiency, increased levels of accountability of public finances, increased levels of quality of financial reports, increased levels of accuracy in financial reporting, improved levels of government accounting processes, and increased levels of accessibility of financial data to auditors.

Table 2

Financial Management Descriptive Statistics

Financial Management	5	4	3	2	1	Mean	Stdev
By promoting budget adherence, IFMIS has increased the county's utilization rate and boosted economic output.	16.7% (22)	34.8% (46)	30.3% (40)	9.1% (12)	9.1% (12)	3.4	1.1
The county is more likely to meet its goals for generating money from its own sources thanks to IFMIS.	6.1% (8)	21.2% (28)	31.8% (42)	30.3% (40)	10.6% (14)	2.8	1.1
Increased revenue collection may be attributed to the increased openness, accountability, and efficiency made possible by the IFMIS modules used by county governments.	4.5% (6)	43.9% (58)	25.8% (34)	19.7% (26)	6.1% (8)	3.2	1.0
The County's allocations and public spending are now better managed thanks to the IFMIS modules.	13.6% (18)	48.5% (64)	19.7% (26)	16.7% (22)	1.5% (2)	3.6	1.0
By allowing for more precise budgeting of development expenditures, IFMIS has improved the County's fiscal health.	18.2% (24)	40.9% (54)	21.2% (28)	18.2% (24)	1.5% (2)	3.6	1.0
The method has helped the county administration allocate funds to projects without favoritism.	6.1% (8)	31.8% (42)	37.9% (50)	19.7% (26)	4.5% (6)	3.2	1.0
Unauthorized spending has decreased in the County as a result of the interconnected modules of IFMIS.	19.7% (26)	31.8% (42)	30.3% (40)	13.6% (18)	4.5% (6)	3.5	1.1
Since IFMIS's implementation, the county as a whole has been more productive and efficient.	22.7% (30)	59.1% (78)	15.2% (20)	3% (4)	0% ()	4.0	0.7

Table 2 shows that 16.7% of respondents strongly agreed and 34.8% agreed that IFMIS has increased the county's absorption rate by assuring compliance with the budget, leading to better financial performance. In addition, 30.3% were in agreement that IFMIS has increased financial performance in the county by guaranteeing compliance with the budget. With a mean score of 3.4 and a considerable standard deviation of 1.1, 9.1% of respondents disagreed and a further 9.1% strongly disagreed. In addition, the data showed that 6.1% of respondents strongly agreed that IFMIS has improved the county's ability to meet its own source income goals, while 21.2% agreed with this assertion. In addition, the mean score was 2.8, with a substantial standard deviation of 1.1, representing 31.8% agreement, 30.3% disagreement, and 10.6% serious disagreement. This indicates that, with a few exceptions, respondents think IFMIS has helped the county meet its own source income goals.

The data also revealed that 4.5% of respondents strongly agreed, and another 43.9% agreed, that the use of IFMIS modules has increased tax collection by county governments by fostering openness, accountability, and efficiency. In addition, the mean score was 3.2, with a substantial standard deviation of 1.0, and 25.8% of respondents were either moderately or extremely agreeing. The survey found that 13.6 percent of respondents strongly agreed that IFMIS modules had enhanced the County's ability to manage its budget for public expenditures and allocate its financial resources. However, over half of those surveyed said they believe IFMIS modules have helped the county better manage its public funds. In addition, the mean agreement level was 3.6, the standard deviation was a considerable 1.0, and 19.7% of respondents were either moderately or extremely agreeing. This suggested that, with some indifference, respondents agreed that IFMIS modules had enhanced the County's financial management of allocations and public spending management.

Eighteen percent of respondents strongly agreed, and forty-nine percent agreed, that IFMIS has improved financial performance in the County via more effective use of resources for development. Also, with a mean of 3.6 and a large standard deviation of 1.0, 21.2% of respondents reasonably agreed that IFMIS has improved financial performance in the County via effective allocation of money for development spending, whereas 18.2% disagreed and 1.5% strongly disagreed. According to table 4.13, 61 percent of respondents are in agreement that the method has helped in providing sufficient funds to county government projects without favoritism. 39% of respondents strongly agreed, 19% disagreed, and 4.5 % strongly disagreed, for a mean of 3.2 and a significant standard deviation of 1.0, implying that respondents generally agreed that the system has helped in allocating sufficient resources to county government projects without introducing any bias.

Results also showed that 19.7% of respondents highly agreed, and 31.8% agreed, that Linked IFMIS modules had decreased misuse of public money in the County via unapproved expenditures. However, with a mean of 3.5 and a

considerable standard deviation of 1.1, 30.3% of respondents fairly disagreed, 13.6% disagreed, and 4.5% strongly disagreed on the same statement. Finally, the results showed that 22.7 percent of respondents strongly agreed and 59.1 percent agreed that overall efficiency and effectiveness had increased at the county since IFMIS was implemented. With a mean of 4.0 and a negligible standard deviation of 0.7, 15.2% of respondents gave their approval, 3% gave their disapproval, and 0% gave their extreme disapproval. Respondents largely agreed, as shown by the mean, that countywide efficiency and effectiveness had increased with the implementation of IFMIS.

4.2 Inferential Analysis
The null hypothesis of the study sought to establish the effect of IFMIS financial reporting system on financial management in county governments, Kenya. This was achieved using Pearson Correlation and Regression analysis. The researcher sought to test for the following hypothesis;

H₀: IFMIS financial reporting system has no significant effect on the financial management in county governments, Kenya.

4.2.1 Pearson Correlation
Table 3 Shows that IFMIS financial reporting system is moderate and positively correlated to financial management ($r = 0.649$; $p < 0.05$).   Thus improvement in IFMIS financial reporting system would improve financial management of County governments in Western Kenya. Mburu and Ngahu (2016) backed up these conclusions by analyzing the impact of IFMIS on county government budgeting. Financial reporting systems were shown to have a favorable and statistically significant effect on public sector financial management. According to Harelimana (2017), there is a strong correlation between the government institutions' financial performance and the country's financial reporting system.

Table 3
Correlation Analysis

		IFMIS Financial Reporting System
IFMIS Financial Reporting System	Pearson Correlation	1
	Sig. (2-tailed)	
	N	132
Financial Management	Pearson Correlation	.649**
	Sig. (2-tailed)	.000
	N	132

4.2.2 Regression Analysis
Regression analysis was done to determine the influence of IFMIS financial reporting system on the financial management of County governments in Western Kenya. Results were presented in Table 4.

Table 4
Linear Regression Analysis

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.649ᵃ	.422	.417	.571518

a. Predictors: (Constant), IFMIS Financial Reporting System

ANOVAᵃ					
Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
1	Regression	30.945	1	30.945	94.739	.000ᵇ
	Residual	42.462	130	.327		
	Total	73.407	131			

a. Dependent Variable: Financial Management; b. Predictors: (Constant), IFMIS Financial Reporting System

Coefficientsᵃ					
	Unstandardized Coefficients		**Standardized Coefficients**		
Model	**B**	**Std. Error**	**Beta**	**t**	**Sig.**
1 (Constant)	.270	.326		.831	.408
IFMIS Financial Reporting System	.836	.086	.649	9.733	.000

a. Dependent Variable: Financial Management

Table 4, indicates that the R value is 0.649, P = 0.000 implying that the relationship between IFMIS financial reporting system and financial management in County governments of Western Kenya is moderate and positive. Hence,

increase in IFMIS financial reporting system would results in increase in financial management in County governments of Western Kenya. According to the R square, which measures the strength of a relationship, the IFMIS financial reporting system accounts for a high percentage (42.2%) of the variance in county governments' financial management in Western Kenya ($R^2 = 0.422$). This indicates that IFMIS financial reporting system have significant influence of the financial management in County governments of Western Kenya. The F test gave a value of $(1, 131) = 94.739$, $P<0.05$, which supports the goodness of fit of the model in explaining the variation in the dependent variable. It also means that IFMIS financial reporting system is a useful predictor of financial management in County governments of Western Kenya.

The unstandardized regression coefficient (β) value of IFMIS financial reporting system was 0.836 and significance level of $P<0.05$. This indicated that a unit change in IFMIS financial reporting system would result in change in financial management in County governments of Western Kenya by 0.836 units. The regression equation to estimate the financial management in County governments of Western Kenya as a result of IFMIS financial reporting system was hence stated as:

Financial management = 0.270+0.836 IFMIS financial reporting system

From the results it evident IFMIS financial reporting system have significant positive influence on the financial management in Kenya's county governments. These results are consistent with those found by Langat (2016), who studied the effects of IFMIS on water system performance in Bomet County. Financial performance was observed to improve thanks to the use of IFMIS. Timely financial reporting, employee empowerment, and intervention to boost entrepreneurship and self-employment are all facilitated by IFMIS. To what extent does an IFMIS improve the efficiency of government agencies is the question Omokonga (2014) set out to answer. The use of IFMIS was positively correlated with enhanced financial reporting. Awino (2018), on the other hand, aimed to determine how the introduction of IFMIS affected service delivery in Homa Bay County, Western Region. Automated financial reporting was not found to have a statistically significant impact on service delivery in Homa Bay County, so the null hypothesis was not rejected.

V. CONCLUSIONS & RECOMMENDATIONS

5.1 Conclusions

The IFMIS financial reporting system has had a profoundly positive impact on the administration of public funds in the counties of Western Kenya. This suggests that better financial management in the County governments of Western Kenya could be achieved through increased use of the IFMIS financial reporting system, with special emphasis on report customization, account reconciliation, financial analysis, and real-time reporting. The IFMIS reporting system made it simple for several parties to get the data they needed to make informed decisions. Additionally, customs reports may now be generated for both internal and external usage thanks to the IFMIS system. Researchers found evidence to support the alternative hypothesis, concluding that the IFMIS financial reporting system had a major effect on financial management in Kenya's county governments.

5.2 Recommendations

The research concluded that the IFMIS financial reporting system had a substantial impact on the administration of county governments' budgets in Kenya. Financial reporting policy guidelines, legal financial reporting duties, and the use of technology in financial reporting are all strongly suggested as a result of this research for Kenya's county governments. As a result, more accurate financial reports will be filed. The research advises the County government to keep accurate accounting and financial reporting records that accurately reflect the organization's financial situation and are shared with its stakeholders.

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