

Original Research Article

Intergrated Financial Management Information Systems and Procurement Performance of Taita Taveta County Government, Kenya

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Abstract: The overall goal of this research is to investigate Integrated Financial Management Information Systems as well as procurement performance of Taita Taveta County Government. The research sought to evaluate the effect of electronic service delivery, information sharing, supplier involvement as well as e-budget allocation at Taita Taveta County Government. The research was underpinned by the following theories, the instrumental theory, resource-based theory, diffusion of innovations theory as well as system theory. The research adopted an evocative research design since it gives a perfect result as well as the physiognomies allied with it at an explicit point in time. The target population for the research was 97 respondents that gave the sample size of 78 respondents. The research adopted census method to select the respondents from the population. The study obtained primary data through a structured questionnaire. The researcher gave out the questionnaires and pick them later as a data gathering method. The study revealed that electronic service delivery has a significant influence on procurement performance ($\beta=0.544$; $p<0.05$). Similarly, it was established that information sharing significantly predict procurement performance ($\beta=0.181$; $p<0.05$). The study notably established that supplier involvement and e-budget allocation significantly predict procurement performance ($\beta=0.176$; and $\beta=0.295$) respectively. The study concludes that by boosting electronic service elements including service speed, efficacy, and financial reporting time, procurement performance would be improved. Moreover, by enhancing factors like information security, fraud detection, and reaction time, IMFIS sharing information enhances the delivery of products and results and significantly boosts the effectiveness of the procurement process. Besides, accountability and effectiveness are promoted at the county governments through the implementation of the IFMIS project, which involves suppliers in all aspects of business transactions. E-budget has the potential to improve performance because it can track company transactions. This is as a result of the accuracy and speed that using the IFMIS is associated with. The study recommends that in order to have efficient money management in county governments, the IFMIS's supporting system must be safeguarded against fraud, illegal penetration, and breach of discretion. Secondly, training and capacity development efforts should be launched during the requirements assessment phase, focusing on all key stakeholders, similar to change management. Furthermore, the integrated financial management information system must be continuously improved to increase client efficacy. Finally, in order increase the likelihood of achieving company objectives, e-procurement is a project that needs strategic attention both now and in the future. Conclusively, the government's policy makers will find these findings helpful since they will be able to fix the system's weaknesses and improve its effectiveness and efficiency. In order to eliminate opposition and sabotage by the stakeholders, counties will use these results to assist the system by training the users and incorporating them in the development stage.

Keywords: Integrated IFMIS, Performance, Information Sharing, E-Budget Allocation, E-Service Delivery, Supplier Involvement.

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INTRODUCTION

Procurement performance prepares the surroundings in lieu of an establishment to assess its

advancement to its prearranged objectives, to highpoint its weaknesses as well as fortes to determine its forthcoming ventures with the intention of recital developments. Conversely, meager procurement

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outcomes to inadequacy as well as augmented costs. These lead to the reduction of viability, consequently becoming a key impairment to the realization of administrative objectives, leading to impediments in delivery, inferior goods as well as services and augmented flaws. Meagre performance in both private as well as public segments is as a result of failing to espouse electronic procurement, and over reliance on traditional procurement undertakings, (Ndiiri, 2016).

Procurement performance is referred to be the outcome of two rudiments: procuring efficacy as well as buying proficiency, (Chêne, & Hodess, 2009). This means that procurement performance is not an end in itself but a way to operative as well as effectual control besides monitoring of the buying function, (Kakwezi & Nyeko, 2019). There are methods applied to control the recital of procurement performance some of which are procurement time, cost of procurement as well as the correctness with which procurement function is done.

Integrated Financial Management Information Systems

Hendriks (2012) indicated that IFMIS is an information system that trails monetary events as well as summarizing monetary information. It supports sufficient managing reporting, dogma choices, fiduciary errands as well as the preparation of clear monetary declarations. IFMIS similarly refers to the automation of public monetary administration procedures, from budget preparation as well as implementation to accounting and reporting, with the assistance of an assimilated system in lieu of the drive of monetary management, in the range of government processes.

According to Nadiradze, Mariki, Claude and Owusu (2016) the inkling of presenting a management system based on results in UK public segment was in place since 1980s to augment efficiency in public spending as well as safeguarding value in lieu of cash. The public segment restructurings allowed the fluctuating to (Accrual) based monetary management system which exchanged cash-based Appropriation Accounts. In South Africa, the procedure of IFMIS execution was carried out by the National Treasury in order to computerize the government procedures in lieu of operative overall administration as well as monetary recital of the public segment, (Hendricks, 2012). The execution was done in three stages of main system planning, aptitude architecture as well as growth and execution.

In Kenya IFMIS was presented in 1998 but executed to innumerable government agencies in 2003. It was auxiliary prolonged to the devolved governments in 2012 via the IFMIS reengineering procedure to advance the monetary system (Muita, & Karanja, 2018). The application was led by the National Treasury to advance on the Soft Issues Bid Evaluation Tool (SIBET) as well as Enterprise Resource Planning (ERP)

schemes formerly applied as a monetary management scheme. A section was formed inside the National treasury authorized to enable the execution procedure. This was a portion of the PFM reorganizations in the public segment which might offer the government with real –time monetary info exclusively in lieu of the managers, (Muigai, 2012). It similarly aided the leaders in the procedure of planning, budgeting as well as managing of the possessions efficiently.

Due to various challenges facing the integrated system, the National Treasury through the IFMIS department embarked on re-engineering the process in 2011. This was to improve on the current system to accommodate more modules beside general ledger, purchasing order as well as the account payable. These modules were not sufficient to integrate all the processes which resulted to manual processes (Njeru, 2017).

Electronic service delivery involves delivery of services through online channels. It offers an integrated procedure to aid establishments increase efficacies as well as culpability while plummeting traditional unnecessary costs (Mahdillou & Akbary, 2014). A good example is e-tendering where the procurement procedure is carried out online. Further down Regulation 22 of the Public Contracts Regulations 2015, it is a lawful prerequisite in lieu of public entities to use automated ways of communication as well as information alteration in controlled procurement (Zamie, 2020). Moreover, the e-tendering method aids in guaranteeing impartiality, transparency as well as auditability, and easiness in lieu of bidders.

STATEMENT OF THE PROBLEM

Procurement performance of county governments through IFMIS has contributed to the efficiency as well as adeptness of public spending programs. It has enabled the county governments to improve control over expenditure, accountability and transparency especially in procurement functions (Cherotich & Okibo, 2016).

In spite of this prominence, very partial methodical investigation has been carried out to scrutinize the level in which exertions in procurement planning can enhance operative public institution's recital. Every organization that uses public coffers in lieu of its operations is thought to conform to the Public Procurement Act with upshot from August 2005 (PPOA, 2016) the execution of the Public Procurement Act is vital to these establishments.

Procurement is one of the top matters that use public revenue (Wittig, 2019) and consequently, procurement planning aids in addressing the ambiguities in the system which millions of government coffers are embezzled via procurement. Irrespective of the exertion by the administrations in emerging states,

like Kenya as well as development cohorts like the World Bank to advance recital of the procurement function, public procurement is blemished by inferior works, meager eminence goods as well as services (World Bank, 2018). Failure to execute or delayed execution of commended recital ideals has ensued in gratuitously high operation costs, inept business activities, as well as failure to fascinate as well as preserving knowledgeable and skilled workers in the procurement locations, consequently impacting the function's performance (World Bank, 2018). In view of the above, the investigation aimed to investigate the effect of integrated financial management information system and procurement performance of Taita Taveta County Government and to ascertain if it does bring positive impact in terms of performance in procurement departments.

Research objectives

- i. To evaluate the effect of electronic service delivery on procurement performance of Taita Taveta County Government Kenya.
- ii. To establish the effect of information sharing on procurement performance of Taita Taveta County Government Kenya.
- iii. To determine the effect of supplier involvement on procurement performance of Taita Taveta County Government Kenya.
- iv. To determine effect of e-budget allocation on procurement performance of Taita Taveta County Government Kenya.

EMPIRICAL REVIEW

Njonde and Kimanzi (2014) undertook research on the influence of Integrated Financial Management Information System (IFMIS) on performance of public segment in Kenya. The purpose of the research was to influence the impact of IFMIS in government ministries in Kenya. The outcome showed that IFMIS has a momentous positive impact on the recital of public sector. The outcomes are that there were positive as well as momentous affiliation amid a firm performance and the use of IFMIS which was used as an essential variable.

Chêne, (2016) carried research on the execution of Integrated Financial Information Management Systems. The research revealed that nonexistence of monetary system interoperability; Limited funds; Technology barricades; governing organization conflict; Interoperability with other schemes; Supplier resistance; Finance department resistance; disquiet about confined firm effectiveness and the aptitude or skills deficiency across the unit.

Hendriks (2012) did research to ascertain the challenges as well as perils that are involved in the execution of the IFMIS in South Africa so as to improve procedures that make the enactment more efficacious. The research established that the absolute

size as well as intricacy of an IFMIS poses momentous encounters and a number of perils to the execution procedure. There are, nevertheless, precarious achievement aspects or superlative practices that can be used in lieu of the project to thrive.

Odoyo *et al.*, (2014) did a research on the impact of IFMIS on money administration practices in the public amenity at Eldoret West District Treasury. Research findings recognized that dependability as well as suppleness of IFMIS certainly influence resources administration. The outcomes also exhibited that a dependable scheme is fundamentally one that is precise, judicious, comprehensive as well as reliable in assortment of info and the structure which back the IFMIS is thought to be protected from annihilation, fraud, illegal admittance as well as breach of discretion so as to have effectual money administration. The results also exposed that the application of IFMIS has not stood a firm success because of the top down administration showed in most of the public amenities.

Miniga (2013) did a research on the affiliation amid information sharing in business control as well as performance of Public establishments, the goal was to institute relationship amongst information sharing in business governance and performance in government firms. The finding found that business governance accounts in lieu of a big proportion of monetary recital of all types of establishments. The results exhibited that there was positive but puny rapport amongst business recital as well as monetary performance of Government Corporation in Kenya.

Vance (2006) carried out research on the benefits of information distribution in enhancing the quantity of merchants involved when the demand procedures discrepancy are connected over time in Uganda. The result showed that professionals are beginning to apply technology especially in information sharing in a process of engaging their contributors in preparation, evolving mutual goals as well as vision, in addition to jointly evaluating growth in their businesses.

Hong *et al.*, (2020) did a study on the effect of information sharing in a supply chain. The research focused on manufacturers, distributors and two retailers. The drive of the research was to investigate the impact of information sharing to distribution firms. The study revealed that four amalgamations of allotment demand as well as inventory echelons were considered: no info sharing; sharing demand as well as inventory level amid venders and purveyors only; providers as well as the manufacturer; and full info sharing. Counter-instinctively, the second genre of information sharing ensued in the uppermost total supply chain price equated to other approaches, even that of no info distribution.

Musau (2015) carried a study on the influence of conservational factors upsetting procurement recital in county governments at Uasin Gishu County. The study revealed that legal, political, as well as socioeconomic settings upset procurement recital. The research further revealed that investigators have deliberated Public Procurement Recital in Kenya nevertheless, they have not addressed IFMIS as well as its impact on Public Procurement performance in devolved administrations. An organization must analyze latent suppliers' general as well as monetary operative practices.

Wainaina (2017) carried a research on effects of integrated monetary administration information system on procurement performance at state corporations in Kenya. The main goal of the research was to examine how integrated monetary running information influences procurement in the state corporation. The result indicated that IFMIS practices espoused by profitable public establishments had a momentous influence on their monetary recital. The researcher concluded that indeed, IFMIS is vital especially in procurement since it curbs corruption.

Muigai (2012) carried a research on the upshot of IFMIS on the monetary administration of public segment in Kenya. The purpose of the research was to investigate IFMIS enhances financial management budgeting. The study established that 95% of the departments in Kenya were using IFMIS and concluded that there is positive affiliation of IFMIS as well as monetary administration in the public sector with a mean rate of 3.17.

According to a research conducted by Lamba (2018), on efficacy of IFMIS on the performance of the public segment in Kenya, the main variables analyzed encompassed budgetary, monetary reporting, interior control as well as the execution of government ventures. The research revealed that IFMIS execution has been operative in administration ventures notwithstanding limited interior control encounters. Similarly, the research established that there was positive rapport amid IFMIS efficacy on public monetary administration as well as the independent variables analyzed.

Kahari *et al.*, (2015) in their study on valuation of aspects impacting IFMIS execution in the County administrations of Kenya. The research established that there is robust, adverse as well as statistically momentous affiliation of -0.461 and 0.749 amid IFMIS execution and (workforce opposition, aptitude abilities correspondingly). The research similarly established that administrations deficiency of a well framed tactical plan, change management processes as well as insufficient aptitude building in lieu of system workers

bounds scheme execution, procedure as well as its general conservation.

RESEARCH METHODOLOGY

Descriptive research design was utilized in this survey. According to Mugenda (2008), descriptive research supports the enlargement of thorough aptitudes as well as reporting of characteristics of various population of phenomena. The choice of the descriptive investigation design is established on the detail that in this research, the investigator is concerned with the set of circumstances prevailing in the ground and no variable would be deployed.

The target population of this research were the employees of Taita Taveta County government. The researcher utilized a population of 97 staff in lieu of the study who shall be selected from different management levels. A sample is defined as a smaller set of figures that an investigator selects or chooses from a higher populace by using a pre-defined assortment process, (Saunders *et al.*, 2017). A census approach was espoused by the research so as to cover 97 respondents under the devolved Government of Taita Taveta. The census method allowed the researcher obtain a considerable as well as trustworthy info from a small populace therefore the utmost appropriate in lieu of the research.

The researcher collected primary data via structured questionnaire, which will constitute of closed questions. The researcher administered questionnaires through 'drop-and-pick later' process, whereby the questionnaires were dropped to the employees and then collect them after few days.

Statistical software (SPSS) was applied to examine quantitative data which was accessible in the tabular as well as graphical method. The collected data was processed through regression analysis. A regression model was applied to illustrate nature of correlation amid dependent variable and independent variable.

DATA ANALYSIS AND PRESENTATION

Data analysis refers to the examination and evaluation of pertinent information that can be used in decision-making. A regression model was applied to illustrate nature of correlation amid dependent variable and independent variable.

RESULTS AND DISCUSSIONS

The type and degree of the independent variable's influence on the dependent variable were examined in this study using basic linear regression. To determine the model's explained variation, the model summary shown in Table 1 was employed.

Table 4.1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.918 ^a	.843	.832	.39951

a. Predictors: (Constant), e-Budget Allocation , Supplier Involvement , Information Sharing, Electronic Service Delivery

Source: Survey Data (2022)

According to the model's executive summary, e-Budget Allocation, Supplier Involvement, Information Sharing, and Electronic Service Delivery account for 83.2% of the variation in Procurement Performance.

Table 4.2: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	50.508	4	12.627	79.113	.000 ^b
Residual	9.417	59	.160		
Total	59.924	63			

a. Dependent Variable: Procurement Performance
b. Predictors: (Constant), E-Budget Allocation , Supplier Involvement , Information Sharing , Electronic Service Delivery

Source: Survey Data (2022)

The ANOVA findings show that the model is very significant at the 95% level of confidence; $r^2 = 0.843$, $F(4,59) = 79.113$; $p < 0.05$. As a result, Procurement Performance may be predicted by the independent variables with statistical significance.

Coefficients Results

Regression coefficients are estimations of the unknown population characteristics that show how an independent variable and dependent are associated. The values that multiply the predictor values in a linear regression are known as coefficients.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-.683	.268		-2.548	.013		
Electronic Service Delivery	.526	.076	.544	6.881	.000	.426	2.345
Information Sharing	.222	.095	.181	2.338	.023	.446	2.240
Supplier Involvement	.180	.057	.176	3.155	.003	.854	1.172
E-Budget Allocation	.286	.054	.295	5.306	.000	.860	1.163

a. Dependent Variable: Procurement Performance

Source: Survey Data (2022)

The study revealed that electronic service delivery has a significant influence on procurement performance ($\beta=0.544$; $p<0.05$). Also, it was established that information sharing significantly predict procurement performance ($\beta=0.181$; $p<0.05$). A similar finding demonstrates that supplier involvement and e-budget allocation both significantly predict procurement performance ($\beta=0.176$; and $\beta=0.295$) respectively.

governments' performance. Information technology is heavily used in administrative departments to deliver services. According to the survey, participants agreed that all of the system's features or capabilities for IFMIS had been provided. Additionally, some claimed that system users could conduct transactions using the system. Due to a unique barrier in the public monetary administration scheme, the execution of IFMIS in place of procurement is much more complex than other ICT-based administration revolutions.

CONCLUSION

The significance of e-commerce in an industry have been recognized. It is impossible to overstate the value of an integrated financial management information system in an organization. In accordance with the survey, respondents confirmed that the system was functioning as it should with few issues, and more than half felt that the installation was finished within the allocated budget. This indicates how flexible and effective electronic service is at boosting county

The study concludes that by boosting electronic service elements including service speed, efficacy, and financial reporting time, procurement performance would be improved. Moreover, by enhancing factors like information security, fraud detection, and reaction time, IMFIS sharing information enhances the delivery of products and results and significantly boosts the effectiveness of the procurement process. Besides, accountability and

effectiveness are promoted at the county governments through the implementation of the IFMIS project, which involves suppliers in all aspects of business transactions. E-budget has the potential to improve performance because it can track company transactions. This is as a result of the accuracy and speed that using the IFMIS is associated with.

RECOMMENDATIONS

The study recommends that in order to have efficient money management in county governments, the IFMIS's supporting system must be safeguarded against fraud, illegal penetration, and breach of discretion. Secondly, training and capacity development efforts should be launched during the requirements assessment phase, focusing on all key stakeholders, similar to change management. Furthermore, the integrated financial management information system must be continuously improved to increase client efficacy. Finally, in order to increase the likelihood of achieving company objectives, e-procurement is a project that needs strategic attention both now and in the future.

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