

MONETARY RESOURCES UTILILATION AND IMPLEMENTATION OF CONSTITUENCY DEVELOPMENT FUND PROJECTS IN KENYA (A case of Kiharu Constituency Murang'a County)

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ABSTRACT

The Constituency Development Fund (CDF) was established by an Act of parliament in Kenya in the year 2003 with an aim of ensuring equitable resource allocation to all constituencies which are the electoral zones. Despite the CDF role in alleviating poverty and improving economic growth index in Kenya, most of the constituencies continues' to experience high poverty levels. The economic growth index remains 5.6% compared to 6.9% and 6.5% growth for Tanzania and Rwanda respectively. Uganda follows closely at 5.2%. Researchers and government monitoring agencies in mitigating the trend have borne no fruit. Global studies on CDF have concentrated on project selection and planning whereas in Kenya, studies have focused on “professionalizing” CDF monitoring structures and improving their capacity. None has been conducted in monetary resource utilization and implementation of CDF projects in Kenya. The main objective was to find out the utilization of monetary resources and how it affects implementation of CDF projects in Kenya whereas the specific objectives were; managerial practices, monitoring and evaluation, procurement processes and governance. Drawing from the fiscal interest theory and economic welfare theory it was conceptualized that the independent variable and dependent variable were monetary resource utilization and implementation of CDF projects respectively. The unit of the study was the Constituency. The study adopted descriptive survey design method and a population of thirty seven (37) respondents was used. It was a census study with a response of 87%. Primary data was collected using self-administered questionnaires and was supplemented by secondary data obtained from the constituency's CDF reports. The data was analyzed using descriptive and inferential statistics. The study found out that: Most (n=14) (43.8%) of the respondents considered the education levels to have been a factor that was given fair consideration in the election process of project management committee members. (53%) of the respondents confirmed that there were efforts of training the project management committee members on the current best practices as pertains to monitoring and evaluation activities. Most of the respondents (59.4%) deemed the members of the project management committees as well versed with the procurement procedures in place. The mode of project identification for the programs undertaken by CDF was predominantly found to be popular public participation in project determination (53%). Contrary to prior research this study has revealed that monetary resource utilization enhances implementation of CDF projects thereby advancing the theories. Moderators and other designs may be considered in future studies.

Keywords: Monetary Resource Utilization, Project Implementation, Constituency Development Fund (CDF)

1.1 INTRODUCTION

The study seeks to explore how monetary resources utilization affects the implementation of CDF projects in Kiharu Constituency Murang'a County. Constituency Development Fund is one of the development tools initiated by the Government of Kenya with the aim of addressing poverty levels and asymmetrical development patterns at constituency levels.

The Constituency Development Fund (CDF) was established by an Act of parliament in Kenya in the year 2003 with an aim of ensuring equitable resource allocation to all constituencies which are the electoral zones. Despite the CDF role in alleviating poverty and improving economic growth index in Kenya, most of the constituencies continues' to experience high poverty levels. The economic growth index remains 5.6% compared to 6.9% and 6.5% growth for Tanzania and Rwanda respectively. Uganda follows closely at 5.2%. Questions have been raised as to whether the constituency development fund has met its objectives, giving a clear indication that the extent to which CDF has met its objectives remains a research imperative (Bagaka, 2008).

Proponents of CDF assert that CDF demonstrates key principles of local ownership by enhancing local voices, and increasing community participation in decisions affecting them. However, several criticisms have been raised against the overall principles of constituency development fund. Differences in the allocation and deployment of CDF can be seen across countries and little monitoring has been undertaken to assess methods of CDF implementation. Key issues with community knowledge of CDF, poor quality workmanship or uncompleted projects, lack of monitoring of implementation, poor governance and lack of sanctions against abuse of funds is limiting the possible impact on grassroots development, as well as increasing audit query amounts. The study sought to find out how the situation in Kiharu is with regards to the capacity to ensure the local ownership of projects.

The spirit of devolved resources remitted to the electoral zones is to promote local growth. A critical aspect of the facilitation of the growth is the caliber of the individuals charged with a mandate of overseeing the fund. Instances of having highly competent persons who are knowledgeable as regards the emerging trends and local needs is key to programmes actualization. Surveys carried out in Guatemala showed that in the event of selfless and educated persons overseeing the projects in the electoral units they were bound to succeed heavily (Adan, 2012). The success of the projects was attributed to the ability of the committee members to positively engage the target beneficiary groups pro-actively and have them buy the vision of the projects. These minimized instances of strife and misgivings attributed to lack of clear understanding of the activities at hand.

Fiscal decentralization has had the challenge of inept performance in many jurisdictions. This has been occasioned by poor planning and management as regards training and skills assurance

in the individuals charged with the responsibilities of monitoring and evaluation. In the event of having projects worth enormous amounts of money and persons with no capacity to supervise and administer the funds it exposes the programmes to high risk as regards continuity and accountability (Boateng, 2010). In the republic of Ghana the constituency development fund encountered the challenge of poor management occasioned by lack of financial skills in the project management members in many constituencies and the failure to employ the requisite monitoring and evaluation programs.

A report by the institute of social accountability cited manual transactions as the panacea to sound administration of the constituency development fund in Kenya. Failure to adopt technology and exploit information management systems was indicated as a deep rooted practice by many constituencies. The lack of a sound change management strategy geared towards ensuring that they conformed to the expected standards of information handling and storage was equally cited (Radoli, 2011). A critical review of past and present frameworks of devolution in Kenya brought forth employment of technology as a pertinent challenge to the process and this exposed the procurement activities undertaken to great risk with regards to undue exposure. The review showed that in many cases the instances of misuse of monetary resources in procurement activities had been cited owing to the conduct of manual transactions (Omolo, 2010).

The constituency development fund act of the year 2013 clearly stipulates the need for public participation in the programmes undertaken. It gives credence to the essence of community involvement in project determination with the sole purpose of having the goodwill overriding the implementation for the eventual programmes success (Gok, 2013). The constituency development fund has been very instrumental in the improvement of governance and participation of the community in the decisions that affect them, (Macharia, 2011). This is because the local population has a big say on the decisions which direct the funds programmes of events. Public participation is a critical facet in the assurance of governance in the constituency development fund and sustainable implementation of the projects.

1.2 Constituency Development Fund

The CDF concept was created in 2003 immediately after the National Rainbow Coalition (Narc) Government got into power. CDF was among the many progressive programs which the NARC government rolled out with enthusiasm at the time. The kitty was set up by the CDF Act of 2003, with the primary objective of addressing poverty at grassroots level by dedicating at least 2.5 per cent of the government's ordinary revenue to grassroots development. In January 2013, the CDF Act 2003 was replaced with CDF Act 2013 that is aligned to the constitution of Kenya 2010 (IEA, 2015). Enactment of the latter was meant to align the law governing CDF with the devolution concept as captured in the new Constitution. Main changes made to the CDF Act 2013 include reduction in size of the CDF Board from seventeen to eleven members and

introduction of a new officer, the Corporation Secretary as secretary to the board. The separation of roles of the executive and the legislature were also well spelt out. The fund was further amended in the year 2015 with a view of infusing clarity and reducing the duplication of roles between the national government and the county government programs with the CDF having a focus on carrying out the activities undertaken by the national government. The CDF Act, 2016 has on the other hand been put in place to ensure that the activities carried out are in line with the provisions stipulated in the National Government CDF Act 2016.

1.3 Kiharu Constituency

Kiharu Constituency is an electoral constituency in Murang'a County. The Constituency has six wards. The elect are members of the Murang'a County Assembly. As at 2009 census the population of the constituency was estimated at 181,076 people. The constituency occupies about 268.80 Sq Kms. The constituency is made up of Kiharu and Kahuro divisions which have the largest number of poor families in Murang'a North District. In Kiharu, the poverty rate is 50 per cent, while that of Kahuro is 35 per cent. Neighbouring Mathioya and Kangema have poverty rate at 25 per cent and 30 per cent respectively. Kahuro is a tea-growing zone with little coffee, while Kiharu is a coffee zone. Although farming is the main economic activity, the area suffers a perennial food shortage and has to rely on neighbouring districts/sub counties for supplies.

1.4 Statement of the Problem

The allocation of Constituency Development Fund is pegged on the poverty index and the population of the constituencies as a driving factor. Despite the CDF role in alleviating poverty and improving economic growth index in Kenya, most of the constituencies continues' to experience high poverty levels. The economic growth index remains 5.6% compared to 6.9% and 6.5% growth for Tanzania and Rwanda respectively. In addition, most of the CDF developed projects have stalled thus not achieving the intended purpose and the Government continues losing funds earmarked for development. Global studies on CDF have concentrated on project selection and planning whereas in Kenya, studies have focused on "professionalizing" CDF monitoring structures and improving their capacity. None has been conducted in monetary resource utilization and implementation of CDF projects in Kenya. The ignored variable is of great significant to the problem facing the implementation of CDF projects in Kenya. It is against this background that the study sought to undertake research on the utilization of monetary resources on the implementation of Constituency Development Fund projects Kiharu Constituency.

1.5 Objectives of the Study

1.5.1 General Objective

The general objective was to determine utilization of monetary resources and implementation of Constituency Development Fund Projects, a case of Kiharu Constituency.

1.5.2 Specific Objectives

The study was guided by the following specific objectives;

- i. Relationship between managerial practices and implementation of CDF projects in Kiharu Constituency.
- ii. Extent to which monitoring and evaluation affects implementation of CDF projects in Kiharu Constituency.
- iii. Determine how procurement processes implementation of CDF projects in Kiharu Constituency.
- iv. Extent in which governance affects implementation of CDF projects in Kiharu Constituency.

1.6 Research Questions

- i. How do managerial practices affect implementation of CDF projects in Kiharu Constituency?
- ii. To what extent does monitoring and evaluation affect the implementation of CDF projects in Kiharu Constituency?
- iii. How do procurement processes affect CDF projects implementation in Kiharu constituency?
- iv. To what extent does governance affect implementation of CDF projects in Kiharu Constituency?

1.7 Study Hypothesis

The study was guided by the following null hypothesis:

- i. Managerial practices do not affect implementation of CDF projects in Kiharu Constituency
- ii. Monitoring and evaluation does not affect the implementation of CDF projects in Kiharu Constituency
- iii. Procurement processes do not affect CDF projects implementation in Kiharu constituency
- iv. Governance does not affect implementation of CDF projects in Kiharu Constituency

1.8 THEORETICAL REVIEW

1.8.1 Fiscal Interest Theory

Fiscal interest theory as posited by Weingast, (2009) suggests that tax decentralization, by explicitly connecting the effects of spending policies with the revenue budget, provides incentives to focus on growth-enhancing policies and to reduce rent-seeking and waste in government. Given the policy shift towards more productive spending and more growth-oriented government policies, the fiscal interest theory suggest that growth should be stronger in tax-decentralized places. More concretely, the main hypothesis that has been put to test in the study is the one that links the marginal retention rate and the GDP growth rate. In practice, these grants can take two forms: matching grants earmarked to investment spending, and general equalization transfers, which can be used to fund any kind of spending. In the margin, if a sub-national government has to share with the rest of the country a percentage of the extra revenues generated by a particular growth enhancing infrastructure project, the marginal benefits of this project will be reduced. An increase in the percentage of equalization is akin to a reduction in the percentage of taxes in the revenue budget of sub-national governments, both policies having thus the same effects. In theory, if earmarked capitals transfers are like lump-sum transfers more tax decentralization would still improve the incentives in the margin to shift the budget towards economic investment. The theory thus identifies with the constituency development fund which is a fiscal decentralization model.

1.8.2 Economic Welfare Theory

The theory of Economic Welfare states that welfare is a state of happiness and satisfaction in the human being as influenced by their minds. The theory postulates that individual welfare is influenced by the outcomes accruing from happiness associated with an impartation of the economic livelihoods. The economic livelihoods are directly influenced by the capacity to have an assurance of improved earnings owing to a favourable investment and opportunities environment. In essence economic welfare can be directly correlated with the capacity to access economic opportunities and earnings thus a positive impartation of individual livelihoods. The theory thus indicates that economic and social welfare can be directly linked to the money that an individual has accruing from the favourable working conditions and opportunities from government service provision. There is thus a correlation between the government programmes put in place to improve the livelihoods of the citizens and the satisfaction that they derive from it. The relationship between economic welfare of the individual citizens and the national income can thus not be ignored. The theory captures the imagination and the thrust of the study. This is because the study has an emphasis of determining monetary resource utilization during the implementation of the CDF programmes which are modeled on the concept of assuring the social welfare of the citizens.

1.9 CONCEPTUAL FRAMEWORK

The Conceptual framework used presents the relationship between the independent variables and the dependent variable. An independent variable influences and establishes the effect of another variable (Mugenda & Mugenda, 2003). The independent variables in this study are; managerial practices, monitoring and evaluation, procurement processes and governance while the dependent variable is the Implementation of Constituency Development Fund Projects

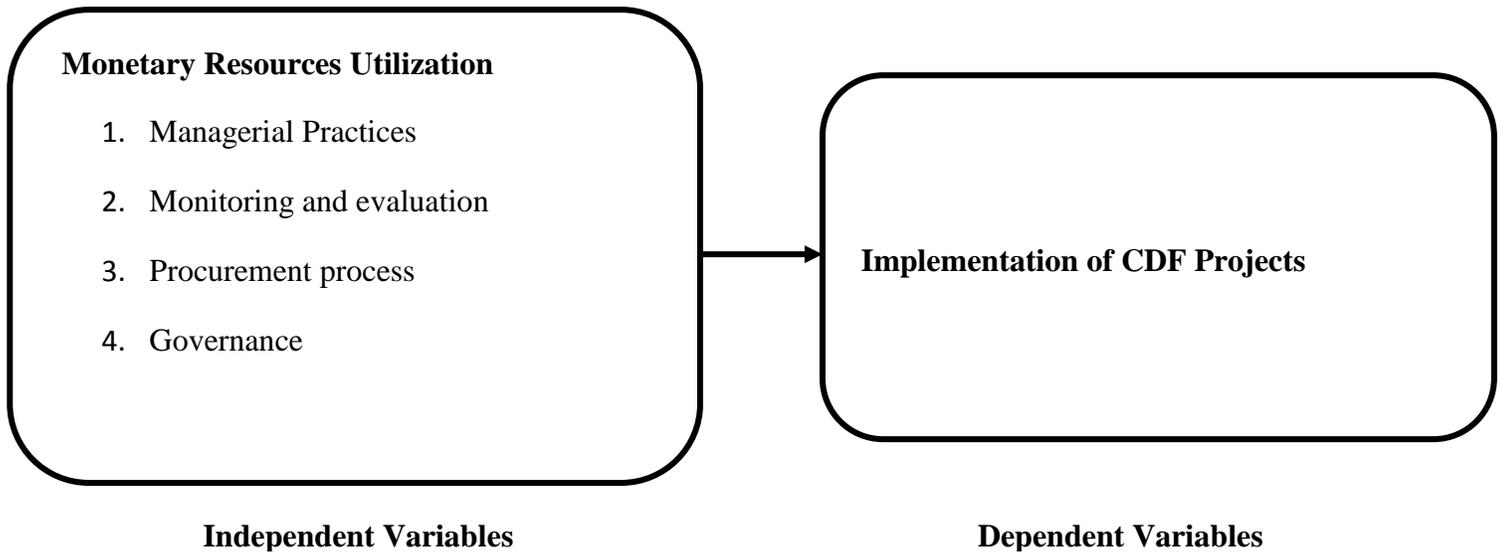


Figure 1.1: Conceptual framework on variables in the study

Source: Self Conceptualization (2016)

1.10 MONETARY RESOURCE UTILIZATION

Monetary decentralization confers powers and responsibility for accountability enhancement, reduction of unproductive overlap and duplication of authority, (Rodriguez, 2012). This gives clear functions and mandates to the units and frees the central government to pursue its rightful role of international relations and trade, legislation and oversight over the autonomous units. The presence of a fund which is drawn from the exchequer and a percentage of the total revenue collected disbursed to the electoral units has been an effective tool in India. The fund referred to as the Local Area Development Scheme sees the members of the legislative assemblies having a stake in the decision making as regards development issues. It brings forth the risk of overlap between the legislature and the executive but however in the exercise of prudence it assures equitable development.

The Constituency Development Fund is an initiative of the Kenyan government which was mooted in the year 2003. The essence of the fund is to ensure equitable resource allocation to all constituencies which are the electoral zones. The allocation of funds is pegged on the poverty index and the population of the constituencies as a driving factor (Chweya, 2012). The programme has seen a total transformation of the country with regard to development of infrastructure and social amenities. It has brought a new face to the electoral areas in comparison

to the previous practices whereby we had the elected members of parliament digging deep into their pockets to finance development activities through fundraising programmes.

Several Studies have been conducted on the CDF projects in Kenya but none of these studies have dealt with how monetary resource utilization coupled with other factors such as managerial skills of the PMC members, Monitoring and evaluation, Procurement Process and governance and how they affect implementation of CDF projects.

1.10.1 Managerial Skills

Fund management practice is a managerial accounting strategy focusing on maintaining efficient levels of both components of fund, current assets and current liabilities, in respect to each other. Fund management ensures a project has sufficient cash flow in order to meet its short-term debt obligations and operating expenses. The National Anti-corruption Campaign Steering Committee in its annual report of the year 2010 showed that many constituencies had incidences of corruption and mismanagement within their ranks. The report attributed to the prevailing incidences to weak governance systems at the project management committee levels (EACA, 2010). The flaws in management were heavily influenced by the disposition of the persons responsible for the activities. However, the competencies levels of the project management committee's members were cited as a factor negatively impacting on the administration and governance of the constituency development fund (EACA, 2010). Kaimenyi (2012) in his paper on efficacy and efficiency of Kenya's constituency development fund, theory and evidence discussed on issues related to the allocation efficiency, highlights some of the constituency characteristics that influence the efficiency and efficacy of CDF and some political economy. Kaimenyi concludes that CDF has some negative outcomes because of fiscal illusions and reduced local fiscal effort. Kaimenyi recommends an in-depth analysis of constituency character and analyses the transition plan for CDF projects.

1.10.2 Monitoring and evaluation

Stakeholder's performance in the constituency development funds projects anchored in legislative acts is mainly driven by the capacity of the persons charged with the responsibilities. Surveys carried out in many jurisdictions showed that in the event of having individuals who were adept to sound financial management systems the projects thrived. This was equally coupled with capacity to institute the basic standards as regards monitoring and evaluation programs in place to guarantee the populace value for money in terms of the projects meeting the envisaged ideals. Studies undertaken by (Ntuala, 2010, Radoli, 2011 and Wamae, 2012) in Machakos town, Naivasha and Kibera constituencies showed that most of the projects which had not been completed in the constituencies development fund programme were due to failure to have effective monitoring and evaluation programs. The studies cited instances of exorbitant costs associated with increased bills accruing from the contractors mainly due to delays occasioned by non- adherence to the set timelines. This affected the capacity of the constituency development fund to realize its intended target in many electoral areas. The CDF amendment Act of 2014, circulars, public procurement, disposal Act 2005 and the CDF implementation guidelines 2013 prepared by the National Management Committee (Gikonyo, 2014) provides that CDF projects are implemented by the respective government departments in which they fall.

The Ministry of Planning and National Development commissioned work on the design of an appropriate framework for Monitoring and Evaluation (M and E) in the National Development Program in 2005. This proposed Monitoring and Evaluation framework has not been fully operational. Otherwise, there is a strong case that CDF should have participatory monitoring and Evaluation components in its management. This view is supported by Wanjiru (2008) who indicated in her Social Audit of CDF that, monitoring and reporting should be strengthened and deepened in all CDF projects. It is a fact that, the CDF Act, 2003 emphasizes on the Monitoring and Evaluation, just like DFRD. The mode of doing it is not well specified.

The Act gives technical department, DDO and CDFC authority to monitor the project. The Act, further allocates 2% of CDFC fund to be used for monitoring and evaluation exercise, but this money is only spent after the CDFC recommendation through minutes CDF Act (2003 revised 2007). This makes monitoring and evaluation difficult and sometimes cosmetic, as it is the CDFC to decide which project to be monitored, which one to be evaluated, how much funds to expend and the persons responsible to carry out the exercise. CDFC thus has power to, manage monitoring and evaluation within the CDFC projects.

1.10.3 Procurement Process

A study commissioned by the World Bank carried out in the Eastern Europe in the year 2011 established that countries which had put in place integrated financial management information systems did not have profound cases of misappropriation of public funds in the public procurement programs, (Strom, 2011). This was heavily inclined to the capacity of integrated financial management information systems to be closely interlinked with the procurement management entities.

A participatory project management tool kit based on the African experience called for integration of systems and employment of technology as a measure of ensuring that the envisaged standards are realized. The employment of technology was vouched for as a medium of ensuring that the traceability of the financial management aspects was confirmed. Information systems are the alternative for ensuring greater control and probity in government fiscal management, (Bill, 2010). A performance review carried out for the World Bank found out that many jurisdictions had adopted information systems as the route to take in the quest of reforming the public expenditure programmes. The review examined the prevailing information systems in South Africa and established that it had capacity to provide a basic accounting system which ensured the traceability of all the procurement activities carried out in the devolved units..

The integrity and transparency of a public procurement system is said to rely on a number of control mechanisms which include an effective control and audit system, an efficient appeals mechanism, a comprehensive information sharing system that enables civil society and other stakeholders to conduct social audit, and effective ethics and anti-corruption measures (PPOA, 2007). Namusonge (2012) avers that a public audit is considered effective if and when it accomplishes the intended results of fostering good governance and effective accountability in the management of public resources. It is, moreover, posited that an appropriate regulatory system is required in order to enhance transparency and non-discriminatory in the application of public resources. The study interrogated the procurement processes in place and how they affect the utilization of monetary resources in the implementation of CDF funded projects in Kiharu constituency.

According to the two scholars, accountability of public procurement officials is probably the most fundamental aspect of upholding integrity in public procurement. This is ascertained by the argument that accountability of public procurement officials not only is it vital from a public law perspective, but it also have economic consequences. Accountability as aforesaid, pushes out genuine entrepreneurs and professionals, undermines standards and wealth creation prospects for constituencies. It was revealed that ghost companies were being awarded CDF project tenders through flouting of procurement procedures whereby they seized the opportunity to inflate prices of goods and services. Cases of Mwatate and Nakuru town constituencies were put into perspective.

1.10.4 Governance

Fiscal decentralization is driven by the principal of subsidiarity. Regardless of the same, decision making is driven by local considerations and persuasions, (Christine, 2012). The local unit has the power to decide on the pertinent needs of its populace and it plays an overriding role in determining the projects that require funding and which have the needs of the local populace at heart. Decentralized decision making increases the participation of the local populace in the same, (Ahmad, 2012). This is driven by the fact that the local population has its needs and knows its priorities in consideration to the local underlying factors. In the event of their involvement in decision making, they are bound to have their immediate needs as the driving consideration in the decision making processes.

Budgetary utilization to projects CDF Act (2013) requires the Chairman CDFC in every Constituency to forward a list of between five (5) and twenty five (25) project proposals in every financial year to the board for approval. In addition it states that funding priority should be in completing on-going projects. This has not been the case in most of the constituencies given the discretionary nature of capital spending and the intrinsic value attached to political symbolism in launching CDF projects, more often, new projects are undertaken, while the existing ones are either left to deteriorate or are inadequately funded (Tanzi & Davoodi, 2012).

CDFs channel funds from central government through to each constituency to spend on development projects intended to address local needs. Although CDFs operate differently in each context, one core defining feature is that constituency legislators have some influence over how the funds are spent in their area.

Several studies have been done on the CDF projects, as stated but none of these studies have looked at how governance of the projects affects their implementation. Project identification and costing lays squarely with the CDFCs and the beneficiaries after identifying the project then the PMCs cost the project by preparing Bill of Quantities (BQ) and forward the same to CDFC in accordance with CDF Act (2013). The PMCs then forward minutes of certified documents for approval and ratification to local CDF office (Radoli, 2012). This ascertains that the proposed projects are viable and also that there are adequate funds for them.

1.11 RESEARCH METHODOLOGY

1.11.1 Research Design

The research employed a descriptive survey research design to establish how the utilization of monetary resources affects the implementation of the constituency development fund in Kiharu constituency, Murang'a County. According to Orodho (2005), a descriptive survey design is a method of collecting information by way of interviewing or the administering of a questionnaire from a selected sample. It is mostly used to collect information about people's attitudes, opinions, habits or any variety of social issues. This design was deemed appropriate for the study because the researcher collected analyzed and reported information as it exists in the field without the manipulation of the variables under study. The survey instruments used were self administered questionnaires and interviews

1.11.2 Target Population

The population used was six wards of Kiharu Constituency namely; Murarandia, wangu, Township, Mbiri, Gatari and Mugoiri. The research had a target population of thirty six project management committee members and the constituency development fund manager all totaling thirty seven (37) target respondents. According to (Ngechu,2004) a population is a well-defined or set of people, services, elements, and events, group of things or households that are being investigated

1.11.3 Sample size and sampling procedures

The census method was used for respondent's determination.. The choice of the sampling method was premised on the authority of giving due consideration to all persons in populations which are considered small with thirty or slightly more respondents. This identified with Kombo, (2006), who argued that in the event of small populations the study can be more credible when the total population is considered. The study thus picked all the 36 project management committee members in line with Kombo, (2006) when the researcher argued that in the case of small populations, all the persons may be considered for the study.

1.11.4 Research Instruments

The research used questionnaires and an interview schedule as the instruments for the study. The questionnaires were deemed suitable in that they could serve a large group of respondents; they had the benefit of self administerability, anonymity and the standardization of questions for the purpose of easing the data analysis procedures (Orodho, 2005). The questionnaires had both closed and open ended questions. The study equally used the interview schedule for the purpose of having a structured interview with the constituency fund manager. He was considered a key informant and a resource person of high value to the study. The tool was considered adequate in facilitating interaction with him in a structured manner with a view of getting as much information as possible.

1.11.5 Pilot Testing

Prior to embarking on data collection, the researcher pre-tested the questionnaires using two project management committee members in Mathioya constituency. The constituency has similar

socio-demographic features with Kiharu constituency. This was for the purpose of improving the reliability and validity of the instruments. The purpose of pilot-testing the instrument is to ensure that the items in the instrument are stated clearly and have the same meaning to all respondents (Connaway & Powell, 2010). Changes were made on the questions deemed appropriate after the pilot study

1.11.6 Validity of research instruments

Validity is the degree to which a test measures what it purports to be measuring. Validity can also be said to be the degree to which results obtained from analysis of data actually represent the phenomenon under investigation (Orodho, 2005). The researcher tested the face and content validity of the questionnaire. Face validity is in relation to the misunderstanding or misinterpretation of the question. This was checked by way of employing the pre-testing method.

Content validity on the other hand refers to the capacity of the instrument to provide adequate coverage of a topic. Adequate preparation of the instruments under the guidance of the supervisors, expert opinion and pre-testing of the open-ended questions helped establish the content validity.

1.11.7 Reliability of research instruments

Reliability is a measure of the extent to which an instrument will consistently yield the same result after being administered several times to the same respondents (Orodho, 2005). To establish the reliability of the research instruments, the test retest method whereby the pilot study respondents were issued with questionnaires for them to fill and the same questionnaires were subjected to a retest to see how the response was.

$$r = \frac{\sum xy - \frac{\sum x \sum y}{N}}{\sqrt{(\sum x^2 - \frac{(\sum x)^2}{N})(\sum y^2 - \frac{(\sum y)^2}{N})}}$$

Where r = Pearson co-relation co-efficient

x = results from the first test

y = results from the second test

N = Number of observation

The reliability coefficient was computed using Pearson's Product Co-relation Co-efficient method. The reliability co-efficient was expected to be 0.7 or higher otherwise the instruments had to be revised to improve on their quality.

1.11.8 Data Analysis

After all the data had been collected, data cleaning followed for the purposes of identifying any incomplete, inaccurate or unreasonable data for the purpose of improving on quality through

correction of detected errors and omissions. Coding of the data thereafter followed and the codes were entered into a computer for the purpose of analysis. The researcher used the SPSS version 21 program for the purpose of data analysis. The program was considered worthwhile occasioned by its ability to have varied platforms for inter-operability. This facilitates the use of varied inferential tests on the same platform. The inferential tests included the Spearman Rank Order, Chi-square and ANOVA. Qualitative data was analyzed by identifying themes from the data collected. The data was presented by use of frequency tables, percentages and inferential statistics.

1.11.9 Ethical Considerations

The researcher sought to get the consent of the respondents before administering the research instruments to them. The researcher also assured the respondents of utmost confidentiality as regards their identities. An assurance that the information provided was used for research purposes only was also proffered to the respondents.

1.12 DATA ANALYSIS, INTERPRETATION AND PRESENTATION OF FINDINGS

1.12.1 Research Results

The researcher sought to establish how the utilization of monetary resources affects the implementation of the constituency development fund in Kiharu constituency, Murang'a County. All analysis used descriptive statistics and inferential statistics. Frequencies were obtained and expressed in percentage form and varying statistical tests employed. The opinions were interpreted and their content analyzed and described. The same was used to answer the research questions put forth when the researcher sought to establish how the utilization of monetary resources affects the implementation of the constituency development fund in Kiharu constituency, Murang'a County. The objectives that guided the study were managerial skills, monitoring and evaluation, procurement processes and the governance processes. The study based the research on 37 respondents from Kiharu constituency. The respondents of the study were distributed as 72% male and 28% female. 59 % being under the age of 40 years and 87% having worked for five years and below.

1.12.2 Fully conversant with regulations guiding the fund administration

The researcher found that majority of the respondents (84.4%) were fully conversant with the regulations guiding the administration of the constituency development fund.

Table 1.0 Fully conversant with regulations guiding the fund administration

Response	Frequency	Percentage
Yes	27	84.4
No	5	15.6
Total	32	100.0

Source: Field data, 2016

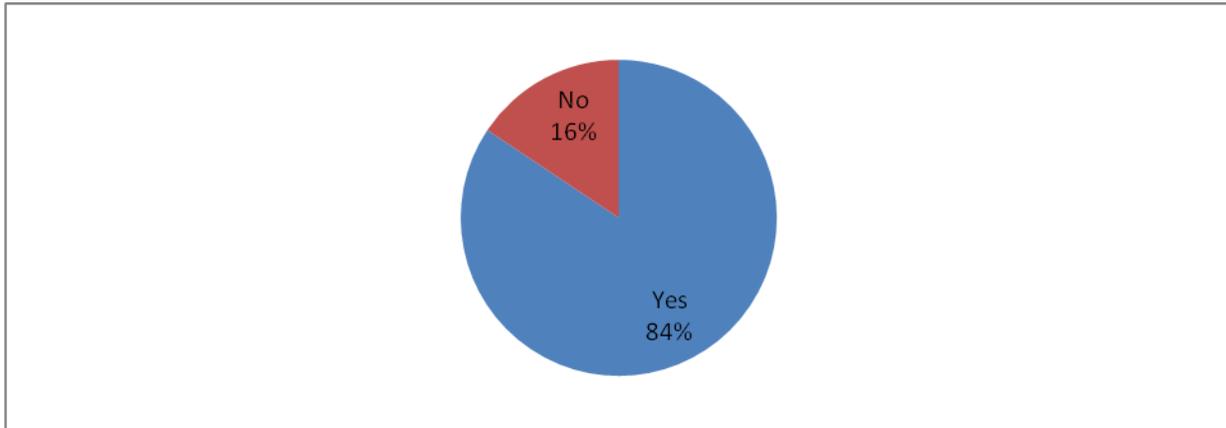


Figure 1.2 Awareness of legislative framework guiding CDF Source: Field data, 2016

The responses in figure 1.2 confirmed that awareness of the legislative framework guiding the administration of CDF. It can thus be interpreted to mean that most (n=26) (84%) of the project committee members understood the legal requirements of CDF thus were well placed with regards to effectively carrying out their mandates.

Table 1.1 Instances of lack of accountability in the fund administration

Response	Frequency	Percentage
Yes	9	28.1
No	23	71.9
Total	32	100.0

Source: Field data, 2016

Table 1.1 shows that most (n=23) (71.9%) of the respondents deemed the instances of lack of accountability attributed to the inadequacy of the regulations in place not to have sufficed. It can thus be interpreted to mean that the regulations in place to ensure accountability of the CDF were fairly adequate to serve the intended purpose. The fund manager equally was of the view that in some cases the failure by the PMCs to effectively take charge of their positions compromised the ability to ensure effective utilization of the monetary resources expended in carrying out projects.

Table 1.2 Effectiveness of selection criteria to ensure competent office bearers

Response	Frequency	Percentage
Yes	25	78.1
No	7	21.9
Total	32	100.0

Source: Field data, 2016

Table 1.2 shows that most of the respondents (n=25) (78.1%) considered the selection criteria for putting in place the CDF project management committee members as effective enough to ensure that competent persons were in place. The responses were confirmation of the position taken by the fund manager who confirmed that the regulations guiding CDF stipulated the need to ensure that office bearers in the CDF were elected in a manner which was open and competitive to enhance their effectiveness

1.12.3 Managerial Skills

Table 1.3 Basic minimum education requirement

Response	Frequency	Percentage
Yes	32	100.0
Total	32	100.0

Source: Field data, 2016

Table 1.3 shows that all the respondents were aware that there was a basic minimum requirement for the managerial skills of the project management committee members as pertains to academic proficiency. This was confirmation that the education levels of the persons charged with the mandate of project management were an integral factor with regards to ensuring optimum management.

Table 1.4 Instances of uneducated persons in project management committees

Response	Frequency	Percentage
often	19	59.4

rarely	13	40.6
Total	32	100.0

Source: Field data, 2016

Table 1.4 shows that there were instances whereby uneducated persons had been elected into the project management committees (n=19) (59.4%). This was an indication that in some of the areas the motivations of electing office bearers into the project management committees for the CDF were other factors other than the academic proficiency of the office bearer.

The findings identified with studies carried out in Nakuru County where half of projects planned under Constituency Development Fund (CDF) in Nakuru County have not been implemented because of fund mismanagement. According to a research conducted by the Centre for Enhancing Democracy and Good Governance (CEDGG,2009) most projects in six constituencies within the county (Naivasha, Nakuru Town, Subukia, Rongai, Molo and Kuresoi) have not been implemented due to mismanagement of resources by MPs who served as patrons of CDF in their respective constituencies.

1.12.4 Monitoring and Evaluation

Tables 1.5 Monitoring and evaluation systems in use

Response	Frequency	Percentage
Internal M & E	9	28.1
External M & E	23	71.9
Total	32	100.0

Source: Field data, 2016

Table 1.5 shows that most of the respondents (71%) (n=23) considered the predominant monitoring and evaluation system in use as external. The responses denoted the fact that the CDF projects relied on the external systems to assure them of wellness in terms of completion and the ability to meet the ideals expected of them. This was an indication that there were systems and practices in place to confer oversight to the programs undertaken with regards to their ability to achieve their intended purpose.

The findings identified with the Ministry of Planning and National Development report from work that had been commissioned on the design of an appropriate framework for Monitoring and Evaluation (M and E) in the National Development Program in 2005.

Table 1.6 Adequacy of monitoring and evaluation to meet CDF demands

Response	Frequency	Percentage
Yes	19	59.4
No	13	40.6
Total	32	100.0

Source: Field data, 2016

Table 1.6 shows that most of the respondents (59%) (n=19) deemed the monitoring and evaluation procedures in place as adequate enough to meet the demands of the CDF projects. This was an indication that the monitoring and evaluation procedures in place were largely appreciated as adequate though a very significant percentage of the respondents (41%) (n=13) considered them as inadequate. It can thus be interpreted to mean that there was need to ensure that the monitoring and evaluation procedures in place met the expectations of the projects undertaken with regards to assuring current best practices. The findings were in tandem with the position taken by Mulwa (2013) who stated clearly that, any judgment that emanates from evaluation would largely depend on the value system from which evaluating party originates.

1.12.5 Procurement procedures

Table 1.7 Procurement procedures in place

Response	Frequency	Percentage
Yes	19	59.4
No	13	40.6
Total	32	100.0

Source: Field data, 2016

Table 1.7 shows that most of the respondents (59.4%) (n=19) deemed the members of the project management committees as well versed with the procurement procedures in place. This was an indication that the project management committee members had strived to understand the intricacies of the procurement procedures guided by the public procurement and disposal act 2005. A very significant percentage of the respondents however did not deem all members of the project management committees to be versed with the provisions of the procurement procedures in place. This was an indication that in some instances the members of the project management committees did not understand the provisions guiding the procurement function. It can be interpreted to mean that there was need to carry out continuous training and sensitization of the

project management committee members as pertains to the procurement regulations governing public institutions.

Table 1.8 Efforts to enhance the procurement management skills

Response	Frequency	Percentage
Yes	7	21.9
No	25	78.1
Total	32	100.0

Source: Field data, 2016

Table 1.8 shows that a very significant percentage of the respondents were of the view that no worthwhile efforts had been put in place to enhance the procurement management skills of the project management committee members. It can thus be interpreted to mean that there was need to enhance the ability of the project management committee members by exposing them to the requisite training as a basis of enhancing their abilities in guiding the procurement function.

Table 1.9 Capacity of efforts expended on procurement training to realize the intended objectives

Response	Frequency	Percentage
to a great extent	3	9.4
to a fair extent	6	18.8
to a low extent	23	71.9
Total	32	100.0

Source: Field data, 2016

Table 1.9 shows that ability of the measures undertaken to enhance the capacity of the project management committee members as regards the procurement function had not achieved the intended objectives. This is because most of the respondents (71.9%) (n=23) deemed the activity to have realized its ideals to a low extent. This was an indication that despite active programs in place to ensure capacity building on procurement management for the project management committee members.

1.12.6 Governance

Table 1.10 Identification of projects undertaken by CDF

Response	Frequency	Percentage
use of local opinion leaders	9	28.1
the choice of the member of parliament	6	18.8
popular public participation in project determination	17	53.1
Total	32	100.0

Source: Field data 2016

The responses on the mode of project identification for the programs undertaken by CDF was predominantly found to be popular public participation in project determination (53%) (n=17). This was an indication that the CDF had strived to ensure that the popular will of the public held sway as regards project determination. This reflected a consultative approach in the determination of projects undertaken by the CDF. It can thus be interpreted to mean that the CDF management placed emphasis on the involvement of the target beneficiary stakeholders as a basis of project identification and determination.

Table 1.11 Suitability of project identification processes

Response	Frequency	Percentage
To a high degree	18	56.3
To a fair degree	7	21.9
To a low degree	7	21.9
Total	32	100.0

Source: Field data, 2016

Table 1.11 shows that most of the respondents (56%) (n=18) considered the project identification process used for CDF interventions as highly suitable. This was an indication that they considered the process of project identification as serving the local communities well. It can be interpreted to mean that the process of project identification were appreciated by the community and served the essence of inclusivity which is an ideal of ownership for the CDF projects.

1.12.7 Model fit for the monetary resources utilization regression equation

The hypothesized model took the form of equation two below.

$$Y = \alpha_0 + \beta_i X_1 + \beta_{ii} X_2 + \beta_{iii} X_3 + \epsilon_0 \quad \text{equation (2)}$$

From the equation (2),

Y = monetary resources utilization,

α_0 = constant showing monetary resources utilization in the absence of managerial skills by PMC's

β_i = Coefficient of the independent variables

X_1 = Managerial skills,

X_2 = Monitoring and evaluation,

X_3 = Procurement process,

X_4 = Governance standards

ϵ_0 = error term associated with the regression model

Table 1.12 Means analysis for regression model

	Mean	Std. Deviation	N
monetary resources	1.97	.822	32
monitoring and evaluation procedures	1.13	.336	32
governance standards	1.19	.397	32
managerial skills on monetary resources utilization	1.25	.440	32
procurement process	1.41	.499	32

The descriptive statistics depicted monetary resources utilization to have a mean of 1.97 and a standard deviation of 0.822, the influence of monitoring and evaluation procedures on monetary resources utilization had a mean of 1.13 and standard deviation of 0.336, governance standards had a mean of 1.19 and a standard deviation of 0.397, managerial skills had a mean of 1.25 and a standard deviation of 0.440 while procurement process had a mean of 1.41 and a standard deviation of 0.499. From the descriptive statistics the study deduced procurement processes as the variable with the highest mean difference thus the greatest influence on monetary resources utilization.

Table 1.13 Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.850 ^a	.722	.681	.465	.722	17.521	4	27	.000

a. Predictors: (Constant), governance standards , procurement process , monitoring and evaluation procedures , managerial skills on monetary resources utilization

The R squared value was 0.681 which indicated a model fit taking into consideration that it should be within the range of 0 to 1.

1.13 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

The chapter gives a summary of the findings, conclusions and recommendations drawn from the findings in connection with the utilization of monetary resources effects in the implementation of the constituency development fund in Kiharu constituency, Murang'a County. The objectives that guided the study were: managerial skills, monitoring and evaluation, procurement processes and the governance processes.

Summary of findings:

The summary of findings was as guided by the objectives of the study:

Managerial practices

All the respondents were aware that there was a basic minimum requirement for the managerial skills of the project management committee members as pertains to academic proficiency. Most (n=14) (43.8%) of the respondents considered the education levels of the project management committee members to have been a factor that was given fair consideration in the election process of project management committee members. There were instances whereby uneducated persons had been elected into the project management committees (n=19) (59.4%). This was an indication that in some of the areas the motivations of electing office bearers into the project management committees for the CDF were other factors other than the academic proficiency of the office bearer.

Monitoring and evaluation

Most of the respondents (71%) considered the predominant monitoring and evaluation system in use as external. (59%) of the respondents deemed the monitoring and evaluation procedures in place as adequate enough to meet the demands of the CDF projects. (53%) of the respondents

confirmed that there were efforts of training the project management committee members on the current best practices as pertains to monitoring and evaluation activities.

Procurement processes

Most of the respondents (59.4%) deemed the members of the project management committees as well versed with the procurement procedures in place. A very significant percentage of the respondents (78%) were of the view that no worthwhile efforts had been put in place to enhance the procurement management skills of the project management committee members. Ability of the measures undertaken to enhance the capacity of the project management committee members as regards the procurement function had not achieved the intended objectives as confirmed by 72% of the respondents.

Governance

The mode of project identification for the programs undertaken by CDF was predominantly found to be popular public participation in project determination (53%). Most of the respondents (56%) considered the project identification process used for CDF interventions as highly suitable. There had been profound instances (59.4%) when the local communities had felt aggrieved by the choice of projects to be undertaken. Most of the respondents (90.6%) considered there to have been adequate mechanisms put in place to address misunderstandings which may arise from the choice of projects. This was an indication that the CDF had concise dispute resolution mechanisms geared towards enhancing the ability to achieve the ideals of the fund in a cohesive manner.

1.14 Conclusions of the study

The researcher drew the following conclusions:

Managerial practices

The managerial skills of the project management committee members affected their outlook to projects being undertaken. The sustainability of the projects was hinged on the ability of the project management committee members to effectively discharge their mandates. Capacity to understand the accounting procedures for constituency development projects was affected by the competence and managerial skills of the project management committee members. The choice of projects undertaken in a locality was affected by the competence and managerial skills of the project management committee members. The individual capacities and proficiency of the project management committee members had a direct bearing on the ability to ensure that the projects that took off at the inception were seen through to completion.

Monitoring and evaluation

The mediums of technology management used by the project management committee assured sound monitoring and evaluation programs in the CDF projects. The CDF had optimal capacity to ensure that all the financial transactions were tracked as a basis of enhancing the monitoring and evaluation standards. CDF had integrated the technology fulcrum on the financial

management system as a means of ensuring traceability of all the financial transactions. CDF had taken cognizance of the need to ensure use of electronic systems as a basis of information storage to enhance the monitoring and evaluation programs. Use of technology had allowed integration of functions between the local and national offices and eased monitoring and evaluation activities. This was a measure that had ensured synergy between the two offices and enhanced the quality of monitoring and evaluation programs.

Procurement processes

The capacity to confer the project management committees with financially literate persons was constrained and this limited the capacity of the CDF with regard to ensuring optimal procurement management. The procurement management skills of the project management committee members allowed good supervision and workflow projections in the projects carried out. The procurement management skills of the project committee members did not enhance their capacities as pertains to facilitating project accounts scrutiny from informed positions. Most of the project management committee members did not have the requisite skills in accounting to guarantee informed positions as pertains to ongoing project accounts.

Governance

Members of the local communities were given a free hand to determine the projects to be undertaken in their localities. CDF gave great consideration to the local needs as a premise of decision making with regards to the projects undertaken in the localities. The local communities in most cases took a common approach as regards the project choice thus an indication of the fact that communal interests were the guiding parameter in project choice determination. Local communities were assertive enough to readily participate in public forums to determine the projects to be undertaken and this enhanced the communities' ownership of the programs. Local communities were duly engaged in the decision making processes in the projects carried out to ensure successful implementation. Participation by local communities played a great role in enhancing social audit capacity in the wake of assuring the delivery of sound programs.

1.15 Recommendations of the study

The study made the following recommendations:-

Managerial practices

The CDF should place emphasis on the training of the project management committee members as a premise of ensuring that they have the requisite skills to carry out their managerial activities effectively.

Monitoring and evaluation

Capacity building for monitoring and evaluation activities should be carried out on the part of the fund. This will ensure that enhanced scrutiny of the projects undertaken is actualized. It will also see to it that the monetary resources expended towards projects are effectively accounted for and the citizens get value for money for the works carried out.

Procurement processes

The CDF should streamline the procurement processes in place with a view of enhancing their capacity to mitigate against the risks of losses to the institution. This is by way of enforcing the requirements for the adherence to the public procurement and disposal act, 2005.

Governance

The governance practices of CDF should equally be fully implemented with regards to the provisions stipulated in the act. Emphasis should be placed on enhancing the stakeholder participation via public forums effectively advertised for all and sundry.

1.16 Suggestion for further studies

The study suggests that similar research with a bigger scope like county wide should be done to confirm whether the situation in Kiharu identifies with other constituencies of the county. The study equally suggests that research on monetary resource utilization in the implementation of the county government projects should be carried out. This is with a view of confirming whether the dynamics affecting the CDF are similar to those of the county governments.

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