

**EFFECT OF MONETARY RESOURCES UTILIZATION ON IMPLEMENTATION OF  
CONSTITUENCY DEVELOPMENT FUND PROJECTS IN KENYA**

**(A case of Kiharu Constituency Murang'a County)**

**JOYCE NJERI KINYANJUI:**

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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. The allocation of funds 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. 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 ignored variables might be of great significance to the problem facing the implementation of CDF projects in Kenya, particularly in Kiharu Constituency, Murang’a County. The main objective was to find out the effect of monetary resources utilization and its effect on 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 Kiharu Constituency. The study adopted the descriptive survey design method and a population of thirty seven (37) respondents was used. It was a census study with a response rate of 87% hence reliability and validity of research. Primary data was collected using self-administered questionnaires. This was supplemented by secondary data obtained from the Kiharu constituency’s CDF reports. The data was analyzed using descriptive and inferential statistics. The study revealed that: (n=14) (43.8%) of managerial practices influenced positively the implementation of CDF projects in Kiharu Constituency. Monitoring and evaluation positively influence CDF implementation giving results of (53%). 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%). In conclusion and contrary to prior research this study has revealed that: the managerial skills of the project management committee members affected their outlook to projects being undertaken. The mediums of technology management used by the project management committee assured sound monitoring and evaluation programs in the CDF projects. The capacity to confer the project management committees with financially literate persons was constrained and this limited the capacity of the CDF Act, 2003 with regard to ensuring optimal procurement management. 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. The study recommended that: The Kiharu 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. Capacity building for monitoring and evaluation activities should be carried out on the part of the fund. The Kiharu 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. The governance practices should emphasis on enhancing the stakeholder participation via public forums effectively advertised for all and sundry. In conclusion 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.

## DECLARATION

### DECLARATION BY STUDENT:

I the undersigned declare that this research project is my original work and has not been presented for any award to any other College, Institution or University other than Murang'a University of Technology

Signature..... Date.....

Joyce N. Kinyanjui  
**BE 331/1832/2015**

### DECLARATION BY SUPERVISORS:

This research project has been submitted for examination with our approval as university supervisors.

**Prof. Bilitia Godrick:**

Department of Human Resource  
School of Business and Economics  
Murang'a University of Technology

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Prof. Clifford Machogu:**

Department of Human Resource  
School of Business and Economics  
Murang'a University of Technology

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

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I dedicate this work to my parents Stephen Kinyanjui and Abigail Wanjiku for their support in all my studies and to my brothers and sisters for being an inspiration in my life. I also dedicate it to my dear friends and colleagues for their unrelenting support and encouragement throughout my studies.

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## **ABBREVIATIONS AND ACRONYMS**

<b>CBOs</b>	Community Based Organizations
<b>CDF</b>	Constituency Development Fund
<b>CDFC</b>	Constituency Development Funds Committee
<b>GDP</b>	Gross Domestic Product
<b>IGI</b>	International Governance Institute
<b>M &amp;E</b>	Monitoring & Evaluation
<b>MP</b>	Member of Parliament
<b>NARC</b>	National Rainbow Coalition
<b>NTA</b>	National Tax Payers Association
<b>PPDA</b>	Public Procurement and Disposal Act
<b>PPOA</b>	Public Procurement Oversight Authority

## DEFINITION OF OPERATIONAL TERMS

**Constituency Development Fund (CDF):** This is a fund established in 2003 to spur grass root development managed at the constituency level.

**Constituency:** is a unit of political representation which is represented by an elected Member of Parliament

**Monetary Resource Utilization:** This is employment of financial resources to ensure project completion

**Procurement:** The act of obtaining or buying goods or services or acquisition of goods, services or works from an external source

**Project Implementation:** Process whereby project inputs are converted to project outputs i.e. transforming the project proposal into actual project

**Project management:** the application of knowledge, skills tools and techniques to Project activities in order to meet the stakeholder's needs and expectations of the project.

**Project success:** This is the ability of a project to be completed within its budget, due date and within the intended design.

**Project:** A project is defined as a temporary endeavor undertaken to create a unique product or service

**Stakeholder involvement:** the active engagement of all individuals, groups or communities who have an active stake in the project.

## **CHAPTER ONE**

### **1.0 INTRODUCTION**

Chapter one presents the background to the study, statement of the problem, objectives of the study, research questions, significance of the study, delimitations, and limitations of the study and critical assumptions of the study.

#### **1.1 Back ground of the study**

##### **1.1.1 Concept of monetary resources utilization and implementation of CDF projects**

A project is a complex, non-routine, one-time effort limited by time, budget, resources and performance specifications designed to meet specific needs Gray & Larson (2008). Project implementation can be referred to as a process whereby “project inputs are converted to project outputs as set out in the project framework”. The process involves a series of activities, which need to be planned, operated and controlled, and which will inevitably involve the utilization of resources. The management of these activities is fundamental to a supervisor or monitor so that the project can be completed on time and at cost consistent with the project plan.

Parliamentary involvement in grassroots projects and in community development according to Baskin (2013) has been growing in many countries including Papua New Guinea, Bhutan, Jamaica, Pakistan, India, Uganda, Tanzania and Kenya. One of the policy tools for this involvement is Constituency Development Funds (CDF), which commits public finances to benefit specific political sub-divisions through allocations and spending decisions influenced by their representatives in the National Parliament (Assembly) Baskin (2013). However, Kenya continues to significantly experience high poverty levels and asymmetrical development patterns at regional levels.

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.

Whittaker (2013) notes that CDFs are akin to the vulnerable United States (US) congressional allocations generally referred to as “member items” in national and state-level policy making. However, operations of CDFs are said to have sometimes been controversial since they raise fundamental questions about the efficacy of government service delivery, the extent to which such service delivery can be made accountable, the role of legislators in selecting development priorities, and how public participation in policy making can be made more meaningful. It is not clear whether or not the system of earmarks and pork barrel distribution that is practiced in the US national and state government is of a single type with CDFs. The long history of distributive allocations in the US permits a unique opportunity to explore the evolution of systems of politically determined resource allocation for local development. It is further posited that, on the other hand, there may be fundamental difference between US earmarks which are often informal mechanisms that are employed on a case-by-case basis and the institutionalization of distributive mechanisms that become part of the annual budget process as appears to be the case with CDFs.

Zyl (2010) notes that in Philippines Members of Parliament (MPs) are allocated a substantially huge amount of finances (US\$ 4, 270,001) each to cater for the development in their political jurisdiction. CDFs are viewed by Baskin (2013) as politically-initiated projects. He argues that it appears that they are politically driven development initiatives. He further asserts that the African legislature's project has produced research that demonstrates the rationale of constituency-based politics in Africa in both the supply and demand for constituency service. Constituency-based initiatives are noted that they can protect communities from the impersonal administration of inflexible and centralized state organizations that often overlook individual communities in the name of administrative rationality. In Tanzania, CDF was fully endorsed by President Jakaya Kikwete in year 2008 in his address to Parliament. In Uganda, CDF was borne out of a series of meetings held between the President and members of parliament (MPs) of the 7th Parliament in order to relieve MPs of the pressure of their constituents in regard to the promises and other development projects. However, in Kenya, Uganda and Tanzania the law lacks proper implementation mechanism, support to get things done and accountability for when things are not done is often missing. The study sought to confirm the extent to which the CDF in Kenya is anchored in the statutory spectrum.

According to Zyl (2012), there are open questions as to how large a role CDFs should play in development administration. The claims that CDFs have a negative impact on accountability and service delivery in comparison with other options for strengthening legislatures and improving local projects delivery should be addressed. Zyl (2012) further stresses that there are fundamental questions entailing the role CDFs are expected to play in development administration or in how the administration of CDFs affects the balance of power among different branches of Government. Some of the questions that this study seeks to answer include; will CDF ease the

administrative burdens on ministries with well placed implementation of projects that reflect priorities of local communities and how can a balance be struck between central-administrative and political-local means of identifying and implementing development projects?. However these questions have not been locally addressed and the study seeks to explore how monetary resources utilization affects the implementation of CDF projects in Kenya.

### **1.1.2 Managerial Practices and Project Implementation**

The essence of devolved funds remitted to the electoral units is to spur 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. The study sought to compare the situation in Guatemala to that in the Republic of Kenya.

In the constituency development fund administration in the republic of Tanzania the issue of project administration and management has always been shrouded in unfavourable under currents attributed to having persons not meriting the positions in place (Ajayi, 2010). Instances of the project management committee members being taken advantage of by the bureaucrats in government abound. The situation in Tanzania captures the thrust of the dynamics in many project management committees overseeing the constituency development fund in the republic of

Kenya. Previous studies by (Kanua 2012, Kimani *et al*, 2012 and Omolo, 2012) showed that many constituencies had the undoing of incompetent project management committee members. The studies attributed the underlying situation to the exploitation of friendship, kinship ties and the need to have regional balancing in the committees as the overriding factor of putting in place the project management committees. Instances of having individuals considered as opinion leaders in the areas and with capacity to peddle influence in the community considered as eligible persons for the project management committees regardless of their competencies predisposed the constituencies to great failure. The study sought to find out how the local community perceptions shape monetary resources utilization in project implementation activities in Kiharu constituency projects.

### **1.1.3 Monitoring , Evaluation and Implementation of CDF projects**

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 management. 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. The study investigated the extent to which the monitoring and evaluation programs in place affect the monetary resources utilization and the implementation of CDF funded projects.

#### **1.1.4 Procurement procedures in CDF projects implementation**

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 funds in procurement activities had been cited owing to the conduct of manual transactions (Omolo, 2010).

The report identified with previous studies carried out by (Wamae, 2012, Mungai, 2012, Mwalulu et al, 2010, Nyamori, 2012 and Orero, 2012). The studies called for automation of systems in the constituency development fund management between the project management committees in the electoral wards and the CDF office at the constituency level and national office as measure of seeing to it that there are optimal procurement activities. The study sought to find out the effectiveness of the information systems in place and how they affect monetary resources utilization in the implementation of CDF funded projects in Kiharu constituency.

#### **1.1.5 Governance and Implementation of CDF projects**

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 National Taxpayers

Association report equally cites public participation as a critical factor which infuses accountability and sound governance in the projects undertaken by the constituency development fund. This is an integral component which all projects. 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. The study sought to find out the extent of community participation, its bearing on monetary resources utilization and how it affects the implementation of CDF funded projects in Kiharu constituency.

#### **1.1.6 Fiscal decentralization programmes**

Fiscal 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. Public participation has also been a positive element of the fund. The local communities are involved in decision making on the projects to be undertaken. This invokes the element of ownership of programmes and public goodwill.

### **1.1.7 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.

### **1.1.8 Kiharu Constituency**

Kiharu Constituency is an electoral constituency in Kenya. It is one of the constituencies 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. The Constituency holds several middle level colleges, currently; there is only one public university in the Sub-County, known as Murang'a University of Technology, over 20 secondary schools, over 60 primary schools and over 30 health facilities spread across it. However, the infrastructural network across the constituency is wanting.

### **1.2 Statement of the problem**

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. The allocation of funds 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 5.8% 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 variables might be 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 effect of utilization of monetary resources on the implementation of Constituency Development Fund projects in Kenya, a case of Kiharu Constituency.

### **1.3 Objectives of the Study**

#### **1.3.1 General Objective**

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

#### **1.3.2 Specific Objectives**

The study was guided by the following specific objectives;

- i. To establish the relationship between managerial practices and implementation of CDF projects in Kiharu Constituency.
- ii. To find out the extent in which monitoring and evaluation affects implementation of CDF projects in Kiharu Constituency.

- iii. To determine how procurement processes affect implementation of CDF projects in Kiharu Constituency.
- iv. To determine the extent in which governance affects implementation of CDF projects in Kiharu Constituency.

#### **1.4 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?

#### **1.5 Significance of the study**

The Constituency Development Fund is a very novel idea. It was mooted and enacted into law with the sole aim and purpose of reducing inequalities with regard to development nationally. This is by way of having funds for development disbursed to all constituencies and having the public identifying projects that facilitate service delivery and foster economic growth. The need to confirm whether the ideals of the programme have been realized as pertains to ensuring accountability is thus imperative. The study may thus be of great significance to the government in terms of evaluating to find out whether the ideals of the fund have been realized.

The Constituency Development Fund Act (2003) that governs and manages the fund has enshrined provisions for public participation as a pre-requisite for project identification and management. The community at large selects and puts in place committees to oversee the projects. The liberty and democratic space allowed gives the communities leeway to use their own discretion in appointing the project management committees. Instances of the project committees not meeting the expectations of the public abound. This is with regards to the managerial capacities, ensuring sound monitoring and evaluation, apt procurement processes and governance programs. The study will give insights as regards to utilization of monetary resources and the implementation of the constituency development fund projects.

The need to assure proportionate resource allocation nationally and having the poverty index as the hallmark for resource allocation determination have been the hallmarks of C.D.F. However, cases of abuse, theft and mismanagement of the funds have been prosecuted in the courts of law. This gives credence for the study with a need to establish the extent to which the projects has been implemented. This is with a bias to the utilization of monetary resources and its effects on the implementation of the CDF projects.

The Constituency Development Fund has been a tool of assuring equitable resource allocation. It is a programme of fiscal decentralization occasioned by the fact that the monies are drawn from the central government to the constituencies. The fiscal decentralization programmes have even been greater entrenched at the advent of devolution. Scholarly attention for the sector is bound to grow. The study will thus equally contribute to the field of scholarly work and generate more knowledge on the subject.

## **1.6 Scope of the study**

The study was confined to Kiharu Constituency. It had a focus on finding out the effects of utilization of monetary resources on the implementation of Constituency Development Funds projects in Kenya. It did not have a focus on other constituencies other than Kiharu despite the Constituency Development Fund being a nationwide programme. Many other programs of decentralized funds exist. We have the county allocation, the economic stimulus funds, the Uwezo fund, the youth enterprise and women enterprise funds all which were not relevant to the study. The study was carried out between September 2015 and October 2016.

## **1.7 Limitations of the study**

The study encountered the following limitations:-

### **1.7.1 Availability of project management committee members**

Availability of project management committee members was a challenge to the study. This is attributed to the fact that most of the projects are managed on an adhoc basis with no fixed abode for the project management committees. This highly affected the data collection exercise. The researcher overcame the limitation by way of liaising with the CDF manager for the constituency with an aim of reaching all the project management committees.

### **1.7.2 Sensitivity of information**

The Constituency Development Fund is a very sensitive docket. This is mainly attributed to the political nature via which the fund is administered and managed. Some of the respondents were cautious about providing information which they deemed capable of injuring reputations and by extension political careers. The researcher strived to assure the respondents that confidentiality would be upheld by not divulging their identities. The researcher also sought to reassure the respondents about their ability to get a copy of the finished research report if need be.

### **1.7.3 Access to secondary records**

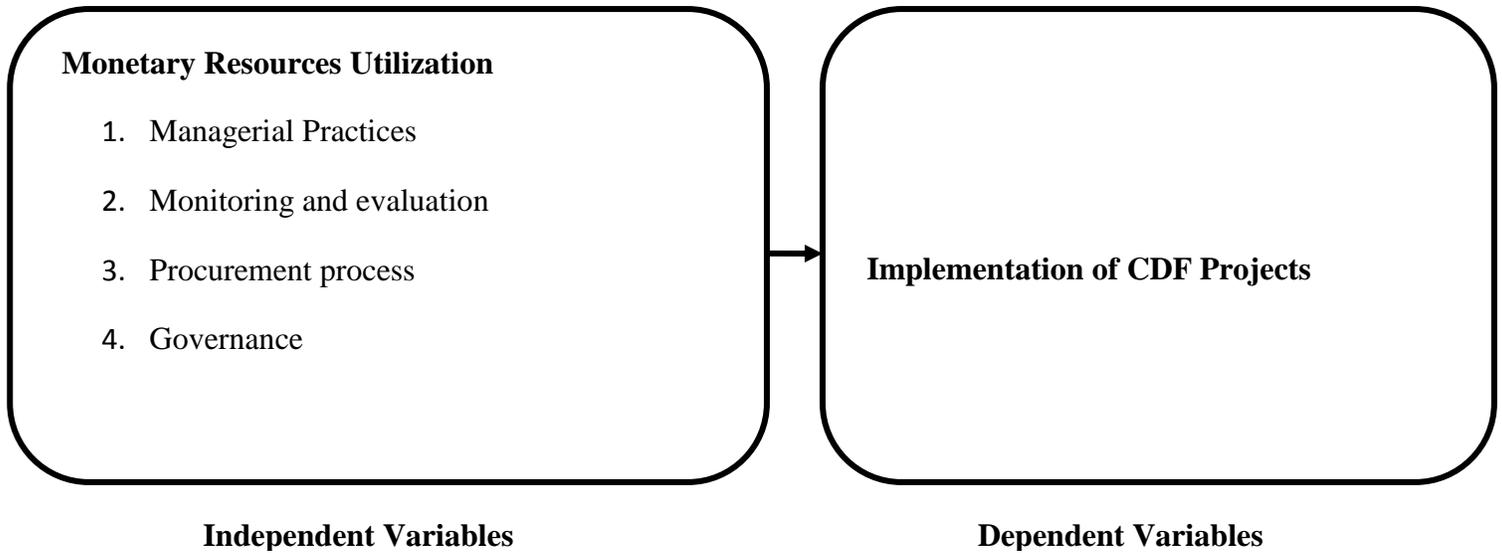
Accountability is a very sensitive area as regards fiscal prudence and openness. Instances of unaccountability may be a precursor to fraud and criminal culpability may be preferred to the responsible persons. Access to secondary data for perusal to confirm the levels of accountability were a challenge to the study. The study sought to interrogate audited accounts and records from civil society organizations charged with the responsibility of conducting social audits to verify and augment the findings.

### **1.9 Assumptions of the study**

- i. The variables that the study sought to evaluate were measurable and quantifiable.
- ii. The findings of the study were pertinent to the field of public funds administration and relevant in terms of ensuring realization of the constituency development funds ideals.
- iii. The study findings would be of value in the realms of social economic development and equitable resource mobilization and distribution.

### 1.10 Conceptual Framework

The following diagram presents the relationship between the independent variables and the dependent variable.



**Figure 2: Conceptual framework on variables in the study**

**Source: Self Conceptualization (2016)**

The managerial skills of the project management committee members determine the efficiency of service delivery and ability of the constituency development fund to effectively ensure optimal utilization of monetary resources in the implementation of the projects undertaken owing to the capacity to effectively monitor the programmes. The ability to undertake monitoring and evaluation in an effective manner ensures sound project implementation and timely completion of programmes. Capacity to see to it that the project management committees are well versed with the public procurement and disposal act sees to it that the projects carried out are implemented in a transparent and accountable manner. The ability to put in place good safe guards with regards to governance ensures the right project choices and effective capacity with regards to the monetary resources utilization in the implementation process.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

Chapter two of the project proposal involves a review of previous works carried out by other researchers in the field of monetary resources and the implementation of constituency development fund projects in Kenya. It examines it based on its strengths and weaknesses in relation to the present study. It carries out a critical review of the study, gives a summary of the gaps to be filled and has a theoretical and conceptual framework as well.

### **2.2 Theoretical Literature**

#### **2.2.1 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. Sub-national governments are considered to be pursuing their own interests rather than being benevolent. Financing through formula grants does not provide the adequate incentives to foster growth because the effect of a region's economic policies is translated to the growth of the national revenue pool, of which at most the region will be able to capture a tiny proportion.

Given the policy shift towards more productive spending and more growth-oriented government policies, the fiscal interest theory also suggest that growth should be stronger in tax-decentralized places. More concretely, the main hypothesis that has been put to test is the one that links the marginal retention rate and the GDP growth rate. Tax decentralization is the force behind the bias in favour of productive spending. In fact, some authors have suggested the use of grants to alleviate this bias .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 practice, public investment at sub-national level is funded in a non-deniable proportion by capital grants from national or even supra-national governments. These grants are earmarked for capital spending and have co-funding requirements at the project level. If optimal investment is lower than this threshold then the effect of the transfer would be to raise investment until this threshold is reached. Moreover, it could be that the effective matching rate is much lower than the one established in the rules of the grants, due to an improper application of the rules or to corruption. 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.

More tax decentralization will generate more investment on productive infrastructure, relative to other types of investment. Of course, the normative implications are different. The situation before a possible reduction in tax decentralization is one of over-provision of infrastructure and, thus, reducing decentralization would bring the level of infrastructure provision closer to the social optimum. The theory identifies with the constituency development fund which is a fiscal decentralization model. The study sought to find out the extent to which the fiscal decentralization model espoused by CDF has enhanced local growth due to waste reduction in the programs associated with apt implementation.

### **2.2.2 Economic Welfare Theory**

The study was also based on the Pigou's theory of economic welfare as postulated by Pigou's in the year 1972. The theory 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. This is by virtue of the fact that the emphasis of the CDF programmes is to assure greater opportunities to the local populace owing to enhanced service delivery standards and basic social amenities provision. The ability to provide good roads, equip classrooms, provide needy pupils with bursaries, build police posts and other associated programmes undertaken by the CDF ensures that the economic welfare of the local populations is positively impacted on. This brings

along the increased opportunities which positively influence the capacity of the citizens to derive satisfaction from their enhanced social and economic welfare.

The capacity to ensure that the CDF realizes its mandate is hinged on the capacity of ensuring proper utilization of the funds. The study thus identifies with the Pigou's theory of economic welfare. This is because proper management of the CDF which is influenced by the measures in place assures accountability of the programmes has the capacity to improve the livelihoods of the citizens at large. Ability to complete a large number of projects brings along satisfaction and happiness to the society owing to the enhanced citizens welfare. Improved infrastructural and social amenities provision may directly influence the enhancement of social economic livelihoods and thus greater happiness attributed to the CDF programmes.

## **2.3 Empirical Literature Review**

### **2.3.1 Implementation of Fiscal Decentralization Programmes**

Fiscal decentralization is the devolution of taxing and ability to spend money to regional governance units which are subsidiary to the central government (Crump, 2013). The principle of decentralization of the fiscal activities has the assumed benefits of subsidiarity thus singular focus to the central government in the achievement of its core functions, improved governance and accountability owing to the fact of enhanced scrutiny of the government spending. Improved democratization, citizen participation as regards the choice of the projects and the resultant enhanced service delivery in terms of increased efficiency is a key tenet of fiscal decentralization. The study sought to compare the devolution of taxing programs in place and how they affect the utilization of monetary resources in the implementation of CDF funded projects in Kiharu constituency.

Fiscal decentralization is a core tenet of the United States of America (Kwame 2012). The federal states have the autonomy to raise revenue in form of taxes and the power to spend the same in their jurisdictions in terms of infrastructure development, service delivery and other mandates in their confines. The same is applied in all the states and the autonomy enhances their independence and strengthens their capacity to deliver services to the citizenry in their jurisdictions.

In China we have had fiscal decentralization aiding spur the local empowering, (Taylor, 2012). The enormous population of the country is effectively served by the regional governments which have a firmer grip and tighter control of their jurisdictions in terms of knowing the needs of their charges as opposed to the central government which has a greater focus on the policy and related national issues. At inception, the decentralization was volatile but with improved acceptance across board there has been improved governance and implementation of the program leading to increased national growth for the country.

In Africa we have a challenge of the strengthening of political will to achieve the much required fiscal decentralization in many countries across the continent, (Adebayo, 2012). This stems from the fact that most of the countries are under a centralized governance rule. The much needed decentralization of power from the central government is a tall order for many countries in Africa. It thus makes the continent lay behind in relation to fiscal decentralization as compared to other developing countries in the world. Many jurisdictions have gradually embraced the political will to share resources across the electoral units across the countries. The elected political leaders have been charged with the responsibility of overseeing decentralized funds as disbursed in line with the pertinent needs of their areas.

The challenge of inter-governmental fiscal relations causes many countries not to undertake fiscal decentralization in Africa, (Komora, 2012). This is mainly driven by the fact that politics in Africa is very competitive and the driving aspect of a winner takes all in a political contest is the undoing of politics in Africa. This brings about the challenge of the winner wanting to develop his background at the expense of the others thus ignoring the need to have a decentralized system with equal opportunities for all. Many examples of gradual change in terms of ensuring equitable access to resources and facilities to aid spur development and reduce disproportionate development are slowly gaining root.

Inter-governmental transfers whereby a percentage of the revenue generated by the central government is transferred to the autonomous units are equally another form of fiscal decentralization, (Ball, 2012). This is whereby the central government levies taxes to the whole populace within its jurisdiction and transfers a percentage of the same equitably to all decentralized units to help them run their programmes and activities from the good of the citizenry in their jurisdictions. In Pakistan, the practice of funds allocation to constituencies has been profound. It started in the year 1985 and the programme has been a test case emulated by many countries in the Asian region. The percentage of revenue earmarked for the constituencies is distributed evenly for ensuring equitable resource allocation.

The core component of fiscal decentralization is financial responsibility, (Ahamad, 2012). The central government gives autonomy to a local unit and allows it to take charge of its financial activities on the principle of subsidiarity to the central unit. The quasi-independent local unit has the power to run and manage the financial activities within its jurisdiction. Many jurisdictions

have exploited fiscal decentralization by way of conferring power to devolved units. The units are dependent on the central government for financing in the quest of realizing their mandates.

In India the legislators have access to a development fund which enables them to propel their vision for the electorate (Keefer, 2011). The fund draws its resources from the exchequer and it's pegged on having it realize 5% of the national revenue. The legislators use the fund to actualize infrastructural projects in their constituencies and other support programmes geared towards facilitating government service delivery to the constituents. In essence the fund gives credence to the capacity of the legislator with regard to projects actualization and transfers a portion of the national revenue to the electoral unit. This facilitates fiscal decentralization and gives clout to the legislator in terms of spurring local development. The study sought to compare the situation in India to that in Kenya and how it affects monetary resources in the implementation of CDF funded projects in Kiharu constituency.

Fiscal decentralization may entail the federal unit having the power to self-finance its activities by way of levying charges to achieve the same, (Fisben, 2011). This is whereby the unit is charged with the responsibility of deciding the taxes that it will levy on the constituents to generate the much needed revenue to facilitate the carrying out of all the activities within its jurisdiction. In many cases, the event of the electoral units being given power to self-finance their activities does not suffice (Magubira, 2012). This is attributed to the fact the legislators are charged with the mandate of policy formulation and legislation. It thus inhibits them from undertaking the activity of formulating taxation policy and overseeing unit responsible for tax collection from the constituents. It is thus incumbent on them to rely on the central government and other devolved units to collect the taxes due for the purpose of facilitating financing for their

decentralized activities. The study compared the model of self-financing to that of allocations from the central government as in the Kenyan situation and how it affects the utilization of monetary resources in the implementation of CDF funded projects in Kiharu constituency.

Co-financing arrangement in the name of having users participating in the service delivery is equally another form of fiscal decentralization, (Eschura, 2012). The service providers have a mutual understanding with the autonomous unit to provide services to the populace and recover the cost of doing the same for the citizenry by way of levying taxes. These ensure service provision and equally ease the burden of the same from the unit by way of transferring the responsibility to a provider whose core business is the same. The practice of co financing is entrenched in the developed jurisdictions.

In Canada, the co-financing arrangement has gained root. This is occasioned by the fact that we have a developed private sector which complements the public sector in terms of service delivery to the citizenry (Vivek, 2012). The citizens are thus obligated to pay for the provided services and the autonomous units recover the same from the contracted service provider's thus mutual gain for the service provider and the citizens. The fiscal decentralization aspect thus is associated with the mutual association between the contracted service provider and the electoral unit. The service provider levies taxes and provides services, makes some profits and has the electoral unit retain the surplus thus employment creation, growth of business and service delivery in an amiable manner.

Expansion of local revenues through property or sales tax is equally a core tenet of fiscal responsibility, (VallianCourt, 2012). The same gives the local authority powers to generate revenues and to decide on how to plan and budget from the proceeds accruing from the revenues.

This gives it some legislative authority over the subjects of its jurisdictions, ability to make by-laws and have the same applied to all and sundry all for the purpose of making the financial programmes of the entity a reality.

In the current devolved governance dispensation in the republic of Kenya, we have a situation whereby the county governments are given autonomy to raise their own revenues and decide on how to spend it subject to the approval of the controller of budget (Mittulah, 2013). This is a form of fiscal decentralization which allows the devolved entities to respond to the local pertinent needs as opposed to the situation of the central governance authority deciding on the actual development projects to be undertaken. This allows the local units to have greater say as regards the projects to be carried out as motivated by the inherent dynamics within their jurisdictions (Mittulah, 2013). It gives the local population capacity to have their most pressing issues dealt with expeditiously owing to the local leaders having the touch of the ground. It negates the practice of haphazard policy pronouncements and having similar projects duplicated regionally or nationally without taking due considerations of the prevailing needs of the populations.

Inter-governmental transfers whereby a percentage of the revenue generated by the central government is transferred to the autonomous units are equally another form of fiscal decentralization, (Ball, 2012). This is whereby the central government levies taxes to the whole populace within its jurisdiction and transfers a percentage of the same equitably to all decentralized units to help them run their programmes and activities from the good of the citizenry in their jurisdictions. Most of the constituencies' development fund relies on the inter-governmental transfer's mode. The situation in the Pakistan is reflective of inter-governmental

transfers. The central government levies charges and has a portion of the same transferred to the electoral unit for service delivery and developmental purposes (Shadiullah, 2012). The government invests in the human resource component which assures it of capacity to effectively collect taxes due to it and this facilitates the transfer of resources to the electoral units within its jurisdiction.

Fiscal 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. It also allows the local units to attend to the most pertinent needs that the constituents are in need of. This ensures that in the prudent utilization of funds and accountability, local needs are effectively taken care of.

Lean public sector sizes are a benefit of fiscal decentralization to the central governments, (Pose, 2012). This is premised on the fact that the autonomous units free the central government of many responsibilities and it's bound to be leaner. This brings along with it greater efficiency, a more competitive and innovative public sector and better value for the money for the populace. In the developed jurisdictions which conform to the dictates of lean public governance and administration systems cost effective structures are realized.

All fiscal decentralization systems are hinged on four pillars, (Njeru, 2012). These are the money transfer to a local unit, the power of a local unit to raise taxes and the power of a local unit to borrow. The power to make decisions and implement them is equally a core pillar of fiscal decentralization. This brings along the much needed responsibility in the unit over resources,

autonomy which is a major incentive for the units, macro-economic stability, simplicity and the resultant minimal administration costs.

### **2.3:2 Managerial Skills and CDF Projects Implementation**

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. Fund management is a very important component of corporate finance because it directly affects the liquidity, profitability and growth of a business. It is important to the financial health of businesses of all sizes as the amounts invested in working capital are often high in proportion to the total assets employed (Atrill, 2006). It involves the planning and controlling of current assets and liabilities in a manner that eliminates the risk of inability to meet short-term obligations and avoid excessive investments in these assets (Lamberson, 2012). This management of short-term assets is as important as the management of long-term financial assets, since it directly contributes to the maximization of projects profitability, liquidity and total financial performance. Consequently, projects can minimize risk and improve the overall financial performance by understanding the role and drivers of funds, Lamberson (2012). In addition, as established by several researchers (Peel and Wilson 2010, Padachi, 2012, Kotut, 2013) efficient management of capital is pivotal to the health and performance of firms hence their view that firms should employ the use of efficient practices of fund management as a strategy of improving their value. The literature on working capital management practices identifies efficiency of cash management, efficiency of receivables management and efficiency of inventory management as determinants of financial performance model. Financial performance can be improved if efficiency levels of cash, receivables and

inventory management practices are increased. The investigation on fund management practices was focused on cash management practices, receivables management practices and inventory management practices related fields researched on the CDF but the focus of this research was to assess the effect of monetary resources utilization on the implementation of CDF funded projects in Kenya.

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). The study interrogated the extent to which the individual competencies of the project management committee members affected the monetary resources utilization and implementation of CDF funded projects.

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. Gatanga constituency has been in the limelight in utilization of CDF allocated amount of money through accountability, transparency and viable projects but little information is available on the financial

performance of water and hydropower projects after completion. In most of the constituencies that are ranked top in the utilization of amount allocated, scanty information is available on financial performance of completed projects (CDF monitoring committee, 2011). The study sought to find out the efficiency of the fund administration structures and how it affects monetary resources utilization in the implementation of CDF funded projects in Kiharu constituency.

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. The report states that most CDF committee members were appointed by MPs who exercised an oversight role. Some MPs used funds allocated for specific projects to fulfill promises they made to voters during campaigns. Politicians promise voters projects during campaign period that are hard to achieve financially and when elected, they are bound to use CDF money in implementing such projects. The delay in implementation was attributed to lack of public participation in determining order of priority of intended projects. Public participation is very important while determining projects because locals know better the challenges they face. The report also noted that the standard of the projects was compromised due to lack of technical expertise. People contracted to run projects were not on merit but rather relatives. A total annual constituency allocation for the six constituencies during 2003/4 to 2012/2013 financial years is Sh3, 067,245,565 that accounted for four per cent of the total national disbursement. The study sought to find out the fund

management systems in place and how they affect monetary resources utilization in the implementation of CDF funded projects in Kiharu constituency.

The citizens CDF report card for Machakos town constituency for the year 2012 showed that the failure to fully realize optimum project implementation was hinged on the capacity of the project management committees. In electoral wards with educated and incisive project management committee members the administration and management of the constituency development fund was better than in those whereby semi-literate persons were charged with responsibility (NTA, 2012). The report compared the eminent persons in the project management committees who were highly educated to the situation of having them strive to give back to society as opposed to the others who were in it for the allowances and prestige that came along with the position. Greater sensitization for the communities on the need to have educated and academically competent persons in the project management committee's was championed by the national taxpayers association as a critical factor in ensuring accountability in the administration of the constituency development fund (NTA,2012). The study sought to find out what the prevailing situation is with regard to the managerial skills, their impact on monetary resources utilization and CDF project implementation in Kiharu constituency.

### **2.3:3 Monitoring and Evaluation and CDF Projects Implementation**

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. There was thus a direct correlation between the monitoring and evaluation programs in place and the performance of the projects carried out (Adan, 2012). The study interrogated the extent to which stakeholder participation affects the monetary resources utilization and the implementation of CDF funded projects.

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 situation of extra payments owing to the failure to institute effective checks by virtue of not having the current best practices observed in terms of monitoring and evaluation thus occasion's non-effective implementation. The need for ensuring adequate monitoring and evaluation was thus underscored as a measure of ensuring apt performance of the CDF projects. The study investigated the effectiveness of the monitoring and evaluation programs its effects on monetary resources utilization and how it affects the implementation of CDF funded projects.

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. Communities are expected to be active in the projects implementation phase to ensure that objectives of the project are met using resources allocated

for them within a given period of time (CDF National Management Committee, 2014). The study interrogated the monitoring and evaluation activities in place and how they affected implementation of CDF funded projects in Kiharu constituency.

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 study evaluated the prevailing legal framework in place and how it affects utilization of monetary resources in the implementation of CDF funded projects in Kiharu constituency.

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. The self regulation makes a nullity of the essence of monitoring and evaluation. The study sought to find out how the statutory provisions affect monetary resources utilization in the implementation of CDF funded projects in Kiharu constituency.

Mulwa (2013) stated clearly that, any judgment that emanates from evaluation would largely depend on the value system from which evaluating party originates. Conventionally, evaluating party is usually part of evaluation missions contracted and dispatched from the donor world. In the case of CDF Act (2003) revised (2014), the CDF identifies projects, implements, then monitors and evaluates, or call technical persons at its own peril. This can be a weakness that needs to be addressed. Odhiambo (2012) while referring to Feverstein, (2011) explained that locally managed and controlled funds have great potential to bring about positive development outcome at the local level especially if community participation is sufficiently enhanced and political interference reduced. The study sought to find out the extent to which community participation affects monetary resources utilization in the implementation of CDF funded projects in Kiharu constituency.

The constituencies development fund which was amended in the year 2012 and enacted in the year 2013 gives prominence to the infusion of information management system in the administration and management structures of the fund. It stipulates the need for electronic financial management systems a measure of ensuring sound governance and management standards (G.o K, 2013). The project management committees have been tasked with ensuring that the requisite information management systems are put in place. The study sought to find out how monitoring and evaluation affects monetary resources utilization in the CDF projects implementation in Kiharu Constituency.

### **2.3.4 Procurement Processes in CDF Projects Implementation**

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. It allowed streamlining of procurement programmes in the jurisdictions and project management in the fiscal decentralization programmes. The study sought to find out the procurement programs in place, how they affect the monetary resources utilization and the implementation of CDF funded projects.

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. The essence of technology employment was driven the fact that at the touch of a button the participants in a management programme can easily get to identify the progress made and funds expended for all levels (DFID, 2013). This deterred misuse of public funds in the procurement process. The study sought to find out the measures in place to integrate the systems; there effects on monetary resources utilization and the implementation of CDF funded projects.

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 study sought to compare the effectiveness of information systems currently in place and how they affect monetary resources utilization in the implementation of CDF funded projects in Kiharu constituency.

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.

It is argued that accountability illustrates how the public interest has been protected in the expenditure of public funds. Moreover, upholding integrity in public procurement is opined to be one of the most vital beacons of modern national procurement systems (Barret, 2000). In their study, Vian and Collins (2006) posited that a district health planning and reporting system was employed in South Africa with a view of enhancing management control and also in order to hold government agents accountable for their decisions. The system brought together the

financial and service data helped officials to explore the genesis for performance differences, which include probable corruption.

Transparent management is averred to be closely related to accountability, yet Kenya has done little to ensure that this type of management is upheld. It is reasoned that relative to transparency, active disclosure of information entailing decision making and measures of performance can lead to improved public deliberation, reinforce accountability and inform citizen choice. It is further asserted that transparency enables the documentation and dissemination of information on both the scope and consequences of corruption. This information, it is advised, can aid in building support for anti-corruption programmes and target enforcement efforts (Ngugi & Mugo, 2011). 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. In the former, the CDFC treasurer doubled as a contractor while in the latter it was alleged that Project Management Committees (PMCs) were allowed to provide labour and materials such as timber and ballast which resulted in conflict of interest. The study will find out investigated the level of accountability in the program and how it affects utilization of monetary resources in the implementation of CDF funded projects in Kiharu constituency.

Integration of Information and Communications Technology (ICT) in procurement procedures is

very important. This assertion is reinforced by the results of a study by Ngugi and Mugo (2011) where it was established that ICT adoption affected procurement process at Kenya government ministries to a great extent. Incorporating ICT was found to enhance the process of effective tendering through advertising, sourcing reviews, pre-qualification, potential for cost savings and greater awareness for new developments. The adoption of ICT was argued by the two scholars to capacitate the aforementioned ministries to provide excellent service to their suppliers in an effective and transparent manner. Their study inferred that operating procedures afore-explained affected the procurement process at Kenya government ministries to a very great extent.

The PPDA (2005) stipulates the procurement methods to be applied, advertising rules and time frames, the content of tender documents and technical specifications, tender evaluation and award criteria, procedures for submission, receipt and opening of tenders, and the complaints system structure and sequence. It is further pointed out in a critical appraisal of CDF Act in Kenya by Ongoya (2012) that regulations as established by PPDA lay the basis upon which there is creation of separation of powers between institutions that manage public procurement and those checking compliance with procurement procedures. The findings of Achuora *et al.* (2011) concurred with those of Manasseh (2010) that public procurement regulation is one of the most important factors in carrying out effective public procurement audit.

The Institute for Social Accountability (ISA, 2009) reported that tendering and procurement procedures had become a conduit through which certain contractors, members of the National Assembly and their political cronies through the complicity abetting of the CDFC members were fleecing massive amounts of money from the CDF kitties through skewed processes. The report further pointed out that the subversion of CDF procurement procedures components were found to affect procurement process of supplies in the public sector to a great extent. The study sought

to find out how public procurement processes affect utilization of monetary resources in the implementation of programmes in the projects carried out by the constituency development fund in Kiharu constituency.

### **2.3.5 Governance and CDF projects Implementation**

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. The capacity of the local populations to have an overriding role as regards project choice has a big bearing on the ability of the programs to be successful (Christine, 2012). This is associated with the fact that the local populace is aware of its pertinent needs and has them as the driving factor with regard to project choice. 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. They are bound to agitate for local programmes which are close to them as opposed to the central government deciding on matters which may not have major local considerations with regard to the populace needs (Ahmad, 2012). This also minimizes instances of skewed development programmes not driven by real business case. The study sought to find out the effectiveness of the decision making processes in place and how it affects the implementation of CDF funded projects in Kiharu constituency.

A more assertive civil society has prompted the community to always take a leading role in the decisions which regard the constituency development fund administration, (Mathiu, 2009). The populace is more sensitized as regards the pain of taxpayer's money going into projects which don't benefit them and the need to effectively police the fund by way of making enquiries and getting involved in every stage of project design, development and implementation. Competence in the local knowledge and the information residing in the minds of the local officials gives legitimacy to local considerations in decision making, (Huugu, 2010). Local participation by the constituency lends accuracy to the development. The local populations are always at hand to give an input of their ideas and feelings as regards projects and what impact they have on their lives as a populace and the overall prioritization of needs with regard to service delivery (Huugu, 2010). The risk of failure is curtailed and minimized because the local population works hard to ensure that the projects are successful. The study interrogated the role of the civil society in the local levels and how it affects monetary utilization in the implementation of CDF funded projects in Kiharu constituency.

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. In a study done in Zambia, it was found out that in 88 per cent of projects sampled, community members raised concerns about some inappropriate projects, the misuse of funds or insufficient adherence to CDF guidelines; nine per cent of completed projects were left lying idle (Micah, 2012)

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. The study ascertained how the governance programs affect monetary resources utilization in the implementation of CDF funded projects in Kiharu constituency.

According to Gray and Larson (2012) a project is a complex non-routine, one life time effort limited by time, budget and resources to meet customers' needs. Effective funds management in projects is determined by parameters which govern funds control such as auditing (Kogan, 2012). The CDF act 2003, section 25 (2) stipulates that funds for any project should be adequate and be disbursed in time for successful implementation of projects, CDF allocates project fund as grants and is allocated through a thorough process every financial year and the PMCs are mandated to prudently manage the allocated project funds (Bennel & Sayid, 2012).

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 good will overriding the implementation for the eventual programmes success (Gok, 2013). The National Taxpayers Association report equally cites public participation as a critical factor which infuses accountability and prudence in programmes administration in the projects undertaken by the constituency development fund. This is an integral component which all project management committees should adhere to as a way of ensuring accountability and higher standards of management in projects carried out by the constituency development fund (NTA, 2012). It may ultimately improve the outcomes in terms of project realization and greater assurance for the longevity of programmes. The study sought to find out how governance systems affect the utilization of monetary resources in the implementation of projects carried out by the constituency development fund in Kiharu constituency.

#### **2.4 Summary of the literature**

The study sought to determine how monetary resources affect the implementation of constituency development funded projects in Kenya. It sought to determine how the managerial skills, monitoring and evaluation programmes, procurement processes and governance systems affect monetary resources utilization in the implementation of CDF projects. Previous studies carried out by (Ntuala, 2010, Radoli, 2011 and Wamae, 2009) 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 mismanagement occasioned by poor financial skills in the project management members.

## **2.5 Gaps to be filled**

The studies carried out by (Ntuala, 2010, Radoli, 2011 and Wamae, 2009) in Machakos town, Naivasha and Kibera constituencies cited instances of exorbitant costs associated with increased bills accruing from the contractors mainly due to collusion with the public servants undertaking supervision works for the undertaken projects. The studies focused on the project completion rates while the current study sought to fill the gap of monetary resources utilization on the implementation of CDF projects. It also sought to determine other pertinent factors affecting the monetary resources utilization in the implementation of the constituency development funded projects.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

Part three describes the location of the study, research design, target population, sample and sampling procedures, data collection instruments and procedures, validity and reliability of research instruments used, data collection, processing and presentation methods.

#### **3.2 Research Design**

The study employed a descriptive survey research design to establish the effect of utilization of monetary resources on 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.

#### **3.3 Target Population**

All people under consideration in any field of inquiry constitute a universe or targeted population (Kombo et al, 2006). The target population of this study consisted of all the 36 project management committee members in the constituency and the constituency fund manager.

**Table 3.2: Target Population**

<b>Zone</b>	<b>No. of project management committee members</b>
Murarandia	6
Wangu	6
Township	6
Mbiri	6
Gaturi	6
Mugoiri	6
Totals	36

Source: Constituency fund managers office- Murang'a 2016

The study thus had a target population of thirty six project management committee members and the constituency development fund manager all totaling 37 target respondents.

### **3.4 Sample size and sampling procedures**

The census method was used for respondent's determination. This is because the study population was small and all the project management committee members were considered to have the requisite information necessary for the study. 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. The fund manager who was considered a key informant for the study was also considered.

### **3.5 Research instruments**

The study used questionnaires and an interview schedule as the instruments for the study. The study had a set of questionnaires which were used to collect data from project management committee members. 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.

### **3.6 Pilot Study**

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. Changes were made on the questions deemed appropriate after the pilot study.

#### **3.6.1 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. In this case the pilot study respondents were subjected to questionnaires for two consecutive times to test their ability to give similar answers to the items on the questionnaires.

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.

The clarity of the language used was confirmed by way of having the pilot study respondents subjected to the instruments with a view of confirming their capacity to understand the language used in the instruments. In case of any misunderstanding the researcher made changes on to the instrument to ensure that it conformed to the understanding of the target group.

### **3.6.2 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. The test retest procedure had the disadvantage of development of bias occasioned by the exposure of the pilot study respondents to the same instruments twice. This led to the inordinate failure to realize the reliability thresholds.

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

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. This is because in the event of lower scores the reliability of the instruments would be in question.

### **3.7 Data Collection procedure**

Permission to conduct the research was accorded by the college. The researcher thereafter hand delivered the questionnaires to the target respondents and collected them immediately after dropping to deter collusion by the respondents. The researcher visited the constituency fund manager's office for the conduct of the scheduled interview. She made prior arrangements suitable to the schedule of the officer.

### **3.8 Data Analysis procedure**

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 themes arrived at were compared to previous studies carried out in the field of monetary resources utilization in the implementation of CDF projects. The data was presented by use of frequency tables, percentages and inferential statistics.

### **3.9 Ethical Considerations**

The researcher sought to get the consent of the respondents before administering the research instruments to them. She 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.

## **CHAPTER FOUR**

### **DATA ANALYSIS, INTERPRETATION AND PRESENTATION OF FINDINGS**

#### **4.1 Introductions**

The study was carried out in Kiharu constituency. The study 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.

#### **4.2 Demographic findings**

The study sought to find out the socio-demographic data as regards the project management committee members as regards to their genders, age and length of service with a view of relating the information to their understanding on the effect of utilization of monetary resources in the implementation of the constituency development fund in Kiharu constituency, Murang'a County.

**Table 4.1 Socio Demographic Information**

Response		Frequency	Percentage
Respondents gender	Male	23	71.9
	Female	9	28.1
<b>Total</b>		<b>32</b>	<b>100.0</b>
Respondents age bracket	20-30 yrs	3	9.4
	31-40 yrs	19	59.4
	41-50 yrs	6	18.8
	51-60 yrs	4	12.5
<b>Total</b>		<b>32</b>	<b>100.0</b>
Years worked as a member of project management committee	1-5 years	28	87.5
	6-10 years	4	12.5
<b>Total</b>		<b>32</b>	<b>100.0</b>

Source: Field data, 2016

Responses from table 4.1 shows that most (n=23) (72%) of the project management committee members were of male gender. This was an indication that members of the male gender were more assertive as pertains to seeking positions in the CDF project management committees. It can be interpreted to mean that the local community had an inclination to leadership from members of male gender. This is a reflection of the ingrained asymmetry as pertains to gender disposition. The members of the age bracket of between 31 to 40 years formed the bulk of the membership in the CDF project management committees (n=19) (60%). This was an indication that majority of the CDF project management committees members were of the middle age. It can thus be interpreted to mean that the local community had high confidence in the middle aged

persons as pertains to leadership and the ability to offer stewardship to the projects managed by the CDF. The length of time served as members of CDF project management committees by most of the respondents was 1 to 5 years (n=28) (88%). The responses reflected a situation whereby majority of the project management committee members were serving for the first term.

**Table 4.2 Fully conversant with regulations guiding the fund administration**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	27	84.4
No	5	15.6
Total	32	100.0

Source: Field data, 2016

Table 4.2 shows that majority of the respondents (n=27) (84.4%) were fully conversant with the regulations guiding the administration of the constituency development fund. The responses reflected presence of assertive respondents who were keen to understand the dynamics of the fund that they supervised. It can thus be interpreted to mean that the respondents had taken time to keenly understand the operations of the CDF with regard to the regulations guiding the administration of the fund. The responses were in tandem with the position taken by the CDF fund manager who attested to the fact that the management always ensured that the project management committee members were trained on the regulations guiding the fund administration as a requisite for enhanced effectiveness. This ensured that they were able to police the activities of the fund effectively to see to it that the monetary resources were utilized in the right manner.

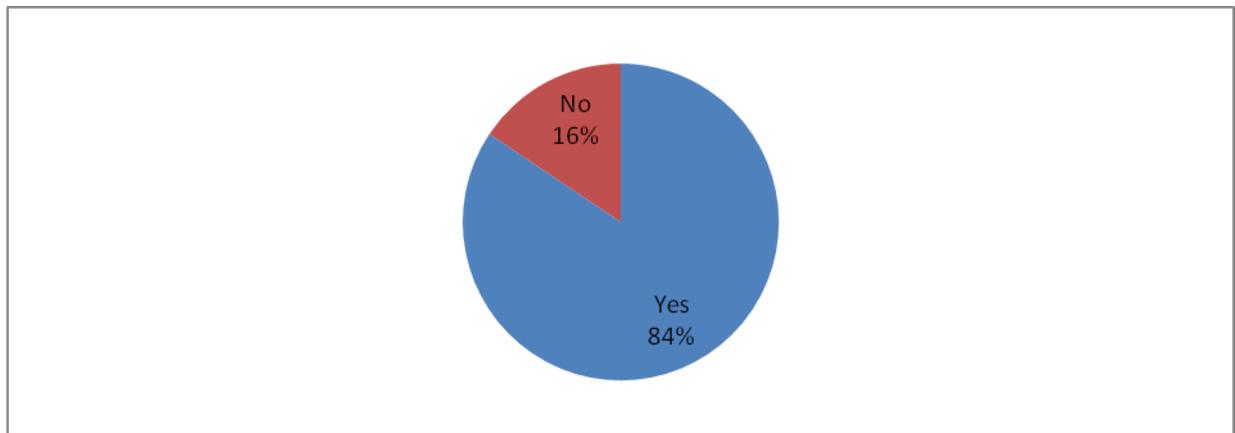
**Table 4.3 Cross tabulation on the length of membership in the CDF project management committees and being fully conversant with administration of the fund**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	24.686 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	17.913	1	.000		
Likelihood Ratio	19.109	1	.000		
Fisher's Exact Test				.000	.000
N of Valid Cases	32				

a. 3 cells (75.0%) have expected count less than 5. The minimum expected count is .63.

b. Computed only for a 2x2 table

Table 4.3 shows  $\chi^2$  (24. 686<sup>a</sup>, N=32) = 19. 109, p<0.000. The calculated statistic  $\chi^2 = 24. 686^a$  was found to be more than the tabled critical value of  $\chi^2 = 19. 109$ . It can be interpreted to mean that, statistically, there is a significant relationship between the length of service in the CDF project management committees and the ability to be fully conversant with the regulations guiding the administration of the fund at  $\alpha = 0.63$ . It denoted the ability to have the length of time that the individuals had served in the project management committees as a factor affecting their ability to understand the regulations guiding the administration of CDF. The fund manager equally confirmed that the individual experience was a factor which affected the ability of the PMCs to effectively understand the regulations guiding fund administration. This directly affected individual disposition and ability to understand the regulatory framework stemming from experience.



**Figure 4.1 Awareness of legislative framework guiding CDF** Source: Field data, 2016

The responses in figure 4.1 confirmed that awareness of the legislative framework guiding the administration of CDF. This was an indication that the respondents went out of their way to understand the legal intricacies guiding the management and administration of the constituency development fund. 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.

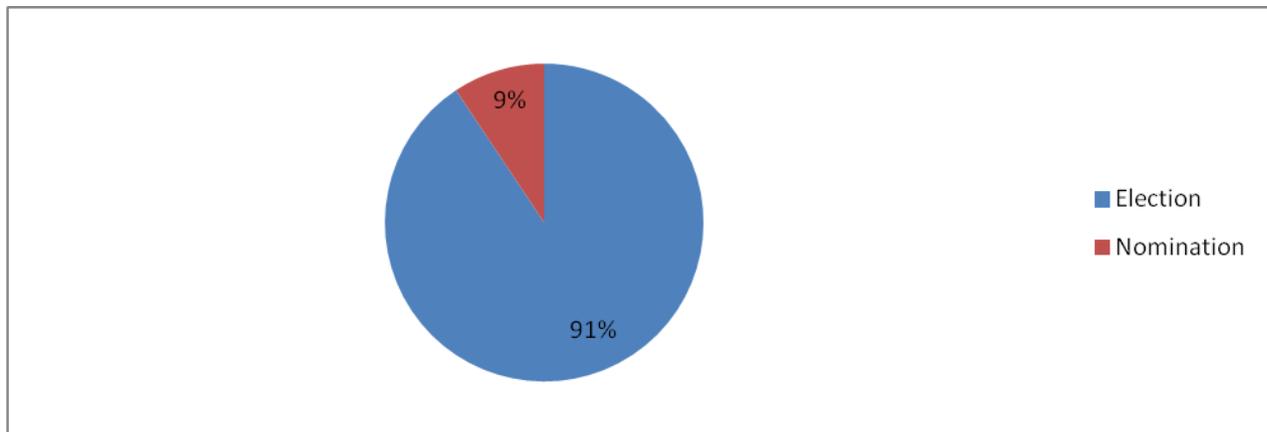
**Table 4.4 Instances of lack of accountability in the fund administration**

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

Source: Field data, 2016

Table 4.4 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. The responses were an affirmation of the ability of the regulations in place to adequately cater for the accountability of the CDF. 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. Instances whereby the expectations for accountability were not met in the CDF were attributed to laxity on the part of the project management committee members and failure to enforce the regulations in place. The fund manager equally confirmed that the regulations in place adequately met the demands of CDF in terms of accountability to the citizens. He however 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.



**Figure 4.2 Criterion used in putting project management committee members**

Source: Field data, 2016

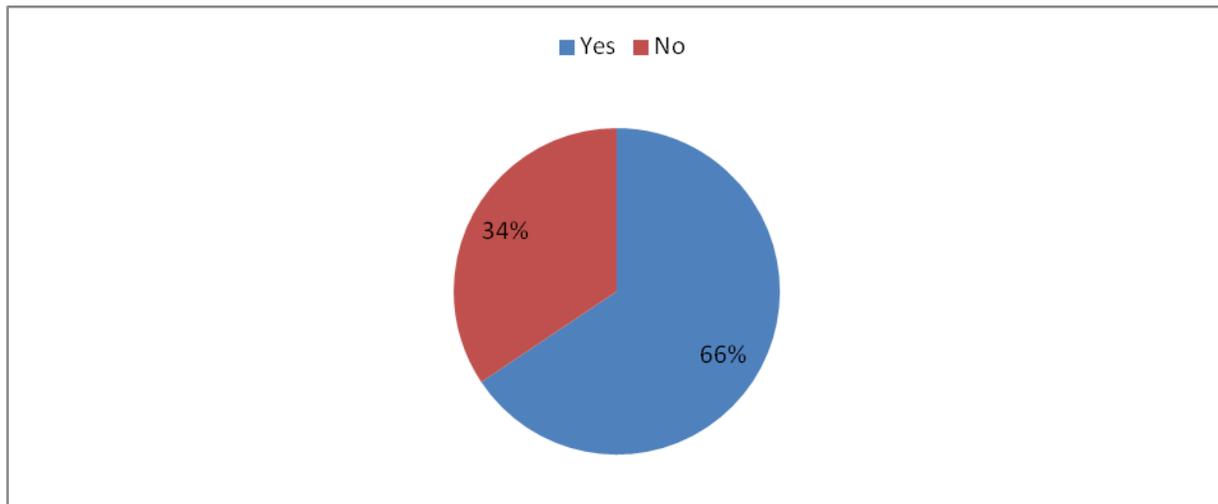
Figure 4.2 shows that the predominant criterion (n=29) (91%) used for putting in office project management committee members was elections. The responses were confirmation that the process was democratic in the sense of seeking the involvement of the wider community in the determination of the project management committee membership. It can be interpreted to mean that the CDF management strived to ensure democratic processes in the installation of the office bearers.

**Table 4.5 Effectiveness of selection criteria to ensure competent office bearers**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	25	78.1
No	7	21.9
Total	32	100.0

Source: Field data, 2016

Table 4.5 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. This was an indication that they appreciated the ability of the selection criteria with regards to assuring the communities that persons who merited were in office. 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



**Figure 4.3 Mode of putting in place project management committee and monetary resources utilization**

Source: Field data, 2016

Figure 4.3 shows that most of the respondents (n=21) (65.6%) considered the mode of putting in place CDF project management committee office bearers to have affected monetary resources in the implementation of the projects. This was an indication that there was a direct correlation between the process of putting in place office bearers and monetary resources utilization in the implementation of CDF projects. It can thus be interpreted to mean that the mode of putting in place CDF project management committee office bearers directly affected the monetary resources utilization.

**Table 4.6 Cross tabulation on criterion for putting in place project management committees and the effectiveness of the mode of office bearers selection**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	6.320 <sup>a</sup>	1	.012		
Continuity Correction <sup>b</sup>	3.517	1	.061		
Likelihood Ratio	7.021	1	.008		
Fisher's Exact Test				.033	.033
N of Valid Cases	32				

a. 2 cells (50.0%) have expected count less than 5. The minimum expected count is 1.03.

b. Computed only for a 2x2 table

Table 4.6 shows  $\chi^2$  (6.320<sup>a</sup>, N=32) = 7.021,  $p < 0.000$ . The calculated statistic  $\chi^2 = 6.320^a$  was found to be less than the tabled critical value of  $\chi^2 = 7.021$ . It can be interpreted to mean that, statistically, there was no significant statistical relationship between the criterion for putting in place project management committees and the effectiveness of the mode of office bearers selection on monetary resources utilization at  $\alpha = 1.03$ . It can be interpreted to mean that despite the criterion for putting in place project management committees it did not affect the effectiveness of monetary resources utilization. The fund manager however had a contrary opinion because he was of the view that in the event of a flawed criterion of putting in place

office bearers for the CDF the capacity to effectively ensure apt monetary resources utilization was not assured. This compromised the ability to have the committees discharge their responsibilities in the expected manner.

### 4.3 Managerial skills

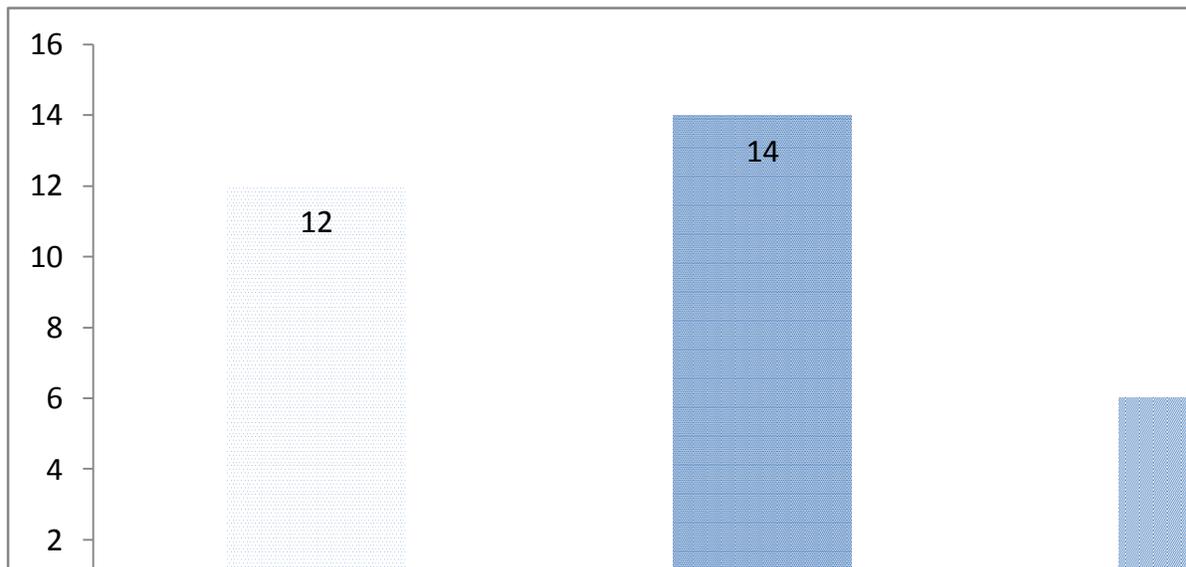
Kaimenyi (2012) in his paper on efficacy and efficiency of Kenya’s constituency development fund, theory and evidence discussed on issues related to the allocation efficiency, highlights some of the constituency characteristics that influence the efficiency and efficacy of CDF and some political economy. 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. Gatanga constituency has been in the limelight in utilization of CDF allocated amount of money through accountability, transparency and viable projects but little information is available on the financial performance of water and hydropower projects after completion. In most of the constituency that are ranked top in the utilization of amount allocated, scanty information is availed on financial performance of completed projects (CDF monitoring committee, 2011). The study sought to find out the efficiency of the fund administration structures and how it affects monetary resources utilization in the implementation of CDF funded projects in Kiharu constituency.

**Table 4.7 Basic minimum education requirement**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	32	100.0
Total	32	100.0

Source: Field data, 2016

Table 4.7 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 an indication that the practice of insistence on academic proficiency was deeply ingrained in the local CDF management. 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. The respondents went further to confirm that the basic academic requirement for the project management committee members was form four education level.



**Figure 4.4 Education level of project management committee** Source: Field data, 2016

Figure 4.4 shows that 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. The responses denoted the fact that the academic levels of the project management committee members were a critical factor in assuring the ability to have enhanced monetary resources utilization. It can be interpreted to mean that the project management committee members academic levels directly

impacted on the ability to ensure monetary resources utilization thus it was given great consideration during the election process. The fund manager had a contrary opinion going by the fact that he considered most of the projects management committee members as not upto the expected standards pertaining to the ability to effectively ensure utilization of monetary resources in the right manner despite their education levels. This was an indication that he did not wholly identify with the position of academic qualifications being the only benchmark to evaluate the PMCs on as pertains to their effectiveness in ensuring monetary resources utilization.

**Table 4.8 Instances of uneducated persons in project management committees**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
often	19	59.4
rarely	13	40.6
<b>Total</b>	<b>32</b>	<b>100.0</b>

Source: Field data, 2016

Table 4.8 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. This was confirmation that the risk of poor management occasioned by lack of proficiency in the project management committee members was rife in the study area.

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. The report states that most CDF committee members were appointed by MPs who exercised an oversight role. Some MPs used funds allocated for specific projects to fulfill promises they made to voters during campaigns. Politicians promise voters projects during campaign period that are hard to achieve financially and when elected, they are bound to use CDF money in implementing such projects. The report also noted that the standard of the projects was compromised due to lack of technical expertise. People contracted to run projects were not on merit but rather relatives. A total annual constituency allocation for the six constituencies during 2003/4 to 2012/2013 financial years is Sh3,067,245,565 that accounted for four per cent of the total national disbursement. The study sought to confirm the fund management systems in place and how they affect monetary resources utilization in the implementation of CDF funded projects in Kiharu constituency.

**Table 4.9 Cross tabulation on effectiveness of criterion for putting in place PMC’s and instances of uneducated persons serving as committee members**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	13.095 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	10.134	1	.001		
Likelihood Ratio	15.676	1	.000		
Fisher's Exact Test				.001	.001
N of Valid Cases	32				

a. 2 cells (50.0%) have expected count less than 5. The minimum expected count is 2.84.  
b. Computed only for a 2x2 table

Table 4.9 shows  $\chi^2$  (13. 095<sup>a</sup>, N=32) = 15. 676,  $p < 0.000$ . The calculated statistic  $\chi^2 = 13. 095^a$  was found to be less than the tabled critical value of  $\chi^2 = 15. 676$ . It can be interpreted to mean that, statistically, there was no significant relationship between the effectiveness of the criterion for putting in place project management committees and occasion of having uneducated persons sitting on the committees at  $\alpha = 2.84$  . It can be interpreted to mean that regardless of the criterion of the putting in place office bearers for the project management committees, the occasion of having uneducated persons sitting in them would still suffice. This was confirmed by the fund manager who stated that regardless of the position detailing the required academic qualifications which the PMCs possessed some were still not effectively able to measure to their expected standards as pertains to individual proficiency and performance. This had a negative effect on their ability to ensure effective utilization of monetary resources in the CDF projects.

The study findings mirrored the citizens CDF report card for Machakos town constituency for the year 2012 which showed that the failure to fully realize optimum project implementation was hinged on the capacity of the project management committees. In electoral wards with educated and incisive project management committee members the administration and management of the constituency development fund was better than in those whereby semi-literate persons were charged with responsibility (NTA, 2012). The report compared the eminent persons in the project management committees who were highly educated to the situation of having them strive to give back to society as opposed to the others who were in it for the allowances and prestige that came along with the position. The study sought to find out what the prevailing situation is with regard to the managerial skills, their impact on monetary resources utilization and CDF projects implementation in Kiharu Constituency.

**Table 4.10** lickert scale on managerial skills

		Managerial skills affect the utilization of monetary resources		Total
		Yes	No	
managerial skills of the project management committee	Disagree	2	0	2
	Agree	19	0	19
	strongly agree	3	8	11
	Total	24	8	32
capacity to understand the accounting	Disagree	5	0	5
	Agree	13	0	13
	strongly agree	6	8	14
	Total	24	8	32
comprehend the technical design	Disagree	6	0	6
	Undecided	3	0	3
	Agree	14	0	14
	strongly agree	1	8	9
Total	24	8	32	
choice of project undertaken	Disagree	4	0	4
	Agree	13	0	13
	strongly agree	7	8	15
	Total	24	8	32
ability to supervise and oversee constituency	Undecided	1	0	1
	Agree	18	0	18
	strongly agree	5	8	13
	Total	24	8	32

Most of the respondents (n=30) (94%) agreed that the managerial skills of the project management committee members affect their outlook to projects being undertaken. The responses mirrored the situation whereby the sustainability of the projects was hinged on the ability of the project management committee members to effectively discharge their mandates. The ability to have a positive outlook on the projects carried out directly affected capacity to carry out the works.

Capacity to understand the accounting procedures for constituency development projects was affected by the competence and managerial skills of the project management committee members as confirmed by 84% (n=27) of the respondents. The responses denoted the essence of understanding the accounting procedures as a key premise of ensuring that the implementation of the CDF projects was assured. It can thus be interpreted to mean that the ability of the project management committee members to comprehend the accounting procedures for the actualization of the projects carried out was pertinent to their success.

Ability to comprehend the technical designs of the projects carried out by the CDF was influenced by the competence levels and managerial skills of the project management committee members as confirmed by 72% (n=23) of the respondents. This was an indication that the competency levels of the project management committee members directly contributed to their ability to be aware of the technical designs of the projects in place. It can be interpreted to mean that the individual disposition of the project management committee members with regard to understanding the technical designs of the projects undertaken had a direct bearing on their implementation.

The choice of project undertaken in a locality being affected by the competence and managerial skills of the project management committee members was confirmed by 88% of the respondents (n=28). The responses were a reflection of the ability of the project management committee members to have influence over the choice of projects carried out. It can be interpreted to mean that the leadership capacities of the project management committee members influenced the community members as regards to the choice of the projects carried out.

The ability to supervise and oversee constituency development fund projects to completion was influenced by the managerial skills of the project management committee members as confirmed by 97% of the respondents (n=31). The responses confirmed that 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.

The fund manager confirmed that in most cases the success of the projects and the ability to ensure effective utilization of the monetary resources expended in project actualization depended on the ability of the PMCs to exercise their managerial and oversight function. This was aligned to their ability to have a positive outlook to the projects carried out, ability to understand their counting procedures entailing funds disbursement, capacity to appreciate the technical procedures involved in the project design and implementation process and equally participate in the supervision activity. This ensured that the implementation process and capacity to enhance scrutiny as regards monetary resources utilization was assured for the success of the projects.

**Table 4.11 Means analysis for attributes on managerial skills**

	Mean	Std. Deviation	N
affect the utilization of monetary resources	1.25	.440	32
comprehend the technical design	3.81	1.061	32
capacity to understand the accounting	4.13	1.040	32
managerial skills of the project management committee	4.22	.751	32
choice of project undertaken	4.22	.975	32
ability to supervise and oversee constituency	4.38	.554	32

The mean analysis showed that the attribute of managerial skills with the highest mean difference was having the ability to supervise and oversee constituency development fund projects by the project management committee members. It can thus be deduced that the supervisory capacity of the project management committee members was a great underlying factor in the wake of prudent monetary resources utilization.

**Table 4.12 Correlations for managerial skills and monetary resources utilization**

		affect the utilization of monetary resources	managerial skills of the project management committee	capacity to understand the accounting	comprehend the technical design	choice of project undertaken	ability to supervise and oversee constituency
affect the utilization of monetary resources	Pearson	1	.610**	.494**	.657**	.470**	.662**
	Correlation						
	Sig. (2-tailed)		.000	.004	.000	.007	.000
managerial skills of the project management committee	N	32	32	32	32	32	32
	Pearson	.610**	1	.749**	.742**	.770**	.805**
	Correlation						
capacity to understand the accounting	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	32	32	32	32	32	32
	Pearson	.494**	.749**	1	.870**	.927**	.757**
comprehend the technical design	Correlation						
	Sig. (2-tailed)	.004	.000		.000	.000	.000
	N	32	32	32	32	32	32
choice of project undertaken	Pearson	.657**	.742**	.870**	1	.821**	.728**
	Correlation						
	Sig. (2-tailed)	.000	.000	.000		.000	.000
ability to supervise and oversee constituency	N	32	32	32	32	32	32
	Pearson	.470**	.770**	.927**	.821**	1	.740**
	Correlation						
ability to supervise and oversee constituency	Sig. (2-tailed)	.007	.000	.000	.000		.000
	N	32	32	32	32	32	32
	Pearson	.662**	.805**	.757**	.728**	.740**	1
ability to supervise and oversee constituency	Correlation						
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	32	32	32	32	32	32

\*\* . Correlation is significant at the 0.01 level (2-tailed).

A Pearson moment correlation was run to determine if there was any significant influence of the attributes that the study used to determine effects of managerial skills on monetary resources utilization. Monetary resources utilization was used as the dependent variable while the indicators for effects of managerial skills were deemed the independent variables. The indicators were managerial skills of the project management committee, capacity to understand the accounting procedures, comprehend the technical design, choice of projects undertaken and the ability to supervise and oversee constituency fund projects. All the indicators of managerial skills had a positive correlation with the capacity to have optimal monetary resources utilization owing to the fact that they had a value of less than one. It can thus be deduced that the managerial skills of the project management committee members had enhanced the monetary resources utilization.

#### **4.4 Monitoring and evaluation**

The CDF amendment Act of 2014, circulars, public procurement and 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 members of particular constituencies are expected to be active in the implementation phase to ensure that objectives of the project are met using resources allocated for them within a given period of time (CDF National Management Committee, 2014). The study sought to find out the monitoring and evaluation activities in place and their effect on monetary resources utilization in the implementation of CDF funded projects in Kiharu constituency.

**Tables 4.13 Monitoring and evaluation systems in use**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Internal M & E	9	28.1
External M & E	23	71.9
Total	32	100.0

Table 4.13 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. It can be interpreted to mean that measures had been instituted to ensure apt monitoring and evaluation from external sources. The responses confirmed the position taken by the fund manager who attested to presence of optimal monitoring and evaluation activities carried out to ensure sound utilization of the monetary resources used in the projects carried out. This was a factor which ensured that the projects undertaken were able to measure up to the demands of the populace with regards to probity pertaining to wellness and effectiveness in monetary resources utilization.

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.

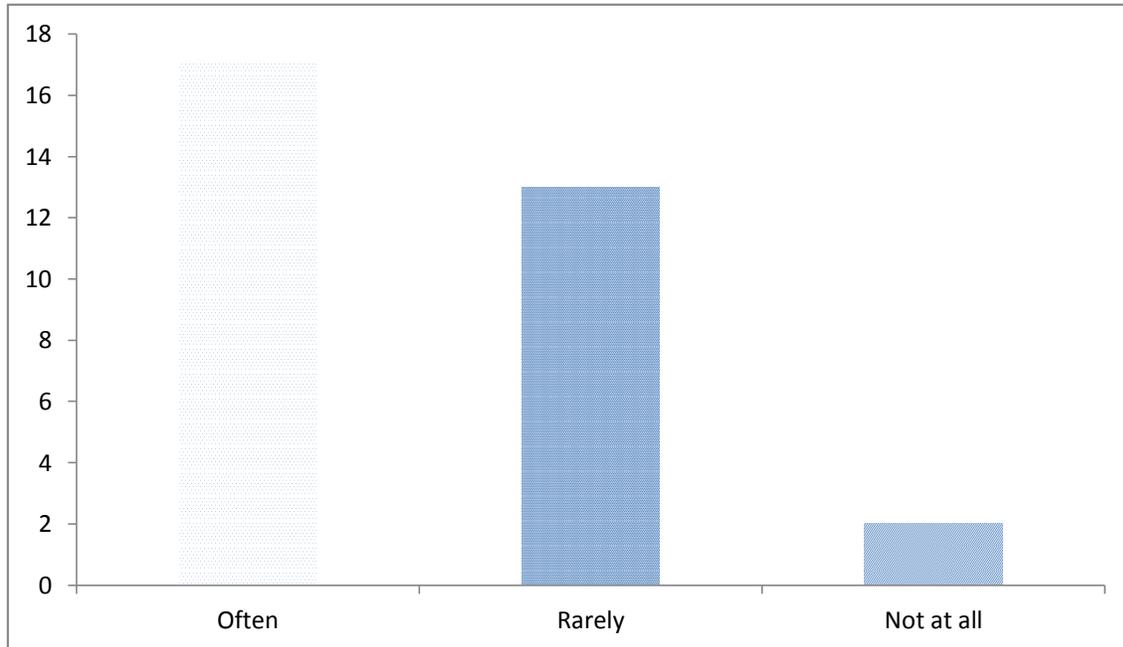
**Table 4.14 Adequacy of monitoring and evaluation to meet CDF demands**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	19	59.4
No	13	40.6
Total	32	100.0

Source: Field data, 2016

Table 4.14 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. Conventionally, evaluating party is usually part of evaluation missions contracted and dispatched from the donor world. In the case of CDF Act (2003) revised (2014), the CDF identifies projects, implements, then monitors and evaluates, or call technical persons at its own peril.



Source: Field data, 2016

**Figure 4.5 Efforts to train project management committee members on monitoring and evaluation current best practices**

The responses as shown in figure 4.5 confirmed that there were often efforts (53%) (n=17) of training the project management committee members on the current best practices as pertains to monitoring and evaluation activities. The responses denoted the ability of the CDF to engage in capacity building activities geared towards ensuring that they achieved the ideals of optimal monitoring and evaluation standards expected of them. The responses denoting rare occasions of training on monitoring and evaluation were significant (40%) (n=13). This was an indication that some of the project management committee members had not been exposed to their expectations with regards to the frequency of capacity building sessions for monitoring and evaluation. It can thus be interpreted to mean that there was need to engage in more capacity building forums for the CDF project management committee members. The fund manager confirmed that his office had put in place measures to ensure training of the project management committee members on

current best practices entailing monitoring and evaluation activities. This was an indication that there were activities in place to ensure that the PMCs effectively undertook the mandate of ensuring optimal monitoring and evaluation and the office fund manager had put in place mechanisms to assure their training as a measure of instilling the requisite skills. The fund manager confirmed that this was a practice geared towards enhancing the effectiveness of monetary resources utilization in the constituency.

The constituencies development fund which was amended in the year 2012 and enacted in the year 2013 gives prominence to the infusion of information management system in the administration and management structures of the fund. It stipulates the need for electronic financial management systems a measure of ensuring sound governance and management standards (G.o K, 2013). The project management committees have been tasked with ensuring that the requisite information management systems are put in place. The study sought to find out how monitoring and evaluation practices monetary resources affect utilization in the CDF projects implementation in Kiharu Constituency more so with regards to adoption of current best practices in the monitoring and evaluation aspect.

**Table 4.15 Cross tabulation on of monitoring and evaluation and efforts to train PMC's on monitoring and evaluation**

	Chi-Square Tests		
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.049 <sup>a</sup>	2	.004
Likelihood Ratio	14.516	2	.001
Linear-by-Linear Association	9.153	1	.002
N of Valid Cases	32		

a. 4 cells (66.7%) have expected count less than 5. The minimum expected count is .56.

Table 4.15 shows  $\chi^2$  (11.049<sup>a</sup>, N=32) = 9. 153, p<0.000. The calculated statistic  $\chi^2 = 11.049^a$  was found to be more than the tabled critical value of  $\chi^2 = 9. 153$ . It can be interpreted to mean that, statistically, there was a significant statistical relationship between the modes of monitoring and evaluation used and the efforts to train the project management committee members on monitoring and evaluation at  $\alpha = 0.56$  .

It can be interpreted to mean that the modes of monitoring and evaluation used were dependent on the ability to train the project management committee members on the approaches to employ. 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 study sought to find out the prevailing legal framework in place and how it affects utilization of monetary resources in the implementation of CDF funded projects in Kiharu constituency.

**Table 4.16** lickert scale on monitoring and evaluation attributes

		monitoring and evaluation of the programmes undertaken		Total
		Yes	No	
medium of technology management used	Disagree	5	0	5
	Undecided	3	0	3
	Agree	13	0	13
	strongly agree	7	4	11
Total		28	4	32
employed technology which has enhanced traceability	strongly disagree	3	0	3
	Disagree	5	0	5
	Undecided	5	0	5
	Agree	13	0	13
	strongly agree	2	4	6
Total		28	4	32
track all financial transactions of the programmes	Disagree	2	0	2
	Undecided	2	0	2
	Agree	11	0	11
	strongly agree	13	4	17
Total		28	4	32
use of electronic systems for information storage	strongly disagree	1	0	1
	Disagree	3	0	3
	Undecided	4	0	4
	Agree	13	0	13
	strongly agree	7	4	11
Total		28	4	32
integration of functions between the local and national offices	Disagree	1	0	1
	Undecided	2	0	2
	Agree	13	0	13
	strongly agree	12	4	16
Total		28	4	32

Most of the respondents (75%) (n=24) confirmed that the mediums of technology management used by the project management committee assured sound monitoring and evaluation programs

in the CDF projects. This was an indication that the respondents appreciated the technology mediums in use with regards to the ability to assure the projects implemented the capacity to meet requisite levels of scrutiny as pertains to monitoring and evaluation standards. It can thus be interpreted to mean that the mediums of technology used by the CDF to take charge of the monitoring and evaluation activities had withstood the test of time thus gained approval from the users.

The responses showed that most (59%) (n=19) of the project management committee members believed the CDF had employed technology which had effectively enhanced the traceability of all records for optimal monitoring and evaluation. A significant percentage of the respondents (25%) (n=8) were of the view that the CDF did not have optimal technology to enhance the traceability of all records for monitoring and evaluation purposes. It can thus be interpreted to mean that despite the efforts to ensure employment of technology warranting traceability of the records for monitoring and evaluation purposes, the respondents still had some misgivings about it.

The ability to ensure employment of technology which can track all the financial transactions of the programmes to enhance monitoring and evaluation standards was confirmed by most of the respondents (88%) (n=28). The responses were an indication that the CDF had optimal capacity to ensure that all the financial transactions were tracked as a basis of enhancing the monitoring and evaluation standards. It can thus be interpreted to mean that the CDF had integrated the technology fulcrum on the financial management system as a means of ensuring traceability of all the financial transactions. This played a role in enhancing the ability of appropriating monetary resources in the expected manner as a measure of ensuring sound project implementation.

The ability to use electronic systems for information storage enhanced the audit capacity for the programmes undertaken and eased the monitoring and evaluation programs as confirmed by most of the respondents (75%) (n=24). This was an indication that the 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. It can be interpreted to mean that the adoption of technology was an apt measure employed by the CDF to enhance information storage capacity and improve on the quality of the monitoring and evaluation programs.

Most of the respondents (94%) (n=30) were of the view that 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. It was an indication that there was mutualism between the two offices and this had enhanced integration of functions. It can be interpreted to mean that employment of technology had ensured integration of functions between the national CDF office and the constituency offices and the sharing of information had enhanced the monitoring and evaluation activities.

The CDF fund manager confirmed that the monetary and evaluation activities carried out had placed emphasis on the employment of technology as a measure of ensuring the traceability of the documents used in the projects from inception to completion. The ability to track all financial transactions was also an effective measure in the monitoring and evaluation process. This was by virtue of the fact that the payment systems were conducted via the electronic banking platform which ensured that there was an enhanced trail of all the transactions made and this was a great measure with regards to assuring the ability to account for all the monetary resources utilized in a

project. The integration of functions between the constituency offices and the national office was also confirmed to be a factor that enhanced the monetary and evaluation capacity of the constituency office. This was attributed to the fact that at the click of a button the national office was able to scrutinize the activities carried out as pertains to monetary resources utilization in the project implementation. The position of the fund manager confirmed that effective safeguards had been put in place to ensure optimal monetary resources utilization in the projects carried out by the CDF and equally enhanced capacity to monitor and evaluate the progress of the works undertaken.

**Table 4.17 Means analysis for attributes on monitoring and evaluation**

	Mean	Std. Deviation	N
monitoring and evaluation of the programmes undertaken	1.13	.336	32
employed technology which has enhanced traceability	3.44	1.243	32
medium of technology management used	3.94	1.045	32
use of electronic systems for information storage	3.94	1.076	32
track all financial transactions of the programmes	4.34	.865	32
integration of functions between the local and national offices	4.38	.751	32

The means analysis showed that the attribute of monitoring and evaluation with the highest mean difference was integration of functions between the national and constituency offices as a measure of easing the monitoring and evaluation process. It was thus an indication that in the event of having the national and constituency offices sharing information by virtue of integration

of functions there is bound to be seamless interaction thus ease in the monitoring and evaluation activity.

**Table 4.18 Correlations for monitoring and evaluation and monetary resources utilization**

		monitoring and evaluation of the programmes undertaken	medium of technology management used	employed technology which has enhanced traceability	track all financial transactions of the programmes	use of electronic systems for information storage	integration of functions between the local and national offices
monitoring and evaluation of the programmes undertaken	Pearson Correlation	1	.390*	.483**	.291	.379*	.319
	Sig. (2-tailed)		.027	.005	.106	.032	.075
	N	32	32	32	32	32	32
medium of technology management used	Pearson Correlation	.390*	1	.916**	.845**	.972**	.811**
	Sig. (2-tailed)	.027		.000	.000	.000	.000
	N	32	32	32	32	32	32
employed technology which has enhanced traceability	Pearson Correlation	.483**	.916**	1	.875**	.914**	.855**
	Sig. (2-tailed)	.005	.000		.000	.000	.000
	N	32	32	32	32	32	32
track all financial transactions of the programmes	Pearson Correlation	.291	.845**	.875**	1	.890**	.936**
	Sig. (2-tailed)	.106	.000	.000		.000	.000
	N	32	32	32	32	32	32
use of electronic systems for information storage	Pearson Correlation	.379*	.972**	.914**	.890**	1	.868**
	Sig. (2-tailed)	.032	.000	.000	.000		.000
	N	32	32	32	32	32	32
integration of functions between the local and national offices	Pearson Correlation	.319	.811**	.855**	.936**	.868**	1
	Sig. (2-tailed)	.075	.000	.000	.000	.000	
	N	32	32	32	32	32	32

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\*. Correlation is significant at the 0.01 level (2-tailed).

A Pearson moment correlation was run to determine if there was any significant influence of the attributes that the study used to determine effects of monitoring and evaluation on monetary resources utilization. Monetary resources utilization was used as the dependent variable while the indicators for effects of monitoring and evaluation were deemed the independent variables. The indicators were mediums of technology management used for monitoring and evaluation,

employment of technology to enhance traceability of records, employment of technology to track all financial transactions of the programmes carried out, use of electronic systems for information storage and the integration of functions between the local and national offices. All the indicators of monitoring and evaluation had a positive correlation with the capacity to have sound monetary resources utilization owing to the fact that they had a value of less than one. It can thus be deduced that the monitoring and evaluation procedures in place had assured improved monetary resources utilization.

#### **4. 5 Procurement procedures**

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 sought to interrogate the procurement processes in place and how they affected the utilization of monetary resources in the implementation of CDF funded projects in Kiharu constituency.

**Table 4.19 procurement procedures in place**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	19	59.4
No	13	40.6
Total	32	100.0

Source: Field data, 2016

Table 4.19 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. This was a measure that ensured procurement activities were conducted in manners stipulated by statutes. 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.

The fund manager shared similar sentiments when he attested to the fact that in some cases the PMCs failed in their mandate of ensuring that the requirements of the procurement procedures were adhered to in the expected manner. This exposed the dynamics of the project cycles to jeopardy taking into account that procurement of the works, products and services with the intent

of meeting the mandate of projects undertaken was an integral function. This exposed the exercise of monetary resources utilization in the function of procurement to the risk of not being carried out in the right manner thus not delivering value for money to the citizens.

**Table 4.20 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 4.20 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. The responses were an indication that no much effort had been put in place with regard to enhancing the capacities of the project management committee members. This denoted lethargy and laxity on the part of CDF with regard to capacity building of the persons charged with the mandate of overseeing project implementation. 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. Responses on the particular efforts put in place by the CDF office in training the project management committee members on procurement showed that they had received short in house courses facilitated by the fund manager but they deemed them as inadequate. The fund manager equally confirmed that very little investment in terms of training had been accorded to the PMCs. This was an indication that the national body of the CDF had not put in place adequate measures to build the capacity of the PMCs with regard to

training on procurement management as a measure of ensuring that their capacity to effectively monitor the utilization of monetary resources in project implementation was enhanced. This was an indication that there was a gap in the training of PMCs in procurement management which needed to be taken care of as a measure of instilling enhanced capacities of probity in the project value chain where procurement of goods and services played a very significant role.

**Table 4.21 Cross tabulation on understanding procurement procedures and efforts to enhance procurement management skills in PMC's**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	6.131 <sup>a</sup>	1	.013		
Continuity Correction <sup>b</sup>	4.164	1	.041		
Likelihood Ratio	8.612	1	.003		
Fisher's Exact Test				.025	.015
Linear-by-Linear Association	5.939	1	.015		
N of Valid Cases	32				

a. 2 cells (50.0%) have expected count less than 5. The minimum expected count is 2.84.

b. Computed only for a 2x2 table

Table 4.21 shows  $\chi^2$  (6.131<sup>a</sup>, N=32) = 8.612 p<0.000. The calculated statistic  $\chi^2 = 6.131^a$  was found to be less than the tabled critical value of  $\chi^2 = 8.612$ . It can be interpreted to mean that, statistically, there was no significant statistical relationship between consideration of the ability of the project management members to understand procurement procedures and the efforts to enhance procurement management skills in the project management committee members at  $\alpha = 2.84$ . It can be interpreted to mean that the ability to understand the procurement procedures was hinged on the individual disposition but not on the training accorded to the project management committee members.

The findings confirmed the position of The Institute for Social Accountability (ISA, 2009) which

reported that tendering and procurement procedures had become a conduit through which certain contractors, members of the National Assembly and their political cronies through the complicity abetting of the CDFC members were fleecing massive amounts of money from the CDF kitties through skewed processes. The report further pointed out that the subversion of CDF procurement procedures components were found to affect procurement process of supplies in the public sector to a great extent.

**Table 4.22 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 4.22 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.

The findings contrasted with the position taken by Barret, (2000) who argued that accountability illustrates how the public interest has been protected in the expenditure of public funds. Moreover, upholding integrity in public procurement is opined to be one of the most vital

beacons of modern national procurement systems. This was equally confirmed by Vian and Collins (2006) who posited that a district health planning and reporting system was employed in South Africa with a view of enhancing management control and also in order to hold government agents accountable for their decisions. The system brought together the financial and service data helped officials to explore the genesis for performance differences, which include probable corruption.

**Table 4.23 Lickert on procurement management**

		monetary resources utilization		Total
		Yes	No	
members have assured the constituency development fund of sound programmes	Disagree	4	0	4
	Undecided	5	0	5
	Agree	10	4	14
	strongly agree	0	9	9
Total		19	13	32
measure of assuring optimal procurement management	strongly disagree	3	0	3
	Disagree	10	0	10
	Undecided	3	0	3
	Agree	3	9	12
	strongly agree	0	4	4
Total		19	13	32
members have seen good utilization of the allocated funds	Disagree	5	0	5
	Undecided	4	0	4
	Agree	10	0	10
	strongly agree	0	13	13
Total		19	13	32
work flow projections in the projects	strongly disagree	3	0	3
	Disagree	8	0	8
	Undecided	3	0	3
	Agree	5	8	13
	strongly agree	0	5	5
Total		19	13	32
scrutinize project accounts from informed positions	strongly disagree	8	0	8
	Disagree	10	0	10
	Undecided	1	2	3

	Agree	0	7	7
	strongly agree	0	4	4
Total		19	13	32

Most of the respondents (72%) (n=23) were of the view that the procurement management skills of the project management committee members had assured the constituency of sound programmes. The responses denoted the ability to ensure that the activities carried out by the CDF realized the intended purposes by virtue of enhancing the procurement management skills of the project management committee members. This was an indication that the project management committee members had exploited their knowledge of the procurement activities to assure CDF of the ability to meet its obligations. It can be interpreted to mean that the ability of CDF to realize the achievement of its ideals was hinged on the ability of the project management committee members to offer the requisite oversight in the procurement function.

The ability to offer oversight by way of placing emphasis on having financially literate project management committee members as a measure of assuring optimal procurement management was dissented to by most of the respondents (50%) (n=16). This is an indication that 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. It can thus be interpreted to mean that there is need to sensitize the communities on the essence of assuring only financially literate persons take positions of management in the CDF committees as a basis of assuring sound procurement management.

Most of the respondents (72%) (n=23) deemed the procurement management skills of the project management committee members as having assured good utilization of the allocated funds. This was an indication that the procurement management skills of the project management committee

members had been greatly appreciated and this was a measure of assuring sound funds utilization. It can thus be interpreted to mean that in the event of project management committee members who have good procurement management skills sound funds utilization was assured owing to the oversight provided.

Most of the respondents (56%) (n=18) confirmed that the procurement management skills of the project management committee members allowed good supervision and workflow projections in the projects carried out. This was confirmation that activities geared towards making forecast and projections as a measure of sound project implementation were heavily motivated by the procurement management skills of the project management committee members. It can be interpreted to mean that in the event of having persons who understood the requisites of procurement management, there was bound to be good supervision and work flow projections in the projects carried out.

The situation of procurement management skills of the project management committee members facilitating capacity to scrutinize project accounts from informed positions was dissented to by most of the respondents (56%) (n=18). This was an indication that the procurement management skills of the project committee members did not enhance their capacities as pertains to facilitating project accounts scrutiny from informed positions. This was confirmation that 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. It can thus be interpreted to mean that there was need to ensure sound proficiency in the project management committee members as a basis of enhancing their procurement management skills pertaining to accounts of ongoing projects.

The fund manager held the view that most of the PMCs did not have the requisite skills to ensure sound programs for the CDF in terms of the procurement function. This occasioned the fund a high risk as pertains to the ability of assuring optimal procurement management and utilization of the allocated monetary resources. It compromised the ability to ensure the works undertaken by the CDF in terms of standing the test of time as pertains to achieving the demand of ensuring procurement was carried out in the right manner and monetary resources effectively utilized in the project implementation. This confirmed previous records from the national taxpayers association (2013-2014) which reflected shortcomings in the procurement function of the CDF to the extent of affecting the quality of works delivered in the projects undertaken.

**Table 4.24 Means analysis for attributes on procurement management**

	Mean	Std. Deviation	N
monetary resources utilization	1.41	.499	32
scrutinize project accounts from informed positions	2.66	1.405	32
measure of assuring optimal procurement management	3.13	1.264	32
work flow projections in the projects	3.28	1.276	32
members have assured the constituency development fund of sound programmes	3.88	.976	32
members have seen good utilization of the allocated funds	3.97	1.092	32

The means analysis showed that the attribute of procurement management with the highest mean difference was the capacity of the project management committees to ensure sound monetary

resources utilization. It can be interpreted to mean that in the event of the project management committee members seeking to ensure proper utilization of the allocated funds for the projects there was bound to be sound monetary resources utilization.

**Table 4.25 Correlations for procurement management and monetary resources utilization**

		monetary resources utilization	members have assured the constituency development fund of sound programmes	measure of assuring optimal procurement management	members have seen good utilization of the allocated funds	work flow projections in the projects	scrutinize project accounts from informed positions
monetary resources utilization	Pearson	1	.704**	.787**	.794**	.727**	.896**
	Correlation						
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	32	32	32	32	32	32
members have assured the constituency development fund of sound programmes	Pearson	.704**	1	.850**	.935**	.884**	.862**
	Correlation						
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	32	32	32	32	32	32
measure of assuring optimal procurement management	Pearson	.787**	.850**	1	.868**	.958**	.897**
	Correlation						
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	32	32	32	32	32	32
members have seen good utilization of the allocated funds	Pearson	.794**	.935**	.868**	1	.886**	.876**
	Correlation						
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	32	32	32	32	32	32
work flow projections in the projects	Pearson	.727**	.884**	.958**	.886**	1	.865**
	Correlation						
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	32	32	32	32	32	32
scrutinize project accounts from informed positions	Pearson	.896**	.862**	.897**	.876**	.865**	1
	Correlation						
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	32	32	32	32	32	32

\*\* . Correlation is significant at the 0.01 level (2-tailed).

A Pearson moment correlation was run to determine if there was any significant influence of the attributes that the study used to determine effects of procurement management on monetary resources utilization. Monetary resources utilization was used as the dependent variable while the indicators for procurement management were the independent variables. The indicators were having the members assuring the constituency development fund of sound programmes, having in place measures of assuring optimal procurement management, ensuring good utilization of the allocated funds by use of procurement skills, work flow projections and good supervision in the projects by project management committee members and the ability to scrutinize project accounts from informed positions by project management committee members. All the indicators of procurement management had a positive correlation with the capacity to have sound monetary resources utilization owing to the fact that they had a value of less than one. It can thus be deduced that the procurement management measures in place had assured improved monetary resources utilization.

#### **4.6 Governance**

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.

**Table 4.26 Identification of projects undertaken by CDF**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
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. The fund manager confirmed that public participation was a requisite in project identification. The PMCs were charged with the responsibility of lobbying for support from the local residents with a view of ensuring that they effectively participate in the project identification phase and equally play a role in civic monitoring activities to ensure optimal utilization of monetary resources allocated to the projects. The findings identified with Radoli, (2012) who opined that 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. This ascertains that the proposed projects are viable and also that there are adequate funds for them.

**Table 4.27 Suitability of project identification processes**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
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 4.27 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. This was a measure of appreciation as pertains to the ability to have the community deem the projects identified as suitable to them. 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.

**Table 4.28 Correlation on CDF projects identification process and the suitability of the projects identification process**

		projects undertaken by the constituency development	project identification process as suitable
projects undertaken by the constituency development	Pearson Correlation	1	.698**
	Sig. (2-tailed)		.000
	N	32	32
project identification process as suitable	Pearson Correlation	.698**	1
	Sig. (2-tailed)	.000	
	N	32	32

\*\* . Correlation is significant at the 0.01 level (2-tailed).

A Spearman's Rank Order correlation was run to determine the relationship between CDF projects identification process and the suitability of the projects identification process. There was a statistically significant correlation ( $r_s = .698, p = .01$ ). It could thus be interpreted to mean that the project identification process played a role on the determination of the suitability of the projects undertaken. The findings identified the position taken by the fund manager who was of the view that there was a big relationship between the ability to effectively identify the projects to undertake and the capacity of the projects to meet the pertinent needs of the citizens intended to benefit from the intervention employed. This was confirmation that in the event of having a project identification process which took care of the local demands with regards to the pertinent needs envisaged to be met, the projects were bound to have some good effects on the target beneficiaries.

The findings identify with the constituency development fund act of the year 2013 which 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 good will overriding the implementation for the eventual programmes success (Gok, 2013). The National Taxpayers Association report equally cites public participation as a critical factor which infuses accountability and prudence in programmes administration in the projects undertaken by the constituency development fund.

**Table 4.29 Misgivings by local communities on project identification**

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

Source: Field data, 2016

Table 4.29 shows that there had been profound instances (59.4%) (n=19) when the local communities had felt aggrieved by the choice of projects to be undertaken. The responses were an indication that despite mechanisms to ensure consultations in the determination of the projects to be undertaken in some cases the choices made did not go down well with the local communities. This was an indication that there was need to ensure the participation of the local community in projects identification in a mutual manner which would ultimately reduce cases of strife. It can thus be interpreted to mean that there was need to ensure that the activities carried out in terms of project identification were all encompassing as a measure of ensuring that the views of many were considered.

**Table 4.30 Mechanisms put in place to address misunderstanding on project identification**

Response	Frequency	Percentage
Yes	29	90.6
No	3	9.4
Total	32	100.0

Source: Field data, 2016

Most of the respondents (90.6%) (n=29) 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. It can thus be interpreted to mean that the fund had opportunities for exploiting mechanisms in place to ensure resolution of conflicts on their occurrence at the advent of the choice of projects.

**Table 4.31 Lickert scale on governance in CDF projects monetary resources utilization**

		CDF projects implementation levels		Total
		Yes	No	
free hands to determine the projects	strongly disagree	4	0	4
	Disagree	6	0	6
	Undecided	3	0	3
	Agree	8	0	8
	strongly agree	5	6	11
Total		26	6	32
cohesive and always take a common approach	strongly disagree	3	0	3
	Disagree	5	0	5
	Undecided	4	0	4
	Agree	11	0	11
	strongly agree	3	6	9
Total		26	6	32
public participation as regards	Disagree	3	0	3
	Agree	12	0	12

the choice of projects	strongly agree	11	6	17
Total		19	13	32
Participation in all stages of project from inception	strongly disagree	5	0	5
	Disagree	4	0	4
	Undecided	10	0	10
	Agree	0	13	13
	strongly agree	19	13	32
Total		5	0	5
scrutiny and social audit capabilities	strongly disagree	2	0	2
	Disagree	3	0	3
	Undecided	1	0	1
	Agree	14	0	14
	strongly agree	6	6	12
Total		26	6	32

Most of the respondents (59%) (n=19) confirmed that members of the local communities were given a free hand to determine the projects to be undertaken in their localities. The responses were reflective of a situation whereby the governance programs in the CDF gave great consideration to the local needs as a premise of decision making with regards to the projects undertaken in the localities. This was an indication that the need to ensure that the pressing demands of the local populations were met was the critical driving factor in CDF projects determination. This was an indication that emphasis was placed to ensure that the local needs determined the interventions put in place in terms of the projects carried out. It can thus be interpreted to mean that the CDF ensured that the local needs were the greatest motivating factor in the projects undertaken. Instances of dissent were however reflected in a very significant percentage of the population (31%) (n=10). This was an indication that in some cases the motivating factor in project choice determination was other considerations other than the realization of local community needs. It can thus be interpreted to mean that there was need to ensure that the local community demands superseded other motivating factors in project choice determination.

The situation of local communities being cohesive and always take a common approach as regards project choice was confirmed by majority of respondents (62%) (n=20). This was an indication that in most of the cases the greatest common persuasions in the mindsets of the local community members were factors which were common to all. This played a role in the situation of motivating a common approach in the determination of projects to be undertaken. The responses reflected cohesion and goodwill in the local communities thus having the greater good as the underlying factor in the determination of the projects to be carried out. It can be interpreted to mean that 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.

Most of the respondents (91 %) (n=29) confirmed that public participation as regards the choice of projects enhanced the communities ownership of the programmes. The responses were an indication that the communities were engaged in public forums to make decisions as regards the actual projects carried out. This was confirmation that they readily participated in determination of issues that affected them directly as pertains to community development. They had a common plan and focus with regards to the activities carried out and the goodwill emanating from the process enhanced the ownership of the projects carried out. It can be interpreted to mean that the 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.

Participation in all stages of inception, execution and implementation of the projects was confirmed by most of the respondents (72%) (n=23). This was an indication that the project life cycles were pertinent to the local communities in totality. It was confirmation that the local communities were dually engaged in the decision making processes in the projects carried out to

ensure their successful implementation. It can thus be interpreted to mean that local communities' participation in all critical stages of the project cycles ensured good governance and sound implementation of the programs undertaken.

The respondents confirmed that the participation by the local communities in project choice determination enhanced scrutiny and social audit capacities. The responses were an indication that the local communities were involved in oversight activities of the projects undertaken. This was a factor which enhanced the capacity of scrutiny and placing responsibility on the concerned offices taking into account that the projects are carried out with tax payers' money. This was a factor which enhanced the ability of the communities to demand responsibility and prudence in the utilization of public funds by virtue of program ownership. It can thus be interpreted to mean that the participation by local communities played a great role in enhancing social audit capacity in the wake of assuring the delivery of sound programs.

The fund manager confirmed that the local communities were given a free hand to determine the projects that they wanted undertaken in the different jurisdictions. This was a factor that enhanced their ownership of the projects carried out and equally ability to be assertive as regards to advocacy on the utilization of monetary resources in the projects undertaken. The participation the projects cycle from inception to completion equally enhanced the ability of the residents to undertake scrutiny and social audit activities. This was a measure which enhanced the ability to ensure effective monetary resources utilization thus cushioning the fund from the risk of engaging in projects that did not confer value for money to the residents.

**Table 4.32 Means analysis for governance in CDF projects monetary resources utilization**

	Mean	Std. Deviation	N
CDF projects implementation levels	1.19	.397	32
free hands to determine the projects	3.50	1.459	32
cohesive and always take a common approach	3.56	1.318	32
participate in all stages of inception	3.75	1.191	32
scrutiny and social audit capabilities	3.97	1.177	32
public participation as regards the choice of projects	4.34	.902	32

The means analysis showed that the attribute of governance with the highest mean difference was the capacity of the project management committees to ensure public participation in project identification. It can be interpreted to mean that in the event of the project management committee members seeking to assure public participation in the identification of the projects undertaken; this was bound to raise the bar as pertains to the governance prism of the CDF projects.

**Table 4.33 Correlations for governance in CDF projects monetary resources utilization**

		CDF projects implementation levels	free hands to determine the projects	cohesive and always take a common approach	public participation as regards the choice of projects	participate in all stages of inception	scrutiny and social audit capabilities
CDF projects implementation levels	Pearson Correlation	1	.502**	.532**	.355*	.512**	.428*
	Sig. (2-tailed)		.003	.002	.046	.003	.015
	N	32	32	32	32	32	32
free hands to determine the projects	Pearson Correlation	.502**	1	.956**	.846**	.909**	.873**
	Sig. (2-tailed)	.003		.000	.000	.000	.000
	N	32	32	32	32	32	32
cohesive and always take a common approach	Pearson Correlation	.532**	.956**	1	.863**	.955**	.885**
	Sig. (2-tailed)	.002	.000		.000	.000	.000
	N	32	32	32	32	32	32
public participation as regards the choice of projects	Pearson Correlation	.355*	.846**	.863**	1	.833**	.861**
	Sig. (2-tailed)	.046	.000	.000		.000	.000
	N	32	32	32	32	32	32
participate in all stages of inception	Pearson Correlation	.512**	.909**	.955**	.833**	1	.937**
	Sig. (2-tailed)	.003	.000	.000	.000		.000
	N	32	32	32	32	32	32
scrutiny and social audit capabilities	Pearson Correlation	.428*	.873**	.885**	.861**	.937**	1
	Sig. (2-tailed)	.015	.000	.000	.000	.000	
	N	32	32	32	32	32	32

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

A Pearson moment correlation was run to determine if there was any significant influence of the attributes that the study used to determine effects of governance on monetary resources utilization. Monetary resources utilization was used as the dependent variable while the indicators for governance were the independent variables. The indicators were having the project management committees get a free hand to determine the projects to be carried out, ensuring a cohesive and always take a common approach in project identification, ensuring public participation as regards the choice of projects, the ability to have the public participate in all stages of the project from inception and the capacity to ensure scrutiny and social audit

capabilities in the projects carried out. All the indicators of governance had a positive correlation with the capacity to have sound monetary resources utilization owing to the fact that they had values of between 0 and 1. It can thus be deduced that the governance practices in Kiharu constituency had ensured improved monetary resources utilization.

**Model fit for the monetary resources utilization regression equation**

The hypothesized model took the form of equation two below.

$$Y = \alpha_0 + \beta_i X_1 + \beta_{ii} X_2 + \beta_{iii} X_3 + \varepsilon_0 \quad \text{equation (2)}$$

From the equation (2),

Y = monetary resources utilization,

$\alpha_0$  = constant showing monetary resources utilization in the absence of managerial skills by PMC's

$\beta_i$  = Coefficient of the independent variables

$X_1$  = Managerial skills,

$X_2$  = Monitoring and evaluation,

$X_3$  = Procurement process,

$X_4$  = Governance standards

$\varepsilon_0$  = error term associated with the regression model

**Table 4.34 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 4.35 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 <sup>a</sup>	.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.

**Table 4.36 Coefficients table for regression analysis**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
(Constant)	-.158	.315		-.501	.621	-.805	.489		
managerial skills on monetary resources utilization	.600	.389	.321	1.543	.134	-.198	1.398	.238	4.200
monitoring and evaluation procedures	1.001E-013	.402	.000	.000	1.000	-.826	.826	.381	2.625
procurement process	.979	.234	.594	4.191	.000	.500	1.458	.513	1.950
governance standards	-1.005E-013	.465	.000	.000	1.000	-.954	.954	.205	4.875

a. Dependent Variable: monetary resources utilization

The regression equation was:-

Monetary resources utilization = -0.158 + 0.600\*managerial skills on monetary resources utilization + 1.001E-0.013\*monitoring and evaluation on monetary resources utilization + 0.979\*procurement process on monetary resources utilization - 1.005E-0.013\*governance standards. The equation shows that the variable with the greatest significant influence over the dependent variable was procurement process. This denoted the essence of optimal procurement processes for sound monetary resources utilization. It was equally evident of the capacity of the model to fit within the equation taking into account that all the variables had a very slight variation of values between 0 and 1.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This 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.

#### 5.2 Summary of findings:

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

##### 5.2.1 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.

##### 5.2.2 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.

### **5.2.3 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. 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. 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.

### **5.2.4 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.

### **5.3 Conclusions of the study**

The study drew the following conclusions:

#### **5.3.1 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 essence of understanding the accounting procedures is a key premise of ensuring that the implementation of the CDF projects was assured. 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.

#### **5.3.2 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.

### **5. 3. 3 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.

### **5. 3. 4 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.

#### **5.4 Recommendations of the study**

The study made the following recommendations:-

##### **5.4.1 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. This may enhance the ability of the CDF to effectively meet its obligations to the public and equally assure the capacity to give value to the monetary resources allocated to the constituencies for the implementation of varied projects. This may have the net effects of enhancing the value from the projects carried out as pertains to meeting the community expectations.

##### **5.4.2 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. It will enhance the ability of the CDF to effectively resonate with the demands of the populace as pertains to works carried out being appropriate with regard to the capacity to meet the standards associated with the international demands of current best practices pertaining to quality. This may play a major role in terms of meeting the expectations of the public and ensuring that the ideals of CDF are effectively met.

### **5.4.3 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. This may enhance the ability of the populace to derive the intended benefits from the activities carried out by the fund. It may also ensure prudence in all the programs of the CDF and see to it that the expectations of the citizens with regard to value for money in the procurement process are actualized. This may motivate enhanced capacity for effective monetary resources utilization associated with the ability to ensure prudence in the procurement process thus mitigating against the risk of loss.

### **5.4.4 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. This may potentiate the ability to ensure ownership of programs and the capacity to enforce provisions for civic duty by the public as pertains to project identification and related requisites of the CDF programs. This is a factor which may enhance the provision of effectiveness in monetary resources utilization and assure the CDF of the ability to always identify with the demands of the public as regards accountability and meeting stakeholder demands.

### **5.5 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 the factors affecting 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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## **APPENDIX I:LETTER OF TRANSMITTAL**

Dear Respondent,

I am a student undertaking a study programme in Master of Public Administration. Am carrying out research on the effect of utilization of monetary resources on implementation of CDF projects in Kiharu Constituency in Murang'a County. Kindly fill in the provided questionnaire to the best of your ability. Your identity will be treated with utmost confidence.

Thank you for your participation.

**APPENDIX II:QUESTIONNAIRE FOR PROJECT MANAGEMENT COMMITTEE  
MEMBERS**

Kindly fill in the questionnaire by way of ticking in the boxes and filling in the provided spaces to the best of your ability. Your identity will be treated in utmost confidence and your participation will be highly appreciated.

**Section A: Biodata**

1. Kindly indicate your gender

Male

Female

2. What age bracket do you fall in?

20 – 30 yrs

31 – 40 yrs

41 – 50 yrs

51 – 60 yrs

61 – 70 yrs

Any other \_\_\_\_\_

3. How long have you served as a member of project management committee?

Less than 1 year

1 – 5 yrs

6 – 10 yrs

Any other \_\_\_\_\_

**Section B: Study Questions**

4. Are you fully conversant with the regulations guiding the administration of the constituency development fund?

Yes

No

5. Are you aware of the legislative framework that guides constituency development fund?

Yes

No

6. a) Have there been any instances of lack of accountability attributed to the regulations in place?

Yes

No

b) If yes in question 6(a) kindly explain

---

7. What criterion was used in putting in place the project management committee?

Election

Selection

Nomination

Any other \_\_\_\_\_

8. Would you consider the criteria as effective in terms of assuring that competent persons are put into office?

Yes

No

9. Has the mode of putting in place project management committee office bearers affected monetary resources in the implementation of the projects?

Yes

No

**Section C: managerial skills of project management committee members as a factor affecting project implementation**

10. a) Is there a basic minimum requirement for the managerial skills of the project management committee members?

Yes

No

b) If yes, what are the basic minimum standards for the managerial skills of the project management committee members? Kindly indicate

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11. Is the education level of the project management committee members given great consideration during the election process?

To a great extent

To a fair extent

To a low extent

12. Have there been instances of uneducated persons being elected into the project management committees?

Often

Rarely

Not at all

13. Kindly confirm your level of agreement with the following attributes on managerial skills of project management committee members and their effects on monetary resources utilization in the implementation of constituency development fund projects

SA – Strongly Agree

A – Agree

U – Undecided

DA – Disagree

SDA – Strongly Disagree

	<b>SA</b>	<b>A</b>	<b>U</b>	<b>DA</b>	<b>SDA</b>
The managerial skills of the project management committee members affect their outlook to projects being undertaken	5	4	3	2	1
Capacity to understand the accounting procedures for constituency development projects is affected by the competence and managerial skills of the project management committee members	5	4	3	2	1
Ability to comprehend the technical designs of the projects carried out by the CDF is	5	4	3	2	1

influenced by the competence levels and managerial skills of the project management committee members

The choice of project undertaken in a locality 5      4      3      2      1  
is affected by the competence and managerial skills of the project management committee members

Ability to supervise and oversee constituency 5      4      3      2      1  
development fund projects to completion is influenced by the managerial skills of the project management committee members

14. Do the managerial skills of the project management committee members affect the utilization of monetary resources in the implementation of the CDF projects?

Yes

No

**Section D: Monitoring and Evaluation**

15. How do you carry out monitoring and evaluation for the projects undertaken by the constituency development fund?

Internal M & E

External M&E

Any other \_\_\_\_\_

16. Would you consider the monitoring and evaluation system as adequate to meet the demands of the constituency development fund?

Yes

No

17. Have there been efforts to train the project management committee members on the current best practices for monitoring and evaluation?

Often

Rarely

Not at all

18. Kindly confirm your level of agreement with the following attributes on monitoring and evaluation on the utilization of monetary resources in the implementation of constituency development funds projects

SA – Strongly Agree

A – Agree

U – Undecided

DA – Disagree

SDA – Strongly Disagree

	<b>SA</b>	<b>A</b>	<b>U</b>	<b>DA</b>	<b>SDA</b>
The medium of technology management used by the project management committee assures sound monitoring and evaluation	5	4	3	2	1
The project management committee has employed technology which has enhanced the traceability of all records for optimal	5	4	3	2	1

monitoring and evaluation

The project management committee has 5 4 3 2 1

employed technology which can track all the financial transactions of the programmes to enhance monitoring and evaluation standards

Use of electronic systems for information 5 4 3 2 1

storage enhances the audit capacity for the programmes undertaken and eases the monitoring and evaluation programs

Use of technology has allowed the integration 5 4 3 2 1

of functions between the local and national offices and ease in monitoring and evaluation

19. Have the monitoring and evaluation of the programmes undertaken by the project management committees affected the utilization of monetary resources in implementation the CDF projects?

Yes

No

### **Section E: Procurement process**

20. Would you consider all the members of the project management committees as well versed with the procurement procedures in place?

Yes

No

21. a) Have there been efforts to enhance the procurement management skills of the project management committee members?

Yes

No

b) What specific efforts have been undertaken? Kindly indicate

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22. Have the undertaken efforts realized the intended objectives?

To a great extent

To a fair extent

To a low extent

23. Kindly confirm your level of agreement with the following attributes on procurement management and the utilization of monetary resources in the implementation of constituency development fund projects

SA – Strongly Agree

A – Agree

U – Undecided

DA – Disagree

SDA – Strongly Disagree

	<b>SA</b>	<b>A</b>	<b>U</b>	<b>DA</b>	<b>SDA</b>
The procurement management skills of the project management committee members have assured the constituency development fund of	5	4	3	2	1

sound programmes

Emphasis is always placed on having 5      4      3      2      1  
financially literate project management  
committee members as a measure of assuring  
optimal procurement management

The procurement management skills of the 5      4      3      2      1  
project management committee members have  
seen good utilization of the allocated funds

The procurement management skills of the 5      4      3      2      1  
project management committee members allow  
good supervision and workflow projections in  
the projects

The procurement management skills of the 5      4      3      2      1  
project management committee members  
facilitate capacity to scrutinize project accounts  
from informed positions

24. Do the procurement management skills of the project management committee members  
affect the monetary resources utilization in the implementation of CDF projects?

Yes

No

## Section F: Governance

25. How are the projects undertaken by the constituency development fund identified?

Use of local opinion leaders

The choice of the member of parliament

Popular public participation in project determination

26. Do you consider the project identification process as suitable?

To a high degree

To a fair degree

To a low degree

27. Have there been instances where the local communities have felt aggrieved by the choice of projects to be undertaken?

Yes

No

28. Are there mechanisms put in place to address misunderstandings which may arise from the choice of projects

Yes

No

29. Kindly confirm your level of agreement with the following attributes on governance as a factor affecting the community participation of constituency funded projects

SA – Strongly Agree

A – Agree

U – Undecided

DA – Disagree

SDA – Strongly Disagree

	<b>SA</b>	<b>A</b>	<b>U</b>	<b>DA</b>	<b>SDA</b>
The local communities are given a free hand to determine the projects to be undertaken in their localities	5	4	3	2	1
The local communities are cohesive and always take a common approach as regards project choice	5	4	3	2	1
The public participation as regards the choice of projects enhances the communities ownership of the programmes	5	4	3	2	1
The local communities are allowed to participate in all stages of inception, execution and implementation of the projects	5	4	3	2	1
Participation by the local communities in project choice enhances scrutiny and social audit capacities	5	4	3	2	1

30. Does the governance in project identification affect monetary resources utilization in the CDF projects implementation levels?

Yes

No

31. In your own view, how can the constituency development funded projects have the monetary resources utilized in a better manner for CDF projects to be implemented more effectively? Kindly explain

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**APPENDIX III:INTERVIEW SCHEDULE FOR THE CONSTITUENCY FUND  
MANAGER**

1. How long have you been the fund manager of the constituency?
2. When was the management committee constituted?
3. Would you consider the management committee as effective in ensuring sound fund administration?
4. Does the management committee have the requisite managerial skills for ensuring sound projects implementation?
5. Have there been instances of poor skills affecting the implementation capacity? If yes, how was the situation mitigated?
6. How would you rate the monitoring and evaluation programs in place?
7. Do you consider them as effective in ensuring apt project implementation programs?
8. Are the procurement regulations adhered to in the requisite manner?
9. Have there been cases of appeals in the event of aggrieved parties feeling the processes were not conforming to the law?
10. Is the local community fully involved in project determination?
11. Has the local community involvement affected the capacity to implement CDF funded projects?
12. How can the implementation of the CDF funded projects be improved on?