ADOPTION OF INTEGRATED FINANCIAL MANAGEMENT INFORMATION SYSTEM AND PERFORMANCE OF NATIONAL TREASURY OF KENYA

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ABSTRACT

Adoption of integrated financial management and information system (IFMIS) is for effective management and sourcing procedures within the government, and it is meant for streamlining the financial processes and provision of standard, real-time and accurate financial statements. IFMIS aims at cutting down cost of operations, corruption and fraudulent activities and increase transparency and accountability within government ministries and agencies. But the challenges associated with financial management are still prevalent as seen through misuse of financial resources, increased cases of collusion and corruption among senior management and inefficiencies within the internal control systems. This led the researcher to investigate on integrated financial management information system and performance of National treasury of Kenya; by looking at the internal control systems and staff competency aspects. The study is anchored on technology acceptance model and institutional theory. Descriptive research design was adopted in the study and the population included the staff at the National Treasury of Kenya. The targeted staffs were those in the ICT, HR and finance and accounting departments and a sample size of 187 staff was obtained. Primary data was collected using questionnaire and the researcher adopted the drop and pick later method. A pilot test was conducted leading to testing of the validity and reliability of the research instrument and the collected data was entered into SPSS for descriptive analysis and inferential statistics using multiple regressions. The study findings were presented in charts, tables, graphs and prose discussions. A total of 140 respondents completed the data collection instruments and returned them for data analysis. The study concluded that IFMIS was significantly embraced in public finance management at the National Treasury, Kenya. It was concluded that the national treasury significantly incorporates and accrues effective internal control which has enhanced resource planning, allocation, accountability and integrity. The study further concluded that the staffs at the National Treasury to a significant extent have relevant and necessary skills, knowledge, expertise and experience to manage the system. The study recommends that the National Treasury needs to enhance continued internal control improvement plan and strengthening. The National Treasury should enhance staff competency through training, mentorship and internal trainings to ensure they are able to use and manage the IFMIS.

INTRODUCTION

Background of the Study

In Indonesia, Suharyanto, Mahullete and Meiria (2018) share that the improved in performance in the local governing institutions in Indonesia could only be achieved through accountability of the income and expenses and having an working internal control system. Accountability measures were led by the capacity and experiences of auditors and their ability to trace all transactions and accounting for all assets and their usage as per the corruption, collusion and nepotism free-state law No. 28 of 1999.

In Nigeria, Michael, Oyewale and Oladosu (2017) share there has been an increased interest and scrutiny by both the general public and the donor community on government expenditures. The public have increased their demand for accountability and transparency in financial utilization and enhanced service delivery. In response to these demands, the Nigerian adopted the use of IFMIS in an effort to improve its public financial management, since the system is linked to improved financial reporting, internal controls and budgeting for all projects and programs. While Mugaga (2017) stated that IFMIS adoption in Uganda allowed automated bank reconciliation, audit trailing, documentation of all transactions, data checks and internal controls, which improved process and productivity in public institutions.

In Kenya, Lundu and Shale (2015) noted that since a lot of corruption and fraudulent activities start at the procurement process in government agencies; the use of modernized systems and technologies would help in streamlining the tendering and procurement process. Technology use will help in supply chain management by ensuring accessibility to the tenders, faster and cheaper processing of tenders and transparency. For effective adoption and utilization of IFMIS, Opiyo (2017) reveal that the staff must be competent in using technological application and systems, the structure and culture of the organization should be able to accommodate and advocate for the new system and sufficient resources must be put for advancement and modernization of technological infrastructure.

Integrated financial management information system is a computerized application system that has been adopted by many government ministries, departments and agencies to automate the main elements of the budget execution and accounting processes and operations (Cangiano, 2019). According to Mbaka and Namada (2019) IFMIS refers more specifically to the computerization of the public financial management processes, from budget preparation and execution to accounting and reporting, with the help of an integrated system for financial management of line ministries, spending agencies and other public sector operations.

Performance within the study context of government agencies, institutions and departments, revolves around the ability of the leadership team to source for resources, through writing its requisition to the national government and sound of using the resources. At times the resources are used by the government ministries in investment portfolios that earn them an income that will be used in performing their mandates and objectives (Martinez, 2019). Some of the more common measures of performance is service delivery, improvement of the economy, sound use of resources and infrastructure development. The measurement is done through key performance indicator (KPI) and balanced scorecard (BSC) metrics that look at human attributes that contribute to overall improved performance. To be able to achieve high performance, the government institutions must have a sound budgeting team that is able to effect internal controls of resources including human capital and report on the financial outcomes. Governments run with tight budgets, hence there is an increasing demand to re-examine their spending priorities, the financial reporting system should cut out misappropriation of funds and inefficiencies in the operating systems (Wilson, 2019). In this case, performance will be measured in terms of prudent financial resource usage, accurate and transparent financial records and internal control systems that track all the finances in the department.

Just like other government ministries, the National Treasury in Kenya has adopted new structural, administrative and technological changes. As one of its mandates revolves around formulating financial and economic policies in developing and maintaining sound financial and monetary policies that facilitate socio-economic development is the responsibility of the National Treasury. The Ministry of Finance and its ICT master plan for 2001 -2005 made a proposal to shift and adopt a superior system than the SIBET. The government then identified Oracle as the system provider and it came with the enterprise resource planning system and named it Integrated Financial Management and Information System (IFMIS).

Statement of the Problem

Adoption of integrated financial management and information system (IFMIS) is for effective management and sourcing procedures within the government, streamlining the financial processes and provision of standard, real-time and accurate financial statements. The aim was to cut down on corruption and fraudulent activities, reduce ethical issues by ensuring transparency and accountability and cut down instances of bad governing practices like unfairness. But the challenges associated with financial management are still prevalent as seen through misuse of financial resources, increased cases of collusion and corruption among senior management and inefficiencies within the internal control systems.

The system has been in place for the last 10 years and its expectations have not been met, since there is misappropriation of fund where billions of shillings are lost in corruption and fraud. Case in point, the national youth service (NYS) I scandal where 9 billion was lost in corrupt deals and NYS II scandal with 468 million lost in dubious procurement and tendering activities in 2018 with claims that the IFMIS system was manipulated to enable the thieves embezzle funds from the public coffers. The financial report of 2016 by the national audit office showed that the government lost millions of shillings to ghost workers, yet the introduction of IFMIS was expected to correct the payroll issues.

Studies by Ibrahim (2017) on IFMIS adoption at Garissa County, Mburu and Ngahu (2016) on IFMIS and financial management within Nakuru County and Njeru and Malenya (2019) on IFMIS and financial service delivery in Kakamega County; all reveal that misappropriation of funds still continues to be rampant at the county level. Due to the shortcomings of the system, there is need to explore further, its effectiveness and efficiency at the central point of Kenya's finances, that is the National Treasury and its performance.

Objectives of the Study

i. To assess the effect of internal control in IFMIS on performance of National treasury of Kenya

ii. To determine the impact of staff competency in IFMIS on performance of National treasury of Kenya

Research Questions

i. What is the effect of internal control in IFMIS on performance of National treasury of Kenya?
ii. How does staff competency in IFMIS affect the performance of National treasury of Kenya?

LITERATURE REVIEW

Theoretical Review

The research was anchored on technology acceptance model and institutional theory.

Technology Acceptance Theory

The theory was introduced by Davis in 1986 which worked close in link to reasoned action theory and pushes for adoption and acceptance information system. The theory has the main agenda as looking at the determinants into play that allow the acceptance of computing technology by different industries and end-users. It allows the adaptability of information systems and its technology adoption across different economic sectors. According to Davis (2001) the model has two independent factors: perceived ease of use and perceived usefulness that influence the intention to use the new information technology systems.

Pavlou (2003) noted that TAM was developed and designed to predict the behavior of users, acceptance of information technology and information systems and its usage within different organizational tasks. Perceived Usefulness is how a user feels that the innovation contributes to make the work more effective and improves the results. Perceived Ease of Use measures the effort the user has to exert to use the system (Chuttur, 2009). These two aspects of TAM dictate and influence the behavior of external variables and usage of informational technological systems and applications. When looking at adoption and usage of IFMIS within government ministries and agencies, its usage heavily relies on staff comprehension of the ease in usage of the system and the perceived usefulness.

On the factors that influence the perceived usefulness of systems, it largely revolves around the quality of output, demonstration of results, relevance of the system to the tasks, image and other subjective forms (Kowitlawakul, 2011). The experience, skills and training of the staff on the technological systems and voluntary ability of the management and staff to try using these systems and applications within their operations, are part of the subjective form elements. The National Treasury ability to adopt and use IFMIS in financial management will be based on the expected usefulness of the system, in aiding the government agency to meet its target and mandate. IFMIS is expected to improve the quality of financial reporting and budgeting aspect of the national treasury, hence its acceptance and usage. If the staffs at the national treasury are competent, experienced and have skills and technological knowledge, then adoption and usage of IFMIS will easily be accepted. The model is relevant in the study by exposing the fact that benefits and the perceived usefulness of IFMIS have led to be accepted in the national treasury, with the hope of delivering high quality financial reports, real-time financial transactions and provide audit trails using the internet and interconnected systems.

Institutional Theory

This theory was advanced by Meyer and Rowan in 1977 and DiMaggio and Powell in 1983, who considered the institutional processes including the systems and structures that are established within the functioning aspect of the organization and guides its daily operations and workings. The organization is comprised of the social structures, cognitive aspects and technical aspect. This study concentrates on the technical aspect of the institution as it discovers the systems and applications that once adopted into the institutional structure will improve its performance in terms of quality service delivery (Powell & Colyvas, 2008).

The institutions are symbols of stability, but Suddaby (2010) shares that there is need for the leadership to consider the changing times and shifts in market needs and preferences and respond accordingly. At the times the change could be gradual increments or discontinuous, but it should be easily noted by the research and development department within the institution. As the market becomes more and more competitive, customers are knowledgeable and demanding; the organizations are adjusting their strategic plans to accommodate this, and one of the ways is adopting of technological systems and applications. This will affect the product and service delivery as it is incorporated into the internal operations of the organization.

The study looks at institutional theory as a framework that enhances the adoption of innovative and inventive measures through the use of advanced technological systems and applications in an organization. The National Treasury has adopted the use of IFMIS and its different modules like payroll management and budgeting for account receivables and payables. As the study tries to link the aspects of IFMIS to its performance, the institutional theory exposes the value and benefits accrued to the organization through adoption of usage of advanced technological systems and applications. The National Treasury is likely to adopt IFMIS and other systems, if other government agencies and departments also adopt use of technological systems. It becomes easier to implement the public financial management act, as the government bodies will be interlinked and financial information and statement can easily be shared. Which improves the performance as auditing can trace all transactions and usage of financial resources, and it also helps to reduce instances of corruption and fraud, theft and misappropriation of public funds. The benefits gained in using different modern technological systems is explained using the institutional theory and reasons behind use of technology and its impact on improved performance. For effective adoption of IFMIS, the theory exposes the value of internal control systems like the structure and culture within an organization and reasoning in adopting new technologies in an effort to improve its performance.

Empirical Review

Internal Control and Performance

Internal controls are measures that the management of an organization puts in place to ensure all operations, processes, systems and staff works to achieve the mission and goals of the organization (Davila, Gupta & Palmer, 2018). It also refers to mechanisms that the top leadership puts in place to avoid theft, wastages and mismanagement of resources. Therefore, any organization in serious pursuit of its goals and objectives must critically look at its internal control systems as they are important aspects in measuring the progress of the organization.

According to Ibrahim, Diibuzie and Abubakari (2017) in their study on internal control systems and financial performance of the health institutions in Ghana, revealing that an effective internal control system is likely to prevent opportunities of fraud and corrupt activities within the institutions of health. An effective internal control system is one that will consider the control environment that will assess both the internal and external environment of the organization; it has indicators of risk assessment and control activities to avoid losses and theft. The internal control system that uses information and communication tools yielded higher results as the health organizations noted areas of concern and communicate the same to staff and managers as a push towards achieving its goals. The monitoring aspect would assess all areas of operations within the health institution and consolidate efforts to achieve high financial performance. The study findings show that internal control systems and its indicators were positively linked to financial performance of the health institutions in Ghana.

Muhunyo and Jagongo (2018) investigated on internal control systems and financial performance, sharing that many public institutions have poor financial performance as compared to the private sectors. In an effort to improve the financial performance of the public institutions, it was suggested the adoption of strong internal control systems. The internal control system will cover aspects like internal audit of all resources and its assets, policies and regulations and assessment of the operations and its evaluation. The public institutions share that some employees do not take regular leaves or are not rotated to other departments, since they handle organizational cash and capital assets, which will give them room for fraud and corrupt activities. Adoption of an effective internal control system, will ensure that all employees are closely monitoring and regular audits are conducted leading to better usage of funds and other organizational resources. The study found that the control environment, risk assessment, control activities and information and communication as indicators of internal control systems have a significant influence on the financial performance of the institutions of higher. Such that to improve the financial performance of the public institutions, these institutions have develop an internal control system that allows for transparency and accountability of resources.

Umar and Dikko (2018) investigated on internal control and performance of the Nigerian commercial banks, revealing that the recent spate of fraudulent activities, globalization process and the complexity of banking transactions has led to keener interest in the internal control systems as a solution. The shake-ups and challenges facing the banking industry have pushed authorities to look at individual banks' internal control system to avoid issues like theft and fraud. This can be achieved through the aspect of monitoring and control activities to protect the industry and lead it to success. The control environment looks at the organizational culture and structure to push the banks to high performance by calculating what risks to take and seek and take opportunities that improve their returns. The study findings show that internal control system seen through control environment, control activities, monitoring and risk assessment significantly and positively influenced the performance of the Nigerian commercial banks. Information and communication had little impact on the performance of the banks.

Lerno (2016) linked the internal controls and performance within the county government in Kenya. The study revealed that internal control operates using its five main components; namely risk assessment, control environment, control activities, communication and monitoring and evaluation aspects. The study revealed that many of the staff from the 47 counties had no idea if the county had an internal control system and whether it was effective or not. Some of the counties that had adopted internal control practices still shared that they could not link it increase in asset base, recognition of the value of receipt and expenditure of big contracts and improvement in collection of levies to cover the county expenses as to when they fall due. In general, the study found out that internal control practices in the county governments had not led to improved performance at the county level.

Dubihlela and Nqala (2017) on internal control systems and risk performance, sharing the manufacturing firms are shifting their attention to measures to protect themselves against risk exposures. The study aims at how to optimize the internal control systems to mitigate risks that the small and medium sized manufacturing firms face. The study found that a strong internal control system can help the SMEs to identify, mitigate, plan on how to handle the different risks that they face. The internal control system will inform the management team who will respond by making contingency plans and protect the firm from the risks. At the same time, the organization can come up with appropriate risk management strategies, which would lead to improved performance.

Staff Competency and Performance

The business world has seen an increase in use in technology and innovative machines, but the place for human resources cannot be underestimated in improving the performance and profitability of the firms. The human resources manage and run the machines, technological application and systems and form an integral part of the organization. When adopting different technological systems and applications, and organizational approaches, mechanisms and operations, there is need to consider the skills, experiences, knowledge and competencies of the staff/human resources (Alsabbah & Ibrahim, 2016). When looking at adoption and usage of technologies, then technical information technological skills is mandatory for staff in the organizations.

According to Osei and Ackah (2015) in the study on employee competency and organizational performance, the research paper shared that a competent and competitive group of employees is an essential asset for the growth, development and success of the firm. Employees with technical know-how, experience and skills are able to ensure a firm’s survival in the ever-changing environment. At the same time, the management of the organization should offer opportunities to the staff for their growth and development, through training programs, career growth opportunities and job rotation to increase their skill set. The more competent, experienced and skilled the employees of an organization are, the study shares the higher the performance of the individuals and the entire organization. The study makes recommendations that the management of the firms should make provisions for continuous learning so as to improve the employee competencies, their skills, attitudes and behavior.

Kolibáčová (2015) investigated on the correlation between competency and performance as they tried to link the two aspects in a singular company. The only way to understand the competencies of the employees is through regular evaluations to know the areas of weaknesses and strengths. The study findings show that it was the role of managers and supervisors to rate the competency levels of the staff within their area of operation, and whenever one employee rates higher than their colleagues, it resulted in an increase of their performance which largely improved the performance of the entire organization. The study shared that for organizations in search of enhanced performance and productivity, it was prudent for them to invest money and time towards staff development aimed at enhancing their competencies.

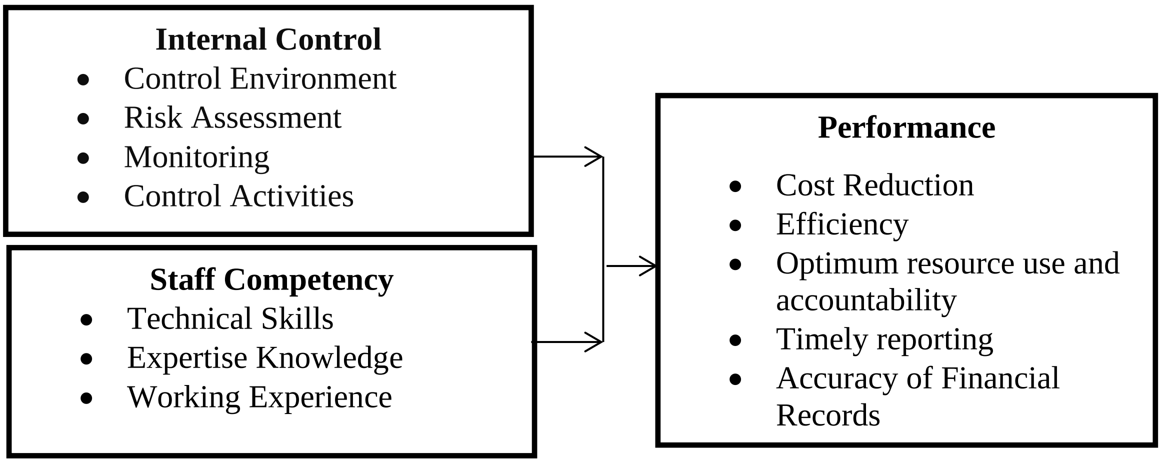
On managerial competencies and the performance of business units, Veliu and Manxhari (2017) noted that managers need to be competent to drive the agenda of the business through strategy development and its implementation towards achieving the set goals. The managers as part of the staff of the organization need critical thinking skills, visionary and ability to mobilize and motivate staffs to handle their individual tasks towards achieving the organizational goals. The study findings show that managerial competencies lead to improved business performance of the SME sector in Kosovo. Yang, Fang and Huang (2017) investigation on the mediating role of competency, training and task performance, noting that competency of the staffs and managers is based on aspects like professional competency, technical competencies and core competencies. The study findings show that training improved the level of competencies of the staff which resulted in improved organizational performance. Professional competencies and technical competencies had a partial effect to the mediator role of the core competencies, but the three aspects of competencies improved the performance of the pharmacists.

Owoeye and Muathe (2018) investigated on the competence-enhancing interventions and organizational performance, the study reveal that human capital is an integral part of an organization seen through the combination of intelligence, skills and expertise that lead to high organizational performance. The findings show that enhancing the competencies of the human capital in the organization remains a significant part in attaining the organizational goals and objectives of improved performance. It also means that the organizations' and its management invest in measures and interventions that enhance the competencies of workforce through job rotation, trainings and career advancement opportunities.

Cherono (2016) examined factors affecting effective implementation of integrated financial management information systems by the county governments of Kenya. This study aimed at examining how change management, technological infrastructure, human capital development and top management commitment affected the effective implementation of IFMIS by the county governments. The findings revealed that most counties did not manage change to IFMIS effectively; the technological infrastructure for the roll out to the sub counties had not been availed; some aspects of human capital development had not been addressed; the political class is not supportive of IFMIS and the counties have not allocated enough resources towards of IFMIS.

Conceptual Framework

Miles and Huberman (1994) defines a conceptual framework as a visual or written product, one that explains, either graphically or in narrative form, the main things to be studied; the key factors, concepts, or variables and the presumed relationships among them.



RFESEARCH METHODOLOGY

Research Design

A research design is the scheme, outline or plan that is used to generate answers to research problems (Creswell, & Poth, 2016). It offers a systematic order of occurrences and activities in which to conclude the research. Descriptive research design was adopted by the study. The aim of descriptive research is to determine and report how things are without manipulation that helps to determine the current state of the study population. Descriptive design allows for more data to be tested (Leavy, 2017). Descriptive research design is chosen because it determines and reports how things are and is suitable because with definite goals it is concerned with obviously defined issues. Therefore, the study design involves a description of what the researcher does when formulating research questions and their consequences for the final analysis of information.

Target Population

A study population according to Howe and Robinson (2018) is the general large collection of elements either human or non-living that are at the core of scientific query. The target population is the elements with the necessary information and fit a set criterion to be included in the study. For this study, the population were staffs at the National Treasury of Kenya and the researcher targeted staff in the ICT department, human resource department and Finance and accounting department with the expectation that they have information on IFMIS and performance of the institution. From the records held at the national treasury, there were a total of 367 staff working in the three departments as shown in Table 1

Table 1: Target Population

Department	Population
ICT department	152
Human Resource Department	96
Finance and Accounts Department	119
Total	**367**

Source: Records at the National Treasury (2020).

Sample Procedure

A sample population of 187 was arrived at by calculating the target population of 367 with a 95% confidence level and an error of 0.05 using the below formula taken from Kothari (2004).

$$n = \frac{Z^2 . N . \sigma\frac{2}{\rho}}{(N-1)e^2 + Z^2 . \sigma\frac{2}{\rho}}$$

Where; n = Size of the sample,

N = Size of the population and given as 367

e = Acceptable error and given as 0.05,

σρ = the standard deviation of the population and given as 0.5 where not known,

Z = Standard deviation at a confidence level given as 1.96 at 95% confidence level

$$n = \frac{1.96^2 * 367 * 0.5^2}{(367-1)0.05^2 + 1.96^2 * 0.5^2}$$

$$\frac{352.4668}{0.915 + 0.9604}$$

$$\frac{352.4688}{1.8754}$$

n=187 respondents

The study used 187 respondents from all the ICT department, human resource department and Finance and accounting department as shown in the table below:

Table 2: Sample Size

Department	Population	Sample Size
ICT department	152	79
Human Resource Department	96	44
Finance and Accounts Department	119	61
Total	**367**	**187**

Source: Researcher (2020)

Data Collection Instrument

A questionnaire was used by the research to gather primary data. The questionnaires were used to gather information from the participants chosen. Questionnaires are suitable for studies as they collect information that cannot be directly observed and achieved as well as individual experiences (Creswell & Poth, 2016). A questionnaire would be helpful in acquiring objective information as the research does not manipulate respondents in any manner. Questionnaires have the added benefit of being less expensive and using less time as information collection tools. The questionnaire included questions that are close ended and it employed the use of the Likert scale, as such quantitative data was collected. The information tool, while subdivided into two parts, the first part had information on background information of the respondents and the second part discussed the four study independent variables and the dependent variable.

Data Collection Procedure

The researcher applied for a research permit with National Commission for Science, Technology and Innovation (NACOSTI) to conduct the research. The researcher also sought for a letter of introduction from the University. Once these authorities were received, the researcher embarked on data collection in the field. While in the field, each questionnaire presented to respondents was accompanied by a letter of introduction stating the purpose of the study. A drop and pick latter method was used to distribute questionnaires to respondents. The use of this method ensures that respondents are given more time to fill in questionnaires. This also ensures the improvement of the response rate of the study as it ensures that the respondents are not interfered with their daily operations.

Validity and Reliability of Research Instruments

Validity of the Study Instruments

Validity refers to degree to which a test measures what it purports to measure. Bolarinwa (2015) defines validly as an instrument that is used to improve judgment for this reason the university will ascertain the validity of the content presented. In general validity is degree to which results obtained. Validity is the degree to which a test measures what is intended to measure. In this study, validity was also examined through the ability of the test instruments to measure what they are supposed to measure. As such, pre-test was conducted through pilot study in which there was checking of any deficiencies in terms of unclear instructions, insufficient spaces to write responses and wrong phrasing of questions.

The researcher adopted the use of content validity by engaging academic supervisors and fellow students who reviewed the content of the questionnaire to ensure they are aligned to the overall and specific objectives of the study. The construct validity was conducted such that the items on the questionnaire are reviewed to measure the constructs in the conceptual framework.

Reliability of Research Instruments

Reliability is the extent to which results are consistent overtime and an accurate representation of the total population under study (Mohajan, 2017). If the results of a study can be reproduced under a similar methodology, then the instrument is considered to be reliable. To determine reliability, the Cronbach's (1951) coefficient alpha was used separately to assess the reliability of the scales adopted in the study. The researcher also checked the consistency of a measure evaluated over time using test-retest reliability. This test was to measure reliability obtained by administering the same test twice over a period of time to a group of individuals.

Data Analysis and Presentation

The collected data was cleaned, coded and entered into Statistical Package for Social Sciences (SPSS version 23.0) for further analysis. The data was also checked for completeness and consistent before the analysis. Descriptive analysis and inferential statistics was conducted, such that for descriptive analysis, means, frequencies, percentages and standard deviation was obtained from the raw data. Descriptive statistics is chosen because it makes it possible to show the distribution or the count of individual scores in the population for a specific variable.

Inferential statistics was done through multiple regression to test the relationship between the independent variables (internal control, staff competency, budgeting and financial reporting) and the dependent variable (performance).

The regression mode that was adopted is:

$$\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon}$$

Where:

Y = Performance

X_1 = Internal Control

X_2 = Staff Competency

β_0 = Constant,

β1, β2, β3 and β4= Regression Coefficients

ε = Error Term

The findings of the study were presented in charts, tables, graphs and prose discussions.

RESEARCH FINDINGS AND DISCUSSIONS

Response Rate

The study had 187 respondents who were the management staff in the ICT, human resource, finance and accounting departments. Out of the 187 respondents, 140 of them completed the questionnaires and returned them. This gave a response rate of 74.87% which is deemed sufficient for the study. The findings are as tabulated below;

Table 3: Response Rate

Rate	Frequency	Percentage
Response	140	74.87
Non-response	47	25.13
Total	187	100

Source: Field data, 2020

Descriptive Findings

Internal Control and Organizational Performance

The respondents were asked to indicate the extent to which they agreed with the following statements on internal control as an integrated financial management information system and performance on a Likert scale of 1-5, where 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree. The findings were as tabulated below;

Table 4: Internal Control in IFMIS

Statement	Mean	Std. Dev
The treasury has a tight and strict control environment	3.66	0.802
There is regular risk assessment before resource allocation and use	3.74	0.901
The IFMIS is always monitored to ensure diligent use of resources	3.88	0.711
All activities involving IFMIS at the treasury are controlled	4.01	0.697

Source: Field data, 2020

The study established that most of the respondents agreed that the National Treasury of Kenya has a tight and strict internal control environment, there is regular risk assessment before resource allocation and use, the IFMIS system is always monitored to ensure diligent use of resources and that all activities involving IFMIS at the treasury are controlled as indicated by a mean of 3.66, 3.74, 3.88 and 4.01 respectively. This shows that IFMIS has enhanced strong and reliable internal control mechanism ranging from strong control environment, risk assessment, monitoring and control of all resource planning, use and accountability.

Staff Competency and Organizational Performance

The second objective of the study was to establish the impact of staff competency in IFMIS on performance of the National Treasury. The respondents were therefore asked to rate the following statements on staff competency as an aspect of IFMIS and organizational performance using a Likert scale of 1-5, where 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree. The findings were presented using means and standard deviation as tabulated below;

Table 5: Staff Competency and Performance

Statement	Mean	Std. Dev
Our staff have adequate technical skills for IFMIS	2.91	1.520
Our organization has relevant expertise knowledge for IFMIS	3.01	0.804
Our staff have significant working experience for IFMIS	2.99	0.699
Our staff have adequate understanding of the IFMIS	2.71	0.779

Source: Field data, 2020

The study established that to a moderate extent, staff at the National Treasury have adequate technical skills on IFMIS, relevant expertise knowledge on IFMIS, have significant working experience for IFMIS and adequate understanding of the IFMIs as indicated by a mean of 2.91, 3.01, 2.99 and 2.71 respectively. This indicates that to an average but significant extent, the staff at the organization had technical skills, expertise, experience and understanding on use, application and management of IFMIS.

Inferential Statistics

The study conducted inferential statistics to establish the extent of correlation between IFMIS and performance of the National Treasury of Kenya. The findings of Model Summary, ANOVA and Regression Coefficients are indicated in subsequent sections below. The findings of coefficient of determination and coefficient of adjusted determination are as shown in Table 6.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.873[a]	.868	.870	1.713351

Source: Field data, 2020

The findings indicated that the coefficient of correlation R was 0.873 an indication of strong positive correlation between the variables. Coefficient of adjusted determination R2 was 0.870 which changes to 87.0% an indication of changes of dependent variable can be explained by (internal control, staff competency, budgeting and financial reporting). The residual of 13.0% can be explained by other factors beyond the scope of the current study. The study carried out an ANOVA at 95% level of significance. The findings of F Calculated and F Critical are as shown in Table 7

Table 7: ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	851.612	2	425.806	225.992	.000[b]
Residual	258.131	137	1.884		
Total	**1109.743**	**139**			

Source: Field data, 2020

The findings show that $F_{Calculated}$ was 225.992 and $F_{Critical}$ was 4.0011, this show that $F_{Calculated} > F_{Critical}$ an indication that the overall regression mode was significant for the study. The p value was 0.000<0.05 an indication that at least one variable significantly influenced performance of the National Treasury, Kenya The study used coefficient of regression to establish the individual influence of the variables to organizational performance. The findings are indicated in Table 8.

Table 8: Coefficients of Regression

	Unstandardized Coefficients		Standardized Coefficients		
	B	**Std. Error**	**Beta**	**T**	**Sig.**
(Constant)	5.203	0.725		2.111	.000
Internal control	0.801	.141	.104	9.331	.000
Staff competency	0.814	.134	.011	9.012	.000

Source: Field data, 2020

The resultant equation was;

$$\mathbf{Y = 5.203 + 0.801X_1 + 0.814X_2}$$

Where: X_1 = Internal control in IFMIS

X_2 = Staff competency in IFMIS

The study found out that by holding all the variables constant, performance of the National Treasury will be at 5.203. A unit increase in internal control in IFMIS when holding all the other variables constant, organizational performance would be at 0.801. A unit increase in staff competency in use of IFMIS while holding other factors constant, performance of NT would be at 0.814.. The findings pointed out that all the independent variables had a p value of 0.000<0.05 an indication that IFMIS significantly influenced performance of the National Treasury, Kenya. This is supported by Chepkwony (2015) who investigated the relationship between public participation and public finance management act implementation and indicated that public participation needs to be enhanced at resource planning, budgeting, implementation, monitoring and evaluation and internal controls and audit and has a positive effect on public finance management. Mbaka and Namada (2019) in their study on IFMIS and service delivery, established that adoption and utilization of IFMIS benefits the public and the government by providing real-time financial information to all those finance and accounting managers who need it. It also makes it easy to shared financial information to different staff by a click of a button, hence making it easier to develop budgets, account and trace all resources through the use of centralized treasury processing operations. Government departments use the IFMIS system to prepare financial reports and statements for the different activities handled in one office or department.

CONCLUSION AND RECOMMENDATIONS

Conclusions

The study concluded that IFMIS was significantly embraced in public finance management at the National Treasury, Kenya. It was concluded that the national treasury significantly incorporates and accrues effective internal control which has enhanced resource planning, allocation, accountability and integrity.

The study further concluded that the staffs at the National Treasury to a significant extent have relevant and necessary skills, knowledge, expertise and experience to manage the system. It was also concluded that the National Treasury has streamlined its budgetary management through use of IFMIS. It was finally concluded that the IFMIS had improved financial reporting through timelines, accuracy and effectiveness.

Recommendations

The study recommends that the National Treasury needs to enhance continued internal control improvement plan and strengthening. The National Treasury should enhance staff competency through training, mentorship and internal trainings to ensure they are able to use and manage the IFMIS.

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