REVIEWED JOURNAL of INTERNATIONAL Financial Management [ISSN 2663-127X]

Vol. 6, Iss. 1 (2025), pp 46 - 60, September 23, 2025. www.reviewedjournals.com, ©Reviewed Journals

INTEGRATED FINANCIAL MANAGEMENT INFORMATION SYSTEMS, ORGANIZATIONAL RESOURCES AND FINANCIAL MANAGEMENT IN COUNTY GOVERNMENTS, KENYA

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Accepted: September 6, 2025

ABSTRACT

The purpose of the research was to determine whether or not the implementation of the Integrated Financial Management Information System (IFMIS), organisational resources improved the financial management of county governments in Kenya. The descriptive survey design and the causal research methodology were used for this study. The target population consisted of 302 workers working in the Treasury Department in the county governments of Kakamega, Busia, Vihiga, and Bungoma. This included 44 procurement officers, 46 internal auditors, 89 accountants, 87 finance officers, and 42 revenue officers. The selection of the 172 respondents was accomplished via the use of a method known as stratified random sampling. The questionnaire method was used to acquire the primary data. Pilot research was done to assess the content and construct validity, and Cronbach Alpha was used to determine the dependability of the information. Using descriptive and inferential statistics, an analysis of the quantitative data was carried out. Inferential analysis included correlation analysis and multiple linear regression analysis, while descriptive analysis was used to summarize the data into frequency, mean, standard deviation, and percentage. The threshold of significance used in the testing of hypotheses was 0.05. The information was laid up in tables, and several models were developed. The study established that IFMIS significantly improves financial management in county governments, and its effect is strongly moderated by organizational resources. The findings showed that adequate financial allocation, information communication technology (ICT) infrastructure, and staff capacity amplify IFMIS outcomes, enhancing accountability and efficiency. It was concluded that IFMIS alone is insufficient without supportive resources. The study therefore recommends continuous investment in infrastructure, training, policy enforcement, and leadership support to ensure counties maximize IFMIS benefits and achieve sustainable financial governance.

Keywords: *IFMIS, Organisational resources, Financial Management, County Governments*

CITATION: Iravonga, J. J. (2025). Integrated financial management information systems, organizational resources and financial management in county governments, Kenya. *Reviewed Journal International of Financial Management*, 6 (1), 46 – 60.

INTRODUCTION

The Integrated Financial Management Information System (IFMIS) is a critical innovation in public sector financial management. It is an automated platform designed to improve planning, budgeting, procurement, expenditure control, and reporting within national and county governments in Kenya (Chado, 2015). Financial management, broadly defined, entails obtaining funds and ensuring their efficient utilization to promote effective operations (Muthoni, 2017). Organizational resources, both tangible and intangible, also play a central role, as they represent the assets, capabilities, knowledge, and processes that enable firms and institutions to formulate and implement strategies that drive efficiency and effectiveness (Mutua & Juma, 2018; Kimiti & Kilika, 2018).

The introduction of IFMIS was intended to raise the quality of public service delivery by enhancing transparency, strengthening internal financial controls, and promoting accountability across government institutions (Akinyi, 2016). Despite its adoption, county governments in Kenya have faced persistent criticisms over fiscal indiscipline, poor planning, low revenue absorption, corruption, and inadequate accountability (Nganyi, Jagongo & Atheru, 2019). This creates a paradox where IFMIS was expected to solve inefficiencies but instead remains plagued by challenges that undermine financial governance.

Globally, IFMIS is recognized as a tool for enhancing transparency, accountability, and efficiency in financial operations. In developed countries, IFMIS is used for tracking financial events, policy formulation, and preparing auditable statements (Ameen & Ahmad, 2016). For example, the U.S. Department of Homeland Security uses IFMIS to manage all its financial transactions (Reddick, 2010). Similarly, the World Bank (2011) reports widespread adoption of IFMIS projects in Latin America, the Caribbean, and Africa, highlighting its global relevance in strengthening public sector reforms. In Asia-Pacific, IFMIS has facilitated standardized financial reporting and improved cooperation among APEC economies (APEC, 2015). The system has been positioned as a reform instrument that streamlines financial practices across governments, while ensuring greater transparency and efficiency in resource use.

In Africa, IFMIS has been implemented as part of broader governance and financial reforms. South Africa integrated IFMIS to improve expenditure integrity and performance reporting (Gcora & Chigona, 2019). Ghana's GIFMIS has contributed to macroeconomic management by enhancing resource allocation and GDP growth (Aminatu, 2015). Malawi's experience shows that sound legislation and institutional reforms are critical for successful implementation (Laizer & Suomi, 2017). Uganda's IFMIS, initiated in 2002, was supported by World Bank financing and has improved financial reporting despite design issues (Ministry of Finance, 2015). These examples suggest that while IFMIS can transform financial governance, successful adoption requires strong institutional frameworks, technical support, and alignment with local contexts.

Kenya introduced IFMIS in 2005, following recommendations in the Public Financial Management Reform Strategy Paper (2001–2006). The system was envisioned to integrate budgeting, payroll, procurement, and accounting processes through an ERP platform (Mambo, Ombui & Kagiri, 2015). The Treasury established the IFMIS Department to spearhead its deployment, first in ministries (2003) and later in counties (2012) (Cheruiyot, 2018). The system was designed to enhance transparency, reduce corruption, and ensure efficient use of public resources (Mbaka, 2017).

Conceptually, IFMIS is an automated platform that manages public expenditure through integrated modules spanning budget formulation, execution, accounting, procurement, and reporting (USAID, 2018). Its re-engineering strategy (2013–2018) emphasized six core components: business process review, budget integration, automated supply chain management, revenue reconciliation, real-time financial reporting, ICT infrastructure support, and capacity building through the IFMIS Academy. While some studies affirm its positive influence on transparency and efficiency (Mburu & Ngahu, 2016; Hawo, 2015), others highlight mixed or negative outcomes (Odoyo, Adero & Chumba, 2014; Osano & Ngugi, 2018). These inconsistencies reflect differences in institutional capacity, political will, and resource availability.

Organizational resources represent the assets, skills, knowledge, and capabilities that institutions use to create and implement strategies (Mutua & Juma, 2018). These include tangible inputs such as financial and human resources, and intangible ones such as processes, competencies, and institutional culture (Ongeti, 2014). Strategic management theories such as the resource-based view emphasize that organizations achieve superior performance when their resources are valuable, rare, inimitable, and non-substitutable (Worlu et al., 2016). In the Kenyan context, studies have identified human and financial resources, internal controls, and regulatory frameworks as critical determinants of financial performance (Kimaite, 2016; Ogachi & Muturi, 2015). For instance, Mwai, Namada & Katuse (2018) found that organizational resources positively influenced NGO effectiveness. However, poor allocation, weak internal controls, and resource mismanagement have hindered county governments' ability to deliver services effectively. Organizational resources are thus positioned as a potential moderating factor in IFMIS-financial management outcomes, highlighting their centrality in this study.

Financial management refers to the planning, control, and monitoring of resources to ensure efficiency, accountability, and sustainability (Moyer, McGuigan & Kretlow, 2015). It involves budgeting, revenue management, procurement, risk control, and reporting (Diefenbach, 2019). Effective financial management not only guarantees prudent utilization of funds but also strengthens public trust in governance systems (Wagithunu, Muthee & Thinguri, 2016). IFMIS directly affects financial management by improving transparency in reporting, strengthening internal controls, and enabling real-time monitoring of transactions (Simiyu & Kaplelach, 2015). Nonetheless, weaknesses such as procurement loopholes, delayed disbursements, and mismanagement of funds remain persistent challenges (Visaria, 2019).

The devolved system of government, introduced in 2013, tasked county governments with financial autonomy under the framework of the Public Finance Management Act (2012). The Act stipulates principles such as limiting recurrent expenditure, allocating at least 30% to development, and maintaining sustainable debt levels. Article 201 of the Constitution emphasizes transparency, accountability, equity, and public participation in financial governance. Despite these safeguards, county governments continue to face widespread challenges. Auditor General reports (KENAO, 2018) reveal rampant mismanagement, unaccounted revenues, resource wastage, and corruption. Local revenues remain low due to weak collection systems, inflated projections, and poor compliance. Budget reallocations and overspending on recurrent expenditure undermine fiscal discipline and development priorities.

Statement of the Problem

Despite the strong legislative and institutional frameworks for PFM in the last six years, Kenyan public finance management arena continues to experience a myriad challenge that are not in tandem with the principles of public finance. For instance, since the beginning of devolved systems of government in 2013, every annual Auditor General's and Controller of Budget's Report have been indicating that some devolved units spend in total disregard to the PFM Act of 2012, the PPAD Act of 2015 and other fiscal responsibility principles (CoB, 2017). In particular, the reports clearly note that every year the county governments are allocated more than the stipulated 15 per cent of the national revenue with regular annual increments with Kshs 368 billion given in FY 2018/2019 compared to Kshs 341 billion in FY 2017/2018. However, lack of proper accounting systems and weak controls at the county level have continuously facilitated misuse of the allocated public funds, slowing down service delivery and overall performance of the county governments (CoB, 2017).

In the report of the Auditor General on financial statements of the County Governments for the year ended 30th June, 2018, there were variances between IFMIS records and disclosure of financial statements, mismatch of accounts payables and bank statements for deposits account, variance of financial figures on pending bills and the schedules accompanying the notes, variances between cash and cash equivalents and accompanying bank balances, non-verification of huge outstanding imprests, huge cash disbursements with no accompanying record of approved beneficiaries, irregular reallocation and unaccounted for expenditures, un-vouched expenditures, irregular procurement, just to mention but a few leading to unexplained financial deficits; thus revealing appropriateness of IFMIS in highlighting financial misappropriations in county governments (GoK, 2018). It is against this backdrop that the current study seeks to establish the moderating effect of organizational resources on the relationship between integrated financial management information system and financial management in county governments, Kenya. The study tested the following null hypothesis.

H_0: Organizational Resources has no significant moderating effect on the relationship between IFMIS and financial Management in county governments, Kenya.

LITERATURE REVIEW

Theoretical Review

The main theory guiding this study is the Task Technology Fit theory, which links the alignment of technology with organizational tasks to improved performance. Goodhue and Thompson (1995) found the TTF measure, in conjunction with utilization, to be a significant predictor of user reports of improved job performance and effectiveness that was attributable to their use of the system under investigation. Although the Goodhue and Thompson (1995) model operates at the individual level of analysis, Yang, Kang, Oh and Kim (2018) present an analogous model operating at the group level. The theory is particularly useful in evaluating how the Integrated Financial Management Information System can be optimally utilized in financial management within Kenyan county governments. By examining the revenue, reporting, payment, and budgeting systems of IFMIS, the theory explains their contribution to improved budgeting, revenue attainment, audit quality, and timely payments. TTF also acknowledges that internal and external factors—such as organizational size, available technology, and adaptability to strategic changes—moderate how resources influence performance outcomes.

Despite its wide application in accounting and information systems research, the theory faces several criticisms. Scholars argue that TTF is static, depicting organizations as achieving equilibrium without fully addressing adaptation and change (Galunic & Eisenhardt, 1994). Structural Adaptation to Regain Fit (SARFIT) was developed as a disequilibrium alternative, suggesting organizations constantly move between states of fit and misfit, with performance fluctuating accordingly (Donaldson, 2006). Furthermore, critics contend that contingencies may evolve faster than organizational adjustments, making it difficult to sustain fit, and that managers may lack awareness of fit states to apply changes effectively (Donaldson, 2001). Nevertheless, TTF has been empirically tested and found to provide a valid, reliable framework for understanding leadership, accounting controls, and performance outcomes (Ginsberg & Venkatraman, 1985). Its strength lies in explaining how aligning tasks with technology, such as IFMIS, enhances efficiency in public financial management despite its theoretical limitations.

Conceptual Framework

The conceptual frame work for this study shows the relationship between IFMIS, organizational resources and financial management as shown in Figure 1.0. Financial management was measured using fund absorption rate, revenue targets and Nature of audits reports.

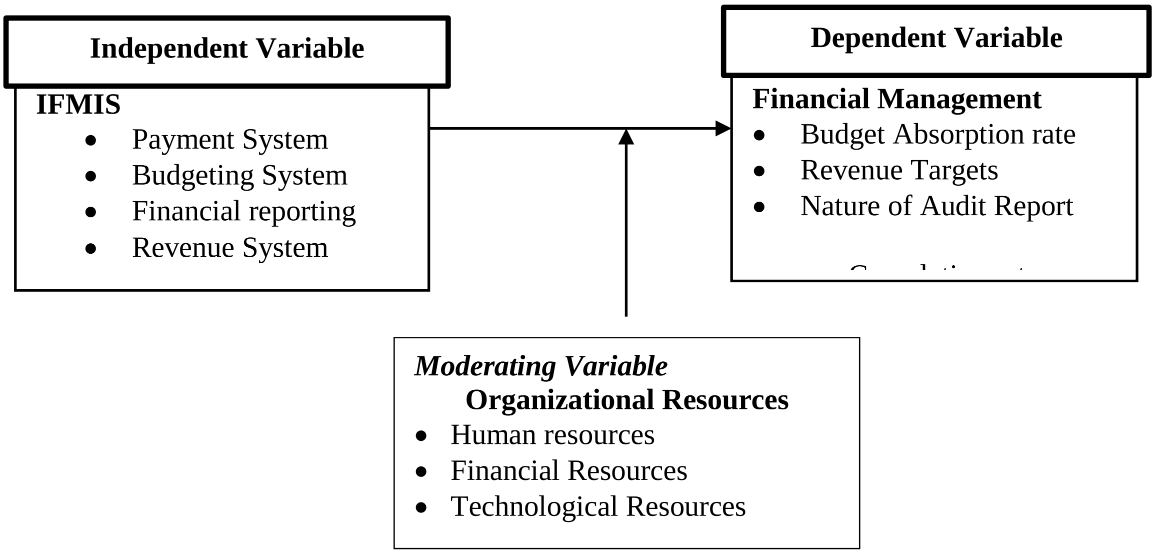

Figure 1: Conceptual Framework

Empirical Studies

Mohamud (2018) sought to establish influence of resources on implementation of IFMIS. The target population was 65 high levels, middle level management personnel and technical staff of Ministry of Finance, Puntland bank and Accountant General Office. The study was descriptive in nature. Three key institutions for the implementation of IFMIS were assessed; Ministry of Finance, Office of Accountant General and State Bank of Puntland. Data was collected 65 staff from the selected institutions using structured questionnaires that addressed each of the research objectives. The research project concluded that the technical capacity does not affect implementation of IFMIS in Puntland public institutions. The research project also established that the level of project financing or funding influences the successful implementation of the IFMIS in public institutions. However, the study did not indicate how technical capacity was measured and what the contribution of project funding towards implementation is.

Maina (2019) sought to establish the determinants of IFMIS implementation in the national government departments in Meru County. A target population of 68 employees of the national government departments in Meru County was used and a census was conducted. The study established that government has created adequate policies in regards to IFMIS implementation; however, the presence of policies is not sufficient to enable its implementation. This was confirmed by hypotheses tests which showed that staff competency, technological infrastructure and most importantly, management support is vital for the effective implementation of the IFMIS system in national government departments. The study concluded that policies without appropriate implementation interventions are not effective in promoting IFMIS implementation.

Ogachi and Muturi (2016) sought to find out the factors influencing the implementation of integrated financial management information systems (IFMIS) in Kenyan County governments i.e. Kisii, Migori, Homabay, Kericho and Nyamira Counties. The methodology of this study has purely been qualitative. The study adopted purposive sampling to pick the respondents from a target population of 150 employees from the five counties. Data was obtained through primary data sources by means of face-to-face interviews guided by questionnaires administered to a selected sample. The findings of this study revealed that most counties did not have different strategic approaches to IFMIS implementation; the ICT platform for the roll out IFMIS is in place; there are no regular skills upgrading courses on IFMIS and no motivation to retain skilled personnel; the political class is not supportive of IFMIS implementation and the counties have not allocated enough resources towards implementation of IFMIS.

Njihia, and Makori (2015) sought to examine the determinants of performance of Integrated Financial Management Information System in public sector in Kenya with a case of National treasury. The study adopted descriptive survey for the target population of 800 government officers at National treasury. A sample size of 80 respondents and a stratified sampling technique was used and data collected through the use of questionnaires as a research instrument. The analysis showed that ICT Infrastructure had the strongest positive influence on Performance of IFMIS in the organization. In addition, human resource capacity, implementation strategy and government policy are positively correlated to performance of IFMIS in the organization.

Chepkwony and Okello (2016) examined the determinants of effective adoption of procure-to-pay system in County Government of Bomet. The study population comprised of 57 employees working in County Information Communication Technology, procurement and finance office and the county director of procurement. Owing to the limited number of employees in the three departments, all the employees were involved in the study making the study a census survey. The study used structured questionnaires in data collection. The study revealed that ICT infrastructure, staff training and management support are all critical determinants of procure-to-pay system.

Ndaiga (2016) evaluated the determinants for the adoption of IFMIS within one of the 47 Counties in Kenya; Mombasa County Government. The study adopted a descriptive survey design (quantitative methods) to help determine specific opinion of the people involved in the adoption process by the use of questionnaires. The population targeted by the study was 606 participants. Based on the work of Yamane (1967), a sample size of 86 participants was adopted from which 68 respondents successfully responded. Doesn't make sense The hardware and network infrastructure were required to support smooth and seamless running of IFMIS and from the findings, poor network infrastructure and lack of proper hardware equipment had a negative influence on the adoption of IFMIS. Lastly, the findings revealed that the stakeholders were not intensely involved and this affected their attitude towards the adoption of a new system.

MATERIAL AND METHODS

The positivist research theory served as the foundation for this study's methodology. The research strategy for this study was a combination of descriptive and causal approaches. The purpose of descriptive design is to merely describe a variable or phenomena, but the objective of correlational design is to investigate statistically the link that exists between variables. The study also used a causal research approach, which investigates the links between causes and effects. The methodology used in this study demonstrates the existence of a cause-and-effect connection between the dependent and independent variables. The study was conducted throughout the jurisdictions that make up Western Kenya's counties. The western part of Kenya contains the counties that are the focus of this initiative. There are a total of five counties in this area: Busia County, Bungoma County, Kakamega County, and Trans Nzoia County. Vihiga County is also a part of this region.

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

This research relied on original sources of data. The use of structured questionnaires allowed for the collection of the necessary data. A pilot study was carried out in Kisumu County, which is located in the western region of the nation and is one of the counties that share similar demographic and economic features with other counties. For the pilot portion of the project, there were 17 individuals recruited from the County Government of Kisumu. Construct validity and content validity were the two aspects of the validity of the research instrument that were investigated in this study. Utilizing supervisors and various other experts from the faculty of Business and Economics at Masinde Muliro University of Science and Technology allowed for the application of professional judgment about the content. Convergent validity was examined by the use of Average Variance Extracted (AVE) in this research. The Cronbach Alpha approach was used so that we could determine the level of reliability.

In order to draw conclusions and draw inferences, the data was examined using both descriptive and inferential statistics. The frequencies, the percentages, the mean, and the standard deviations were all included in the descriptive statistics. Both regression analysis and correlation analysis were included in the inferential analysis. SPSS Version 26 was used for the analysis of the gathered data. The information was given with tables of frequency as well as percentages.

RESULTS AND DISCUSSION

Descriptive Analysis

The respondents were asked to indicate the level of agreement from strongly disagree (1) to strongly agree (5) in regard to organizational resources in County governments of Western Kenya. The results are as shown in Table 1.

Table 1: Organizational Resources

Organizational Resources	5	4	3	2	1	Mean	Stdev
Individual employees have the relevant skills required for their specific roles in IFMIS	20.5% (27)	31.8% (42)	32.6% (43)	13.6% (18)	1.5% (2)	3.6	1.0
The organization has deliberately facilitated knowledge sharing across its different departments using IFMIS	22.7% (30)	33.3% (44)	31.8% (42)	10.6% (14)	1.5% (2)	3.7	1.0
The management allocates adequate financial resources towards IFMIS projects	20.5% (27)	38.6% (51)	28% (37)	11.4% (15)	1.5% (2)	3.7	1.0
Top management has put mechanisms in place to ensure that resources meant for IFMIS are properly utilized to avoid wastage	21.2% (28)	38.6% (51)	26.5% (35)	12.1% (16)	1.5% (2)	3.7	1.0
There is adequate resource needed to generate and manage technological change for IFMIS utilization	18.2% (24)	38.6% (51)	22% (29)	16.7% (22)	4.5% (6)	3.5	1.1
There are adequate planning, systems, and training in place for managing organizational resources required for IFMIS utilization	20.5% (27)	43.2% (57)	24.2% (32)	10.6% (14)	1.5% (2)	3.7	1.0
The organization has acquired relevant and adequate technologies for management of IFMIS	22% (29)	35.6% (47)	31.1% (41)	9.8% (13)	1.5% (2)	3.7	1.0
Top management is committed to provide adequate resources for effective operationalization of IFMIS	20.5% (27)	33.3% (44)	31.8% (42)	10.6% (14)	3.8% (5)	3.6	1.1

According to Table 1, most respondents indicated that individual employees possess relevant skills for IFMIS roles, with 20.5% strongly agreeing and 31.8% agreeing, though 13.6% disagreed. A majority (22.7% strongly agreed; 33.3% agreed) also affirmed that the organization facilitates knowledge sharing through IFMIS, though responses varied. On financial resources, 20.5% strongly agreed and 38.6% agreed that management allocates adequate funds for IFMIS projects, while 21.2% strongly agreed and 38.6% agreed that budgetary allocations for core projects were sufficient. However, some respondents disagreed, reflecting mixed perceptions.

Findings further showed that 18.2% strongly agreed and 38.6% agreed that adequate resources exist to manage technological change, with a mean of 3.5. Similarly, 20.5% strongly agreed and 43.2% agreed that adequate planning, systems, and training were in place for IFMIS utilization. On technology acquisition, 22% strongly agreed and 35.6% agreed that relevant technologies had been acquired, though 11.3% disagreed. Additionally, 20.5% strongly agreed and 33.3% agreed that good procedural practices prevent misuse of IFMIS, although variation existed. These results align with prior studies: Chepkwony and Okello (2016) emphasized ICT infrastructure, training, and management support; Ndaiga (2016) noted challenges of poor infrastructure; and Ogachi and Muturi (2016) highlighted limited strategies, inadequate training, political interference, and resource constraints in IFMIS implementation.

Table 2.0: Financial Management Descriptive Statistics

Financial Management	5	4	3	2	1	Mean	Stdev
IFMIS has improved the absorption rate in the county by ensuring compliance with the budget thus enhancing financial performance	16.7% (22)	34.8% (46)	30.3% (40)	9.1% (12)	9.1% (12)	3.4	1.1
IFMIS has enhanced the attainment of own source revenue targets in the county	6.1% (8)	21.2% (28)	31.8% (42)	30.3% (40)	10.6% (14)	2.8	1.1
IFMIS modules have promoted transparency, accountability and efficiency of county government collections hence improved revenue collection.	4.5% (6)	43.9% (58)	25.8% (34)	19.7% (26)	6.1% (8)	3.2	1.0
IFMIS modules have improved on the financial management of allocations and public expenditure management in the County.	13.6% (18)	48.5% (64)	19.7% (26)	16.7% (22)	1.5% (2)	3.6	1.0
IFMIS has enhanced financial performance in the County through efficient allocation of funds for development expenditure	18.2% (24)	40.9% (54)	21.2% (28)	18.2% (24)	1.5% (2)	3.6	1.0
The system has assisted in allocating the adequate resources on the county government projects without biased opinions.	6.1% (8)	31.8% (42)	37.9% (50)	19.7% (26)	4.5% (6)	3.2	1.0
Linked IFMIS modules have reduced misappropriation of public funds in the County through un-approved expenditures.	19.7% (26)	31.8% (42)	30.3% (40)	13.6% (18)	4.5% (6)	3.5	1.1
Generally, there is improved efficiency and effectiveness at the county since IFMIS was introduced	22.7% (30)	59.1% (78)	15.2% (20)	3% (4)	0% ()	4.0	0.7

According to the table 2, 16.7% of the respondents strongly agreed and a further 34.8% agreed that IFMIS has improved the absorption rate in the county by ensuring compliance with the budget thus enhancing financial performance. Moreover, 30.3% fairly agreed that IFMIS has improved the absorption rate in the county by ensuring compliance with the budget thus enhancing financial performance. Also, 9.1% of the respondents disagreed and a further 9.1% strongly disagreed with a mean of 3.4 and a significant standard deviation of 1.1. The results further revealed that, 6.1% of the respondents strongly agreed that IFMIS has enhanced the attainment of own source revenue targets in the county and another 21.2% agreed on the same statement. Additionally, 31.8% of the respondents fairly agreed, 30.3% of the respondents disagree while 10.6% strongly disagreed with a mean of 2.8 and a significant standard deviation of 1.1. This implies that respondents agreed that IFMIS has enhanced the attainment of own source revenue targets in the county although some respondent had contrary opinion.

Furthermore, the results showed that, 4.5% of the respondents strongly agreed and another 43.9% agreed that IFMIS modules have promoted transparency, accountability and efficiency of county government collections hence improved revenue collection. Also, 25.8% of the respondents fairly agreed, 19.7% of the respondents disagreed while 6.1% strongly disagreed with a mean of 3.2 and a significant standard deviation of 1.0. According to the finding of the study, 13.6% of the respondents strongly agreed that IFMIS modules have improved on the financial management of allocations and public expenditure management in the County. On the other hand, 48.5% of the respondents agreed that IFMIS modules have improved on the financial management of allocations and public expenditure management in the County. Moreover, 19.7% of the respondents fairly agreed, 16.7% disagreed and another 1.5% strongly disagreed with a mean of 3.6 and a significant standard deviation of 1.0. This implied that respondents were in agreement that IFMIS modules have improved on the financial management of allocations and public expenditure management in the County although some of the respondents had indifference opinion.

In accordance to IFMIS has enhanced financial performance in the County through efficient allocation of funds for development expenditure, 18.2% of the respondents strongly agreed and 40.9% agreed. Also, 21.2% of the respondents fairly agreed, 18.2% disagreed while 1.5% strongly disagreed that IFMIS has enhanced financial performance in the County through efficient allocation of funds for development expenditure with a mean of 3.6 and a significant standard deviation of 1.0. From the table 4.13, 6.1% of the respondents strongly agreed that the system has assisted in allocating the adequate resources on the county government projects without biased opinions and another 31.8% of the respondents agreed on the same. However, 37.9% of the respondents fairly agreed, 19.7% disagreed while 4.5% of the respondents strongly disagreed with a mean of 3.2 and a significant standard deviation of 1.0. This implied respondent fairly agreed that system has assisted in allocating the adequate resources on the county government projects without biased opinions with a significant variation in the responses.

Furthermore, the results revealed that 19.7% of the respondents strongly agreed that Linked IFMIS modules have reduced misappropriation of public funds in the County through un-approved expenditures and a further 31.8% of the respondents agreed on the same assertion. On the other hand, 30.3% of the respondents fairly while 13.6% disagreed and 4.5% of the respondents strongly disagreed on the same statement with a mean of 3.5 and a significant standard deviation of 1.1. Lastly, according to the findings 22.7% of the respondents strongly agreed and further 59.1% agreed that, generally, there is improved efficiency and effectiveness at the county since IFMIS was introduced. Moreover, 15.2% of the respondents fairly agreed, 3% of the respondents disagreed while 0% of the respondents strongly disagreed with a mean of 4.0 and an insignificant standard deviation of 0.7. From the mean, it is evident that respondents agreed that generally, there is improved efficiency and effectiveness at the county since IFMIS was introduced, an assertion which had minimal variation.

Inferential Analysis

The null hypothesis of the study sought to determine the moderating effect of organizational resources on the relationship between integrated financial management information system and financial management in county governments, Kenya. This was achieved using Pearson Correlation and Regression analysis. The researcher sought to test for the following hypothesis;

H_0: Organizational Resources has no significant moderating effect on the relationship between IFMIS and financial Management in county governments, Kenya.

Table 3: Correlation Analysis

		Organisational resources
Organisational resources	Pearson Correlation	1
	Sig. (2-tailed)	
	N	132
Financial Management	Pearson Correlation	.392**
	Sig. (2-tailed)	.000
	N	132

Source: Research Data (2022)

Table 3 shows that there was a significant weak positive relationship between organizational resources and financial management ($r = 0.392$; $p < 0.05$). This implies that improvement in organizational resources would results to improvement in financial management. The results are supported by Njeru (2017) investigated the effect of the implementation of IFMIS on public expenditure management by Kenyan government. The study presented strong positive and significant relationship between IFMIS payment module and the public expenditure management. This shows that IFMIS has greatly improved the management of public expenditure though the study results indicate that there is need for further integration of the system modules to enhance proper monitoring controls of public expenditure.

Regression Analysis

The research used hierarchical regression analysis to investigate if organizational resources moderate the influence IFMIS on the financial management at county governments in Kenya

Table 4: Hierarchical Regression Model Summary

					Change Statistics				
Model	R	R^2	Adj. R^2	Std. Error of the Estimate	R^2 Change	F Change	df1	df2	Sig. F Change
1	.798[a]	.636	.633	.453317	.636	227.219	1	130	.000
2	.826[b]	.683	.678	.424980	.047	18.914	1	129	.000
3	.842[c]	.708	.701	.409022	.026	11.262	1	128	.001

a. Predictors: (Constant), IFMIS

b. Predictors: (Constant), IFMIS, Organizational Resources

c. Predictors: (Constant), IFMIS, Organizational Resources, IFMIS*Organizational Resources

The study applied hierarchical regression analysis to test whether organizational resources moderate the effect of IFMIS on financial management in Kenyan county governments. Model 1 examined IFMIS alone, which explained 63.6% of the variance in financial management ($R^2 = .636$, Adj. $R^2 = .633$, $F(1,130) = 227.219$, $p < .001$). This indicates that IFMIS significantly and strongly influences financial management. Model 2 introduced organizational resources, increasing explanatory power to 68.3% ($R^2 = .683$, Adj. $R^2 = .678$, $\Delta R^2 = .047$, $F(1,129) = 18.914$, $p < .001$). This demonstrates that organizational resources add significant explanatory value beyond IFMIS alone, affirming their role in strengthening financial management outcomes. Model 3 included the interaction term (IFMIS × Organizational Resources), which further improved explanatory power to 70.8% ($R^2 = .708$, Adj. $R^2 = .701$, $\Delta R^2 = .026$, $F(1,128) = 11.262$, $p = .001$). This confirms that organizational resources significantly moderate the relationship between IFMIS and financial management, enhancing the positive effects of IFMIS when adequate resources are available. Overall, the regression results demonstrate that while IFMIS is a strong predictor of financial management, the presence and effective utilization of organizational resources substantially strengthen this relationship.

Table 5: Regression Coefficient of Moderating influence

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-.553	.265		-2.085	.039
	IFMIS	1.101	.073	.798	15.074	.000
2	(Constant)	-.947	.265		-3.577	.000
	IFMIS	1.031	.070	.747	14.659	.000
	Organisational resources	.178	.041	.222	4.349	.000
3	(Constant)	-.430	.298		-1.443	.151
	IFMIS	-.635	.501	-.460	-1.267	.207
	Organisational resources	-1.373	.464	-1.707	-2.960	.004
	IFMIS* Organisational resources	3.104	.925	2.503	3.356	.001

a. Dependent Variable: Financial management

Source: Field Data (2024)

Model 1 shows that a unit increase in IFMIS leads to a 1.101 increase in financial management ($B = 1.101$, $\beta = .798$, $t = 15.074$, $p < .001$). This confirms that IFMIS alone strongly and positively influences financial management outcomes. Model 2 reveals that a unit increase in IFMIS improves financial management by 1.031 units ($B = 1.031$, $\beta = .747$, $p < .001$), while a unit increase in organizational resources contributes an additional .178 units ($B = .178$, $\beta = .222$, $t = 4.349$, $p < .001$). This suggests that both IFMIS and organizational resources independently and significantly enhance financial management.

Model 3 introduces the moderating effect. Here, a unit increase in the interaction between IFMIS and organizational resources results in a 3.104 increase in financial management ($B = 3.104$, $\beta = 2.503$, $t = 3.356$, $p = .001$). Although the individual coefficients of IFMIS ($B = -0.635$, $p = .207$) and organizational resources ($B = -1.373$, $p = .004$) turn negative, the strong positive interaction indicates that when both variables are combined, their joint effect significantly amplifies financial management performance. Thus, the findings show that organizational resources strengthen the positive impact of IFMIS, making them essential for maximizing financial management efficiency in county governments. On the basis of the regression coefficient found in Table 3, model 3, the regression model for the research is presented as follows.

$Y=-0.430-0.635X_1-1.373Z+3.104X_1Z$

Where:

Y=The financial management

X_1=IFMIS

Z= Organizational resources

Discussion

The regression results confirm that organizational resources significantly moderate the relationship between IFMIS and financial management in Kenyan county governments. A unit increase in the interaction between IFMIS and organizational resources led to a 3.104 increase in financial management, showing that effective utilization of IFMIS depends on the availability of supportive resources. This aligns with Maina (2019), who found that policies alone are insufficient without staff competency, technological infrastructure, and management support. Similarly, Njihia and Makori (2015) emphasized that ICT infrastructure and human resource capacity strongly influence IFMIS performance, while Chepkwony and Okello (2016) highlighted the importance of staff training and management support.

The findings also resonate with Ogachi and Muturi (2016), who revealed that inadequate skills upgrading, low motivation to retain skilled personnel, political interference, and lack of resource allocation hinder IFMIS implementation. Ndaiga (2016) confirmed that poor network infrastructure and insufficient hardware negatively affect adoption, while Mutongwa and Abeka (2017) demonstrated that management support and leadership orientation are critical to IFMIS success. However, these results contrast with Mohamud (2018), who found that technical capacity did not affect IFMIS implementation in Puntland, though he agreed that project financing was central. Overall, the evidence underscores that organizational resources—including financial, human, and technological—are indispensable in enabling IFMIS to improve financial management. Without adequate resourcing, the system alone cannot deliver the intended efficiency, accountability, and transparency in devolved governments.

CONCLUSION AND RECOMMENDATIONS

The study concluded that IFMIS plays a significant role in enhancing financial management in county governments, but its effectiveness is greatly influenced by the availability of organizational resources. The regression results showed that while IFMIS alone improves financial management, the interaction with adequate resources such as financial allocations, skilled human capacity, and robust technological infrastructure amplifies its impact. This indicates that IFMIS cannot operate optimally in isolation; it requires supportive systems and structures to deliver transparency, accountability, and efficiency. County governments must therefore ensure sufficient investment in training, infrastructure, and policy implementation, while strengthening internal controls, to maximize the benefits of IFMIS and achieve sustainable improvements in financial governance and service delivery.

It was recommended that county governments prioritize adequate allocation of financial, human, and technological resources to support IFMIS implementation and utilization. Continuous investment in ICT infrastructure such as stable networks, reliable hardware, and modern software is essential to ensure efficiency and reduce disruptions. In addition, staff training and regular skills upgrading should be emphasized to build capacity, minimize resistance, and promote effective system use. Management support and oversight are critical, and leaders should actively monitor IFMIS processes to enhance accountability and prevent misuse. Furthermore, policy frameworks must be accompanied by practical implementation measures, including strong internal controls and compliance mechanisms, to ensure IFMIS contributes to fiscal discipline, transparency, and efficient service delivery within county governments.

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