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FINANCIAL PLANNING AND VARIATION IN OWN-SOURCE REVENUE GROWTH IN TAITA TAVETA COUNTY, KENYA

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ABSTRACT

Own-source revenue (OSR) is a critical source of fiscal sustainability for county governments because it supports service delivery, finances development programmes, and reduces dependence on intergovernmental transfers. However, despite improvements in revenue performance across Kenyan counties, substantial disparities in revenue growth and stability persist. Taita Taveta County has continued to experience fluctuations in own-source revenue performance characterized by inconsistencies in budget execution, expenditure control, and revenue realization, thereby affecting fiscal stability and service delivery. This study, therefore, examined the effect of financial planning on variation in own-source revenue growth in Taita Taveta County, Kenya. The study was anchored on Public Financial Management Theory and adopted a descriptive research design. Secondary data were obtained from official county financial records and reports covering the period 2013–2024. Data were analyzed using descriptive statistics, correlation analysis, regression analysis, and Granger causality tests with the aid of STATA software. The findings established that financial planning had a positive and statistically significant effect on variation in own-source revenue growth ($\beta = 0.421$, $p < .001$). Correlation analysis revealed a positive and statistically significant relationship between financial planning and variation in own-source revenue growth ($r = 0.645$, $p < .01$). Regression results further showed that financial planning explained 41.6% of the variation in own-source revenue growth ($R^2 = 0.416$). The descriptive findings revealed persistent weaknesses in budget execution, expenditure control, and budget forecasting accuracy, reflected through expenditure deviations, fiscal deficits, and revenue forecast variances. The study concludes that strengthening financial planning, particularly budget forecasting accuracy and expenditure control, is essential for improving fiscal discipline and promoting sustainable own-source revenue growth in Taita Taveta County. The study recommends strengthening budget execution systems, improving budget forecasting mechanisms, and enhancing expenditure monitoring processes to improve fiscal sustainability.

Keywords: *Financial planning; Budget forecasting accuracy; Expenditure control; Own-source revenue growth; Fiscal sustainability; Taita Taveta County.*

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INTRODUCTION

Own-source revenue (OSR) is an important pillar of local government financing because it enables sub-national governments to finance public services, support development programmes, and reduce dependence on transfers from central governments (OECD, 2022). Local governments with adequate own-source revenue are better positioned to respond to local priorities, improve service delivery, and strengthen fiscal autonomy (Sanogo, 2019). However, growth in own-source revenue varies considerably across local governments due to differences in economic potential, institutional capacity, revenue administration systems, and financial planning frameworks (Kisaka, Maingi, & Kiongera, 2025). The ability of local governments to mobilize revenue depends not only on the availability of revenue sources but also on the effectiveness of budgeting, forecasting, expenditure management, and financial planning systems that guide resource allocation and fiscal decisions (Mutua & Francis, 2025).

Globally, local governments operating under stronger fiscal planning systems have demonstrated better performance in own-source revenue mobilization. Differences in OSR growth across local governments are largely explained by variations in financial planning systems, economic conditions, revenue mobilization approaches, and institutional capacity (Kisaka, Maingi, & Kiongera, 2025). In OECD countries, own-source revenue constitutes a substantial share of local government financing, accounting for approximately 45% of total local revenues on average (OECD, 2023). Countries with stronger financial planning systems generally demonstrate better revenue performance because planning supports realistic forecasting, efficient resource allocation, and expenditure management.

For example, municipalities in Canada generate more than half of their local revenues from property taxes and user fees because of strong fiscal frameworks and legislative autonomy that support structured financial planning systems (Kitchen & Slack, 2019). In contrast, municipalities in some Eastern European countries derive less than one-quarter of their revenues from own sources due to limited taxing powers and centralized fiscal systems (OECD, 2020). In the United States, variations in local revenue performance have been associated with differences in economic capacity and administrative systems, with some counties achieving annual OSR growth rates of approximately 10% (Ríos et al., 2018). Similarly, evidence from Pakistan indicates that effective decentralization systems strengthen fiscal responsibility and improve local revenue performance (Razzaq, Nazir, & Shaheen, 2022). In Indonesia, regions that adopted performance-based budgeting and accountability practices recorded stronger OSR growth than regions with weaker planning systems (Agustin & Arza, 2020).

In developing economies, variation in OSR growth remains a major challenge because many local governments continue to rely heavily on intergovernmental transfers while local revenue sources remain underutilized. Weak financial planning contributes to unrealistic revenue targets, poor alignment between budgets and actual revenue capacity, ineffective prioritization of revenue-generating activities, and inefficient allocation of public resources. Consequently, local governments frequently experience unstable revenue growth, budget deficits, delays in development projects, and reduced service delivery outcomes (Fatmawatie & Endri, 2022).

Regionally, differences in own-source revenue growth among local governments have largely been associated with variations in fiscal planning systems, institutional capacity, and fiscal dependence (Andriani, Handayani, & Putra, 2023). In Africa, financial planning practices have increasingly emerged as important determinants of local revenue performance because they influence budgeting processes, revenue forecasting, and allocation of financial resources. Rwanda, for example, recorded average annual OSR growth of approximately 11% between 2018 and 2021, supported by digitized systems and participatory budgeting mechanisms that strengthened planning and accountability processes (UNDP, 2021).

Across Sub-Saharan Africa, local governments continue to experience differences in revenue performance due to variations in fiscal autonomy, implementation capacity, and planning effectiveness. In Ghana, district assemblies that rely heavily on central government transfers collect less than 15% of their budgets from own sources, while higher-performing assemblies mobilize up to 30% through stronger local revenue systems, demonstrating differences in local fiscal capacity and planning effectiveness (Dick-Sagoe & Tingum, 2021). Similarly, Botswana's local councils have recorded average annual OSR growth rates of between 7% and 9%, supported by structured land-based revenue systems and stable local fiscal arrangements (World Bank, 2020). These experiences suggest that stronger planning frameworks contribute to more stable and improved local revenue performance.

In Kenya, differences in own-source revenue growth across counties remain evident despite counties operating under the same devolved governance framework. Counties such as Nairobi and Mombasa have recorded stronger revenue performance following the adoption of revenue digitization systems and structured enforcement mechanisms, generating approximately KES 10 billion and KES 4 billion respectively in the 2021/2022 financial year (CRA, 2022). Conversely, counties such as Turkana and Taita Taveta have continued to experience revenue shortfalls, indicating differences in institutional capacity, planning systems, and revenue administration practices (Silas, Wawire, & Okelo, 2018). Similarly, Embu County recorded an estimated 12% improvement in own-source revenue performance following the adoption of participatory budgeting and automated revenue collection systems, demonstrating the contribution of planning-oriented reforms to local revenue performance (Nyagah & Njoka, 2022).

The growth of own-source revenue has also been associated with fiscal decentralization because devolved systems provide local governments with greater responsibility over revenue mobilization and resource allocation. However, variations in revenue growth among counties suggest that fiscal autonomy alone is insufficient without effective financial planning and implementation systems. Counties with stronger planning frameworks and financial oversight mechanisms are more likely to achieve stable revenue growth than counties with weaker planning structures (Oduol et al., 2022).

Taita Taveta County provides an important context for examining this issue because its own-source revenue performance has remained inconsistent despite possessing considerable revenue potential in agriculture, mining, tourism, trade, and natural resources. The county recorded a revenue realization rate of 73.4% in the 2023/2024 financial year after collecting KES 461.19 million against a target of KES 628.67 million. This represented an improvement from 68.1% in 2022/2023 and 70.1% in 2021/2022. However, previous years recorded substantial shortfalls, including 48.6% realization in 2017/2018, 48.4% in 2016/2017, and 41.5% in 2014/2015, indicating persistent fluctuations in revenue performance over time (Controller of Budget, 2024).

Similarly, the county realized approximately KES 314 million against a revenue target of KES 450 million in the 2021/2022 financial year, representing a shortfall exceeding 30% (Controller of Budget, 2022). Despite policy interventions and efforts to improve local revenue mobilization, the county has continued to experience unstable revenue growth. These persistent fluctuations suggest possible weaknesses in planning systems and justify the need to examine the role of financial planning in influencing variation in own-source revenue growth.

Financial planning is therefore central to understanding variation in own-source revenue growth in Taita Taveta County. In this study, financial planning is conceptualized through budget forecasting accuracy and expenditure control. Budget forecasting accuracy refers to the extent to which projected revenues correspond with actual revenue performance, while expenditure control concerns the ability of a county government to regulate expenditures in line with approved budgets and available resources. Effective budget forecasting accuracy enables counties to establish realistic revenue targets and reduce variances between projected and actual collections, while expenditure control supports prudent resource utilization and sustained revenue performance. Conversely, weaknesses in forecasting accuracy and expenditure control may result in unrealistic revenue projections, budget imbalances, inefficient allocation of resources, and unstable own-source revenue growth (Maharaj & Doorasamy, 2024).

In Taita Taveta County, fluctuations in own-source revenue growth suggest possible weaknesses in financial planning systems, particularly regarding budget forecasting accuracy and expenditure control. Although the county exceeded revenue targets in some periods, including the 2018/2019 and 2019/2020 financial years, this performance was not sustained consistently. This inconsistency indicates the need for stronger forecasting mechanisms and expenditure control systems to transform the county's economic potential into stable, predictable revenue growth. Therefore, this study examines the effect of financial planning, measured through budget forecasting accuracy and expenditure control, on variation in own-source revenue growth in Taita Taveta County, Kenya.

Statement of the Problem

Own-source revenue (OSR) remains a critical pillar for the fiscal sustainability of county governments in Kenya because it enables counties to finance development programmes, improve service delivery, and reduce dependence on transfers from the national government. Over time, the National OSR performance has improved considerably, increasing from KES 30 billion in 2014 to more than KES 60 billion in the 2023/2024 financial year (Controller of Budget, 2024). Despite this progress, substantial disparities continue to exist across counties regarding revenue performance, stability, and growth.

Taita Taveta County has experienced persistent fluctuations in OSR performance over time, reflecting instability in revenue generation. Although recent improvements have been observed, the county has not achieved stable and predictable revenue growth. Despite improvements in recent years, the county has continued to experience considerable revenue volatility characterized by inconsistent own-source revenue performance and unpredictable growth patterns. Earlier financial years recorded substantial shortfalls in revenue realization, indicating persistent instability in revenue performance over time (Controller of Budget, 2024). This instability affects planning, budgeting, and service delivery outcomes within the county.

Previous empirical studies have examined the influence of financial governance practices on revenue performance. For instance, Oktaviani, Wijaya, and Ermawati (2020) established that budgeting, accountability, and reporting practices significantly influence revenue growth. Similarly, Dick-Sagoe (2020) found that financial management systems enhance revenue performance in decentralized governments through improved fiscal management mechanisms. In addition, Rutto, Minja, and Kosimbei (2022) demonstrated that decentralized governance structures improve local revenue generation by strengthening autonomy and decision-making capacity at the subnational level. Although these studies provide important insights into revenue performance, they predominantly focus on broad financial governance frameworks and do not sufficiently isolate financial planning, particularly budget forecasting accuracy and expenditure control, as determinants of variation in own-source revenue growth.

Moreover, most existing studies have emphasized overall revenue growth while paying limited attention to variation and instability in revenue performance, which represents the primary challenge observed in Taita Taveta County. In addition, limited empirical attention has been given to how financial planning dimensions, particularly budget forecasting accuracy and expenditure control, influence variation in own-source revenue growth in county governments experiencing fluctuating revenue trends.

Consequently, insufficient evidence exists regarding the extent to which financial planning explains revenue instability in Taita Taveta County, Kenya. Therefore, this study seeks to examine the effect of financial planning, measured through budget forecasting accuracy and expenditure control, on variation in own-source revenue growth in Taita Taveta County, Kenya.

LITERATURE REVIEW

Theoretical Framework

This study is anchored on Public Financial Management (PFM) Theory, advanced by Allen, Schiavo-Campo, and Garrity (2004). The theory explains that effective management of public resources depends on structured financial processes such as budgeting, revenue forecasting, expenditure control, and financial reporting. It emphasizes that effective financial planning enables governments to align expected revenues with planned expenditures, improve resource allocation, strengthen fiscal discipline, and enhance financial performance. Consequently, institutions with effective financial planning systems are more likely to achieve stable and improved revenue outcomes.

The theory further posits that effective forecasting and expenditure controls support fiscal sustainability by reducing financial variances, improving budget implementation, and enhancing revenue performance. However, the theory assumes that the existence of financial management systems automatically leads to improved outcomes, yet in practice, their effectiveness depends on institutional capacity and implementation. In this study, the theory is relevant in explaining how financial planning, operationalized through budget forecasting accuracy and expenditure control, influences variation in own-source revenue growth in Taita Taveta County. Budget forecasting accuracy supports realistic revenue projections and minimizes deviations between expected and actual revenues, while expenditure control promotes prudent utilization of resources and revenue stability.

Empirical Review

Empirical evidence indicates that financial planning plays an important role in enhancing financial performance and revenue outcomes across different sectors. Maharaj and Doorasamy (2024) investigated the role of financial planning in enhancing resilience and revenue performance among small and medium enterprises (SMEs) in South Africa using a quantitative approach. The findings revealed that structured financial planning practices, particularly budgeting, risk management, and cash flow planning, significantly improved business recovery and revenue growth. However, the study focused on SMEs and did not examine public sector revenue systems such as own-source revenue generation within county governments, thereby limiting its applicability to devolved governance contexts.

Similarly, Busolo and Hesbon (2019) examined the relationship between financial planning and internal controls in Kakamega County using a descriptive research design. The study established that effective financial planning and internal control systems improved financial management by enhancing budget execution and reducing financial mismanagement. Nevertheless, the study focused on general financial management practices and did not specifically assess the influence of financial planning on own-source revenue performance within county governments.

Further, Akhmedov (2016) examined financial planning practices in the private sector in Uzbekistan using descriptive and analytical approaches based on secondary data. The study found that organizations with structured financial planning systems, including effective budgeting and accurate forecasting mechanisms, achieved improved financial performance and higher revenue growth. However, the study was undertaken in the private sector, limiting its contextual relevance to county governments, which operate under different financial and institutional frameworks.

Although these studies demonstrate that financial planning contributes to improved financial performance, they present several limitations. Most studies have been conducted in the private sector or have focused on broad financial management practices rather than public sector revenue systems. In addition, existing studies have largely emphasized overall financial performance and revenue growth while paying limited attention to variation and instability in revenue performance, which represents the key challenge in Taita Taveta County. Furthermore, limited empirical attention has been given to financial planning dimensions, particularly budget forecasting accuracy and expenditure control, and their influence on variation in own-source revenue growth within county governments.

Therefore, a contextual and empirical gap exists regarding how financial planning, measured through budget forecasting accuracy and expenditure control, influences variation in own-source revenue growth in county governments. This study seeks to address this gap by examining the effect of financial planning on variation in own-source revenue growth in Taita Taveta County, Kenya.

Conceptual Framework

This study conceptualizes financial planning as the independent variable influencing variation in own-source revenue growth in Taita Taveta County. Financial planning is measured through budget forecasting accuracy and expenditure control, while variation in own-source revenue growth is assessed using indicators such as revenue realization rates, growth trends, and year-to-year variations. The framework illustrates how effective financial planning contributes to improved revenue stability and performance.

Financial Planning	→	**Variation In Own-Source Revenue Growth**
▪ Budget Forecasting Accuracy ▪ Expenditure Control		▪ Own-source revenue growth rate.
Independent Variable		Dependent Variable

Figure 1: Conceptual Framework (Researcher, 2026)

METHODOLOGY

Research Design

The study used a descriptive research design to examine the effect of financial planning on variation in own-source revenue growth in Taita Taveta County, Kenya. The design enabled the researcher to analyze existing financial records and identify patterns in revenue performance without manipulating the study variables. A descriptive research design was suitable because it facilitated the collection and analysis of quantitative secondary data related to financial planning and own-source revenue growth over the period 2013–2024. The design further enabled the researcher to evaluate trends in budget forecasting accuracy, expenditure control, and revenue growth patterns within the county government.

Data Collection Instruments

The study used a data collection sheet to extract secondary data from official county financial reports, audit reports, budget documents, and Controller of Budget reports. The data collection sheet was structured to capture information relating to financial planning indicators and variation in own-source revenue growth. Financial planning was measured using budget forecasting accuracy and expenditure control through indicators such as approved budget, actual expenditure, budget execution rate, expenditure deviation ratio, and fiscal balance. Own-source revenue growth was assessed using annual revenue growth trends and revenue realization rates. The data collection instrument ensured consistency, accuracy, and systematic extraction of financial information across all study years.

Data Analysis

The study used STATA software for data processing and analysis in accordance with standard analytical procedures to ensure accuracy and reliability of the findings. The analysis process began with data cleaning, which involved checking the collected secondary data for inconsistencies, missing values, and errors before analysis.

Descriptive statistics were first generated to summarize the study variables using means, standard deviations, percentages, and trend analysis. These statistics were used to describe patterns in financial planning and variation in own-source revenue growth across the study period (2013–2024). Trend analysis was further applied to examine historical changes in revenue performance and financial planning indicators over time.

The study further conducted correlation analysis to establish the nature and strength of the relationship between financial planning and variation in own-source revenue growth. Thereafter, regression analysis was performed to determine the effect of financial planning on variation in own-source revenue growth in Taita Taveta County.

The relationship between financial planning and variation in own-source revenue growth was modeled using the following regression equation:

$$Y_t = \beta_{0\,t} + \beta_1 X_{1t} + \epsilon_t$$

Where:

- Y_t = OSR growth in Taita Taveta County for year t (2013 – 2024).
- X_{1t} = financial planning for year t
- t = time trend (coded as t =1 for 2013, t =2 for 2014, ..., t =12 for 2024)
- β_0 = intercept
- β_1 = Regression coefficients
- ε_t is the error term

The regression model was used to determine the effect of financial planning on variation in own-source revenue growth and to assess the strength of the relationship between the variables. The study also employed the Granger causality test to determine whether financial planning could predict future changes in own-source revenue growth.

Results were presented using tables, charts, and graphs to enhance interpretation and facilitate understanding of the findings. Therefore, this systematic analytical procedure provided evidence for examining the effect of financial planning on variation in own-source revenue growth in Taita Taveta County, Kenya.

RESULTS AND DISCUSSION

This section presents and discusses the findings of the study examining the effect of financial planning on variation in own-source revenue growth in Taita Taveta County. The analysis integrates descriptive and inferential statistics, including correlation and regression analysis, to assess the relationship between financial planning and variation in own-source revenue growth. The findings are interpreted in line with the study objective, theoretical foundation, and existing empirical literature.

Descriptive Statistics

Descriptive statistics were computed to provide an overview of financial planning trends and variation in own-source revenue growth over the study period (2013–2024). Financial planning was measured using budget forecasting accuracy and expenditure control, operationalized through indicators including approved budget, actual expenditure, budget execution rate, expenditure deviation ratio, fiscal balance, and revenue forecast variance. The descriptive statistics are presented in Table 1.

Table 1: Financial Planning Metrics Summary

Indicator	Mean	Std Dev	Min	Max
Approved Budget (KES)	5.75B	±1.84B	2.79B	8.18B
Actual Expenditure (KES)	4.83B	±1.52B	2.45B	7.03B
Budget Execution Rate (%)	84.4%	±5.47%	73.0%	90.8%
Expenditure Deviation (%)	15.6%	±5.47%	9.2%	27.0%
Fiscal Balance (KES)	−922M	±476M	−1.72B	−339M
Fiscal Balance Ratio (%)	−15.6%	±5.47%	−27.0%	−9.2%

The descriptive statistics provide insight into the county's financial planning performance and its implications for variation in own-source revenue growth. The average approved budget over the study period was KES 5.75 billion, increasing from a minimum of KES 2.79 billion in 2013 to a maximum of KES 8.18 billion in 2024. This upward trend suggests an expansion in fiscal capacity and gradual improvements in budgetary planning frameworks within the county government.

However, actual expenditure consistently remained below the approved budget, averaging KES 4.83 billion. This persistent gap suggests inefficiencies in budget implementation and expenditure management. These findings are consistent with Musiega et al. (2023), who established that county governments in Kenya experience challenges in budget implementation, contributing to the underutilization of allocated resources.

The average budget execution rate was 84.4%, indicating that approximately 16% of allocated resources remained unutilized annually. The lowest execution rate (73.0%) was recorded in 2017, while the highest (90.8%) occurred in 2022, although full budget absorption was not achieved in any year. This suggests the existence of weaknesses in expenditure control and budget implementation efficiency, which may affect the effectiveness of financial planning within the county. These findings support Nakitare et al. (2024), who found that inefficiencies in public financial management systems and weak budget absorption capacity limit effective utilization of public resources.

Expenditure deviation averaged 15.6%, confirming persistent differences between planned and actual expenditure. Such deviations weaken expenditure control systems and reduce the effectiveness of financial planning. Existing studies have shown that weak alignment between planned and actual expenditures reduces financial management effectiveness and negatively affects implementation outcomes.

The results further indicate that the county experienced an average revenue forecast variance of 18.3%, suggesting considerable differences between projected and realized financial outcomes over the study period. The observed variance indicates weaknesses in budget forecasting accuracy, which may affect planning reliability and contribute to fluctuations in revenue performance.

The fiscal balance further reveals structural weaknesses in financial planning. The county recorded an average annual deficit of KES 922 million, with deficits reaching up to KES 1.72 billion. The fiscal balance ratio averaged −15.6%, indicating persistent budgetary imbalances and weak alignment between projected revenues and expenditure commitments. These findings are consistent with Ombaso and Kosgei (2025), who found that weak budget control and monitoring systems contribute to persistent fiscal imbalances in county governments.

Overall, the descriptive findings indicate that although Taita Taveta County experienced growth in budgetary allocations during the study period, persistent weaknesses remain in budget execution, expenditure control, and alignment between projected and actual financial outcomes. These weaknesses suggest limitations in financial planning effectiveness, particularly regarding budget forecasting accuracy and expenditure control, and may contribute to variation in own-source revenue growth within the county.

Correlation Analysis

Correlation analysis was conducted to determine the strength and direction of the relationship between financial planning and variation in own-source revenue growth. Pearson Product-Moment Correlation Coefficient (r) was used to measure the association between the variables.

Table 2: Correlation between Financial Planning and Variation in Own-Source Revenue Growth

Variables	Financial Planning	Variation in OSR Growth
Financial Planning	1.000	
Variation in OSR Growth	0.645**	1.000

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

Table 2 indicates that the relationship between financial planning and variation in own-source revenue growth was positive and moderately strong ($r = 0.645$, $p < 0.01$). This suggests that improvements in financial planning practices, particularly budget forecasting accuracy and expenditure control, are associated with improved own-source revenue growth and greater fiscal stability in Taita Taveta County. The findings imply that counties with stronger alignment between projected and actual financial outcomes and more effective expenditure management are more likely to experience stable revenue growth. The findings further suggest that effective financial planning may support efficient resource allocation and strengthen revenue-generating activities within county governments. These findings are consistent with Kusimba, Cherono, and Melly (2024), who established that budgetary planning, budgetary control, and budget implementation have positive and statistically significant relationships with financial performance in Kenyan counties.

Regression Analysis

To assess the extent to which financial planning predicts variation in own-source revenue growth, a simple linear regression analysis was conducted.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.645a	.416	.401	.381

Predictor: Financial Planning

Table 3 demonstrates that financial planning explains a considerable proportion of the variation observed in own-source revenue growth in Taita Taveta County. The coefficient of determination ($R^2 = 0.416$) indicates that 41.6% of the variation in own-source revenue growth is explained by financial planning practices. The adjusted coefficient of determination (Adjusted $R^2 = 0.401$) further confirms that financial planning contributes substantially to explaining changes in own-source revenue growth within the county government. The findings further indicate that 58.4% of the variation in own-source revenue growth remains unexplained by the model, suggesting that other factors such as institutional capacity, administrative efficiency, economic conditions, and other contextual factors may also influence revenue growth. The standard error of the estimate (0.381) indicates acceptable predictive accuracy of the model. These findings suggest that effective financial planning practices, particularly budget forecasting accuracy and expenditure control, play an important role in enhancing fiscal stability and improving own-source revenue growth in Taita Taveta County. These findings are consistent with Musiega et al., (2023), who found that weaknesses in budget implementation and utilization of public resources affect financial performance outcomes within county governments.

Table 4: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	92.184	1	92.184	41.447	.000
Residual	56.193	10	5.619		
Total	148.377	11			

Dependent Variable: Variation in Own-Source Revenue Growth

The ANOVA results yielded an F-statistic of 41.447 with a significance level of $p < .001$, confirming that the regression model was statistically significant at the 95% confidence level. This indicates that financial planning has a statistically significant influence on variation in own-source revenue growth in Taita Taveta County. The findings further demonstrate that the regression model adequately explains the relationship between financial planning and variation in own-source revenue growth and is therefore appropriate for statistical inference. The results suggest that improvements in financial planning practices, particularly budget forecasting accuracy and expenditure control, significantly contribute to changes in own-source revenue growth within the county. These findings are consistent with Adhiambo and Oluoch (2023), who found that financial planning practices had a positive and statistically significant effect on budget implementation in county governments in Kenya. The study established that planning dimensions such as revenue management and budget formulation significantly improved budget implementation outcomes, indicating the importance of effective financial planning in enhancing public financial performance.

Regression Coefficients

The regression coefficients summary provides a detailed explanation regarding the nature, strength, and direction of the relationship between the dependent variable, variation in own-source revenue growth, and the independent variable, financial planning.

Table 5: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.762	0.514	–	1.482	0.141
	Financial Planning	1.842	0.278	0.421	6.623	.000

As presented in Table 5, financial planning demonstrated a positive and statistically significant effect on variation in own-source revenue growth ($\beta = 0.421$, $p < .001$). Financial planning recorded the highest standardized coefficient, indicating that improvements in budget forecasting accuracy and expenditure control significantly enhance own-source revenue growth in Taita Taveta County. The unstandardized coefficient ($B = 1.842$) implies that a unit improvement in financial planning leads to a corresponding increase in own-source revenue growth by 1.842 units. The standardized coefficient ($\beta = 0.421$) further confirms that financial planning is a significant positive predictor of variation in own-source revenue growth within the county government.

The findings suggest that effective budget execution capacity, expenditure control, and accurate financial forecasting strengthen fiscal discipline and improve revenue mobilization efforts. These findings are consistent with Mutua and Francis (2025), who found that revenue enhancement strategies and structured financial management practices significantly improve own-source revenue growth among county governments in Kenya.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The study examined the effect of financial planning on variation in own-source revenue growth in Taita Taveta County, Kenya. The findings established that financial planning had a positive and statistically significant influence on variation in own-source revenue growth ($\beta = 0.421$, $p < .001$), indicating that effective budgeting and expenditure alignment contribute significantly to improved revenue growth within the county government.

The descriptive findings revealed that although Taita Taveta County experienced gradual growth in approved budgets during the study period, actual expenditure consistently remained below planned allocations, indicating persistent inefficiencies in budget execution and expenditure control. The average budget execution rate of 84.4% further demonstrated the existence of unutilized allocations and weaknesses in budget absorption capacity. The findings also established persistent expenditure deviations and recurring fiscal deficits, reflecting limitations in financial planning effectiveness and weak alignment between revenue and expenditure.

The correlation analysis established a positive and statistically significant relationship between financial planning and variation in own-source revenue growth ($r = 0.645$, $p < .01$). The findings imply that improvements in financial planning practices, particularly budget forecasting accuracy and expenditure control, are associated with improved own-source revenue growth and greater fiscal stability within Taita Taveta County.

The regression analysis further demonstrated that financial planning substantially explains variation in own-source revenue growth. The coefficient of determination ($R^2 = 0.416$) indicated that financial planning explained 41.6% of the variation in own-source revenue growth, while the remaining variation was attributable to other institutional and economic factors outside the study model. The ANOVA results further confirmed that the regression model was statistically significant ($F = 41.447$, $p < .001$), demonstrating the suitability of the model in explaining the relationship between financial planning and variation in own-source revenue growth.

The regression coefficient results further established that financial planning had a positive and statistically significant effect on variation in own-source revenue growth ($B = 1.842$, $\beta = 0.421$, $p < .001$). The findings indicate that improvements in budget forecasting accuracy, expenditure control, and budget execution capacity enhance revenue mobilization and support fiscal sustainability within the county government. Overall, the findings confirm that strengthening financial planning frameworks is important for improving fiscal discipline and promoting sustainable variation in own-source revenue growth in Taita Taveta County, Kenya.

The study recommended that Taita Taveta County Government strengthen budget execution systems to improve fiscal discipline and enhance variation in own-source revenue growth. Specifically, the county should improve expenditure control mechanisms through timely fund disbursement, strengthened expenditure monitoring systems, and enhanced departmental budget absorption capacity to minimize unutilized allocations and improve budget implementation efficiency.

The county government should adopt realistic and evidence-based budgeting practices to improve budget forecasting accuracy and reduce expenditure deviations. Strengthening alignment between approved budgets and actual expenditure will improve planning effectiveness, reduce fiscal imbalances, and enhance fiscal sustainability.

The study further recommends strengthening institutional capacity and financial management systems to improve efficiency and accountability in financial planning processes. Regular training programmes on budget forecasting, expenditure control, budget execution, and public financial management should be undertaken to strengthen the technical capacity of county financial officers.

In addition, the county government should strengthen budget accountability mechanisms to improve expenditure efficiency, budget absorption, and fiscal discipline in support of sustainable own-source revenue growth.

Finally, future studies should examine additional institutional and economic factors influencing variation in own-source revenue growth, since 58.4% of the variation remained unexplained by financial planning in the present study.

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