

Title: An assessment of the effectiveness of integrated financial management system in public sector financial reporting in Kenya

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Abstract:

Since 1997, the Government of Kenya has been implementing wide ranging public financial management reforms aimed at improving financial management, accountability, and transparency of public fund. During the first two phases over the first three years, a number of diagnostic reviews were conducted and a Financial Management Information Systems Strategy developed. Despite its introduction, IFMIS have not achieved its key objectives which led to a re-engineering of the IFMIS in 2011. The purpose of this study was to assess the effectiveness of integrated financial management system in public sector financial reporting in Kenya. The researcher used descriptive design. The population of the study consisted of 343 respondents from five selected ministries. These respondents were the IT officers, Accountants, finance officers and procurement officers in the Ministries. Stratified sampling was used to get the sample size from the target population. This study collected primary data through the use of a questionnaire. Descriptive statistics was used to analyze the findings through means, standard deviation and measures of relative frequencies among others.

The quantitative findings has been presented in tables, figures and charts while the qualitative data has been presented in prose. The findings showed that organization capacity and organizational change influenced the implementation of IFMIS in the public sector. The study concluded that binding constraint when introducing IFMIS's e.g. technical constraints were prevalent in the organization. Change management lacked an effective organizational structure thus delaying the effectiveness and use of IFMIS in the organization. The study therefore recommends that IFMIS projects reforms should be easy to use by the manager. Secondly they should address an external reporting requirement by the manager and confined to the manager's area of concern. It is also recommended that the public institutions should develop an IFMIS that caters not just those of the central agencies, but also line agencies. Lastly but not least, the management should ensure that implementation of IFMIS takes into consideration the norms, meanings and power of an organization to avoid resistance and issues such as sabotage.