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Budgetary monitoring on budget absorption in the county government of Bungoma, Kenya

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Abstract

In Bungoma County, Kenya, persistent low budget absorption rates significantly impair the county's ability to deliver essential services and implement development projects, exacerbating socio-economic challenges such as poverty and unemployment. For the fiscal year 2022-2023, the Office of the Controller of Budget reported an approved budget of Ksh 14.2 billion for Bungoma County, with only Ksh 9.8 billion absorbed, leaving Ksh 4.4 billion unspent, primarily in development expenditure due to delays in procurement and weak financial oversight. These issues have resulted in stalled infrastructure projects, such as road construction, limited access to healthcare facilities, and insufficient support for agricultural initiatives, deepening socio-economic challenges in the county. Addressing these systemic inefficiencies through budgetary monitoring is critical to improving fiscal accountability and service delivery in Bungoma County Government. The study is supported by the concepts of the Budget theory. The study utilized a descriptive research design to investigate budget absorption in Bungoma County. The target population comprised 114 participants, including 3 chief officers, 7 directors, and 20 staff from the County Treasury; 14 accounting officers, 28 accountants, and 15 economists from County departments; 11 sub-County administrators; 6 County Assembly staff involved in budgeting; and 10 members of the County Budget and Economic Forum. Due to the small population size, a census technique was employed, including all 114 respondents. Primary data were collected using questionnaires, with content validity ensured through expert and supervisor feedback. Instrument reliability was assessed through a pilot test in Kakamega County, where 11 questionnaires were administered to chief and accounting officers. The study collected quantitative data, analyzed using descriptive statistics (percentages, frequencies, mean, and standard deviation) and inferential statistics (correlation analysis to determine variable relationships). Results were presented in tables. The study concluded that there was a positive and statistically significant correlation between effect of revenue forecasting on budget absorption in the County Government of Bungoma, ($r = 0.441$; $p < 0.05$). The study also concluded that Bungoma County faces significant hurdles in achieving optimal budget absorption, particularly for development initiatives, due to inadequate budgetary monitoring, prolonged procurement processes, and inconsistent fund disbursements from the national government. The study recommended that Bungoma County implement advanced digital tools for real-time expenditure tracking to strengthen budgetary oversight and ensure timely identification of underspending. It further advised streamlining procurement procedures through automation and clear guidelines to eliminate delays, alongside comprehensive training programs to enhance the financial management skills of County staff.

Keywords: Budgetary Monitoring; Budget Absorption; County Government of Bungoma

1. Introduction

Budgetary monitoring is the systematic process of overseeing and evaluating budget execution to ensure that financial resources are spent in accordance with planned allocations, promoting accountability and efficiency in public financial management, (Mathenge, Wairimu, and Nderitu, 2019). It involves tracking revenues and expenditures, comparing actual performance against budgeted targets, and addressing deviations to optimize resource utilization. In county

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governments, budgetary monitoring is essential for enhancing budget absorption, which refers to the extent to which allocated funds are effectively utilized within a fiscal year to deliver public services and implement development projects, (Akhmadi, Suryadarma and Sumarto, 2023). Effective monitoring ensures timely identification of under-spending, enabling corrective measures to prevent unspent funds from being returned to central treasuries, which can disrupt critical services like healthcare, education, and infrastructure development. By fostering transparency and accountability, budgetary monitoring strengthens public trust, aligns spending with local priorities, and supports decentralized governance in meeting community needs, (Nwineewii, Onuoha, and Goodman, 2023).

Budget absorption refers to the ability of an organization, such as a government entity, to fully utilize the financial resources allocated in its budget within a specified fiscal period to achieve planned objectives, programs or projects, (Ali, Mwaura, and Chemin, 2020). It is measured by the extent to which actual expenditures match or approach the budgeted amounts, reflecting efficient and timely use of funds, (Adejumo, Olusegun and Ibrahim, 2021). High budget absorption indicates effective financial management, where resources are spent as intended without significant underspending or unutilized funds, while low absorption points to inefficiencies, such as delays in expenditure, poor planning, or systemic bottlenecks, leading to unspent funds or incomplete projects.

Budget absorption challenges in county governments stem from systemic inefficiencies that hinder the full utilization of allocated funds, resulting in delayed projects and compromised service delivery, (Kiage, Ochieng and Gakobo, 2019). Key issues include weak financial management capacity, cumbersome procurement processes, and inadequate monitoring systems that fail to provide real-time expenditure data. These factors lead to low absorption rates, where counties struggle to spend their budgets, particularly on development projects, causing funds to lapse or be reallocated. Additionally, delays in fund disbursements from central governments, coupled with limited local revenue generation, exacerbate the problem, leaving counties unable to execute planned activities, (Ajibola, Ojeme, and Olusegun, 2023). Poor coordination between departments and lack of technical expertise further contribute to inefficiencies, undermining the ability to meet community needs and achieve development goals.

Budget absorption challenges in county governments worldwide reflect diverse fiscal environments and governance structures. Effective budget utilization is critical for delivering public services and achieving sustainable development (National Association of Counties, 2020). For instance, in the United States, county governments operate within a federal framework, managing budgets funded by local taxes, state grants, and federal allocations to deliver services like public safety, infrastructure, and social programs. Budget absorption is often challenged by complex intergovernmental transfer systems and stringent regulatory requirements, which can delay expenditure, particularly for capital projects. Counties with limited administrative capacity face difficulties in navigating procurement processes, leading to unspent funds. For example, National Association of Counties, (2020) report estimated a \$144 billion budgetary impact across U.S. counties due to revenue losses and increased COVID-19-related spending, highlighting absorption challenges. Efforts to improve absorption include adopting long-term budget assessments and stress testing to ensure fiscal sustainability, as seen in states like New Mexico, where surplus funds were allocated to endowments to bolster future budgets (The Pew Charitable Trusts, 2023).

Nigeria's local government areas (LGAs), equivalent to counties, face significant budget absorption challenges due to heavy reliance on federal and state allocations, which are often delayed, disrupting budget execution. Corruption, weak financial oversight, and inadequate capacity for budget management result in low absorption rates, with funds frequently unspent or misallocated, (Goodman, Okowa and Nwineewii, 2023). For instance, inefficiencies in procurement and poor monitoring contribute to abandoned projects, wasting resources critical for infrastructure and healthcare. Initiatives to address these issues include strengthening fiscal oversight through the Budget Office of the Federation and promoting transparency, though systemic challenges like over-dependence on oil revenue persist, limiting effective budget utilization, (Budget Office of the Federation, 2022).

Rwanda's district governments, akin to counties, have made strides in improving budget absorption through performance-based budgeting and digital monitoring systems that track expenditures in real-time, (Sikhosana, Moolakkattu, and Welham, 2019). Despite these advancements, challenges such as limited technical capacity and delays in project implementation hinder full budget utilization, particularly for complex infrastructure projects. Rwanda's commitment to fiscal transparency, exemplified by tools like the Glass Accounts portal, has enhanced public oversight and participation, improving absorption rates. However, districts with weaker administrative structures struggle to fully absorb development budgets, impacting service delivery (Budget Office of Rwanda, 2021).

Kenya's county governments, established under the 2010 Constitution, manage devolved funds for services like health, agriculture, and infrastructure but face persistent budget absorption challenges, (Ali, Mwaura, and Chemin, 2020). Delays in national treasury disbursements, inefficient procurement systems, and limited financial management capacity

led to low absorption rates, particularly for development budgets. For example, many counties fail to spend allocated funds due to bureaucratic bottlenecks, resulting in stalled projects and unutilized resources, (Kiage, Ochieng, and Gakobo, 2019). Efforts to improve absorption include implementing integrated financial management systems and increasing public participation in budgeting, though challenges like inadequate expertise and poor coordination remain significant barriers (International Budget Partnership, 2023).

1.1. Statement of the Problem

In Bungoma County, Kenya, persistent low budget absorption rates significantly impair the county's ability to deliver essential services and implement development projects, exacerbating socio-economic challenges such as poverty and unemployment. For the fiscal year 2022-2023, the Office of the Controller of Budget reported an approved budget of Ksh 14.2 billion for Bungoma County, with only Ksh 9.8 billion absorbed, leaving Ksh 4.4 billion unspent, primarily in development expenditure due to delays in procurement and weak financial oversight, (Office of the Controller of Budget, 2023a). In 2023-2024, the approved budget increased to Ksh 15.1 billion, with Ksh 11.2 billion absorbed, yet Ksh 3.9 billion remained unutilized, driven by delayed disbursements from the national treasury and inefficiencies in procurement processes, (Office of the Controller of Budget, 2024a). County Government of Bungoma reports (2024) projected a budget of Ksh 16.3 billion, with ongoing absorption challenges attributed to inadequate technical capacity, bureaucratic delays, and limited financial management systems, as highlighted in the County Fiscal Strategy Paper and budget implementation reviews. These issues have resulted in stalled infrastructure projects, such as road construction, limited access to healthcare facilities, and insufficient support for agricultural initiatives, deepening socio-economic challenges in the county. Addressing these systemic inefficiencies through budgetary monitoring is critical to improving fiscal accountability and service delivery in Bungoma County Government.

Objectives of the Study

To establish the influence of budgetary monitoring on budget absorption in the county government of bungoma.

Hypothesis of the Study

H0₁: There is no statistically significant influence between budgetary monitoring and budget absorption in the county government of bungoma.

2. Literature review

2.1. Theoretical Review

The study is supported by the concepts of the budget theory. The theory was developed by Richard A. Musgrave in the late 1940s. Budget theory is a framework for analyzing Government spending and revenue decisions and the trade-offs that exist between these decisions and public policy goals. The theory posits that the Government's budget constraint reflects the trade-off between two conflicting goals: allocating resources efficiently and distributing income equitably (Bartle, 2008). In other words, the Government must balance the need to allocate resources to public goods and services that promote economic growth and stability with the need to distribute the benefits of growth equitably among citizens.

Budget theory also states that the Government's budget decisions should consider both revenue and expenditures, as well as their impact on the economy and society. This includes considering the impact of taxes on economic behavior, the effect of Government spending on aggregate demand, and the role of Government borrowing and debt in financing public goods and services. The critique of budget theory primarily centers around its assumptions and limitations. First the budget theory is based on several assumptions, such as rationality of economic agents and market efficiency, which are often oversimplified in real-world situations (Bourmistrov and Kaarboe, 2013). Second the theory only focuses on Government budget decisions, ignoring other factors such as the broader macroeconomic environment and international considerations. Budget theory has been criticized for being one-dimensional, ignoring the diversity of political and social values and objectives. The theory often assumes that market mechanisms can resolve economic and social issues, ignoring the role of Government intervention in promoting equity and reducing market failures.

The budget theory is relevant to the current study in that it helps in explaining the need for budget control on effective organization performance. The County Government ought to plan successful for their budgets and allocate their financial resources appropriately if they need to deliver high quality services. Therefore, the theory helps in explaining the effect of stakeholder's participation on budget absorption in the County Government of Bungoma.

2.2. Budgetary Monitoring on Budget Absorption

Keng'ara and Makina (2020) investigated the effect of budgetary monitoring on organizational performance in marine state agencies in Kenya. The study used descriptive research design and aimed to determine the effect of budgetary planning, control, implementation and evaluation on organizational performance. Theories such as Budget cycle, Agency, Institutional, and Stewardship were used. The results showed a positive and significant relationship between the budgetary processes, including intense budgetary planning, control, implementation and evaluation, and organizational performance.

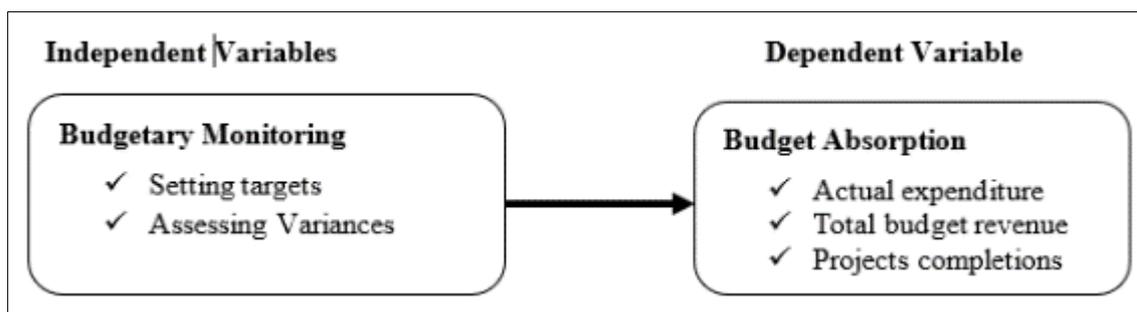
Nambajimana (2020) conducted a study to assess the impact of budgetary monitoring on the financial performance of public institutions in Rwanda, using the Rwanda Broadcasting Agency (RBA) as a case study. A sample size of 40 was selected from the total population of employees. The research design used was a clear research configuration, similar to a stratified sampling procedure for data collection. The findings showed that there is a significant relationship between budget and control and performance, where budget and control is positively related to planning performance, the current ratio is positively and significantly related to performance, budget and control is positively and significantly related to monitoring and evaluation, and the relationship between working capital/liquidity is positively and significantly related to return on assets.

Kimani (2019) examined the impact of budgetary monitoring on the efficiency of non-Governmental organizations (NGOs) in Kenya using a descriptive survey through questionnaires. The data was analyzed using descriptive statistics, correlation, and regression analysis. The results showed a weak positive relationship between budgetary control and performance of NGOs. Kadenge (2022) assessed the effect of budgetary monitoring on the administration of financial resources in the Kenyan County Government of Kakamega was undertaken by the findings revealed a significant connection between County-level financial resource management in Kenya and budget planning, revenue optimization, budget control, and budget control. The importance of budgetary accounting approaches in the management of financial resources at the County level and in other organizations may be highlighted by policy makers with the help of these findings.

Mutungi (2019) investigated the impact of budgetary monitoring on the financial performance of devolved Governments in Kenya. The study used a quantitative descriptive research design to examine the relationship between budgeting and budgetary control and financial performance. The study was conducted on 47 County Governments in Kenya and used both primary and secondary sources of data. The results showed that County Governments faced challenges in implementing their budgets, such as not following the timing requirements set by the Public Financial Management Act 2012, regular budget performance evaluations by the Office of the Controller of Budgets, and consideration of stakeholders' priorities in budget planning. The budgeting process also links Government programs and activities to set goals and targets.

Laiboni (2019) sought to determine the relationship between budget absorption and economic growth in Kenya. The study was anchored on the stewardship theory and supported by the agency theory and resource dependency theory. The study was used descriptive research design. Secondary data was obtained from reliable Government sources including KNBS, CBK, the National Treasury, OCOB, and 21 national Government ministry records for the 5-year period 2015/2016 to 2019/2020. The natural logarithms of the collected data were used in the analysis. Inferential (regression) analysis was used to obtain the preferred model of the study. The findings revealed a positive relationship between economic growth (expressed as the annual percentage (%) change in GDP) and revenue performance.

2.3. Conceptual Framework



3. Research methodology

The study utilized a descriptive research design to investigate budget absorption in Bungoma County. The target population comprised 114 participants, including 3 chief officers, 7 directors, and 20 staff from the County Treasury; 14 accounting officers, 28 accountants, and 15 economists from County departments; 11 sub-County administrators; 6 County Assembly staff involved in budgeting; and 10 members of the County Budget and Economic Forum. Due to the small population size, a census technique was employed, including all 114 respondents. Primary data were collected using questionnaires, with content validity ensured through expert and supervisor feedback. Instrument reliability was assessed through a pilot test in Kakamega County, where 11 questionnaires were administered to chief and accounting officers. The study collected quantitative data, analyzed using descriptive statistics (percentages, frequencies, mean, and standard deviation) and inferential statistics (correlation analysis to determine variable relationships). Results were presented in tables.

4. Research findings and discussion

4.1. Response Rate

The study issued 114 questionnaires to respondents out of which 95 responses were represented this represented 83% response rate. According to Babbie (2002) any response of 65% and above is adequate for analysis.

4.2. Lengthy of Service in County Government of Bungoma

The respondents were requested to indicate the duration they have been working in County Government of Bungoma. The findings were as indicated in Table 1

Table 1 Lengthy of Service in County Government of Bungoma

Years	Frequency	Percentage
2 Years and below	8	8
3-5 Years	15	16
6-8 Years	29	31
9-10 Years	43	45
Total	95	100

From the 8% of the respondents stated they have been working in County Government of Bungoma for a period of 2 years and below, 15% have been working in County Government of Bungoma for 3-5 years, 31% have been working in County Government of Bungoma 6-8 years while 45% have been working in County Government of Bungoma for 9-10 years. The level of experience determines the expertise of employees in the public sectors. More experienced public servants serve as mentors to newer employees, transferring institutional knowledge, best practices, and lessons learned. This knowledge transfer helps maintain continuity in Government operations and prevents the loss of valuable insights and expertise when experienced employees retire or move on.

4.3. Hierarchical Position in County Government of Bungoma

Table 2 Hierarchical Position in County Government of Bungoma

Position	Frequency	Percentage
Employee/non-supervisor	8	8
Middle Management/Supervisor	48	51
Executive/Senior Management	39	41
Total	95	100

The respondents were requested to indicate their position in County Government of Bungoma. The findings were as indicated in Table 2

From the 8% of the respondents stated they work in the non-supervisory position in the County Government of Bungoma, 51% stated they work in the senior management position while, 41% stated they work in the middle management position in the County Government of Bungoma. According to Robbins, Coulter and DeCenzo, (2017), a hierarchical structure allows for streamlined decision-making. Decisions can be made more quickly as they move up or down the hierarchy, which is important for addressing issues promptly. Each hierarchical position in the County Government should have well-defined roles and responsibilities. This clarity will help to ensure that tasks are allocated efficiently, reducing overlap and confusion in the workforce.

4.4. Budgetary Monitoring on Budget Absorption

The researcher sought to find the effect of budgetary monitoring on budget absorption in the County Government of Bungoma. The findings are as indicated in Table 3

Table 3 Budgetary Monitoring on Budget Absorption

Budgetary Monitoring	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Std
Budget monitoring allows the County Government to check whether the projects undertaken are within the estimated budget timelines	64	29	2	5	0	4.703	0.778
Through budget monitoring the County is able to meet document and analyze the key output of the budget programs at a particular time.	30	54	8	5	3	4.307	0.738
Through budget monitoring the County is able to meet timeliness in budget execution	28	48	4	11	9	4.145	0.807
Through budget monitoring the County is able to establish the link between County income and expenditure for a certain financial year	43	34	7	5	11	4.387	0.869
Budget monitoring helps in fast-tracking budget implementation	30	54	16	0	0	4.181	0.513

According to the findings, with a mean of 4.703 and a standard deviation of 0.778, the majority of respondents agreed that budget monitoring allows the County Government to check whether the projects undertaken are within the estimated budget timelines. Furthermore, with a mean score of 4.307 and a standard deviation of 0.738, the majority of respondents strongly agreed that through budget monitoring the County is able to meet document and analyze the key output of the budget programs at a particular time. The study findings concur with those of Kumar, (2016) which found that through variance analysis, County Governments can identify favorable variances, which occur when actual revenues exceed budgeted amounts or when actual expenses are lower than anticipated. These favorable variances indicate areas where resources were effectively allocated and utilized. By recognizing such areas, Governments can reinforce and replicate successful resource allocation strategies.

Furthermore, the majority of respondents agreed that through budget monitoring the County is able to meet timeliness in budget execution 4.145 and a standard deviation of 0.807. Further, majority of the respondents also agreed that through budget monitoring the County is able to establish the link between County income and expenditure for a certain financial year with a mean of 4.145 and standard deviation of 0.807. The study findings agreed with those of Ranson, (2015) which found that frequent budget monitoring provides County Governments with valuable insights into the effectiveness of resource allocation decisions. By monitoring budget performance, Governments can identify areas where resources are not being effectively utilized or where additional resources are needed. This information allows for informed decision-making regarding resource reallocation to high-priority areas, thereby enhancing budget absorption

From the findings, majority of the respondents agreed that budget monitoring helps in fast-tracking budget implementation with a mean of 4.181 and standard deviation of 0.513. The study findings agreed with those of Lagarde,

(2013) who found that budgetary limits are often established based on legal and regulatory requirements. Governments must comply with laws and regulations related to financial management, including budgeting processes, expenditure controls, and reporting obligations. Adhering to budgetary limits ensures compliance with these legal requirements and helps Governments avoid penalties or legal disputes.

4.5. Budget Absorption in Bungoma County

The researcher sought to find the level of budget absorption in the County Government of Bungoma. The findings are as indicated in Table 4

Table 4 Budget Absorption in Bungoma County

Statement	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Std. Dev.
Delays in County budget approval do not significantly affect budget absorption	0	0	8	45	47	4.15	0.912
The County Government meets its revenue targets annually, improving budget performance	0	5	40	50	5	3.35	0.874
County projects are implemented within allocated budgetary provisions	0	35	40	25	0	3.90	0.623
County projects are completed within the expected timeline	0	0	15	40	45	2.20	0.795
Development expenditure has a higher execution rate than recurrent expenditure, enhancing budget absorption	0	0	5	55	40	2.50	0.617
Program-based budgeting improves budget execution rates	5	40	50	5	0	3.40	0.605

The findings indicate that a majority of respondents disagreed that delays in County budget approval do not significantly affect budget absorption, with a mean of 4.15 and a standard deviation of 0.912, suggesting that approval delays are a critical barrier. Similarly, most respondents disagreed that Bungoma County consistently meets its revenue targets, with a mean of 3.35 and a standard deviation of 0.874, pointing to revenue shortfalls impacting budget performance. Respondents also disagreed that County projects are implemented within budgetary allocations (mean 3.90, SD 0.623) and completed on time (mean 2.20, SD 0.795), highlighting inefficiencies in project execution. Additionally, the notion that development expenditure has a higher execution rate than recurrent expenditure was rejected (mean 2.50, SD 0.617), indicating low absorption across both expenditure types. However, respondents were neutral on program-based budgeting improving execution rates (mean 3.40, SD 0.605), suggesting mixed perceptions of its effectiveness. Timely project delivery optimizes resource use, reduces cost overruns, and enables reallocation to priority initiatives (Wang, Yang, and Chen, 2020). Qualitative responses highlighted several factors negatively affecting budget absorption in Bungoma County. These include bureaucratic delays in administrative approvals, capacity constraints due to insufficient skilled personnel, procurement inefficiencies stemming from lengthy processes, external disruptions such as delayed national government disbursements, and inadequate stakeholder communication leading to project delays. Respondents also noted that insufficient pre-feasibility studies and lack of public sensitization on budget execution further hinder absorption.

Secondary data were sourced from audited County reports and Office of the Controller of Budget (OCOB) reports, collected using a data collection sheet to analyze budget absorption trends in Bungoma County.

Table 5 Bungoma County Budget Allocation, Expenditure, and Absorption Rate (2018/19–2022/23)

FY	Budget Estimates (Ksh Million)	Expenditure (Ksh Million)	Recurrent Absorption Rate (%)	Development Absorption Rate (%)	Overall Absorption Rate (%)
2018/19	13,880.00	9,639.20	85.2	46.3	69.4
2019/20	14,510.00	10,157.00	88.1	50.2	70.0
2020/21	14,200.00	9,582.00	83.4	44.7	67.5
2021/22	14,800.00	9,028.00	78.6	38.5	61.0
2022/23	14,200.00	9,800.00	81.2	39.8	69.0

Source: Office of the Controller of Budget, Consolidated County Budget Implementation Review Reports (2019–2023)

The data in Table 5 show fluctuations in Bungoma County’s budget estimates, peaking at Ksh 14,800 million in 2021/22. Expenditure consistently lagged behind allocations, with a notable low of Ksh 9,028 million in 2021/22, reflecting significant underspending. Recurrent absorption rates ranged from 78.6% to 88.1%, indicating better utilization of operational funds, while development absorption rates were lower, dropping to 38.5% in 2021/22, signaling challenges in capital project execution. The overall absorption rate was highest in 2019/20 at 70.0% but declined to 61.0% in 2021/22, highlighting persistent inefficiencies. These trends underscore the need for improved financial management and procurement processes to enhance budget absorption. Political and public pressure to deliver visible development projects often drives efforts to improve absorption rates, as these projects fulfill community expectations and campaign promises.

4.6. Correlation Budgetary Monitoring and Budget Absorption

In addition, the study sought to establish the correlation between effect of budgetary monitoring and budget absorption in the County Government of Bungoma. The findings are presented in Table 6.

Table 6 Budgetary Monitoring and Budget Absorption

Budgetary Monitoring		Budget Absorption
	Pearson Correlation	.441*
	Sig. (2-tailed)	.006
	N	95

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

As indicated in Table 6 the study indicates that there was a positive and statistically significant correlation between effect of revenue forecasting on budget absorption in the County Government of Bungoma, (r = 0.441; p < 0.05). This implies that better budgetary monitoring enhances budget absorption in the County Government of Bungoma. The findings are in line with the findings of Keng’ara and Makina (2020) who found a positive and significant relationship between the budgetary processes, including intense budgetary planning, control, implementation and evaluation, and organizational performance. Moreover, Nambajimana (2015) also found that there is a significant relationship between budget and control and performance, where budget and control is positively related to planning performance, the current ratio is positively and significantly related to performance, budget and control is positively and significantly related to monitoring and evaluation, and the relationship between working capital/liquidity is positively and significantly related to return on assets.

4.7. Regression Coefficients

The interpretations of the findings indicated follow the following regression model.

$$Y = 0.072 + 0.287X \dots\dots\dots 4.1$$

The regression results indicate that budgetary monitoring has a statistically significant positive effect on budget absorption in Bungoma County. The unstandardized coefficient (B = 0.287, Std. Error = 0.093) suggests that for every

unit increase in the effectiveness of budgetary monitoring, budget absorption increases by 0.287 units, holding other factors constant. The standardized coefficient (Beta = 0.272) reflects a moderate positive influence, indicating that budgetary monitoring is an important but not dominant driver of budget absorption. The t-value of 3.086 and a p-value of 0.024 ($p < 0.05$) confirm that this relationship is statistically significant, meaning that improvements in monitoring practices, such as regular expenditure tracking and variance analysis, are likely to enhance the County's ability to utilize allocated funds effectively. The constant term ($B = 0.072$, $p = 0.821$) is not statistically significant, suggesting that budget absorption is primarily influenced by budgetary monitoring rather than baseline factors not included in the model. These findings align with prior research emphasizing the role of robust oversight in improving fiscal efficiency. Effective budgetary monitoring ensures timely identification of underspending, enabling corrective actions to prevent funds from lapsing, which is critical in Bungoma County where unspent budgets have led to stalled infrastructure and limited-service delivery (Kiage, Ochieng, and Gakobo, 2019).

Table 7 Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.072	.158		.455	.821
	Budgetary Monitoring	.287	.093	.272	3.086	.024

The moderate Beta value suggests that while budgetary monitoring is significant, other factors, such as delayed disbursements from the national treasury and procurement inefficiencies, also impact absorption rates, as noted in the Office of the Controller of Budget reports (Office of the Controller of Budget, 2023a). Strengthening monitoring mechanisms, such as real-time expenditure tracking systems, could address these challenges, supporting findings that proactive oversight optimizes resource utilization in public sector projects.

5. Conclusion

The study concluded that there was a positive and statistically significant correlation between the effect of revenue forecasting on budget absorption in the County Government of Bungoma, ($r = 0.441$; $p < 0.05$). This implies that better budgetary monitoring enhances budget absorption in the County Government of Bungoma. The study also concluded that Bungoma County faces significant hurdles in achieving optimal budget absorption, particularly for development initiatives, due to inadequate budgetary monitoring, prolonged procurement processes, and inconsistent fund disbursements from the national government. These challenges hinder the County's capacity to effectively deliver critical services such as infrastructure, healthcare, and agricultural support, thereby intensifying socio-economic issues like poverty and unemployment, and undermining community development goals.

Recommendations

The study recommended that Bungoma County implement advanced digital tools for real-time expenditure tracking to strengthen budgetary oversight and ensure timely identification of underspending. It further advised streamlining procurement procedures through automation and clear guidelines to eliminate delays, alongside comprehensive training programs to enhance the financial management skills of County staff. Additionally, the County should actively collaborate with the national government to secure prompt fund releases and foster greater public engagement through the County Budget and Economic Forum to align projects with community priorities, thereby enhancing transparency, accountability, and overall budget absorption.

Compliance with ethical standards

This study was conducted in accordance with established ethical guidelines. Prior to data collection, ethical approval was obtained from the relevant institutional review board, and all participants provided informed consent after being assured of the confidentiality and voluntary nature of their participation. The authors further declare that there is no conflict of interest related to the conduct or publication of this research.

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