



BUDGETING PRACTICE ON NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND PROJECTS IMPLEMENTATION IN KERICHO COUNTY

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ABSTRACT

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Persistent underfunding and poor performance of activities under the National Government Constituency Development Fund (NG-CDF) have significantly hindered the successful execution of many community-based projects. These shortcomings have, in turn, negatively affected the overall quality of life and welfare of local residents. In light of these challenges, this study seeks to determine the effect of budget practice on the implementation of NG-CDF funded projects in Kericho County. The target population for this study comprises 1,125 individuals, including members of the NG-CDF Project Management Committee, the NG-CDF Management Board, project implementation staff, selected community representatives, and technical personnel drawn from various departments within the County Government. A total sample of 296 participants was selected using a combination of purposive and simple random sampling methods to ensure both relevance and representativeness. Data was collected using structured, self-administered questionnaires, with the instruments undergoing rigorous content validation to confirm their accuracy and relevance. The overall, the mean score of 4.1236 (SD = 0.91311) demonstrates a high level of agreement regarding the effectiveness of budgeting practices in NG-CDF project implementation. The findings particularly highlight citizen involvement in financial planning, training of project committees, stakeholder participation, flexibility in approved project costs, and community oversight of resources as important aspects of budgeting practice. The insights gained from this study are expected to contribute meaningfully to evidence-based policy formulation, inform practical practices for improving project implementation, and help fill critical knowledge gaps regarding the role of strategic management practices in the successful execution of NG-CDF projects across Kenya

KEY WORDS: Budgeting practice, Projects implementation, Strategic management practices

1.0 INTRODUCTION

Strategic management regard the project life cycle as essential for achieving effective project management (Miia, Meike & Gustavo, 2024). Accordingly, every project is required to undergo five strategic management phases: identification and commencement, the stages of planning, implementation, supervision, and assessment, followed by final project closure. Consequently, those managing the project must be psychologically prepared to address unforeseen obstacles (Koalakonda, 2023).

In Asian, the Priority Development Assistance Fund in the Philippines enabled its Members of Congress and Senators to allocate resources toward initiatives of their choice following the implementation of the Budget Law. According to Hilotin (2025), the Supreme Court annulled the Fund in 2013 following the exposure of the Pork Barrel Scam. The fund was later revived in 2017, allowing legislators to propose and finance

initiatives in education, healthcare, water supply, and public infrastructure.

Mukuka, Aigbavboa, and Thwala (2015), assert that the primary determinants of project success in South Africa are project procurement, project timelines, and a negative reputation with the contracting team. Hussien (2025), identified that the primary determinants of project success in public institutions include delivery time, contractual claims for time extensions, inadequate cost planning, additional work, alterations in quality and scope on-site, and incomplete designs at the tender stage. In Nigeria, public projects encountered difficulties necessitating rework due to substandard quality (Debora, Ismail, & Richard, 2024). Obeng-Ahenkora and Danso (2020), identified that the primary challenges to project success in Nigeria were delayed payments from agencies to contractors and volatility in material, labor, and equipment costs.

The NG-CDF is overseen by the Ministry in charge of National Economic Policy and Planning, which is now known as the National Treasury and Planning. At the national level, oversight is carried out by the National Government CDF Board, while NG-CDF Committees oversee local-level implementation, and Project Management Committees (PMCs) are responsible for project execution at the community level (NG-CDF, 2025). Under the NG-CDF Act of 2016, 6% of the total allocated funds is designated for administrative and recurrent expenses of NG-CDF; 5% is allocated to an emergency reserve, 5% to environmental initiatives, 3% to improve the ability of different stakeholders involved in project delivery and to assist in the monitoring and assessment of current efforts, 40% of the allocation is channelled toward social security programs, including medical insurance for underprivileged households, educational bursaries, support for mock examinations, and continuous assessment initiatives, while the remaining 47% is earmarked for projects aimed at promoting human dignity and safeguarding the marginalized. This indicates that over 91% of the budgeted funds for a specific constituency are directed towards initiatives that impact inhabitants' living standards, hence necessitating an assessment of project management practices and implementation (NGCDF, 2025).

1.1 Statement of the Problem

Despite the establishment of the National Government Constituency Development Fund (NG-CDF) to promote equitable socio-economic development through community-based projects, several NG-CDF projects in Kericho County continue to experience challenges, including duplication of projects, underutilization of completed facilities, poor-quality outputs, delays in project completion, and cost overruns. These challenges have raised concerns among stakeholders regarding the effectiveness of project implementation and the extent to which NG-CDF projects achieve their intended objectives. Among the strategic management practices that can influence successful project implementation, budgeting practice is particularly important because it guides resource allocation, expenditure control, cost management, and the timely execution of project activities. However, despite its significance, there is limited empirical evidence on the influence of budgeting practice on the implementation of NG-CDF projects specifically in Kericho County. Existing studies have predominantly examined broader project management challenges in public-sector projects, with limited attention to the role of budgeting practices within the NG-CDF context. The persistent occurrence of stalled, delayed, underutilized, or poorly implemented projects may therefore indicate weaknesses in budgeting practices. This study consequently sought to determine the effect of budgeting practice on the implementation of NG-CDF projects in Kericho County, with the aim of generating empirical insights that could strengthen project performance, financial accountability, resource utilization, and sustainable community development.

2.0 LITERATURE REVIEW

The KPMG report (2021), indicates that budgeting necessitates the alignment of public sector expenditures with an established set of governmental priorities, including crime and unemployment reduction, as well as enhanced access to education and healthcare. A participatory approach to budget preparation allows citizens to monitor the allocation of

resources within their constituency. The marginal groups contribute essential perspectives in the formulation of the budget.

Pimpong and Laryea (2016), carried out an empirical investigation to ascertain how budgeting affects Ghanaian non-bank financial firms' performance. The researchers administered surveys to gather information and assessed budgeting as a key component of financial management within these organizations. A structured analytical process, incorporating a regression-based approach, was employed to examine the relationship linking budgeting activities as well as organizational outcomes. This analysis revealed that effective budget coordination shows a strong and meaningful relationship with enhanced firm performance. The findings indicated a fair statistical association linking budgeting with organizational success. Based on these outcomes, the researchers stressed the importance of further investigation into the role of various budgeting techniques in supporting project execution and organizational effectiveness. There was a geographical gap that had to be filled because the study was conducted in a different region.

Mutune (2014), conducted a study to investigate the relationship between financial planning and the financial performance of cement manufacturing firms in Kenya. Utilizing a census approach, data were collected and analyzed from six selected companies. The results offered compelling proof that strategic financial planning is essential to achieving corporate goals. The study demonstrated that financial planning significantly enhances organizational performance by aligning business operations with long-term goals. Activities such as budgeting, financial forecasting, and the regular use of financial planning tools were identified as key contributors to success in the cement industry. This study aimed to close the contextual gap created by the manufacturing phase of the study by conducting it in NGCDF projects in Kericho County.

Onduso (2013), investigated the influence of budgeting on the financial outcomes of enterprises operating in Nairobi County. According to the report, budgeting is essential to raising these companies' financial performance, especially in terms of returns on assets (ROA). This research emphasized the significance of strengthening budget implementation through practices such as capacity building, the establishment of efficient systems and procedures, and sustained oversight and assessment. Engaging stakeholders throughout the budgeting process was also identified as a key contributor to enhanced budget performance. Moreover, the research emphasized the importance of reinforcing financial governance frameworks regarding the prudent use of funds. The study was undertaken in enterprises and this study aimed to close the contextual gap by undertaking it in NGCDF projects in Kericho County. A study by Kimani (2014), explored the connection between the management of financial plans and expenditures and operational effectiveness within Non-Governmental Organizations (NGOs). An R-squared value of 14.3 percent indicated a weak but positive link between financial control methods and the organizational performance of Kenyan NGOs. The research suggested that organizations focus on educating their personnel about budget control practices and their implications for overall organizational success. It was further advised that institutions examine other variables influencing

performance beyond financial management controls. This study was undertaken in non-governmental organizations which generates a contextual gap that the study aimed to address. by being undertaken in NGCDF projects in Kericho County.

3.0 Research Design

This study utilized a correlational design approach to investigate the association among the subjects of interest under consideration. The research design identifies the strength and direction of the relationship between two or more variables, indicating whether the association is positive or negative (Pritha, 2021).

The research was carried out in Kericho County, which comprises six electoral areas: Kipkelion East, Sigowet/Soin, Bureti, Kipkelion West, and Belgut. This location was chosen for the study due to the significant number of NG-CDF projects mentioned by the Auditor General as underfunded and underperforming— elements that can make it more difficult to carry out public development projects successfully.

The research participants were 60 Constituency NG-CDF Committees, 900 NG-CDF Project Management Committees, 24 Constituency NG-CDF Staff, 20 County Technical Officers, and 135 Community Representative. The research employed Yamane (1967) statistical approach to calculate the study sample size where a sample of 296 respondents was achieved.

The respondents were 60 Constituency NG-CDF Committee, 24 Constituency NG-CDF staff, and 20 County Technical officers were all purposely selected while 120 NG-CDF Project Management Committees and 72 Community representative were randomly selected.

The study primarily utilized self-administered structured questionnaires for data collection. This method enables the capture of both numerical and narrative responses (Kinyanjui, 2014). Responses were measured using a five-point Likert scale: (1) Strongly Disagree, (2) Disagree, (3) Neutral, (4) Agree, and (5) Strongly Agree (Kinyanjui, 2014; Kombo & Tromp, 2006; Bryman, 2015).

4.0 FINDINGS AND DISCUSSIONS

The goal of the study was to investigate how budgeting practices affected Kericho County's implementation of National Government Constituency Development Fund projects. The statements regarding project implementation and budgetary practices were posed to the respondents. A five-point Likert scale was used for their responses, with 1 denoting strongly disagree, 2 disagree, 3 undecided, 4 agree, and 5 strongly agree. significant disagreement was indicated by a mean between 0.0 and 2.5, and significant agreement was indicated by a mean between 2.6 and 5.0. Their answers are shown in Table 1.

Table 1
Budgeting Practice and Project Implementation

Statement	1	2	3	4	5	M	SD
Citizens in my constituency actively participate in budget preparation process for NG-CDF project	13 (4.5%)	11 (3.8%)	10 (3.5%)	160 (55.7%)	93 (32.4%)	4.0767	.95770
The constituent oversee how the resources in their constituency are being governed and managed	10 (3.5%)	12 (4.2%)	10 (3.5%)	161 (56.1%)	94 (32.8%)	4.1045	.91389
Spending on NG-CDF is aligned to an approved budget and relevant policies and guidelines	8 (2.8%)	18 (6.3%)	10 (3.5%)	173 (60.3%)	78 (27.2%)	4.0279	.90023
Decision by constituency committee on allocation of fund alters what the citizen gave during budget preparation process	11 (3.8%)	14 (4.9%)	9 (3.1%)	148 (51.6%)	104 (36.2%)	4.1189	.96238
NG-CDF project committee take financial planning activities to the citizen every two years	7 (2.4%)	13 (4.5%)	8 (2.8%)	146 (50.9%)	113 (39.4%)	4.2021	.88555
NG-CDF project committee have been trained on budget planning, project implementation, processes prioritization, as well as close monitoring and evaluation of NG-CDF projects.	8 (2.8%)	15 (5.2%)	6 (2.1%)	145 (50.5%)	113 (39.4%)	4.1847	.91837
Stakeholders are involved in annual budget review execution and are sensitized on budgetary controls and projects implementation.	8 (2.8%)	12 (4.2%)	8 (2.8%)	160 (55.7%)	99 (34.5%)	4.1498	.87817
The allocated fund by NGCDF is adequate for the execution of proposed project	10 (3.5%)	16 (5.6%)	9 (3.1%)	156 (54.4%)	96 (33.4%)	4.0871	.94762
NG-CDF technical staff allows approved variation of project cost so as to cater for dynamic emerging issues	6 (2.1%)	14 (4.9%)	7 (2.4%)	161 (56.1%)	99 (34.5%)	4.1603	.85409
Average						4.1236	0.91311

The findings in Table 1, reveals that citizens in constituency actively participate in budget preparation process for NG-CDF project as agreed by 160 (55.7%) and strongly agreed by 93 (32.4%). Thirteen respondents (4.5%) strongly disagreed and eleven respondents (3.8%) disputed that constituents actively participate in the NG-CDF project budget development process. Ten (3.5%) of the respondents were unsure. With a mean of 4.0767 and a standard deviation of 0.95770, the results suggest that constituents actively participate in the budget development process for the NG-CDF project. The results support Bond's (2018) assertion that Boards of Management (BOM) play a critical role in allocating resources to guarantee accountability, transparency, and community participation, facilitating effective school fund oversight. This implies that NG-CDF management need to actively engage its constituent in budgeting for projects in their constituency.

There were 161 (56.1%) respondents who agreed and 94 (32.8%) who strongly agreed that the constituent is in charge of the management and governance of the resources in their constituency. Ten respondents (3.5%) strongly disagreed, twelve respondents (4.2%) disagreed, and ten respondents (3.5%) were undecided about the constituent's ability to control the governance and management of its resources. With a mean of 4.1045 and a standard deviation of 0.91389, the results suggest that constituents are in charge of the governance and management of the resources in their constituency. This concurs with Mutune (2014) who conducted a study to investigate the relationship between financial planning and the financial performance of cement manufacturing firms in Kenya where he established that financial planning significantly enhances organizational performance by aligning business operations with long-term goals. This implies that activities such as budgeting, financial forecasting, and the regular use of financial planning tools are key contributors to success execution of projects.

Respondents who were 173 (60.3%) agreed together with 78 (27.2%) respondents who strongly agreed that spending on NG-CDF is aligned to an approved budget and relevant policies and guidelines. Spending on NG-CDF is in compliance with an established budget and pertinent policies and procedures, according to 8 respondents (2.8%) who strongly disagreed and 18 respondents (6.3%). Ten (3.5%) of the respondents were unsure. With a mean of 4.0279 and a standard deviation of 0.90023, the results show that spending on NG-CDF is in compliance with an approved budget and pertinent regulations and guidelines. The results are consistent with those of Onduso (2013), who examined how budgeting affected the financial results of businesses in Nairobi County and found that budgeting plays a critical role in improving how well these firms perform financially. There is therefore for NG-CDF to ensure that their budget as well as policies are aligned with the approved projects so as to ensure their executions.

Decision by constituency committee on allocation of fund alters what the citizen gave during budget preparation process. This is accurate because 104 respondents (36.2%) strongly agreed with the majority of respondents (148, or 51.6%). Eleven (3.8%) of the respondents strongly disagreed, while fourteen (4.9%) disagreed that the decision by constituency committee on allocation of fund alters what the citizen gave during budget

preparation process. The respondents who were 9 (3.1%) were undecided. With a mean of 4.1189 and a standard deviation of 0.96238, this indicates that the constituency committee's choice about the distribution of funds modifies the contributions made by citizens during the budget planning process. The results are consistent with Pimpong and Laryea (2016), study who conducted an empirical analysis to determine how budgeting influences the performance of non-bank financial institutions in Ghana where they established that effective budget coordination shows a strong and meaningful relationship with enhanced firm performance. The findings indicates that NG-CDF need to ensure that various budgeting techniques are in place so as to support project execution and organizational effectiveness.

The NG-CDF project committee should provide financial planning activities to citizens every two years, according to 146 (50.9%) respondents who agreed and 113 (39.4%) respondents who strongly agreed. Thirteen respondents (4.5%) and seven respondents (2.4%) strongly disagreed that the NG-CDF project committee should present financial planning actions to citizens every two years. Eight respondents, or 2.8% of the total, were unsure. Every two years, the NG-CDF project committee conducts financial planning activities for citizens, with a mean of 4.2021 and a standard deviation of 0.88555. The results support the KPMG report (2021) which indicates that a participatory approach to budget preparation allows citizens to monitor the allocation of resources within their constituency. There is need therefore for NG-CDF to put in place mechanism which will ensure that constituents participate in project implementation as well as its execution.

NG-CDF project committee have been trained on budget planning, project implementation, processes prioritization, as well as close monitoring and evaluation of NG-CDF projects. According to the majority of respondents, 113 (39.4%) strongly agreed and 145 (50.5%) agreed. Eight respondents (2.8%) strongly disagreed, fifteen respondents (5.2%) agreed, and six respondents (2.1%) were unsure whether the NG-CDF project committee had received training on budget planning, project implementation, process prioritizing, and careful monitoring and assessment of NG-CDF projects. With a mean of 4.1847 and a standard deviation of 0.91837, the results demonstrate that the NG-CDF project committee has received training in budget planning, project implementation, process prioritization, and close monitoring and assessment of NG-CDF projects. The findings agree with Kimani, (2014), who explored the relationship between the management of financial plans and expenditures and operational effectiveness within Non-Governmental Organizations (NGOs) where it suggested that organizations should educate their personnel about budget control practices for overall success.

Respondents who were 160 (55.7%) agreed, and 99 respondents (34.5%) strongly agreed that stakeholders are involved in the execution of the annual budget review and are aware of budgetary restrictions and project implementation. Eight respondents (2.8%) strongly disagreed, whereas twelve respondents (4.2%) agreed that stakeholders participate in the execution of the annual budget review and are aware of budgetary restrictions and project implementation. Eight respondents, or 2.8% of the sample, were unsure. The results,

which had a mean of 4.1498 and a standard deviation of 0.87817, suggest that stakeholders are active in the execution of the yearly budget review and are aware of budgetary restrictions and project implementation. The results are consistent with those of Igwe and Ude (2018), who explained that planning involves identifying timelines, estimating costs, assigning tasks, and setting performance benchmarks to support goal attainment. The findings showed that NG-CDF projects need to annually reviewed in relation to their budgeting as well as it controls so as to ensure their full execution.

Respondents who were 156 (54.4%) and 96 respondents (33.4%) strongly agreed that the funds allotted by NGCDF are sufficient for carrying out the planned project. Ten respondents (3.5%) strongly disagreed, sixteen respondents (5.6%) disagreed, and nine respondents (3.1%) were indecisive that allocated fund by NGCDF is adequate for the execution of proposed project. With a mean of 4.0871 and a standard deviation of 0.94762, the results demonstrate that the funds allotted by NG-CDF are sufficient to carry out the proposed project. The results concur with those of Mumford, Schultz, and Van Doorn (2015), who characterized planning as the organization of a series of actions that enable effective project execution. Thus, for NG-CDF projects to be fully executed, adequate funding need to allocated.

Respondents who were 161 (56.1%) agreed together with 99 (34.5%) respondents who strongly agreed that NG-CDF technical staff allowed approved variation of project cost so as to cater for dynamic emerging issues. Respondents who were 6 (2.1%) strongly disagreed together with 14 (4.9%) who disagreed that NG-CDF technical staff allowed approved variation of project cost so as to cater for dynamic emerging issues. Seven (2.4%) of the respondents were unsure. The results, which show a mean of 4.1603 and a standard deviation of 0.85409, indicate that NG-CDF technical staff permits authorized project cost volatility in order to accommodate dynamic emergent challenges. The results are consistent with those of Marier-Bienvenue, Boudreau, and Pellerin (2017), who emphasizes that project planning help reduce discrepancies between intended outcomes and actual results by supporting the development of detailed practices and thorough evaluations throughout the project. There is need therefore for NG-CDF to have mechanism of ensuring that projects are appraised frequently and if need be, variation be approved so as to ensure its completion.

Overall, the mean score of 4.1236 (SD = 0.91311) demonstrates a high level of agreement regarding the effectiveness of budgeting practices in NG-CDF project implementation. The findings particularly highlight citizen involvement in financial planning, training of project committees, stakeholder participation, flexibility in approved project costs, and community oversight of resources as important aspects of budgeting practice.

5.0 CONCLUSION AND RECOMMENDATION

The study concludes that citizens in constituency actively participate in budget preparation process for NG-CDF project; the constituent oversees how the resources in their constituency are being governed and managed; spending on NG-CDF is aligned to an approved budget and relevant policies and guidelines; decision by constituency committee on allocation of

fund alters what the citizen gave during budget preparation process; NG-CDF project committee take financial planning activities to the citizen every two years; NG-CDF project committee have been trained on budget planning, project implementation, processes; stakeholders are involved in annual budget review and are sensitized on budgetary controls and projects implementation; the allocated fund by NG-CDF is adequate for the execution of proposed project and; NG-CDF technical staff allows approved variation of project cost so as to cater for dynamic emerging issues. The relatively high overall mean suggests that respondents perceive budgeting practices as well established in NG-CDF project implementation in Kericho County. However, the comparatively lower ratings for alignment of expenditure with approved budgets, adequacy of allocated funds, and citizen participation in budget preparation point to areas where further improvement may be necessary. The study recommends that Citizens in constituency need to be actively involved in project budgeting and their decisions be complied with.

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