INFLUENCE OF INTERNAL FINANCIAL CONTROL SYSTEMS ON RESOURCE UTILIZATION IN COUNTY GOVERNMENTS IN KENYA

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ABSTARCT

Background: The purpose of this study was to explore the influence of internal financial control systems on resource utilization in County Governments in Kenya. The study was guided by the key theories including: Resource Based View Theory and Agency theory.

Methodology: The study adopted a descriptive survey research design. The unit of analysis of this study were all the 47 County Governments in Kenya including the office of the auditor general and the controller of budget. This study used a data collection sheet to collect secondary data between the years 2018 to 2022 and was obtained from the reports done annually by the auditor general and controller of budget. The study used STATA in analyzing the data. Descriptive statistic such as means, standard deviations, maximum and minimum were used in analyzing the data. Diagnostic tests were also performed on the data to analyze its normality, multicollinearity, heteroscedasticity and serial correlation. The study utilized inferential statistics such as panel data analysis and therefore, Hausman test was performed in order to determine the most appropriate model of the current study.

Findings: The study findings indicated that auditing had an insignificant influence on the utilization of resources ($P > 0.05$) while budgeting had a significant influence on the utilization of resources in all county governments in Kenya ($p < 0.05$).

Recommendations: The study recommends that county governments to enhance efficiency and accuracy, they should invest in automation of all financial transactions so as to weed out corruption. For this to be realizing, enough functional computers and other relevant machines should be purchased thus improving the utilization of resources. The County governments should also ensure that financial policies and procedures which provide guidelines on how to go about financial matters are properly implemented so as to boost resource utilization.

Key words: Auditing, Budgeting, Resource Utilization, Internal financial control systems

Background of the Study

Utilizing public resources effectively is important to achieve the key development goals and one way in which public entities such as county government can achieve the resource utilization goals are through installing an effective internal financial control system (Masha, 2018). According to Flick (2015), internal financial control are procedures and policies used to ensure that transactions within an organization are processed appropriately in order to avoid theft, misuse and wasting organizational resources. Resources utilization is efficiently using an organization's assets to increase output by performing different tasks. This means using the available resources to their full potential, without wasting any (Bovens, 2009). Musfirah (2016) holds that internal financial control systems constitute essential components for the utilization of resources in county governments. However, inefficiencies, imprudent use of resources and lack of financial accountability in government institution has continued to affect the operations of the organizations. The government body failing to create adequate and effective control measures over expenditures, resources are either mismanaged or wasted, leading to misappropriation of funds and fraud by some irresponsible government officers.

Globally, in most developing and developed nations, governments have been putting more efforts in order to improve the management and budgeting in line with the changes related to financial reporting to increase the utilization of resources (Rizaldi & Yumiwati, 2015). They have strengthened their institutions by improving their internal control systems such as auditing, proper policies and guidelines as well as governance. Many government institutions in Africa are finding it difficult to effectively utilize their resources since their internal financial control systems are poorly implemented. This has made it difficult for them to allocate resources efficiently, as evidenced by the Zambian public sector's lack of progress in this area (El-Nafbi, 2018). The inadequacy of effective process of information and internal control systems has turn into problems in managing the public resources, particularly funds.

Many county governments in Kenya are struggling to use their resources effectively, despite having the necessary resources to operate. This has resulted in a number of challenges, including lack of service delivery, corruption and financial instability (Ochoge, 2011). A report by Economic and Survey (2019) indicate that there is increased access to information which has led the country to experience bribery and mismanagement of funds in the public sector including national and county governments. Etengu and Amony (2019) also revealed that cases related to poor utilization of resources such as misuse and mismanagement of public funds through fraud and corruption in both national and county governments are frequently reported or mentioned in the media. In addition, Otiato and Jagongo (2020), reviewed about the financial management and internal control systems among Kenyan government ministries and revealed that despite the internal control systems such as auditing being implemented, the public sector of Kenya has been considered to highly misuse resources and funds as well as delivering poor services to the people.

Statement of the Problem

Utilization of resources is very critical in every government organization in order to enhance service delivery as well as performance. However, despite the government both at the national county level having the necessary resources, they are experiencing the problem of poor utilization of resources more particularly funds which in some cases, this has led to poor image in the public. According to a report released by the office of the auditor general for the financial year 2020/2021 showed that resources allocated to most of the county governments were not efficiently utilized. The report also revealed that there was excessive spending on recurrent expenditure and funds were not accounted for in most departments thus leaving little resources for development purposes.

The expenditure analysis also indicated that Ksh 342,862,629 which 43 percent of the funds allocated in financial year 2020/2021 could not be accounted for. Further, 88.4 percent of the revenue allocation was spent on recurrent expenditure with only 12 percent spent on the purpose of development (Controller of Budget, 2022). The recurrent expenditure mainly comprises of the sitting allowances for the MCAs, personnel emoluments, domestic travels, foreign travels, operations and maintenance. For instance, according to the Integrated Development Plan (2018) of Mandera county government, cases are reported related to accountability, mismanagement, as well as misappropriation to public resources thus affecting service delivery to the people.

According to a report by the OAG in (2019) county government of Mandera was facing challenges in their budgetary control and performance. The report stated that Kshs. 1,723,551,101 was not utilized by the county executive from the budgeted amount, however, Kshs. 1,646,195,726 was reflected on the statement of the bank as at 30th June, 2017. Thus, the difference of Kshs. 77,355.375 had never been reconciled or explained and there was no explanation given for not allocating funds to important areas and the underutilization of the budget to avoid instance of idle funds and improve delivery of services (OAG, 2019). Further the audit report (2021) indicated that finance at the county were not properly used but wasted, there was a weaker internal control system which had led to misappropriation of funds and lack of transparency/accountability in the county governments. Homabay County, the OAG report (2021) also indicated that resources more especially funds were not properly utilized since there was little development and citizens were unhappy with the way resources were utilized. This examples of the two county governments show that resources were not properly utilized in Kenya due to poor internal controls and this had cut a cross to all the county governments in Kenya.

Specific Objectives

i) To examine the influence of auditing on resource utilization in county governments in Kenya.
ii) To assess the influence of budgeting on resource utilization in county governments in Kenya.

Research Questions

i) What is the influence of auditing on resource utilization in county governments in Kenya?
ii) What is the influence of budgeting on resource utilization in county governments in Kenya?

Theoretical Review

This study was guided by the Resource Based View theory proposed by Wemerfelt in (1984). The theory asserts that organizations can sustain and gain competitive advantages which the end results is superior performance enough through positioning and developing valuable capabilities and resources or through controlling and acquiring the resources (Barney, 2001). It is also considered as a managerial framework that can be employed to assess the firm's strategic resources that can be exploited to attain sustainable competitive advantage. The theory has been recognized from its main foundation by penrose (2018), who provided an explanation of the casual connections between resources of an organization, capabilities and the overall performance. According to penrose (2018), the theory is greatly concerned with efficiency of the organization and innovative utilization of resources. This theory was important to the study since the focus of this study had been on the resources county government are utilizing such as organizational resources (funds), human/personnel resources, physical resources such as county lands and water operating in different settings and the way that a county government use its resources to meet the needs of its people can be influenced by its internal financial control systems. In the context of resource utilization by the county governments in Kenya, this makes it possible for leaders of the county,

policy stakeholders, economic planners, budget staff, implementers and other stakeholders to be aware of how the available resources can be utilized to improve the efficiency in service delivery and this was why this theory was considered relevant and appropriate to the current study.

The second theory that was used to guide the current study consisted of theory of agency. This theory was originally coined by Meckling and Jensen in (1976) in relation to the theory of the firm and was later explained by Sarens and Abdolmohammadi in (2011). The agency relationship encompasses one or more individual(s) and they comprise the principal(s) engaging another person. In this scenario, the agent will be performing some services on behalf of their principals and this includes the delegation of some decision-making authority to the agent by the principal. The theory was related to this study since agency theory provided a framework for county government to apply to a great extent for the resources to be effectively utilized and therefore it is necessary for internal auditing, top management support, policies, procedures, automated communication and their independence. From the perspective of agency, the significance of resource utilization and for it to be achieved, requires the interest and support of the management with other government stakeholders to increase performance. A variety of methods in internal financial control systems such as automation in communications, auditing, policies as well as procedures can be employed to monitor and evaluate hence influencing the utilization of resources in county governments.

Conceptual Framework

Independent Variables   **Dependent Variable**
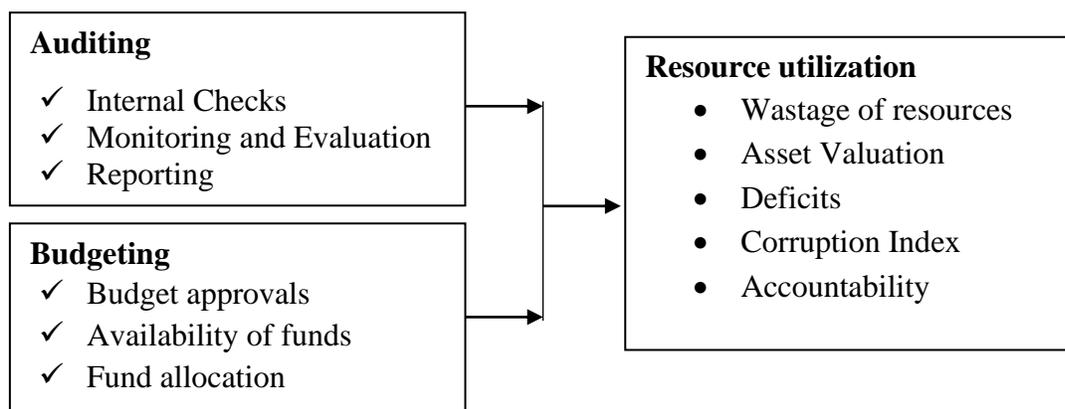

Figure 1: Conceptual Framework

Empirical Review

Influence of Auditing on Resource Utilization

Haslida (2019) examined the impact of external auditing and use of resources assessment on local authorities of Yorkshire and the Humber region of England. Head of finance/directors gave responses from 20 local authorities and nineteen (19) were interviewed. It was established that the head of finance felt that auditing had a significant effect on resource assessment usage in the local authorities. The study focused on a specific local authority in England which should not be the case since many public firms all over the world have adopted both internal and external auditing for the purposes of clarification and accountability as well as enhancing the usage of the public resources.

Similarly, Nkak (2020) examined the internal audit and its role on the misappropriation of public funds in Nigeria. The study employed primary data as the main data source and in this case, structured questionnaire was considered in order to collect data from the accounting and auditing department within the selected ministries. The list square regression analysis and descriptive statistics were used for the sake of testing the hypothesis. The study findings established that the public sector internal audit effectiveness did not influence funds being misused. There is appositive relationship between an efficient internal control systems (ICS) and the prevention of misappropriation of funds in the public offices. This means that an efficient ICS can help to deter fraud and corruption. The study was only limited to four factors but in reality, there are other internal and external factors that affect the misappropriation of funds.

An empirical study conducted in the republic of Kazakhstan by Igibayeva (2020) on the internal public audit and its impact on the usage of public resources where the study analyzed the public auditees in relation to the risk management principles, approaches and standards. This was approved by the minister of finance of the republic of Kazakhstan and joint regulatory documents of the accounts committee for controlling over the implementation of the budget, rules for interacting between both auditing services and controlling of the public. The study established that the methods and models as well as the providing main methodology. They are also focused on using the internal public audit as a key tool for improving the usage of public resources efficiency of public within the transformation process of the Kazakhstan republic. The study concluded that the Kazakhstan accounts committee had an experience to detect destructions at the operational level, but there is insufficient experience to evaluate the internal public audit on the usage of public resources. The study however failed to address and expand on the issues of public resources and that utilization of resources is also contributed by other factors. There were conflicting results since the study concentrated on discussing the standards, approaches and principles of risk management but failed to link the internal audit functions and usage of public resources. Further the study was conducted in a different country unlike this study which was conducted in the Kenyan environment.

Influence of Budgeting on Resource Utilization

Mukaramoja and Malenya (2019) investigated a study in Trans Nzoia County government whose main objective was to investigate budget utilization and its influence on public expenditures in Kenya supported by resource allocation and budgeting theory. Descriptive survey design was employed where 112 respondents were targeted who comprised of internal auditors, directors, accountant, chief officers, finance officers and economists. The formulae of Yamane of proportional sampling technique was used to arrive at a sample of 88 respondents. Structured questionnaires that are self-administered were used to gather information from the respondents. County government of Uasin Gishu was used for plot testing in order to measure the instruments validity and reliability. The data collected was coded using SPSS version 24.0 and it was also used in analyzing the data. Descriptive statistical analysis such as mean, frequency and percentages were employed as well as inferential statistics were also done and this included Pearson correlation coefficient and multiple regression analysis. This showed whether there was a linear, correlation and multiple relation between the variables. The study indicated that budget utilization had no significant influence on public expenditure in Trans Nzoia County government of Kenya. The current study uses primary data, descriptive and inferential methods in analyzing the data unlike the current study will use Hausman panel data analysis in analyzing by using secondary data. The study was also guided by both budgeting and resource allocation theory whereas the current study was guided by four theories including agency, technology acceptance, justice procedural theory and RBV theory.

Kathungu (2016) carried out a study in county governments in Kenya to asses about budget utilization and its effect on their financial performance. The target group included the county staff who are involved in collecting revenues and budgeting and employed a structured questionnaire with the aim of collecting data and secondary data included reports from the office of the auditor general from 2013 to 2015. Descriptive statistics and regression analysis were used in analyzing the data collected using SPSS to show the outcomes of the variables. Presentation of the results was done using tables and explanation was done clearly on the variables impact. The study made a conclusion that a joint budget utilization had a positive impact on the county's financial performance. The above study concentrated on the financial performance of county government but failed to discuss the aspects of resource utilization in Kenya.

Research Methodology

In this study, a descriptive survey research design was adopted for the purpose of determining the influence of internal financial control systems on the utilization of resources of County Governments in Kenya. The descriptive study method was appropriate because it explored and described the relationship between variables in their natural setting without manipulating them. The descriptive study aimed at obtaining information that was analyzed and patterns extracted made for the purpose of providing a basis for decision making. The unit of analysis of this study was all the 47 County Governments in Kenya including officers working in the office of the auditor general and the controller of budget. These offices were targeted since they had all the annual reports regarding resource utilization and financial control and they were in a better place to give expert information about the entire resource utilization process and internal financial control systems hence their inclusion. They were also targeted since they had all the annual reports related to internal financial controls and how resources are utilized in all the county governments in Kenya since 2013 to 2022.

This study used a data collection sheet to collect secondary data such as annual reports from the office of the auditor general and controller of budget offices. The data on auditing and budgeting for the period between the years 2018 to 2022 were obtained from the reports done annually by the auditor general and controller of budget. Secondary data was used because the data was available on websites of mandated organizations and therefore can be verified. The study also chose to use secondary data because the measurement involved a specified duration of time.

Research Findings and Discussion
The discussion seeks to achieve the objectives by discussing the main findings of the current study relating it to the literature review.
Descriptive Statistics

The study analyzed the main descriptive statistics such as mean and standard deviation for various study variables. Other measures of central tendency that were analyzed were coefficient of variation (maximum and minimum values) of the study variables. The mean represented the average values of the respective variables for the period 2018-2022. The standard deviation measures the dispersion from the mean and it captures the degree of variability of the data variables. The minimum and maximum shows the minimum values and the maximum values of various variables between 2018 and 2022, under which observations under consideration are spread. There was a total of 235 observations complete entries of data values The results are presented in Table 1.

Table 1: Descriptive Statistics

Variable	Obs	Mean	Std. Dev	Min	Max
Id	235	24.78723	13.65781	1	47
County	0				
year	235	2020	1.417232	2018	2022
Resource Utilization	235	8.43e+09	4.02e+09	2.90e+09	3.32e+10
Auditing	235	603078.4	108023.2	405692	830894
Budgeting	235	9.90e+09	4.36e+09	3.10e+09	3.54e+10

Table 4.1 shows that the mean value of resource utilization for the period between 2018 and 2022 was 8.43e+09 with a standard deviation of 4.02e+09 while auditing had a mean value of 603078.4 with a standard deviation of 108023.2. Budgeting had a mean value of 9.90e+09 and standard deviation of 4.36e+09. The findings also showed that a minimum resource utilization of 2.90e+09 and maximum value of 3.32e+10. The minimum auditing value was 405692 and maximum value of 830894. Budgeting had a minimum of 3.10e+09 and maximum value of 3.54e+10.

Inferential Statistics

Normality Tests

The study conducted a normality test and skewness/kurtosis was used in testing. The findings are as presented in Table 2 below.

Table 2: Skewness/Kurtosis tests for Normality

Variable	Obs	Pr (Skewness)	Pr (Kurtosis	Adj chi2 (2)	Prob>chi2
Residual	235	0.0000	0.0000	.	0.0000

Table 2 represents the results of the normality test. The normality test compares the p-value and the significance level. The normality test determines whether the data follows a normal distribution. The decision is to reject the null hypothesis if the p-value is less than the significance level. Rejecting the null hypothesis means that the data follows a normal distribution. For this research, it can be concluded that the data follows a normal distribution since the p-value is 0.0000, which is less than the significance level of 0.05

Correlation tests

The study determined the correlation that existed among the predictor variables using the Pearson correlation coefficient test and it was tested at 0.05 level of significance. The correlation analysis assisted in establishing the linearity of the existing variables in the data as shown in Table 3. To compute the Correlation Matrix on Stata, the command "pwcorr utilization of resources, automated financial systems, financial operational procedures and budgeting" was used.

Table 3: Correlation Results

	Utilization	Auditing	Budget
Utilization	1.0000		
Auditing	0.0311	1.0000	
Budget	0.9829	0.538	1.0000

Table 3 shows correlation results for the four variables. From the correlation results, utilization of resources positively correlated with the amount spent on auditing with a correlation coefficient of 0.0311and also on the budgeting which was 0.9829. Although auditing had a positive correlation

with resource utilization, it had a weak correlation. Resource utilization and budgeting had a strong correlation. Pallant (2007) points out that r values of .10 to .29 indicate a small correlation, .30 to .49 indicate a medium correlation and .50 to 1.0 indicate a larger correlation. Correlation coefficient have values which ranges from negative 1 to positive 1 whereby a correlation value of negative 1 indicates that there is a perfect negative correlation, correlation value of positive 1 specifies a perfect positive correlation and a correlation value of 0 implies that there is no correlation between variables under study (Lowry, 2014).

Panel Data Analysis
The study conducted a panel data analysis in order to select the correct model between the fixed effect and random effect by using the Hausman test. Hausman Test was used in conducting statistical tests to choose whether the Fixed Effect or Random Effect model was more appropriate to use. In this test, it measured using the probability value (Prob) in Random Cross-section. If the Cross-section is Random> 0.05 then the model chosen was Random Effect. Likewise, on the contrary, if the probability value (Prob) < 0.05, the chosen model was Fixed Effect. The following were the results of the Hausman Test:

Fixed effects Model
To get the fixed effect model results the command xtreg utilization of resources, auditing automated financial systems, operational procedures and budgeting was used.

Table 4: Fixed effect model results

Utilization	Coef.	Std. Err	t	P>|t|	[95% Conf Interval]	
Auditing	-668.4793	429.474	-1.56	0.121	-1515.806	178.8474
Budgeting	.6894743	.039462	17.47	0.000	.6116181	.7673304
_cons	1.70e+09	6.54e+08	2.61	0.010	4.14e+08	2.99e+09
Sigma_u	1.059e+09					
Sigma_e	6.504e+08					
rho	.72590469	(fraction of variance due to u_i)				

Table 4 shows the results for the fixed regression where the researcher carried out the regression using the fixed effect. Resource utilization was the dependent variable, while the amount spent on auditing and budgeting were the independent variables. From the analysis, the amount spent on internal controls directly affected the resource utilization in the county governments of Kenya where the coefficient was 306.2719. The auditing variable had an inverse relationship, where the coefficient was -668.4793. Budgeting had a direct relationship with resource utilization, where their coefficients were 194.5844 and 0.6895 respectively. The R squared of interest was the overall R squared and from the fixed regression results, the overall R^2 was 0.9667, which meant that 96.67% of the independent variables explain the dependent variable.

Random Effects

To get the random effect model results command xtreg utilization of resources, auditing automated financial systems, operational procedures and budgeting was used.

Table 5: Random effect model results

Utilization	Coef.	Std. Err	t	P>|t|	[95% Conf Interval]	
Auditing	-720.6997	434.0238	-1.66	0.097	-1571.371	129.9713
Budgeting	.8961055	.0137584	65.13	0.000	.8691394	.9230715
_cons	-4.65e+08	5.19e+08	-0.90	0.370	-1.48e+09	5.52e+08
Sigma_u	2.714e+08					
Sigma_e	6.504e+08					
rho	.14825947	(fraction of variance due to u_i)				

Table 5 shows the results for the random regression where the researcher carried out the regression using the random effect. Resource utilization was the dependent variable, while the amount spent on auditing, the amount spent on automated financial systems, the amount spent on internal financial operational procedures and budgeting were the independent variables. From the analysis, the amount spent on internal controls directly affected the resource utilization in the county governments of Kenya where the coefficient was 165.9414. The auditing variable had an inverse relationship, where the coefficient was -720.6997. Budgeting had a direct relationship with resource utilization, where their coefficients were 591.4569 and 0.8961 respectively. The R squared of interest was the overall R squared and from the fixed regression results, the overall R^2 was 0.9669, which meant that 96.69% of the independent variables explain the dependent variable.

Hausman Specification Test for Fixed and Random effect

Hausman specification test was used by the study to select the best regression model between a random effect and a fixed effect regression model. To do this, both the fixed and random effects model were run first and Hausman test conducted. If the p-value was found to be less than the critical value, therefore a fixed effect model was the appropriate model and if the value was above the critical value of 0.05 then random effect model was the appropriate. To get the Housman Specification Test Results the command fixed and random effect was used;

Table 6: Hausman Specification Test Results

	(b) fixed	(B) Random	(b-B) Difference	Sqrt (S.E)
Auditing	-668.4793	-720.6997	52.22038	
Budget	.6894743	.8961055	-.2066312	.0369858
Chi2 (4)	33.52			
Prob>chi2	0.0000			

Table 6 shows the Hausman Specification Test for Fixed and Random effect results. The results showed that the fixed effect is the most appropriate between the two. The decision is that if the P-value is significant (smaller than 0.05), than the fixed effects are the most applicable and if the value was above the critical value of 0.05 then random effect model was the appropriate. For this analysis, the Hausman test shows that the p-value is significant since it is lower than the level of significance of 0.05. From Table 6, the results showed chi-square probability of 0.000 which is lower than the critical value of 0.05 implying that that the fixed effect model was the most appropriate.

Variable Discussion

Influence of Auditing on Resource Utilization

For the Auditing variable, the coefficient was -668.4793 which means that auditing and resource utilization had an inverse influence. The negative variable coefficient means that as the auditing activities increased in the counties, the level of resource utilization decreased. The p-value for this valuable was 0.121 which means that it was more than the significance level of 0.05 and this shows that the variable was insignificant in explaining the dependent variable (resource utilization). The results were in line with a study carried out by Igibayeva (2020) in Kazakhstan where the author found that auditing had no significance in the resource utilization in the government of Kazakhstan. However, this study's results did not support the results of Haslida (2019) who found auditing to have significant impact on resource allocation on local authorities of Yorkshire and the Humber Region of England. This would mean that all the counties underwent the same auditing process

where the Controller of Budgets or Office of the Auditor General audits all county governments annually, focusing on financial statements, compliance with regulations, and internal financial controls. The different types of audits conducted in the counties might have different impacts on resource utilization. Effective audits can deter misuse of funds, identify areas for improvement, and promote accountable resource utilization. However, inadequate audit frequency or capacity could limit their effectiveness. Further, other factors not included in the analysis could also be playing a larger role. This increased auditing might lead to greater adherence to regulations and procedures, which could result **in** more efficient resource utilization**.**

Influence Budgeting on Resource Utilization

For the budgeting variable, the coefficient was 0.6894 which means that budgeting and resource utilization had a direct relationship. The p-value for this valuable was 0.000 which means that it was less than the significance level of 0.05 and this shows that the variable was significant in explaining the dependent variable (resource utilization). The results were different from the results presented by Mukaramoja and Malenya (2019) on research conducted in Kericho county, who found that budgeting had no significant effect on resource utilization. The above findings were interpreted to mean that budgeting plays a significant role in managing resources in all county governments since they prepare annual budgets outlining planned expenditures and revenue sources. All county governments in Kenya share the core principles of transparency, accountability, and participation in the budgeting process. The goal is to ensure that public resources are allocated and utilized effectively and efficiently to achieve development goals and improve the lives of citizens. The budgeting process involves public participation and approval by both county assemblies and national oversight bodies. Realistic and transparent budgeting promotes efficient resource allocation based on priorities and available resources. Effective budget control mechanisms can ensure responsible resource utilization, allows for proactive resource management and adjustments as needed.

Conclusion of the Study

The first objective was to determine the influence of auditing on utilization of resources and the study concluded that auditing had no significant influence on resource utilization in Kenyan county governments. Therefore, the funds invested in auditing operations did not yield results of improving the resource utilization at the counties.
Finally, the fourth objective was to determine the influence of budgeting on resource utilization in County governments in Kenya and the study concluded that budgeting had a significant influence on resource utilization in Kenyan county governments. Therefore, budgeting levels significantly affected the resource utilization at the counties.
Recommendations

The study recommends that the County governments in Kenya should review and strengthen the internal audit functions through assessing the comprehensiveness, frequency, and effectiveness of internal audits. They should also enhance their auditing practices by ensuring timely implementation of audit recommendations and monitor progress on addressing identified issues in relation to resource management.

Finally, the study recommends that the key County government officers should consider linking budget allocations to key performance indicators to incentivize resource efficiency. They should also be compelled to strictly adhere to all budgetary recommendations. It is also crucial for the County government to involve all the stakeholders during budget making as this is a sure way of ensuring resource utilization.

This study used secondary data which included the data collection sheet to obtain data from the Office of the Auditor General and controller of budget responsible for offering auditing services and enhancing accountability in different organizations including county governments in Kenyan context. Therefore, further studies should be conducted in other sectors of the economy for the purpose of comparison, generalization and use different research methodology. This sector may include the banking sector, government ministries, private firms and micro financial firms. Further studies should also be conducted on the influence of automated financial systems on resource utilization in Kenya and also another study can be conducted on the determinants of resource utilization of county governments in Kenya.

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