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**The Influence of County Government Financial Mobilization on
Service Delivery in Meru County, Kenya**

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The Influence of County Government Financial Mobilization on Service Delivery in Meru County, Kenya

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ABSTRACT

Purpose: The purpose of the study was to identify the influence of county government financial mobilization on service delivery in Meru County, Kenya. To achieve this purpose, the study hypothesized that the study tested the null hypothesis that there is no significant relationship between finance mobilizations.

Methodology: The target population of the study was County government finance officers, who comprised officers consisting of the County Finance Board, Chief Executive Officer, Chief Officers, Director Revenue, Sub-county revenue coordinators, and Members of the County Assembly. The target population was 89 participants, and the sample size was 89 respondents identified through the census technique. The study adopted a descriptive survey research design. The questionnaire was the main tool used in data collection. Data analysis and interpretation was based on descriptive statistics and multiple linear regression. In addition, a null hypothesis was tested using a t-test at 5% level of significant. A pilot test was carried out and analyzed to ensure validity and reliability of the aforementioned data collection instruments prior to actual data collection. All the variables were tested using Cronbach alpha coefficient all the variables attained a value of above 0.7 which is recommended for this type of study. The data was analyzed using S.P.S.S. software version 28.

Results: The results of descriptive statistics showed ($N = 80$, $M = 2.83$, $SD = .999$). The regression analysis established that there was a positive statically significant relationship between financial mobilization and service delivery ($p < 0.05$). The study concluded that financial mobilization in Meru county government have been moderately executed that are leading to slightly above the average service delivery in Meru County government. Thus, there is need to increase resource mobilization so as to provide seamless service to Meru residents.

Unique contribution to theory and practice: The study provides the information on how the county governments can use the financial mobilization practice to improve the service delivery. The use of financial mobilization practice is associated with better revenue collection and utilization, therefore, a theoretical framework can be developed to guide the financial mobilization practice that can improve the service delivery.

Keywords: *financial mobilization, county governments, service delivery, debt management*

1.0 INTRODUCTION

Finances of a firm are derived from revenue, external grants and borrowings. Revenue is the overall sum of money received by any business entity or business enterprise or organization for the products sold or services rendered at some stage in a positive duration. For the county Governments, public sales approach those amounts it gets from one-of-a-kind sources. In different phrases, the income of the Government is from public revenue. This sales are from taxes, licenses, and fees charged (F.A.S.A.B., 2005).

Service delivery is defined as any contact with the public administration during which customers-citizens seek or provide data, handle their affairs or fulfil their duties. The service rendered by the government should be delivered in an effective, predictable, reliable and customer friendly manner. The government has a vital role in the delivery of a wide variety of services from security, to justice to services for individual citizens and private enterprises. Efficient service delivery is required to promote citizen focused administration and ensure quality public service (Robbins, 2002).

Quality delivery service system is designed to ensure value is created in core organizations in ways that ensure frontline employees deliver the ultimate customer experience. The relationship between the government and the citizens is crucial. The government is accountable to the citizens for the decisions taken. Devolution is designed to improve substantial elements of democracy and its checks and balances to ensure public goods are delivered according to the citizens' participation (Bool & Hans, 2006).

Revenue is likewise referred to as returns to the authority which is basically paid for the destiny improvement of the community (Mbufu, 2013). In this case, sales amassed has been a source of the budget for socio-financial improvement of all countries internationally. Through revenue collection, the authorities are capable of provide social services to citizens and to build infrastructure which is vital for economic improvement (Mbufu, 2013). Generally, sales are the criminal amount of budget collected from taxpayers for the socio- economic and monetary development of a society or nation.

Revenue refers to the profits of government. Revenue is vital because it determines to a huge quantity how a lot of cash may be available for spending. Without income, there might be no price range, and consequently no spending. Revenue for authorities spending is generally raised from taxes, levies, provider fees, and licenses. Municipalities differ inside the volume to which they are able to increase sufficient investment in the municipality for the services for which they may be accountable. Therefore, municipalities receive a smaller or larger part of their investment from revenue raised at countrywide degree, known as the National Revenue Fund. Furthermore, the methods in which revenue is raised have implications on equity and economic stimulation.

Currently, many local governments in developing countries face the near-impossible task of funding the infrastructure and services required to meet the basic needs of growing urban populations, while forward-looking capital investments are not possible for financial reasons (UN-HABITAT, 2015). Local financial management frequently suffers from lacking

technological infrastructure and capacity, and opportunities for revenue generation are often restricted by inadequate regulatory frameworks or disadvantageous political structures. Lagging public-sector spending takes a toll on urban efficiency and local economic activity, creating a vicious cycle of budgetary shortfalls, choking urban conditions, and economic stagnation (Scott, 2015). The study will focus on financial mobilization. Financial resource mobilization encompasses making better use of and maximizing new and existing financial resources.

Statement of the Problem

Unlike other countries where the devolution process of the three powers has been sequentially attained, in Kenya the experience has been a ‘big bang’ where the three types of decentralization were achieved at once with the ratification of 2010 Kenyan constitution (Kobia & Bagaka, 2014). The fourth schedule of the constitution sets out clearly the functions and powers of the national and county governments. The services whose delivery has been devolved to the county by the national government includes county health services, solid waste disposal, county transport, including county roads; street lighting; traffic and parking, water conservation, and social welfare (Constitution of Kenya, 2010). The critical question is whether these services are being delivered and whether sufficient resources are being channeled towards achievement of quality and effective services to the residents of the counties in Kenya. According to K.I.P.P.R.A. (2018) county governments are experiencing poor management of finances due to several factors such as finance management, finance absorption, debt management and lack of transparency in the utilization of revenue. It is uncertain whether residents in Meru County get quality services in relation to finances being received from the equitable share and collected by county government. Thus, the big question is, are the residents of Meru county getting quality service that they deserve from the mobilized financial resources utilized by the devolved unit of Meru county? Thus, there is a need to conduct a study to ascertain the relationship between financial mobilization and service delivery in Meru County Government.

The purpose of the study was to ascertain the relationship between finance mobilization and service delivery by Meru County Government. The researcher hypothesized that there is no significant relationship between finance mobilization and service delivery by Meru County Government. The findings enhance the understanding of the influence of county government financial mobilization on service delivery.

2.0 LITERATURE REVIEW

Theoretical Review

Stewardship Theory

The Steward theory has its roots from psychology and sociology. Davis et al. (1997) observed that “a steward protects and maximizes shareholder’s wealth through firm performance, because by so doing, the steward’s utility functions are maximized”. In this perspective, stewards are company executives and managers working for the shareholders, protects and

make profits for the shareholders. This theory resonates well with the current study in the sense that it discourages the perspective of individualism (Donaldson & Davis, 1991), but rather encourages the role of top county government officials and specifically the county treasury officials being as stewards, integrating their goals as part of the whole county plans. In the stewardship perspective, county treasury officials (stewards) are satisfied and motivated when county governments perform (organizational success) well.

In addition, stewardship theory recognizes the importance of structures that empower the steward and offers maximum autonomy built on trust (Donaldson & Davis, 1991). It stresses on the position of employees or executives to act more autonomously so that the shareholders' returns are maximized. Indeed, this can minimize the costs aimed at monitoring and controlling behavior (Davis et al., 1997). On the other end, Daily, Dalton and Cannella (2003) argued that in order to protect their reputations as decision makers in organizations, executives and directors are inclined to operate the firm to maximize financial performance as well as shareholders' profits. In this sense, it is believed that the firm's performance can directly impact perceptions of their individual performance. Therefore, the Stewardship theory will be used in this study to describe how the county officials being stewards and takes ownership of their jobs and work on them diligently to achieve optimal service delivery throughout the country. Stewardship theory is applicable in this study in explaining the variable financial mobilization in the sense that effective service delivery can only be achieved if there are adequate resources to do so and it is one of the ways the shareholders who are the county residents will get services. Therefore, county managers are tasked with mobilizing resources internally and external to ensure they deliver on their mandate which is management of finances.

Empirical Review

Financial resource mobilization is a valuable component for strengthening a government. Unfortunately, Okuto (2018) argues that there is a lot of competition for resources and in many cases for county government to secure resources it depends on how well it can mobilize the available resources and on how good it is at exploring other ways to source for resources. Those county governments fortunate enough to have adequate resources to support their current operations still face uncertainty over future mobilization. County governments would have to assume the responsibility of financing the additional investment required to service their economies, reducing inefficiency, creating conducive environment for resource mobilization through appropriate policies as well as creating the necessary institutional mechanisms (Okuto, 2018). This would in turn affect service delivery in respective counties. Thus, intensive mobilization would provide the necessary resources to finance the additional expenditure. Financial resource mobilization is critical to any county government in Kenya as it will ensure the continuation of county service provision to citizens and supports county sustainability.

A study by Okuto (2018) established that challenges such as mismanagement of the resources, non-transparency, issues of accountability, inconsistency in the application of the tax policy, avoidance and noncompliance by the tax payers, corruption and low level of stakeholder's awareness due to inadequate information hinders effective and efficient financial resource mobilization and therefore there is an urgent need by the county government to devise measure to address them. The study also ascertained that stakeholders' participation was important in

influencing financial resource mobilization, however low level of awareness was noted as being an issue of concern. Kinoti (2016) postulated that county governments’ capacity in resource mobilization can be strengthened through the establishment of effective administrative procedures, training technical assistance and dissemination of programs with central government support. Kinoti (2016) also indicated that an appropriate information and communication technology system is an essential precondition for the success of any resource mobilization.

The sources of financial resources for the county governments are divided into two. One, the transfer from the National government as stipulated in the constitution that not less than 15% of total revenue of the National government must be transferred to the county governments. The other way is the locally generated revenue as previously done by local authorities which includes: Fees and Charges (market fees, parking fees, advertisement fees, and approval of the building plan fees); Rates; House rent from the County Government Houses; Contribution in Lieu of Rates (C.I.L.O.R.); and Business permit. The county government has adapted structures and financial systems that were previously used by local authorities (Constitution of Kenya, 2010). Revenue allocation commission was established by the constitution to advice on financial resource sharing formula between the National Government and also among the 47 counties.

Torome (2013) conducted a study on the relationship between revenue mobilization and performance of local authorities in Kenya. The study indicated that revenue receipts are divided into tax revenue and non-tax revenue which include among others taxes on properties. The study established that the higher the level of mobilized revenue the better the performance of local authorities. It was also established that the Local authorities with low levels of mobilized revenue performed dismally/poorly. The study concluded that local authorities budgeting greatly influence revenue mobilization. The use of the budget to control local authorities’ funds and guard against over or under expenditure would be a critical element in management. The study concluded that increased central government transfer fund such as L.A.T.F. from the central government led to increase in efficiency service delivery. It should however be noted that the study was on local authorities which differs from county governments and hence need for a study on county government.

Independent variable

Dependent variable



3.0 METHODOLOGY

This study applied both descriptive and correlation research designs. In descriptive design, information is collected without manipulating the environment, this design generates information about natural occurrences, behavior, attitudes and features of interest of a particular subset of the target population (Borg & Gall, 1989). The locale of the study was Meru County government. Meru county was chosen because it is one of the county that receive huge allocation of the national government shareable revenue allocated by the senate and also collect a sizeable amount of money from local revenue collection. The target population for this study was 20 revenue Officers working in the financial department of Meru county government and 69 Members of County Assembly (M.C.A.s) of Meru who oversight the utilization of funds in county governments. The target population is distributed as; County finance board, Chief Executive Officer, Chief Officers, Director revenue, Sub-county revenue coordinators and M.C.A.s. This study applied census sampling method to collect data meaning that all 89 respondents were targeted. Structured closed ended questionnaire was the main data collection instrument.

Validation involved collecting and analyzing the data to establish the accuracy of data collection instrument and comparing the results after a repeated trial. The researcher also checked the validity of the instruments by giving the instruments to a panel of three lecturers from Meru University of Science and Technology, who assessed the relevance of the content used in the questionnaire. After examining the questionnaires, they give their feedback and their recommendations were incorporated into the final questionnaire to improve content validity. The researcher also assessed the clarity of the questionnaire and those items found to be vague or inadequate will be rejected or revised to improve the quality of the research instruments' increasing its reliability. Cronbach's alpha, was used as a lower boundary estimate of the reliability of the data. Cronbach alpha values ranges between 0 and 1. Higher alpha values are desirous alpha (α) coefficient of 0.7 and above is acceptable for this kind of study(Cronbach, 1957).

Data preparation comprises of thorough checking of data, data coding and tabulation. This guarantees accuracy, uniformity, consistency, completeness and identifies illegibility. Editing of the questionnaires was done to ensure that omissions were rectified so as to achieve quality data for analysis. The coded, tabulated and classified data was subjected to both qualitative and quantitative analysis. Quantitative data was examined through descriptive statistics such as frequencies, percentages and standard deviations, ANOVA and multiple linear regression was also employed. Data collected will be analyzed using multiple linear regression analysis to test the influence of independent variable on dependent variable and to determine the relationship between independent and dependent variable as well as the strength of the relationship. The results of descriptive and inferential statistics are presented in tables.

This study strictly conformed to the norms of ethical research. The confidentiality and voluntary participation of the respondents was observed in this study. Confidentiality is justified by three different arguments: consequence, rights, and fidelity based (Israel & Hay, 2006). In the beginning of the study, the study respondents were clearly informed about the general objective of it and their confidentiality was assured. Before collection of the data and

analysis, the researcher also sought approval from Meru University of Science and Technology and the National Commission for Science, Technology and Innovation (N.A.C.O.S.T.I.). The participants were informed of the nature and purpose of the study through transmittal letter. Participation in the study was normally on voluntary basis.

4.0 FINDINGS AND PRESENTATION

Pilot Study

The questionnaire was piloted tested on 15 respondents comprising both men and women (Women N = 7, Men: N =8) who were omitted in the final study. The pretest sample obtained was drawn from Meru County assembly and revenue Officers in Meru County. The Cronbach alpha for financial mobilization was 0.771 and service delivery 0.767, which is within the acceptable limit.

Response rate

The data for the study was gathered by the use of a questionnaires. A total of 89 questionnaires were distributed to County revenue board, C.E.C. Finance, Chief Executive Officer, Director Revenue, Sub-county revenue Coordinators. Out of the 89 questionnaires sent to respondents, 80 were returned for analysis representing a response rate of 89.9% which is statistically suitable for this kind of study. 73.8% of the respondents are male while, 26.2% are female.

Table 1: *Respondents Experience*

Years of Service	Frequency	Percentage
Less than 5 years	28	35
6-10 years	37	46.3
11-15 years	8	10.0
Over 15 years	7	8.8

One avenue of optimizing efficiency is empowering employees in the effective delivery of service. In this regard the study was interested in investigating the experience of employees. A workplace with a variety of experience categories can have an assemblage of workers with complementary skills especially in this era of fast changes in technology and globalization. Results of work experience analysis shows that Meru County financial management sector has a majority of employees with work experience of between 6 to 10 years at 46.3%, less than 5 years at 35%, 11 to 15 years at 10% and 8.8% have an experience of above 15 years. It can be concluded from the findings that the county government has a variety of experienced employees which is vital for effective service delivery and succession and continuity of service delivery.

Education levels

Table 2: *Highest Academic Qualification*

Academic Qualification	Frequency	Percentage
K.C.S.E.	10	12.6
Certificate	6	7.5
Diploma	35	43.8
Bachelor's degree	28	35
Post Graduate	1	1.3

Educated and skilled employees can make all the difference in the world of work in terms of service delivery. Apart from the qualifications, employee loyalty and commitment play a key role in their service delivery. Academic qualifications can demonstrate a lot about a prospective employee. The primary function of academic qualification in any employment is the knowledge and skills that employee bring in organizations and institutions where they work. It is for this purpose that the study sought to investigate the academic qualification of the employees because their knowledge on service delivery is crucial in responding to the information sought. From the results in table 2, 12.6% are secondary school certificate holders, 7.5% have tertiary certificate, 43.8% are Diploma holders, 35% have Bachelor's Degree while a paltry 1.3% have post graduate qualifications. From the findings many of the respondents had the requisite knowledge to offer effective service in service delivery.

Descriptive statistics

As an increasing number of developing countries sustain strong economic growth and make progress towards the sustainable development goals the real challenge of development has shifted to financial mobilization and its effect on service delivery. It is on this basis that the study sought to investigate the effect of F.M. on service delivery in County governments. The questions on financial mobilization were based on a five-point Likert's scale: 1 = strongly agree, 2 = Agree, 3 = Undecided, 4 = Disagree, 5 = Strongly Disagree. The study sought to establish the extent of financial mobilization on service delivery in county governments in Kenya. The extent of agreement with statements regarding the financial mobilization and service delivery. A Likert scale with five points was used and the result is presented in Table 3 which shows the mean and standard deviations of individual item measures and composite constructs.

Table 3: *Financial mobilization*

Statements	N	Mean	Std. Deviation
We have adequate financial mobilization to sustainably improve economic development of the County	80	3.59	.886
In our County there is always mobilization of funds from other sources to spur economic growth	80	3.77	.792
In our County, systems have been put in place to ensure local revenue is collected efficiently and effectively for the benefits of the locals	80	2.55	1.194
In our County, the national shareable revenue allocated by the national treasury is adequate to spur economic growth of the County	80	3.44	.990
County has partnered with external linkage with financiers who lend money to county government.	80	3.70	.867
There are efforts to close budgetary deficits by the county government	80	3.60	.943
In our County , we experience delays in disbursement of funds that affect the completion of development projects	80	2.58	1.201
Funds are allocated according to projects identified by the communities	80	3.61	.847
There is critic on the way funds are sourced from revenue collection	80	2.45	1.021
Financial mobilization policies are clearly formulated to outline the aspirations of our citizens with M.C.A.s and executive committee playing a key role	80	3.19	1.052
In our County there is always mobilization of funds from other sources to spur economic growth.	80	3.06	1.207
Financial Mobilization and service delivery	80	2.83	0.997

Based on the descriptive analysis, the following was concluded

a) County has adequate financial Mobilization to Sustainably Improve Economic Development.

The study sought to find out the county government ability to financially mobilize resources for the overall economic development in counties. The results in table 8 Show (N=80, M = 3.59 and SD = .886). The results imply Meru county government has put in place mechanisms that are helping the county in mobilizing resources for the economic development of the county.

b) Our County always mobilizes for funds from other sources to spur economic growth

Devolution was want meant to bridge the marginalization that had been exacerbated by the central government for a long time in Kenya. Based on this observation the study sought to determine the extent of county mobilization of resources for economic development of the county. Results shows that (N = 80, M = 3.77 and SD = .792). The findings indicate a high

level of financial mobilization by the Meru county government. High level of financial mobilization implies more resources for implementation of development projects in the county.

c) County has put systems in place to ensure local revenue is collected efficiently and effectively for the benefits of the locals

One of the major sources of revenue for the devolved units in Kenya is the equitable shareable revenue from the national government and local revenue collection from land rates, single business permit fees, building permits, bill boards fees, parking fees. Conditional grants, donor funding among others. The equitable share is not less than 15% of all the revenue raised by the national government. The results indicate that ($N = 80$, $M = 2.55$, $SD = 1.994$). The results imply that despite the county governments coming up to address development at local level it's clear that measures have not been put in place to ensure effective collection of revenue. This means that the county government of Meru is collecting less revenue than it should denying the Meru residents the services they require.

d) The national equitable shareable revenue allocated by the national treasury is adequate to spur economic growth of the County

Equitable shareable revenue is the funds parliament shares vertically between national and the county governments. The money comes from ordinary tax the national government collects at the national level. The senate allocates funds to the equitable share to the counties. The equitable share allocated to the counties is unconditional meaning the government can spend the money without restrictions from the central government. Results from the table 8 show ($N = 80$, $M = 3.44$, $SD = .990$). The respondents agree that the money allocated by the national government to the counties is adequate to spur economic growth. This implies that county has enough resources to spur economic growth of the county. As to whether intended development will be achieved depends on how the government will spend its financial resources. The findings are in agreement with Ahmed and Nganga (2019) finding that county government are receiving adequate funding for economic development in counties if well utilized.

d) County has partnered with external financiers who lend money to county government

Other than the equitable shareable revenue received by the county government counties have the freedom of seeking for financial resources from other sources. Loans are external source of loans for the county governments the external lenders include foreign lenders like the international monetary funds while private lenders include commercial banks and other financial institutions. Other sources include donor lending from international lenders like the development partners who provide aids inform of loans and grants. Results in the table shows ($N = 80$, $M = 3.70$, $SD = .867$).

The results indicate that county government are sourcing for funds from external sources. This implies that county governments are seeking for funding from various external sources.

e) There are efforts to close budgetary deficits by the county government

Every county government in Kenya formulates a budget on how plans to fund various development projects in the county and render public services that is passed by the county assembly. Sometimes counties do not have adequate financial resources to meet all their

obligations. County government are therefore obligated to seek for funds to meet all the budgetary estimates. Results in the table shows (N =80, M = 3.60, SD = .943) county government seeks for funding to bridge the budgetary gap. The results imply that county government are seeking for funds to bridge the budget gap.

f) County governments experience delays in disbursement of funds that affect the completion of development projects.

Delayed disbursement of funds to county governments affects crucial plans on roads, water, agriculture and health sectors, the latest report by Controller of Budget for year 2019/2020 shows. This means that counties' quest to speed up economic growth hit headwinds because not many investments are made in key areas such as infrastructure and health. Results in the table shows (N = 80, M = 2.65, SD = 1.401) that county governments have experienced continuous deployment in disbursement of funds. The implication of this is that not of the development projects are delayed thereby affecting development at county level. It is recommended that the National Treasury should disburse funds to the counties on a timely basis to ensure that budget implementation is not adversely affected.

g) Funds are allocated according to projects identified by the communities

Public Participation under the Kenyan 2010 constitution is about actions a person or group of people in the community getting involved in issues of government or community that are of concern to them. It ensures that citizens are heard and can actively participate in decision that impact their needs. Therefore, citizens of counties are expected to identify projects that they prioritize. Results in the table shows that (N = 80, M = 3.61, S.D. = .847) majority of the respondents agree that community identified projects are funded by the county government implying citizens are making decisions on matters affecting them.

h) There is criticism on the way funds are sourced from revenue collection

The study further sought to determine whether county government is criticized depending on the way revenue is collected. Results from the study shows (N= 80, M = 2.45, SD = 1.221) from the study it is evident that county government is not criticized because of the way government collect revenue. The implications indicate that citizens living in the county are satisfied in the way revenue collection is done in the county.

i) Financial mobilization policies are clearly formulated to outline the aspirations of our citizens with M.C.A.s and executive committee playing a key role

Financial mobilization is a key factor for sustainable development in counties in Kenya. Results in the table shows (N = 80, M = 3.19, SD = 1.052) that financial policies are moderately formulated in county government of Meru. The results imply that M.C.A. and the county executive are playing a key role in mobilisation of funds for the implementation of development projects in counties.

j) County always mobilizes for funds from other sources to spur economic growth

County governments receives the largest share of their funds from the national equitable share. This money is hardly enough to funds all the development projects implemented in counties and that why a financial year ends when some of the development projects are not complete. To overcome this financial deficits county are allowed to seek for extra funding from other sources including own source revenue. Results from the table indicate that ($N = 80$, $M = 3.06$, $SD = 1.28$), counties are mobilizing for funds from other sources which is a good way of spurring economic development in counties. In conclusion county governments are aggressive trying to address budgetary development deficits.

County government have authority to raise revenue from various sources with the approval of the county assembly. The sources include equitable share from the national government, land rates, business taxes, motor vehicle parking fees and various other sources as enshrined in the county fiscal policy strategy paper. Results from the table indicates that county government have moderate financial mobilization strategy and this means they mainly rely on the national government to raise their revenue base. The findings are supported by Jairo (2018) who in his study “on service delivery, public participation, human resource capacity and revenue mobilization in budget preparation process among county governments in Kenya; a case of Elgeyo Marakwet County government “established that county governments have been characterised by weak legal mechanisms to enforce revenue collection leading to inefficient service delivery in county governments.

Finally, the study investigated the effect of financial mobilization on service delivery in Meru county government and the results in table 8 shows ($N = 80$, $M = 2.83$, $SD = 0.997$) which indicate moderate financial mobilization by the county government. County government get funding from national equitable shareable revenue and own sources like land rates, business permits, grants and many others. Financial mobilization is a key factor in delivery of quality services and therefore, if a government cannot mobilize enough resources then it will offer inefficient services. In conclusion therefore, there is great need for the Meru county government managers to look for alternative financial sources as this has been found to affect service delivery. The findings are in agreement with Torome (2013) who established a significant and positive relationship between revenue mobilization and performance of local governments in Kenya. On the contrary, M’Nyiri (2018) in her study on the effect of financial mobilization practices on service delivery in the health sector did not establish any relationship between financial mobilization and service delivery in health facilities in Nakuru East Sub-County.

Diagnostic Tests

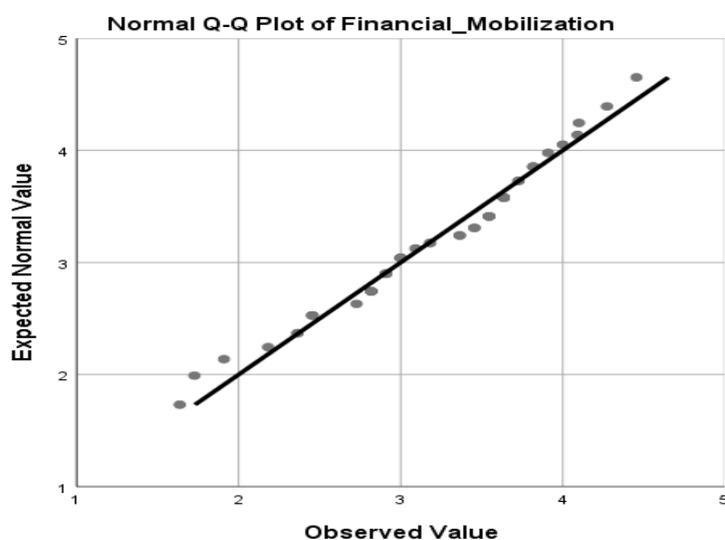
The researcher carried out diagnostic tests on the model to ascertain whether the assumptions of the ordinary Least Square holds. The model ought to be linear when the parameters and the independent variables are correlated with the disturbance term and the variance of the error term being zero. A number of tests were carried out and the results are illustrated in the proceeding tables;

Normality Tests

According to Kothari (2004), a normally distributed data enables the researcher to make guided, accurate and reliable conclusions. The researcher tested normality of the data obtained from respondent's responses using normal plots and the results are illustrated in the graphs illustrated below for each of the variable. Normal plots are useful for interpreting trends in statistical data. The normal probability plot is a graphical technique for assessing whether or not a data set is approximately normally distributed.

Figure 2:

Normal Plots



The Kolmogorov-Smirnove (K-S) test for normality values was used to test whether the data variables were normal. The K-S values for financial mobilization, and service delivery were 0.118, and .135 respectively at 5% level of significance. Since all these values are close to the mean that indicates the data variables are normal and thus suitable for further analysis. All the K-S values are less than the critical value of 0.294 meaning the data values analyzed can be used in making informed decisions.

Multi-collinearity Test

Multi-collinearity refers to a situation in which two or more explanatory variables in a multiple regression model are highly linearly related (Kim, 2019). When variables are correlated it becomes difficult to isolate the effect of each explanatory variable on the response variable. Variance inflation factor (V.I.F.) was used to test the presence of multi-collinearity in the econometric model. A variance inflation factor of less than 10 indicates absence of collinearity. Any value of V.I.F. above 10 indicates presence of collinearity. The values of the results for model are presented in table 4;

Table 4: *Collinearity Coefficients*

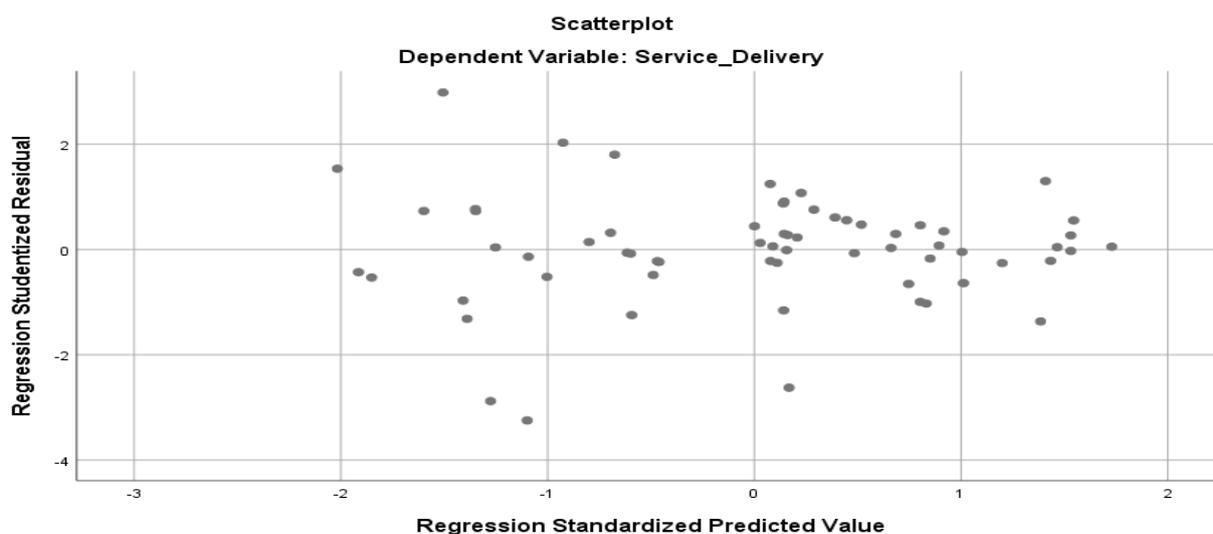
Model		Collinearity Statistics	
		Tolerance	V.I.F.
1	Financial Mobilization	.655	1.528

a. Dependent Variable: Service Delivery

Heteroscedasticity

The study tested the presence of heteroscedasticity by visual inspection of residual plots. A residual plot is a graph showing the residuals on the vertical axis and the independent variable on the horizontal axis. If points in a residual plot are randomly dispersed around the horizontal axis, the linear regression model is appropriate the data or z nonlinear model is more appropriate. The residual plots for the model are presented in figure 4;

Figure 3
Scatter Plots



Autocorrelation Test

Autocorrelation is a characteristic of data which shows the degree of similarity between the values of the same variables over successive time intervals. Existence of autocorrelation in the residuals of a model is a sign that the model may be unsound and may lead to inconsistency and biasness of the parameter estimates. The study tested for autocorrelation using Pearson Chi-Square goodness of fit model and the results are illustrated in table 5.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.733 ^a	.538	.515	.582	1.967

The results show a correlation coefficient (R) is 0.733. R values are used in assessing the overall fit of the model which indicates the degree of association between dependent variable and the predictor variables. R² is a proportion of the variance in the dependent variable that was predicted from the predictor variable. The coefficient of determination (R²) is 0.538 indicating 53.8 % of variability can be accounted by the model. The remaining 46. 2% of the variation can be explained by other factors outside the model.

Table 6: Goodness-of-Fit

	Chi-Square	df	Sig.
Pearson	862.792	1095	.000
Deviance	272.780	1095	.000

Link function: Logit.

The overall significance of the model was tested using Chi-square test at 5% level of significance and 1095 degrees of freedom. P-values for Chi Square test are below 0.05 indicates a significant relationship between the variables under the study.

Hypothesis test

Multiple linear regression (M.L.R.), known simply as multiple regression, is a statistical technique that uses several Independent variables to predict the outcome of a dependent variable. The goal of M.L.R. is to model the linear relationship between the independent variables and dependent variables. The results for the multiple regression analysis are presented in table 8;

Table 7: Model Summary of Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.795 ^a	.554	.522	.712

Table 8: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.077	.430		4.834	.000
Financial Mobilization	.764	.185	.818	4.120	.000

Results in table 8 show a constant value of 2.077 implying that service delivery in Meru County increase by 2.077 units when all the financial mobilization is held constant. The coefficient for financial mobilization is 0.764. The coefficient of determination (R^2) is 0.522 as indicated in table 8 this implies that 52.2% of the changes in service delivery is explained by changes in the independent variable under the study. Therefore, the independent variable is good predictors of service delivery in Meru County. From table 8, $t=4.120$, $p < .005$; therefore, the null hypothesis that there is no significant relationship between finance mobilization and service delivery by Meru County Government is rejected.

5. Summary, findings and conclusion

Summary

The purpose of this study was to determine the influence of financial mobilization practices on service delivery in Meru County, Kenya. This research was motivated by inadequate studies on financial management practices in County government in Kenya. The study provides insights on financial management practices and how its affect service delivery is concerned.

The study established that there was a significant and positive relationship between financial mobilization and service delivery. The results for the descriptive statistics shows ($N = 80$, $M = 2.83$ and $SD = 0.997$) indicating a moderate level of financial mobilization. Results of multiple linear regression show ($\beta = .764$, $t = 4.120$ at $p = .000 < .05$). The beta coefficient for financial mobilization indicate that for every one unit change in financial mobilization service delivery increases by 0.764 units. This shows a positive correlation between financial mobilization and service delivery.

The study tested the null hypothesis that there is no significant relationship between finance mobilization and service delivery by Meru County Government at 95% confidence level. From the results, the t value = 4.120 at $p = .000$ which is less than 5% significance level set for the study. The findings lead to the rejection of the null hypothesis. The findings of the study are in agreement with Torome (2013) who studied effect of financial mobilization on service delivery in local government in Kenya and established a significant and positive relationship. Bowman (2014) in his study of local authorities in developed countries established increased revenue collection positively influences performance. In conclusion, Meru county government should strengthen measures aimed at increasing financial resources in order to continue delivering quality services to Meru people.

Conclusion

Improvement of financial mobilization practices is widely recognized as one of the essential elements in enhancing the county government. From the findings of the study there is need for county governments to come up with programmes and policies in ensuring prudent management of public finance practices in order to deliver quality services to the residents of Meru County. Financial mobilization was found to positively influence service delivery. Low budget allocation stagnates service delivery and infrastructural developments in county

government resulting in poor budget absorption. It can therefore, be concluded that there is need to improve financial mobilization practices by coming up with policies that will enhance financial mobilization is critical in rendering efficient and effective service delivery in county governments.

Recommendations

In light of the findings and the need for county governments to provide quality services to its residents by strengthening and streamlining financial management practices to provide equality service to the people. The study recommends that revenue collection in county government should be prioritized to supplement the national government equitable shareable revenue and increase revenue mobilization. The county government should increase sensitization, mobilization and hold public participation to educate the residents on the importance of paying revenue. This can be done through various public fora. The study finally recommend that county government should explore on external revenue sources in addition to own source revenue. Enough financial resources will empower the local community in enjoying the fruits of devolution.

This study examined the influence of county government financial mobilization on service delivery in Meru County, Kenya. The study recommends that, further study should be carried out to examine the effect of funds mobilization on service delivery in other county governments in Kenya so as to determine whether the study would arrive at similar findings and generalize the findings. From the study are recommendation is further made to study the challenges facing revenue mobilization in devolved units in the country.

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