EFFECTS OF COMPUTERIZATION ON MANAGEMENT OF FINANCIAL ASSETS OF COUNTY GOVERNMENTS IN KENYA: A CASE STUDY OF BOMET COUNTY

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ABSTRACT

As information technologies grows progressively, the manual financial assets management systems have become gradually inadequate for decision needs. Consequently, county governments view computerization of financial assets management as a tool of ensuring effective and efficient information flow of financial data and although ICT adoption among county governments has recently increased, studies on the effect of computerization on financial assets management have not been undertaken. The aim of the study was to find out the effects of computerization on financial assets management. Data was collected using questionnaire and semi-structured interview guides. The study targeted 60 respondents in which no sample was taken but instead census method was used. The research found out that computerization has general effect on the level of efficiency of financial assets management and in particular efficiency aspects such as clear definition of roles and responsibilities, faster processing of information and improvement in following of rules, policies and regulations. Beside that

operations cost of financial assets management is greatly affected by computerization and included such aspects as costs of maintaining employees and manual systems and preparation of yearly reports. The study recommends that in order to ensure that County Government of Bomet have quality understandable reports, they should invest more in computerization of financial assets in addition to development of staff so as to reduce resistance.

Key Words: Computerization, Assets management, Bomet County

INTRODUCTION

According to the International Financial Reporting Standards (IFRS), a financial asset can be cash or cash equivalent, equity instruments of another entity, contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity. Asset management, broadly defined, refers to any system that monitors and maintains things of value to an entity or group. According to Seif and Qasim (2011), financial assets, also referred to as financial instruments or securities, are intangible assets. They are often used to finance the ownership of tangible assets as equipment and real estate. Financial assets serve two main economic functions: the first is to transfer funds from those who have surplus funds to invest to those who need a source of financing tangible assets. The second is to redistribute the risk associated to the investment in tangible assets between different counterparties according to their preferences and risk aversion. With the promulgation of new constitution (2010), county governments are expected to manage all financial assets, which were owned by the defunct local authorities including any new ones that are to be acquired. It is about three (3) years since devolved units came into place and have had myriad of challenges one being financial assets management which is always appearing in audit reports.

With changing business environment in finance sector in Kenya and around the global, most of the institutions have adopted information and communication technology (ICT) in their business operations. They adopt ICT in order to facilitate communication within an organization and with customers (Musemakweri, 2010), reduce cost of operations which results into improved efficiency (Seif and Qasim, 2011) as well as to aid management in decision making process with all necessary information required for decision making (Musemakweri, 2006). Most of institutions in Kenya including county governments have established websites, which enables them interact easy with their clients; they have also increased internal use of internet within organizations while others have adopted different financial packages to help them in management of business transaction (Seif and Qasim, 2011).

Transition Authority (TA) was tasked to develop tools for collecting data on assets and liabilities (both tangible and intangible – financial) from the defunct local authorities and Ministries, Departments and Agencies (MDAs). Among the successes included adoption of information and communication technology (ICT) through procurement and installation of Asset

Management Information System (AMIS) where data on assets, liabilities and staff were captured. Besides that, national treasury introduced Integrated Financial Management Information System (IFMIS) and has some modules that are used by counties in management of financial assets and liabilities. Despite the noble step taken by TA and national treasury, no study has been done to find out the effect of computerization on financial assets management.

According to Jimenez-Zarco et al (2006), properly designed and implemented computerized financial assets management can help improve efficiency in the delivery of government services, streamline compliance with government regulations, strengthen citizen participation and trust in government, and yield cost savings for citizens, businesses and the government itself. This is besides increased transparency, less corruption, revenue growth and greater convenience. According to Walters (2001), Computerized Financial Assets management has been in operations since 1961 by International Machine Corporation in United States used by business employees to add up the cash sales recorded by each salesman at company and spread to other organizations in different and diverse industries.

In the light of technological progress witnessed by different countries in the world today for all scientific and practical fields for both industrial, commercial and services sectors, public institutions, county governments is recognized since it has many devolved unitsUsing information technology has become the target of many international organizations, which encouraged competition and technological progress on the computerization of information systems with the latest technology of computers, where the system helps to plan, organize, control and supervision. Computerization of financial assets management has been successfully adopted in some cases when there are sufficient commitment, capacity, and resources as part of a broad and appropriately phased reform program. If conditions are right, there may be significant efficiency gains (Wescott, 1987). For example, use of Integrated Financial Management Information System (IFMIS) in financial assets management in counties has reportedly improved efficiency and transparency, reduced acquisition cost, and may have reduced corruption (ICT Authority, 2014)

County Government of Bomet is one of the forty seven (47) counties and situated in the former Rift Valley Province of Kenya. Its capital and largest town is Bomet. The county has a population of 730,129 (2009 census) and an area of 1,997.9 km². Bomet County is a multiracial, multi-ethnic nation with citizens of diverse socio-economic, religious and cultural backgrounds co-existing with the collective will of making things better for future generations. It has ten departments headed by County Executive Committee Member. Integrated Financial Management Information System (IFMIS) is used by county governments and has modules that include Accounting (Budgeting, e-procurement, and expenditure management), Revenue Management and Asset Management. County Government of Bomet has fully established Assets and Finance departments that are responsible for management of financial assets and liabilities.

Kateeba (2000) study showed the relationship between governance and quality of financial assets reports in NGOS in Kosovo. The study findings proved that there is a strong relationship

between financial assets systems and quality of financial reports. County governments could may therefore, review their current financial assets management systems to identify gaps and then put in place steps to fill those gaps. Alshebeil (2010) study aimed to identify the role of financial assets information systems in achieving competitive advantage for Jordanian commercial banks, and his findings indicated a statistically significant impact of financial assets information systems on achieving the dimensions of competitive advantage by improving the pricing process for banking services, reducing costs of banking services, increasing the speed of provided services, and increasing market share. Amveko (2011) report identified the impact of computerized financial assets systems on financial reporting in Kampala, the financial reports generated conform to some of the quality attributes of good financial information. This was emphasized by a positive correlation of response on quality attributes of timeliness and accuracy though it was on a low scale, her findings indicated that computerization of financial assets actually have an influence on the quality of financial reports for publication purposes.

El- Dalabeeh (2012) aimed to identify the role of computerized accounting information systems in reducing the costs of medical services at King Abdullah University Hospital, and his findings were that computerized accounting information systems play an in important role in reducing the costs of medical services at King Abdullah University Hospital compared with non-computerized systems, which usually require bigger costs and do not contribute to reduce the costs of medical services. Although the research was on computerized accounting information systems and in a hospital, it is evident that computerization helps in reduction of costs.

Other studies by Mwasasi et al (2000) on factors affecting implementation of operational strategies in organizations in Kenya examined the factors affecting the implementation of operational strategies. It investigated the influence of resource allocation, competitive priorities, information technology and core competences, the findings shows that aligning operational strategies with resource availability enhances success in operational strategy implementation and adoption of information technology increases effective implementation. Luther and Boru (2013) studied the use of annual financial statements by loan officers in Kenya. They administered questionnaires which covered lending objectives, sources of information and level of reading of different sections of financial statements. The study findings were that financial statements are rated as a very important source of information by credit risk analyst. It was thus concluded that such financial assets information are better obtained and disseminated through computerization. Since the examined studies did not study the effect of computerization on management of financial assets, this study will study it in the County Government of Bomet. Mwaura (2013) did a study to establish the relationship between financial performance of NGOs in Kenya and financial accountability. The study found out that the NGOs that applied financial standards in ensuring accountability of finances in the organizations boosted donor support which resulted in improved performance.

Another recent study was done by Polo and Oima (2013). They studied the effect of computerized accounting systems on audit risk management in public enterprises. The study reflected that only 36% of the institutions reported that they had a regular program or equivalent

in place while another 24% were in the process of implementation of the computerized system. More than 40% of the participating institutions mentioned on the need to carry out a survey on the effect of computerization on financial assets management.

A study by Mutiso and Kamau (2013) on the factors influencing complexity in financial reports preparation was done the banking sector in Kenya. Among the objectives included assessing challenges of preparation of financial reports and the study found out that the identified variables which included computerization positively contributed to the complexity of financial reports preparation. Although the set up may not be the same as county governments, it can be concluded that computerization has positive correlation to the management of financial assets. These assertions led to this study.

As information technologies grow more progressively, the manual financial assets management systems have become gradually inadequate for decision needs (Brecht & Martin, 2013). Consequently, public and private sector firms in both developing and developed economies view computerization of financial assets management as a vehicle to ensure effective and efficient information flow of financial data. Effective and efficient information flow enhances managerial decision-making, thereby increasing the county's ability to achieve corporate and business strategy objectives (Manson et al, 2010). Although ICT adoption among county governments has recently increased, studies on its effect of computerization on financial assets management have not been undertaken. Though Public Finance Management Act (2012) spells out legislative obligations to counties in prudent management of financial risks and assets, little has been done by counties to live to this fact. Lots of research has been done on the value of tangible assets in defunct local authorities and county governments (Mary, 2007; Kamua, 2013 ;Nelson, 2009; Odondo, 2010) but little attention has been paid on the effect of computerization on financial assets management. In Kenya, the existing studies are mainly on accounting systems such as on the effects of computerized accounting systems. No studies have been done on the effects of computerization on financial assets management in county governments. Thus, this study intended to address the effect of computerization on financial assets management in county governments. The purpose of this study was to investigate the effects of computerization on management of financial assets in county government of Bomet in Kenya.

RESEARCH METHODOLOGY

The study adopted a case study approach. Robson (1993) defines case study as the 'development of detailed, intensive knowledge about a single "case", or a small number of related "cases".' This design is appropriate for the study because it will give the research an opportunity to carry out in-depth study of the effect of computerization on management of financial assets in County Government of Bomet where computerization is being used. According to Kothari (2004), case study is essentially an intensive investigation of particular unit under consideration. The case study strategy, also, has considerable ability to generate answers to

questions 'why?' as well as 'what?' and 'how?' (Robson, 1993).A case study seeks to find the factors that accounts for a particular behaviour pattern of a given unit as an integrated totality.

The County Government of Bomet is a County in the former Rift Valley Province and it was created from the former Kericho district through Kenya gazette supplement no. 53 of 1992. The county has a population of 730,129 (2009 census) and an area of 1,997.9 km². Bomet County is a multiracial, multi-ethnic nation with citizens of diverse socio-economic, religious and cultural backgrounds co-existing with the collective will of making things better for future generations. It has ten departments headed by a County Executive Committee Members. Integrated Financial Management Information System (IFMIS) is used by county governments and has modules that include Accounting (Budgeting, e-procurement, and expenditure management), Revenue Management and Asset Management. County Government of Bomet has fully established Assets and Finance departments that are responsible for management of financial assets and liabilities. According to reports from the Controller of Budget (COB), Bomet County has been among the top three (3) counties in terms of budget absorption since inception of devolved system of government and thus informed the researcher to use it as a case.

The target population of the study involved 66 employeesThe criteria was based on those departments which are directly or indirectly involved in financial assets management. Six (6) respondents were used for piloting and thus leaving sixty (60) respondents who were used in the actual study. The questionnaires were distributed to the identified respondents and the response rate was 100%. The study used a total of all 60 employees in the various departments directly or indirectly concerned with financial asset management.

A census method was used given the small population under study. A census is a study of every unit, everyone or everything, in a population (Kothari, 2004). Census is preferred for small population since it can provide a true measure of the population since there is no sampling error. The respondents included heads of departments and other key stakeholders involved in assets management. Purposive sampling, which is non-random, was applied in this research. Purposive sampling was used because it would allow the researcher to use cases or subjects having the required information in relation to objectives of the study. Purposeful sampling seeks information-rich cases that can be studied in depth (Kothari, 2004).

The data collection instruments used in this research included questionnaires and interviews. The questionnaires were administered to all the respondents. This method is popular especially when big inquiries are needed as it saves on time. Pilot test was carried out on the developed questionnaires using six (6) respondents. Questions were both open- (structured) and closed- (non-structured) ended. Likert scale was used to give opportunity to the respondents to choose an appropriate choice of the alternative responses to the research questions. Interview guide was also used to get information from the management staff. Interviews are the most important sources for case study information (Yin, 2003). Personal interviews were used in the study to get information from management staff on the effect of computerization on management of financial assets in County Government of Bomet.

Validity is the accuracy and meaningfulness of inferences, which are based on the research results (Mugenda & Mugenda, 2003). It is the degree to which results obtained from the analysis of the data actually represents the phenomena under study or the degree to which a test measures what it purports to measure. According to Borg and Gall (1989) content validity of an instrument is improved through expert judgment. As such, the researcher sought the assistance of his supervisors, who, as experts in research, helped improve content validity of the instruments. Construct validity was used in the research to test validity of instruments and involved triangulation i.e. using multiple sources of evidences (Questionnaire and interviews) to compare responses on issues that were under investigation.\

Reliability is defined as the consistency of researcher's measurement, or the degree to which an instrument measures the same way each time it is used under the same condition with the same subjects i.e. it is the repeatability of researcher's measurement. There are various ways in which qualitative researchers try to show that their findings are reliable (Kothari, 2004; Nahid, 2003). The most satisfactory approach is to see whether the findings obtained from a qualitative analysis can be replicated. This can be achieved by comparing the findings from an interview study with those from other instruments such as questionnaires. The researcher also improved the reliability by asking additional questions to the interviewees to   establish the truth on some subjects. Reliability of the instruments were estimated using internal consistency technique. Internal consistency is a measure based on the correlations between different items on the same test or the same subscale on a larger test (Wikipedia, 2016). In the research, it was accomplished by grouping questions in a questionnaire into such groups as level of efficiency, operation costs, risks and reporting.

Reliability was also improved by selecting respondents with best knowledge for doing the interview. Besides that, the interview time can be scheduled by respondents in order to reduce stress. Pre-testing of the questionnaire will also be carried out in county Government of Kericho staff in finance department. Moreover, pilot study also known as a feasibility study or pretesting was done to assess the feasibility of the study. Procedures that were used in pre-testing the questionnaire were identical to those that were used during the actual study or data collection. According to Connelly (2008), he suggested that a pilot study sample should be 10% of the sample projected for the larger parent study and therefore six (6) respondents were used for piloting. Pre-testing helped detect deficiencies like unclear directions, insufficient space to write response, wrong phrasing of questions, vague questions etc.

After collection of data from the respondents the researcher arranged the items of information into various groups in a preliminary way. From then, the researcher formed a set of categories or groups based on the information obtained. According to Kothari (2004), before data is analyzed, it will be edited (involves examining collected raw data to detect errors or omission and correcting where possible), coded (process of assigning numerals to answers so that responses can be put into limited number of categories), classified (grouping of data either based on attributes or class-intervals) and finally tabulated (Arranging data in concise and logical order). Descriptive statistics were used to help in drawing comparisons and conclusions. The

data were analyzed using quantitative formats such as units, prices, proportions, percentages, scoring and ranking. Statistical Package for the Social Sciences (SPSS) version 20 was used in the analysis. From then, the measures of central tendency, dispersion, asymmetry (Skewness), and relationship, among others, were calculated and the results interpreted accordingly. The analyzed findings using descriptive were presented as percentages, tables, graphs and charts. Descriptive statistics enables meaningful description of the distribution of scores or measurements using a few indices or statistics.

RESULTS AND DISCUSSION

Sixty (60) respondents from five (5) departments directly or indirectly dealing with financial assets management were selected to participate in the study. All the respondents returned their responses and thus 100% response rate. Babbie (2011) suggested that a response rate of 60% is good while a response rate of 70% and above is very good. All these received questionnaires were found to be fit for analysis. The researcher collected data from some departments having a role in financial assets management which included Information & Communication Technology (ICT), Finance, Human Resources, amongst others, as shown in Table 1

Table 1:
Departments of research respondents

Department	Frequency	Percentage (%)
Assets	10	16.7
ICT	10	16.7
Finance	25	41.7
Human Resource	5	8.3
County Assembly	10	16.7
Total	**60**	**100.0**

Source: Author (2016)

From the Table 1, the entire population was reached since census was used with percentages per department as demonstrated. Assets. ICT and County Assembly similar percentages of 16.7%. Finance, being the custodian of any asset, took a lion share at 41.7%. The results demonstrate that all the departments have embraced the use of computers in management of financial assets. Because financial assets integrate information and information-based processes

within and across all functional areas in an organization, it's important to get support from all functional departments of the organization.

The male respondents of the research were 56.7% while female were 43.3%. These were drawn from all the departments where the researcher collected the data. According to Amveko (2011), female are significantly under-represented in assets management in most countries, a case witnessed in this research. Male are significantly represented because using technology for management of financial assets require long hours of sitting, which is sometimes tiresome, and may not be tolerated by female employees.

Table 2
Age Bracket of Research Respondents

Age Bracket	Frequency	Percentage (%)
<20	0	0.0
21-30	25	41.7
31-40	22	36.7
41-50	10	16.7
>50	3	5.0
Total	**60**	**100.0**

Source: Author (2016)

The age bracket for the majority of the respondents, as in Table 2, was between 21-30 forming 41.7% of all the respondents while 31-40 years were at 36.7 %. Those above 40 years were 21.7% while there was none below 20 years. From the findings, there is high involvement of financial assets management with persons between 21-30 years suggesting a prime age bracket for most information technology users. Thus, for better management of computerized financial assets management, institutions should employ majority of younger users. Younger users can easily learn any new technology introduced and in most cases self-driven on matters technology.

Regarding the education qualification, majority of the respondents had bachelors' degree representing 51.7%, 21.7% had tertiary or middle-level college certificate while 25.0% had master's degree. According to Nah et al. (2003), users with more formal education tend to use computers more often and have greater computerization satisfaction. Institutions whose workforce is educated have deeper understanding of procedures and the existing policies and thus better implementation of the computerized systems. Therefore, institutions should strive to

educate the users on Information Technology to increase chances of better management of financial assets through computerization.

The researcher also wanted to determine the type of Financial Assets Management system that respondents are familiar with or have used and the period used or interacted. The number of years the user interacts with the system shades some light on the effects of implementation of any system. 13 of respondents have been using IFMIS for more than 24 months while 6 have been using for 6-12 months. A total of 40 respondents have been using IFMIS for between 12-24 months while only 1 respondent has used Excel file and in not more than 12 months. Thus, the results of this study showed that system users have more experience in terms of effects of computerization on financial assets management. The more the number of years one has interacted with a system, the faster ease of use, minimal errors, improved efficiency and reporting.

To determine the effect of computerization on the level of efficiency, respondents were asked to state if they agreed or disagreed with a number of practices that are related to efficiency as a result of computerization of financial assets and those were included in the questionnaire. The results were analyzed by comparing means using T-test method in SPSS and presented in tables based on the number of responses received. The confidence level was set at 95% and thus significance level (alpha - α) was at 5%. The findings are as in Table 3.

Table 3
Effect of Computerization on the Level of Efficiency of Financial Assets Management

Practice Description	Sum of Squares (t)	df	Sig	Mean Difference
Clear definition of roles and responsibilities	57.127	59	0.0024	4.183
Improved following of rules, policies and regulations	65.620	59	0.0076	4.233
On time payment of Salaries, wages and imprests	33.481	59	0.0044	3.800
Better Time utilization	49.605	59	0.0083	4.300
Improved or Healthy Work Culture	48.339	59	0.0370	4.050
Improved Job Security	29.457	59	0.0627	3.533

Faster Processing of Information	61.223	59	0.0043	4.483
Reduced Paper Work	42.206	59	0.0089	4.383
Easier Access of System/Convenience	29.363	59	0.0634	3.833

Source: Author (2016)

According to Kothari (2004), for the researcher to determine whether a result is statistically significant, he would have to calculate a p-value, which is the probability of observing an effect given that the null hypothesis is true. The null hypothesis is rejected if the p-value is less than the significance or α value i.e. in this case p< α = p<0.05.

Table 3 indicates the significance of the various aspects of efficiency on the management of financial assets. Efficiency may result from different reasons which are referred here as the aspects. Knowing the reasons making up efficiency make it easier to deal with. From table 4.6, the following efficient attributes were found to have significant effect (p<0.05) on management of financial assets: Clear definition of roles and responsibilities (p=0.0024), Improved following of rules, policies and regulations (P=0.0076), timely payment of salaries, wages and imprests (p=0.0044), Better time utilization (p=0.0083), Faster processing of information (p=0.0043) and finally reduced paper work (p=0.0089). These statistics mean that the above attributes of efficiency does exist and were found to be statistically significant .Other aspects of efficiency were found to statistically insignificant on the management of financial assets since their p values >0.05 and included improved job security (p=0.0627) and easier access to the system (p=0.0634).

From Table 4, Various operation costs attributes were found to have significant effect (p<0.05) on management of financial assets: relatively cheaper than maintaining a manual system (p=0.0035), reduced number of employees attached to financial assets management leading to reduced costs in terms of salaries, benefits and other costs associated with employees (P=0.0054) and preparation costs for end year reports (p=0.0016). These statistics mean that the above aspects of operation costs does exist and were found to be statistically significant . The aspect on more benefits to employees was found to statistically insignificant (p=0.171, p>0.05) on the management of financial assets. It means that computerization has no significant effect on the benefits given to employees or accessed by employees such as paid leave, flexible compensation or loans.

Table 4

Effect of Computerization on the Operation Costs of Financial Assets Management

Practice Description	Sum of Squares (t)	df	Sig	Mean Difference
Cheaper than maintaining manual systems	35.021	59	.0035	4.067
Reduced Number of Employees attached to financial assets	42.562	59	.0054	4.083
Reduced end Year Financial Reporting preparation costs	45.234	59	.0016	4.250
More benefits to Employee	27.472	59	.171	3.817

Source: Author (2016)

4.2.2.3 Computerization has no significant effect on risks management of financial assets

Table 4.8: Effect of Computerization on the Risks management of Financial Assets

Practice Description	Sum of Squares (t)	df	Sig	Mean Difference
Automatic Generation of Financial Assets documents	42.853	59	.0003	4.133
No manual processing of data	34.143	59	.0552	3.917
Eliminates mundane and Time Consuming Processes	27.387	59	.0621	4.133
Increased level of Security	48.310	59	.0038	4.167
Reduced Fraud and Corruption Cases	40.477	59	.0096	4.067
Compliance with Government and Other Agencies regulations	54.854	59	.0025	4.250

Transparency	47.566	59	.0093	4.200
Reduction of Duplication of Information	54.336	59	.0043	4.183
Improved Confidentiality and Data Integrity	56.368	59	.0014	4.300

Source: Author (2016)

From table 4.8, the following risks attributes were found to have significant effect (p<0.05) on management of financial assets: Automatic generation of financial assets documents like invoices, cheques and financial statements minimizing risks errors (p=0.0003),increased level of security of financial assets due to stringent measures in place enforced in the system such as strong passwords (p=0.0038), reduction of fraud and corruption cases because of audit trails present in the system (0.0096), improved compliance with government and other regulations (0.0025), improved transparency since there is marker-checker approach in computerized systems (0.0093), reduction of information that is duplicated due to enforcement of primary key identifiers in the computerized systems (0.0043) and drastic improvement in confidentiality and data integrity (p=0.0014). These statistics mean that the above aspects of risks does exist and were found to be statistically significant. The aspects on absence of manual processing of data and elimination of mundane and time consuming processes associated with manual financial assets management were found to statistically insignificant (p=0.0552 and p=0.0621 respectively, p>0.05) on the management of financial assets.

1.2.2.4 Computerization has no significant effect on   reporting of financial assets management

Table 4.9: Effect of Computerization on the Reporting of Financial Assets

Practice Description	Sum of Squares (t)	df	Sig	Mean Difference
Accurate Information	58.085	59	.0009	4.467
Timely Information Produced	55.372	59	.0014	4.383
Proper Planning and Coordination	56.368	59	.0051	4.300
Better Decision Making	53.817	59	.0075	4.300

Useful Reports Generated to Make Decision	45.064	59	.0021	4.267
Financial Statements Highly Reliable	51.017	59	.0016	4.217
Leads to Scalability	45.931	59	.0070	4.200
Citizens and Customer Satisfaction	43.533	59	.0015	4.100

Source: Author (2016)

From table 4.9, statistics mean for all the aspects of reporting were found to be statistically significant i.e. p-values <0.05. It therefore means that computerization has significant effect on reporting of financial assets management. Computerization leads to information that is more accurate because arithmetic and other errors are easily eliminated (p=0.0009), reports produced timely (0.0014) and thus accessed when needed for proper planning, coordination (p=0.0051) and better decision making (p=0.0075). It is imperative also that proper reporting can leads to accommodation of growing needs of the county government (p=0.0070) besides improved citizens and customers satisfaction (p=0.0015).

The interviewed results also showed computerization is critical in the areas of reporting, risks management, cost reduction and improvement of efficiency

CONCLUSIONS AND RECOMMENDATIONS

It was found that 56.7% of respondents were male with 41.7% of total respondents being in the age bracket of 21-30 years. The result findings indicated 98.3% of staff reached have used IFMIS and its components to manage financial assets. 76.7% of respondents have at least bachelor's degree that thus improves acceptability and usage of computerized systems. The first objective was to determine the effect of computerization on the level of efficiency of financial assets management. The findings determined significance of the various aspects of efficiency on the management of financial assets. It was found out that the following efficient attributes are significant effect (p<0.05) on management of financial assets: Clear definition of roles and responsibilities (p=0.0024), Improved following of rules, policies and regulations (P=0.0076), timely payment of salaries, wages and imprests (p=0.0044), Better time utilization (p=0.0083), Faster processing of information (p=0.0043) and finally reduced paper work (p=0.0089). Other aspects of efficiency were found to statistically insignificant on the management of financial assets since their p values >0.05 and included improved job security (p=0.627) and easier access to the system while away from station (p=0.0634). According to Kateeba (2000), efficiency

aspects such as time, planning, coordination and speed of processing are enhanced through computerization. Alshebeil (2010) in research on banks indicated a statistical significant impact of financial assets information systems on achieving the dimensions of competitive advantage, reducing costs of banking services, increasing the speed of provided services, and increasing market share. This is besides enhanced compliance to the existing rules and policies, a case witnessed from the findings of the research

Secondly, it was established that following operation costs attributes were found to have significant effect on management of financial assets: relatively cheaper than maintaining a manual system (p=0.0035), reduced number of employees attached to financial assets management leading to reduced costs in terms of salaries, benefits and other costs associated with employees (P=0.0054) and preparation costs for end year reports (p=0.0016). The aspect on more benefits to employees was found to statistically insignificant (p=0.171, p>0.05) on the management of financial assets. The findings of the research mirrors that which was asserted by El- Dalabeeh (2012) that computerized financial systems play an in important role in reducing the costs of an institution as compared with non-computerized systems, which usually require bigger costs and do not contribute to reduce the costs of services. The reduction in costs results from reduction in number of employees and manual and time consuming processes. Finally the study established that Automatic generation of financial assets documents like invoices, cheques and financial statements minimizing risks errors (p=0.0003),increased level of security of financial assets due to stringent measures in place enforced in the system such as strong passwords (p=0.0038), reduction of fraud and corruption cases because of audit trails present in the system (0.0096), improved compliance with government and other regulations (0.0025), improved transparency since there is marker-checker approach in computerized systems (0.0093), reduction of information that is duplicated due to enforcement of primary key identifiers in the computerized systems (0.0043) and drastic improvement in confidentiality and data integrity (p=0.0014) were found to be statistically significant. The aspects on absence of manual processing of data and elimination of mundane and time consuming processes associated with manual financial assets management were found to statistically insignificant (p=0.0552 and p=0.0621 respectively, p>0.05) on the management of financial assets. According to Alshebeil (2010), computerization aids in risks identification, analysis, assessment, control and minimization. Proper computerization of financial assets can assist in setting up processes and procedures for identification of risks and making a realistic evaluation of the true level of risks thereby clear strategies to deal with them (Mwaura, 2013). According to Mutiso & Kamau (2013), there is a positive correlation between level of security, reduction in fraud due to audit trails, improved transparency, confidentiality and integrity as a result of computerization of financial assets, a case supported by the findings of the research. The findings also indicated all the aspects of reporting were found to be statistically significant i.e. p-values <0.05. Computerization leads to information that is more accurate because arithmetic and other errors are easily eliminated (p=0.0009), reports produced timely (0.0014) and thus accessed when needed for proper planning, coordination (p=0.0051) and better decision making (p=0.0075). It is imperative also that proper reporting can leads to accommodation of growing needs of the county

government (p=0.0070) besides improved citizens and customers satisfaction (p=0.0015). The reporting attributes findings are in agreement with Amveko (2011) who emphasized that there is a positive correlation of response on quality attributes of timeliness, accessibility, reliability and accuracy though it was on a low scale and computerization of financial assets and that have an influence on the quality of financial reports for publication purposes.

The study made the following conclusions. Firstly, computerization has general effect on the level of efficiency of financial assets management and in particular efficiency aspects such as clear definition of roles and responsibilities, faster processing of information and improvement in following of rules, policies and regulations. Secondly, operations cost of financial assets management greatly affected by computerization and included such aspects as costs of maintaining employees and manual systems and preparation of yearly reports. Thirdly, computerization has direct bearing on the management of risks of financial assets and includes such aspects as reduction of fraud and corruption, improved confidentiality and data integrity and automatic generation of financial assets documents. Lastly, computerization has influenced on the reporting of financial assets management. Accuracy of information, decision-making, planning and coordination, reliability of financial reports, timeliness of needed reports and improvement of citizens and customers satisfaction were considered as reporting aspects.

From the study findings, it was clear that computerization of financial assets management improves efficiency, reduces operation costs and enhances risks management. This is besides speed, timeliness, accuracy and quality of reports generated. The study therefore recommends that in order to ensure that County Government of Bomet have quality understandable reports, they should invest more in computerization of financial assets in addition to development of staff so as to be skilled more on how to use and produce customizable reports. The study further recommends establishment of proper establishment of risks management unit so as to fully utilize computerization of financial assets and thus mitigating any unforeseen eventualities. The study further recommends that the Bomet County Management should increase leadership effectiveness in addressing issues related to computerization of financial assets which will result in improved efficiency. To benefit from reduced operation costs, the county government of Bomet should fully automate financial assets management and deploy qualified personnel to operate the system. Since IFMIS is used in the county, structured trainings and On-Job-Training should be conducted on the financial assets module.

The study recommends two areas for further research; first more research should be done on the effect of computerization on management of financial assets in all the counties in Kenya so as to allow for generalization. Second comparative study should be done on the extent of adoption of computerization of financial assets in both private and public institutions.

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