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An Investigation into the Application of the Integrated Public Financial Management Reform Projects in Liberia at the Ministry of Finance and Development Planning

Article History

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Abstract: The study sought to investigate of the application of the integrated public financial management reform projects in Liberia at the ministry of finance and development planning 2014 – 2016. Generally, the objective of implementing Integrated Financial Management Information System (IFMIS) is to increase the effectiveness and efficiency of state financial management and facilitate the adoption of modern public expenditure practices in keeping with international standards and benchmarks. The study adopted a descriptive research in this study with a targeted population of 98. The primary data was collected using questionnaire that relates to specific objectives of the study. Secondary data involved past reports such as annual budget data, progress reports and internal audits reports since the system implementation started and had key information that will be helpful to the research study. The study used both quantitative and qualitative method of data analysis. Collected data was first coded and then quantitatively analyzed according to statistical information derived from the research questions. Secondary data were derived from desk review of annual information on IFMIS for all variables for a period of three years (2013-2015). The study found that organizational accountability systems, cash management and budgeting systems, internal control systems and financial reporting systems positively and significantly influenced the financial management in the public sector. The study recommends that managers can use this information to plan and formulate budgets; examine results against budgets and plans; manage cash balances; track the status of debts and receivables; monitor the use of fixed assets and monitor the performance of specific departments or units.

Key words: Integrated Public Financial Management Reform, Ministry of Finance and Development Planning

1. Introduction

1.1 Background of the Study

The public financial management reform system aims to facilitate the provision of essential public services to the people of Liberia. For this it needs to efficiently mobilize public resources through the revenue and tax systems and channel the public resources to the most needed and politically prioritized areas of services, such as education, health, security and justice, infrastructure for roads and water provision. The system ensures secured equity and transparency in the use of public funds and put efficient measures in place for control, payments, reporting and for efficient financial management at both service delivery and oversight levels.

The reform of public financial management by government of Liberia is the result of a diagnostic analysis and wide consultation within government and other stakeholders including development partners. The need for a reform of the public finance system was emphasized in the Economic Recovery Strategy for Wealth and Employment creation, the ERS for 2003 -.2007, as a key element to achieve; fiscal sustainability and balance in the public economy, restructuring and reallocations for growth and poverty alleviation, and improved public sector performance, efficiency and effectiveness in the public sector, leading to improved service delivery and results for Liberians (ERSWEC, 2003 - 2007).

Over the past three decades, criticisms about government performance have surfaced across the world from all points of the political spectrum. Critics have alleged that governments are inefficient, ineffective, too large, too costly, overly bureaucratic, overburdened by unnecessary rules, unresponsive to public wants and needs, secretive, undemocratic, invasive into the private rights of citizens, self-serving and failing in the provision of either the quantity or quality of services deserved by the taxpaying public (Callendar and Mathews, 2000).

Jones and Thompson (1999) indicate that fiscal stress has also plagued many governments and has increased the cry for less costly or less expensive government, for greater efficiency, and for increased responsiveness. High profile members of the business community, financial institutions, the media, management consultants, academic scholars and the general public all have pressured politicians and public managers to reform (Pusey, 1991).

The Ministry of Finance, Development Planning (MFDP) derives its mandate from the constitution of Liberia which provides for proper budgetary and expenditure management of government financial services. The function of the Ministry is strategic in several ways. As a main function, the ministry is charged with the responsibility for formulating financial and economic policies. It is also responsible for developing and maintaining sound fiscal and monetary policies that facilitate social-economic development.

1.2 Statement of the Problem

The effective public financial management reforms PFM systems are required to maximize the efficient use of resources, create the highest level of transparency and accountability in government finances to ensure long-term economic prosperity. To date the reform measure on financial management including adoption of Media Term Expenditure Framework (MTEF) budget process has not achieved the desired results. External diagnostic coupled with work carried out through workshop and consultations have singled out some of the following main problem areas ERSWEC (2003 - 2007).

Political priorities as described in ministerial and sectorial strategic plans are not adequately reflection in the annual budget. The variance between the annual budget and the final expenditure outcome is high. Budget releases are not predictable and payments are delayed resulting in high arrears. Cash management and commitment control is still poor. Procurement systems are characterized by slow process, unclear mandates and lack of transparency and wasteful procurement. Kitati (2005) revealed that the implementation of public financial management reforms in state corporations and parastatals have an impact on the financial operation of the institution.

This clearly shows that no studies have been undertaken to on investigating the application of the integrated public financial management reform projects in Liberia. It is on this background the government initiated specific public financial management reforms to address these problems and to improve financial operations. The identified problems necessitates the need for this study to be undertaken in order to establish the impact of the application of public financial management at the Ministry of Finance and Development Planning.

1.3 Research Questions

This study was guided by the following questions:

1. What is the impact of financial management reforms on financial operation in the Ministry of Finance and Development Planning?
2. What are the factors influencing achievement of public financial management reforms in government?

1.4 Significance of the study

The study would be of benefit to the following:

Government and policy makers: Decision making arms of the government at the various level of management in both the ministries and state corporations. This will have an insight on how to spur economic growth, improve on service delivery to the people of Liberia, and also enhance good governance through improved transparency, accountability and efficiency controls.

Academic scholars: Academic scholars and researchers will be able to borrow from the findings of this research to support literacy citations as well as develop themes for further research undertakings. Specifically, the study hopes to make theoretical, practical and methodological contributions. The research findings will contribute to professional extension of existing knowledge of public financial management reforms and its impact on the financial operations in the public sector.

Business community, financial institutions, management consultants and the general public: High profile members of these institutions will benefit from this study, since most of them have pressured politicians and public managers to come up with these reforms. Since over the past three decades, criticisms about government performance have surfaced across the world from all points of the political spectrum.

2. Review of Related Literature

2.1 The impact of financial management reforms on financial operation in government

Consistent with the dictates of the PFM Reform Strategy and Action Plan (PFMRS&AP) and its Operational Manual, the Reform Coordination Unit (RCU) has prepared this annual report capturing key developments within the realm of public financial management reforms in Liberia, Macintosh and Daft (1987). With the completion of another fiscal year and entering into a new one - FY 2015/16-, it becomes important to focus on consolidating and sustaining gains attained over the years and exert more efforts in addressing key implementation challenges relating to other key reforms. Some significant achievements made include: (a) rolling out of the Integrated Financial Management Information Systems (IFMIS) to additional seventeen (17) ministries and agencies, bringing the total coverage to thirty six (36) M&As, accounting for sixty nine percent (69%) of FY 2014/15 budget (b) full operationalization of the Liberia Revenue Authority(c) expansion of coverage of Internal Audit Agency (IAA) to a total of forty two (42) ministries and agencies (M&As) (d) enhanced oversight of the Legislature which culminated in the conduct of additional public hearings. Total hearings conducted on the Auditor Generals Reports, over the last fiscal year were eight (8). There were notable gains in cash management, financial reporting, SOE reporting, capacity building and the use of country systems, with much work done in bringing piloted donor-financed projects unto the IFMIS. On the flip side, more practical actions need to be taken so as to accelerate progress under the GoL's fiscal DE concentrating strategy. Additional efforts are needed towards the development of the institutional arrangements as well as the overall framework that will create an enabling environment for full-fledged fiscal decentralization of the Government, Barry (2001). This report contains texts summarizing strides made under each theme, an updated matrix of actions taken against recommendations from prior public financial management supervision missions, annual disbursement information and status of key project development indicators. The implementation of the reforms was adversely impacted by the Ebola scourge that engulfed the nation.

2.2 The Factors that influenced the achievement of Public Financial Management in government

The new approach to conditionality in the context of PFM reform takes the view that conditionality relating to PFM should be agreed by governments and based on government-owned PFM reforms programs, rather than being imposed by donors.

Because this approach allows greater local ownership, it should in turn increase the likelihood that government reforms will be successfully implemented. In addition, if donors are increasingly harmonized with each other and simultaneously aligned with government PFM systems, this should mean that those government systems become relatively more important to government stakeholders than door-specific processes (Koerberle *et al.*, 2006).

However, there many indications that the reforms undertaken have not yet reached the desired end results. External diagnostics coupled with the problem analysis carried out through workshops and consultations to design this reform indicate that many problems remain. In the essence the PFM system is still not a sufficiently supportive element of the public service (Spicer *et al.*, 1995).

The reforms have been transpired, however, have taken a toll on civil servants, on how they perceive their institution and their own contributions". Indeed, many were "often independently incompatible". But if there were underlying theme to them all, it is that the private sector is, by definition, superior to the public sector (Upton, 1999).

Public management reform is' never done. Analysts and practitioners a like have sometimes been tempted to view the reforms with cynicism. For some, the lack of clear of full success led to the conclusion that the reforms had failed. For others, the evaluation of new strategies led to the conclusion that earlier efforts had been abandoned. In fact, history shows that public management reforms recur, with each new piece woven, sometimes seamlessly, into the next. There are several reasons for this. First, no reform can ever fully solve the problems that led to its creation lingering issues tend to breed the next generation of reforms. Seconds, public management is not so much a problem solving activity as a problem-balancing enterprise (Jones and Kettl, 2003).

Good governance is important in the public sector, as investors do not want to invest in a country that is not committed to good governance. Elements of good governance and adherence to governance principles must be understood in the public service, as their absence can destroy a country's economy and administrative system. Siswana (2007) points out that poor governance manifests itself when the relevant systems and structures do not function, or do not exist. Conversely, good governance is found where those systems and structures function as intended. Madjid (1997) lists some elements or criteria of good governance. The first criterion is participation, which is met in South Africa, where the voice of the public is important in decision-making. The need to have public participation is required, according to section 195(e) of the Constitution, which states that the public must be encouraged to participate in policy-making to ensure transparency. Transparency, another criterion, is a key to the quality of governance in general, but particularly in finance. Transparency refers to the availability of information to the general public, and clarity about government rules, regulations, and decisions.

2.3 Integrated Financial Management Information System (IFMIS)

An IFMIS is a fiscal tool for government that bundles all financial management functions into one suite of applications. It is an Information Technology (IT) based budgeting and accounting system designed to assist the government entities on how to plan budget requests, spend their budgets, manage and report on their financial activities, and deliver services to the public more efficiently, effectively and economically. IFMIS operates on a common structure and platform that will enable improved compatibility and consistency of fiscal and financial information, reduces governments overall investment in the development of expensive accounting systems in each government entity (Diamond and Khemani, 2005).

One of the basic features of the IFMIS is the ability to interface with a number of existing and planned automated systems such as the Integrated Personnel Payroll Data (IPPD) and Government Payments Solution (G-pay). IFMIS software to Kenya government was contracted to oracle financials in 2003. Oracle financials being an Entrepreneur Resource Planning (ERP) was designed to consolidate the core modules to all ministries, these are; purchasing module, accounts payable module, general ledger module, cash management module and public sector budgeting module (Ministry of Finance, 2013). Effectiveness and improved outcomes are important goals for any IFMIS acquisition. The benefits of an IFMIS include: better fiscal management, more optimal resource allocation, improved management of resources (value for money), reduced fraud and corruption, improved transparency and accountability, lower transaction costs (Mugenda and Mugenda, 2003). Diamond and Khemani (2005) said that an IFMIS consists of several Elements with different functions. He identified the core of an IFMIS to include the following Modules and systems, General ledger, budgetary accounting, Accounts payable and Accounts Receivable, and the noncore or other modules as, Payroll system, Budget development, Procurement, Project ledger and Asset module.

Integration is the key to any successful IFMIS. In a nutshell, integration implies that the system has the following basic features; standard data classification for recording financial events, internal controls over data entry, transaction processing, reporting, a common process for similar transactions and a system design that eliminates duplicate data entry. Integration often applies only to core financial management functions that an IFMIS supports, but in an ideal world it would also cover other information systems within which the core systems communicate such as human resources, payroll, and revenue. At a minimum, the IFMIS should be designed to interface with these systems. IFMIS can improve an organization‘s financial management by enhancing management of cash, debt and liabilities. It also has the ability to use historical information to provide better budget modeling processes.

2.4 Financial Management

"Financial" relating to finance, or money, and can also be interpreted as the science of managing money. Management means to control something in a way that is satisfactory. Hence financial management is that managerial activity which is concerned with the planning and controlling of financial resources. Planning, directing, monitoring, organizing and controlling of the monetary resources (Husnan and Pudjiastuti, 2006). There is need for basic numeracy skills such as the ability to calculate returns on investments, the interest rate on debt, and basic arithmetic ability. The lack of knowledge in financial management contributes to the low survival of new venture creation and eventually the high rate of failure among the entrepreneurs and frequently the entrepreneurs are intimidated by financial management (Timmons and Spinelli, 2007).

Financial management is concerned with the planning, organizing, procurement and utilization of government financial resources as well as the formulation of appropriate policies in order to achieve the aspiration of members of that society. Premchand (1999) sees public financial management as the link between the community‘s aspirations with resources, and the present with future. It lies at the very heart of the operations and fiscal policy of government .Financial management involves many stages which includes;

Policy Formulation which is one of the most important stages in financial management structure according to Premchand (1999), the transformation of the society's aspirations into feasible policies with well recognized financial implication is at the heart of financial management. Budget formulation is the step that involves the allocation of resources before the submission to the legislature for review and final approval. According to Appah (2009), the budget formulation involves the articulation of the fiscal, monetary, political, economic, social, and welfare objectives of the government. One of the fundamental aspects of public sector financial management in Kenya is the issue of audit of government financial reports. Audit is the process carried out by suitably qualified Auditors during which the accounting records and the financial statement of enterprises are subjected to examination by the independent auditors with the main purpose of expressing an opinion in accordance with the terms of appointment.

2.5 Integrated Public Financial Management Reform System and Financial Management

Integrated Financial Management Information System (IFMIS) is an information system that tracks financial events and summarizes financial information. In its basic form, an IFMIS is little more than accounting system configured to operate according to the needs and specifications of the environment in which it is installed. Generally IFMIS refers to the use of information and communications technology in financial operations to support management and budget decisions, fiduciary responsibilities, and the preparation of financial reports and statements. In the government realm, IFMIS refers more specifically to the computerization of the public financial management processes, from budget preparation and execution to accounting and reporting, with the help of an integrated system for financial management of line ministries, spending agencies and other public sector operations (Timmons and Spinelli, 2007).

An IFMIS stores, organizes and makes access to financial information easy. It not only stores all the financial information relating current and past years spending, but also stores the approved budgets for these years'details on inflows and outflow of funds, as well as complete inventories of financial assets (e.g. equipment, land and buildings) and liabilities (debt). A strong Public Financial Management (PFM) system is a catalyst for economy's growth and development. It ensures that the government and its departments raise manage and spend public resources in an efficient and transparent way. Sound systems, strong legal and regulatory frameworks as well as a competent and productive civil service are the cornerstones of an efficient PFM regime. Public Financial Management reforms have been identified as the key drivers to efficient public service delivery and creation of wealth and employment (McKinney, 2004). Manual and parallel system used today lead to difficulties to comply with expected reporting formats, timeliness of reports and multi-dimensional studies of financial data. It also means that retrieval of financial data is tedious and that financial records are inaccurate. The envisaged final communication infrastructure to be used for IFMIS and other functions of government is not yet in place. The implementation of the new systems requires back-up, maintenance and measures which also are not yet fully in place (Pallot, 1998).

The quality, accuracy and timeliness of financial reports and accounting are still not up to standard. The roll-out of the IFMIS system has been hampered by problems related to the communication infrastructure and there is no integration with the new payroll system.

Also the pension record system is still largely manual and hence unreliable creating problems for pensioners (Boston, 2000).

2.5 Determinants of Financial Management

2.5.1 IFMIS and Cash Management and Budgeting

The functional process of budgeting can be categorized as those carried out by the central agencies and those carried out by the spending ministries and agencies. Those of the former group are most directly linked to the control framework-indeed one of the main functions of the central agencies (particularly the ministry of finance) is to ensure that the control framework is properly applied through government ministries. This functional process covers two interrelated areas; macro fiscal forecasting, budget preparation and approval, and budget execution, cash management and accounting. The first set of processes supports the objectives of setting fiscal policy and strategic priorities. The second set supports the objective of optimizing the use of budgeted resources and ensuring accountability (Allan, 1999). At the start of the budget cycle, the central agencies generally the ministry of finance send the sector agencies a budget circular indicating economic prospects and broad policy objectives (in some cases based on the formal micro economic framework), and giving the parameters within which the budget for each ministry is to be prepared. The circular may give specific ceilings for expenditure by each agency and program. The sector agencies respond with their budget projects (World Bank, 2004).

Dorotinsky (2003) argues that there are a number of ways in which IFMIS can improve public finance management, but generally IFMIS seek to enhance confidence and credibility of the budget through greater comprehensiveness and transparency of information. They seek to improve budget planning and execution by providing timely and accurate data for budget management and decision making. IFMIS allow a more standardized and realistic budget formulation across government, while promoting better control over budget execution through the full integration of budget execution data. They also allow for the decentralization of financial functions and processes under the overall control of the Ministry of Finance, enhance financial discipline and control operating costs by reducing administrative tasks and civil servants 'workload.

2.5.2 IFMIS and the Quality of Financial Reporting

Financial reports retrospectively describe the results of an organization's financial transactions and events in terms of its financial position and performance. According to Simson *et al.* (2011), financial reports aim to improve budget compliance. They provide a means for internal or external actors to assess government performance. Thurakam (2007) posit that in order to serve its objectives meaningfully, financial reports must be relevant, accurate, prompt and authentic.

The financial statements must be pertinent for the purpose for which they are meant for. Irrelevant and unwanted information should be avoided but at the same time material facts must necessarily be disclosed Thurakam (2007). According to Rupanagunta (2006), transactions data captured in the right formats classified appropriately and presented in simple, easy to use formats can be used as valuable decision support systems. For instance, capturing the specific function performed or service rendered and the nature of the expenditure of each financial transaction undertaken by the government can be used to understand the true cost of service delivery by activity.

2.5.3 IFMIS and the Strength of Internal Controls

Internal control systems are the policies and procedures put in place by the management of a government agency in order to ensure the agency achieves its objectives and complies with external laws and regulations. Such policies and procedures tend to cover monetary book-keeping and reporting, performance monitoring, asset management and procurement (Simson *et al.*, 2011). As a management tool IFMIS also enables management to do the following: control aggregate spending and the deficit, priorities expenditure across policies, programmes and projects to achieve efficiency and equity in the allocation of resources, make better use of budgeted resources, namely, to achieve outcomes and produce outputs at the lowest possible cost (Hendricks, 2012). In other words, the benefits anticipated in implementing IFMIS are: enhanced governance, reduced fraud, transparency and accountability, and better monitoring and evaluation.

According to Oz (2006), the goal of financial managers, including controllers and treasurers, is to manage an organization's money as efficiently as possible. They achieve this goal by collecting payables as soon as possible, making payments at the latest time allowed by contract or law, ensuring that sufficient funds are available for day-to-day operations and taking advantage of opportunities to accrue the highest yield on funds not used for current activities. Simson *et al.* (2011) pointed out that in order to effectively manage the government's cash flow and prevent debts from accumulating, it is important to monitor the pipeline of future payments. In addition, procurement is a common source of corruption and therefore procurement systems tend to include controls aimed to detect and deter corruption via IFMIS.

2.5.4 IFMIS and Organizational Transparency and Accountability

According to McKinney (2004), the benefits of IFMIS could be argued to be profound. First, the improved recording and process of government financial transactions also allows prompt and efficient access to reliable financial data. Second, IFMIS strengthens financial controls, facilitating a full and updated picture of commitments and expenditure on a continuous basis. Once a commitment is made, the system should be able to trace all the stages of the transaction processing from budget releases, commitment, purchase, payment request, and reconciliation of bank statements and accounting of expenditure.

According to Dener and Young (2013), most discussants agree that for true lucidity, it is important not only that governments publish budget data on websites, but that the data they disclose are meaningful and provide a full picture of their financial activity to the public.

2.6 Budget Formulation and Preparation

The budget process in actual settings may not represent this ideal. Where there are major disagreements among local officials, the budget process is more practical exercise than a planning one. In this case, budgeting involves bargaining among participants who represent different points of view, and the results may not be the most effective or rational allocation of resources but a compromise that decision makers and different community groups resign themselves to live with for another year (Vogt and Rivenbark, 2007).

The adoption of this new budgeting approach, popularly referred to as programme - based budgeting (PBB), follows a number of public financial management reforms the government has adopted over the last decades. The reforms have been aimed at improving transparency, accountability and efficiency in the allocation of resources with the overall purpose of ensuring that citizens derive maximum value from public spending

Boston (2000) A government budged (approved spending) should reflect what it says it will do (government policies). A medium term perspective is crucial for improving links between policy, planning and budgeting.

The appeal of MTEFs lies in their potential to link the often competing short term demands on the macro-economic stabilization with the medium and long term demands on budget to contribute to improve policy making and planning, and to the effectiveness of service delivery (Holmes and Evans, 2003). In practice, Brumby (2008) states that 9 working MTET requires; creation of macro-economic and fiscal envelop, determine and articulation of high levels policy (reallocation between sectors), bidding by departments in the context of the agreed amounts (relocation within sectors, interactive bidding process and finally, achievement of a credible budget reconciling policy and available resources. This requires a significant amount of capacity building including adequate data and skill, ability to set priorities and discipline and control in both the management of bids and in budget execution.

2.6.1 Budget Execution or Implementation

Modem budgeting concepts focus on the budget as a multifaceted document. Among other uses, it serves as a planning tool. Budget formulation and implementation are becoming ever more closely linked to one another and too many administrative functions.

The result is more efficient and effective use of information. At the budget implementation stage, the administrator needs timely and accurate expenditure and revenue data to insure productive use of the monies allocated to his or her organization or organizational subunit. In addition, records created as part of budget implementation should be thought of as the basis for future budget formulation work (Grafton and Permaloff, 1985).

Budget releases are not predictable and payments are delayed resulting in high arrears.

The financial records do not provide sufficient information for decision-makers and have been limited in scope by one-dimensional hierarchical accounting structures on one hand and in access by the lack of automation on the other hand. Quality of financial records is low and timeless and design of reports is inaccurate.

2.7 Accounting and Reporting

Basis of accounting has to do with when revenues and expenditures are recorded in the accounting records and reported in the financial statements. It is of particular significance for revenue and expenditure transactions that occur near the end of one fiscal year or at the beginning of the next one. Basis of accounting provides criteria for determining the fiscal year in which such transactions should be recorded. There are three general basis of accounting: cash basis; revenue and expenditures are recorded when cash is received or disbursed. Accrual basis; revenues are recorded when they are earned, regardless of when they are received in cash, and expenditures are recorded when the liability is incurred.

Modified accrual basis; revenues are recorded when they are measurable and available, and, as with the accrual basis, expenditures, with few exceptions, are recorded when the liability is incurred (Vogt and Rivenbark, 2007).

Accounting regulators appears to have given some consideration to implementing a tomi of modified accrual reporting for such organizations. These systems involved the assessment of performance and accountability against mission statement and published objectives of the organizations concerned rather than conventional accounting-based measures traditionally associated with profit-seeking entities in the commercial domain.

It is maintained here that the failure to evaluate more deeply the relevance of commercial accounting information for public sector organizations can be understood by reference to institutional thinking, a theoretical perspective introduced by Douglas (1986), while Young (1996) maintained that "financial accounting" was the institution at work.

According Young (1996), the last two decades have seen a "revolution" in financial markets, during which time a number of new financial instruments and transactions have developed. Consolidated yearend financial statements are critical for transparency and accountability in the PFM system (PEFA, 2005). Allen and Tommasi (2001) list the principles of good reporting as completion, legitimacy user friendliness, reliability relevance, consistency, timeliness, comparability and usefulness. The debate on the use of the accrual basis in the public sector has a long history.

2.8 Public Procurement System

The functioning of the public procurement system is obviously important in all the possible components of fiduciary risk discussed above, given that in many partner countries a high proportion of budget countries a high proportion of budget expenditure flows through the public procurement system. In this sense the procurement system is an integral part of the PFM system. But in practice procurement operates as a professional activity somewhat separate from the rest of the PFM system (Koerberle *et al.*, 2006).

While governmental entities and public procurement professional associations have published numerous procurement reports and training texts, public procurement has been neglected area of research interest by academicians. Instead of debating whether government procurement is a profession, first, it identifies common elements of public procurement knowledge through a brief analysis of the literature and provides a summary of government efforts to improve public procurement practices (Callendar and Mathews, 2000).

Public procurement is an extremely complicated function of government, and it requires interdisciplinary skills and knowledge (or multiple disciplines), including economics, political science, public administration, accounting, marketing, law, operations research, engineering, and architecture, among others. It is impossible to integrate these disciplines into the public procurement knowledge. Thus, a very important task of public procurement professionals is to communicate effectively with those professional who are involved in procurement projects.

3. Research Methodology

3.1 Research Design

This study adopted a descriptive survey design to investigate the application of the integrated public financial management reforms projects in Liberia at the ministry of finance and development planning in Liberia.

3.2 Population

The population of this study is comprised of 98 accountants at the Ministry of Finance and Development Planning. According to Ministry's Human Resource Establishment, there are 98 (ninety eight) accountants distributed in the various departments. Mugenda and Mugenda (2003) refer to population as the 'universe'. Borg and Gall (1999) define population as all the members of a real hypothetical set of people, event or object to which a research wishes to generalize the results of the study.

3.3 Sample size and sampling Techniques

According to Mugenda and Mugenda (2003) sample is part of the target or accessible population that has been procedurally selected to represent it. The sample size of this study is determined through a non-probability- purposive sampling method. This method allows the researcher to choose respondents subjectively because of their unique characteristics or their experiences. The researcher will sample out 77 respondents representing 78% as the sample size from the population of 98 accountants.

3.4 Data Collection Instruments

The researcher used primary sources to collect the data. Primary sources entailed the use of a questionnaire comprising of both open-ended and close-ended questions completed by targeted respondents working in the various Accounts departments of the Ministry of Finance and Development

Planning. Further, the use of questionnaires allows the respondents time on questions that would require reflection on, to avoid hasty responses. The questionnaire was divided into two sections. Section A sought to establish the background information. Section B sought to establish the impact of public financial management reforms on financial operations.

3.5 Data Analysis Procedures

Thorough editing of data will be done; data collected will be analyzed both qualitatively and quantitatively. Qualitative data analysis considered inferences that were made from opinions of respondents that were then analyzed thematically where the collected data was analyzed, coded and classified into major topics from which summary report was made. Quantitative data was analyzed by use of descriptive statistics supported by tables, frequency distributions, percentages, mean, mode and variance that were established through the use of SPSS version 21.

4. Data Presentation and Interpretation

4.1 Data Presentation and Analysis

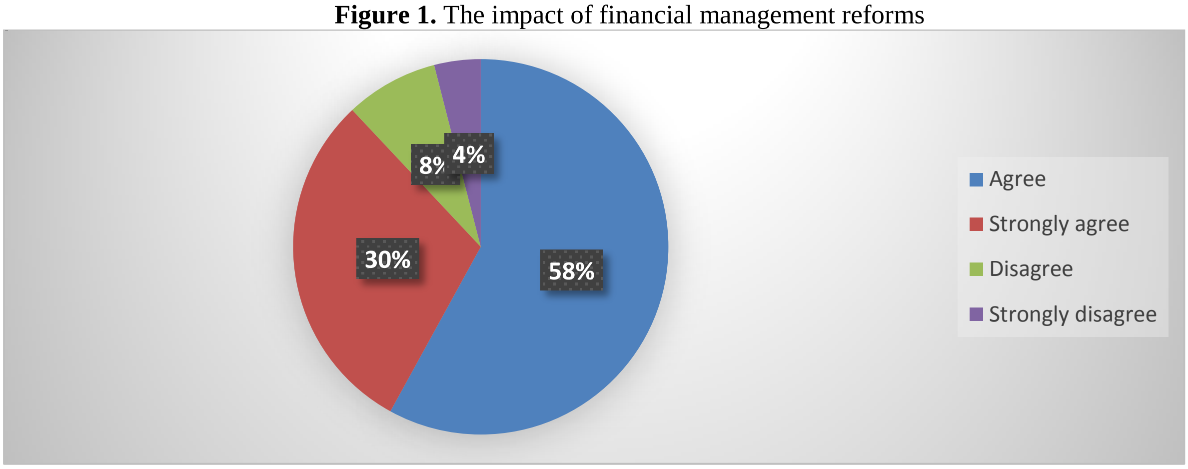
Table 1: The impact of financial management reforms on financial operation in the Ministry of Finance and Development Planning

The impact of financial management reforms	**Frequency**			**Percentage**
	Male	**Female**	**Total**	
Agree	30	15	**45**	58
Strongly agree	15	8	**23**	30
Disagree	3	3	**6**	8
Strongly disagree	2	1	**3**	4
TOTAL	**50**	**27**	**77**	**100**

Source: Researcher's Field Data, 2018

Table 1 shows that 45 respondents representing 58% and comprising 30 males and 15 females in the study agree that financial management reforms on financial operation in the Ministry of Finance and Development Planning has an impact on the employees and another 23 respondents representing 30% and comprising of 15 males and 8 females strongly agree.

Figure 1. The impact of financial management reforms



Source: Researcher's Field Data, 2018

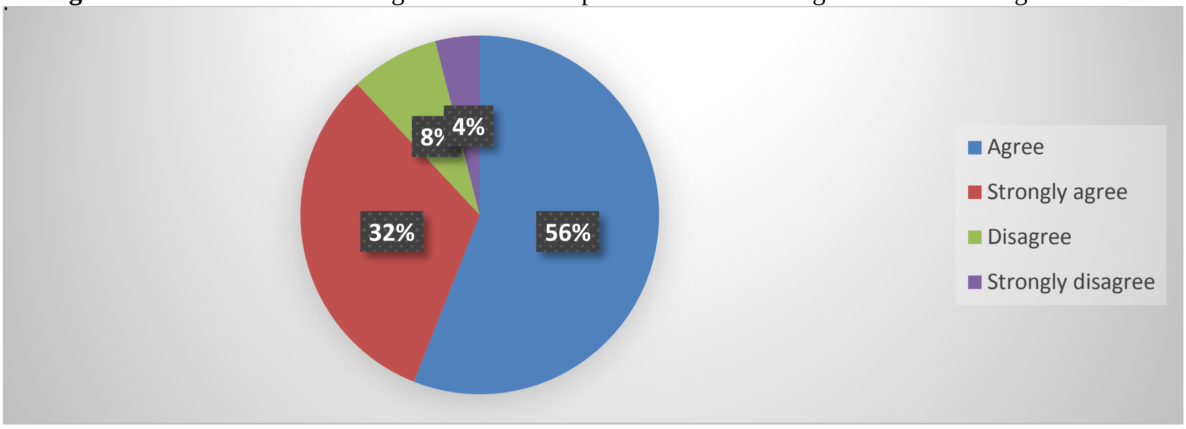
Table 2. The factors influencing achievement of public financial management reforms in government

The factors influencing achievement	**Frequency**			**Percentage**
	Male	**Female**	**Total**	
Agree	28	15	**43**	56
Strongly agree	17	8	**25**	32
Disagree	3	3	**6**	8
Strongly disagree	2	1	**3**	4
TOTAL	**50**	**27**	**77**	**100**

Source: Researcher's Field Data, 2018

Table 2 shows that 43 respondents representing 56% and comprising 28 males and 15 females in the study agree that there are the factors influencing achievement of public financial management reforms in government and another 25 respondents representing 32% and comprising of 17 males and 8 females strongly agree.

Figure 2: The factors influencing achievement of public financial management reforms in government



Source: Researcher's Field Data, 2018

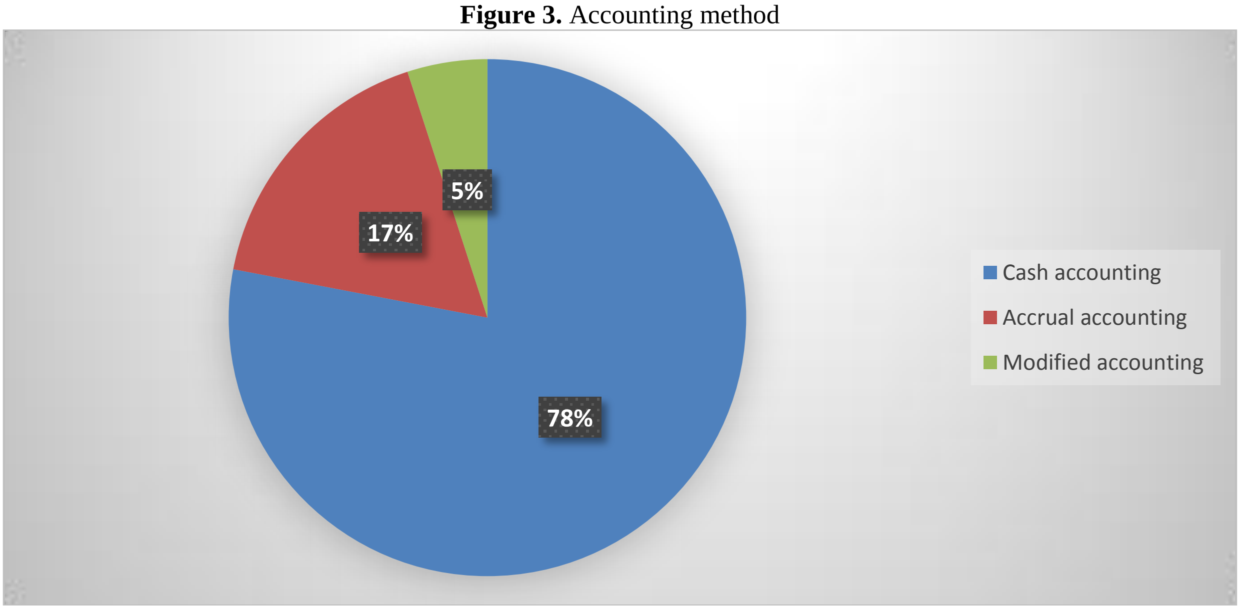
Table 3. Accounting method would you prefer to use in government accounting

Accounting method	Frequency			Percentage
	Male	**Female**	**Total**	
Cash accounting	40	20	**60**	78
Accrual accounting	8	5	**13**	17
Modified accounting	2	2	**4**	5
TOTAL	**50**	**27**	**77**	**100**

Source: Researcher's Field Data, 2018

Table 3 shows that 60 respondents representing 78% and comprising 40 males and 20 females in the study says they prefer the cash basis accounting to be used in government and another 13 respondents representing 17% and comprising of 8 males and 5 females says they prefer the accrual basis of accounting.

Figure 3. Accounting method



Source: Researcher's Field Data, 2018

Table 4: To improve public expenditure management

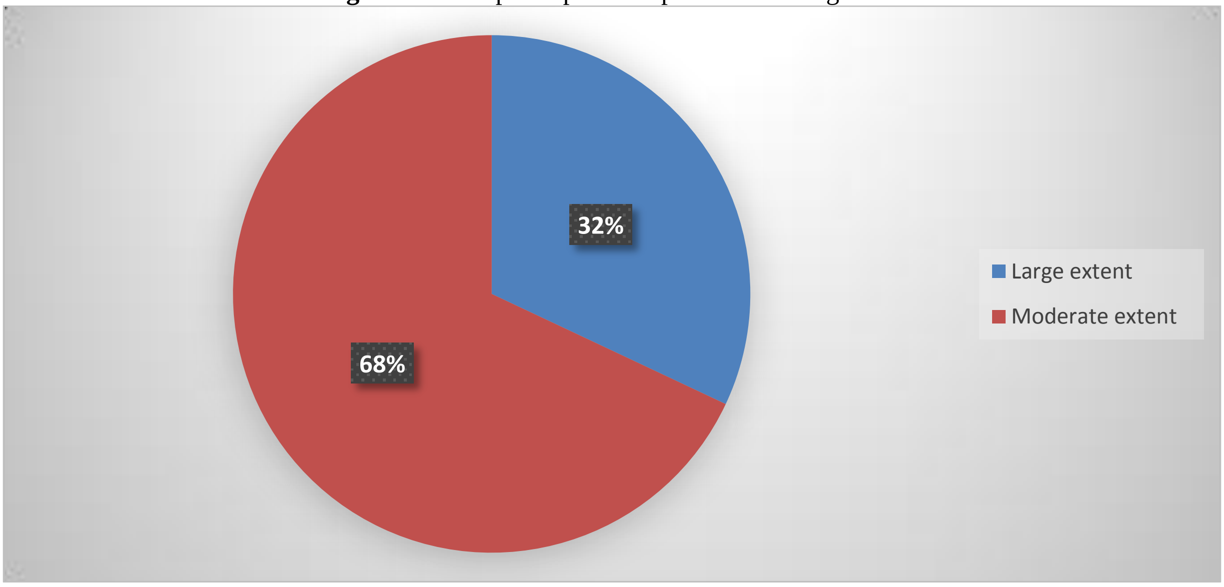
To improve public expenditure management	Frequency			Percentage
	Male	**Female**	**Total**	

Large extent	15	10	**25**	32
Moderate extent	35	17	**52**	68
TOTAL	**50**	**27**	**77**	**100**

Source: Researcher's Field Data, 2018

Table 4 shows that 25 respondents representing 32% and comprising 15 males and 10 females in the study says to a large extent that there exist a development of accounting reporting system and another 52 respondents representing 68% and comprising of 35 males and 17 females says to a moderate extent that there exist a development of accounting reporting system.

Figure 4. To improve public expenditure management



Source: Researcher's Field Data, 2018

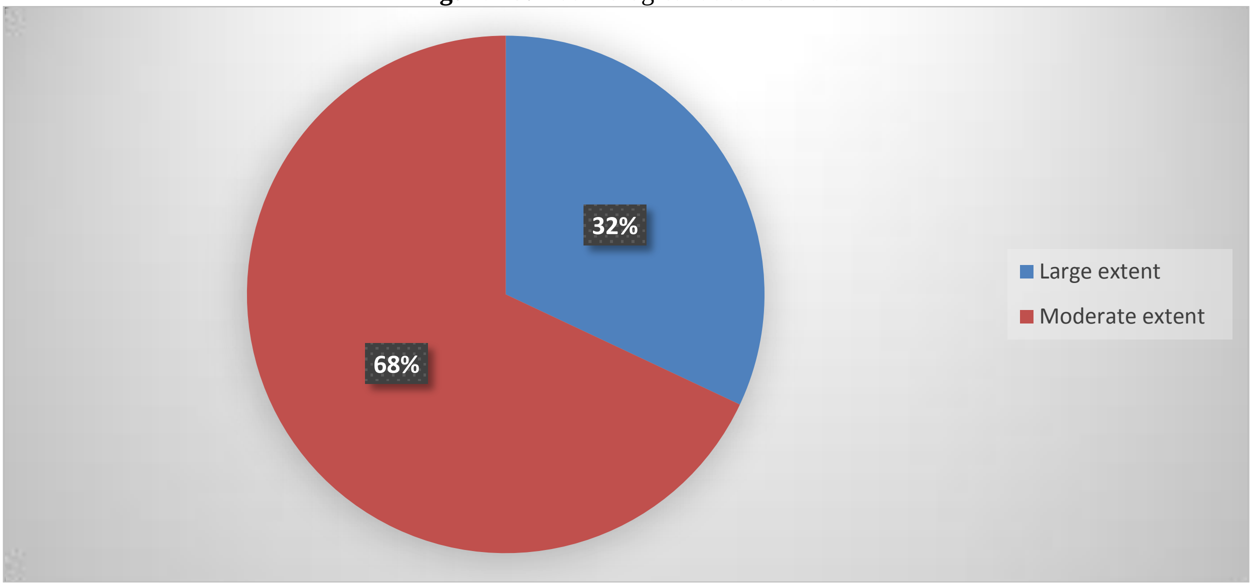
Table 5. Technological advancement

Technological advancement	Frequency			Percentage
	Male	**Female**	**Total**	
Large extent	15	10	**25**	32
Moderate extent	35	17	**52**	68
TOTAL	**50**	**27**	**77**	**100**

Source: Researcher's Field Data, 2018

Table 5 shows that 25 respondents representing 32% and comprising 15 males and 10 females in the study says to a large extent that technological advancement is a contributing factor in the achievement of PFM reform and another 52 respondents representing 68% and comprising of 35 males and 17 females says to a moderate extent that technological advancement is a contributing factor in the achievement of PFM reform.

Figure 15: Technological advancement



Source: Researcher's Field Data, 2018

4.2 Discussion of the Findings

The major findings are summarized under this paragraph. Referring to the charts, tables and graphs presented previously and also interpretations of the result of the statistical data.

The researcher sought to answer some questions which were deemed important to the study.

4.3. The impact of financial management reforms on financial operation in the Ministry of Finance and Development Planning

In response to the to the impact of financial management reforms on financial operation in the Ministry of Finance and Development Planning, beneficiaries gave their analysis and it shows that 45 respondents representing 58% and comprising 30 males and 15 females in the study agree that financial management reforms on financial operation in the Ministry of Finance and Development Planning has an impact on the employees and another 23 respondents representing 30% and comprising of 15 males and 8 females strongly agree. The findings were in accordance with Barry (2001). This report contains texts summarizing strides made under each theme, an updated matrix of actions taken against recommendations from prior public financial management supervision missions, annual disbursement information and status of key project development indicators. The implementation of the reforms was adversely impacted by the Ebola scourge that engulfed the nation. The findings were in accordance with Upton (1999).

4.4. The factors influencing achievement of public financial management reforms in government

In response to the to the factors influencing achievement of public financial management reforms in government, beneficiaries gave their analysis and it shows that 43 respondents representing 56% and comprising 28 males and 15 females in the study agree that there are the factors influencing achievement of public financial management reforms in government and another 25 respondents representing 32% and comprising of 17 males and 8 females strongly agree. The findings were in accordance with Upton (1999). The reforms have been transpired, however, have taken a toll on civil servants, on how they perceive their institution and their own contributions". Indeed, many were "often independently incompatible". But if there were underlying theme to them all, it is that the private sector is, by definition, superior to the public sector.

5. Summary, Conclusion and Recommendation

5.1 Summary

The government of Liberia has for a long time been very much concerned over the persistent poor performance in financial management due to lack of reliable and timely information for decision making. A review by the department of accountant general, financial management, accounting systems and role of audits revealed weaknesses in the management of financial information. It is with this regard that the study sought to investigate the application of the integrated public financial management reform projects in Liberia: a case study of the ministry of finance and development planning (MOFDP) 2014 – 2016. The study adopted a descriptive research in this study. The primary data was collected using questionnaire that relates to specific objectives of the study. Secondary data involved past reports such as annual budget data, progress reports and internal audits reports since the system implementation started and had key information that will be helpful to the research study. The study used both quantitative and qualitative method of data analysis. Collected data was first coded and then quantitatively analyzed according to statistical information derived from the research questions. The data was subjected to a multilinear regression equation model to test the relationship between the independent variable, IFMIS Performance and the dependent variables of financial reporting, budgeting, internal control and organizational commitment, accountability and transparency. The study established it shows that 45 respondents representing 58% and comprising 30 males and 15 females in the study agree that financial management reforms on financial operation in the Ministry of Finance and Development Planning has an impact on the employees and another 23 respondents representing 30% and comprising of 15 males and 8 females strongly agree. Further, the findings shows that 43 respondents representing 56% and comprising 28 males and 15 females in the study agree that there are the factors influencing achievement of public financial management reforms in government and another 25 respondents representing 32% and comprising of 17 males and 8 females strongly agree.

5.2 Conclusions

The study concludes that cash management and budgeting systems positively and significantly influence the financial management in the public sector. The study further concludes that security, reliability, macro fiscal forecasting and budget preparation and approval influence the financial management in the public sector to a great extent. This correlates with Dorotinsky (2003) who argues that there are a number of ways in which IFMIS can improve public finance management by enhancing confidence and credibility of the budget through greater comprehensiveness and transparency of information. The study also concludes that financial reporting positively and significantly influences the financial management in the public sector. The study also concludes that aspects of financial reporting such as security, reliability, accuracy, promptness, relevance and authenticity influenced the financial management in the public sector to a greater extent. This is in line with Thurakam (2007) who found that in order to serve its objectives meaningfully, financial reports must be relevant, accurate, prompt and authentic.

The study further concludes that internal control systems positively and significantly influenced the financial management in the public sector.

The study concludes that organizational accountability systems positively and significantly influenced the financial management in the public sector.

5.3 Recommendations for Policy and Practice

The study recommended that the public sector institutions should put in place proper financial systems to enhance financial performance and generation of usable output by employees. On motivation the study recommends that management for public sector institutions responsible for IFMIS integration should improve reward system because it enhances financial management.

The study also recommends that managers can use this information for a variety of purposes; to plan and formulate budgets; examine results against budgets and plans; manage cash balances; track the status of debts and receivables; monitor the use of fixed assets; monitor the performance of specific departments or units; and make revisions and adjustments as necessary, to name a few. Reports can also be tailored to meet the reporting requirements set by external agencies and international institutions like the International Monetary Fund (IMF).

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