

## **Abstract**

Project implementation globally continues to form a crucial part of most developing economies. In Africa this is manifested in initiation of projects aimed at improving livelihoods of the citizenry. The problem especially in developing economies has been delay in completion, cost overruns or non-completion of projects. In Kenya as envisaged in the Kenya Vision 2030, Kimira-Oluch Smallholder Farm Improvement Project (KOSFIP) is a rural community development project set up by government to improve livelihoods of smallholder farmers by enhancing sustainable income levels through irrigated agricultural production in Homabay County. Despite having been started in 2007 with a projected completion period of six (6) years it's yet to be fully implemented. The main objective was to establish the relationship between internal controls and the implementation of projects, while the specific objectives was the relationship of financial control environment, financial control activities and financial monitoring on project implementation. The research was anchored on Institutional and agency theory. A conceptual frame work was drawn to demonstrate the relationship between internal controls and project implementation. A census of seventy eight (78) from mainly Kimira Oluch management was targeted. Primary data was obtained using structured questionnaires. A pilot study using validity of the research instrument and test retest method was used to gauge the reliability of the responses. Regression model was used to examine the influence of Parameters and presented in form of tables. The study established that financial control environment reported significance level of 0.370 and a Beta of 0.110 which when compared with the value of less than five percent for significance lead to rejecting the null hypothesis. Financial control activities reported significance level of 0.648 and a Beta of 0.057 which when compared with the value of less than five percent for significance lead to rejecting the null hypothesis and financial monitoring reported significance level of 0.251 and a Beta of -0.145 which when compared with the value of less than five percent for significance lead to rejecting the null hypothesis, thus concluding that internal controls has a significant influence on project implementation. The study recommends that further research on other factors impending on KOSFIP implementation be done to enable the project achieve full implementation.